

## MAPPING IDEA &amp; LITERATURE FORMAT | RESEARCH ARTICLE

# The Influence of Organizational Culture and Compensation on Employee Performance Through Employee Job Satisfaction

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## ABSTRACT

This study examines the influence of organizational culture and compensation on job satisfaction and employee performance among administrative staff at the Faculty of Engineering, Hasanuddin University. Using a quantitative explanatory research design, data were collected from 93 employees through a structured questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that both organizational culture and compensation have positive and significant effects on job satisfaction. However, organizational culture does not directly affect employee performance; instead, its impact is fully mediated by job satisfaction. Conversely, compensation demonstrates both direct and indirect significant effects on performance. Job satisfaction itself shows a strong positive relationship with employee performance, underscoring its essential role in enhancing work outcomes. These results contribute to the theoretical understanding of human resource management by confirming the mediating role of job satisfaction and emphasizing compensation as a key driver of employee performance. Managerially, the study highlights the need for strengthening cultural values, improving compensation systems, and enhancing non-financial work conditions to foster satisfaction and performance. Despite its contributions, the study is limited by its cross-sectional design, single institutional setting, and reliance on self-reported data. Future research should explore broader institutional contexts and include additional organizational behavior variables to enrich the understanding of performance determinants.

**Keywords:** Organizational Culture, Compensation, Job Satisfaction.

## I. Introduction

In the era of globalization and increasing competition among higher education institutions, efforts to strengthen service quality and human resource performance have become a strategic necessity. Universities are not only required to produce competent graduates but also to ensure that their internal support systems, particularly non-academic staff, operate effectively. Employee performance, as an integral component of institutional governance, plays a central role in supporting the university's vision, mission, and organizational sustainability. Therefore, understanding the factors that influence employee performance is a

fundamental requirement for institutional development, including within the Faculty of Engineering at Hasanuddin University (Unhas), one of the largest and oldest faculties within the university.

One of the key factors believed to strongly affect employee performance is organizational culture. Organizational culture represents a shared set of values, beliefs, norms, and practices that guide members' behavior within an institution. Nimran (2016) defines organizational culture as a traditional pattern of thinking and acting that is shared among organizational members and learned by newcomers to be accepted within the organization. Furthermore, Purwanto (2016) emphasizes that organizational culture functions as a controller and behavioral guide at both the individual and group levels. A strong culture provides shared meaning and direction, encourages consistent behavior, and enhances organizational commitment (Robbins, 2010). Within the context of the Faculty of Engineering at Unhas, the implementation of the MARANNU Melayani cultural values serves as an important mechanism in establishing a responsive, normative, and excellence-oriented work environment. These values function not merely as institutional slogans but as operational guidelines expected to shape consistent employee behavior.

In addition to organizational culture, compensation is another critical factor influencing employee performance. Compensation includes financial and non-financial rewards given in exchange for employees' contributions to the organization. Simamora (2004) explains that compensation encompasses all monetary returns and tangible services employees receive as part of their employment relationship. Dessler (2009) categorizes compensation into two main types: direct compensation—such as salaries, wages, incentives, commissions, and bonuses—and indirect compensation in the form of benefits such as insurance coverage, paid leave, and other employment-related facilities. At the Faculty of Engineering Unhas, the compensation system is complex due to the diverse employment status of administrative staff, including civil servants, permanent non-civil servant staff, temporary staff, and those working under the Dean's decree. Beyond financial rewards, the faculty also provides recognition programs as appreciation for high-performing employees at both the faculty and university levels. Fair and competitive compensation is viewed as a key determinant of employee motivation, loyalty, and performance quality.

However, the effects of organizational culture and compensation on performance are not always direct. Job satisfaction serves as a mediating variable that may explain the indirect influence of these organizational factors on employee outcomes. Luthans (2006) argues that job satisfaction results from employees' evaluations of how well their job fulfills things they consider important. Satisfied employees tend to exhibit higher morale, better discipline, and stronger motivation to contribute optimally. Conversely, low job satisfaction can trigger organizational problems such as high absenteeism, conflicts between supervisors and subordinates, labor strikes, and high turnover—all of which can hinder organizational productivity (Suryajiwangga, 2017). Nur (2013) notes that satisfaction occurs when employees' expectations align with actual conditions; discrepancies between expectations and reality lead to dissatisfaction, which subsequently affects performance negatively.

Previous studies present mixed findings related to the influence of organizational culture and compensation on employee performance, both directly and through job satisfaction as a mediating variable. Research by Uygur and Kilic Gonca, Nystrom, and Fey and Denison indicates that organizational culture and compensation have a positive and significant impact on performance, either directly or through job satisfaction. Wulan's study further supports these positive relationships. However, contrasting evidence is presented by Soedjono and Sudarsono, who found that organizational culture and compensation do not always significantly influence performance when tested separately. These varying empirical findings highlight a research gap that requires deeper examination, especially within higher education institutions with complex bureaucratic structures and diverse employment arrangements such as the Faculty of Engineering at Unhas.

Given these dynamics, examining the relationship between organizational culture, compensation, job satisfaction, and employee performance becomes increasingly relevant. Beyond advancing scholarly understanding in the field of human resource management, this study aims to offer practical insights for faculty leadership to design more targeted and effective human resource development policies. The Faculty of Engineering Unhas faces several administrative and organizational challenges—including workload

distribution, governance structures, and employee welfare—that may influence job satisfaction and performance levels. Understanding how organizational culture and compensation affect these factors can assist leaders in developing strategic interventions to enhance institutional performance sustainably.

Thus, the present study seeks to comprehensively analyze the influence of organizational culture and compensation on employee performance with job satisfaction as a mediating variable. The study focuses on non-academic staff in the Faculty of Engineering Unhas, considering their essential role in supporting academic and administrative operations. This approach allows the investigation to not only evaluate direct relationships between variables but also to uncover indirect mechanisms mediated by job satisfaction. The findings of this study are expected to clarify the nature of these relationships, contribute to theoretical advancements, and serve as a practical reference for designing organizational development policies. Overall, this research aims to fill a gap in the literature by providing empirical evidence on the relationships among organizational culture, compensation, job satisfaction, and employee performance within the context of an Indonesian higher education institution. Given the organizational complexity of the Faculty of Engineering Unhas, the study's results are anticipated to yield deeper and more comprehensive insights that can guide continuous efforts to improve employee performance and support institutional effectiveness moving forward.

## II. Literature Review and Hypothesis Development

### 2.1. Human Resource Management

Human Resource Management (HRM) refers to the science and practice of managing human labor in an organization in an efficient and effective manner so that it contributes optimally to the achievement of organizational goals. Mustafa (2023) emphasizes that HRM is built on the notion that employees are human beings—not machines—and therefore require humane and strategic treatment in the organizational context. Leuhery (2024) states that HRM is an essential managerial activity in all types of organizations, whether profit or nonprofit, public or private, large or small. Rivai (2018) explains that HRM is a specific branch of general management that focuses on managing people within an organization. From these viewpoints, HRM plays a vital role in supporting organizational performance and realizing institutional objectives by managing the human factor as a strategic asset. HRM encompasses two major groups of functions: managerial functions and operational functions (Hasibuan, 2021). Managerial functions include planning, organizing, directing, and controlling, which ensure that the organization's activities run in line with strategic goals. Operational functions include procurement, development, compensation, integration, maintenance, discipline, and separation, covering the entire employment lifecycle. Through these functions, the organization recruits employees, develops competencies, motivates performance, and maintains a productive and harmonious work environment.

### 2.2. Human Resource Theory

Human resources represent the individuals who work within an organization and contribute directly to the achievement of its objectives. Armstrong (2020) views human resources as strategic assets possessing knowledge, capability, experience, and potential that enable organizations to achieve competitive advantage. Dessler (2021) highlights that HRM involves acquiring, training, evaluating, and compensating employees, as well as maintaining healthy and strategic labor relations. Noe et al. (2022) reiterate that HRM plays an essential role in developing individual and organizational competencies through policies, training, and engagement strategies that strengthen organizational capability.

### 2.3. Organizational Culture

Organizational culture refers to shared values, beliefs, norms, and habits that guide the behavior of individuals within an organization. The term “organization” itself originates from the Greek *organon*, meaning tool or instrument. Sobirin (2020) defines an organization as a social unit established for a certain period of time, consisting of coordinated activities and a clear identity. Tika (2010) adds that an organization is a consciously coordinated system involving two or more individuals working toward shared goals. The concept of culture originates from the Latin word *colere*, meaning to cultivate or develop. Dalimunthe (2009) describes culture as a set of values and habits collectively accepted and followed by members of a society. Sobirin (2007) further explains that culture consists of knowledge, beliefs, arts, morals, laws, customs, and other capabilities acquired by individuals as members of society. Organizational culture, therefore, is the norms, values, and assumptions that are widely accepted within an organization and serve as guidelines for behavior (Dalimunthe, 2009; Tika, 2006; Tunggal, 2007). Umar (2010) describes organizational culture as a system of shared values derived from founders’ philosophies, which later develop into norms guiding how members think and act in achieving common objectives. In essence, organizational culture can be understood as a shared system of assumptions and values that influence behavior as members adapt to external challenges and integrate internal processes.

Robbins (2010) highlights several cultural characteristics, including individual initiative, risk tolerance, communication patterns, goal clarity, unit integration, managerial support, control systems, organizational identity, reward systems, and openness to conflict. These characteristics illustrate how culture manifests in behaviors and management practices within the organization. Organizational culture performs essential functions such as distinguishing organizations from one another, reinforcing collective identity, shaping behavior, fostering teamwork and social cohesion, regulating social systems, and serving as a mechanism for communication (Edison, 2016; Tika, 2006). A strong organizational culture can drive commitment, stability, and performance, although an excessively rigid culture may hinder innovation and adaptation to external changes. Edison (2016) proposes indicators of constructive organizational culture such as self-awareness, healthy aggressiveness, positive personality, creativity and performance orientation, and strong team orientation. These indicators reflect how culture supports productivity and organizational effectiveness.

### 2.4. Compensation

Compensation refers to all forms of rewards provided to employees for their contributions to the organization. Suparyadi (2015) and Hasibuan (2012) state that compensation includes both financial and non-financial elements. Handoko (2007) notes that compensation reflects employees’ value within society, while Jackson (2002) emphasizes its role in motivating performance and enhancing employee productivity. Dessler (2009) categorizes compensation into direct compensation, such as wages, salaries, incentives, and bonuses, and indirect compensation, such as insurance, paid leave, and other benefits. Rivai (2011) and Milkovich (2008) highlight that compensation influences employee loyalty, satisfaction, and long-term commitment. Factors influencing compensation include labor supply and demand, organizational capability, labor unions, employee productivity, government regulations, living costs, job position, education, experience, and national economic conditions (Hasibuan, 2012). Compensation is also classified into financial and non-financial categories (Rivai, 2011). Financial compensation includes basic salary, bonuses, incentives, commissions, severance pay, and various benefits. Non-financial compensation includes recognition, career opportunities, job security, and a conducive working environment.

The purpose of compensation is to attract qualified employees, retain existing employees, ensure fairness, motivate performance, control organizational costs, comply with legal requirements, and facilitate administrative efficiency (Rivai, 2011; Hasibuan, 2008; Jackson, 2002). Compensation should be based on principles of fairness and adequacy so that employees feel recognized and motivated to perform at their best. Djati (2003) identifies three indicators of compensation: material compensation such as salary, allowances,

and facilities; social compensation such as status, recognition, promotion opportunities, and participation; and activity-based compensation such as delegation of authority, responsibility, and participation in decision making.

## 2.5. Job Satisfaction

Job satisfaction is an emotional response toward different aspects of one's job. Kinicky (2010) describes it as an affective reaction to the workplace, while Robbins (2003) explains that satisfaction arises when the rewards received are aligned with what employees expect. Panggabean (2004) and Jauvani (2009) view job satisfaction as the level of congruence between employees' expectations and the outcomes they receive. Job satisfaction plays a crucial role in organizational sustainability because it influences motivation, work commitment, and turnover intentions. Several theories explain job satisfaction. The Discrepancy Theory assesses satisfaction based on the gap between expectations and reality. The Equity Theory emphasizes fairness in comparison with others. Herzberg's Two-Factor Theory distinguishes between hygiene factors, which prevent dissatisfaction, and motivators, which enhance satisfaction. Value Theory relates satisfaction to the extent to which job outcomes meet personal values. Maslow's Hierarchy of Needs explains satisfaction based on fulfillment of physiological, safety, social, esteem, and self-actualization needs. Luthans (2006) outlines key indicators of job satisfaction including salary, promotion opportunities, supervisory support, benefits, working conditions, recognition, relationships with colleagues, communication, and the work environment. These indicators are fundamental in measuring employee perceptions of job quality and overall satisfaction.

## 2.6. Employee Performance

Employee performance refers to the outcomes achieved by individuals in accordance with job requirements and responsibilities. Wibowo (2007) explains that performance encompasses not only results but also the processes behind those results. Bangun (2012) describes performance as the attainment of work outcomes based on job requirements. Mangkunegara (2013) states that performance includes both the quantity and quality of work achieved by an employee. Robbins (2008) adds that performance can be individual or collective within an organizational context. Factors influencing performance include internal factors—such as ability, motivation, and personal characteristics—and external factors such as organizational climate, leadership behavior, facilities, and social relations (Mangkunegara, 2010). These internal and external elements interact to determine employees' overall performance outcomes.

Performance indicators refer to the measurable variables used to evaluate the effectiveness and efficiency of organizational processes (Mahsun, 2006; Moehersono, 2012). Indicators include effectiveness, efficiency, quality, timeliness, productivity, and safety. Mangkunegara (2011) further highlights dimensions such as quality of work, quantity of work, teamwork, responsibility, and initiative as essential components for evaluating employee performance. Sutrisno (2016) explains that employee performance can be improved through objective differentiation between high and low performers, aligning performance with expectations and rewards, providing training and development, and strengthening communication between supervisors and employees. These strategies enable organizations to promote fairness, enhance motivation, and build a competent workforce.

Based on the literature review presented above, the hypotheses of this study are as follows:

- H1. Organizational culture has a direct and positive influence on job satisfaction.*
- H2. Compensation has a direct and positive influence on job satisfaction.*
- H3. Organizational culture has a direct and positive influence on employee performance.*
- H4. Compensation has a direct and positive influence on employee performance.*
- H5. Job satisfaction has a direct and positive influence on employee performance.*

*H6. Organizational culture has an indirect and positive influence on employee performance through job satisfaction.*

*H7. Compensation has an indirect and positive influence on employee performance through job satisfaction.*

### III. Research Method

This study employed a quantitative research design, which relies on deductive reasoning to test theoretical propositions and confirm relationships between variables. Quantitative methods were used to explain and empirically verify the causal relationships proposed in the research hypotheses. The study adopts an explanatory research approach, aiming to examine the direct and indirect effects among organizational culture, compensation, job satisfaction, and employee performance. The study was conducted at the Faculty of Engineering, Hasanuddin University, located on Jalan Poros Malino Km. 6, Gowa, South Sulawesi. Data collection occurred over a period of approximately three months, from July to September 2025. The population consisted of 93 administrative employees (both civil servants and non-civil servants), and because the total population was relatively small, the study used a saturated sampling technique, meaning that all members of the population were included as research respondents.

Data were collected using a structured questionnaire supported by interviews to obtain both quantitative and qualitative information relevant to the research variables. Primary data were obtained directly from respondents through questionnaire distribution and interviews, while secondary data were obtained from books, journals, and institutional documents. The questionnaire items were developed based on established theories in human resource management and prior empirical research, and responses were measured using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The operational definitions of variables included organizational culture, compensation, job satisfaction, and employee performance, each measured using validated indicators from previous literature. Instrument validity was tested using item validity analysis, while reliability was assessed using Cronbach's Alpha to ensure internal consistency.

Data analysis consisted of descriptive statistical analysis to summarize respondents' perceptions of each variable, followed by multivariate analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The analytical procedures included evaluation of the measurement model (outer model), which tested indicator reliability, internal consistency reliability, convergent validity, and discriminant validity; and evaluation of the structural model (inner model), which analyzed the R-squared values, path coefficients, and significance levels through bootstrapping. Hypothesis testing involved assessing both direct and indirect (mediating) effects, following guidelines by Ghozali (2014, 2024) and Abdillah & Hartono (2015). PLS-SEM was selected because it allows analysis with relatively small sample sizes, does not require normal distribution assumptions, and is suitable for predictive as well as confirmatory research.

### IV. Result and Discussion

#### 4.1. Research Result

##### a. Path Analysis Model 1

The direct influence of Organizational Culture (X1) and Compensation (X2) on Job Satisfaction (Y2)

**Table 1. Coefficient of Determination of Model 1**

MODEL 1	Variables	R Square
	Organizational culture Compensation	0.681

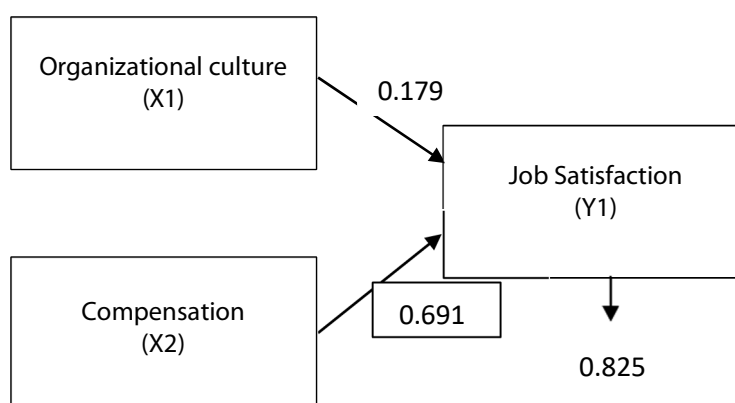
**Table 2. Path coefficients of Model 1**

MODEL 1	Exogenous Variables	Standardized Coefficient	Significance
	Organizational culture	0.179	0.030
	Compensation	0.691	0.000

Referring to table 1 Path Coefficients of Model 1, Organizational Culture has a significant effect on Job Satisfaction (because the Significance value is <0.05). Compensation also has a significant effect on Job Satisfaction (because the Significance value is <0.05). The Path Coefficient value is obtained from the standardized Beta coefficient. The R square value of 0.681 indicates that the influence of organizational culture and compensation on job satisfaction is 68% while the rest is the contribution of other factors not included in the study. Meanwhile, the e1 value can be found using the formula

$$e1 = \sqrt{1 - 0.681} = 0.825. \text{ Thus, the Path equation of model 1 is } Y1 = 0.179X1 + 0.691X2 + 0.825e1$$

The path diagram for model I is as follows:



**Figure 1. Path Analysis Model 1**

Based on Figure 1, the influence of organizational culture on job satisfaction is 0.179, while the influence of compensation on job satisfaction is 0.691. From the data above, it can be concluded that the influence of compensation is greater than organizational culture.

b. Path Analysis Model 2

The direct influence of organizational culture (X), compensation (X2) and job satisfaction (Y1) on employee performance (Y2).

**Table 3. Coefficient of Determination of Model 2**

MODEL 2	VARIABLES	R SQUARE
	Organizational culture Compensation Job satisfaction	0.576

**Table 4. Path coefficients of Model 2**

MODEL 2	Exogenous Variables	Standardized Coefficient	Significance
	Organizational culture	0.136	0.057
	Compensation	0.524	0.000
	Job satisfaction	0.759	0.000

Referring to table 4 organizational culture does not significantly influence employee performance (because the significance value is > 0.05). Meanwhile, compensation and job satisfaction have a significant

influence on employee performance (because the significance value is  $< 0.05$ ). The path coefficient value is obtained from the standardized Beta Coefficient. The R square value of 0.576 indicates that the contribution of organizational culture, compensation, and job satisfaction to employee performance is 58%, while the remainder is the contribution of other factors not included in the study. Meanwhile, the  $e^2$  value can be found using the formula

$$e^2 = \sqrt{(1 - 0.576)} = 0.651. \text{ Thus, the path equation of model II is } Y_2 = 0.136X_1 + 0.524X_2 + 0.759Y_1 + 0.651e_2$$

The path diagram for model II is as follows:



**Figure 2. Path Analysis Model 2**

Based on Figure 2, it can be seen that the direct influence of organizational culture on employee performance is 0.136, the direct influence of compensation on employee performance is 0.524, while the direct influence of job satisfaction on employee performance is 0.759. It can be concluded that job satisfaction has the most influence on employee performance compared to organizational culture and compensation.

c. Indirect influence

The indirect influence of the independent variables of Organizational Culture and Compensation on the dependent variable of Employee Performance through Job Satisfaction as an intervening variable is described as follows:

1) The Influence of Organizational Culture through Job Satisfaction on Employee Performance

It is known that the direct influence given by organizational culture on employee performance is 0.136, meaning that organizational culture directly has an influence of 13.6% on employee performance. While the indirect influence of organizational culture through job satisfaction on employee performance is the multiplication of Beta Organizational Culture on Employee Performance, namely  $0.179 \times 0.759 = 0.136$ , meaning that indirectly organizational culture has an influence of 13.6% on employee performance. The total influence given to employee performance is the direct influence plus the indirect influence, namely:  $0.136 + 0.136 = 0.272$ , meaning that the total influence of organizational culture on employee performance is 27.2%. To determine the significance of the indirect influence of organizational culture (X1) on Employee Performance (Y2) through Job Satisfaction (Y1), an online Sobel test was conducted.

**Table 5. Indirect X1 to Y2 through Y1 using Sobel Test**

Organizational Culture - Job Satisfaction - Employee Performance			
A	B	Sa	Sb
0.179	0.759	0.082	0.084
Statistical test		2.12188293	
std. error		0.06402851	
p-value		0.03384757	
Information		Significant	

Table 5. shows the significance value (p-value) of the indirect influence of organizational culture (X1) on Employee Performance (Y2) through Job Satisfaction (Y1) of 0.03. This value is smaller than 0.05, thus organizational culture (X1) has a significant influence on employee performance (Y2) through job satisfaction (Y1), thus it can be concluded that job satisfaction mediates the relationship between organizational culture and performance.

2) The Influence of Compensation through Job Satisfaction on Employee Performance

It is known that the direct effect of compensation on employee performance is 0.524, meaning that compensation directly has an effect of 52.4% on employee performance. While the indirect effect of compensation through job satisfaction on employee performance is the multiplication of the Beta value of compensation on job satisfaction with the Beta value of job satisfaction with employee performance, namely:  $0.691 \times 0.759 = 0.524$ , meaning that compensation indirectly has an effect of 52.4% on employee performance. The total effect of compensation on employee performance is the direct effect plus the indirect effect, namely  $0.524 + 0.524 = 1.048$  means the total influence of compensation is 104.8%. To determine the significance of the indirect influence of compensation (X2) on employee performance (Y2) through job satisfaction (Y1), an online Sobel test was conducted. The results of the Sobel test can be seen in the following table.

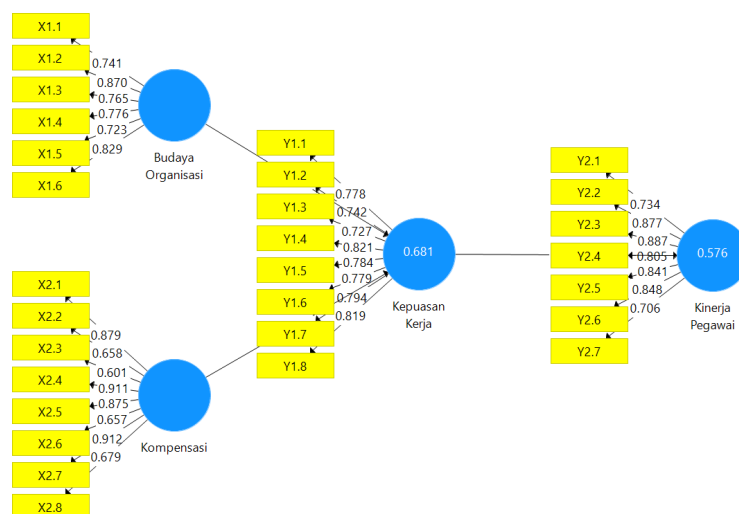
**Table 6. Indirect Effect of X2 on Y2 through Y1 using Sobel Test**

Compensation - Job Satisfaction - Employee Performance			
A	B	Sa	Sb
0.691	0.759	0.076	0.084
Statistical test		6.40905904	
std. error		0.08183245	
p-value		0	
Information		Significant	

Table 6. shows the significance value (p-value) of the indirect effect of compensation (X2) on employee performance (Y2) through job satisfaction (Y1) of 0.00. This value is smaller than 0.05, thus Compensation (X2) has a significant effect on employee performance (Y2) through job satisfaction (Y1), thus it can be concluded that job satisfaction mediates the relationship between compensation and performance.

**Table 7. Indirect Influence**

Variable Relationship	Mark				Sig	
X1 to Y1 to Y2	0.136	+	0.14	=	0.272	0.033848
X2 to Y1 to Y2	0.524	+	0.52	=	1,048	0



**Figure 3. Final Model Path**

#### d. Hypothesis Testing

Based on the results of the path analysis that have been described previously, the following will describe the hypothesis testing based on the table and image above:

##### 1) The Influence of Organizational Culture on Job Satisfaction

Based on the Coefficient table, the significance value of Organizational Culture is less than the real tariff of 5% ( $0.03 < 0.05$ ). So it can be concluded that there is a direct significant influence between organizational culture and job satisfaction. The influence given is a positive influence, meaning that the better the organizational culture in the company, the better the level of job satisfaction of its employees. So it can be concluded that the first Hypothesis (Ha1) is accepted.

##### 2) The effect of compensation on job satisfaction

Based on the table, the coefficient of compensation significance value is less than the 5% level of significance ( $0.00 < 0.05$ ). This means that compensation has a significant influence on job satisfaction. Therefore, it can be concluded that the second hypothesis (Ha2) accepted.

##### 3) The Influence of Organizational Culture on Employee Performance

Based on the table, the coefficient of organizational culture's significance value is greater with a significant rate of 5% ( $0.057 > 0.05$ ). This means that organizational culture does not have a positive and significant influence on employee performance. Therefore, it can be concluded that the third hypothesis (Ha3) is accepted.

##### 4) The Effect of Compensation on Employee Performance

Based on the coefficient table, the significance value of compensation is greater than the real level ( $0.00 < 0.05$ ). Therefore, it can be concluded that there is a direct, significant influence between compensation and employee performance. Therefore, it can be concluded that the fourth hypothesis (Ha 4) is accepted.

##### 5) The Influence of Organizational Culture through Job Satisfaction on Employee Performance.

It is known that the direct influence of organizational culture on employee performance is 0.136, meaning that organizational culture directly has a 13.6% influence on employee performance. Meanwhile, the indirect influence of organizational culture through job satisfaction is the multiplication of the beta value of organizational culture on employee performance with the beta value of job satisfaction on employee performance, namely:  $0.179 \times 0.759 = 0.136$ , meaning that organizational culture indirectly has a 13.6% influence on employee performance. The total influence of Organizational Culture on Performance is the direct influence plus the indirect influence, namely:  $0.136 + 0.136 = 0.272$ , meaning that the total influence of Organizational Culture on Employee Performance is 27.2%. Meanwhile, the significance value of 0.03 is smaller than 0.05. This means that organizational culture, through job satisfaction, has a significant relationship with employee performance. Therefore, it can be concluded that the fifth hypothesis (Ha5) is accepted.

##### 6) The Influence of Compensation through Job Satisfaction on Employee Performance

It is known that the direct effect of compensation on employee performance is 0.524, meaning that compensation directly has an effect of 52.4% on employee performance. While the indirect effect of compensation through job satisfaction on employee performance is the multiplication of the beta value of compensation on job satisfaction with job satisfaction on employee performance, namely:  $0.691 \times 0.759 = 0.524$ , meaning that compensation indirectly has an effect of 52.4% on employee performance. The total effect of compensation on employee performance is the direct effect plus the indirect effect, namely  $0.524 + 0.524 = 1.048$ , meaning that the total effect of compensation is 104.8%. Meanwhile, the significance value in Table 5.7 is 0.00, which is smaller than 0.05. This indicates that compensation has a significant influence on employee performance through job satisfaction. Therefore, it can be concluded that the sixth hypothesis (Ha6) is accepted.

##### 7) The Influence of Job Satisfaction on Employee Performance

Based on the coefficient table, the significance value of job satisfaction is greater than the real level ( $0.00 < 0.05$ ). This means that job satisfaction has a significant negative influence on employee performance. Therefore, it can be concluded that the seventh hypothesis ( $H_a 7$ ) is accepted.

## 4.2. Discussion

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

Based on the results of the study, it shows that organizational culture has a positive and significant effect on job satisfaction. This is proven by the path analysis of model 1 where the standard coefficient or calculated  $r$  is  $0.179 > r$  table  $0.1716$  with a significance of  $0.03 < \alpha 0.05$ , meaning that the existence of a good organizational culture implemented in the organization will have a positive and significant effect on job satisfaction at the Faculty of Engineering, Unhas. This indicates a positive relationship between organizational culture and job satisfaction. The better the organizational culture, the better the employee attitudes and behavior, which in turn increases job satisfaction. Likewise, the worse the organizational culture, the more likely it is that employee dissatisfaction will hinder work. From the results of observations and interviews conducted at the research location, it shows that the organizational culture at the Faculty of Engineering, Unhas, has been embedded in every employee, this is inseparable from the purpose of establishing an organizational culture at the Faculty of Engineering, Unhas, namely Improving employee performance, Creating a conducive work environment, Increasing public trust, Building a positive image of the institution. If we look at the statements of the questionnaire that have been distributed, the employees of the Faculty of Engineering, Unhas, have created harmony and supported each other in carrying out their duties.

Good job satisfaction is certainly inseparable from the organizational culture that influences the behavior of its employees, which aims to encourage work enthusiasm and harmony to create effective and efficient public services. Judging from the characteristics of respondents based on education, which dominates with 38 high school graduates, 50 undergraduate graduates and 5 postgraduate graduates, meaning that the agency has involved competent and educated employees. The results of this study also support research conducted by Purwanto (2016) which states that organizational culture has a positive and significant influence on job satisfaction.

### b. The Effect of Compensation on Job Satisfaction

Based on the analysis results, it shows that compensation has a positive and significant influence on job satisfaction. This is proven by the path analysis of model 1 where the standard coefficient or calculated  $r$  is  $0.691 > r$  table  $0.1716$  with a significance of  $0.0 < \alpha 0.05$ , meaning that the existence of good compensation implemented in the organization will have a positive and significant influence on job satisfaction at the Faculty of Engineering, Unhas. Field results show that compensation ( $X_2$ ) has a value of  $0.440$ , the large value of  $r$  square shows that the influence of compensation on job satisfaction is 44% while the rest is a contribution from other factors, meaning that less than optimal compensation will have a negative impact on job satisfaction and vice versa.

The results of data processing for respondents' responses to the statements in the questionnaire indicate that compensation provided to employees is good and timely. Although there are compensation indicators that are considered weak, namely from the non-financial sector, the facility indicator where in the statement there were 3 people who were less comfortable and 19 who answered neutrally satisfied with the provision of equal opportunities in career advancement, etc. so that the relationship between compensation and satisfaction is less significant. Based on the results of observations and interviews conducted at the research location, compensation at the Faculty of Engineering, Hasanuddin University, consists of 2 types First, fixed compensation consists of a base wage and allowances. A base wage is the basic monetary reward for the work performed by an employee. Allowances are additional compensation provided based on job characteristics, work location, or other factors not covered by the base wage. Second, variable compensation is a reward given to employees for successfully achieving agency targets and individual targets that have been set. These findings also support research conducted by Arinal (2017) which states that compensation has a positive and significant effect on job satisfaction.

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

The results of this study indicate that organizational culture has a significant indirect effect on employee performance. The better the organizational culture, the better job satisfaction and, subsequently, the better employee performance. This is evidenced by the results of the hypothesis test, which shows a significance value of  $0.057 > \alpha 0.05$ , meaning that organizational culture does not have a significant impact on employee performance. The standard coefficient of 0.136 indicates that organizational culture has a direct influence on employee performance of 13.6%. The findings of this study are in line with the opinion of Edison (2016:173) who stated that organizational culture is the key in guiding the behavior of its members towards constructive thinking, contributing positively, and working effectively in achieving organizational/company goals. Based on the results of data processing for the respondents' responses to the statements in the questionnaire, it indicates that the organizational culture at the Faculty of Engineering, Unhas, is good, where employees always try to develop themselves and their abilities, always prioritize quality and always innovate. Organizational culture also becomes a behavioral guideline for its members which is unconsciously applied in carrying out their activities so that it will affect the performance of its employees. These findings also support research conducted by Lidya (2017) which shows that organizational culture has a positive and significant influence on employee performance.

d. The Effect of Compensation on Employee Performance

The analysis results show that compensation has a positive and significant impact on employee performance. This is evidenced by the results of the hypothesis test, which showed a significance value of  $0.0 < \alpha 0.05$ , meaning that the level of compensation has a real impact on performance or that compensation can lead to improved employee performance at the Faculty of Engineering, Hasanuddin University. This indicates a positive relationship between compensation and employee performance, meaning that compensation provides maximum motivation for work, thus triggering better employee performance. The better the pay received, the better the employee's performance in carrying out their duties, and vice versa. Judging from the characteristics of respondents regarding employee status, it shows that the number of civil servants is 50 people and the number of non-civil servants is 43 people. From this employee status, the difference between the two is not too great. These findings also support research conducted by Febrianti (2011) which stated that compensation has a significant effect on employee performance.

e. The Influence of Organizational Culture through Job Satisfaction on Employee Performance

Based on the results of the data analysis that has been carried out, it shows that organizational culture does not have a positive influence on employee performance through job satisfaction. This is proven by the results of the hypothesis test being rejected, meaning that organizational culture has a positive result on employee performance although it is not significant. Judging from the data, organizational culture has a direct influence on performance of 13.6% while the indirect influence is 13.6%. If viewed from the total influence of organizational culture on performance of 27.2% while the significance value is 0.057, this means that organizational culture through job satisfaction has a positive and insignificant relationship to employee performance. The relationship given is partial mediation, meaning that organizational culture contributes directly to employee performance. The results of this study support research conducted by Suwanto (2015) which shows that organizational culture has a positive and insignificant effect on employee performance through job satisfaction.

f. The Influence of Compensation through Job Satisfaction on Employee Performance

Based on the results of the data analysis conducted, it shows that compensation has a significant influence on employee performance through job satisfaction. This is proven by hypothesis testing stating that the hypothesis is accepted. The direct influence of compensation on performance is 52.4% while the indirect influence is 52.4% with a total influence of compensation on employee performance of 104.8% with a significance value of 0.0, this value is smaller than  $\alpha 0.05$ . This means that compensation has a significant influence on employee performance. Based on the results of data processing for respondents' responses regarding the questionnaire statements, it shows that compensation is good, as evidenced by the very high respondent response scores, with good compensation supporting better performance and providing employee satisfaction. This study stated that to strengthen compensation, job satisfaction has a mediating effect in the relationship between compensation and employee performance. The results of this study support

research conducted by Didik (2016) which shows that compensation has a significant effect on performance through job satisfaction.

g. The Influence of Job Satisfaction on Employee Performance

Based on the analysis of the influence of job satisfaction on employee performance, there is a significant effect. This is proven by the results of the hypothesis test, which showed a significance value of  $0.00 < \alpha 0.05$ . Low job satisfaction among employees will have a negative impact on employee performance, and vice versa, if the employee feels good about their job satisfaction, their performance will also improve. These findings are based on interviews and questionnaires distributed to respondents at the research site. In general, educational institutions have a vision, mission, and goals. To achieve organizational goals, the Faculty of Engineering, particularly at Hasanuddin University, must realize these goals by maximizing the company's human resources. Good performance will change negative habits that impact the organization's image. Things that can damage the organization's image must be eliminated. These findings support research conducted by Suwanto (2015) that job satisfaction has a positive and significant effect on job satisfaction.

## V. Conclusion

This study aimed to analyze the influence of organizational culture and compensation on job satisfaction and employee performance at the Faculty of Engineering, Hasanuddin University, using a quantitative approach with PLS-SEM. The findings indicate that both organizational culture and compensation have a positive and significant influence on job satisfaction, demonstrating that the cultural values embodied in "Teknik Unhas MARANNU MELAYANI" and the provision of fair compensation contribute to higher levels of employee satisfaction. However, organizational culture does not have a significant direct effect on employee performance; its influence on performance emerges only through job satisfaction as a mediating variable. In contrast, compensation exhibits both direct and indirect significant effects on employee performance. Furthermore, job satisfaction shows a positive and significant impact on employee performance, confirming its critical role in enhancing overall employee outcomes at the Faculty of Engineering.

The results of this study provide theoretical contributions by reinforcing existing models that describe the relationships among organizational culture, compensation, job satisfaction, and performance within the human resource management literature. Theoretically, the findings confirm that organizational culture may not always exert a direct effect on performance; instead, its influence may be channeled through psychological variables such as job satisfaction, thereby supporting mediation theories in organizational behavior research. Additionally, the significant influence of compensation on performance strengthens motivational theories that position rewards as key drivers of employee performance. From a managerial standpoint, the findings offer important recommendations for leaders at the Faculty of Engineering to strengthen organizational cultural practices, enhance transparent and competitive compensation systems, and create a supportive working environment that fosters employee satisfaction. Efforts to improve performance should begin with providing equitable compensation and strengthening non-financial aspects such as communication quality, workplace facilities, and coordination across units.

This study has several limitations that should be considered when interpreting the findings. First, the research employed a cross-sectional design, which does not capture changes in employee satisfaction or performance over time. Second, the study was conducted in a single faculty within one institution, limiting the generalizability of its findings to other organizational contexts. Third, the measurement instruments relied on self-reported perceptions, which may introduce subjective bias. Future research is therefore encouraged to expand the research setting to other faculties or institutions, employ longitudinal designs to examine changes over time, and incorporate additional variables such as motivation, leadership, organizational commitment, and work environment to develop a more comprehensive understanding of the factors influencing employee performance across various organizational settings.

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