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**The Influence of Islamic Organizational Culture and Compensation on Employee Performance with Motivation as Moderating Variable for BRI Syariah KC Semarang Employees**

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**Abstract**

This research is motivated by the banking world which has entered the era of globalization, where company competition is getting tougher. So that every company is required to improve the things that exist within the company so that it can develop and get better. Human resource management is very important and has become the focus of many organizations in competitive advantage. This study aims to determine and analyze the influence of Islamic Organizational Culture on Employee Performance with Variables as Moderating on Employees of BRI Syariah KC Semarang. This study uses quantitative methods by processing primary data through a questionnaire given to BRI Syariah KC Semarang 40 respondents with a saturated sample technique. The data obtained were processed using SPSS version 21. The analysis used in this study included instrument tests, statistical tests, classical assumption tests, and MRA.

Results Based on the research test, it was found that: (1) Islamic Organizational Culture had a negative and insignificant effect on employee performance at BRI Syariah KC Semarang. (2) Compensation has a positive and significant effect on BRI Syariah KC Semarang employee performance. (3) Motivation cannot moderate the influence of Islamic Organizational Culture on Employee Performance at BRI Syariah KC Semarang. (4) Motivation cannot moderate the effect of compensation on employee performance at BRI Syariah KC Semarang.

## INTRODUCTION

Bank business activities, in general, are businesses that are based on public trust. Therefore, the managers' professionalism in it is a non-negotiable necessity. Currently, the banking business world has entered the era of globalization, where company competition is getting tougher. So that every company is required to improve the things that exist within the company so that it can develop and get better. Human resource management is very important and has become the focus of many organizations in achieving competitive advantage.

A successful organization will focus on human resources to carry out its functions optimally, especially in dealing with the dynamics of environmental changes that occur. The dynamics of ecological change really require an effective and efficient management system, meaning that it can easily change or adapt and can accommodate any changes, both currently and already occurring (Juliningrum & Sudiro, 2013).

For this reason, every employee is not only required to have knowledge, skills, and abilities, but is also required to have experience, motivation, self-discipline, and high morale, so that employees have good performance and company performance will also increase which leads to achieving company goals (Suharnomo & Kusumah, 2015). Good employee performance can be seen from various sides. Therefore, performance appraisal is very necessary for companies to determine the extent to which employees can play a role in the growth and development of a company.

## THEORY BASIS AND HYPOTHESES DEVELOPMENT

### **Grand Theory**

*The Grand Theory* used as the basis for this research is the theory of Psychological Perspective. This theory synthesizes various scientific views related to behavioral psychology and cognitive psychology. Luthans (1985:23) in Rohendi (2011), through his study of organizational behavior, said that the guide to studying behavior in organizations is to use a *stimulus-response* approach. Luthans later developed this model into SOBC (Stimulus-Organism-Behavior-Consequences) with the same assumptions as to the SOR model. The advantage given by the SOBC model is that there are *consequences* that indicate the orientation to be achieved through work behavior. Every behavior is directed towards improving performance.

Based on the psychological perspective theory that adheres to the SOR model which Luthans later developed into the SOBC model, the motivation and work environment can be placed as a stimulus (S) for the formation of employee performance as a response (R/B) based on the motives and attitudes that develop within the organization (O.) individual employees.

### **Islamic Organizational Culture**

According to (Mas'ud, 2004) in (Kusumawati, 2015) organizational culture is a system of meanings, values and beliefs shared in an organization that becomes a reference for action and distinguishes one organization from another. Corporate culture then becomes the identity or main character of the organization maintained and maintained. So it can be concluded that Islamic organizational culture is a system of meanings, values and beliefs based on Islamic values shared in an organization that becomes a reference for action and distinguishes it from other organizations.

### **Compensation**

According to (Sinambela, 2016:220), compensation is the total of all awards given to employees in return for their services to the organization. The overall objective is to provide compensation to attract, retain, and motivate employees. Direct financial compensation consists of payments that people receive in wages, salaries, commissions, and bonuses. Indirect monetary compensation includes all *financial rewards* not covered by direct compensation.

### **Motivation**

According to (Indryani in Budiarti, 2016) motivation comes from the Latin word *move* which means encouragement or driving force. Motivation questions how to encourage followers or subordinates, so they can work seriously and create enthusiasm for one's work so that they want to work together.

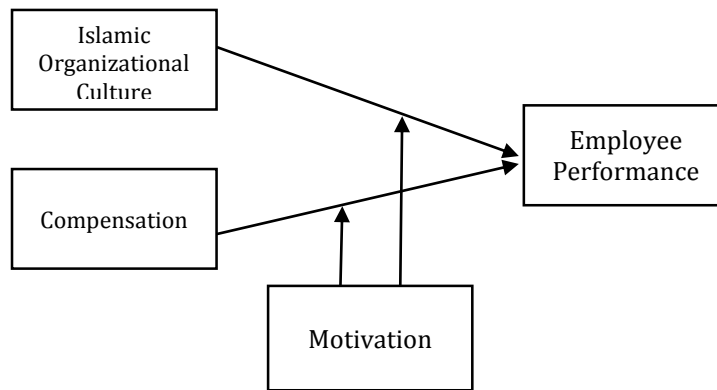
### **Employee performance**

Employee performance is the result of quality and quantity achieved by an employee in carrying out his functions according to the responsibilities given to him (Robbins, 2006:258).

According to (Alam, 2016) employee performance is seen from the individual, institutional, psychological side. There are several indicators: workability, personal reward, education, discipline, punishment (career path), work environment, leadership, work politics, compensation, wages, organizational culture, job satisfaction, motivation, stress, comfort.

### **Research Framework**

From the summary of the results of the analysis of research that has been carried out by other researchers as well as the elaboration of theory regarding each variable, a research framework can be formulated as follows:



### Hypothesis Development

The hypotheses put forward in this study are:

#### 1. The Influence of Islamic Organizational Culture on Performance

In the view of Islam, it is a moral obligation for every member of the Muslim community to try as much as possible to implement all Islamic shari'ah (rules) in all aspects of life, including in the livelihood of life (economics) and, more specifically in matters of internal work ethics. In ethics or organizational culture which is part of Islamic economics, it cannot be separated from Islamic concepts (shari'ah) that must be implemented in this field (Budiono, 2016)

Research that examines Islamic organizational culture on interest was carried out by Irmayanthi and Surya (2020); Laura and Susanti (2016), stated that corporate culture has a positive and significant effect on employee performance interest.

So the hypothesis that can be developed from the results of the research above is as follows:  
H1: Islamic organizational culture has a positive and significant effect on employee performance.

#### 2. Effect of Compensation on Employee Performance

Compensation is an important element in providing appropriate compensation that can affect employee performance which will also affect company performance. Compensation is not only limited to salary; compensation can include praise, bonuses, health benefits, and so on. So compensation by the company to its employees must think about various factors because this can affect the future of the company in the future, and compensation must be carefully calculated so that the compensation given to employees can be said to be fair.

Research that examines compensation on employee performance conducted by Wibowo (2018) and Mora (2019) states that payment has a positive and significant effect on employee performance.

So the hypothesis that can be developed from the results of the research above is as follows:

H2: Compensation has a positive and significant effect on employee performance.

### **3. The Influence of Islamic Organizational Culture and Compensation on Performance with Motivation as Moderating**

Performance is the final result of the work process that has been carried out by an employee within a certain period, using ideas and efforts to achieve the company's work goals. According to Mangkunegara (2005) in Firmandari (2014) performance means work results in quality and quantity that an employee can achieve in carrying out their duties following the responsibilities given to him. In an organization or

Motivation is a collection of energy forces that come from inside and outside the individual by starting an attitude and determining its form, direction, and intensity. According to Nawawi (2003) in Firmandari (2014) the word motivation (*motivation*) comes from the word motive (*motive*) which means encouragement, cause or reason for someone to do something. Thus, motivation is a condition that encourages or causes someone to do an act or activity that occurs consciously. Suppose motivation is associated with the word employee or employee. In that case, motivation can be interpreted as encouragement from within the employee and from the environment, where the employee is located and then applied to the performance of employees in the company, to achieve goals, both personally and by the company.

So the hypothesis that can be developed from the results of the research above is as follows:

H3 : Motivation moderates the influence of Islamic organizational culture on employee performance

H4 : Motivation moderates the effect of compensation on employee performance

### **METHOD**

The type of research used for this research is the quantitative method. Data collection techniques by giving questionnaires to employees of BRI Syariah KC Semarang. The tool used to analyze is statistical analysis with SPSS for Windows vers 21.0 program. The tests in this study used validity, reliability, classical assumption test, t-test, f test, coefficient of determination test, and moderated regression analysis (MRA) test.

### **RESULT AND DISCUSSION**

#### **Validity and Reliability Testing**

The results of the validity test show that all questions used in the questionnaire are valid, all question items in the two-star variable are significant at the 5% level, so that no question items are deleted and all question items can be used for the entire test model. As

for the reliability test, each variable has a *Cronbach's alpha* value greater than 0.6 so it can be said to be reliable.

**Multicollinearity Test**

**Coefficients**

Model	Collinearity Statistics		
		Tolerance	VIF
1	X1	1,000	1,000
	X2	1,000	1,000

a. Dependent Variable: Y

*Source: primary data processed, 2021*

From the test results in table 1, it is known that the *tolerance* values for Islamic Organizational Culture (X1) and Compensation (X2) variables are 1,000 and 1,000, and the VIF values are 1,000 and 1,000. The *tolerance* value for the variable is more than 0.1 and the VIF value is less than 10. Thus, it can be concluded that there is no multicollinearity problem.

**Normality test**

**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		40
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	2,45522670
	Most Extreme Differences	
	Absolute	,122
	Positive	,122
	Negative	-,076
Kolmogorov-Smirnov Z		,771
Asymp. Sig. (2-tailed)		,593

a. Test distribution is Normal.

a. Calculated from data.

*Source: primary data processed, 2021*

Based on the calculation, the significant value of the *unstandardized residual* is 0.593, more than the value of 0.05. So it can be concluded that the *residuals* are normally distributed.

**Heteroscedasticity Test**

**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,079	2,015		,039	,969
1 X1	-,009	,074	-,020	-,129	,898
X2	,137	,082	,265	1,669	,104

b. Dependent Variable: Abs\_RES

*Source: primary data processed, 2021*

The results of the heteroscedasticity test show that the significance value of the independent variables of Islamic Organizational Culture (X1) and Compensation (X2) are 0.898 and 0.104a, respectively. The value of each variable is greater than 0.05, so it can be concluded that there is no heteroscedasticity.

**Multiple Linear Regression Analysis Test**

**Coefficient of Determination Test**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,396 <sup>a</sup>	,157	,111	2,521

a. Predictors: (Constant), X2, X1

*Source: primary data processed, 2021*

The amount of *Adjusted R Square* is 0.111 which means the contribution of the independent variable can explain or influence the dependent variable by 11.1%. In comparison, the remaining 88.9% is explained or controlled by other variables not included in this study.

**Simultaneous Significance Test (F Test)**

**ANOVA**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	43,678	2	21,839	3,437	,043 <sup>b</sup>
Residual	235,097	37	6,354		
Total	278,775	39			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Source: primary data processed, 2021

Based on the table the calculated F value is 3.437 with a significance value of 0.043. Because the significance value is less than 0.05, it can be concluded that the variables of Islamic Organizational Culture (X1) and compensation (X2) together have a significant effect on employee performance.

**Partial Test (t-test)**

**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	14,498	4,181		3,468	,001
X1	-,030	,153	-,030	-,197	,845
X2	,445	,170	,394	2,612	,013

a. Dependent Variable: Y

Source: primary data processed, 2021

Based on the table the results of the respective tests for Islamic organizational culture and compensation are:

- 1) Islamic organizational culture (X1) has a t-value of -0.197 and a significance value of 0.845 at an alpha coefficient of 5%. Because of the importance of Sig. Greater than 0.05, it can be concluded that the variable of Islamic organizational culture does not affect employee performance (Y).
- 2) Compensation (X2) has a T-value of 2.612, indicating a positive relationship and a significance value of 0.534 at a 5% alpha coefficient. Because of the importance of Sig. Smaller than 0.05, it can be concluded that the compensation variable has a positive and significant effect on employee performance (Y).



**MRA Regression Test**

**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	14,498	4,181		3,468	,001
X1	-,030	,153	-,030	-,197	,845
X2	,445	,170	,394	2,612	,013

a. Dependent Variable: Y

Source: primary data processed, 2021

**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	18,637	2,246		8,298	,000
Moderat1	-,006	,011	-,112	-,548	,587
Moderat2	,019	,010	,387	1,887	,067

a. Dependent Variable: Y

Source: primary data processed, 2021

**Discussion result**

1. Islamic organizational culture has a negative and insignificant effect on employee performance at BRI Syariah KC Semarang.

Based on the t statistical test results, the regression coefficient for the Islamic organizational culture variable is -0.30 with a significance value of 0.845, which is greater than 0.05. then the decision is to reject  $H_1$ , which means that the variable Islamic organizational culture (X1) has a negative and insignificant effect on employee performance (Y).

2. Compensation has a positive and significant effect on employee performance at BRI Syariah KC Semarang

Based on the t statistical test results, the regression coefficient for the Islamic organizational culture variable is 4.45 with a significance value of 0.013 which is smaller than 0.05. then the decision is to accept  $H_2$ , which means that the compensation variable (X2) has a positive and significant effect on employee performance (Y).

3. Motivation to Moderate Islamic Organizational Culture on Employee Performance at BRI Syariah KC Semarang

The results showed that the motivation to moderate Islamic organizational culture had no positive and significant effect, as evidenced by the statistical test results of the t-test in table 4.16 with a significance level of 0.587 greater than 0.05. So the decision is to reject  $H_3$ , which means that the motivation variable does not moderate Islamic organizational culture on employee performance.

4. Motivation to Moderate Compensation on Employee Performance at BRI Syariah KC Semarang

The results showed that motivation to moderate compensation had no positive and significant effect, as evidenced by the results of the t-test statistical test in table 4.16 with a significance level of 0.067 greater than 0.05. So the decision is to reject  $H_4$ , which means that the motivation variable does not moderate compensation on employee performance.

**CONCLUSSION AND RECOMMENDATION**

Based on the results of research and discussion of research that researchers have carried out, the conclusions of this study are as follows:

1. Based on the partial test results, the variable of Islamic organizational culture has a negative and insignificant effect on employee performance.
2. Based on the partial test results, the compensation variable has a positive and significant effect on employee performance.
3. Based on the MRA test, it was found that the motivational variable could not significantly moderate the influence of Islamic organizational culture on employee performance.
4. Based on the MRA test, it was found that the motivation variable could not significantly moderate the effect of the compensation variable on employee performance.

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