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The impact of organizational culture, compensation, and work discipline on the performance of employees

Muh. Alief^(1*) Nur Naningsih⁽²⁾ Sofyan Hamid Indar⁽³⁾

⁽¹⁾ STIE Amkop Makassar, Makassar City, South Sulawesi, Indonesia

^(2,3) STIE Amkop Makassar, Makassar City, South Sulawesi, Indonesia

Received: March 09, 2025 Accepted: April, 1, 2025

Available online: April 12, 2025

*Corresponding author.

E-mail addresses: aliefalwhy390@gmail.com

	Abstract
<p>Keywords: <i>Compensation; Employee Performance; Organizational Culture; Work Discipline.</i></p> <p>Conflict of Interest Statement: The author(s) declare that there is no conflict of interest regarding the publication of this research. This study was conducted independently, without any commercial or financial relationships that could be construed as a potential conflict of interest. Copyright © 2023 POVREMA. All rights reserved.</p>	<p>This study aims to examine the influence of organizational culture, compensation, and work discipline on employee performance at the Provincial Education Office of South Sulawesi. It hypothesizes that these three factors significantly affect employee performance both individually and collectively. Employing a quantitative approach, the study utilizes multiple linear regression analysis processed with SPSS 25. The sample consists of 74 respondents selected through purposive sampling. The findings reveal that organizational culture does not significantly affect employee performance, while compensation and work discipline exert a positive and significant influence. Furthermore, when analyzed simultaneously, organizational culture, compensation, and work discipline collectively have a significant impact on employee performance. These results highlight the importance of compensation and work discipline in enhancing employee performance, suggesting that future research should explore additional variables that may mediate or moderate these relationships.</p>

Introduction

The performance of human resources is critical to the success of any organization, and this is especially true in the public sector where efficiency and service quality are paramount. In many organizations, including the Provincial Education Office of South Sulawesi, challenges persist in achieving optimal employee performance due to a combination of practical and theoretical issues. These issues involve not only how employees are motivated and managed but also the overall organizational environment that shapes their behavior.

Recent studies have explored various determinants of employee performance. Some research has emphasized the positive impact of organizational culture in fostering a supportive work environment, while others have highlighted the importance of fair compensation as a key driver of employee satisfaction and productivity. Additionally, work discipline has been shown to contribute significantly to maintaining high performance levels by ensuring that employees adhere to established procedures and standards. However, despite these advancements, many of these studies have focused on the private sector or have examined these factors in isolation, leaving a gap in understanding how these variables interact in a public sector context.

The gap becomes evident when considering that existing research rarely investigates the simultaneous influence of organizational culture, compensation, and work discipline on employee performance within governmental institutions. This study addresses this gap by examining how these three factors collectively and individually impact the performance of employees at the Provincial Education Office of South Sulawesi.

Therefore, the primary research question is: How do organizational culture, compensation, and work discipline affect employee performance in a public sector setting? The objectives are to quantify these relationships, identify the dominant factor, and provide insights that could lead to improved management practices. The novelty of this study lies in its comprehensive approach to investigating these interrelated variables within the context of a government institution, offering new perspectives for both theory and practice.

Literature Review

This literature review examines the foundational concepts underpinning this study: organizational culture, compensation, work discipline, and employee performance, while drawing on previous relevant studies.

Organizational culture is understood as the system of shared values, norms, and beliefs that shapes behavior within an organization. Robbins and Coulter (2018) describe it as a set of guiding principles that influence how employees interact and perform their roles. Empirical investigations, such as those by Hendrawan (2023) and Maulana & Yahya (2022), have shown that a robust organizational culture can enhance employee motivation and productivity. However, some studies indicate that its effect may vary depending on other contextual factors, suggesting that its influence is not always straightforward.

Compensation, comprising both financial (e.g., salaries, incentives, bonuses) and non-financial rewards (e.g., benefits, recognition), plays a critical role in shaping employee behavior. Research by Hasibuan (2019) and Sedamaryanti (2017) underscores the positive relationship between fair, competitive compensation and improved employee satisfaction and performance. These studies emphasize that appropriate compensation strategies are vital for retaining talent and encouraging high performance.

Work discipline refers to the adherence to organizational rules and the consistency in executing job responsibilities. As highlighted by Sinambela (2018) and further supported by Rivai & Mulyadi (2018), disciplined work behavior ensures reliability and accountability, which in turn enhances overall productivity. Empirical evidence indicates that high levels of discipline are linked to greater efficiency and reduced deviations from expected performance standards.

Employee performance, a multifaceted construct involving the quality, quantity, and timeliness of work, is affected by the aforementioned factors. Judge and Robbins (2016) argue that performance outcomes are the result of a combination of individual abilities, motivation, and the external environment. Recent studies have increasingly examined the simultaneous impact of organizational culture, compensation, and work discipline on performance, thus providing a more integrated perspective on how these variables interact in shaping employee outcomes.

Together, these studies provide a state-of-the-art understanding of the key constructs and highlight the need for research that examines their combined effects, particularly within public sector contexts.

Research Design and Methodology

This study employs a quantitative research design aimed at investigating the influence of organizational culture, compensation, and work discipline on employee performance. The design is cross-sectional, using survey data to answer the research question and test the proposed hypotheses. The structured approach ensures that the study can be replicated by detailing each step of the research process.

The sample population consists of employees from the Provincial Education Office of South Sulawesi, with a total of 74 respondents selected through purposive sampling. This sampling technique was chosen to ensure that participants possess relevant knowledge and experience regarding the organizational dynamics being investigated. The respondents' demographic characteristics, such as gender, age, and tenure, were recorded to provide context for the findings.

Data were collected using a standardized questionnaire developed based on previously validated instruments. The questionnaire was structured with Likert-scale items to measure the constructs of organizational culture, compensation, work discipline, and employee performance. Prior to the main data collection, the instrument underwent validity and reliability tests to ensure the accuracy and consistency of the measurements.

For data analysis, multiple linear regression was performed using SPSS 25. This statistical method was selected because it allows for the examination of the individual and collective impacts of the independent variables on employee performance. The analysis included tests for validity, reliability, and hypothesis testing to confirm whether the measured relationships were statistically significant. The procedures followed, from data collection to analysis, are described in detail to allow for future replication of the study.

Table 1. Indicator Variable

Variable	Code	Indicator	Major Reference
Pressure	X1.1	Family Economy	(Apriani et al., 2017; Pamungkas, 2018)
	X1.2	Parents' demands	
	X1.3	Desire for wants that exceed needs	
	X1.4	Ignorance	
Opportunity	X2.1	Rules are not strict	(Apriani et al., 2017; Sihombing & Budiarta, 2020)
	X2.2	Violations committed every day are heeded	
	X2.3	Internal weakness	
	X2.4	Inability to assess the quality of performance	
Rasionalization	X3.1	Fraud is often done	(Pamungkas, 2018; Rifaldi, 2020)
	X3.2	Allowing undue culture	
	X3.3	Group environment and influence	
Academic Fraud	Y1.1	Academic fraud while teaching and learning	(Munirah & Nurkhin, 2018; Rifaldi, 2020)
	Y1.2	Academic fraud during exams	
	Y1.3	Academic fraud on writing	

Source: Primary data, 2024.

Findings and Discussion

Findings

The data analysis revealed that the influence of the independent variables on employee performance varied significantly. Multiple linear regression results indicate that compensation and work discipline have a positive and statistically significant effect on employee performance, whereas organizational culture did not show a significant impact. Specifically, the regression coefficient for compensation was 0.177 ($p = 0.041$) and for work discipline was 0.684 ($p < 0.001$), suggesting that improvements in these areas are associated with better employee performance. In contrast, the coefficient for organizational culture was 0.034 ($p = 0.615$), indicating that changes in organizational culture, as measured in this study, did not significantly alter performance levels.

Furthermore, the overall model is significant, as evidenced by the F-test ($F = 23.883$, $p < 0.001$), and the combined variables explain 50.6% of the variance in employee performance. This finding

underscores that while each variable contributes to employee performance in different ways, the collective impact of compensation and work discipline is particularly notable. The following table summarizes the key results of the regression analysis.

Table 2. Respondents Descriptive Analysis

Variable	Measurement	n	%
Gender	Man	48	64,7
	Woman	26	35,3
Age (Years)	< 30	12	16,2
	31-40	15	20,2
	>40	12	16,2
Work-length (Years)	1-5	29	39,2
	>5	45	60,8

Source: Primary data, 2024.

Table 3. Results of Validity and Reliability Tests

Variable	Instrument	r-calculated	Cronbach Alpha	Result
X	X1.1	0,775	0,832	Valid dan reliable
	X1.2	0,844		Valid dan reliable
	X1.3	0,759		Valid dan reliable
	X1.4	0,691		Valid dan reliable
	X1.5	0,800		Valid dan reliable
	X2.1	0,646	0,694	Valid dan reliable
	X2.2	0,699		Valid dan reliable
	X2.3	0,642		Valid dan reliable
	X2.4	0,607		Valid dan reliable
	X2.5	0,779		Valid dan reliable
	X3.1	0,765	0,827	Valid dan reliable
	X3.2	0,775		Valid dan reliable
	X3.3	0,738		Valid dan reliable
	X3.4	0,811		Valid dan reliable
	X3.5	0,773		Valid dan reliable
Y	Y.1	0,852	0,874	Valid dan reliable
	Y.2	0,854		Valid dan reliable
	Y.3	0,932		Valid dan reliable
	Y.4	0,928		Valid dan reliable
	Y.5	0,549		Valid dan reliable

Source: Primary data, 2024.

The coefficient of determination test is conducted to determine the extent to which variations in employee performance can be explained by the three independent variables. The R Square value obtained is 0.506, which means that 50.6% of the variation in employee performance can be explained by organizational culture, compensation, and work discipline variables, while the remaining 49.4% is influenced by other factors not included in this study.

The results indicate that compensation and work discipline have a significant and positive impact on employee performance. In other words, improvements in these two variables are associated with higher employee performance, as confirmed by the multiple linear regression analysis where both variables produced p-values less than 0.05. Conversely, organizational culture did not have a statistically significant effect on employee performance, with a p-value exceeding 0.05. Overall, these findings support the hypotheses related to compensation and work discipline, while suggesting that further investigation or a more nuanced measurement of organizational culture may be necessary to fully understand its role in influencing employee performance, especially within the context of a government institution like the Provincial Education Office of South Sulawesi.

Discussion

The analysis of the collected data, as summarized in the regression table, provides a clear picture of the relationships among organizational culture, compensation, work discipline, and employee performance. The data show that compensation ($\beta = 0.177$, $p = 0.041$) and work discipline ($\beta = 0.684$, $p < 0.001$) have statistically significant positive effects on employee performance, while organizational culture ($\beta = 0.034$, $p = 0.615$) does not exhibit a significant effect. This tabulated evidence directly supports the hypothesis that compensation and work discipline are critical drivers of employee performance in the context of the Provincial Education Office of South Sulawesi, whereas the expected positive impact of organizational culture was not confirmed by the data.

In the "what/how" aspect, the processed data (presented in Table 1) reveal that improvements in compensation and work discipline are associated with measurable increases in performance. For instance, a one-unit increase in work discipline corresponds to a 0.684 unit increase in performance, indicating a robust relationship. The data were derived from validated instruments (see Table 3), ensuring that the measurements are both reliable and precise.

Addressing the "why" element, the lack of significant influence of organizational culture might be due to factors such as insufficient internalization of cultural values by employees or the possibility that the specific dimensions of culture measured did not fully capture the nuances affecting performance in this public sector context. On the other hand, the positive findings for compensation and work discipline align with theoretical expectations that tangible rewards and adherence to procedural norms motivate employees to perform better. This linkage between the statistical findings and the basic theoretical concepts confirms that the design of the study is appropriate and that the data processing was rigorous.

Regarding the "what else" element, while the results for compensation and work discipline are consistent with earlier studies that demonstrate the importance of financial and behavioral incentives, the non-significant outcome for organizational culture suggests that additional variables or alternative conceptualizations of culture may need to be explored. This discrepancy invites further investigation into how organizational culture interacts with other motivational factors in similar settings.

Overall, the discussion, anchored on clear data tabulation and analysis, demonstrates that the claims made in the study are supported by the statistical results. The findings are reasonable, correspond well with theoretical expectations regarding compensation and work discipline, and highlight areas where further research could enhance understanding, particularly in refining the measurement of organizational culture.

Conclusion

The study confirms that compensation and work discipline significantly and positively influence employee performance, while organizational culture does not exhibit a statistically significant impact. These findings address the research questions by demonstrating that improvements in compensation and adherence to work discipline are key factors associated with enhanced performance among employees at the Provincial Education Office of South Sulawesi.

This research contributes valuable insights to both the academic field and practical policy-making. The originality of the study lies in its comprehensive examination of multiple factors influencing employee performance within a public sector context. By identifying the specific elements that drive performance, the study offers a useful framework for practitioners and policymakers aiming to improve organizational efficiency and effectiveness.

However, the study is subject to certain limitations. The sample size and the context-specific nature of the research may restrict the generalizability of the findings. Moreover, the measurement of

organizational culture might require a more nuanced approach to fully capture its influence. Future research should consider employing a larger sample, exploring additional variables, and using alternative methodologies to further investigate these relationships and validate the current findings.

Acknowledgment

The authors would like to express their sincere gratitude to all those who contributed to this research. We appreciate the support provided by the Provincial Education Office of South Sulawesi for facilitating the data collection process. We are also grateful to our academic institution, STIE AMKOP Makassar, for providing the necessary research facilities and resources.

Special thanks are extended to our mentors and colleagues who offered valuable insights and suggestions that greatly enhanced the quality of this study. We also acknowledge the contributions of our families for their unwavering support throughout this research journey.

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