The Effect of Compensation Level and Organizational Citizenship Behavior on Employee Performance

Author:
Rini Lestari¹, Fadhila Ainun Nafi²
¹,²Fakultas Ekonomi dan Bisnis. Universitas Islam Bandung. Bandung. Indonesia
Jl. Tamansari No.1 Bandung 40116
unirinilestari@gmail.com ; fadhilaainun1212@gmail.com

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ABSTRACT
Every organization must be able to keep up with all the progress in order to achieve a goal, it requires adequate employee performance. The variables that can affect employee performance are the level of compensation and organizational citizenship behavior so that the organization can achieve its goals well. The purpose of this study was to determine the effect of compensation levels and Organizational Citizenship Behavior on employee performance at the Bandung branch of the DAMRI General Company. This research method uses a descriptive method with a quantitative approach. The data source used is primary data source obtained from DAMRI employees in Bandung branch. The research sampling technique used non probability sampling with convience sampling technique and obtained a sample of 65 respondents. The analytical tool used in this research is SmartPLS version 3.2.9. The results of this study indicate that the level of compensation and organizational citizenship behavior affects employee performance.

Keywords: compensation level; organizational citizenship behavior; employee performance

INTRODUCTION
Human resources play an active and dominant role in every activity in the organisation. Therefore, training and development of human resources is needed as a tool in improving the performance of employees. Employee performance is a work result measured in quality and quantity achieved by employees in carrying out their duties in accordance with their responsibilities (Mangkunegara, 2021). Performance in the view of Islam is described through the existence of a person doing a job (Muhdar, 2015).

Organisations need a driving factor that can improve employee performance. One of the factors that affect employee performance is the level of compensation given to employees (Martoyo, 2008). The way organisations motivate and improve employee performance is by providing compensation levels. The importance of providing compensation levels to employees has also been regulated by the government in Law Number 24 of 2011 concerning the Social Security Administration Agency, where employees are entitled to reciprocity for the work they have done for the organisation.

The facts that occur in the field are phenomena related to compensation payment problems. (Nuryaman, Eriana, & Sendi, 2019) explained that Perum DAMRI was in the public spotlight because it did not pay employee salaries from August 2020 to April 2021. In addition, employees also receive holiday allowances that are not in accordance with the provisions.
The above phenomenon shows that the provision of inappropriate compensation levels has decreased employee performance. Employees who receive inappropriate compensation can affect production stability and also disruption of services in the organisation (Priansa, 2018). Compensation can be a determinant in the quality of employee work. In addition, the policies of employees can be a consideration in providing compensation levels, this can be seen in the level of education of employees, the level of employee positions, and the work experience of employees.

Then there are several studies conducted by Zainuddin et al., (2023) which state that the level of compensation has a positive effect on employee performance. The research conducted by Fauzan & Sary, (2020) with the result that the level of compensation has a significant positive effect on employee performance. Research conducted by Sulaeman et al., (2021) states that the level of compensation has a positive and significant effect on employee performance.

In addition to the level of compensation, in competing organisations need an employee who does work outside of formal duties and provides performance exceeding organisational expectations (Afandi, 2018). This is reflected in Organizational Citizenship Behavior (OCB). Organ, 1988 in (Naway, 2018) explains Organization Citizenship Behavior is a behaviour that exceeds what should be done, which is indirectly a formal work system. OCB coordinates teamwork in carrying out organisational activities so as to improve employee performance.

As the phenomenon that occurred at the Bandung branch of Perum DAMRI, (Silviana, et al., 2022) stated that one of the DAMRI employees with the initials SS embezzled 1.2M of company revenue amidst the company's difficult condition. This is contrary to the ethical and moral values contained in OCB.

Based on the above phenomenon, there are several studies on the relationship between OCB and employee performance. Research conducted by Candra & Frendika (2023) shows the results of Organizational Citizenship Behaviour have a positive effect on employee performance. The research conducted by Anggraini et al., (2023) with the results of Organizational Citizenship Behaviour research affects employee performance.

Based on the description above, the problem formulation in this study is "how much influence does the level of compensation and Organizational Citizenship Behaviour have on employee performance?" with several research objectives as follows:

1. To explain the effect of compensation level on employee performance.
2. To explain the effect of Organizational Citizenship Behaviour on employee performance.

LITERATURE REVIEW

Compensation Level

The level of compensation is an income or salary as a form of organisational expenditure for employees in the form of money, direct goods, and indirect goods that are proportional to the contribution of services made by employees to the organisation Afandi (2018), Edison et al., (2017), (Hasibuan, 2020), Mangkunegara (2021), (Gomes, 2003), Zainal et al., (2015). According to Priansa (2018) in measuring compensation, there are dimensions that become benchmarks, namely:

1. Extrinsic Compensation is financial compensation in the form of, for example, basic salary, bonuses given annually, several types of insurance, holiday honorarium, and several types of allowances and non-cash rewards in the form of a comfortable office environment, adequate office equipment, and getting a personal secretary.
2. Intrinsic Compensation includes job enrichment, additional responsibilities, and others that encourage being the best employee in the organisation.
Organizational Citizenship Behavior

Organizational Citizenship Behavior or OCB is the behaviour of an employee who exceeds the roles and responsibilities in his job so that it indirectly provides benefits by increasing the effective functioning of the organisation (Priansa, 2018). According to Naway (2018) the dimensions of Organizational Citizenship Behavior consist of Altruism, Conscientiousness, Sportsmanship, Courtesy, and Civic Virtue with measurements using the Morrison scale (Priansa, 2018) as follows:

1. Altruism is a behaviour that is shown by replacing colleagues who are absent or resting, helping other employees whose work is overloaded, helping new employee orientation without being asked, helping to do the work of other employees who are absent, taking the time to help others with work problems, volunteering to do something without being asked.
2. Conscientiousness is a behaviour that is shown by arriving early so that it is ready to work when the work schedule starts, talking as needed in telephone conversations, not spending time on conversations outside of work, not taking excess time even though it has an extra six days.
3. Sportsmanship is the behaviour of employees who have a willingness to tolerate without complaining, not looking for mistakes in the organisation, not exaggerating problems out of proportion.
4. Courtesy is a behaviour shown by giving attention to functions that help the organisation’s image, giving attention to meetings that are considered important, and arranging departmental togetherness.
5. Civic Virtue is a behaviour shown by keeping information about events and changes in the organisation, following changes and developments in the organisation, reading and following organisational announcements, making considerations in assessing what is best for the organisation.

Employee Performance

Employee performance is a result carried out by an employee which is measured in quality and quantity in carrying out and completing work as a form of loyalty to the organisation to achieve organisational goals (Mangkunegara, 2021). According to Edison et al., (2017) the dimensions used in describing performance include:

1. Targets include focusing on targets and also fulfilling quantity;
2. Quality includes quality in accordance with organisational standards, employees have a commitment to the quality produced, and also customer satisfaction with the quality produced (Rachmawati, Kurnia, & Ganiah, 2020);
3. Completion time includes completing work on time, considering the importance of timeliness, and also customer satisfaction with timeliness;
4. Adherence to principles includes doing work in the right way and also being transparent and accountable.

The Effect of Compensation Levels on Employee Performance

The effect of compensation levels on employee performance has been the focus of extensive research. Compensation, whether in the form of money or other forms, is considered an expense that organisations provide to employees in return for their contributions to the organisation (Gomes, 2003). Meanwhile, employee performance is measured based on the quality and quantity of work results that reflect their loyalty to the organisation and efforts to achieve common goals (Priansa, 2018).

Appropriate compensation levels are considered a significant factor in improving employee performance (Martoyo, 2008). Various incentives in compensation are believed to have a direct
impact on performance (Hansen & Mowen, 1997). Compensation payments are also influenced by the level of achievement, as stated by Mathins Jackson in Kusumawardani et al. (2020).

Previous research also confirms the positive relationship between compensation and employee performance (Fauzan & Sary, 2020). However, there are also studies that show that compensation levels have a low influence on performance (Lestari et al., 2018), especially when compensation that should not be given to employees, such as inappropriate awards or bonuses. Therefore, the more appropriate the level of compensation provided, the better employee performance can increase. From these studies, a hypothesis can be formulated that the level of compensation affects employee performance because it is one of the motivating factors for employees to improve their work results.

**The influence of Organizational Citizenship Behavior (OCB) on Employee Performance**

The influence of Organizational Citizenship Behavior (OCB) on Employee Performance has been the focus of attention in organisational management studies. OCB refers to behaviour outside the formal role attached to one’s job, where employees indirectly make a positive contribution to organisational effectiveness. Organisations value this behaviour because OCB creates a conducive work environment (Priansa, 2018).

On the other hand, Employee Performance is the result of their efforts in completing tasks with measured quality and quantity, showing loyalty to the organisation (Mangkunegara, 2021). OCB, although not a formal part of employee duties, has been shown to improve organisational performance (Priansa, 2018).

OCB also creates helpful relationships between employees, increasing productivity and efficiency (Priansa, 2018). Theory states that organisations with employees who demonstrate OCB behaviours tend to achieve better performance. Previous research also confirms that OCB has a positive effect on employee performance (Anggraini et al., 2023). Thus, the hypothesis of this study is that OCB has a positive effect on employee performance, because OCB behaviour encourages improved individual performance in an organisational context.

**RESEARCH METHODS**

**Research Scope**

The research methods used in this research are descriptive and survey methods with a quantitative approach. Descriptive method is a method used to analyse data by describing or describing the data collected without intending to make conclusions that apply to the public or generalisation (Sugiyono, 2013). While the survey research method is a research method carried out in obtaining facts from a phenomenon under study and seeking information based on facts addressed to respondents from the population who are the research sample (Raihan, 2017).

The quantitative approach is defined as a method based on the philosophy of positivism, which is used to research certain populations or samples, techniques in sampling are carried out randomly, data collection uses research instruments, data analysis is quantitative which aims to test hypotheses (Sugiyono, 2009).

The population in this study were all employees of Perum DAMRI Bandung branch. The sampling technique that will be used in this study is non probability sampling with convenience sampling technique. Ghozali (2021) states that using PLS-SEM does not require a large number of samples, recommended at least 30 to 100 samples.

Likert measurement scale is used in measuring the attitudes, opinions, and views of a person or group regarding phenomena in research that have been determined by variables and their indicators (Raihan, 2017). By using a Likert scale, the variable to be measured is translated into an indicator, then the variable indicator becomes the starting point in compiling the components of the instrument in the form of questions or statements (Sugiyono, 2013).
Instrument testing is carried out by testing the validity and reliability which is an important thing in research, before the instrument is used in research, it must be ensured that it passes the validity and reliability tests (Darwin et al., 2021). Instrument testing in this study uses an outer model which is a model for measuring validity assessments and also instrument reliability using Structural Equation Modeling - Partial Least Square (SEM-PLS) with SmartPLS 3.2.9 software. Structural Equation Modelling (SEM) is a multivariate statistical analysis technique derived from the development of regression and path analysis (Rahman et al., 2023).

The hypothesis testing design uses Structural Equation Modelling (SEM), namely the inner model. Inner model is a model that describes the relationship between latent variables based on hypotheses (Rahman et al., 2023). Ghozali (2021) explains that the inner model consists of several calculations as follows:

**R-Square (R²)**

R-Square is used in explaining the influence between the independent variable and also the dependent variable substantively (Ghozali, 2021) explains that the R² value of 0.75 indicates a strong model, 0.50 indicates a moderate model, 0.25 indicates a weak model.

**F-Square (F²)**

F-Square can be used to determine the magnitude of the partial effect (Rahman et al., 2023). Ghozali (2021) explains the F-Square criteria, namely 0.02 has a small effect, 0.15 has a medium effect, 0.35 has a large effect. In addition, the hypothesis testing design is also carried out by looking at the calculation value of the path coefficients through testing the inner model with the bootstrapping function. The T-value is 1.96 with a significance level of 5% (0.05) (Ghozali, 2021).

**RESEARCH RESULTS AND DISCUSSION**

Compensation plays an important role in influencing employee performance at Perum DAMRI Bandung Branch. The more satisfactory the compensation provided by the organisation, the higher the employee performance. Both extrinsic and intrinsic compensation contribute to the fulfilment of employees' daily needs, trigger motivation, and increase their contribution according to the rewards given. This is what encourages employees to achieve targets and pay attention to the quality of work.

Organizational Citizenship Behavior also affects employee performance at Perum DAMRI Bandung Branch. Employees who show positive Organizational Citizenship behaviour tend to have good performance. Those who are willing to replace or help colleagues when the workload increases ensure the smooth running of organisational activities so that work can be completed on time.

The results of this study are based on a questionnaire filled out by 65 employees of the Bandung branch of DAMRI General Company. Data analysis was conducted using descriptive statistical methods and SmartPLS version 3.2.9 software with Structural Equation Modeling - Partial Least Square (SEM-PLS). The questionnaire return rate reached 72.2% of the total 90 distributed.

Based on the data presented, out of a total of 90 questionnaires distributed, only 65 were returned and could be processed, creating a return rate of 72.2%. There is a variable score recapitulation table for the compensation level, where the total respondent score is 2,465, representing 75.84%. This indicates that the compensation level of DAMRI Bandung Branch employees can be considered good. Similarly, the Organizational Citizenship Behavior (OCB) variable received a total score of 5,356, reflecting a percentage of 82.4%, indicating good OCB behaviour. While the Employee Performance variable has a total score of 2,660, reflecting a percentage of 82.84%, indicating good employee performance in the company.

As a result of the recapitulation of respondents' responses, the compensation level variable stands out with the highest score of 271 in the extrinsic compensation dimension, specifically in the basic salary indicator. For example, some employees receive a basic salary equivalent to the regional
minimum wage set by the government. However, the lowest score in the same dimension is 189, related to the holiday honorarium indicator, indicating that some employees do not receive holiday honorarium every year from the organisation. In contrast, in the OCB variable, the highest score was 279 in the conscientiousness dimension, especially in the indicator of reading and following all forms of organisational announcements. However, the lowest score, 234, was in the civic virtue dimension, indicating that some employees did not utilise excess leave time despite having an additional six days.

Instrument testing will be carried out through Structural Equation Modelling (SEM) based on Partial Least Square (PLS) with an outer model measurement model using the algorithm method using the SmartPLS 3.2.9 application. Validity testing will be carried out in two types of evaluation, namely Convergent validity which can be seen from the loading factor value and also the Average Variance Extracted (AVE) value (Ghozali, 2021), and also Discriminant validity by looking at the AVE root value. The following is a picture of the analysis through the algorithm which shows the loading factor value:

Algorithm Analysis Results
Based on the results of the algorithm analysis in the figure above, it shows that as many as 40 research instruments consisting of 3 variables, namely the variables of Compensation Level, Organizational Citizenship Behaviour, and Employee Performance, have met the provisions where the value of all variables is more than 0.7.

Figure 1. Algorithm Analysis Results

Based on the results of the algorithm analysis in the figure above, it shows that as many as 40 research instruments consisting of 3 variables, namely the variables of Compensation Level, Organizational Citizenship Behaviour, and Employee Performance, have met the provisions where the value of all variables is more than 0.7.

Table 1. Average Variance Extracted Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation level</td>
<td>0.600</td>
</tr>
<tr>
<td>OCB</td>
<td>0.619</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.646</td>
</tr>
</tbody>
</table>

Source: Results of Research Data Processing 2024

Based on the table above, it can be concluded that the results of Average Variance Extracted on all variables or constructs have an estimate of validity because they have an AVE value that exceeds
the value of 0.5.

Table 2. AVE Root Results

<table>
<thead>
<tr>
<th>Compensation level</th>
<th>Employee Performance</th>
<th>OCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation level</td>
<td>0.775</td>
<td></td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.761</td>
<td>0.804</td>
</tr>
<tr>
<td>OCB</td>
<td>0.615</td>
<td>0.707</td>
</tr>
</tbody>
</table>

Source: Results of Research Data Processing 2024

Based on table 2, all variables have good discriminant validity, this is because the AVE root value is greater than the correlation coefficient. Where the value of the compensation level is 0.775, Organizational Citizenship Behaviour is 0.787, and employee performance is 0.804. So it can be concluded that all instruments are valid because they have fulfilled discriminant validity.

Instrument testing is also carried out with a reliability test. The reliability test can be seen through composite reliability and also Cronbach's alpha as follows:

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation level</td>
<td>0.926</td>
<td>0.938</td>
</tr>
<tr>
<td>OCB</td>
<td>0.967</td>
<td>0.970</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.939</td>
<td>0.948</td>
</tr>
</tbody>
</table>

Source: Results of Research Data Processing 2024

Based on the table above, all values of variables both in using composite reliability and Cronbach's alpha have a value of more than 0.7. The compensation level variable has a composite reliability value of 0.938 and a Cronbach's alpha value of 0.926. The OCB variable has a composite reliability value of 0.970 and a Cronbach's alpha value of 0.967. The employee performance variable has a composite reliability value of 0.948 and a Cronbach's alpha value of 0.939. So it can be concluded that the research instrument is reliable or reliable when the answers from respondents to the questionnaire are stable over time.

Hypothesis Testing

Hypothesis testing in SEM-PLS can be done by bootstrapping analysis, and seen from the calculation value of path coefficients as shown below:
Table 4. Path Coefficient Results (Significance Test)

| Path                                      | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|-------------------------------------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| Tingkat kompensasi -> Kinerja Karyawan    | 0.525               | 0.524           | 0.085                      | 6.209                    | 0.000    |
| OCB -> Kinerja Karyawan                   | 0.383               | 0.392           | 0.086                      | 4.479                    | 0.000    |

Source: Results of Research Data Processing 2024

Based on the table 4, it shows that the compensation level variable obtained a T-statistic of 6.209 greater than the T-value of 1.96 and also seen from the P value of 0.000 <0.05, then H<sub>a</sub> is accepted or H<sub>o</sub> is rejected, meaning that there is an effect of the Compensation Level on Employee Performance at the Bandung branch of the DAMRI General Company. While the Organizational Citizenship Behavior variable obtained a T-statistic of 4.479 greater than the T-value of 1.96 and can also be seen from the P value of 0.000 <0.05, so H<sub>a</sub> is accepted or H<sub>o</sub> is rejected, meaning that there is an effect of Organizational Citizenship Behavior on Employee Performance at the Bandung branch of the DAMRI General Company.

CONCLUSION AND RECOMMENDATION

1. Based on the results of data analysis and discussion that has been described, the researcher concludes that the level of compensation affects employee performance in employees of the Bandung branch of the DAMRI General Company. This is indicated by the better the level of compensation provided by the organisation, it will create good employee performance. In addition, Organizational Citizenship Behaviour affects Employee Performance in Employees of the Bandung branch of the DAMRI General Company. This is indicated by organisations that have employees with good Organizational Citizenship Behavior, it will have good employee performance.

2. The suggestions from researchers for Perum DAMRI should be able to provide holiday honorarium every year to all employees as a rewarnd for the contribution of services that employees have made to the company so that this increases employee morale which can create a good employee performance. Employees at Perum DAMRI Bandung branch should not take excess time during leave when they have extra time, which can delay work so that it hampers operational activities. In addition, superiors provide encouragement to employees to provide
motivation in the form of words or behaviour, so that employees can complete their work on time.

REFERENCES


