

# The Influence of Compensation, Leadership Style and Organizational Culture on The Performance of Employees of PT. Astra Honda Motor Plant Sunter in 2018

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## Abstract

This research is useful to analyze the influence of compensation, leadership style and organizational culture on the performance of PT Astra Honda Motor Plant Sunter, Jakarta. PT Astra Honda Motor Plant Sunter has a worsening performance from year to year, performance data can be seen from the average performance appraisal results. The results of this study used primary data in the form of questionnaires to 100 employees of PT Astra Honda Motor Plant Sunter as respondents, using multiple linear regression method. The conclusion obtained shows the three independent variables studied separately have a positive and significant effect on employee performance PT Astra Honda Motor plant Sunter. Each research variable, the results in some of the indicator statements declare neutral this research. PT Astra Honda Motor Sunter should be able to improve some of the indicators of compensation, leadership style and organizational culture to a better level or with a statement agree, and even strongly agree that improve the performance of PT Astra Honda Motor plant Sunter employees.

Keywords: Compensation PT Astra Honda Motor Plant Sunter, Leadership Style PT Astra Honda motor plant Sunter, Culture Organization PT Astra Honda Motor plant Sunter, Compensation, Leadership Style, Culture Organization, performance.

## INTRODUCTION

The automotive market in Indonesia always experiences growth every year. Motorbike as a mode of transportation that is widely chosen by the general public in Indonesia. This type of two-wheeled vehicle is in great demand by the Indonesian people because it is quite easy to drive to travel, being the most efficient to get to work in the midst of traffic jams in big cities in Indonesia, down payments are much cheaper and the price offered by the motorbike is cheaper than if you buy a car.

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PT Astra Honda Motor as the pioneer of the first motorcycle industry, top brand 2016 in the word of marketing category and the leader of the most motorcycle sales in Indonesia has an important role in the automotive world in the country. This spurs

motorcycle manufacturers to create many of the best innovations in terms of quality, models, and product technology that will be produced in order to captivate consumers. The demand for motorcycles continues to increase every year, PT Astra Honda Motor moves quickly to produce motorcycles and sets targets to meet consumer demand. By implementing a product-oriented strategy, it is expected to be able to provide the best quality of the motorcycle as expected by the customer. The phenomenon found at PT Astra Honda Motor plant Sunter is the data from the performance appraisal of employees of PT Astra Honda Motor plant Sunter occurred in 2012-2016 as follows:

**Table 1.1 Average Performance Appraisal Results of PT Astra Honda Motor plant Sunter Employees**

PERFORMANCE BEHAVIOR	2012			2013		
	Weight (%)	Value Capation	Score (%)	Weight (%)	Value Capation	Score (%)
1. Discipline	15	75	11,25	15	70	10,5
2. Responsibility	15	70	10,5	15	70	10,5
3. Cooperation	10	85	8,5	10	80	8
4. Leadership	10	70	7	10	70	7
<b>Work Results</b>						
5. Quality of Work	20	80	16	20	75	15
6. Working Quantity	15	75	11,25	15	75	11,25
7. Employability Skills	15	70	10,5	15	70	10,5
<b>Sum</b>	<b>100</b>		<b>75</b>	<b>100</b>		<b>72,75</b>

PERFORMANCE BEHAVIOR	2014			2015		
	Weight (%)	Value Capation	Score (%)	Weight (%)	Value Capation	Score (%)
1. Discipline	15	60	9	15	65	9,75
2. Responsibility	15	70	10,5	15	70	10,5
3. Cooperation	10	75	7,5	10	80	8
4. Leadership	10	70	7	10	75	7,5

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<b>Work Results</b>						
5. Quality of Work	20	75	18,75	20	65	13
6. Working Quantity	15	60	9	15	70	10,5
7. Employability Skills	15	65	9,75	15	65	9,75
<b>Sum</b>	<b>100</b>		<b>71,5</b>	<b>100</b>	<b>80</b>	<b>69</b>

<b>PERFORMANCE BEHAVIOR</b>	2016		
	<b>Weight (%)</b>	<b>Value Capation</b>	<b>Score (%)</b>
1. Discipline	15	70	10,5
2. Responsibility	15	70	10,5
3. Cooperation	10	85	8,5
4. Leadership	10	70	7
<b>Work Results</b>			
5. Quality of Work	20	65	13
6. Working Quantity	15	60	9
7. Employability Skills	15	65	9,75
<b>Sum</b>	<b>100</b>		<b>68,25</b>

Source: Human Resource division of PT Astra Honda Motor

**Table 1.2 Standard Performance Value of PT Astra Honda Motor Employees**

<b>NO</b>	<b>Value (%)</b>	<b>Category</b>
<b>1</b>	90% - Up	Excellent
<b>2</b>	80% - 90%	Good
<b>3</b>	70% - 79%	Enough
<b>4</b>	61% - 69%	Less
<b>5</b>	60% - Down	Bad

Source : Human resource division of PT Astra Honda Motor

Based on table 1.1 and table 1.2, the Average Performance Appraisal Results of PT Astra Honda Motor Plant Sunter employees fluctuate tend to decrease. The following is an explanation of the table above:

PT Astra Honda Motor in 2012 employee performance report of PT Astra Honda Motor showed a score of 75%, in 2013 employee performance decreased compared to the previous year the score in 2013 was 72.75%. In 2014 the score of PT Astra Honda

Motor performance appraisal report was 71.5%. In 2015 PT Astra Honda Motor's performance score was 69%

The performance score of PT Astra Honda Motor decreased in 2016 with a performance score of 68.25%.

### **Problem Formulation**

Based on the background of the problem, the following problem formulation can be determined:

- a. Is there any effect of compensation on the performance of employees of PT Astra Honda Motor plant Sunter?
- b. Is there any influence of Leadership Style on the performance of PT Astra Honda Motor plant Sunter employees?
- c. Is there any influence of Organizational Culture on the performance of employees of PT Astra Honda Motor plant Sunter?

The following is a translation according to Huber in Priyono states that "Human Resource Management (HRM) is a recognition of the importance of an organization's workforce as an important human resource contributing to organizational goals, and the

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utilization of several functions and activities to ensure that they are used effectively and fairly for the benefit of individuals, organizations, and society". According to Marwansyah (2010: 3) argues that "Human resource management can be interpreted as the utilization of human resources in the organization, which is carried out through the functions of human resource planning, recruitment and selection, human resource development, career planning and development, compensation and welfare, occupational safety and health, and industrial relations". According to Malayu S.P. Hasibuan (2012: 10) revealed that: "Human resource management is the science and art of managing the relationships and roles of the workforce to effectively and efficiently help realize the goals of the company, employees, and society".

Performance according to an expert named Brahmasari (2008: 128) suggests that it is "the achievement of organizational goals that can be in the form of quantitative or qualitative outputs, creativity, flexibility, reliability, or other things desired by the organization. Moeherriono (2010: 11) In his book the definition of employee performance or the definition of performance or performance as "performance results that can be achieved by a person or group of people in an organization both qualitatively and quantitatively, in accordance with their respective authorities, duties and responsibilities in an effort to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals or ethics". According to Suyadi Prawirosentono (2008: 27) performance can be assessed or measured by several indicators, namely Effectiveness, namely if group goals can be achieved with planned needs, responsibility is an inseparable part or as a result of having authority. Discipline is obedience to the laws and rules that defend. Employee discipline is the obedience of the employee concerned in respecting the employment agreement with the company where he works. Initiative is related to thinking, creativity in the form of an idea related to company goals. The nature of the initiative should get the attention or response of the company and a good boss.

According to Handoko (2010: 155) states that "compensation is important for employees as individuals because the amount of compensation reflects the size of their

work among the employees themselves, their families and the community". Handoko's view is also in line with Bangun's view (2012: 254) The definition of compensation is "a reward paid to employees for the services they contribute to their work". Another expert also argues is Ardana (2012: 153) who states that compensation is "everything received by employees in return for their contributions to the company or organization". The compensation indicator proposed by Husein Umar (2007: 16) is Salary is a reward given by the employer to employees, whose receipt is routine and fixed every month even though they do not come to work, the salary will still be received in full, Incentives are rewards or rewards given to motivate workers so that their work productivity is high, irregular or at any time, Bonus is a lump sum payment given for meeting performance goals, Wages are payments given to employees with the length of working hours, Premium is something given as a gift or donation or something paid extra as a booster or designer or something additional payment on top of normal payments, Treatment of compensation is the provision of services in overcoming risks associated with employee health, Insurance is a risk countermeasure for losses, loss of benefits and legal liability to third parties arising from uncertain events.

## **RESEARCH METHOD**

In this study, the author uses quantitative research methods in the object of research is employee performance, the subject of this study is PT Astra Honda Motor Plant Sunter. This study the author explains the influence between compensation, leadership style and organizational culture on employee performance at PT Astra Honda Motor Plant Sunter. The population of this research is all permanent employees working at PT Astra Honda Motor Plant Sunter. The sample in this study was all permanent employees working at PT Astra Honda Motor Plant Sunter with sampling using the Slovin method with a significance of 0.1 obtained as many as 97 respondents then rounded up to 100 respondents who followed filling out the research statement and in the study using strata random sampling techniques. The measurement scale used is an interval scale using the Likert scale. The data analysis techniques used in this study used validity tests, reliability tests, simple and multiple linear regression analysis as well as t tests and F tests with the help of SPSS 24.0.

## **RESULTS AND DISCUSSION**

The results of the study proved that compensation had a positive and significant effect on employee performance at PT Astra Honda Motor Plant Sunter which means that the results of the compensation provided by the company make employees improve employee performance, then compensation is considered appropriate to achieve goals if applied according to the corridors set by the company.

The results of this study prove that leadership style has a positive and significant effect on company performance, meaning that the leadership style at PT Astra Honda Motor an effort to influence many people through a good communication process to achieve organizational goals is expected to cause positive changes in the form of dynamic forces that can coordinate the organization in order to achieve goals if applied in accordance with the regulations made at the beginning of the company.

The results of this study prove that organizational culture has a positive and significant effect on the performance of employees of PT Astra Honda Motor Plant Sunter.

Organizational culture, which is the result of the interaction of habitual characteristics influenced by groups of people in their environment, will form an overall perspective on the organization. This perspective will be the culture or personality of the organization that is able to support and influence the performance of employees at work and have a greater impact on a stronger culture.

It can be concluded that with compensation, a good leadership style, and a strong organizational culture will have a positive impact on employee performance. If these three factors synergize in a balanced manner, losses caused by errors in work can be reduced to a minimum to get optimal work results. With good employee performance, the quality and quantity of employee work can be in accordance with company expectations.

## CONCLUSION

The results showed that compensation variables had a positive and significant influence on employee performance variables so that the hypothesis was accepted. However, from the results of questionnaires filled out by employees at PT Astra Honda Motor Plant Sunter, there are still some respondents who stated that they were neutral / hesitant about providing compensation to the company because according to respondents sometimes compensation to employees such as salary payments or

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treatment received is still not in accordance with work, providing wages for daily needs that are still lacking, The results showed that the Leadership Style variable had a positive and significant influence on employee performance variables so that the hypothesis was accepted. However, from the results of questionnaires filled out by employees at PT Astra Honda Motor Plant Sunter, there are still some respondents who stated that they are neutral / hesitant about the policies and decisions of a leader, because there are still employees who consider the lack of reciprocity of work performance achieved so as to cause a lack of willingness to achieve work performance, The lack of desire to lead the company because the company has high appraisal standards to become company leaders, and the lack of desire to dominate colleagues due to passive employee behavior because employees assume that they already have their respective jobs. Organizational culture variables have a positive and significant influence on employee performance variables so that the hypothesis is accepted. However, from the results of questionnaires filled out by employees at Astra Honda Motor Plant Sunter, there are still some respondents who stated that they were neutral / hesitant. Some employees still argue that it is difficult for employees to create ideas or innovations in their work because workers in the field are related to heavy equipment that can endanger workers, as well as the implementation of decisions that have been made.

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