

WORK CULTURE, COMPENSATION, THE INFLUENCE ON EMPLOYEE PERFORMANCE, BTN BANK, SURABAYA BRANCH

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ABSTRACT

Competition in the banking industry is very high at this time, it is necessary to have high employee performance to be able to compete. This study aims to determine the impact of SIIPS work culture and compensation on the performance of employees of Bank BTN Surabaya Branch. This research uses a quantitative approach with survey research methods. The research instrument consisted of work culture, compensation and performance questionnaires. The results showed that: 1). SIIPS work culture has a positive direct effect on performance, 2). Compensation has a positive direct effect on performance 3). SIIPS work culture and compensation simultaneously have a positive direct effect on performance.

Keywords: *banking industry, SIIPS work culture, compensation, and performance*

INTRODUCTION

The banking industry is engaged in a very competitive financial services sector, because it has almost the same products and services. The progress of the banking industry is greatly influenced by the factors of Human Resources (employees / ti) and technology. Human resources are often referred to as Human Capital because of the strategic importance and role of employees in running the business and operations of the Bank. The Bank's performance is very much determined by how the employees perform in their daily work. Several bank performance indicators are stated by Assets, Profits, Fee Based Income, Credit, Third Party Funds and financial ratios such as

Return on Assets (ROA), Return on Equity (ROI), Non Performing Loans (NPL), Loan to Deposit Ratio (LDR).) etc. In addition to financial performance, bank performance is also determined by the quality of service to customers. Financial and non-financial performance as mentioned above, is largely determined by the role or performance of the employee / ti. Therefore it is very important to pay attention to the factors that support how to improve employee performance.

Human resource management is in charge of studying and developing ways that humans can be effectively integrated into the organization in order to achieve its goals. The task of human resource management revolves around

managing the human element with all its potential as effectively as possible so that human resources can be obtained who are satisfied (satisfied) and satisfying (satisfactory) for the organization.

According to Paul Darling and Peter (1998), there is no more important task faced by any organization except developing its human resources and creating conditions that allow these resources to contribute all their abilities to organizational victory.

To support good employee performance, the company has a distinctive culture or work culture that is tailored to the needs of the organization. Work culture is latent, which is inherent in employees in their daily work. Bank BTN has a work culture called the SIIPS work culture, which consists of Synergy, Integrity, Innovation, Professionalism and Spirit to achieve excellence. Employee behavior in daily work is expected to be in accordance with the spirit of SIIPS which has been strongly internalized in employees. The SIIPS Work Culture has been established by the Board of Directors and has been made in the Circular (SE) of the BTN Directors no. 31 of 2016.

Employees at work expect compensation from the company where they work. The amount of compensation received by employees from the company will certainly affect employee morale. This compensation can be in the form of financial and non-financial (Mondy and Neo, 1993). Compensation that is financial in nature can be in the form of salary,

bonus, THR, health insurance etc. Meanwhile, non-financial compensation can be in the form of career paths, education, training, awards, etc.

In this study, it will be seen how the influence of SIIPS work culture and compensation received by employees of Bank BTN Surabaya Branch on their performance. Employee performance is contained in Key Performance Indicators (KPI). Each unit and each individual has different KPIs, but each KPI always contains aspects of the target or objectives achieved, the time to reach the target which is called the Service Level Agreement (SLA) and Compliance with the provisions or Standard Operating Procedures (SOP). Banks that manage finances are full of regulations, both external (BI and OJK) and internal (SE, SOP), so that the aspect of compliance with regulations becomes one of the performance indicators.

Human resource management that is implemented properly will provide a substantial contribution in the effort to achieve the goals of the organization or company. Previous HRM concepts often suspected the usefulness and morality of HRM. HRM morality sometimes permeates some or all of HRM philosophies and tries to be applied with varying degrees of success for a variety of good and bad reasons, which is exemplified (Amstrong, 2003):

1. The concept of HRM is seriously believed to be the right approach to managing humans;
2. Adjusted to what happened to the

organization in a condition that wanted to be competitive, added benefits and managed efficiently; or

3. It really is a fresh idea packaged by the writer or consultant.

Umar (2004) defines Human Resource Management (HRM) as part of organizational management that focuses on the elements of Human Resources. Armstrong (2003: 4) states that HRM terminology, whether like it or not, has been recorded in the management vocabulary as a substitute for "personnel management". In general, the existing resources in the organization include human resources, capital resources, technology resources and material resources. If grouped simply, it can be grouped into human resources and non-human resources. According to Paul and Peter (1988) there is no more important task faced by any organization except developing its human resources and creating conditions that allow these resources to contribute all their abilities to organizational victory..

Every company always expects that employees have the ability, willingness and enthusiasm to complete the assigned tasks. You do this by paying attention to the conditions of the work culture. Individually or in groups of a person will not be separated from the culture that exists in the company. Work culture according to Mangkunegara (2005: 113) which is quoted from Edgar H. Schein defines that work culture is a set of assumptions or belief systems, values and norms developed

within the organization which are used as behavioral guidelines for its members to overcome external adaptation problems. and internal integration. Comparative legal studies show that the effective work culture meaning system created by social actors is the result of historical and social experiences.

According to Rachmawati (2004: 118) work culture is a system of spreading beliefs and values that develop in a company and directing the behavior of all company members. In addition, corporate culture refers to a system of shared meanings held by members that differentiates these companies from other companies.

Bank BTN through a study with a consultant has compiled a work culture as stated in the Circular of the Board of Directors (SE) no. 31 year 2016. The Work Culture is called SIIPS which consists of Synergy, Integrity, Innovation, Professionalism and the Spirit of seeking excellence. The behavior of Bank BTN employees in their daily work must contain SIIPS values.

Compensation is one of the efforts made by management to improve work performance, motivation and job satisfaction of employees. According to Sikula (1981) "a compensation is anything that constitutes or is considered as an equivalent or recompense". Whose free translation means compensation is anything that is deemed as comparable remuneration "

Compensation according to Hasibuan (2004) is defined as something that employees receive as

remuneration for their work, before compensation is given, the compensation process is first carried out, namely a network of various sub-processes to provide remuneration to employees for work implementation and to motivate them to achieve the desired level of achievement. Hasibuan (2002) defines compensation as all income in the form of money, direct or indirect goods, which employees receive in return for services provided to the company.

Mondy and Neo said that the compensation provided by companies to employees can be divided into two types, namely financial compensation in the form of salary, wages and allowances, and non-financial compensation in the form of promotion, reward and recognition. (Mondy and Neo, 1993)

Compensation needs to be given by following the principles and principles that must be followed in providing the compensation. For employees, compensation is expected to satisfy the question of why he will not be disappointed if he works harder than his co-workers.

Performance is the result achieved by a person in carrying out the tasks assigned to him in accordance with established criteria. According to Wirawan (2009: 67) "performance standards are targets, targets, goals of employee work efforts within a certain period of time. In carrying out their work, employees must direct all their energy, thoughts, skills, knowledge, and working time to achieve what is determined by performance standards". Performance (performance) by

Bernadin and Russel 1993: 379) is defined as "the record of outcomes produced on a specified job function or activity during a specified time periods" which can be interpreted freely as a record of results and benefits generated by a particular job function or activity. a certain period of time.

Based on all the descriptions of some of the definitions above, the authors define performance as an activity to carry out its duties in accordance with the provisions of the work as well as the overall contribution given by each individual to the organization. Employee performance has been stated in Key Performance Indicators (KPI) in which there are aspects of the targets to be achieved, aspects of time called Service Level Agreement (SLA) and also aspects of compliance with regulations.

METHOD

Research location, population and sample The location is located at the Surabaya branch of the BTN. The population is all BTN employees totaling 194 people. By using the error rate limit of 10%, the sample size of the study can be calculated. This survey was conducted using interview techniques, namely data collection techniques in the questionnaire technique by distributing a list of questions arranged according to needs. The data that has been collected is related to existing theories based on related literature.

The limitations of this study were obtained using the SPSS program data analysis method.

1. The influence of work culture on the performance of employees of the Surabaya branch of the BTN Bank
2. The effect of compensation on the performance of employees of the Surabaya branch of the BTN Bank
3. The effect of compensation and work culture on employee performance.

Research limitations include time, cost and others so that the data obtained is less than optimal.

RESULTS AND DISCUSSION

The results of the validity test, work culture variables, compensation, and performance all produce a value (r -count) > than 0.2012 (r -table). It can be seen that the reliability test for all each question is greater than 0.6, this indicates that the instrument being tested can be said to be reliable or reliable.

From the results of the normality test using the method, the results obtained from the normality test were 0.009 where the results were greater with a significance of 0.005 so that it could be concluded that the normality test in this study was normally distributed.

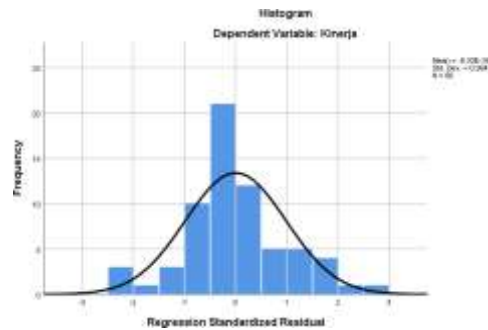


Figure 1. Normality Test
Source: SPSS processed

The data above shows that the histogram form depicts data that is normally distributed or close to normal because it is bell shaped, so that the assumption of normality can be fulfilled.

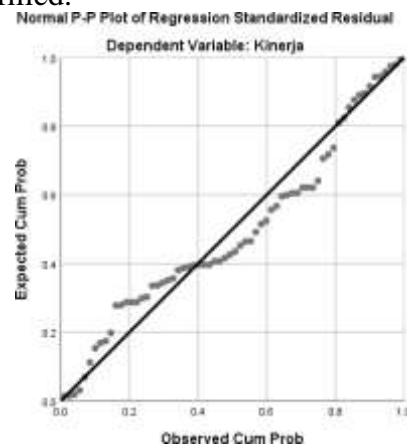


Figure 2. Normality Test
Source: SPSS processed

It shows that the distribution (scatter) of data is around the diagonal line and there is no spread far from the diagonal line, so that the assumption of normality can be fulfilled.

From the results of the calculation of the results of the independent variable multicollinearity test, it shows that the VIP value = 1 where the value is less than 10. So it can be concluded

that it is free from multicollinearity.

From the multicollinearity test results using the Glejser test, the sig results of variable X show 0.697 above the standard sig 0.05, so it can be concluded that there is no heteroscedasticity problem.

Based on the results of the autocorrelation test, it is known that the value of DW = 1.983, then compared to the sig table value of 0.05% with a sample size of 66 and the independent variable 1 ($K = 1$) = 1.66 so that the DU results from table $r = 1.6318$ so that the DW value is more greater than the DU limit and less than $(4-dU) = 4 - 1.6318 = 2.3682$ so it can be concluded that there is no autocorrelation.

First Hypothesis Testing (H1)

The Sig. For the effect of X_1 on Y is $0,000 < 0.05$ and the t-count value is $4,250$ and sig = $0,000 < 1,6990$, so it can be concluded that H1 (Work Culture) is accepted as having an effect on Y (Performance).

Second Hypothesis Testing (H2)

It is known that the sig value for X_2 against Y is equal to $0.000 < 0.005$ and the t-count value is $3.819 > 3.14$, so it can be concluded that H2 is accepted, which means that there is an effect of Compensation (X_2) on performance (Y)

Third Hypothesis Testing (H3)

Based on the output, it is known that the sig for the effect of X_1 , X_2 simultaneously on Y is $0.000 < 0.005$ and the f-count value is $9.857 > 3.14$. So it can be concluded that H3 is accepted,

which means that there is a simultaneous influence of X_1 (work culture) and X_2 (compensation) on Y (performance).

Based on sig, it is known that the value of R Square is 0.238. This has an effect on variable X_1 and X_2 simultaneously on variable Y is 23.8%. This shows that the contribution of variations in the value of Work Culture and Compensation affects the variation in the value of Performance by 23.8%, the remaining 76.2%, is another variable that is not included in this research model.

CONCLUSION

The results of this study indicate that the work culture of SIIPS has a positive effect on the performance of employees of the Surabaya branch of the BTN, Likewise compensation has a positive effect on performance. While work culture and compensation simultaneously have a positive effect on performance where the contribution of variations in work culture values and compensation affects the variation in performance values by 23.8%. The influence of SIIPS work culture and compensation is still a concern in maintaining employee performance, but there are still 76.2% of the influence of other variables that have not been studied in this study, and this can be good information for conducting further research by including other variables.

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