

**EFFECT OF COMPENSATION, ORGANIZATIONAL CULTURE AND WORK
DISCIPLINE ON EMPLOYEE PERFORMANCE ON THE INSPECTORATE OF THE
MINISTRY OF COOPERATIVES AND SMES**

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Abstract

The purpose of this study was to determine the extent of the influence of compensation, organizational culture and work discipline on employee performance at the Inspectorate of the Ministry of Cooperatives and SMEs. The analysis used is descriptive quantitative and inferential statistics with correlation analysis and multiple linear regressions. The research population was conducted on employees with a sample of 42 people. The sampling technique used is proportional random sampling technique. While the data collection technique was carried out using a direct survey using questionnaires and hypotheses instruments. This study was tested using multiple regression analysis using the SPSS version 23.0 program. Hypothesis testing using multiple linear regression analysis with the regression equation: $Y = 82.704 + 0.752X_1 + 0.993X_2 + 0.344X_3$. The results of the F test show the results of $F_{count} (61.217) > F_{table} (2.83)$, the influence of compensation, organizational culture and work discipline variables together on employee performance. The results of the t-test show the value of $t_{count} (3.547) > t_{table} (2.018)$ for compensation, $t_{count} (6.873) > t_{table} (2.018)$ for organizational culture, $t_{count} (2.393) > t_{table} (2.018)$ for work discipline, meaning that there is an effect of compensation, organizational culture and work discipline on employee performance. The results of the coefficient of determination show that compensation, organizational culture and work discipline variables are able to contribute to employee performance by 0.927 or 92.7% while the remaining 7.3% is influenced by other variables outside the variables studied.

Keyword : Compensation, Organizational Culture, Work Discipline, Employee Performance

INTRODUCTION

The position and role of civil servants as elements of the State Apparatus serving as public servants must conduct fair service to the community based on loyalty and obedience to Pancasila and the 1945 Constitution. The implementation of government requires a leader who is always able to move his subordinates in order to carry out their duties and responsibilities to participate in government, development and community activities in a useful and successful way.

For this purpose, there is a need for human resources that have good performance. To create reliable human resources requires good management so that employee performance is more optimal. The achievement of the company's objectives is influenced by the Performance of the company's own employees. Therefore, companies / agencies need potential and quality human resources, both in terms of leaders and employees in the pattern of duties, responsibilities, effective in accordance with regulations and supervision that are determinants of the achievement of company goals.

The success of an organization in achieving the goals that have been set is largely determined by the quality of the people who work in it or what we commonly call top management, middle management, and line management and non-managerial parts that we commonly call employees. Because of the high low performance of employees, it will directly affect the level of quality of performance within the agency. According to Mangkunegara (2017: 9) employee performance is the result of work in quality and quantity that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in order to achieve the objectives of the organization concerned legally, not unlawful and in accordance with morals and ethics. Based on this understanding, the performance of employees is very important for government agencies or institutions to achieve their main duties and functions.

The success of a government is greatly influenced by the individual performance of its employees. Every area of government will always strive to improve employee performance in the hope that what is the goal will be achieved.

In this study, the object of the researcher's research was an employee at the Inspectorate of the Ministry of Cooperatives and SMEs who is a supervisory element that is under and responsible to the Minister of Cooperatives and SMEs through the Secretary of the Ministry. The inspectorate is headed by the inspector. Improving employee performance in the Inspectorate of the Ministry of Cooperatives and SMEs can be achieved in several ways, for example through the provision of proper compensation, a good organizational culture and creating conducive work discipline.

By imposing an organizational culture, as one of the references for applicable rules or regulations, leaders and employees will be indirectly bound so as to form attitudes and behaviors in accordance with the vision and mission and strategy. The process of formation will eventually produce leaders and professional employees who have high integrity. Therefore, leaders must strive to create conducive organizational cultural conditions and can support the creation of good performance. At the Inspectorate of the Ministry of Cooperatives and SMEs there are still employees who have returned from the office before completing their work.

Civil servants are important people who have a large role and function in the success of a government agency, because it is an extension of the government in all aspects of the implementation of government activities, especially development both in urban and rural areas.

This is in accordance with the Vision and Mission of civil servants themselves, namely providing services to the community, loyal and serious to work.

At the Inspectorate of the Ministry of Cooperatives and SMEs there are employees who often do not enter work but do not get reprimands or reprimands. The thing to consider also is the organizational environment which is something that is around the workers and can affect him in carrying out the tasks charged. Based on the definition, it can be known that the work environment is a condition or circumstance that affects quite a large amount to employees in doing work or against the running of agency operations. The organizational environment will determine a person's comfort at work. The better the organizational environment will result in the achievement of maximum organizational performance.

Based on the results of researchers' observations, the problem that occurs in the Inspectorate of the Ministry of Cooperatives and SMEs is that employee performance is not maximal. According to the researchers, this is due to the determination of compensation that is not ideal so that employees complain about wanting higher compensation but cannot be met due to government standards and budget constraints. Organizational culture in the Agency must be firmly embedded and cultural values are well received, and employees carry out tasks that should be carried out with established norms will show the extent to which employees can complete their tasks quickly, precisely and correctly and in accordance with predetermined standards. Weak disciplinary factors include the delay of employees even though the office has set hours of entry, the presence of employees who often go home before work, leaving the office without the permission of the leader and the presence of employees who do not enter the office without any prior notice.

This study aims to know and explain the effect of compensation variables on employee performance, explain the influence of organizational culture variables on employee performance and explain the influence of work discipline variables on employee performance and to know and explain the influence of compensation variables, organizational culture and work discipline on employee performance.

METHOD

The metode used in this study is quantitative research with a type of associative hypothesis. The way researchers answer these goals is to use multiple linear regression tests. This research is located at PT. BPW Shafira Lintas (Shafira Tour & Travel) with 42 respondents.

The results of this study will prove 4 hypotheses. The first hypothesis suggests that there is an organizational culture influence (X1) on work performance (Y) with a significant value of 0.000 and a relationship value of 0.740. The second hypothesis, suggests that there is a compensatory effect (X2) on work performance (Y) with a significant value of 0.000 and a relationship value of 0.728. The third hypothesis, suggests that there is an influence of work

discipline (X3) on work performance (Y) with a significant value of 0.000 and a relationship value of 0.772. Regression models used by the skinnist can be used as a prediction of work performance levels with future organizational culture, compensation and work discipline. This is because the SEE value is smaller than the standard deviation value. SEE value of 3.45584 and standard deviation value of 5.92858

RESULTS AND DISCUSSION

The coefficient (r) of 0.606 indicates a strong relationship between the Compensation variable and the Employee Performance variable. The coefficient of determination (r^2 or r Square) is 0.567 which means that 56.7% of employee performance is determined by compensation and the rest is determined by other factors. Based on the table above the regression equation is:

$$Y = 4.470 + 0.846x_1$$

From the regression equation mentioned above it is known that the regression coefficient (b_1) is 0.846. This shows the magnitude of the effect of compensation on employee performance. Because of the influence

Therefore, if the Compensation variable (X1) increases which will be balanced also with an increase in employee performance variables.

By looking at the results of the regression equation model above, then to test the significance of the regression coefficient value for Compensation can be used t-test, the value obtained is 4,818 while the t_{table} is 2.018 (table distribution t). So that $t_{hitung} >$, then this result shows the effect of compensation variables on employee performance is significant and it can be concluded that compensation variables have a significant effect on employee performance variables.

Compensation in the Inspectorate needs to be increased fairly and periodically, this will certainly affect the performance of employees better. Compensation can be directed to things that can motivate employees to improve their performance, such as setting weekly and monthly targets.

Analysis of the Influence of Organizational Culture (X2) on Employee Performance (Y) Coefficient (r) of 0.960 shows a very strong relationship between organizational culture variables and employee performance variables. The coefficient of determination (r^2 or r Square) is 0.921 which means that 92.1% of employee performance is determined by organizational culture and the rest is determined by other factors. Based on the table above the regression equation is:

$$Y = 4.570 + 0.955x_2$$

From the regression equation mentioned above it is known that the regression coefficient (b_2) is 0.955. This shows the magnitude of the influence of Organizational Culture on Employee Performance. Because

The influence is positive, then if the Organizational Culture variable (X2) increases which will be balanced also with improvements in employee performance variables.

By looking at the results of the regression equation model above, then to test the significance of the regression coefficient value for Organizational Culture can be used t-test, the value obtained is 4,577 while the t_{table} is 2.018. So that $t_{hitung} >$, then these results show the influence of Organizational Culture variables on Employee Performance is significant and it can be concluded

that organizational culture variables have a significant influence on employee performance variables.

An effective and efficient organizational culture must be created in the Inspectorate's work environment. Organizational culture oriented to the achievement of work results in accordance with plans and goals is expected to improve employee performance.

Analysis of the Effect of Work Discipline (X3) on Employee Performance (Y) Coefficient (r) of 0.377 shows a strong relationship between work discipline variables and employee performance variables. The coefficient of determination (r^2 or r Square) is 0.142 which means that 14.2% of employee performance is determined by the discipline and the rest is determined by other factors.

Based on the table above the regression equation is:

$$Y = 4.025 + 0.464x_3$$

From the regression equation mentioned above it is known that the regression coefficient (b_3) is 0.464. This shows the magnitude of the influence of Work Discipline on Employee Performance. Because the influence is positive, then if the work discipline variable (X_3) increases will be balanced also with an increase in employee performance variables. By looking at the results of the regression equation model above, then to test the significance of the regression coefficient value for

Work Discipline can be used t-test, thitung value obtained is 2,577 while ttabel is 2,018. So that $thitung > ttabel$, then this result shows the effect of Work Discipline variables on Employee Performance is significant and it can be concluded that the Work Displin variable has a significant influence on employee performance variables.

The work discipline of the Inspectorate is very important for employee performance, with high discipline of employee performance will increase. Discipline is a management action to encourage employees to comply with the demands of various provisions in other words employee discipline is a form of training that seeks to improve and shape knowledge of the attitudes and behaviors of employees so that the employee voluntarily cooperates with other employees to improve employee performance.

Analysis of the Effect of Compensation (X_1), Organizational Culture (X_2) and Work Discipline (X_3) on Employee Performance (Y) The correlation coefficient (r) of 0.963 shows a very strong relationship between free variables (Compensation, Organizational Culture and Work Discipline) with bound variables (Employee Performance). The coefficient of determination (r^2) of 0.927 gives the understanding that 92.7% of Employee Performance is determined jointly by Compensation, Organizational Culture and Work Discipline while the rest is determined by other factors. The regression equation obtained is as follows:

$$Y = 82.704 + 0.752X_1 + 0.993X_2 + 0.344X_3$$

where:

Y = Employee Performance

X_1 = Compensation

X_2 = Organizational Culture

X_3 = Work Discipline

From the regression equation can be explained the results of multiple regressions that the regression coefficient of compensation variables, organizational culture and work discipline prove there is a positive influence on employee performance. The coefficient value of each variable

means that if the variable is increased or increased by 1 unit, then the employee performance value will increase by each regression coefficient. Therefore it can be said that the better compensation, organizational culture, and work discipline will further improve employee performance.

F calculate obtained = 61.217 and F table is = 2.83 (from F table) so that F calculates > F table, then the equation model $Y = a + b_1X_1 + b_2X_2 + b_3X_3$ used is acceptable, or by looking at the probability is $0.00 < 0.05$ so significant, it can be concluded that the equation model $Y = a + b_1X_1 + b_2X_2 + b_3X_3$ used is acceptable.

CONCLUSION

Based on the results of the research that has been outlined in the previous chapter, several conclusions can be put forward:

1. Compensation has a significant positive effect on employee performance in the Inspectorate of the Ministry of Cooperatives and SMEs by 56.7% and the remaining 43.3% is influenced by other factors. It is also in line with previous studies that compensation affects employee performance.
2. Organizational culture has a significant positive effect on employee performance in the Inspectorate of the Ministry of Cooperatives and SMEs by 92.1% and the remaining 7.9% is influenced by other factors. This is also in line with previous research that organizational culture influences employee performance.
3. Work Discipline has a significant positive effect on employee performance in the Inspectorate of the Ministry of Cooperatives and SMEs by 14.2% and the remaining 85.8% is influenced by other factors. This is also in line with previous research that work disciplines affect employee performance.
4. Compensation, Organizational Culture and Work Discipline together had a significant positive effect on employee performance in the Inspectorate of the Ministry of Cooperatives and SMEs by 92.7% and the remaining 7.3% was influenced by other factors. It is also in line with previous research that commercialization, organizational culture and work disciplines jointly affect employee performance.

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