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**Research Paper** 



# Relationship Between Organizational Culture and Compensation to Employee Job Satisfaction of PT. PLN (Persero) South Sulawesi Region

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#### Abstract

This study aims to examine the influence of organizational culture and competence on employee job satisfaction at PT. PLN (Persero) South Sulawesi Region. The population in this study were all employees of PT. PLN (Persero) South Sulawesi Region consisting of three areas, with sampling using probability sampling stratified random sampling method so that the sample amounted to 100 employees. The analysis method used is the correlation test. This study found that the professionalism ability indicator of the organizational culture variable has the largest and strongest correlation to job satisfaction of 0.627, followed by the correlation of the bonus and incentive indicators of the compensation variable to the quality of job satisfaction with a correlation value of 0.905.

Keywords: Organizational Culture, Compensation, Job Satisfaction

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# I. INTRODUCTION

Human resources are important assets in an organization that play a major role in achieving company goals. The success of an organization is largely determined by how the organization is able to create a conducive work environment and pay attention to the needs and job satisfaction of its employees. Job satisfaction is one of the important indicators in assessing the success of human resource management.

Organizational culture and compensation are two important factors that can affect the level of employee job satisfaction. Organizational culture reflects the values, norms, and habits that apply in the company, which can shape employee behavior and work attitudes. A strong and positive organizational culture can create a sense of belonging and loyalty to the company, as well as increase work motivation. On the other hand, compensation given by the company to employees, both in financial and non-financial forms, is also a determining factor in creating job satisfaction. Fair compensation and in accordance with employee contributions will increase the sense of appreciation and encourage employees to work more optimally.

PT. PLN (Persero) as a state-owned company engaged in the provision of electricity, has a great responsibility in providing services to the community. Especially in the South Sulawesi Regional area, the role of employees is very vital in supporting operations and services to customers. Therefore, it is important to know to what extent the organizational culture and compensation system implemented in PT. PLN (Persero) South Sulawesi Region affect the level of employee job satisfaction.

# **Organizational Culture**

# II. LITERATURE REVIEW

According to Afandi P., 2018), organizational culture is a system of values, assumptions, beliefs, philosophies, employee habits in an organization, as well as regulations applied in a company that are carried out and obeyed by all members of the company in achieving common goals. According to Edison in (Sumaila & Rossanty, 2022), organizational culture is the norms, values, assumptions, beliefs, philosophies, organizational habits, and so on that are developed over a long period of time by the founders, leaders, and members of the organization that are socialized and taught to new members and applied in organizational activities so as to influence the mindset, attitudes, and behavior of organizational members in producing products, serving

consumers, and achieving organizational goals. According to Edison, Anwar, & Komariyah, (2022), there are four functions of organizational culture, namely:

1. Provide a nuance that differentiates it from other organizations and a unique impression so as to provide a positive characteristic for the organization or company in the eyes of the public or customers.

2. Have symbols and values that are the pride of the members in it.

3. Guide the behavior of its members towards constructive thinking, contribute positively and work effectively in achieving the goals of the organization or company.

4. Build solid teamwork and a high sense of togetherness among members.

#### Compensation

According to research by Nasurdin et.al., (2020), Compensation is an award given by a company to its employees for their willingness to carry out various tasks and jobs within the company itself (DeNisiad Griffin, 2001),sedangkanmenurutFisheret.al.,(1999),The principle of justice according to the worker's contribution is one of the important things in providing compensation. Furthermore, Uen and Chien (2004) stated that rewards in the form of compensation can function as a tool for companies to influence employee behavior. According to William B. Werther and Keith Davis in Zulkarnaen & Herlina (2018), compensation is defined as what an employee receives in return for the work he/she is given, either hourly wages or periodic salaries that are designed and managed by the personnel department.Compensation is also the provision of direct and indirect rewards to employees as compensation for services provided to the company.

#### Job Satisfaction

According to Afandi P., 2018) and Yasin, N. A. (2022), job satisfaction is an effectiveness or emotional response to various aspects of work. A set of employee feelings about whether or not their work is enjoyable. According to (Sutrisno, 2020) job satisfaction is an employee's attitude towards work related to work situations, cooperation between employees, rewards received in work, and things related to physical and psychological factors. According to Gilmer in (Sutrisno, 2020) the factors that influence employee job satisfaction are:

1. Opportunity to advance: in this case, whether or not there is an opportunity to gain experience and improve skills while working.

2. Job security: this factor is referred to as a supporter of job satisfaction for employees. Safe conditions greatly affect employee feelings while working.

3. Salary: causes more dissatisfaction, and rarely do people express their job satisfaction with the amount of money they earn.

4. Company and management: a good company and management are those that are able to provide a stable work situation and conditions. This factor determines employee job satisfaction.

5. Supervision: poor supervision can result in absenteeism and turnover.

6. Intrinsic factors of the job: attributes in the job require certain skills, difficulty and ease and pride in the task can increase or decrease satisfaction.

7. Working conditions: including the condition of the place, ventilation, broadcasting, canteen, and parking.

8. Social aspects of work: is one of the attitudes that is difficult to describe but is seen as a factor that supports satisfaction or dissatisfaction in working.

9. Communication: smooth communication between employees and management is one of the reasons an employee likes his job. In this case, there is a willingness of superiors to understand, listen, and acknowledge the opinions or achievements of their employees.

10. Facilities: social security, leave, entertainment, etc. are the standards of a position and if they can be met will create a sense of satisfaction.

# III. RESEARCH METHODS

Population in this study The population in this study were all employees of PT. PLN (Persero) South Sulawesi Region consisting of three areas, namely the parent region of SulSelbar, UP3 South Makassar, and ULP Daya. By taking samples using probability sampling with the stratified random sampling method so that the sample amounted to 100 employees. In this study, there are two independent variables (organizational culture and compensation) and the dependent variable is job satisfaction. The organizational culture variable with indicators of professionalism, teamwork, excellent service. Compensation variables with indicators of Bonus and Incentives, Facilities and Non-Material Benefits, Fairness and Suitability of Compensation, while job satisfaction variables with indicators of sense of appreciation, work environment, development opportunities. The analysis method used is the correlation test.

Table 1. Correlations								
		Professionalism	Teamwork	Excellent Service	Bonus and Incentives	Facilities and Benefits	Non- Material	Job Satisfactio
Professionalism	Pearson Correlation	1	.397**	.292**	.725**	.253*	.415*	* .627
	Sig. (2-tailed) N	100	.000 100	.003 100	.000 100		.000 100	
Teamwork	Pearson Correlation	.397**	1	.327**	.378**	.327**	.912*	* .362
	Sig. (2-tailed) N	.000 100	t	.001 100	.000 100		.000 100	
Excellent Service	Pearson Correlation	.292**	.327**	1	.297**	.933**	.420*	* .259
	Sig. (2-tailed) N	.003 100		100	.003 100		.000 100	
Bonus and Incentives	Pearson Correlation	.725**	.378**	.297**	1	.261**	.402*	* .905
	Sig. (2-tailed) N	.000 100		.003 100	100	.009 100	.000 100	
Facilities and Benefits	Pearson Correlation	.253*	.327**	.933**	.261**	1	.385*	* .259
	Sig. (2-tailed) N	.011 100		.000 100	.009 100		.000 100	
Non-Material	Pearson Correlation	.415**	.912**	.420**	.402**	.385**	1	.427
	Sig. (2-tailed) N	.000 100		.000 100	.000 100		100	.00 1 (
Job Satisfaction	Pearson Correlation	.627**	.362**	.259**	.905**	.259**	.427*	*
	Sig. (2-tailed) N	.000 100		.010 100	.000 100		.000 100	

#### Results

# IV. DATA ANALYSIS AND DISCUSSION

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

From table 1, all indicators of all variables have a positive and significant correlation with employee Job Satisfaction. The organizational culture variable has indicators of Professionalism, Teamwork, Excellent Service. Of the three indicators, professionalism has the largest correlation with employee Job Satisfaction, which is 0.627. The compensation variable also has three indicators with Bonus and Incentives, Facilities and Benefits, Non-Material. Of the three variables, Bonus and Incentives have the largest correlation value compared to other indicators of 0.905.

# V. Discussion

In a company like PT PLN, this is very important because it is directly related to public service and energy reliability. Professionalism creates a healthy and collaborative work culture. When all employees act professionally, conflict is reduced and communication is improved—two factors that greatly influence job satisfaction. And most importantly, professional employees feel that their work is meaningful. In PT. PLN which carries out vital tasks in providing national electricity, a sense of professionalism increases a sense of belonging to the company and provides meaning. From the results of the correlation test data processing, it is known that the variables of organizational culture and competence have a strong correlation with employee performance. From the organizational culture variables, the most dominant indicator is employee professionalism. According to respondents, professionalism is very important because employees who uphold professionalism such as discipline, responsibility, integrity, and competence tend to work more efficiently and effectively towards individual contributions.

Munir, M. (2023), Martak, M. N. (2014), Lekatompessy, J. E. (2003) and Wibowo, A., & Suseno, Y. D. (2017). Yasin, N. A. et.al (2023) found the same thing in his research that employee professionalism has a significant effect on employee satisfaction and performance. Professionalism is the main foundation in forming satisfied, productive, and loyal employees at PT PLN (Persero) Makassar. Professionalism not only reflects individual quality, but also creates a domino effect that improves overall organizational performance.

Next, the competency variable, the dominant variable is Bonus and Incentives. According to respondents, this indicator is very important because Bonus and incentives act as external motivators. When employees know that their achievements will be financially rewarded, they tend to work harder and focus on

achieving targets.In large companies such as PT PLN (Persero) which operates in the vital energy sector, employee performance greatly influences public services. Incentives have proven effective in increasing output and work quality. Bonuses and incentives give employees a sense of appreciation. When their contributions are recognized, job satisfaction increases and loyalty to the company grows, thereby reducing turnover rates, and most importantly, bonuses linked to Key Performance Indicators (KPIs) make employees more focused on achieving the company's strategic goals, such as operational efficiency, customer service, and innovation.

Thanan, R. R., et.al (2021), Lawren, C., & Ekawati, S. (2023), Retnowati, E., et.al (2021), Kurniawaty, K., et.al (2022), and Ardian, N. (2019) said the same thing in their research that bonuses and incentives are strong extrinsic motivators. Employees are more motivated to achieve work targets and maintain high performance if there are real rewards. Bonuses and incentives have a significant influence on employee satisfaction and performance at PT PLN (Persero).When financial and non-financial rewards are given appropriately, it will increase employee motivation, productivity and loyalty in the long run.

#### VI. CONCLUSION

1. Work culture, especially the Professionalism indicator, has a positive and significant effect on employee job satisfaction. The higher the level of professionalism possessed by employees, such as competence, integrity, and responsibility in working, the higher the level of job satisfaction felt.

Compensation, especially Bonus and incentive indicators, also have a positive and significant effect on 2. employee job satisfaction. Providing fair, transparent, and performance-based bonuses and incentives can increase employee motivation and satisfaction with their work.

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