

The Influence of Leadership and Organizational Culture on Performance through Compensation for Employees of the Directorate General of the General Judicial Body of the Supreme Court Republic of Indonesia

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Abstract:

This research aims to examine the influence of leadership and organizational culture on performance through employee compensation. This research uses quantitative methods by distributing questionnaires to employees of the Directorate General of General Justice of the Supreme Court of the Republic of Indonesia. The population of this research is all Civil Servants of the Directorate General of General Justice, totaling 113 people within the Directorate General of General Justice. The sampling technique in this research used the Slovin formula. The data analysis method used in this research is multiple linear regression and simple linear regression, namely the F test and T test. This research shows that simultaneously leadership and organizational culture have a positive and significant effect on compensation at the Directorate General of General Justice of the Supreme Court of the Republic of Indonesia. This can be seen from the calculated F value of 122.134. And the R square value is 0.830 or 83% with a significance probability value of $0.000 < 0.05$.

Keywords: leadership; organizational culture; compensation ; performance

Introduction

The Supreme Court (MA), especially the Directorate General of the General Judicial Body of the Supreme Court of the Republic of Indonesia, is currently facing environmental changes as stated in the Blueprint for Judicial Reform for 2010-2035. Changes in conditions that require MAs to quickly adapt are the Bureaucratic Reform (RB) movement, which is the government's effort to achieve governance by carrying out fundamental reforms in the areas of organization and human resources and aims to change the mindset and work culture within MAs in order to build an appropriate organization. With these changes in the environment, MA is restructuring the organization so that it requires the support of reliable and competent human resources.

In an effort to carry out these tasks, performance is one of the main focuses that must be considered. Performance is the results of a person or group's job functions in an organization over

a certain period of time which reflects how well the person or group fulfills the requirements of a job in an effort to achieve organizational goals. Based on this reality, efforts are needed to develop and improve the performance of existing employees. Developing the quality of human resources in an effort to improve employee performance is closely related to the work of a leader.

Superiors can play a role in planning, implementing and controlling an organization. In this case, superiors must have an important role in their efforts to motivate and manage employees by providing compensation (gifts, rewards and rewards) and motivation to work enthusiastically, having high responsibility for their duties, so that an organization will easily fulfill planned goals. Apart from that, employee performance in an agency can be influenced by organizational culture.

Literature Review

One definition of performance is the overall results a person achieves during a certain period in carrying out a task, such as work standards, targets or targets or

criteria that have been determined in advance and have been mutually agreed upon.

Employee performance is not

just information to enable promotions or salary determination for the company.

According to Leon C Megginson in Mankunegara (2013:67). Employee performance is "the quality and quantity of work results achieved by an employee in carrying out his duties in accordance with the responsibilities given to him".

Meanwhile, according to Rivai (2013:604), performance is a general term used in part or all of the actions or activities of an organization in a period with a reference to some standards such as projected past costs

basic efficiency, responsibility or accountability. According to John Miner (in Sudarmanto 2014), put forward 4 dimensions or indicators that can be used as benchmarks for assessing performance, including quality, quantity, use of time at work, collaboration with other people at work.

Leadership can be interpreted as an initiative to act that produces results a consistent pattern in order to achieve a solution to a common problem.

According to Hasibuan (2012: 169) leadership is the way a leader influences the behavior of subordinates, so that they are willing to work productively to achieve organizational goals. Meanwhile, according to Kasmir (2016: 45), leadership is the style or attitude of a leader in dealing with or ordering his subordinates. In a company, leaders have rights and obligations as patrons or as role models for their subordinates. Agile leadership is an approach to leadership that aims to create an organization that is responsive, innovative and adaptive to rapid and dynamic changes in the business environment. Agile leadership combines aspects of the 'Agile' methodology in software development with modern management principles focused on creativity, collaboration and shared responsibility.

According to Indah (2018), the role of a leader in an organization is very important as a strategy and policy maker, as well as determining the direction and movement of the organization. The role of agile leaders is certainly a hope for organizational members. The indicators of "leadership according to (Hasibuan, 2012: 170) are:

1. Analytical ability, namely the leader is able to analyze in determining steps to achieve goals.
2. Exemplary, that is, the leader should be able to provide an example or role model with simplicity to the employees so that they are not too generous

3. Rationality and objectivity, namely that leaders in determining goals must be rational and in assessing their subordinates they must be objective.
4. Work instructions, namely the leadership in preparing the steps in the process of achieving goals must be programmed, structured and conceptualized.
5. Ability to listen to suggestions. Democratic leaders must be willing to listen to their subordinates to avoid being authoritarian.
6. Communication skills, namely having good communication skills in conveying orders to employees.
7. Division of tasks, namely that leaders must be able to adapt to their environment in order to be able to create a work environment that is conducive to the division of tasks.
8. Assertiveness in acting, that is, the leader in making decisions must be firm without compromise so that his subordinates respect him.

Culture is essentially an integration process of human behavior which includes thoughts, words and actions with the learning process. In their lives, humans are influenced by the culture in which they live. The same thing will happen in an organization or company, the mix of all values, beliefs, behavior of each member of the organization will form the organizational culture. According to Fahmi (2017: 117) "Organizational culture is the result of the process of merging the cultural styles and behavior of each individual that were previously brought into a new norm and philosophy, which has the energy and pride of the group in facing certain things and goals." Dan Sedarmayanti stated (2014:75) "Organizational culture is a belief, attitude and value that is generally held, which arises in an organization, stated more simply, culture is the way we do things here.

According to Robert Kreitner and Angelo Kinicki, translated by Erly Suandy (2013:86),

there are three general types of organizational culture, namely: constructive, passive-defensive, and aggressive-defensive. Naturally, organizational culture is difficult to understand, intangible, implicit, and taken for granted. Every company has a type of organizational culture, an organization or company may have normative beliefs and other characteristics of organizational culture. According to Umi, et al (2015:03) indicators of organizational culture can be measured, namely norms, dominant values, rules and organizational climate. According to Sastrohadiwiryo in Sinambela (2018:218) states that: "Compensation is compensation for services or remuneration provided by an organization to workers because these workers have contributed energy and thoughts for the progress of the organization in order to achieve the goals that have been set" Quote Sikula in Mangkunegara (2014:84) "compensation is very important for employees and employers, this is because compensation is a source of income

employees, compensation is also a reflection of social status for employees." The compensation given to employees greatly influences employee performance, levels of job satisfaction and work motivation, as well as employee work results.

Method

The population of this study were all Civil Servants of the Directorate General of the General Judicial Agency, a total of 113 people at the Directorate General of the General Judicial Agency. Populations can be divided into two types, namely sampling populations or research populations and target populations, where the target population has a size larger than the size of the sampling population. Still, according to Sugiyono (2013: 116), the sampling population is a unit of analysis

that provides information or data required by a study or research. Meanwhile, the target population is all units of analysis in the research.

The sample for this research is a portion of the population taken as a data source and can be represented by the entire population. Based on the data obtained, there were 113 respondents, so to calculate the sample of employees who carried out transactions, the Solvin (4:1) formula was used as follows: $n=N/(1+Nd^2)$.

n = Research sample

N = Population

d^2 = 10% Allowance Rate

Thus the number of samples for this research is:

$$n=N/(1+Nd^2)$$

$$n=113/(1+113(10\%)^2) = 113/(1+113 \times 0,01)=113/2,13$$

$$n=53,1 \text{ respondent is rounded to } = 53 \text{ respondent}$$

Based on the formula above, the number of samples in this study was 53

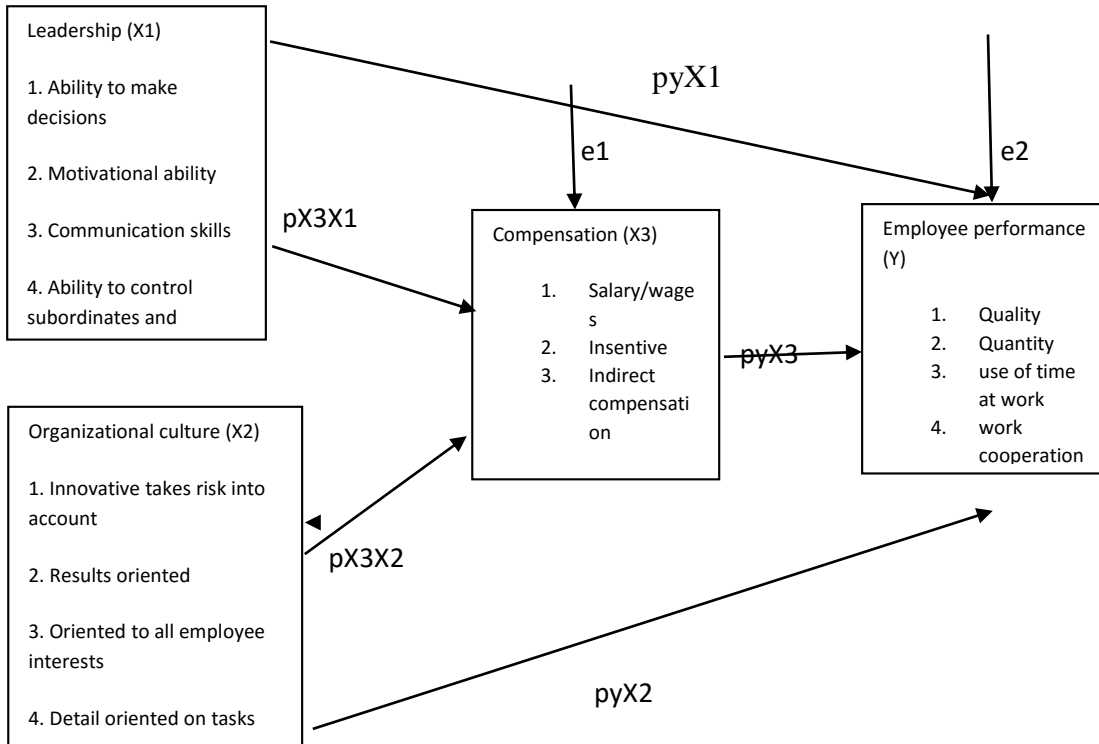


Figure 1 Research design

Discussion

The leadership variable includes 13 questions that were prepared and asked to 53 employees of the Directorate General of the General Judicial Body of the Supreme Court of the Republic of Indonesia. Before being analyzed further, the results of the questionnaire were tested for validity. The results of the validity test can be seen in the following table:

Table 4.1

Leadership Instrument Validity Test

Statement Items	R count	Cut Off Score	Note
The leadership of Directorate General Badilum together with subordinates makes decisions	0.441	0,300	Valid
The leadership of Directorate General Badilum involves member participation in every activity	0.484	0,300	Valid
The leadership of Directorate General Badilum can plan well according to the work program	0.571	0,300	Valid
The leader of Directorate General Badilum did something that made the members happy to work	0.315	0,300	Valid
The leader of Directorate General Badilum shows things that can attract employees' interest in work	0.414	0,300	Valid
The leader of DG Badilum is trying to develop a new atmosphere	0.417	0,300	Valid
The leader of Directorate General Badilum tells clearly what must be done, and how to do it	0.472	0,300	Valid
Pemimpin Ditjen Badilum memberikan perintah/pekerjaan pada bawahan	0.464	0,300	Valid
The leader of Directorate General Badilum provides advice about performance to subordinates	0.488	0,300	Valid
The leader of Directorate General Badilum establishes clear working relationships between one person and another	0.653	0,300	Valid
The leaders of Directorate General Badilum always exercise mutual control between leaders and subordinates.	0.529	0,300	Valid
The leader of DG Badilum provides challenging work for subordinates	0.590	0,300	Valid
The leader of Directorate General Badilum provides a two-way evaluation between leaders and subordinates	0.327	0,300	Valid

Source: primer data of 2023

Based on table 4.1. comparison between the R-calculation and the cut off value for each statement item from each indicator of the leadership variable, it can be said that all statement items from each indicator are valid. This can be evaluated from the comparison between R-count and

> Cut off value shows that all statement items for each indicator of the leadership variable is valid.

(2). Analysis of Organizational Culture Variable Results

The organizational culture variable includes 8 statements which were prepared and then submitted to 53 employees of the Directorate General of the General Judicial Body of the Supreme Court of the Republic of Indonesia. Before being analyzed further, the results of the questionnaire were examined for validity. The results of the validity test can be seen in the following table:

Table 4.2

Validity Test of Organizational Culture Instruments

Statement items	R count	Cut Off Score	Note
In completing a job, employees can make new innovations that provide an image	0.641	0,300	Valid
In making a decision, I assume all existing individual risks	0.643	0,300	Valid
The results of my work are a benchmark for evaluating my performance in the organization	0.488	0,300	Valid
Achieve targets without forgetting systems and procedures	0.621	0,300	Valid
When working, you must always consider the welfare and comfort of employees	0.524	0,300	Valid
Give top priority by participating in training to improve work abilities for the sake of a better life	0.658	0,300	Valid
Consider careful details of the work	0.716	0,300	Valid
Orientation to long-term results with all its calculations	0.501	0,300	Valid

Source: Primer data of 2023

Based on table 4.2. comparison between the R-calculation and the cut off value for each statement item for each indicator of the organizational culture variable, it can be said that all statement items for each indicator are valid. This can be evaluated from the comparison between R-count and the cut off value for each statement item at $\sigma 0.05 = 0.300$ (Sugiyono, 2013: 208), where $R_{count} > \text{Cut off value}$ shows that all statement items for each indicator of organizational culture variables are valid.

(3). Analysis of Compensation Variable Results

The compensation variable includes 11 statements which were prepared and then submitted to 53 employees of the Directorate General of the General Judicial Body of the Supreme Court of the Republic of Indonesia. Before being analyzed further, the results of the questionnaire were examined for validity. The results of the validity test can be seen in the following table

Table 4.3

Compensation Instrument Validity Test

Statement items	R count	Cut Off Score	Note
The salary received by employees is in accordance with the work	0.540	0,300	Valid
Leadership in implementing salaries received by employees in accordance with work abilities	0.392	0,300	Valid
The salary I receive is commensurate with my position	0.576	0,300	Valid
Salary received is in accordance with applicable government regulations	0.273	0,300	Valid
Providing incentives to employees in accordance with applicable government regulations	0.427	0,300	Valid
There are incentives outside of the salary that employees receive	0.426	0,300	Valid
Incentives are provided according to employee job title.	0.443	0,300	Valid
Severance pay is not received on vacation time and leave	0.432	0,300	Valid
The tolerance of time for worship is a reflection of the party's appreciation company towards employees who want to perform worship	0.667	0,300	Valid
The organization where I work provides equal opportunities for employees to promoted to a higher position.	0.667	0,300	Valid
The organization I work for provides supportive facilities and an environment conducive work	0.413	0,300	Valid

Based on table 4.3. comparison between the R-calculation and the cut off value for each statement item for each indicator of the compensation variable, it can be said that all statement items for each indicator are valid. This can be evaluated from the comparison between R-count and the cut off value for each statement item at $\sigma 0.05 = 0.300$ (Sugiyono, 2013: 208), where

Rcount > Cut off value shows that all statement items for each indicator of compensation variable is valid.

(4). Analysis of the results of employee performance variables

The employee performance variable includes 15 statements which were prepared and then submitted to 53 employees of the Directorate General of the General Judicial Body of the Supreme Court of the Republic of Indonesia. Before being analyzed further, the results of the questionnaire were examined for validity. The results of the validity test can be seen in the following table:

Table 4.4
Validity Test of Employee Performance Instruments

Statement Items	R count	Cut Off Score	Note
I can complete the work well and thoroughly	0.511	0,300	Valid
I can complete work according to the standards set by the leadership	0.392	0,300	Valid
I can minimize my error rate at work.	0.576	0,300	Valid
I was given the opportunity to take my own initiative to achieve the work targets set by the leadership	0.334	0,300	Valid
I am able to achieve the targets set by the leadership.	0.427	0,300	Valid
I can fulfill the workload set by the leadership.	0.426	0,300	Valid
I can exceed the volume of work that has been set by the leadership	0.443	0,300	Valid
I always finish my work on time	0.432	0,300	Valid
I am time disciplined at work	0.322	0,300	Valid
I never postpone work	0.525	0,300	Valid
I am able to speed up completing work before the specified deadline	0.421	0,300	Valid
Work is completed with shared responsibilities	0.337	0,300	Valid
The tasks given have dependency on other tasks to be done together	0.355	0,300	Valid
Communicate well between employees to avoid misunderstandings in working together	0.667	0,300	Valid
Employees interact with each other and provide information regarding cooperation to achieve common goals	0.482	0,300	Valid

Source: Primer data of 2023

Based on table 4.4. comparison between the R-calculation and the cut off value for each statement item for each indicator of the employee performance variable, it can be said that all statement items for each indicator are valid. This can be evaluated from the comparison between

where $R_{count} > \text{Cut off value}$ shows that all statement items from each indicator of performance variables are valid.

Conclusion and Suggestion

Based on the results of research and hypothesis testing from the proposed problem formulation, it can be concluded as follows: Employee performance is the result of work carried out by someone in an organization in order to achieve the desired goals of an organization and minimize losses, employees of the Directorate General of the General Judicial Body of the Supreme Court of the Republic of Indonesia overall during a certain period in carrying out work is reflected in the quality, quantity and work performance. Performance indicators consist of quality, quantity, use of time at work, and collaboration with other people at work

Leadership variables are the ability that a person has to influence other people, groups and subordinates, the ability to direct the behavior of other people, having special abilities or expertise in the field expected by the group to achieve goals and objectives. Leadership indicators are decision-making ability, motivational ability, communication ability, and ability to control subordinates, and responsibility. The organizational culture variable is that organizational culture is a normal and behavioral value that must be understood and obeyed by the group of people who adhere to it. The indicators that make the greatest contribution to the formation of organizational culture variables are innovative, taking into account risks, results-oriented, oriented to all employee interests, and detail-oriented to tasks.

The Compensation Variable is that compensation is an important management function and must be carried out by an organization for the return of services provided by employees based on the contribution and performance made to an organization. The indicators that form compensation are salary, incentives and indirect compensation. The calculated F value for the leadership and organizational culture variables is 122.134, while the F table is 2.55. Thus $f_{count} > f_{table}$ ($122,134 > 2.55$), thus H_0 is rejected and H_1 is accepted at this real level. This leads to the conclusion that leadership and organizational culture influence compensation. Thus, the first hypothesis is tested and proven. The calculated F value for the leadership and organizational culture variables is 90,879, while the F table is 2.55. Thus $f_{count} > f_{table}$ ($90,879 > 2.55$), thus H_0 is rejected and H_1 is accepted at that real level. This provides the conclusion that leadership and organizational culture influence employee performance. Thus, the second hypothesis is tested and proven. The t test for the compensation variable obtained a calculated t value = 18.069, and a t table of 2.005. This means $t_{count} > t_{table}$ ($18.069 > 2.005$), which means H_0 is rejected and H_1 is accepted. This gives the conclusion that compensation influences employee performance. Thus, the third hypothesis was tested and proven. For the leadership variable, the indirect influence value was obtained from the path coefficient value $\rho_{x_3 \times 1}$ multiplied by the path coefficient value $\rho_{y \times 3}$. The multiplication results show that the indirect influence coefficient value is smaller than the direct influence coefficient value.

Based on the research results and discussion of testing as above, the following suggestions are recommended: From the research results, leadership has an influence on performance, this needs to be a special concern for leaders so that their employees have full responsibility for the tasks they carry out. The existing organizational culture is already working well, but needs to be

further improved. A good culture such as encouraging employees with positive statements about their ability to carry out shared values so that employee performance increases. In terms of providing compensation, incentives need to be increased, thereby motivating employees to improve their performance in quality and quantity.

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