



The Influence of Compensation and Organizational Culture on Palm Oil Employees' Productivity at Pt. Cakra Daya Sukses, Sekadau – West Kalimantan

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Abstract. Plantation companies in carrying out their activities cannot be separated from the support of human resources to achieve success because human resources are the main force in the plantation sector in all main lines of work. The resolution of various problems that occur in human resources must be handled quickly so that organizational goals can be achieved. This study aimed to find out the impact of compensation and organizational culture on palm oil companies' employee productivity in Kab. Sekadau, West Kalimantan Province. The population of this study was Sepuah Estate palm oil harvesters, with 40 samples out of 45 total population. The analysis method used in this study was a quantitative descriptive method, through data collection and analysis using statistics. The data was taken through observation, interviews, and primary data. The analytical methods used in this study were validity test, reliability test, classic assumptions test (normality test, heteroscedasticity test, multicollinearity test), multiple linear regression analysis, correlation coefficient analysis, determination coefficient test, and hypothesis test (T-test and F-tests). This study employed a quantitative approach with data analysis using SPSS verse 24 software. The results of the study show that compensation has a significant effect on employee productivity. Organizational culture has a significant effect on employee productivity. Compensation and organizational culture together have a significant effect on employee productivity.

Keywords: Compensation · Organizational Culture · Employee Productivity

1 Introduction

In the current era of competition, every company must be able to develop and improve the company in various ways that are structured in programs to increase company productivity. One important factor that must be considered by the company in achieving its goals is the human resource factor. Humans are the main factor because the existence of a company depends on the humans involved in it.

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The development of the company's business and organization is highly dependent on the productivity of the workforce in the company. Therefore, the human resources in the company need to be managed professionally to create a balance between the needs of the workforce and the main demands of the company, so that the workforce can develop productively and naturally. Human resource management aims to increase the effectiveness of human resources in the organization, to form productive and effective work units. The pressures faced by organizations, both from within and outside the organization, which are increasingly complex and competitive, require every organization to be more responsive to survive and continue to grow. For this reason, individual changes are needed, where change must start from the top level, namely the leader. Therefore, organizations need leaders who are able to be the driving force to drive organizational change.

Plantation commodities are a mainstay for national income and one of the largest contributors to Indonesia's foreign exchange, which can be seen from the export value of plantation commodities. In 2019, the total plantation export value reached US\$ 25.38 billion, or equivalent to Rp. 359.14 trillion (assuming 1 US\$ = IDR 14,148). The national contribution of the plantation sub-sector to the national economy is increasing and is expected to strengthen plantation development as a whole. In 2020, the area of oil palm plantations is 14.85 million hectares with production reaching 47.03 million tonnes. Oil palm plantation areas are spread across 26 provinces, namely all provinces on the islands of Sumatra and Kalimantan, West Java, Banten, Central Sulawesi, South Sulawesi, Southeast Sulawesi, West Sulawesi, Gorontalo, Maluku, North Maluku, Papua, and West Papua. Of the 26 provinces, in 2020 West Kalimantan Province is the province with the second largest area of oil palm plantations in Indonesia, namely 2.039 million hectares or 13.72% of the total area of oil palm plantations in Indonesia [1].

PT. Cakra Daya Sukses is a company whose main activity is engaged in the oil palm plantation located in the Belitang Hulu sub-district, Kab. Sekadau, West Kalimantan Province. The condition of the area is somewhat scattered because it is adjacent to community management land where the locations are spots in several villages. With conditions that are scattered and evenly distributed, there are obstacles with differences including community culture, productivity, customs, demography, traditional stakeholders, and so on. The working area of West Kalimantan in general has constraints and obstacles with the lack of availability of skilled workers around the plantations while workers from outside the area generally don't last long so employee productivity in Kalimantan is low.

Harvesting work on plantations is very important and primary work so it is expected that the presence of maximum harvesters can provide maximum results in accordance with the company's goals or targets. The presence of Estate harvest employees from February 2022 to April 2022 shows that data is not optimal, causing problems for Estate operations to achieve production targets. Employee attendance data can be seen in Table 1.

From the data, it can be seen that employee attendance in 2022 in February is 76% and in March it is 78%. Based on the presence of these employees greatly affects the achievement of company targets or production budget.

Table 1. Attendance of 2022 Estate Harvest Employees.

DIVISION	February				
	Number of Harvesters	Effective Working Day	Jlh Total Should be	Total Harvesters Actual Attendance	% Presence
Division 1	26	22	572	463	81%
Division 2	16	22	352	239	68%
Total SSPE	42	22	924	702	76%
DIVISION	March				
	Number of Harvesters	Effective Working Day	Jlh Total Should be	Total Harvesters Actual Attendance	% Presence
Division 1	26	26	676	581	83%
Division 2	20	26	520	348	67%
Total SSPE	46	26	1196	929	78%

Organizational culture is one of the factors that influence the motivational process, just like work patterns. The concept of the organizational culture studied by [2] in [3] shows that organizational culture in a company psychologically can be a motivation for employees to work because the existing cultural environment is in accordance with the culture of its employees. With an increase in organizational culture it is hoped that: 1) there will be an increase in good relations between subordinates and leaders to create a sense of mutual need 2) Support each other in work for better results 3) Improved quality to generate awards from the company in the form of salary increases or promotions.

Productivity is important in a company when it is related to the activities it carries out. According to Sinungan [4], work productivity is the result (output) obtained in balance with the input which is processed through work methods. Productivity is a concern for companies because good productivity will affect the company's improvement in achieving its goals. Companies must be able to have good productivity to meet the targets that have been set. Good employee productivity with a high work ethic will help the company to be able to meet the company's targets and help the company gain profits, whereas if employee productivity decreases and is bad it will harm the company. Therefore, the company must be able to manage employees properly so that employee productivity can increase.

Problems related to work productivity at PT. Cakra Daya Sukses Kab. Sekadau is not achieving the targets set by the company with the realization of the achievements given by these employees, of course, it can have a negative impact on the company's development process, the company's goals are not achieved optimally and will also have an impact on decreasing the work productivity of employees within the company. And the decrease in productivity that is felt by the company is a low level of discipline, an

unhealthy work environment, and organizational cooperation that is not well established. The maximum productivity of employees is not a coincidence, but many influencing factors include compensation and organizational culture. Employees will be more eager to take responsibility for their work if the company understands and pays close attention to the needs of its employees.

Compensation is a very important factor in a company. This remuneration can be used to motivate employees in a company. Because the amount of compensation is a measure of employee productivity, if the compensation system provided by the company is fair enough for employees, it will give incentives to employees to do their jobs better and will have more responsibility for each task given by the company. In addition to compensation, another factor to consider is organizational culture. The indications of the weakening of employee organizational culture are poor supervision, failure to appreciate the goals achieved, work environment, and inadequate room management which affects less than optimal productivity. Compensation according to Edy Sutrisno [5], compensation is an important function of human resource management (HR).

In accordance with the company's consideration of the existence of Eid holidays which usually relatively affect employee attendance, the Internal Circular Letter No. RC/SE/006/04/2022 dated 13 April 2022, regarding Harvest Incentives (Eid 2022) which is valid from 19 April 2022 to 18 May 2022, Specifically for PT. Cakra Daya Sukses is enforced for 21 working days. The provisions show by Table 2 as follows:

1. Harvester Incentive Calculation

a. Additional incentives based on work results

b. Presence incentive

With additional conditions:

- If 1 day is absent from 21 days: Incentive is deducted by 25%
- If 2 days are absent from 21 days: Incentive is deducted by 50%
- If 3 days out of 21 days: No incentives

Providing compensation in the form of incentives to more productive employees is expected to generate motivation so that employees are more productive to get incentives. Accurate incentives will bring motivation and more productive work patterns to employees, incentives can also make employees more comfortable and comfortable to remain in a company.

The results of Rizky Dwiyanti's research [6] show that the variables that most influence work productivity are salaries and bonuses, especially if salaries and bonuses are increased work motivation and work productivity at PT. Morich Indo Fashion Semarang will increase, so the organization needs to pay attention to the compensation agreement

Table 2. Additional incentives based on work results

Get Base	IDR 25.000,-/day
Incentive 1	IDR 50.000,-/day
Incentive 2	IDR 60.000,-/day

accurately and fairly. The results of the study also show that there is a significant influence between organizational culture on employee work productivity at PT. Morich Indo Semarang Fashion.

Compensation and organizational culture are important in increasing employee productivity. Compensation is the driving force that motivates someone to carry out an activity in achieving the best results, organizational culture must be high so that employees can carry out their duties as well as possible, otherwise, employees do not have compensation. It becomes very difficult to operate properly and tends to be irresponsible even though the employee has good operating skills. If an employee's organizational culture can be built and get *rewards* for their hard work then employees can be more productive in the organization or company.

Thus, it sets the background to research the influence of compensation variables and organizational culture on employee productivity at PT. Cakra Daya Sukses, District Sekadau, West Kalimantan.

2 Methods

2.1 Hypothesis

Based on the problem formulation, research objectives, theoretical review, and conceptual framework as previously described, the hypotheses in this study are:

1. *Compensation* has a positive and significant effect on employee *productivity* at PT. Cakra Daya Sukses, Kab. Sekadau, West Kalimantan.
2. *Organizational Culture* has a positive and significant effect on *the employees' productivity* at PT. Cakra Daya Sukses, Kab. Sekadau, West Kalimantan.
3. *Compensation* and *Organizational Culture* both have a positive and significant effect on *employees' productivity* at PT. Cakra Daya Sukses, Kab. Sekadau, West Kalimantan.

3 Results and Discussion

3.1 Effect of Compensation on Productivity

The results of the calculation of the significance test using SPSS found a T-test value of 10.317 with a Sig. 0.000. From the calculation results, these results are significant because the T value obtained is greater than the T value in the table of 2.062 and the Sig. obtained is less than 0.000 so H1 is accepted. It can be concluded that the compensation variable has a significant effect on harvester productivity.

Harvesters have been proven to be partly due to the compensation that has been given by PT. Cakra Daya Sukses is like the results of the research that has been obtained. Survey data conducted to increase productivity can be seen in Table 1.2 which explains how efforts to increase productivity when facing the Eid holidays are by providing attendance incentives and Eid incentives with a determination mechanism based on attendance criteria and yields obtained by each harvester.

Attendance and yields obtained when increased will increase employee productivity as well. The incentives given by this company as an effort to increase productivity can

occur because each employee will be more motivated to get incentives. This motivation encourages employees to attend more often and be more active at work. There is a reward that is obtained for more effort to produce results so that employees will feel more satisfied and comfortable that this factor becomes their enthusiasm in increasing productivity.

Based on the results of previous researches Kusuma, Bambang, Swasto, & Musadieg [7]; Susanto [8]; Erwinsyah, Wadud, & Kurniawan [9]; Rizal, Idrus, Djumahir, & Mintarti [10], it shows that compensation has a positive and significant influence on work motivation. According to Martoyo [11] the provision of effective and efficient compensation can directly establish organizational stability and indirectly contribute to encouraging the stability and growth of the country's economy as a whole. Research from Fauzi [12] supports that compensation has a significant effect on productivity and if compensation is increased it will increase productivity.

3.2 The Effect of Organizational Culture on Productivity

The results of the calculation of the significance test using SPSS found a T-test value of 2.672 with a Sig. 0.011. From the calculation results, these results are significant because the T value obtained is greater than the T value in the table of 2.062 and the Sig. obtained is less than 0.000 so H2 is accepted. It can be concluded that the Organizational Culture variable has a significant effect on harvester productivity.

Organizational Culture affects employee productivity, this can be seen in Table 1 which is data on the presence of harvesters from February to April at PT. Cakra Daya Sukses. The attendance data for harvest employees in Table 1 above explains how the attendance of harvesters in April was better than in the previous month. This increased attendance was none other than due to an increase in motivation. For harvesters it was due to organizational culture factors, the desire to be able to compete and be better in the future was felt by harvesters when they saw their work environment getting better. Robbins [13] stated that organizational culture is a common perception held by members of the organization in giving importance because each member has a different background and level.

Increased attendance will increase employee productivity as well. In increasing employee productivity, a good and healthy organizational culture is needed so that employees can continue to feel comfortable and grow in a healthy competitive nature. These things are then fostered to be able to produce better performance and innovations that can increase the productivity of both employees and the company.

The concept of the organizational culture studied by Randolf and Blackburn [2] in Tampubolon [3] shows that organizational culture in companies psychologically can be a motivation for employees to work because the existing cultural environment is in accordance with the culture of its employees.

The research conducted Lestari [14] found consistent results, that Organizational Culture has a positive and significant effect on the Motivation and Productivity of employees of PT. Banua Rim Forest. Dalimunthe, [15] in his research argued that organizational culture is what causes, guides, and supports human behavior so that it works with the rules that apply to achieve optimal results. This can prove that organizational culture influences employee work productivity.

3.3 The Influence of Compensation and Organizational Culture on Productivity

The results of the F test can be seen in the ANOVA table above. a sig value obtained of $0.000 < 0.005$ indicates that simultaneously there is a significant influence between compensation and organizational culture on employee work productivity so H3 is accepted. By providing good compensation, it can improve quality and quantity. In this case, it will have an impact on increasing worker productivity. And a good organizational culture will benefit employees and the company. Employees will acquire good organizational behavior to increase productivity in carrying out their duties. For companies, the existence of an organizational culture will ensure the achievement of a conducive situation for carrying out tasks, which can affect employee productivity.

In the F test above, an R square value of 0.938 was also obtained and it could be categorized as strong. This shows that all independent variables contribute 93.8% to the dependent variable. So it can be interpreted that Compensation and Organizational Culture contributed 93.8%

Research conducted Ashari, [16] shows that compensation and organizational culture have a significant effect on employee performance through motivation. This proves that H3 Compensation and Organizational Culture both have a positive and significant effect on productivity at PT. Cakra Daya Sukses is accepted and correct.

4 Conclusions

This study analyzes how the influence of compensation and organizational culture on harvester productivity. The analysis is used by projecting compensation as the total incentive, organizational culture as the number of attendance, and productivity as the tonnage obtained in one month per harvester. The conclusions obtained in this study are:

1. The results of this study indicate that compensation (X1) has a partial positive effect on productivity (Y) with a significance value of $0.000 < 0.05$.
2. The results of this study indicate that organizational culture (X2) has a partial positive effect on productivity (Y) with a significance value of $0.011 < 0.05$.
3. The results of this study indicate that compensation (X1) and organizational culture (X2) have a positive effect simultaneously on productivity (Y) with a significance value of $0.000 < 0.05$. The R Square value obtained in the study was 0.938, which means that compensation (X1) and organizational culture (X2) contributed 93.8%. These results indicate that the two independent variables have a strong influence on the dependent variable.

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