

COMPENSATION, DISCIPLINE AND ORGANIZATIONAL CULTURE FOR EMPLOYEE PERFORMANCE (CASE STUDY AT SUNGAI PENUH CITY ENVIRONMENTAL OFFICE)

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ARTICLE INFO

Keywords:

Compensation,
Discipline
Organizational Culture

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ABSTRACT

This study aims to see the effect of (1) Compensation on the Performance of Sungai Penuh City Environmental Service Employees (2) Discipline on the Performance of Sungai Penuh City Environmental Service Employees (3) Organizational Culture on the Performance of Sungai Penuh City Environmental Agency Employees (4) Compensation, Discipline and Organizational Culture jointly affect the Performance of Sungai Penuh City Environmental Service Employees. The population in this study was all employees of the Sungai Penuh City Environmental Office as many as 38 people. And the technique of determining the number of samples taken as respondents using total sampling. The results of this study are that (1) Compensation has a significant positive influence on the Performance of Sungai Penuh City Environmental Agency Employees (2) Discipline has a positive influence on the Performance of Sungai Penuh City Environmental Agency Employees (3) Organizational Culture has a positive influence on the Performance of Sungai Penuh City Environmental Agency Employees (4) Compensation, Discipline and Organizational Culture together have a positive effect on Employee Performance Sungai Penuh City Environmental Office

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1. INTRODUCTION

Human resources are essentially one of the capitals and play an important role in the success of the agency. Good human resource management (HR) is the key to success in achieving agency goals. To assess the quality of existing human resources, it can be measured from employee performance. The results of employee work are the results of work in quality and quantity achieved by an employee in carrying out duties in accordance with the responsibilities given. Within an agency often produces different quality of work for each individual employee (Sedarmayanti, 2017). Employees and agencies are two things that cannot be separated, employees play a major role in carrying out agency activities. To obtain progress and achieve predetermined goals, an agency needs to mobilize and monitor its employees in order to develop their capabilities. Human resources are one of the factors that are directly involved in carrying out agency activities and play an important role in increasing agency productivity in achieving predetermined goals (Sutrisno, 2017). Employees who work in an agency should be treated as well as possible so that employees have good performance and goals can be achieved. Managers or agency leaders must know the abilities of employees and the needs needed as work support. So that employee performance is good and work can be completed effectively and efficiently.

Employee performance is one of the main factors that can affect the progress of the agency. The higher or better the performance of employees, the goals of the agency will be easier to achieve, and vice versa what happens if employee performance is low or not good then the goals will be difficult to achieve and also the results received will not be as desired by the agency. Performance is something that cannot be separated from agencies. Support from agencies in the form of direction from a leader, motivation given as an encouragement for employees, rules applied, a comfortable working atmosphere and support resources such as, providing adequate equipment as a means to facilitate the achievement of goals to be achieved is very necessary for employee performance. Improving employee performance will bring progress for agencies to be able to survive in an unstable work environment competition. Therefore, efforts to improve employee performance are the most serious management challenges because success in achieving the goals and survival of the agency depends on the quality of human resource performance in it.

Based on Jambi Governor Regulation number 43 of 2017 concerning Details of the Main Duties of the Functions of the Environmental Service, the Jambi Provincial Environmental Service (hereinafter referred to as DLH) has the main task of carrying out local government affairs in the field of Environment with several functions as follows: a. Formulation of technical policies in the environmental sector in accordance with policies set by the Governor based on applicable laws and regulations; b. Implementation of government affairs and public services in the field of environment; c. Development and facilitation in the environmental sector within the scope of West Sumatra Province; d. Implementation of duties in the field of Service Secretariat, Environmental Management and Environmental Law Compliance, Waste Management, B3 Waste and Capacity Building, as well as Control of Pollution and Environmental Damage; e. Monitoring, evaluation and reporting in the environmental sector; f. Implementation of other duties assigned by the Governor in accordance with their duties and functions. Based on the observations made by the author, there are several problems that occur in the performance of Environmental Agency employees in Sungai Penuh City, namely: 1). Employees are not in the office during working hours, 2). The absence of seriousness of employees in completing work, 3). The number of employees who do not ontime enter the office. To improve employee performance, the government continues to make improvements through the concept of bureaucratic reform. One of the improvement efforts is to provide performance allowances as a form of compensation for employees who are disciplined and complete their work. Lack of agencies or organizations here, the absence of *punishment* in the abuse of existing decisions or regulations, a work system that is not constant because it adjusts to the tasks carried out, lack of motivation, leaders who cover up the mistakes of their subordinates in order to be appreciated by their subordinates, unfair distribution of duties from leaders, lack of rewards for employees who give has good performance (Mansyur, 2017).

2. METHOD

This type of research uses a *quantitative approach*. This study examines and analyzes the effect of compensation, work discipline and organizational culture on employee performance. The sampling method used for this study was *Total Sampling*. *total sampling* is a sampling technique where the number of samples is equal to the population (Sugiyono, 2007). A sample of 88 respondents. In this study, the data collection technique used was to use questionnaires. Several questions were used to explain variables of compensation, work discipline, organizational culture and performance. This questionnaire was distributed to respondents at the environmental agency. In testing the hypothesis of this study, multiple linear regression tests were used, which aimed to determine how much influence some independent variables had on the dependent variable. To analyze the data, SPSS is used.

3. RESULT AND DISCUSSION

In testing the hypothesis of this study, multiple linear regression tests were used, which aimed to determine how much influence some independent variables had on the dependent variable. Multiple regression analysis was performed by comparing t_{count} with t_{table} and sig value with $\alpha = 0.05$. In detail the results of multiple regression testing can be seen in Tabel 1

Table 1. Multiple Regression Equation Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	5.265	1.687		3.121	.003
	Compensation	.362	.179	.202	2.015	.048
	Discipline	.480	.192	.305	2.499	.015
	Organizational Culture	1.067	.247	.465	4.323	.000

a. Dependent Variable: Y

From table 1, the form of the regression equation model for the effect of compensation, discipline, organizational culture on employee performance at the Sungai Penuh City Environmental Office is as follows:

$$Y = 5.265 + 0.362 (X_1) + 0.480 (X_2) + 1.067 (X_3)$$

Based on the above equation it can be explained that: 1). From the above equation it can be seen that there is a constant value of 5.265 which means that if compensation, discipline, organizational culture is

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zero, then the value of the performance variable is at 5.265. This means that the variables of compensation, discipline, organizational culture contribute to improving the performance of employees of the Sungai Penuh City Environmental Agency. 2). The value of the compensatory regression coefficient is positive 0.362. This means that if compensation increases by one unit, it will result in a Performance increase of 0.362 units. 3). The value of the positive discipline regression coefficient is 0.480. This means that if discipline increases by one unit, it will result in an increase in employee performance by 0.480 units. 4). The value of the organizational culture regression coefficient is positive which is 1.067. This means that if organizational culture improves, one unit will result in an increase in employee performance of 1,067 units.

Statistical Test

Test t and Test F

This t test is intended to determine the partial (individual) effect of compensation, discipline and organizational culture on the performance of employees of the Sungai Penuh City Environmental Agency. From table 1 can also be tested partially (t test) of each cause variable (free) against the effect variable (bound) as follows:

1. Kcompensation has a significant and positive effect on work

The first hypothesis proposed, that compensation partially has a significant and positive effect on employee performance. Based on the results of the analysis of the t test, it is known that the significance level of the compensation variable is $0.048 < 0.05$ of the significance value (0.05). Thus H_0 is rejected and H_a is accepted until the alternative hypothesis proposed in this study is accepted. There is a significant and positive effect between compensation on the performance of employees of the Sungai Penuh City Environmental Agency.

2. Discipline has a significant and positive effect on performance

The second hypothesis proposed, that discipline partially has a significant and positive effect on employee performance. Based on the results of the analysis of the t test, it is known that the significance level of the Discipline variable is $0.015 < 0.05$ of the significance value (0.05). Thus H_0 is rejected and H_a is accepted until the alternative hypothesis proposed in this study is accepted. There is a significant and positive influence between disciplines on the performance of employees of the Sungai Penuh City Environmental Agency.

3. Organizational culture has a significant and positive effect on performance

The third hypothesis proposed, that organizational culture partially has a significant and positive effect on performance. Based on the results of the analysis of the t test, it is known that the significance level of the organizational culture variable is $0.000 < 0.05$ of the significance value (0.05). Thus H_0 is rejected and H_a is accepted until the alternative hypothesis proposed in this study is accepted. There is a significant and positive influence between organizational culture on the performance of employees of the Sungai Penuh City Environmental Agency.

Test F (model feasibility) is intended to determine the effect of independent variables simultaneously (together) on the dependent variable. From table 4.13 can also be carried out simultaneous tests (F tests) of independent variables together against the dependent variables.

1. Compensation, work discipline, and organizational culture together affect performance

Compensation, discipline, and organizational culture together positively affect employee performance. Based on the results of the analysis of the F test, it is known that the level of significance of the variables compensation, discipline, and organizational culture is $0.000 < 0.05$. Thus H_0 is rejected and H_a is accepted until the alternative hypothesis proposed in this study is accepted. There is a significant influence together between compensation, discipline, and organizational culture on the performance of employees of the Sungai Penuh City Environmental Agency. As can be seen in table 2 below

Table 2. F Test Results
ANOVA^b

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7204.596	3	2401.532	170.078	.000 ^a
	Residual	946.052	27	14.120		
	Total	8150.648	30			

- a. Predictors: (Constant), X3, X2, X1
b. Dependent Variable: Y

Coefficient of Determination (Adjusted R Square)

The Coefficient of Determination aims to see or measure how far the model's ability to explain the variation of variables independent, where the R square value is used for research with 2 variables and the *Adjusted R Square* value is used for research of more than 3 variables. The value of the coefficient of determination in this study is taken from the value of *Adjusted R Square* yang can be seen in table 3

Table 3. *R Square* Test Results
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.940 ^a	.884	.879	3.758

- a. Predictors: (Constant), X3, X1, X2
b. Dependent Variable: Y

Based on the results of the analysis Adjusted R square is 0.879, this means that 87.9% of employee performance is influenced by independent variables of compensation, work discipline, organizational culture while the remaining 12.1% is influenced by other variables outside the model.

Discussion

The Effect of Compensation on the Performance of Environmental Agency Employees of Sungai Penuh City

The results of this study show that compensation has a significant and positive influence on the performance of employees of the Sungai Penuh City Environmental Agency. This indicates that compensation determines the performance of employees of the Sungai Penuh City Environmental Agency. This means that the better and higher the employee compensation in the agency, the more it will improve employee performance. From the results of this study, it can be seen that the work compensation variable has a coefficient of 0.362 which means that compensation has a great influence. This indicates that compensation can play a role in improving employee performance. If the Sungai Penuh City Environmental Agency wants to improve employee performance, it must increase employee compensation in the agency. This is in line with the opinion According to (Hasibuan, 2017) states that compensation is all income in the form of money, direct goods, or indirect goods received by employees in exchange for services provided to the company. (Simamora, 2016) defines: Compensation (compensation) includes financial rewards and intangible services and benefits received by employees as part of the employment relationship. Compensation is what employees receive in exchange for their contributions to the organization. The results of this study are in line with the research of Primanita putri darmanto, s. Pd (2017) which shows that compensation has a positive and significant effect on employee performance. Ratih Komala Dewi (2018) the results of her research also show that compensation has a significant effect on employee performance. So it can be concluded that compensation has a significant effect on the performance of employees of the Sungai Penuh City Environmental Agency.

The Effect of Discipline on the Performance of Environmental Service Employees of Sungai Penuh City

The results of this study show that discipline has a significant positive influence on the performance of employees of the Sungai Penuh City Environmental Agency. This indicates that employee discipline determines the performance of employees of the Sungai Penuh City Environmental Agency. This means that the better and better the discipline of employees in the Agency, it will improve the performance of these employees. From the results of this study, it can be seen that the variable of work discipline has a coefficient of 0.480 which means that work discipline has a great influence from other variables. This indicates that discipline can play a role in improving employee performance. If the Sungai Penuh City Environmental Office wants to improve employee performance, it must improve good discipline in the agency. According to (Hamali, 2016), discipline is a growing force within the body of employees and causes employees to adjust voluntarily to regulatory decisions, and high values of work and behavior. According to (Handoko, 2017) discipline is a management activity to carry out organizational standards. According to (Hasibuan, 2017) discipline is a person's awareness and willingness to obey all company regulations and applicable social norms. According to (Sinambela, 2018) work discipline is a tool used by leaders to

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communicate with employees so that they are willing to change their behavior following the rules of the game set. The results of this study are in line with the research of Ratih Komala Dewi (2018) which shows that discipline affects employee performance. The results of his research also show that discipline has a significant effect on employee performance. So it can be concluded that discipline has a significant effect on the performance of employees of the Sungai Penuh City Environmental Agency.

The Influence of Organizational Culture on the Performance of Environmental Office Employees of Sungai Penuh City

The results of this study show that organizational culture has a significant positive influence on the performance of employees of the Sungai Penuh City Environmental Agency. This indicates that organizational culture determines the performance of employees of the Sungai Penuh City Environmental Agency. This means that the better and better the organizational culture in an agency, it will improve employee performance. From the results of this study, it can be seen that the organizational culture variable has a coefficient of 1.067 which means that organizational culture has a large influence from other variables. This indicates that organizational culture can play a role in improving employee performance. If the Sungai Penuh City Environmental Agency wants to improve employee performance, it must create a good organizational culture in the agency. This is in line with the opinion According to (Ariani, 2015) organizational culture patterns of assumptions found or developed by a group of people as they learn to solve problems, adapt to the external environment, and integrate with the internal environment. Andrew Brown in (Ariani, 2015), defines organizational culture as a pattern of beliefs, values, and learned ways of dealing with experiences that have been developed throughout organizational history that manifest in the material arrangement and behavior of organizational members. Meanwhile, according to Kilmann et al in (Sutrisno, 2017) organizational culture can be defined as a set of systems of values, beliefs, assumptions, or norms that have long been valid, agreed and followed by members of an organization as a guide for behavior and solving organizational problems. The results of this study are in line with research (Imran hatumena, 2016) which shows that there is a significant positive influence between organizational culture on employee performance. So it can be concluded that organizational culture has a significant effect on the performance of employees of the Sungai Penuh City Environmental Office

The Effect of Compensation, Discipline, Organizational Culture on the Performance of Environmental Service Employees of Sungai Penuh City

The results of this study show that compensation, discipline, organizational culture together have a significant influence on the performance of employees of the Sungai Penuh City Environmental Office with significant results of the F ANOVA test of 0.000. This indicates that compensation, discipline, organizational culture determine the performance of employees of the Sungai Penuh City Environmental Agency. This means compensation, discipline, organizational culture, it will improve employee performance. This is in line with research, (Imran hatumena, 2016), Ratih Komala Dewi (2018) which shows that there is a significant influence between compensation, discipline and organizational culture on employee performance. So it can be concluded that the hypothesis of this study, namely compensation, discipline and organizational culture simultaneously have a significant effect on the performance of employees of the Sungai Penuh City Environmental Office has been proven.

4. CONCLUSION

Based on the results of data analysis and discussion that the proposed model is accepted, the results of the study recommend that what can affect performance is compensation, work discipline and organizational culture. The conclusions in this study are as follows: 1). Compensation has a positive influence on the performance of employees of the Sungai Penuh City Environmental Agency. This means that employee performance will increase if employee compensation in high agencies for employees and leaders, so as to provide encouragement to employees in improving performance, then the first hypothesis (H1) is accepted. 2). Discipline has a positive influence on the performance of employees of the Sungai Penuh City Environmental Agency. This means that employee performance will increase if discipline is good so that it is able to provide work enthusiasm to employees in carrying out work saplings. The better the discipline of employees in the agency, the more it will reduce the performance of employees in doing their work in the agency, thus the second hypothesis (H2) is accepted. 3). Organizational culture has a positive influence on the performance of employees of the Sungai Penuh City Environmental Agency. This means that employee performance will increase if the organizational culture in the agency is good, it will increase performance at work, thus making employees enthusiastic in carrying out their work well. Thus

the third hypothesis (H3) is accepted. 4). Compensation, discipline, organizational culture together have an influence on the performance of employees of the Sungai Penuh City Environmental Agency. From the ANOVA test, a significance probability value of 0.000 is obtained. The probability of significance is less than 0.05, with a significance level of 0.000 as a result H_0 is rejected and H_a is accepted. The variables of compensation, discipline and organizational culture together affect the performance of employees of the Sungai Penuh City Environmental Agency.

Based on the results of this study, there are several suggestions that researchers can give, namely:

- 1). Further researchers are expected to be able to examine with other variables outside this variable in order to obtain more varied results that can describe what things can affect performance and it is recommended to expand the scope of research on the effect of compensation, discipline, organizational culture on employee performance used in this study.
- 2). For compensation, it is recommended to the agency to pay attention to compensation for employees in the agency, because this will have an impact on the performance of employees in the agency.
- 3). For Discipline, it is recommended to agencies to pay attention to employee discipline in working by creating good discipline in the agency, because this will have an impact on increasing their performance and enthusiasm at work.
- 4). For organizational culture, it is recommended to agencies to pay attention to the organizational culture of agencies by creating a good organizational culture in the agency, because this will have an impact on employees if the organizational culture of employees in good agencies will have an impact on increased employee performance.
- 5). Agency management is expected to pay attention to compensation, discipline in employees, and create a good organizational culture in the agency. Because to achieve productivity and achieve better agency goals requires good discipline and compensation, good organizational culture, low discipline in employees and agencies, and loyalty from employees. When compensation, discipline, organizational culture, are given in a balanced manner, performance in employees also increases.

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