SEM PLS ANALYSIS EFFECT OF MORALE AND COMPENSATION ON ACADEMIC PERFORMANCE

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Abstract

This paper examines academic performance and examines whether morale and compensation affect academic performance through the culture of the organization. The purpose of the study was to examine the effect of morale and compensation on academy performance with organizational culture as a mediation variable. The population and sample of this study throughout the academy at Siteba Health Polytechnic with sampling techniques using a total sampling technique of 46 people. The results of this study show that (1). Variable morale and compensation have a direct and significant effect on organizational culture. (2) Morale, compensation, and organizational culture have a positive and significant effect on academic performance. (3) The mediation effect of organizational variables was found to affect morale and compensation for academic performance

Jel Classification:

J53; M12; D21; L30

Keywords: Work Morale, Compensation, Organizational Culture, Employee Performance

INTRODUCTION

Academia is the human resource required by universities and supporting elements that are directly in the implementation of education and service. The performance of academics is said to be high if the achievement of his work exceeds the targets set by the organization. According to (Rivai, 2014) in the nature of the implementation of education and services in universities, the academic community faces various issues that will affect performance. Performance can describe the level of achievement of an activity carried out to realize the vision of the organization's mission.

Good human resource performance can be created by setting goals and work results following the goals set by the company. This will have an impact on the company's expected output and make HR work comfortably. HR performance can be influenced by various factors, so it needs attention from leaders to improve performance to work optimally. Poor academic performance will have an impact on the decline in the quality of service and teaching to students. This decrease in quality certainly has an impact on the non-optimal absorption of knowledge delivered by lecturers to students so that students become clueless about the learning materials delivered.

HR performance can be affected by internal and external factors. Internal factors include ability, commitment, attitude, discipline, interest, work spirit, organizational culture, motivation, intelligence, and personality. While external factors are intensive or salary, facilities and infrastructure, commitment, compensation, organizational climate, work atmosphere, and work environment and leadership style (Wibowo, 2014). To have good performance an employee must have a higher desire to do the job and it can be improved if there is an agreement between work and ability (Sihombing et al., 2018).

The spirit of work is something that is interpreted positively and well, which can give an additional boost to the work done so that it becomes good (Alex S. Nitisemito, 2010). Measuring the spirit of one's work can be seen from the results of the achievements of the work done, high work spirit, and seriousness in the task and responsibility given. This is following the opinion (A. Judge & Stephen P Robbins, 2011) expressed the spirit of work as a positive attitude of employees who are displayed with a cheerful, passionate, friendly attitude and complete the task to completion. Employees who have a work spirit will be more motivated in completing their work which will improve their work performance.

The organization in achieving the company's objectives provides a compensation system that can be in the form of goods or money received directly or indirectly by employees and the results of work achievements. A well-designed compensation system is a tool to ensure high performance and commitment (Aladwan et al., 2015). A clear compensation policy can be a major factor in encouraging work passion and work spirit in achieving good achievements. This is following the opinion (Ahmad Tohardi, 2011) that companies should see compensation as an important component in creating a good spirit to make employees have productive performance. Opinion (Siagian, 2013) states that companies that implement a good compensation system will attract people who have good competence in their fields to work for the company, which in the end the company will have competent human resources to achieve organizational goals.

Thus employees can be motivated to perform very well even in the absence of sophisticated practices such as pay for performance (Isa, M. F. M., Ugheoke, S. O., & Noor, 2016). According to (Hassi, 2018) employees will show a strong sense of commitment ethics there is a sense of recognition and appreciation from organizations for their performance. Organizational culture or corporate culture is a set of values, beliefs, and ways of doing things in an organization. Where an organizational culture has long been an important element in

organizational theory (Chu et al., 2019) In addition, organizational culture is generally documented as an important element in strategic implementation because it affects the effectiveness as well as efficiency of strategies (Chu et al., 2019).

According to (Warrick et al., 2016) that organizational culture describes the environment in which people work and their influence on people's thinking, acting, and work experience. Cultures can differ significantly within and between organizations. Such cultures can bring out the best in people and create an excellent environment for working people or can bring out the worst in people and create a dysfunctional environment filled with stress and tension. The organizational culture of a company has usually been going on since the company was founded and does not conflict with the norms and values that apply in the community around the company (Prabu, 2015).

Siteba Padang Health Polytechnic in realizing excellence in the field of education requires the role of human resources in realizing the achievement of institutional goals. Based on observations found problems related to the performance of existing resources where there is still low morale in carrying out and completing tasks and responsibilities, still low level of service provided to students, a still low initiative in completing work on time. It is also related to the still low award given to HR that affects morale and commitment and no performance assessment. These problems lead to a moral, poor work culture that impacts the performance of human resources.

Some previous literature has examined the factors that improve the performance of academics (Ahmad Tohardi, 2011) (Sembiring, 2019) The results prove a direct relationship between morale, compensation, organizational culture, and employee performance. Meanwhile(Sihombing et al., 2018) assess awards in terms of materials and immaterial affect employees. While the results of the study (Junaidi & Susanti, 2019),(Nasir et al., 2020) employee performance. The results of the study (Kennedy & Garewal, 2020) that there is a negative and significant relationship between the morale of work and the desire to move employees. From research (Katidjan et al., 2017) shows compensation has no significant effect on employee performance. Based on these differences, many aspects can affect employee performance, both internal and external. Based on the above problems, the purpose of this research is: to know the moral and compensation influence on organizational culture, to find out the influence of work spirit, compensation and organizational culture on academic performance and to find out the influence of work spirit and compensation on academic performance through organizational culture

METHODS

This research method uses the Development Model. The development model is a set of sequential procedures for carrying out design and development that are realized in the form of a process of learning activities teaching and learning strategies. The development model used in this study is the R&D (research and development) method developed by (Sembiring,2019) in this study, this model is modified by replacing morale variables with work spirit and making organizational culture a mediation variable. The study used a quantitative approach because it looked at relationships between variables using statistical methods and used questionnaires adopted from past literature. Respondents in this study were academics who worked in Poltekes Siteba Padang which numbered 46 people. The determination of samples is done using the total sampling method (Sugiyono, 2016).

The study used PLS (Partial Least Square) techniques to analyze data using Smart PLS3 software for measurement validation and hypothesis testing. Research variables are morale, compensation, organizational culture, and performance. (Santoso Singgih, 2018). Hypothesis

testing is done with a T test (Partial) and F test (simultaneous) with a 5 percent fault tolerance. According to (Jr., Joseph F. Hair C. & Anderson, 2014) a significant path that points to empirically hypothesized direction supports the proposed causal relationship.

RESULTS AND DISCUSSION

Validity and Reliability test results

The results of the test validity of work spirit variables, compensation, work culture as mediation variables, and lecturer performance can be seen in table 1.

Tabel 1. Heretroit-Monotoroit Ratio (HTMT)

Heretroit-Monotoroit Ratio (HTMT)				
	X1	X2	Y	Z
X1				
X2	0,836			
Y	0,875	0,875		
Z	0,799	0,845	0,887	

Source: Data From Smart PLS 3.2.7 2021

Based on table 1 can see the results of the validity test of each variable worth less than 0.9 so that it can be collected discriminant validity of the data either, or different from each other. According to (Juliandi, 2018) the discriminant validity is seen from the Heretroit-Monotoroit Ratio value where the value must be smaller than 0.9 to produce a good discriminant validity value.

The reliability test results of each variable in this study can be seen in table2.

Tabel 2. Composite Reliability

Composite Reliability	
X1	0,921
X2	0,932
Y	0,945
Z	0,950

Source: Data From Smart PLS 3.2.7 2021

The results of composite reliability of all variables studied are reliable for further testing because the value of the working spirit variable (0.921) > 0.6, the compensation variable (0.932) > 0.6, the organizational culture variable (0.945) > 0.6 and the lecturer performance variable (0.950) > 0.6. Data will be considered reliable ethics composite reliability value above 0.6 (Juliandi, 2018). Hypothesis testing is done by evaluating the model in and partial test to answer the research hypothesis. The results of hypothesis testing that have been done on significant models can be seen in Figure 2.

Figure2 Mediation Effect

Testing on a significant model is done by looking at the value of R square i.e. the model conformity test. R square test results can be seen in table 3:

Tabel 3. R-Square

	R-Square	R-Square Adjust
Y	0,964	0,962
Z	0,769	0,758

Source: Data dari Smart PLS 3.2.7 2021

The results of the R^2 test from table 3 is seen: (1) R^2 (adjusted) for the first path model of 0.962, where the ability of work spirit variables and compensation in explaining organizational culture variables by 96.2% which is the value is the strongest category; and (2) R^2 (adjusted) for the second path model of 0.758, means the ability of variable work spirit, compensation and organizational culture in explaining lecturer performance variables by 75.8% which is the strong category. For the Model Conformity Test (goodness of fit test) is used the Q-square equation is as follows:

$$\begin{aligned}
 Q^2 &= 1 - (1 - \text{Performance}) (1 - \text{Organizational Culture}) \\
 &= 1 - (1 - 0,964) (1 - 0,769) \\
 &= 1 - (0,036) (0,231) \\
 &= 0,9917. \text{ Thus the value of } Q^2 \\
 &= 0,9917 > 0 \text{ which means the model has compatibility.}
 \end{aligned}$$

The results of the hypothesis test can be seen in table 4

Tabel 4. Direct Effect

	P Values
X1 -> Y	0,000
X1 -> Z	0,000
X2 -> Y	0,000
X2 -> Z	0,001
Z -> Y	0,000

Source: Data dari Smart PLS 3.2.7 2021

Based on table 4 can be explained the following hypothesis:

1. The influence of morale and compensation on organizational culture

Based on the results of the hypothesis test t shows that the spirit of work has a positive and significant effect on organizational culture. Compensation also has a positive impact and a major significant effect on the culture of the organization. If morale and compensation increase then the organizational culture will also improve. Conceptually the results of this study support the theory that compensation is an important component in creating good work so that employees have productive performance that affects organizational culture (Ahmad Tohardi, 2011) One's morale can be improved through compensation so that it will affect the culture of the organization. The results of this study are also in line with research conducted by (Sembiring, 2019) where the results show that there are positive effects of organizational culture on morale.

2. The influence of morale, compensation, and organizational culture on academic performance.

The results of the hypothesis test showed that the spirit of work and organizational culture had a positive and significant effect on the performance of the organization. This means that increased morale can affect organizational culture and can improve academic performance. While compensation also has a positive impact and a significant effect on the performance of academics. Organizational culture is one of the elements evaluated in assessing employee performance.

(M. Hasibuan, 2017) Assessment is a management activity to evaluate employee behavior and work outcomes and determine further policies. The spirit of work needs to be improved continuously to obtain quality performance in the sense that the work carried out will produce something desired. The spirit of work requirements to meet the demands for compensation against the company in producing performance. Good work and compensation will result in a good organizational culture to obtain quality performance according to the company's goals.

The results of this study are in line with the results of research conducted (Sembiring, 2019) Compensation, organizational culture, and morale have positive relationships and influences employee performance. This is in line with research conducted by (Sihombing et al., 2018) that awards affect employee performance. The higher the rewards, the higher the employee performance reflected in the results of work, morale, and individual nature, responsibility, accountability, and transparency.

These results are supported by the results of previous studies (Lisbijanto, 2014), (Liden et al., 2014) The results found that organizational culture was positively associated with employee performance, creativity, and employee behavior. This decreases the tendency of employee intentions to move both directly and employee understanding of the company.

3. The influence of the spirit of work, compensation through organizational culture on the performance of academics.

The results of the hypothesis test showed that morale had a positive and significant effect on academic performance through organizational culture. While compensation also has a positive and significant effect on the performance of the agreement through organizational culture. The results of this study are in line with research conducted by (Rozanna et al., 2019) that changes in organizational culture affect staff performance in public organizations. The results of the study (Wressell et al., 2018) state that the role of culture and organizational systems cannot be underestimated in creating a good organizational culture. Compensation affects the quality of the person applying, morale,

and the level of labor performance, and the survival rate of the workforce in the company (Gupta & Shaw, 2014)

CONCLUSION

Based on the results of analysis and discussion of research on the influence of morale, compensation for academy performance through organizational culture as a mediation variable can be concluded that work and compensation have a direct and significant effect on organizational culture. These results are supported by research (Sembiring, 2019) that there are positive effects of work spirit influenced by organizational culture. While the spirit of work, compensation, organizational culture have a significant effect on the performance of academics. The results of this study are supported by (Sembiring, 2019) where compensation, organizational culture, and compensation have a positive relationship and influence on employee performance. The results of this study are also in line with (Lisbijanto, 2014) that employee performance, compensation, behavior are positively related to organizational culture. The results of the study also obtained that the spirit of work has a positive and significant influence on the performance of academics through organizational culture. While compensation also has a positive and significant effect on the performance of the agreement through organizational culture. The results are the same as the results of the study (Rozanna et al., 2019) where cultural changes affect staff performance. In line with opinions (Wressell et al., 2018) stated the role of culture and organizational systems cannot be underestimated in creating a good work culture. This research in the future can add independent variables as determinants of academic performance to produce more comprehensive studies.

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