

## DYNAMICS OF EMPLOYEE PERFORMANCE: THE INFLUENCE OF COMPENSATION AND ORGANIZATIONAL CULTURE THROUGH MOTIVATION AS A MEDIATOR AT PT MANA JAYA MAKMUR MOJOKERTO

Suparman Suparman<sup>1</sup>, Rahmat Agus Santoso<sup>2\*</sup>, Eva Desembrianita<sup>3</sup>

Universitas Muhammadiyah Gresik

suparman.lawyer@gmail.com; ra\_santoso@umg.ac.id

### Abstract

*The aim of this research is to examine the influence of compensation and organizational culture on employee performance with motivation as a mediating variable at PT Mana Jaya Makmur Mojokerto. The type of research used in this research is quantitative research with the population and sample in this research being company employees totaling 300 respondents. The results of the research show that compensation does not have a positive and significant effect on employee performance, organizational culture has a positive and significant effect on employee performance, compensation and organizational culture have a positive and significant effect on motivation, and motivation has a positive and significant effect, while the effect is indirect. Compensation for organizational performance through motivation and motivation can function as a full mediation considering that the indirect influence is greater than direct care, but work culture on employee performance does not require motivation as a mediator because the direct influence is greater, so it is very important to pay attention to the need for existing motivation. provided and increased through allowances.*

**Keywords :** Leadership; Organizational culture; Motivation; Employee performance

### INTRODUCTION

Human Resources (HR) has a very dominant role in the activities of a company or agency. HR criteria in a company are all people who are related to developing the company or more specifically employees. A company needs employees who have competence and are creative to achieve company goals. Employees have an important role in a company, namely as thinkers, planners and those who control company activities. By remembering

Volume 6, Nomor 1, Februari 2024; 344-366

<https://ejournal.stitpn.ac.id/index.php/manazhim>



the important role of HR in the company, employee performance determines the success or achievements of the company itself (Fudzah et al., 2020). Compensation and organizational culture are part of the feedback relationship between the organization and HR. (Damayanti & Yuliasri, 2020) stated a number of important factors that can influence employee performance, namely compensation and organizational culture.

One of several factors that determine the success of an organization or company is employee performance and productivity. An employee is declared to have good performance if the employee himself is able to provide work results that are the same or exceed the standards or characteristics that have been determined jointly in a company or organization. Meanwhile, on the contrary, employees are declared to have no performance if their work results are less than the standards or criteria that have been determined together (Fudzah et al., 2020). (Yuniyanto et al., 2023) Compensation is a reciprocity given to customers for services to carry out the duties, obligations and responsibilities assigned to them with the aim of achieving organizational goals. Compensation plays an important role in providing an increase in employee performance. An individual will do his work optimally in order to receive appropriate compensation. Research results (Wijaya & Laily, 2020) show that compensation has a positive and significant influence on employee performance.

As a shared value system, organizational culture is the basis that differentiates the organization from others. (Sumerti, 2022) shows that the role of organizational culture is crucial in improving effective performance in an organization. Organizational culture is not only a parameter for achieving organizational success, but also a foundation for building commitment to achieving the vision, gaining customer support, overcoming competition, and strengthening the organizational structure. Organizational culture is realized and determined by an organization, namely to provide improvements in employee attitudes or behavior when doing their work well so as to be able to create a level of motivation for employees that can support employee performance better. Supported by research results (Jumadil & Hasan, 2023) which suggest that organizational culture influences employee performance.

Apart from organizational culture, (Ashari, 2019) also explains that motivation is considered a critical element that every worker needs to have, because it can motivate them to carry out their tasks well and correctly. Research results (Wahyuni, 2020) state that motivation has a positive and significant influence on employee performance, so

organizations or companies should increase employee motivation so that employee performance increases.

PT. Mana Jaya Makmur, located in Mojokerto, East Java, is a factory that produces concrete iron (Betoneser). The product produced is concrete with various sizes in diameter according to market needs. The employees of PT Mana Jaya Makmur Mojokerto are dominated by male workers, namely 270 people (90%) because the product is concrete, the workers needed are strong workers and the rest are female workers, namely 30 people (10%). Educational background based on the data above consists of 10 people in elementary school (3.3%), 99 people in junior high school (33%), 190 people in high school/vocational school (63.3%) and 1 person with a bachelor's degree (0.3%).

The second phenomenon is about compensation. A unique thing happened to the compensation given by the company PT Mana Jaya Makmur Mojokerto to employees who did not comply with the Minimum Wage provisions for Mojokerto City Regency. The worker's salary is only IDR 1,200,000 per month. This fact is not relevant to the 2022 Mojokerto city minimum wage provisions of IDR. 2,510,452,- and in 2023 amounting to IDR 2,710,452,- without any additional compensation in the form of goods or money. By receiving such income, employees are required to work without any day offs including official holidays and must also work as usual and be paid wages as usual without calculating the value of overtime hours.

This phenomenon has been in effect since the company started operating, but until now These employees who have worked for at least 7 years still have good work motivation. The phenomenon in terms of work motivation was obtained from the statements of several employees when researchers conducted observations of several workers, where PT Mana Jaya Makmur Mojokerto workers remained enthusiastic about working even though the wages the workers received did not meet the minimum wage regulations. This is due to the principle of workers, namely that it is better to work even for a small wage than to be unemployed without a job.

Furthermore, the phenomenon regarding organizational culture at PT Mana Jaya Makmur Mojokerto is also unique, namely (1) the company management does not issue personnel administration to both new and existing employees. (2) All decisions are regulated and determined by the team head or foreman not through official administration but through direct verbal explanation from the foreman, including accepting new workers as well as

giving warnings and laying off employees, all of which are verbal. (3) The appointment of an employee's position (position status or rank) is determined by management verbally.

The aim of this research is to examine the influence of compensation and organizational culture on employee performance with motivation as a mediating variable at PT Mana Jaya Makmur Mojokerto.

## **METHODS**

The following study uses a quantitative approach with an explanatory research type. In the following study, the population used as the target is all 300 employees of PT Mana Jaya Makmur Mojokerto. The research was conducted at PT Mana Jaya Makmur Mojokerto during August - November 2023. The sampling technique used in the following study is non-probability sampling. Questionnaires were distributed to 300 respondents as a representation of the research sample. In the following study, data processing and presentation uses Partial Least Square (PLS). In the PLS (Partial Least Square) method, the analysis techniques carried out are descriptive statistical tests, measurement model tests or Outer Models, structural model tests or inner models, and hypothesis testing (resampling bootstrapping).

## **RESULTS**

### **1. Evaluation of the Measurement Model Test or Outer Model**

This analysis aims to ensure that the indicators well represent the construct being measured and have a significant contribution to the latent variable representing that construct, which is observed in Figure 1.

### **2. Convergent Validity Test Results**

Below (Table 1) are attached the results of the outer loading values based on each indicator of the research variable. Findings from the convergent validity test on the variables Compensation, Organizational Culture, Motivation, and Employee Performance using the reflective measurement model showed that the loading factor value of the indicators exceeded 0.700 so that the indicators of the variables met convergent validity (Ghozali & Latan, 2020).

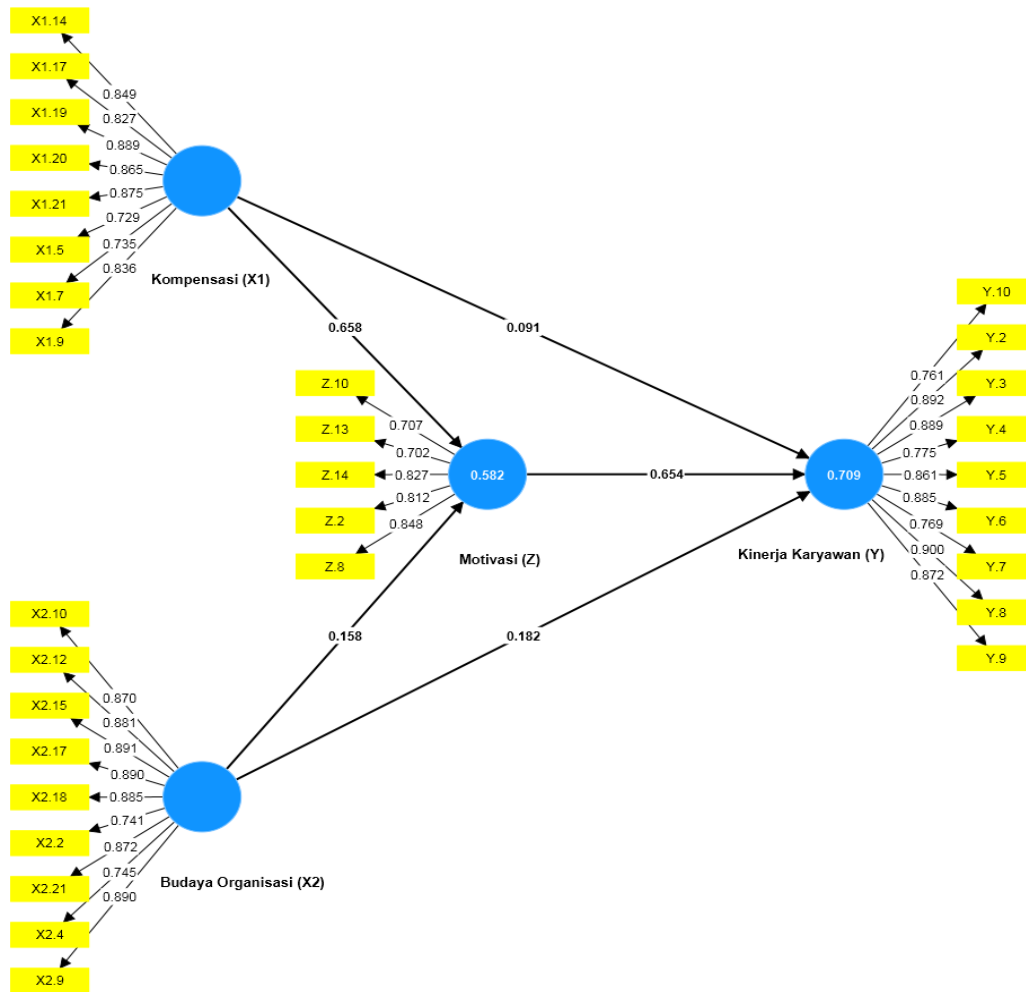


Figure 1. Outer Model Test Results

Table 1. Outer Loading Convergent Validity

Variable	Organizational culture	Employee performance	Compensation	Motivation
X1.14			0.849	
X1.17			0.827	
X1.19			0.889	
X1.20			0.865	
X1.21			0.875	
X1.5			0.729	
X1.7			0.735	
X1.9			0.836	
X2.10	0.870			

X2.12	0.881	
X2.15	0.891	
X2.17	0.890	
X2.18	0.885	
X2.2	0.741	
X2.21	0.872	
X2.4	0.745	
X2.9	0.890	
Y.10		0.761
Y.2		0.892
Y.3		0.889
Y.4		0.775
Y.5		0.861
Y.6		0.885
Y.7		0.769
Y.8		0.900
Y.9		0.872
Z.10		0.707
Z.13		0.702
Z.14		0.827
Z.2		0.812
Z.8		0.848

The results of the analysis show that there are no indicator variables that have an outer loading value of <0.5. What makes the indicator can be categorized as valid for research and can be carried out further analysis. Furthermore, table 2 below shows the cross-loading value of each indicator:

**Table 2.** Discriminant Validity Cross Loading

Variable	Organizational culture	Employee performance	Compensation	Motivation
X1.14	0.451	0.514	0.849	0.591
X1.17	0.526	0.447	0.827	0.487
X1.19	0.505	0.604	0.889	0.716
X1.20	0.614	0.639	0.865	0.703
X1.21	0.520	0.640	0.875	0.713
X1.5	0.432	0.522	0.729	0.512

X1.7	0.359	0.583	0.735	0.597
X1.9	0.538	0.580	0.836	0.594
X2.10	0.870	0.565	0.563	0.476
X2.12	0.881	0.539	0.544	0.476
X2.15	0.891	0.459	0.497	0.438
X2.17	0.890	0.469	0.479	0.437
X2.18	0.885	0.492	0.440	0.395
X2.2	0.741	0.380	0.456	0.453
X2.21	0.872	0.662	0.569	0.593
X2.4	0.745	0.403	0.450	0.471
X2.9	0.890	0.535	0.558	0.452
Y.10	0.553	0.761	0.541	0.660
Y.2	0.499	0.892	0.568	0.699
Y.3	0.441	0.889	0.584	0.691
Y.4	0.552	0.775	0.538	0.641
Y.5	0.513	0.861	0.595	0.699
Y.6	0.462	0.885	0.655	0.755
Y.7	0.558	0.769	0.534	0.676
Y.8	0.507	0.900	0.612	0.728
Y.9	0.467	0.872	0.627	0.702
Z.10	0.392	0.556	0.553	0.707
Z.13	0.441	0.603	0.515	0.702
Z.14	0.478	0.689	0.607	0.827
Z.2	0.412	0.687	0.606	0.812
Z.8	0.432	0.668	0.650	0.848

Based on the data display in Table 2, it is stated that a number of indicators used in the research have good Discriminant Validity Test Cross Loading values. Furthermore, apart from being able to observe the cross-loading value, discriminant-validity can also be demonstrated by using another method, namely observing the Average-Variant Extracted (AVE) value which can be seen in Table 3.

**Table 3.** Average Variance Extracted (AVE) Value

<b>Variable</b>	<b>Average variance extracted (AVE)</b>
Compensation	0.685
Organizational culture	0.729
Motivation	0.611
Employee performance	0.717

Based on Table 3, it is observed that each study variable has an Average Variance Extracted (AVE) value exceeding 0.50. Then it is classified that each variable has a good discriminant-validity value. So that further research can be carried out.

### 3. Reliability Test Results (Composite Reliability)

Below the table is presented the composite reliability value based on each variable used in the research as in the table below:

**Table 4.** Composite Reliability Results

<b>Variable</b>	<b>Composite Reliability</b>	<b>Cronbach's alpha</b>
Compensation	0.945	0.934
Organizational culture	0.960	0.953
Motivation	0.886	0.839
Employee performance	0.958	0.950

Based on the data display in Table 4, it can be observed that the composite reliability value of all research variables is  $\geq 0.7$ . These findings can prove that each variable has passed composite reliability and in the end a conclusion can be made that all variables have a high level of reliability.

Based on Table 4, it can also be seen that the Cronbach alpha value for each research variable is  $> 0.7$ . So based on this problem, the findings of this study prove that each variable has fulfilled the requirements for the Cronbach's Salpha value, in the end a conclusion can be made that all variables have a high level of reliability.



#### 4. Structural Model or Inner Model Test Results

The path coefficient values are presented in table 5.

**Table 5.** Path Coefficients

Construct	Original Sample	Information
Compensation -> Employee Performance	0.091	Good
Organizational culture -> Employee performance	0.182	Weak
Compensation -> Motivation	0.658	Currently
Organizational Culture -> Motivation	0.158	Weak
Motivation -> Employee Performance	0.654	Currently

In the path coefficient results that have results in the good category is the influence of the relationship between Compensation on Employee Performance and in the medium category is the relationship between Compensation and Motivation and the relationship between Motivation and Employee Performance. Meanwhile, those with weak result categories are the relationship between organizational culture and employee performance and the relationship between organizational culture and motivation.

Based on the results of data processing in Smartpls 4.0. The R-Square value obtained is below:

**Table 6.** R-Square Value

Variable	R-square
Employee performance	0.709
Motivation	0.582

Based on the picture above, it can be seen that the value for the Employee Performance variable is 0.709. The following problem states that the presentation for Employee Performance is 70.9%. Meanwhile, the value for the Motivation variable is 0.582. The following states that the Motivational presentation is 58.2%. Goodness of fit assessment is known based on the Q-Square value. The Q-Square value means the equivalent of coefficient determination (R-Square) in regression analysis, the higher the Q-Square is classified as the better. There are also results of calculating the Q-Square value, namely:

$$\begin{aligned}
 Q\text{-Square} &= 1 - [(1 - R21) \times (1 - R22)] \\
 &= 1 - [(1 - 0,709) \times (1 - 0,582)] \\
 &= 1 - (0,291 \times 0,418) \\
 &= 1 - 0,121638 \\
 &= 0,878362
 \end{aligned}$$

Based on the results of the calculations above, the Q-Square value is 0.878362, meaning that the large diversity of research data that can be influenced by the research model is 87.83%. Meanwhile, the remaining 12.17% is explained by other factors outside the research model. The Employee Performance R-Square value of 0.709 exceeds the Motivation R-Square value of 0.582, so it can be said that the following model is acceptable.

## 5. Direct and Indirect Effect Test Results

Direct effect test refers to a statistical method or approach used to evaluate the extent to which an independent variable has a direct influence on a dependent variable, without involving a mediator variable. This method is often used in regression analysis to understand the direct relationship between the variables involved. In hypothesis testing, it can be observed based on t-statistic values as well as probability values. To test the hypothesis, that is by using statistical values which make alpha 5%, the statistical value used is 1.96. The categories for accepting or rejecting a hypothesis are  $H_a$  accepted and  $H_0$  rejected when the tstatistic value is  $> 1.96$ . The decision to reject or accept a hypothesis can be seen from the probability value, where  $H_a$  is accepted if the P value is  $< 0.05$ . The hypothesis test in this study using the inner model can be found in the following table.

**Table 7.** T-Statistics and P-Value

HP	Variable	Original Sample	T-Statistic	P Values
1	Compensation -> Employee Performance	0.091	0.927	0.354
2	Organizational Culture -> Employee Performance	0.182	3.285	0.001
3	Compensation -> Motivation	0.658	10.931	0.000
4	Organizational Culture -> Motivation	0.158	2.106	0.035
5	Motivation -> Employee Performance	0.654	4.824	0.000
6	Compensation -> Motivation -> Employee Performance	0.430	4.209	0.000

## DISCUSSION

### 1. Compensation for Employee Performance

The Influence of Compensation on Employee Performance. The original sample result of 0.091 is positive because it is above zero and below one, the tstatistic value is less than

ttable ( $t_{stat} > 1.960$ ) which is 0.927 and the P-Values value is 0.354 which exceeds 0.05 so it is stated that Compensation does not have a significant influence on Employee Performance, the meaning is increasingly Good Compensation will not have a significant effect on improving employee performance. These results indicate that the hypothesis is rejected. The results of the Compensation Respondents above, obtained a total mean of 3.04 with the criteria of quite agree, while the mean for each indicator is divided into the lowest average, namely 2.77 with the criteria of quite agree. Salaries given to employees are in accordance with the agreement. Meanwhile, the highest average is 3.18 with the criteria of quite agreeing that the company provides adequate insurance coverage.

From these results it can be seen that employees at PT Mana Jaya Makmur Mojokerto still have problems regarding employee salaries. Apart from that, it is hoped that PT Mana Jaya Makmur Mojokerto will pay more attention to the compensation given to employees. Fair and competitive compensation can be a powerful motivator for employees. Employees who feel that they are rewarded with compensation commensurate with their contributions tend to be more motivated to produce the best results. Employees who receive compensation that meets their expectations tend to be more satisfied with their jobs. Employee satisfaction can be positively correlated with performance, because satisfied employees are more likely to commit, innovate and work productively. Competitive compensation can help organizations attract and retain quality talent. Employees who see that they are well rewarded are more likely to remain loyal to the company, which can make a positive contribution to long-term performance. Fairness in compensation systems can play an important role in motivation and performance. Employees who feel that the compensation system is fair, transparent, and based on their individual performance will be more likely to strive to achieve performance targets.

Compensation related to performance can give employees a sense of responsibility to achieve certain targets and goals. Employees who see a direct connection between their efforts and financial rewards tend to focus more on achievement and high performance. Employee financial well-being can affect work-life balance. Employees who feel financially secure may be more focused and less stressed, which can support better performance at work. A compensation system that includes incentives for employee development and education can encourage upskilling and increase competency. Employees who see opportunities for professional growth may be more motivated to improve performance

The findings from the following study are in line with research (Rianda & Winarno, 2022) which shows that compensation does not affect employee performance. Meanwhile, a study conducted by (Ashari, 2019) stated that compensation has a positive and significant influence on employee performance, if compensation is given an increase, it causes employee performance to also increase. In this context, providing adequate compensation can make employees better when carrying out their duties. Workers do not feel burdened when doing their work because the energy and thought used is commensurate with the results obtained.

Another research by (Ananda, 2020) revealed that compensation has a positive and significant influence on employee performance. In the perception of workers, giving rewards in the form of compensation really has an influence on the mindset of workers in the company, which makes workers not only expect compensation to be given only in material form but also in i-material form, for example recognition, rewards and so on.

## **2. Organizational Culture on Employee Performance**

The influence of organizational culture on employee performance resulted in an original sample value of 0.182, a positive value below zero, a T statistic of 3.285. This result shows that the tstatistics value exceeds the t table ( $t_{stat} < 1.960$ ) and the P-values are 0.001, a value less than 0.05, which makes it stated Organizational culture influences positively and significantly on employee performance, meaning that the better organizational culture will significantly influence the better employee performance. These findings indicate that the hypothesis is accepted. The results of the respondents for the Organizational Culture Variable above, obtained a total mean of 3.25 with the criteria quite agreeing, while the mean for each indicator is divided into the lowest average, namely 2.81 with the criterion quite agreeing that employees always work with optimal results. Meanwhile, the highest average was 3.48 with the criterion of strongly agreeing that employees overcome problems that arise together. Research shows that employees of PT Mana Jaya Makmur Mojokerto can overcome existing problems together. Apart from that, PT Mana Jaya Makmur Mojokerto employees are expected to be more able to always work optimally so that they can always achieve the targets desired by the company. A positive and supportive organizational culture can be a source of motivation for employees. If the organization's values and goals align with the individual's values, employees tend to be more engaged in their work and feel connected to the organization's goals.

A culture that encourages open communication and transparency can improve employee performance. Employees feel more motivated and have a better understanding of the organization's vision and direction, which can minimize uncertainty and increase engagement. A culture that encourages creativity and innovation can motivate employees to think outside the box and come up with new ideas. This culture provides support for experimentation, controlled risk, and learning from failure, which can drive innovation. Organizational culture can shape the dynamics of teamwork. If a culture encourages cooperation, mutual support, and mutual trust, employees tend to work better in teams and contribute to collective success.

If the culture emphasizes quality and customer service, employees may focus more on delivering high-quality products or services. This can increase customer satisfaction and organizational reputation. A culture that promotes flexibility and adaptation to change can help employees adapt to a dynamic environment. Employees who feel comfortable with change are more likely to be innovative and productive. A culture that supports work-life balance can increase employee satisfaction and reduce burnout levels. Employees who feel appreciated and supported in maintaining this balance tend to be more productive and committed. Organizational culture shapes employee work ethics. If an organization emphasizes integrity, responsibility, and a high work ethic, employees will be more likely to behave with integrity and have high ethical standards.

The problem itself is in line with research (Damayanti & Yulihastri, 2020) which explains that organizational culture has a positive influence on employee performance. In this context, organizational culture is generally able to be influenced by the diversity of a number of resources available through the emergence of enthusiasm in workers when carrying out their work, which can also have an impact on the performance carried out by these workers. A strong culture is able to provide a feeling of belonging and provide an increase in performance.

Other research conducted by (Arif et al., 2023) suggests that organizational culture has a positive and significant influence on employee performance. A positive organizational culture is able to respect employees more and create a work environment that is able to have a greater influence on employee performance in order to provide development and explore their potential. Contrary to the research above, research (Ferdian & Devita, 2020) suggests that organizational culture does not influence employee performance.

### 3. Compensation Against Motivation

The influence of compensation on motivation is obtained by the original value of 0.658 which is positive because it is above zero and below one, the T-statistic value of 10.931 exceeds t-table ( $t_{stat} > 1.960$ ) and the P-value of 0.000 is less than 0.05 so that it is stated that compensation has a positive and significant influence on motivation. This means that better compensation has a significant influence on better motivation. These results indicate that the hypothesis is accepted.

The results of the Compensation Variable Respondents above, obtained a total mean of 3.04 with the criteria being quite agreeable, while it is hoped that PT Mana Jaya Makmur Mojokerto will pay more attention to the salaries given to employees in accordance with the agreement and the Company provides adequate insurance coverage. Nuryadin et al., (2022) agree with study findings that explain that compensation has a positive and significant influence on motivation. In his research, it is stated that the influence of compensation is quite large in influencing employee motivation, both in work, achievement and morale considering that compensation is the company's way of forming employee motivation to be more active in completing their work. Motivation is present as an employee's response to receiving compensation provided by the company, as a result of the company's concern for the hard work of its employees.

Adequate compensation provides employees with financial satisfaction and a sense of security. Employees who feel financially secure tend to focus more on their work and are less burdened by financial worries, increasing motivation and productivity. Compensation tied to achievement and performance can be a powerful economic motivator. Incentive systems, bonuses and salary increases based on performance can encourage employees to give their best.

Compensation that is fair and in line with employee contributions can make them feel valued by the organization. This feeling of being appreciated can increase intrinsic motivation, where employees feel encouraged to contribute more because they feel appreciated. A balance between internal compensation (compare with the compensation of peers in the organization) and external compensation (compare with compensation in the job market) can motivate employees to remain in the organization. Employees who feel they are receiving comparable or better compensation tend to be more motivated to remain loyal to the company. Compensation that is linked to employee performance, such as a

bonus system or a fair performance appraisal system, can provide incentives for employees to improve their performance. They will try to reach or exceed targets to get better rewards. Compensation can act as an extrinsic motivator that helps meet employees' physical and living needs. When these needs are met, employees are more likely to seek further achievement and growth. A competitive compensation system helps organizations attract and retain quality talent. Employees who receive rewards commensurate with their contributions are more likely to remain with the organization. Employees who feel that their compensation reflects their value and contributions tend to be more motivated to improve their performance. This can create a dynamic and productive work environment.

Another research by (Koljaan & Rahadi, 2021) stated that compensation has a positive and significant influence on motivation. In this context, the compensation given to employees is sufficient to influence the level of morale and motivation, as well as work results. Meanwhile, research that does not support it is by (Maulana et al., 2022) which suggests that compensation has no influence on motivation.

#### **4. Organizational Culture on Motivation**

The hypothesis of the influence of organizational culture on motivation is that the original sample value of 0.158 is positive because the value is above zero and below one, T statistic 2.106. These results show that the tstatistic value exceeds ttable ( $t_{stat} > 1.960$ ) and the P-Values is 0.035, a value less than 0.05, so it is stated that Organizational Culture has a positive and significant influence on Motivation, meaning that the better the Organizational Culture is, the better the Organizational Culture can have a significant influence on the better Motivation. These results indicate that the hypothesis is accepted. The results of the respondents for the Organizational Culture Variable above, obtained a total mean of 3.25 with the criteria being quite agreeable. It is hoped that PT Mana Jaya Makmur Mojokerto will pay more attention to employees, so that they always work with optimal results. Employees are also encouraged to solve problems that arise together.

An organizational culture that has shared values and goals creates identity and meaning for employees. Employees tend to be more motivated when they feel connected to the values and goals of the organization. A culture that supports personal development, growth, and achieving individual goals can increase employees' intrinsic motivation. Employees feel driven to give their best because they see the value in achieving their goals. A culture that values achievement, provides recognition, and provides rewards can motivate employees.



Rewards and recognition generate feelings of pride and satisfaction, which can increase motivation.

Participative culture and employee involvement can increase motivation. Employees who feel that their opinions are valued and have a role in organizational decision making are more likely to be motivated. A culture that accepts mistakes as part of learning and development can increase employee motivation. Employees feel more comfortable taking risks and trying new things without fear of punishment. A culture that encourages cooperation, team support, and helping each other can increase motivation. Employees tend to be more motivated when they feel involved in a supportive team. A culture that encourages innovation and creativity can motivate employees to think outside the box. Employees feel encouraged to contribute new ideas that can increase motivation and productivity. A culture that emphasizes fairness and equality can increase motivation. Employees who feel they are treated fairly in terms of compensation, promotions and recognition tend to be more motivated. A culture that supports work-life balance can increase employee motivation. Employees who feel they have flexibility in living their personal and professional lives are more likely to be motivated. A culture that empowers employees by providing responsibility and authority can increase motivation. Employees feel they have an impact on their work and the organization as a whole. Supported by research Haninda & Hermawan, (2022) suggests that organizational culture has a positive and significant influence on motivation. The better the organizational culture that is implemented, the more work motivation of workers will increase.

Research by Reginald & Andani, (2022) shows that organizational culture influences motivation. In this context, organizational culture makes it very possible for employees to change their behavior, because organizational culture can be an encouragement that has a positive or negative impact on employee motivation related to achieving organizational goals. Contrary to research (Anggraini et al., 2019) which states that organizational culture does not influence motivation.

## **5. Motivation on Employee Performance**

The original sample result of 0.654 is positive because the value is above zero and below one, the T statistic is 4.824. These results show that the tstatistic value exceeds ttable ( $t_{stat} < 1.960$ ) and the P-Values is 0.000, less than 0.05. So it is stated that Motivation has a significant influence on Employee Performance, meaning that the better the Motivation,



the better the Employee Performance will be. These results indicate that the hypothesis is accepted. The results of the Motivation Variable Respondents above, obtained a total mean of 3.00 with the criteria quite agree, while the mean for each indicator is divided into the lowest average, namely 2.74 with the criterion quite agree that the Company accepts employee input. Meanwhile, the highest average is 3.20 with the criteria of quite agreeing that the company provides adequate work facilities.

Motivated employees tend to show higher effort and energy in completing their tasks and responsibilities. Motivation increases the level of balance and resilience in facing challenges. Motivation helps employees to focus their attention on set goals and objectives. They have clarity about what needs to be achieved and work diligently to achieve those targets. Motivated employees tend to be more creative and innovative in finding solutions to problems. Motivation encourages them to think outside the box and try new approaches to carrying out tasks. Motivated employees have a tendency to produce work of higher quality. They feel compelled to give their best because they see intrinsic value in the work they do.

Positive motivation contributes to increasing employee productivity. Employees who feel motivated to achieve individual and organizational goals tend to complete tasks more efficiently. Motivation strengthens employee commitment to the organization. Employees who feel motivated to achieve organizational goals are more likely to remain loyal and contribute positively to the organizational culture. Motivated employees have a better ability to manage stress and pressure. Motivation can be a psychological resource that helps employees overcome challenges and stay focused on achieving goals. Employees who feel motivated tend to be more engaged in their work and have better attendance rates.

High motivation provides extra encouragement to be present and actively participate in the workplace. Motivation motivates employees to continuously improve their skills and competencies. They may seek opportunities to learn and grow because they have an intrinsic drive for excellence. High motivation can lead employees towards achieving personal and professional success. They may set high standards for themselves and work hard to achieve satisfactory achievements.

The results of the following study are the same as the study conducted by Sudarso et al., (2020) which states that motivation has a positive and significant influence on employee performance. Good work motivation can provide an increase in the performance of a

company in achieving its goals. Employees need to be given direction and encouragement so that the potential within them can become achievements that benefit the organization. Other research by Wijaya & Laily, (2020) explains that motivation has a positive and significant influence on employee performance. Motivation is one of the factors that influences employees in carrying out certain activities, such as work. It can be explained that motivation acts as a driver for employee performance. Meanwhile, it is different from research by (Pragiwani et al., 2020) and (Sinaga & Hidayat, 2020) that motivation does not affect employee performance.

## **6. Compensation for Employee Performance Through Motivational Mediation**

Hypothesis of the influence of Compensation on Employee Performance through Motivation. The original sample result of 0.430 is positive because the value is above zero and below one. The T statistics are 4,209 and the P-values are 0.000. The P-values are less than 0.05 and the t statistic value exceeds the t table ( $t_{stat} > 1.960$ ), then there is a significant influence. So it is stated that compensation has a significant influence on employee performance through organizational motivation. The better the compensation, the better the motivation will be. These findings show that the hypothesis is accepted. Motivation exists as an employee's response to obtaining compensation provided by the company, as a result of the company's concern about employee hard work.

The motivation is nothing other than the employee just wanting to get a job at PT Mana Jaya Makmur Mojokerto. With high levels of embedded motivation, employees in their daily work are full of enthusiasm and company targets are met. Compensation, including salary, bonuses, and other incentives, is considered a form of appreciation for employee contributions and performance. This award can increase employee motivation because they feel appreciated and given rewards commensurate with their efforts. Compensation helps meet employees' financial needs, such as the need for income for a decent living, financial security, and satisfaction of other material needs. Fulfillment of these needs can be a source of intrinsic motivation to improve performance. Fair and adequate compensation can increase the level of employee psychological well-being. Employees who feel that they are compensated appropriately tend to have higher levels of job satisfaction, which can increase motivation.

Employees who receive motivating compensation tend to be more engaged in their work. A high level of involvement can increase commitment to the organization and employee

performance. Performance-based compensation, such as bonuses or incentives, can be an extra incentive for employees to achieve work goals and targets. Motivation to obtain additional rewards can increase efforts to achieve desired results. Compensation that is in line with employees' contributions and achievements can influence their self-evaluation. Employees who feel that they are getting the recognition they deserve may feel more confident and motivated to continually improve their performance.

Adequate compensation can create a positive attitude towards work. Employees who are satisfied with their compensation may be more likely to have a positive attitude, which can increase motivation and performance. Compensation that is considered an incentive can have a boosting effect on productivity. Motivation to earn greater rewards or to increase income can increase employee effort and productivity. The findings from respondents on the Employee Performance Variable above, obtained a total mean of 3.21, with the criteria quite agree, while the mean for each indicator is divided into the lowest average, namely 3.10, with the criterion quite agree that the quality of employee work has met company standards.

Meanwhile, the highest average was 3.32 with the criteria "Sufficiently agree" that employees can achieve targets. Previous research that has an indirect relationship between compensation and employee performance through motivation includes (Maryani et al., 2020) and (Khoiriah et al., 2019) in this research explaining that there is an indirect influence between compensation on employee performance through motivation. Apart from that, there is research by (Aliyya et al., 2021) explaining that compensation has no effect on the relationship between motivation and employee performance through motivation.

## **7. Organizational Culture on Employee Performance as a Mediator of Motivation**

The influence of organizational culture on employee performance through motivation, the original sample result of 0.103 was positive because the value was above zero and below one, obtained T statistics of 2.019 and P-values of 0.044. The P-values are more than 0.05 and the t-statistic value exceeds the t table ( $t_{start} < 1.960$ ), so it has a significant influence.

So it is stated that organizational culture does not influence employee performance through motivation. The better the organizational culture, the better the motivation will be. These findings show that the hypothesis is accepted. The results of the Employee Performance Variable Respondents above, obtained a total mean of 3.21, with the criteria quite agree,

while the mean for each indicator is divided into the lowest average, namely 3.10, with the criterion quite agree that the quality of employee work meets company standards. Meanwhile, the highest average is 3.32 with the criteria being quite agreeable that employees can achieve targets. Changing habits is not easy and takes time. Good performance with an entrenched organizational culture at PT Mana Jaya Makmur Mojokerto, employees already feel comfortable with these conditions and providing any motivation does not affect the performance of employees with the existing culture.

An organizational culture that promotes positive norms, such as cooperation, honesty, and involvement, can increase employee motivation. Employees who feel involved in a positive culture are more motivated to contribute positively to their performance. An organizational culture that has values that align with individual employee values can increase identification and engagement. Employees who feel their values are accepted and appreciated tend to be more motivated to achieve organizational goals. An organizational culture that encourages creativity and innovation can motivate employees to try new approaches to their work. Motivation to contribute to innovation can improve employee performance and adaptability. An organizational culture that is transparent and open in communication can increase motivation. Employees who feel they are receiving honest and transparent information may be more motivated to participate actively and make greater contributions.

An organizational culture that provides support and recognition to employees can increase intrinsic motivation. The feeling of being appreciated and recognized can be a strong motivational driver to improve performance. An organizational culture that pays attention to balance between work and life can increase employee motivation. Employees who feel the organization values such balance may be more motivated to provide optimal performance. A culture that empowers employees by providing responsibility and authority can increase motivation. A sense of responsibility and autonomy can increase a sense of belonging to work and the organization. An organizational culture that supports learning and development can motivate employees to continuously improve their skills. Motivation for growth and self-development can increase performance and innovation.

A culture that is tolerant of mistakes as part of learning can increase motivation. Employees who feel safe to try new things without fear of punishment may be more motivated to innovate and improve performance. This problem is supported by research which has an indirect relationship between compensation and employee performance

through motivation, including by Jumadil & Hasan, (2023) and Ashari, (2019) in this research explaining that there is an indirect influence between organizational culture on employee performance through motivation. Apart from this, other research conducted by (Sugiyono & Rahajeng, 2022) explains that organizational culture has no influence on the relationship between motivation and employee performance.

## CONCLUSION

Based on the analysis and data processing as well as discussion of the research results described previously, the researcher drew conclusions, namely:

1. The following research shows that the compensation variable does not have a significant direct influence on employee performance, meaning that providing compensation to employees does not influence employee performance results.
2. The following study shows that the organizational culture variable has a direct and significant positive influence on employee performance, meaning that if the organizational culture implemented is adjusted to existing rules, employee performance will also increase.
3. The following study shows that the Compensation variable has a direct, positive and significant influence on Motivation, meaning that if compensation is given in accordance with the agreement, it will create motivation from employees.
4. This research shows that the organizational culture variable has a positive and significant direct influence on motivation, meaning that organizational culture that is implemented well can increase employee motivation.
5. The following study shows that the Motivation variable has a direct positive and significant influence on employee performance, meaning that providing motivation to employees can provide an increase in employee performance results.
6. This study shows that the Compensation variable has a significant indirect influence on Employee Performance through Organizational Motivation as mediation. This means that companies that provide compensation according to work results will create motivation for employees to do their work better, which will result in employee performance also increasing.
7. Organizational culture variables have a significant indirect influence on employee performance through motivation as mediation. This means that if organizational

culture is implemented in accordance with the rules and agreements within the company which are motivating and raise employee enthusiasm for work, employee performance will then increase.

The suggestion of this research is that companies should increase the amount of compensation given to workers, especially giving more attractive bonuses but adjusting them according to employee targets or performance and companies can pay more attention to facilities for employees, for example the suitability of employee lockers and dining rooms which make workers feel more comfortable. When doing his job.

## REFERENCES

- Aliyya, A., Frima, R., & Oliyan, F. (2021). Pengaruh Kompensasi Finansial dan Non Finansial Terhadap Kinerja Karyawan Dengan Motivasi Kerja Sebagai Variabel Intervening (Studi Empiris Pada BPR Di Kota Payakumbuh ). *Jurnal Akuntansi , Bisnis Dan Ekonomi Indonesia*, 1(1), 50–57.
- Ananda, Y. P. (2020). Analisa pengaruh kompensasi , profesionalisme dan budaya organisasi terhadap kinerja karyawan PT Omesfindo Agung Sentracendikia. 6(1).
- Anggraini, R., Rosidi, E., & Dewi, N. N. (2019). Disiplin Kerja Terhadap Motivasi Kerja Dan Kinerja Karyawan Tetap Pada PT. Rama Emerald Multi Sukses. 1(1).
- Arif, R. S., Rosidi, & Wijayanti, T. C. (2023). Pengaruh Kompensasi Dan Budaya Organisasi Terhadap Kinerja Pegawai Dengan Motivasi Sebagai Intervening Pada Dinas Pendidikan Dan Kebudayaan Kabupaten Probolinggo. 2(1), 113–117.
- Ashari, L. B. (2019). Pengaruh Kompensasi Dan Budaya Organisasi Terhadap Kinerja Karyawan Melalui Motivasi Sebagai Variabel Intervening Pada Pg Kebon Agung. 4(September), 194–209.
- Damayanti, N., & Yuliasri. (2020). Pengaruh Kompensasi Dan Budaya Organisasi Terhadap Kinerja Karyawan Kontrak Rocky Hotel Padang Dengan Motivasi Karyawan Sebagai Mediasi. XIV(02), 117–129.
- Ferdian, A., & Devita, R. (2020). Pengaruh Budaya Organisasi Dan Knowledge Management Terhadap Kinerja Karyawan. 5(2), 187–193.
- Fudzah, N., Bahri, S., & Khairani, L. (2020). Pengaruh Komunikasi dan Lingkungan Kerja Terhadap Kinerja Pegawai dengan Motivasi Sebagai Variabel Intervening pada PT Pos Indonesia Kantor Regional I Medan.
- Ghozali, I., & Latan, H. (2020). *Partial Least Squares: Konsep, Teknik, dan Aplikasi Menggunakan Program SmartPLS 3.0 (Edisi 2)*. Badan Penerbit.
- Haninda, R. N., & Hermawan, R. Y. (2022). Pengaruh Budaya Organisasi Terhadap Motivasi Karyawan PT Telekomunikasi. 4(2), 37–58.
- Jumadil, W., & Hasan, M. H. (2023). Pengaruh Disiplin Kerja dan Budaya Organisasi Terhadap Kinerja Pegawai dengan Motivasi Kerja Sebagai Variabel Intervening pada Dinas Pertanian Kota Tidore. 10.

- Khoiriah, N., S, S. W. L. H., & Utami, W. (2019). Pengaruh Kompensasi dan Lingkungan Kerja terhadap Kinerja Karyawan dengan Motivasi Kerja sebagai Variabel intervening pada PT Perkebunan Nusantara XII bagian Pengolahan Karet Kebun Kotta Blater Jember. VI(1), 141–146.
- Koljaan, C. A., & Rahadi, D. R. (2021). Analisis Pengaruh Kompensasi Terhadap Motivasi Kerja Karyawan Saat Pandemi Covid 19 (PT .Takagi Sari Multi Utama). 8(1), 21–28.
- Maryani, N. L. K. S., Widyani, A. A. D., & Saraswati, N. P. A. S. (2020). Pengaruh Kompensasi Finansial Terhadap Kinerja Karyawan Dengan Motivasi Sebagai Variabel Intervening Pada Pt Arta Sedana Retailindo Cabang Hardys Malls Sanur. 1(April), 53–67.
- Maulana, A., Fadhilah, M., & Kirana, K. C. (2022). Pengaruh kompensasi , kepemimpinan transformasional , dan lingkungan kerja terhadap organizational citizenship behavior ( ocb ) melalui motivasi kerja. *Jurnal Manajemen*, 14(1), 65–75. <https://doi.org/10.29264/jmmn.v14i1.10607>
- Nuryadin, A., Rais, & Irfan, A. (2022). Pengaruh Kompensasi terhadap Motivasi Karyawan PT. PLN (Persero) UPT Makassar. *Journal of Applied Management and Business Research (JAMBiR)*, 2(2), 129–135.
- Pragiwani, M., Lestari, E., & Alexandri, M. B. (2020). Pengaruh Motivasi, Kompetensi, Disiplin Dan Kompensasi Terhadap Kinerja Karyawan (Studi Kasus Pada Karyawan PT. Tektonindo Henida Jaya Group). 3(3), 117–129.
- Reginald, L., & Andani, K. W. (2022). Pengaruh Kompensasi dan Budaya Organisasi Terhadap Motivasi. 04(03), 647–655.
- Rianda, S., & Winarno, A. (2022). Pengaruh Kompensasi Dan Lingkungan Kerja Fisik Terhadap Kinerja Pegawai Pada PT Rajasaland Bandung. IX, 192–203.
- Sinaga, T. S., & Hidayat, R. (2020). Pengaruh Motivasi dan Kompensasi terhadap kinerja Karyawan pada PT. Kereta Api Indonesia. *Jurnal Ilman : Jurnal Ilmu Manajemen*, 8(1), 15–22.
- Sudarso, A. P., Abid, M., & Rukmana, I. J. (2020). Pengaruh Motivasi Terhadap Kinerja Karyawan Pada Pt. Unggul Abadi Di Jakarta. *Jurnal Ekonomi Efektif*, 3(1), 1–6.
- Sugiyono, E., & Rahajeng, R. (2022). Pengaruh budaya organisasi , gaya kepemimpinan dan kepuasan kerja terhadap kinerja pegawai melalui motivasi pegawai sebagai variabel intervening pada dinas ketahanan pangan , kelautan dan pertanian Provinsi DKI Jakarta tahun 2020. 4(7), 2691–2708.
- Sumerti, N. K. A. (2022). Pengaruh Lingkungan Kerja dan Budaya Organisasi terhadap Kinerja Karyawan dengan Motivasi Kerja Sebagai Variabel Intervening pada Kailash Suites. 1–49.
- Wahyuni, S. F. (2020). Pengaruh Kompensasi Terhadap Kinerja Karyawan Dengan Motivasi Sebagai Variabel Intervening Di Pt. Sinar Surya Duta Pratama.
- Wijaya, L. A., & Laily, N. (2020). Pengaruh Disiplin Kerja Dan Kompensasi Terhadap Kinerja Karyawan Melalui Motivasi Sebagai Variabel Intervening. *Jurnal Ilmu Dan Riset Manajemen*.
- Yuniyanto, M., Budiarto, W., & Winarko, R. (2023). Pengaruh Kompensasi Dan Kompetensi SDM Terhadap Kinerja Pegawai Sumenep Dengan Motivasi Kerja Sebagai Variabel Intervening ( Studi Pada Dinas Pekerjaan Umum Dan Penataan Ruang Kabupaten ). *Journal Of Management and Creative Business*, 1(4).