


Analysis Of Job Satisfaction Influenced By Compensation, Organizational Culture And Performance

¹Jefverson, ²Aris Budiono

^{1,2}Management Study Program, Asa Indonesia University

Article Info	ABSTRACT
Keywords: Compensation, Organizational culture, Performance, Job satisfaction	This research aims to analyze job satisfaction which is influenced by compensation, organizational culture and performance. The research location was carried out at an accommodation service called Novotel Makassar Grand Shayla in February 2024, and the research population was 130 people. Sampling used a Likert scale instrument as a direction for carrying out measurements. Saturated Sampling Method after subtracting 20 respondents to test validity and reliability. A total of 100 respondents who are willing to fill out the questionnaire will be used in multiple linear regression calculations using the SEM-PLS software application. The findings are as follows: job satisfaction is influenced by compensation, job satisfaction is influenced by organizational culture, and job satisfaction is not influenced by performance.
This is an open access article under the CC BY-NC license 	Corresponding Author: Jefverson Management Study Program, Asa Indonesia University jefverson8@gmail.com

INTRODUCTION

The globalization era has significantly impacted the world's social, economic, technological and cultural fields. It is clear that with increasingly fierce competition, every business actor is expected to have expert and qualified human resources who understand market needs. Competent human resources can work with good results, meeting the standards previously set by the business owner. If the cooperative relationship between the two parties in a company is well established, employee job satisfaction can increase. Job satisfaction can be interpreted as an emotional condition that is pleasant or unpleasant according to the employee's perspective on their work. Changes in the company environment can affect employee behavior, including job satisfaction. Variables that have the potential to influence organizational commitment have not been analyzed adequately, and this can be an additional reference in the field of human resource management (Nauman et al., 2021).

If employees are satisfied with the rewards they receive, they will provide something more for the company to improve their work results. In organizational operations, a leader must have an important role (Azizah & Budiono, 2023). The ideal leader must detect various factors that can increase job satisfaction. In the process, a leader must be able to influence his work group to work according to existing standards and achieve goals together, namely hotel revenue and guest satisfaction. Each leader in the influencing process is different, and even though they follow the same training and have the same work targets, this is then called

leadership style. In general, a leader is an important figure who has a direct or indirect relationship with employees and directs them to work together toward success (Yan-Li & Hassan, 2018).

Organizations need to continuously identify new norms and trends by planning where energy should be directed towards the various changes that occur (Alkadash & Alamarin, 2021). Fulfilling rights by organizations to employees through fair compensation can be used as a reference for employee satisfaction with the hotel where they work. There needs to be appreciation for every achievement work result and warnings if employees are negligent.

Each communication and interaction among employees gradually establishes habitual patterns and boundaries, clarifying what the group and its leader expect. In an organization, behavioral patterns act as informal guidelines, prompting members to behave consistently in ways that uphold the existing organizational culture (Robbins & Judge, 2013). All company actions in planning, implementing, organizing, empowering human resources, improving employee competence and performance, and establishing relationships between employees and superiors reflect the organization's culture. Even how warnings and rewards are given is part of the organizational culture (Silitonga & Budiono, 2020). Organizational culture, although indirectly, influences employee performance. This culture encourages effective and efficient Performance for the progress of the organization. Every organization or company strives to improve employee performance to achieve predetermined goals. Employee performance can become more effective and efficient through education and training, providing motivation, and creating a sound and conducive work environment.

Several things can provide employee job satisfaction apart from the importance of leadership ability, compensation, Performance, and organizational culture appropriate to the work environment and interaction between employees or employees and the hotel. It cannot be done rigidly according to the applicable rules, and a leader must have empathy and good communication skills so that even a reprimand can motivate employees to be better.

Therefore, this research was conducted in order to explore how compensation, organizational culture, and performance influence job satisfaction. Thus, it is hoped that this research can provide deeper and more useful insight for practitioners and academics in efforts to increase the effectiveness of human resource management.

Theoretical study

Satisfaction

Emotional feelings, including satisfaction, Performance, and commitment to the organization, are the tangible results of various employee efforts. An employee's Performance can be influenced by the level of satisfaction they obtain from the tasks they complete. The dissatisfaction experienced by employees can reduce their motivation so that they do not put maximum effort into their work (Nurdiansyah et al., 2020). Low levels of satisfaction can arise when employees experience negative experiences, psychological stress, and detrimental situations (Dessler, 2013). Theoretically, there is a relationship between satisfaction and Performance, where organizations that have satisfied employees tend to be more productive (Hassan, 2022). Performance reflects the self-confidence the workforce possesses, and Performance that meets expectations can increase job satisfaction, forming a cycle that

encourages better Performance (Ridha et al., 2020). Employee satisfaction influences work performance, mainly when rewards and expected achievements exist. Positive feelings towards work can increase satisfaction, while several factors that affect job satisfaction include type of work, salary, promotions, supervision, and relationships with coworkers (Robbins & Judge, 2013).

Compensation

Compensation can increase the strength of values within an organization and become the basis for achieving organizational goals. It serves as a foundation for employee job satisfaction and has the potential to improve their Performance in quantity and quality. While important, remember that compensation should be considered a tool, not the ultimate goal (Rosalia et al., 2020). Compensation can also positively impact balance and improve quality of life and is essential in predicting better adaptability (Segura-Camacho et al., 2018). Compensation is one of the factors that influences employee performance and job satisfaction, especially in the sales team (Wolor et al., 2019). Compensation can be defined as the rewards workers receive in return for the contribution of services they provide to the company (Laras et al., 2021). Compensation is based on the assumption that employee performance has met company expectations, increasing their satisfaction. Compensation consists of direct components such as wages, salaries, commissions, and bonuses, as well as indirect components such as allowances and other facilities (Simamora, 2004)

Budaya Organisasi

When faced with an unusual situation, individual responses can vary. Some people may increase work efforts, while others may experience layoffs, work from home, or even adjust how they work to survive this pandemic (Kooij, 2020). Organizational culture includes a set of shared values held by members of an organization to differentiate it from others. It involves the interaction of various habitual characteristics that influence the individual in that environment (Pawirosumarto et al., 2017). Agreement on shared values among employees in the work environment can shape and strengthen organizational culture, motivating employees (Lolowang et al., 2019). Every step a company takes, from planning and implementation to empowering human resources by increasing employee competency and Performance and interactions between employees and superiors, reflects the organization's culture (Silitonga & Budiono, 2020). Organizational culture leads to a shared agreement on the meaning its members believe, giving the organization a unique identity. There are seven cultural dimensions: innovation and courage to take risks, attention to detail, results orientation, people orientation, team orientation, aggressive attitude, and stability (Robbins & Judge, 2013).

Performance

Organizations are encouraged to operate the best strategies to maintain and improve employee performance in a tight business competition landscape. The contribution of human resources is often considered the primary indicator of organizational success (Mahmood et al., 2021). Workforce performance is regarded as the main factor in efforts to improve organizational Performance, with the hope that employees will continue to improve their Performance following the company's standards, vision, and mission. Individual progress in

managing the work environment is assessed based on organizational criteria, including achievement, efficiency, collaboration, initiative, and focus on goals (Kuswati, 2020). Performance is evaluated based on quality, quantity, and time set by the organization. At a specific period set by the organization, individual work behavior is considered an overall value (Ramadhany et al., 2020). The three factors used to measure Performance include work results, work behavior, punctuality and completing work without delay, and individual characteristics that reflect innate traits and life and work experiences that influence the ability to make decisions and readiness to face risks (Wirawan, 2015).

METHOD

Population and sample

This data comes from all employees at Novotel Makassar Grand Shayla, a research population of 130 people. Sampling using the saturated sampling method for those who are willing to fill out the questionnaire and regression analysis will be used to calculate hypothesis verification.

Data collection technique

Data is taken to obtain a score that will be used to analyze job satisfaction, which is influenced by compensation, organizational culture, and Performance. Data collection was carried out in February 2023 using a Likert scale for five variables: compensation, organizational culture, performance, and job satisfaction.

Table 1. Likert Scale Answer Criteria

	Point
STS Strongly Disagree	1
TS Disagree	2
N Neutral	3
S Agree	4
SS Strongly agree	5

Teknik Analisis Data

The SmartPLS 3 application is used to analyze direct and simultaneous impacts in measuring multiple linear regression models.

HASIL DAN PEMBAHASAN

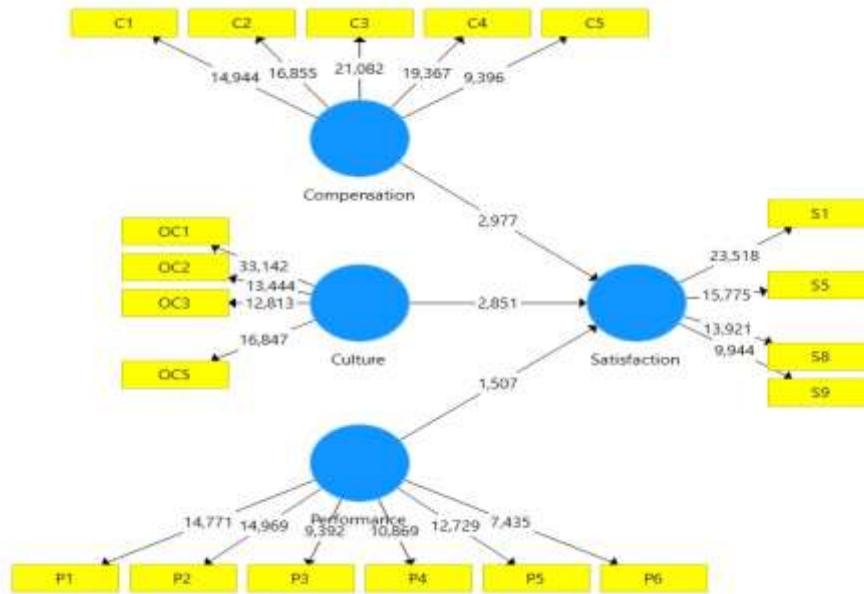


Figure 1 Research model

Outer Model Evaluation in measurement, or what is also referred to as Outer Model Evaluation, involves assessing the convergent and discriminant validity of the reflective indicators used and the composite reliability for each indicator block (Chin dalam Ghozali, 2011). The initial model of this research is as follows: the Job Satisfaction construct is measured by 19 reflective indicators, namely Compensation, Organizational Culture, and Performance. Compensation is measured by five reflective indicators, Organizational Culture by eight reflective indicators, and Performance by six reflective indicators.

Outer Model

Table 2. Measurement Results (outer model)

Variable	Indicator	Outer Loading	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (AVE)
Job Satisfaction	Interesting Assignments.	0.866	0.882	0.821	0.651
	Feasibility	0.793			
	Technical Support to Employees	0.780			
	Support in Decision Making	0.786			
Performance	Quantity	0.820	0.906	0.877	0.618
	Quality	0.831			
	Personal Behavior	0.743			
	Work Behavior	0.765			
	Dare to make a decision	0.803			

Variable	Indicator	Outer Loading	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (AVE)
	Ready to Accept Risks	0.749			
Organizational Culture	Innovation	0.911	0.901	0.854	0.696
	Risk-taking	0.806			
	Attention to detail	0.822			
	People orientation	0.794			
Compensation	Wages	0.777	0.917	0.886	0.689
	Bonus	0.866			
	Commission	0.877			
	Allowance	0.870			
	Facility	0.750			

Source: Author

The outer model testing stage is part of measurement model testing, which aims to test the validity and reliability of indicators and constructs. Based on Table 2, the outer loading value shown reaches a value above 0.70, following the recommendation which shows that each indicator in this study is valid, below that it is declared invalid. Reliability testing (CR) and Cronbach's alpha (CA) values were used to evaluate the reliability of the data collection tool. Table 1 shows that all latent variable values have CR and CA values above 0.70, and the Average Variance Extracted (AVE) value is more significant than 0.5, indicating that the construct has good reliability or reliable and consistent data.

R² (R-Square)

Table 3. R-Square

	R Square	R Square Adjusted
Satisfaction	0.636	0.625

Source: Author

Based on Table 3, the R-square value of the independent variable exceeds 0.50. The satisfaction variable is 0.625. It shows the model has strong power (Hair et al., 2011).

Goodness of fit (Q² and SRMR)

Table 4. Q² and SRMR Result

	Q ² (=1-SSE/SSO) CCC	Q ² (=1-SSE/SSO) CCR	Saturated Model	Estimated Model
Compensation	0.529			
Organization	0.488			
Culture				

	Q ² (=1-SSE/SSO) CCC	Q ² (=1-SSE/SSO) CCR	Saturated Model	Estimated Model
Performance	0.451			
Satisfaction	0.411	0.382		
SRMR			0.094	0.094

CCC=Construct Cross-validated Commuality, CCR=Construct Cross-validated Redundancy

Source: Author

Q² is the adjusted coefficient of determination, indicating how well the statistical model can predict the data. If Q²>0, the model has predictive relevance; if Q²<0, predictive is less relevant (Chin, 1998). In Table 4, both the Construct Cross-validated Commuality and Construct Cross-validated Redundancy values have passed the threshold above 0, so Q² has predictive relevance. Model Fit is used to assess the fit between the model and data in testing the influence of variables. One of the conditions is that the SRMR (Standardized Root Mean Square Residual) value is less than 0.10 (Muhson, 2022). In Table 4, the SRMR is 0.094 less than 0.10, so the model suitability has been fulfilled.

Table 5. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Result
Compensation -> Satisfaction	0.322	0.313	0.108	2.977	0.003	Accepted
Culture -> Satisfaction	0.378	0.383	0.133	2.851	0.005	Accepted
Performance -> Satisfaction	0.178	0.181	0.118	1.507	0.132	Rejected

Source: Author

Compensation on Job Satisfaction

The results of Table 5 on the effect of compensation on satisfaction obtained t-count 2.977= t-count>1.96 with a significance level of 0.003<0.05. It shows that H₁ is accepted, which means job satisfaction is influenced by compensation. It follows the research report (Budiono, 2022; Indripriarko & Aima, 2022). The compensation elements received by employees often influence job satisfaction. Apart from salary, compensation also includes allowances, bonuses, and other incentives. Employees who feel that they are receiving rewards commensurate with their contribution and Performance will tend to feel satisfied with their work. Fair and competitive compensation can motivate employees to work harder and commit, as they feel recognized and appreciated for their efforts.

Organizational Culture on Job Satisfaction

On the influence of Organizational Culture on Job Satisfaction, the t-count is $2.851 = t\text{-count} > 1.96$ with a significance level of $0.005 < 0.05$. It shows that H_2 is accepted, meaning organizational culture influences job satisfaction. It follows the research report (Korda & Rachmawati, 2022; Paais & Pattiruhu, 2020). In a corporate environment, job satisfaction is generally influenced by its organizational culture. Organizational culture includes company members' values, norms, and attitudes. Employees tend to feel more satisfied with their jobs if an organizational culture creates a positive, inclusive, and motivating work atmosphere. Therefore, a good organizational culture is crucial in creating a satisfying work atmosphere, ultimately increasing productivity, retaining employees, and supporting the company's long-term success.

The Effect of Performance on Job Satisfaction

On the influence of Performance on Job Satisfaction, the t-count is $1.507 = t\text{-count} < 1.96$ with a significance level of $0.132 > 0.05$. The research report shows that H_3 is rejected, which means job satisfaction is not influenced by performance (Indrayani & Qarny, 2020). Creating employee job satisfaction is essential to increasing their enthusiasm, dedication, love, and Performance. Job satisfaction reflects an emotional attitude that involves a feeling of pleasure and passion for work. It is reflected in employee morale, discipline, and Performance. Job satisfaction can be felt inside, outside, or a combination of both. However, measuring the level of satisfaction is not absolute because each employee has different satisfaction standards.

CONCLUSIONS

Based on the analysis and results of hypothesis testing regarding the analysis of job satisfaction influenced by compensation, organizational culture, and Performance, it can be concluded as follows: job satisfaction is influenced by compensation, job satisfaction is influenced by organizational culture, and job satisfaction is not influenced by Performance. Fair compensation and a positive organizational culture are central to shaping employee job satisfaction. These factors contribute significantly to how employees feel about their work and their organization. However, it is essential to remember that job satisfaction is not determined only by individual performance alone. Although good Performance can be a factor that supports job satisfaction, other factors such as the work environment, relationships between employees, and external factors also play an essential role. Therefore, management needs to pay attention to these aspects holistically. In addition to ensuring that the compensation provided is fair and commensurate with employee contributions, management must also strive to build an organizational culture that is supportive, inclusive, and motivating. It includes developing policies and practices that reward employees' hard work and achievements and address the balance between individual needs and organizational goals. Besides that, management can consider other strategies such as giving awards, career development opportunities, and employee welfare facilities. By integrating this into a comprehensive human resource management strategy, companies can create a work environment that allows employees to feel valued and motivated and contribute optimally, increasing overall job satisfaction.

REFERENCES

- Alkadash, T., & Alamarin, F. (2021). An Integrative Conceptual Framework On Employee Performance During Covid-19 Pandemic For Bahrain SMEs. *Psychology and Education, 58*(2), 3812–3817. <https://doi.org/https://doi.org/10.17762/pae.v58i2.2644>
- Azizah, N. A., & Budiono, A. (2023). Analysis of Performance Affected By Leadership, Training, Motivation and Compensation: the Case of Starbucks Coffee Indonesia *Jurnal Ekonomi, 12*(03), 607–613. <https://ejournal.seaninstitute.or.id/index.php/Ekonomi/article/view/2181%0Ahttps://ejournal.seaninstitute.or.id/index.php/Ekonomi/article/download/2181/1820>
- Budiono, A. (2022). Employee performance analysis of Paul Bakery Restaurant in Jakarta during the COVID-19 pandemic by measuring leadership, motivation and compensation through job satisfaction. *Turyzm/Tourism, 32*(1), 141–157. <https://doi.org/10.18778/0867-5856.32.1.07>
- Chin, W. W. (1998). The partial least squares approach to structural equation modeling. Modern methods for business research. *Statistical Strategies for Small Sample Research, January 1998*, 295–336. <http://books.google.com.sg/books?hl=en&lr=&id=EDZ5AgAAQBAJ&oi=fnd&pg=PA295&dq=chin+1998+PLS&ots=47qB7ro0np&sig=rihQBibvT6S-Lsj1H9tXe9dX6Zk#v=onepage&q&f=false>
- Dessler, G. (2013). *Human resource management* (S. Holle (ed.); 13th ed.). Prentice Hall.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice, 19*(2), 139–152. <https://doi.org/10.2753/MTP1069-6679190202>
- Hassan, Z. (2022). Employee retention through effective human resource management practices in Maldives: Mediation effects of compensation and rewards system. *Journal of Entrepreneurship, Management and Innovation, 18*(2), 137–173. <https://doi.org/10.7341/20221825>
- Indrayani, & Qarny, A. Al. (2020). Factors affecting work satisfaction and employee performance in automotive industrial chain. *International Journal of Economics and Business Administration, 8*(2), 317–325. <https://doi.org/10.35808/ijeba/464>
- Indripriarko, G., & Aima, M. H. (2022). Effect of Work Environment and Compensation on Employee Performance with Job Satisfaction as a Mediation Variable. *Journal Research of Social Science, Economics, and Management, 2*(02), 134–148. <https://doi.org/10.59141/jrssem.v2i02.249>
- Kooij, D. T. A. M. (2020). The impact of the Covid-19 pandemic on older workers: The role of self-regulation and organizations. *Work, Aging and Retirement, 6*(4). <https://doi.org/10.1093/workar/waaa018>
- Korda, B. B., & Rachmawati, R. (2022). Influence of Organizational Culture on Employee Performance Mediated by Job Satisfaction and Employee Commitment. *Jurnal Organisasi Dan Manajemen, 18*(2), 57–73. <https://doi.org/10.33830/jom.v18i2.3706.2022>
- Kuswati, Y. (2020). The Effect of Motivation on Employee Performance. *Budapest*

- International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 3(2), 995–1002. <https://doi.org/10.33258/birci.v3i2.928>
- Laras, T., Jatmiko, B., Susanti, F. E., & Susiati. (2021). The Effect of Work Environment and Compensation on Work Motivation and Performance: A Case Study in Indonesia. *Journal of Asian Finance, Economics and Business*, 8(5), 1065–1077. <https://doi.org/10.13106/jafeb.2021.vol8.no5.1065>
- Lolowang, N. L., Troena, E. A., Djazuli, A., & Aisjah, S. (2019). The effect of leadership and organizational culture on employee performance that is educated by motivation (study on the implementation empowerment programs in Jayapura city). *Problems and Perspectives in Management*, 17(1), 268–277. [https://doi.org/10.21511/ppm.17\(1\).2019.23](https://doi.org/10.21511/ppm.17(1).2019.23)
- Mahmood, S., Hamid, K. bin A., & Badlishah, S. bin. (2021). The Effect of Human Resource Management Practices on Employee Performance. *Turkish Journal of Computer and Mathematics Education*, 12(3), 2900–2911. <https://doi.org/https://doi.org/10.17762/turcomat.v12i3.1321>
- Muhson, A. (2022). *Analisis Statistik Dengan SmartPLS: Path Analisis, Confirmatory Factor Analysis, & Structural equation Modeling*. Program Pasca Sarjana Universitas Negeri Yogyakarta.
- Nauman, S., Bhatti, S., Jalil, F., & Bint E Riaz, M. (2021). How training at work influences employees' job satisfaction: roles of affective commitment and job performance. *International Journal of Training Research*, 19(1), 61–76. <https://doi.org/10.1080/14480220.2020.1864444>
- Nurdiansyah, R., Mariam, S., Ameido, M. A., & Ramli, A. H. (2020). Work Motivation, Job Satisfaction and Employee Performance. *Business and Entrepreneurial Review*, 20(2), 153. <https://doi.org/10.25105/ber.v20i2.8006>
- Paais, M., & Pattiruhu, J. R. (2020). Effect of Motivation, Leadership, and Organizational Culture on Satisfaction and Employee Performance. *Journal of Asian Finance, Economics and Business*, 7(8). <https://doi.org/10.13106/JAFEB.2020.VOL7.NO8.577>
- Pawirosumarto, S., Sarjana, P. K., & Gunawan, R. (2017). The effect of work environment, leadership style, and organizational culture towards job satisfaction and its implication towards employee performance in Parador hotels and resorts, Indonesia. *International Journal of Law and Management*, 59(6), 1337–1358. <https://doi.org/10.1108/IJLMA-10-2016-0085>
- Ramadhany, S. R., Taba, M. I., & Umar, F. (2020). The Effect of Training and Job Satisfaction on Employee Engagement and Performance of Millennial Generation Employees of PT Midi Utama Indonesia Tbk in Makassar. *International Journal of Innovative Science and Research Technology*, 5(6), 566–571. <https://doi.org/10.38124/ijisrt20jun288>
- Robbins, S. P., & Judge, T. A. (2013). *Organizational Behavior* (L. Paoli (ed.); 15th ed.). Edinburgh Gate Harlow, Pearson.
- Rosalia, P. D., Mintarti, S., & Heksarini, A. (2020). The Effect of Compensation and Motivation on Job Satisfaction and Employee Performance at SMK Medika Samarinda. *Saudi Journal of Business and Management Studies*, 5(7), 448–454.

<https://doi.org/10.36348/sjbms.2020.v05i07.009>

- Segura-Camacho, A., García-Orozco, J. J., & Topa, G. (2018). Sustainable and healthy organizations promote employee well-being: The moderating role of selection, optimization, and compensation strategies. *Sustainability (Switzerland)*, *10*(10). <https://doi.org/10.3390/su10103411>
- Silitonga, P., & Budiono, A. (2020). *Merumuskan Budaya Organisasi dan Peraturan Perusahaan* (R. Indra (ed.); 1st ed.). ANDI.
- Simamora, H. (2004). *Manajemen Sumber Daya Manusia* (3rd ed.). STIE YPKN.
- Wirawan. (2015). *Evaluasi Kinerja Sumber Daya Manusia* (L. Alfiah (ed.); 1st ed.). Salemba empat.
- Wolor, C. W., Supriyati, Y., & Purwana, D. (2019). The effect of work stress, compensation and motivation on the performance of sales people. *International Journal of Innovation, Creativity and Change*, *9*(5), 252–269.
- Yan-Li, S., & Hassan, D. (2018). Leadership behaviour on job satisfaction in Malaysian national secondary schools: Motivation and hygiene satisfaction. *Malaysian Online Journal of Educational Management*, *6*(3), 48–67. <https://doi.org/10.22452/mojem.vol6no3.3>