

The Effect of Organizational Culture and Compensation on Employee Satisfaction at PT Pertamina Unit Business SPBG Palembang

Gandi¹⁾, Neny Rostiati²⁾, Roswaty³⁾

Universitas Indo Global Mandiri, Palembang, Indonesia

Email: ganditazzahri2018@gmail.com¹⁾, nenymarsi@uigm.ac.id²⁾, roswaty@uigm.ac.id³⁾

Abstract

This study aims to analyze the influence of organizational culture and compensation partially on employee job satisfaction, as well as the influence of organizational culture and compensation simultaneously on job satisfaction at PT Pertamina Business Unit SPBG Palembang. The data collection technique used is a questionnaire using a Likert scale. The analysis technique used is multiple regression analysis and thematic analysis. The results of this study indicate that the variables of organizational culture (X1) and compensation (X2) partially have a significant effect on employee job satisfaction. The variable partially has a significant effect on job satisfaction. Simultaneously, the variables of organizational culture (X1) and compensation (X2) have a significant effect on employee job satisfaction. Furthermore, it can be concluded that the two independent variables, namely organizational culture and compensation, have a positive relationship to employee job satisfaction. The results of the study using the correlation test (R) obtained a value of 0.782. This shows that the relationship between organizational culture and compensation together with employee job satisfaction is very strong (78.2%). The results of the final study using the coefficient of determination (R²) obtained a value of 0.588. This shows that organizational culture and compensation variables can explain employee job satisfaction, which is 58.8%, while the rest (41.2%) can be explained by other variables not included in this study. This research is expected to be an additional literacy material regarding employee job satisfaction.

Keywords: organizational culture, compensation, employee job satisfaction

1. Introduction

Along with the growth and development of the business world in Indonesia, one of the problems faced by companies today is the handling of the quality of human resources. If the number of existing human resources can be developed effectively and efficiently, it will be useful to support the advancement of companies in Indonesia. How to utilize human resources within the company is through improving the quality of human resources with education and training as well as the provision of various facilities and infrastructure as well as social facilities. Because human resources are the backbone in running the wheels of operational activities and the survival of a company (Adabiyah and Purwato, 2016).

With an increase in human resources indirectly, then one of them will make employee job satisfaction better and have high morale. Job satisfaction is a person's attitude towards work as the difference between the amount of rewards employees receive and the amount they believe they should receive. This is driven by the human desire to fulfill their needs that must be met. However, humans have a nature that is never satisfied with what they get, such as high salaries and so on. Because of that, one of the tasks of the personnel manager is to be able to match the wishes of employees with the goals of the company (Abadiyah and Purwato, 2016).

Job satisfaction is an effectiveness criterion that refers to the success of the organization in meeting the needs of employees or the welfare of its members, and so on (Tika, 2011). Job satisfaction is a reflection of employees' feelings towards their work. This is evident in the

positive attitude of employees towards the work at hand and the environment. Conversely, if workers are dissatisfied, they will have a negative attitude towards work in different forms from one another. Job satisfaction is basically individual, so the level of job satisfaction of each employee will vary according to the value system that applies to each of these employees. In the same situation, it is not certain that each employee has the same job satisfaction. This is due to their different views on a situation (Melani and Suhaji, 2011).

One of the factors that influence employee job satisfaction is organizational culture. Organizational culture is the main competitive advantage instrument because organizational culture supports organizational strategy and can answer or overcome environmental challenges quickly and precisely. According to Schein in Luthnas (2011), organizational culture is a pattern of basic assumptions that are created or developed by certain groups when they adjust to external problems and internal integration that have worked quite well and are considered valuable, and therefore are taught to new members as the correct way to perceive, think, and feel in relation to the problem.

Organizational culture also plays an important role in increasing effective and efficient employee job satisfaction. An organization or company that has a strong culture will produce good satisfaction (Laksamana, 2014). Employee performance will appear if the employee feels comfortable in the company accompanied by the application of a good organizational culture from the company. This statement is also the same as that expressed in Jamaludin's research (2015) that organizational culture has a partial effect on job satisfaction. Likewise what was conveyed by Akmal and Raisnaiyah (2020) that organizational culture has a partial and significant influence on job satisfaction.

Another factor that influences employee job satisfaction is compensation. According to Hasibuan (2016), compensation is all income in the form of money or goods directly or indirectly received by employees in return for services provided to the company. The progress and development of an organization or company is not only determined by the organizational culture but also supported by the provision of good compensation from the company. There are two factors provided by the company to employees, namely direct financial payments in the form of wages, salaries, incentives, commissions and bonuses, and there are indirect payments in the form of financial benefits such as insurance and vacation money paid by the owner of the company. This compensation includes financial returns and tangible services and benefits received by employees as a result of employment relations (Graha and Rahardjo, 2016).

The provision of compensation is sensitive because it motivates employees to work and also affects the morale and discipline of the workforce. Therefore, every organization or company should be able to provide appropriate compensation

2. Literature Review

2.1 Job Satisfaction

According to Luthans (2011), job satisfaction at work is what is enjoyed at work by obtaining the results of work objectives, placement, treatment, and a good work environment. Employees who prefer to enjoy job satisfaction in this job will prioritize their work rather than the rewards of carrying out their duties. Meanwhile, Moorse in Panggabean (2014) suggests that basically job satisfaction depends on what a person wants from his job and what they get.

According to Priyono (2010), job satisfaction is an assessment, feeling or attitude of a person or employee towards his work and relationships with the work environment, type of work,

compensation, relationships between co-workers, social relations at work and so on. Job satisfaction is the fulfillment of several desires and needs through work or work activities. Each employee will have a different measure of job satisfaction from one employee to another. Job satisfaction varies due to differences in social status in society.

According to Rivai (2014), indicators of an employee's job satisfaction are as follows:

- a. Job content; The severity of a job also affects employee job satisfaction.
- b. Organization and management; organization can also be a benchmark for employee job satisfaction.
- c. Opportunity to advance; provide opportunities for employees to improve their careers in an organization.
- d. Salary and benefits in the financial sector; compensation by employees must be based on the principles of justice and fairness.
- e. Work colleague; Job satisfaction can also be influenced by colleagues in a work environment.
- f. working conditions; working conditions are also an indicator of job satisfaction, an employee will feel satisfied at work if placed in a position that suits his expertise.

2.2 Organizational Culture

According to Robbins and Judge (2010) argue that organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning, when examined more closely, is a key set of characteristics valued by the organization.

Based on some of the definitions above, it shows that organizational culture is a philosophy, ideology, values, assumptions, beliefs, hopes, attitudes and norms that are shared and binding which form how people in the organization behave and do things that are can be done and where it differentiates the organization from other organizations.

According to Robbins and Judge (2010), indicators of organizational culture are as follows:

- a. Innovation and courage to take risks

The extent to which employees are encouraged to be innovative and take risks.

- b. Attention to details

The degree to which employees are expected to exercise precision, analysis and attention to detail.

- c. Work result orientation

The degree to which management focuses more on results than on the techniques and processes used to achieve those results.

- d. Orientation to members of the organization

The extent to which management decisions take into account the effect of these outcomes on people in the organization rather than individuals.

- e. Team orientation

The degree to which organizational activities work on teams rather than individuals.

f. aggressiveness

The extent to which people are aggressively competitive rather than relaxed and silent.

2.3 Compensation

According to Panggabean (2014), compensation is any form of appreciation given by employees as remuneration for the contributions they make to the organization. Meanwhile, according to Rivai (2014) explains that compensation is something that employees get as a substitute for their service contributions to employees. According to Handoko (2011), compensation is everything that employees receive as remuneration for their work.

So based on some of the above understandings in general it can be said that compensation is remuneration received by employees in connection with the sacrifices that have been given to the company. This compensation can be given directly in the form of money or indirectly in the form of money from the company to its employees.

Compensation is any form of remuneration received by employees for their work. According to Dhermawan (2012), the indicators contained in compensation are as follows:

- a. Salary, which is a form of periodic payment received by employees as remuneration for their work.
- b. Incentives, namely a means in the form of material to motivate employees.
- c. Allowances, namely any benefits or benefits offered to employees other than salary and incentives.
- d. Facilities, namely everything that can facilitate and expedite employees in work.

3. Research Method

In this study, there were 37 employees at PT Pertamina Unit Business SPBG Palembang. The sampling was based on the opinion of Arikunto (2011) which stated that if there are less than 100 subjects, it is better to take all of them so that the research is a population study.

To obtain the data and information needed in this study, two data collection methods were used, namely questionnaires and interviews. A questionnaire is a way of collecting data by providing and distributing a list of statements to respondents, with the hope that they will provide responses to the list of questions (Umar, 2013). The questionnaire used in this study is a closed model because the answers have been provided and the measurement uses a Likert scale.

4. Findings and Discussions

4.1 Validity Test Results

A validity test is used to determine whether a questionnaire is valid or valid. If the questionnaire is valid then the statements on the questionnaire can be used to reveal organizational culture and compensation for employee job satisfaction. This test is carried out by comparing the value of r_{count} with r_{table} , if $r_{count} > r_{table}$ and has a positive value then the variable is valid, while $r_{count} < r_{table}$ then the variable is invalid. Based on the analysis that has been done, the results of the validity test can be shown in table 4 that all question items in the questionnaire have a correlation coefficient (r_{count}) $> r_{table}$, namely 0.248 ($n - k = 37 - 2 = 35$, with $\alpha = 5\%$) and can it was concluded that all question items in the questionnaire were valid.

Table 1. Validity test results

Variable	Statement number	r_{count}	r_{table}	Explanation
Organizational Culture (X1)	1	0.465	0.325	Valid
	2	0.591	0.325	Valid
	3	0.480	0.325	Valid
	4	0.640	0.325	Valid
	5	0.442	0.325	Valid
	6	0.411	0.325	Valid
	7	0.442	0.325	Valid
Compensation (X2)	1	0.463	0.325	Valid
	2	0.599	0.325	Valid
	3	0.541	0.325	Valid
	4	0.429	0.325	Valid
Job Satisfaction (Y)	1	0.377	0.325	Valid
	2	0.481	0.325	Valid
	3	0.386	0.325	Valid
	4	0.477	0.325	Valid
	5	0.597	0.325	Valid
	6	0.424	0.325	Valid

4.2 Reliability Test Results

The reliability test is used to test the reliability of an instrument or an instrument can be trusted to be used as a data collection tool and to determine the extent to which the measurement results remain consistent using the same measurement tool. To test the reliability of the instrument, you can use the Cronbach Alpha technique with the help of IBM SPSS 23. A construct or variable is said to be reliable if it gives a Cronbach Alpha value > 0.60 . The results of the instrument reliability test can be seen in the table

Table 2. Reliability test results

Variable	Cronbach's Alpha	Explanation
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Organizational Culture (X1)	0.760	Reliable
Compensation (X2)	0.701	Reliable
Job Satisfaction (Y)	0.722	Reliable

From the results of the reliability test, three outputs were obtained, the first being organizational culture variable (X1), compensation variable (X2), and job satisfaction variable (Y). From this output it can be seen that the reliability value (Cronbach's Alpha) of each variable is > 0.60 , so it is declared reliable.

4.3 Normality Test Results

In this study the normality test used the Histogram and Normal P-P Plot graphic methods, the results are as follows:

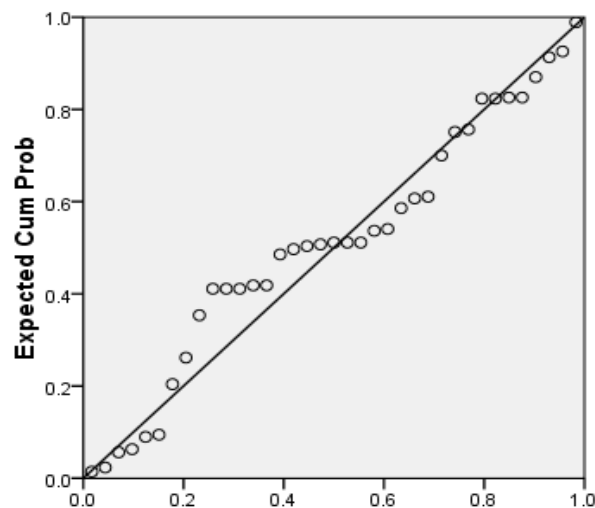


Figure 1. P-P Plot Test

Based on the histogram graph, it is known that the graph forms mountains or bells, and based on the normal P-P plot it is known that the dots spread around the line and follow the diagonal line, so it can be concluded that the residuals are normally distributed.

4.4 Hypothesis Test Results

4.4.1 t test results

This t test is used to determine whether there is influence of the independent variable on the dependent variable partially or individually. This test is to see how much influence each independent variable (X1) and (X2) has on the dependent variable (Y) based on the existing regression results.

Table 3. t test result

Coefficients^a

	Unstandardized Coefficients	Standardized Coefficients
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Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	3.409	3.064		1.112	.27
Organizational culture	.360	.157	.35	2.290	.02
Compensation	.654	.203	.49	3.215	.00

a. Dependent Variable: Job satisfaction

It is known that t_{count} for organizational culture variable (X1) is 2.290, because $t_{count} > t_{table}$ ($2.290 > 2.032245$) then H_0 is rejected. It can be interpreted that there is a partial or significant influence between organizational culture variables (X1) on job satisfaction variables (Y). Thus, the first hypothesis is accepted.

It is known that t_{count} for the compensation variable (X2) is 3.215, because $t_{count} > t_{table}$ ($2.290 > 2.032245$) then H_0 is rejected and H_a is accepted. It can be interpreted that there is a partial or significant influence between the compensation variable (X2) on the job satisfaction variable (Y).

4.4. 2 F test results

The F test is used to determine whether there is a significant influence between organizational culture (X1) and compensation (X2) together on job satisfaction variable (Y).

Table 4. F test results

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116.897	2	58.449	26.710	.000 ^a
	Residual	74.400	34	2.188		
	Total	191.297	36			

From the results of data processing it is known that the value of F_{count} is equal to 26,710, because $F_{count} > F_{table}$ ($26,710 > 3.275898$) then H_0 is rejected. It can be concluded that organizational culture (X1) and compensation (X2) together have a significant effect on job satisfaction (Y).

5. Conclusion

Based on the formulation of the problem, research objectives and research hypotheses as well as the results of the research and discussion, it can be concluded that the Organizational Culture variable (X1) partially has a significant effect on employee job satisfaction because the obtained value of $t_{count} > t_{table}$ ($2.290 > 2.032245$) and its significance value is <0.05 ($0.028 < 0.05$). Compensation Variable (X2) partially has a significant effect on employee job

satisfaction because the obtained value of $t_{count} > t_{table}$ ($3.215 > 2.032245$) and its significance value is <0.05 (0.003

<0.05). Then the results of the study using the F test obtained $F_{count} > F_{table}$ ($26.710 > 3.275898$) and the significance value was <0.05 ($0.000 < 0.05$) and it can be concluded that simultaneously the variables Organizational Culture (X1) and Compensation (X2) have a significant effect on employee job satisfaction. Furthermore, the results of multiple regression analysis show that if organizational culture increases by 1 it will increase employee job satisfaction by 36% and if compensation increases by 1 it will increase employee job satisfaction by 65.4%. And it can be concluded that the two independent variables, namely organizational culture and compensation, have a positive relationship to employee job satisfaction. The results of the study using the correlation test (R) obtained a value of 0.782. This shows that the relationship between organizational culture and compensation together with employee job satisfaction is very strong (78.2%). The final research results using the coefficient of determination test (R^2) obtained a value of 0.588. This shows that organizational culture and compensation variables can explain employee job satisfaction, namely 58.8%, while the rest (41.2%) can be explained/influenced by other variables not included in this study.

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