



## The Influence of Organizational Culture and Compensation on Employee Performance in Bank Syariah Indonesia (BSI) Regional 10 Makassar

Dwitriana Ulfi Rizqiningsih<sup>1\*</sup>, Nidya Dudija<sup>2</sup>

Prodi Magister Manajemen, Fakultas Ekonomi dan Bisnis, Telkom University, Indonesia

**Corresponding Author:** Dwitriana Ulfi Rizqiningsih

[dwtrianaur@student.telkomuniveristy.ac.id](mailto:dwtrianaur@student.telkomuniveristy.ac.id)

---

### ARTICLE INFO

*Keywords:* Organizational Culture, Compensation, Employee Performance

*Received :* 08, November

*Revised :* 29, November

*Accepted:* 28, December

©2025 Rizqiningsih, Dudija: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

Employee performance is the result of specific job functions or work activities. It reflects the quality and quantity of work completed within a certain period. Achieving high employee performance requires support from the company's management, as there are factors that can enhance employee performance, such as organizational culture and compensation. This study aims to understand how organizational culture, compensation, and employee performance are related at Bank Syariah Indonesia (BSI) RO 10 Makassar, and to analyze the partial and simultaneous effects of organizational culture and compensation on employee performance at Bank Syariah Indonesia (BSI) RO 10 Makassar. The method used in this study is a quantitative approach with descriptive data analysis techniques, employing Structural Equation Modeling (SEM) – PLS with independent variables of organizational culture and compensation, and the dependent variable of employee performance. The sample for this study consists of 177 employees of Bank Syariah Indonesia (BSI) RO 10 Makassar, collected through a questionnaire. Data processing and analysis were conducted using SmartPLS version 3.3.9 software.

---

## **INTRODUCTION**

According to the Royal Islamic Strategic Studies Centre (RISSC) report, *The Muslim 500 (2023)*, the total Muslim population in Indonesia will reach 237.55 million, equivalent to 86.7% of the total population. Amidst the global economic crisis, Indonesia holds significant potential for the development of the Islamic finance industry. The development of Islamic banking in Indonesia represents a significant shift as a vital component of the financial sector, and Bank Syariah Indonesia (BSI), one of the Islamic banks demonstrating a positive trend, plays a vital role in the Indonesian economy. Every company is directly linked to its human resources, particularly employee performance, which plays a significant role in helping the company achieve its vision and mission and generate profits, as mandated by the Ministry of State-Owned Enterprises (SOEs).

Based on the results of the author's interview with BSI Human Capital, there are several aspects of employee performance assessment, including the achievement of performance goals and targets, employee behavior based on the bank's core competency standards, assessment of the conformity of shared values AKHLAK behavior, employee working hours and cooperative relationships from attitudes and relationships with subordinates.

Based on the Target and realization of employee achievements of BSI regional 10 Makassar 2022-2023, the realization of employees in each unit from 2022 to 2023 often does not reach the set targets, even experiencing a decline. [2], besides being influenced by external factors such as technology and infrastructure, employee performance is also influenced by internal factors such as organizational culture and company compensation given to employees. During BSI's operations in Islamic banking, there are 18 BSI employee behavioral guidelines that are always considered to have a positive impact on the company, especially on employee performance.

Based on the results of the average AKHLAK implementation index at BSI in 2021-2023, it fluctuated. The AKHLAK implementation index at BSI also experienced a significant increase from 45.3% in 2021 to 81.4% in 2022, while in 2023 the implementation of AKHLAK at BSI again experienced a drastic decline of 44.3%, according to BSI human capital due to the lack of innovation and improvements that follow technological developments. Another factor that influences employee performance is compensation. This is because the rewards offered make employees more enthusiastic about doing their work [8]. Based on interviews conducted by researchers with BSI Regional X Makassar Human Capital and employees, it was found that factors that influence the lack of employee performance include compensation that is too low, workloads that are too high, low levels of employee self-confidence, motivation that is unable to lift employee work enthusiasm, a monotonous work environment, and organizational culture. Of these factors, compensation is the main factor in influencing employee performance.

Compensation is a form of appreciation from the company to employees for their contribution to their performance. Based on interviews conducted by researchers with BSI human capital, several employees in certain positions felt

that the salary they received was not commensurate with what they sacrificed for the company, and positions at the Officer level did not receive overtime pay. Based on these problems, it can be said that employees in certain positions felt that their income was not being paid enough attention by the company. The compensation standards provided by Bank Syariah Indonesia (BSI) do not match the employee's capacity. The distribution of compensation that does not match the employee's work capacity results in the burden being borne by Bank Syariah Indonesia (BSI) employees, thus affecting employee performance.

## **LITERATURE REVIEW**

### ***Organizational culture***

Organizational culture is the values that human resources use as a guide in carrying out their obligations and behavior within the organization. Meanwhile, individual strength is a supporting factor in achieving this performance of an organization. And according to the concept of organizational culture is very diverse, as shown by the diversity of definitions that can be found in various literature.

### ***Compensation***

Compensation is all forms of financial returns and benefits received by employees as part of an employment relationship. Furthermore, [3] compensation is a form of reciprocity given to employees as a form of appreciation for the employee's performance and work contribution to the organization. This compensation can be direct or indirect financial, and the award can also be indirect.

### ***Employee Performance***

Employee performance is the result of a specific job function or work activity. It indicates the quality and quantity of work performed over a specific period of time. According to Sinaga (2020), performance is the result of a person's work function or activity within an organization, influenced by various factors over a specific period of time to achieve organizational goals.

### ***The Relationship between Organizational Culture and Employee Performance***

An organizational culture embedded in individual employees will support employee performance development and develop quality human resources to achieve shared goals. Therefore, the relationship between organizational culture and employee performance is closely linked to supporting an organization's goals, and research is needed to understand this relationship within Bank Syariah Indonesia Region 10 Makassar.

### ***Relationship between Compensation and Employee Performance***

can be in the form of direct or indirect financial rewards, and the rewards can also be indirect. Because, in essence, providing compensation is one of the steps in improving employee performance. By providing the right compensation, employees will be more satisfied and motivated in achieving their goals. Because,

compensation is a form of reciprocity given to employees as a form of appreciation for their contributions and work to the organization.

**Framework**

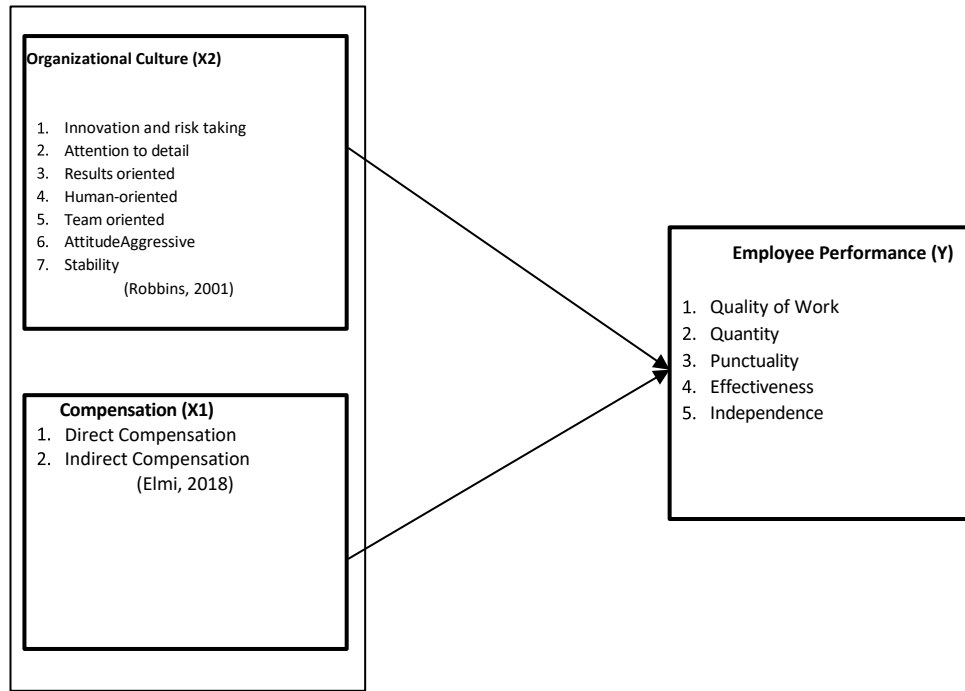


Figure 1. Conceptual Framework  
(Source: Data processed by the author 2024)

**METHODOLOGY**

Table 1. Research Characteristics

No	Research Characteristics	Type
1	Method	Quantitative
2	Objective	Descriptive
3	Type of Investigation	Causal
4	Researcher Involvement	No data interference
5	Unit of Analysis	Individual
6	Execution time	Cross Selection
7	Research Model	Structural Equation Modeling & SmartPLS

Source: Processed Data, 2024

**RESEARCH RESULTS AND DISCUSSION**

The object of this study was 177 employees of BSI Regional 10 Makassar. Sampling used a nonprobability sampling technique with a purposive sampling type. The sample that could be selected as respondents in this study was 177 employees of BSI Regional 10 Makassar. Furthermore, each variable was measured with a number of indicators through a survey. Data were collected through a survey distributed to employees. Each question provided 5 answer

choices where a score of 1 for strongly disagree and a score of 5 for strongly agree. Then, 177 valid answers were taken to be used as a sample. The causal relationship between the variables that form the structural equation was solved using SEM. Data were processed by SmartPLS 3.2.9. The following table summarizes the validity and reliability tests with SmartPLS 3.2.

**Validity and Reliability Test Results**

Table 2. Results of Validity and Reliability Tests

<i>Variables</i>	<i>Indicator</i>	<i>Load Factors</i>	<i>Average Variance Extracted (AVE) Test</i>	<i>Cronbach's Alpha Test</i>	<i>Composite Reliability Test</i>
	BO1	0.824			
	BO2	0.826			
	BO3	0.756			
	BO4	0.774			
	BO5	0.782			
Culture	BO6	0.784	0.644	0.950	0.956
Organization	BO7	0.780	(Valid)	(Accepted)	(Realistic)
(XI)	BO8	0.843			
	BO9	0.769			
	BO10	0.848			
	BO11	0.829			
	BO12	0.807			
		K1			
		0.787			
Compensation	K2	0.769	0.632	0.855	0.895
(X2)	K3	0.791	(Valid)	(Accepted)	(Realistic)
	K4	0.832			
	K5	0.794			
		KK1			
		0.738			
Performance	KK2	0.827	0.650	0.865	0.903
Employee	KK3	0.773	(Valid)	(Accepted)	(Realistic)
(Y)	KK4	0.852			
	KK5	0.837			

Source: Researcher Data Processing, 2024

All indicator loading factors were >0.70 and AVE values were greater than 0.5, indicating that all indicators were valid or had convergent validity. The variables in this study also had values ≥0.7, which means they met the criteria for Cronbach's alpha and composite reliability.

**Goodness of Fit Test Results**

Table 3. Model Fit Test Results

<i>Fit Model</i>	<i>Saturated Model</i>	<i>Estimation Model</i>
<b>SRMR</b>	0.061	0.061
<b>d ULS</b>	0.934	0.934
<b>d G</b>	0.653	0.653
<b>Chi-Square</b>	594,065	594,065

*Source: Researcher Data Processing, 2024*

**Hypothesis Test Results**

Table 4. Hypothesis Test Results

<i>Hypotheses</i>	<i>Cause Effect Relationship</i>	<i>T-Statistics</i>	<i>P-Value</i>	<i>T-Value</i>	<i>Decision</i>
<b>H1</b>	BO □ KK	5,957	0,000	1.96	<i>Accepted</i>
<b>H2</b>	K □ KK	6,021	0,000	1.96	<i>Accepted</i>

*Source: Researcher Data Processing, 2024*

Based on the results of the hypothesis test in Table 4.3 above, it was found that:

H1: BO (Organizational Culture) has a direct positive and significant influence on KK (Employee Performance) at Bank Syariah Indonesia (BSI) Regional 10 Makassar

H2: K (Employee Compensation) has a direct, positive and significant influence on KK (Employee Performance) at Bank Syariah Indonesia (BSI) Regional 10 Makassar

**R-Square**

Table 5. R-Square Values

<i>Variables</i>	<i>Path Coefficient</i>	<i>R-Square</i>
<b>Organizational culture→Employee</b>	0.443	0.325
<b>Performance Compensation→Employee performance</b>		0.302

*Source: Processed Researcher Data (2024)*

Employee performance can be influenced by organizational culture variables and employee compensation with moderate strength reaching 62.7% while the remaining 37.3% is explained by other factors outside the research.

**Q-Square**

Table 6. Q-Square Values

<i>Variables</i>	<i>Q-Square</i>
<b>Organizational culture</b>	0.576
<b>Compensation Employee performance</b>	0.441

*Source: Processed Researcher Data (2024)*

The value obtained from Q2 (predictive relevance) for each variable has a value greater than 0 (zero), explaining that the model has a relevant predictive value.

## CONCLUSION AND RECOMMENDATIONS

It can be concluded that, in this study, Respondents' responses to the influence of organizational culture at Bank Syariah Indonesia Regional 10 Makassar were assessed as very good, especially in team orientation, innovation and risk taking and aggressiveness. Respondents' responses to the influence of employee compensation at Bank Syariah Indonesia Regional 10 Makassar were assessed as good, especially in indirect compensation. Statistically, organizational culture and employee compensation have a positive and significant effect on employee performance, where the better the organizational culture and employee compensation, the better the employee performance at Bank Syariah Indonesia Regional 10 Makassar will be, with a total contribution of 62.7% dominated by organizational culture at 32.5% and from employee compensation at 30.2% while the remaining 37.3% is a contribution from other variables outside the study.

## ADVANCED RESEARCH

Based on the findings that organizational culture and compensation have a significant effect on employee performance at Bank Syariah Indonesia (BSI) Regional 10 Makassar, future studies are encouraged to develop a more comprehensive model by incorporating mediating and moderating variables such as work motivation, job satisfaction, transformational leadership, and digital technology support within the Islamic banking context. In addition, the use of a longitudinal research design and mixed-methods approach is recommended to capture dynamic changes in employee performance over time and to explore more deeply the implementation of AKHLAK values. Expanding the research scope to other BSI regions or conducting comparative studies with Islamic and conventional banks would also strengthen the generalizability of the findings and provide more strategic insights for sustainable human resource management policies in the Islamic banking industry.

## REFERENCES

- Adhari. (2020). *Optimalisasi Kinerja Karyawan Menggunakan Pendekatan Knowledge Management & Motivasi Kerja*. Jawa Timur: Qiara Media.
- Burke, W. W. (2018). *Organization Change; Fifth Edition*. New York: SAGE.
- Enny, M. (2019). *Manajemen Sumber Daya Manusia*. Surabaya: UBHARA Manajemen Press.
- Faisal, M., & Akbar. (2021). *Seminar Manajemen Sumber Daya Manusia*. Solo: Insan Cendekia Mandiri.
- Gomez, M., Luis R, David B, Balkin, Robert, L., & Cardy. (2012). *Managing Human Resources*. New Jersey: Pearson Education inc Publishing as Prentice Hall.
- Hari, S. (2019). *Budaya Organisasi dan Kinerja*. Yogyakarta: Deepublish.
- Nurhakim, & Bambang. (2023). *Manajemen Sumber Daya Manusia (Pertama)*. Mitra

Cendekia Media.

Sutrisno. (2016). *Manajemen Sumber Daya Manusia*. Jakarta: Kencana Prenada Media Group.

Winarsih, T. (2022). The Influence Of Organizational Culture And Motivation On Employee Performance. *International Journal of Economics, Business and Accounting Research (IJEBAR)*.