

## Analysis of the Influence of Compensation, Organizational Culture, and Leadership on Job Satisfaction and Their Impact on Employee Performance at PT. Perkebunan Nusantara II Kebun Bandar Klippa

Tamado Simon Sagala<sup>1\*</sup>, Rasmulia Sembiring<sup>2</sup>, Siti Normi  
Fakultas Ekonomi, Universitas Methodist Indonesia

**Corresponding Author:** Tamado Simon Sagala [tamadosimonsagala@gmail.com](mailto:tamadosimonsagala@gmail.com)

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### ARTICLE INFO

*Keywords:* Compensation, Organizational Culture, Leadership, Work Satisfaction, Employee Performance

*Received :* 17, May

*Revised :* 22, June

*Accepted:* 26, July

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### ABSTRACT

This study aims to find out how much influence compensation, organizational culture, and leadership have on employee performance at PT. Nusantara Pekebunan II Bandar Klippa Garden, both partially and simultaneously, and how Work Satisfaction mediates it. The research method used was descriptive-quantitative. Research results Indirectly, compensation, organizational culture, and leadership's influence on performance can be mediated by job satisfaction. where the direct effect of compensation on employee performance is 0.261 while the indirect effect is 0.078, so it can be concluded that the direct effect of compensation on employee performance is higher than the indirect effect. The direct effect of organizational culture is 0.059 on employee performance, while the indirect effect is 0.021, so it can be concluded that the direct effect of organizational culture on employee performance is higher than the indirect effect. The direct effect of leadership is 0.355 on employee performance, while the indirect effect is 0.128, so it can be concluded that the direct effect of leadership on employee performance is higher than the indirect effect.

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## **INTRODUCTION**

A company must provide good compensation to get employee job satisfaction. Where if the company is unable to provide job satisfaction for its employees it will lead to indiscipline and lack of employee loyalty to the company which of course will have an impact on bad results for company goals. Compensation is one of the factors that determine HR motivation to do work according to the company's needs because when employees get compensation according to their work and needs, employees will be more motivated to stay in the company. according to Elmi quoted from (Fahraini et al., 2002), "compensation is remuneration provided by organizations or companies to employees, which can be financial or non-financial, in a fixed period".

Different individual behavior in HR will certainly produce an organizational culture within the company that is still based on the interests of the company. Sudaryono was quoted from (Marpaung et al., 2022) "Organizational culture is the values agreed upon and adhered to by all members of the organization which are dynamic and capable of increasing organizational productivity". Meanwhile, according to (Ivancevich et al., 2005) "organizational culture is what employees perceive and the way that perception creates a pattern of beliefs, values, and expectations. Because organizational culture involves shared expectations, values, and attitudes, organizational culture influences individuals, groups, and the processes of an organization. A strong organizational culture is characterized by whether employees have shared core values, the stronger the organizational culture, the greater the influence on organizational behavior.

According to (Rivai, 2018) the broad definition of leadership, is "covering the process of influencing in determining organizational goals, motivating the behavior of followers to achieve goals, influencing the interpretation of the events of their followers, organizing and activities to achieve goals, maintaining cooperative relationships and group work, obtaining support and cooperation from people outside the group or organization". (Handoko, 2020) "Job satisfaction is an employee's opinion that is pleasant or not about his work, this feeling can be seen from the good behavior of employees towards work and all things that are experienced in the work environment. Thus job satisfaction is also related to the sense of belonging and loyalty of employees because it is a view of their affection or feelings for the organization or company.

PT. Perkebunan Nusantara II (PTPN-II) Tanjung Morawa is a state-owned company (BUMN) that is engaged in plantation agribusiness by managing the commodities of oil palm, rubber, cocoa, tobacco, and sugar cane.



Figure 1. Graph of PTPN-II Production Results

Based on Figure 1, there is a decrease in income from year to year. This indicates a decrease in employee performance at PT Perkebunan Nusantara II (PTPN-II) Klippa city garden. The phenomenon that researchers found in the pre-survey that can cause a decrease in employee performance levels is the relationship between old relationship with employees is not good, this is due to the lack of communication that exists between superiors and employees, causing a work atmosphere that is not harmonious and conducive. Then it was also found that the procedural system under the old leadership was not given a bonus if it reached the daily target for employees which resulted in a bad organizational culture and job satisfaction. It was also found that labor unions at PTPN - II were still holding frequent demonstrations to increase labor wages at that location.

## LITERATURE REVIEW

According to compensation experts (Hasibuan, 2017) "Compensation is all income in the form of money, direct or indirect goods, received by employees in return for work provided by the company". (Nurchahyo, 2015) says that "Compensation is everything that employees receive as an appreciation for their performance in accordance with the needs of the company with the hope that employees can meet their needs and will feel satisfied with the performance achievements that have been achieved in line with the strategic objectives of the company's business." "

(Istianto, 2009) "Leadership can be said as a way of a leader (leader) in directing, encouraging and managing all elements within the group or organization to achieve a desired organizational goal so as to produce maximum employee performance". Increasing employee performance means the achievement of the work of a person or employee in realizing organizational goals.

(AM. Kadarman et al., 2001) "The task of a leader is to encourage his subordinates to achieve goals. So in leading, one's ability must be involved to influence or motivate other people/subordinates so that they want to carry out

the tasks assigned to them properly. Establishing an effective compensation system is an important part of human resource management because it helps attract and retain talented jobs. In addition, the company's compensation system has an impact on strategic performance.

(Sudaryono, 2014) "organizational culture is the values agreed upon and obeyed by all members of the organization which are dynamic and capable of increasing organizational productivity". Meanwhile, according to (Ivancevich et al., 2005) "organizational culture is what employees perceive and the way that perception creates a pattern of beliefs, values, and expectations. Because organizational culture involves shared expectations, values, and attitudes, organizational culture influences individuals, groups, and the processes of an organization. A strong organizational culture is characterized by whether employees have shared core values, the stronger the organizational culture, the greater the influence on organizational behavior.

(Afandi, 2018) "Job satisfaction is a positive attitude of the workforce including feelings and behavior towards work through evaluating one job as a sense of respect in achieving one of the important values of work". So it can be concluded that compensation, organizational culture, and leadership have an influence on job satisfaction. And job satisfaction also has an influence on employee performance.

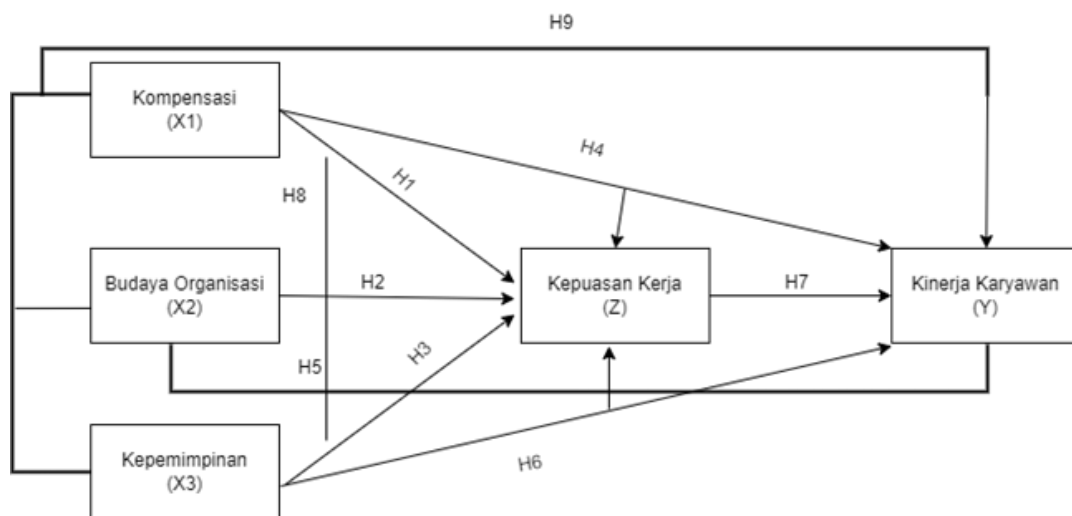


Figure 2. Conceptual Framework

## METHODOLOGY

The type of research used is descriptive quantitative research, namely a research method based on the philosophy of positivism, used to examine certain populations or samples, sample research techniques are generally carried out in a saturated sample. The population in this study was PT Perkebunan Nusantara II Kebun Bandar Klippa with a total of 34 employees. Researchers took the entire population of 34 employees as a sample.

**RESEARCH RESULT**

**Uji F (Simultan) Sub Struktural I**

Table. 1 Results of Simultaneous Sub Structural Test I

ANOVA<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1872.509	3	624.170	134.693	.000 <sup>a</sup>
Residual	139.020	30	4.634		
Total	2011.529	33			

A. Predictors: (Constant), Kepemimpinan, Budaya, Kompensasi

B. Dependent Variable: Kepuasan

In Table 1 it can be seen that the results obtained by  $F_{count}$  in column F are 134.693 with a significance level = 0.000, greater than the  $F_{table}$  value of 2.91 with an error rate  $\alpha = 5\%$ , or in other words  $F_{count} > F_{table}$  ( $134.693 > 2, 91$ ).

Based on the hypothesis testing criteria, if  $F_{count} > F_{table}$  and the level of significance ( $0.000 < 0.05$ ), indicates that the influence of the independent variables (compensation, organizational culture, and leadership) simultaneously has a significant effect on the dependent variable (job satisfaction), it can be concluded that H8 is accepted.

**Koefisien Determinasi (R<sup>2</sup>) Sub Struktural I**

Table 2. Sub-Structural Determination Coefficient Test Results I

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965 <sup>a</sup>	.931	.924	2.153

a. Predictors: (Constant), KEPEMIMPINAN, BUDAYA, KOMPENSASI  
 b. Dependent Variable: KEPUASAN

Based on Table 2 it can be seen that:

1. The R Square value of 0.924 means that 92.4% of job satisfaction variables can be explained by compensation, organizational culture, and leadership, while the remaining 7.6% can be explained by other variables not examined in this study. Meanwhile, the magnitude of the path coefficient value on other variables outside this study that affects the value of the job satisfaction variable is  $p(Y) = \sqrt{(1-R \text{ Square})} = \sqrt{(1-924)}$
2. Standard Error of Estimated means measuring the variation from the predicted value. In this study, the standard deviation was 2.153. The smaller the standard deviation means the better the model.

**Uji t (Parsial) Sub Struktural I**

Table 3. Partial Sub Structural Test Results I  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.139	2.617		.818	.420
Kompensasi	.201	.092	.217	2.183	.037
Budaya	.210	.091	.221	2.307	.028
Kepemimpinan	.634	.071	.616	8.948	.000

A. Dependent Variable: Kepuasan

Based on the results of Table 3:

1. It is known that the compensation variable has a probability value (sig) of 0.037 which is less than 0.05, thus the compensation variable has a positive and significant effect on job satisfaction, it can be concluded that H1 is accepted.
2. It is known that the organizational culture variable has a probability value (sig) of 0.028 which is less than 0.05, thus the organizational culture variable has a positive and significant effect on job satisfaction, so it can be concluded that H2 is accepted.
3. It is known that the leadership variable has a probability value (sig) of 0.000, less than 0.05, thus the leadership variable has a positive and significant effect on job satisfaction. It can be concluded that H3 is accepted.

**Uji Simultan (F) Sub Struktural II**

Tabel 4. Results of Simultaneous Sub Structural Test II

ANOVA<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2255.870	4	563.967	123.532	.000 <sup>a</sup>
Residual	132.395	29	4.565		
Total	2388.265	33			

A. Predictors: (Constant), Kepuasan, Budaya, Kompensasi, Kepemimpinan

B. Dependent Variable: Kinerja

In Table 4 it can be seen that the results obtained by Fcount in column F are 123.532 with a significance level = 0.000, greater than the Ftable value of 2.690, with an error rate of  $\alpha = 5\%$ , or in other words  $F_{count} > F_{table}$  ( $123.532 > 2.690$ ).

Based on the hypothesis testing criteria, if  $F_{count} > F_{table}$  and its significance level ( $0.000 < 0.05$ ), indicates that the influence of the independent variables (compensation, organizational culture, leadership, and job satisfaction) simultaneously has a significant effect on the dependent variable (employee performance), it can be concluded that H9 is accepted.

### Koefisien Determinasi (R<sup>2</sup>) Sub Struktural II

Tabel 5. Sub-Structural Determination Coefficient Test Results II  
 Model Summary<sup>b</sup>

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.972 <sup>a</sup>	.945	.937		2.137

a. Predictors: (Constant), KEPUASAN, BUDAYA, KOMPENSASI, KEPEMIMPINAN

b. Dependent Variable: KINERJA

Based on Table 5 it can be seen that:

The R Square value of 0.945 means that 94.5% of employee performance variables can be explained by compensation, organizational culture, leadership, and job satisfaction. While the remaining 6.3% can be explained by other variables not examined in this study. Meanwhile, the magnitude of the path coefficient value on other variables outside of this study that affects the value of the job satisfaction variable is  $p(Y) = \sqrt{(1-R \text{ Square})} = \sqrt{(1-0.945)} = 0.245$ .

Standard Error of Estimated means measuring the variation from the predicted value. In this study, the standard deviation was 2.137. The smaller the standard deviation means the better the model.

### Uji t ( Parsial) Sub Struktural II

Table 6. Partial Sub Structural Test Results II  
 Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-3.013	2.626		-1.147	.261
Kompensasi	.263	.098	.261	2.674	.012
Budaya	.061	.098	.059	.621	.540
Kepemimpinan	.398	.135	.355	2.954	.006
Kepuasan	.395	.181	.363	2.181	.037

a. Dependent Variable: Kinerja

Table 6 shows that

1. It is known that the compensation variable has a probability value (sig) of 0.012 which is less than 0.05, thus the compensation variable has a positive and significant effect on employee performance.
2. It is known that the organizational culture variable has a probability value (sig) of 0.540 greater than 0.05, thus the organizational culture variable has no positive and significant effect on employee performance.
3. It is known that the leadership variable has a probability value (sig) of 0.006 which is less than 0.05, thus the leadership variable has a positive and significant effect on employee performance.
4. It is known that the leadership variable has a probability value (sig) of 0.037 which is less than 0.05, thus the leadership variable has a positive and significant effect on employee performance.

## DISCUSSION

### 1. Effect of Compensation on Job Satisfaction

Based on the results of the t-test, it can be seen that the  $t_{count}$  value of the compensation variable is 2.183 and the  $t_{table}$  value is 2.03, so  $t_{count} > t_{table}$  (2.183 > 2.03) so it can be concluded that partially the compensation variable has a positive and significant effect ( $0.037 < 0.05$ ) on job satisfaction, as well as a path coefficient (beta) value of 0.217 or equivalent to 4.79%.

### 2. The Influence of Organizational Culture on Job Satisfaction

Based on the results of the t test, it can be seen that the  $t_{count}$  value of the organizational culture variable is 2.307 and the  $t_{table}$  value is 2.03, so  $t_{count} > t_{table}$  (2.307 > 2.03) so it can be concluded that partially the organizational culture variable has a positive and significant effect ( $0.028 < 0.05$ ) on job satisfaction, and the path coefficient (beta) value of 0.221 or equivalent to 4.88%.

### 3. Effect of Compensation on Employee Performance

Based on the results of the t test, it can be seen that the  $t_{count}$  value of the organizational culture variable is 2.674 and the  $t_{table}$  value is 2.04, so  $t_{count} > t_{table}$  (2.674 > 2.04) so it can be concluded that partially the compensation variable has a positive and significant effect ( $0.012 < 0.05$ ) on performance employees, and the path coefficient (beta) is 0.261 or equivalent to 6.81%.

### 4. The Influence of Organizational Culture on Employee Performance

Based on the results of the t test, it can be seen that the  $t_{count}$  value of the organizational culture variable is 0.621 and the  $t_{table}$  value is 2.04, so  $t_{count} < t_{table}$  (0.621 < 2.04) so that it can be concluded that partially the organizational culture variable does not have a positive effect on employee performance, as well as the path coefficient value (beta) of 0.059.

### 5. The Influence of Leadership on Employee Performance

Based on the results of the t test, it can be seen that the  $t_{count}$  value of the leadership variable is 2.181 and the  $t_{table}$  value is 2.04, so  $t_{count} > t_{table}$  (2.181 > 2.04) so that it can be concluded that partially the leadership variable has a positive and significant effect on employee performance, as well as the path coefficient value (beta) of 0.355.

### 6. The Influence of Leadership on Job Satisfaction

Based on the results of the t test, it can be seen that the  $t_{count}$  value of the leadership variable is 8.948 and the  $t_{table}$  value is 2.03, so  $t_{count} > t_{table}$  (8.948 > 2.03) so that it can be concluded that partially the leadership variable has a positive and significant effect ( $0.000 < 0.05$ ) on job satisfaction, as well as a path coefficient (beta) value of 0.616 or equivalent to 37.9%.

### 7. The Effect of Job Satisfaction on Employee Performance

Based on the results of the t test, it can be seen that the  $t_{count}$  value of the job satisfaction variable is 2.181 and the  $t_{table}$  value is 2.04, so  $t_{count} > t_{table}$  (2.181 > 2.04) so it can be concluded that partially the job satisfaction variable has a positive and significant effect ( $0.037 < 0.05$ ) on employee performance.

### 8. The Influence of Compensation, Organizational Culture, and Leadership on Job Satisfaction

Based on C, it is greater than the  $F_{table}$  value, which is 2.91 with an error rate of  $\alpha = 5\%$ , or in other words  $F_{count} > F_{table}$  (134.693 > 2.91). Shows the

influence of compensation, organizational culture and leadership simultaneously have a positive and significant impact on employee job satisfaction.

### **9. The Effect of Compensation, Organizational Culture, Leadership and Job Satisfaction on Employee Performance**

Based on the results of the F test, it can be seen that the Fcount obtained in column F is 123.532 with a significance level = 0.000, greater than the Ftable value of 2.690, with an error rate  $\alpha = 5\%$ , or in other words  $F_{count} > F_{table}$  (123.532 > 2.690) . Shows that the effect of the independent variables (compensation, organizational culture, leadership and job satisfaction) simultaneously has a significant effect on the dependent variable (employee performance)

## **CONCLUSIONS AND RECOMMENDATIONS**

1. The results show that compensation has a positive and significant effect on employee job satisfaction at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
2. The results of the study show that organizational culture has a positive and significant effect on employee job satisfaction at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
3. The results show that leadership has a positive and significant effect on employee job satisfaction at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
4. The results show that the indirect effect of compensation through job satisfaction has no significant effect on employee performance at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
5. The results of the study show that the indirect effect of organizational culture through job satisfaction has no significant effect on employee performance at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
6. The results show that the indirect effect of leadership through job satisfaction has no significant effect on employee performance at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
7. The results showed that job satisfaction has a positive and significant effect on employee performance at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
8. The results of the study simultaneously show that compensation, organizational culture, and leadership have a positive and significant effect on job satisfaction at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.
9. The results of the study simultaneously show that compensation, organizational culture, leadership and job satisfaction have a positive and significant effect on employee performance at PT Perkebunan Nusantara II (PTPN-II) Bandar Klippa.

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