

**EFFECT OF ORGANIZATIONAL CULTURE, COMPENSATION, AND PERSONALITY TRAITS
TOWARDS EMPLOYEE PERFORMANCE IN TANGERANG PRIVATE UNIVERSITY:
MEDIATING ROLE OF INNOVATIVE WORK BEHAVIOUR**

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Abstract

Objective – This research aims to analyse effect of organizational culture, compensation and personality traits on employee performance in Tangerang private university using innovative work behaviour as intervening variables. **Design/methodology/approach** – This research uses quantitative approach with the unit of analysis 306 lecturer working in 11 private universities in Tangerang. Cross-sectional and one-shot data collection was carried out through distribution of google form questionnaires. The proposed model includes 10 hypotheses tested using Structural Equation Modelling (SEM). **Findings** – Majority of respondents are male, aged < 30 year, master degree, married, average monthly income ≥ IDR 5-10 million, work experience > 1-5 year, and expert assistant. The result shows that compensation, personality traits and innovative work behaviour has positive and significant effect on employee performance, but organizational culture does not have an effect on employee performance. Innovative work behaviour shows a full mediation effect of organizational culture on employee performance. **Theoretical Implications** – This research could enrich the body of knowledge about organizational culture, compensation, personality traits, innovative work behaviour and employee performance. Unlike the results of previous studies, this study shows that organizational culture has no effect on employee performance of private university lectures. **Managerial Implications** – Improvement of employee performance could be improved through 1) University leaders explain in detail about vision and mission of the university, 2) Maintaining fair compensation based on work performance, 3) Lectures keep high motivation to give best effort, 4) Maintaining innovative work behaviour to find new teaching and research methods. **Originality/value** – Research about effect of organizational culture, compensation and personality traits on employee performance mediated by innovative work behaviour in private university are still very limited.

Keywords: Organizational Culture, Compensation, Personality Traits, Innovative Work Behaviour, Employee Performance.

INTRODUCTION

Lecturer performance in private universities is a crucial aspect in determining quality of education and the reputation of the institution. As educator, researcher, and community servant, lecturer has vital role in creating a conducive and productive academic environment. Teichler and Hohle (2013) showed that lecturer performance is influenced by various factors, including professional competence, work motivation, and

institutional support. In the midst of global competition and demands to improve the quality of education, private universities are required to improve lecturer's performance in order to achieve competitive advantage (Altbach and Salmi, 2011). Lecturer's high performance not only impacts to students' academic achievement, but also the overall reputation of the university (Bexley et al., 2011).

Organizational culture is one of the factors that influences employee performance improvement (Graham et al., 2017). When organization able to create a positive corporate culture, then employee work satisfaction and enthusiasm to work hard will increase. Positive culture can also foster a sense of employee work involvement that is increasingly high, which leads to increasing employee performance results while working. A positive work culture can increase employee compliance with standards and regulations.

Another factor that contributes positively to improving employee performance is compensation (Saputra and Mulia, 2020). When organization provides competitive amount of compensation, employees will become more motivated to work well and achieve organizational goals (Sudaryo et al., 2019). Fair compensation can also increase employee satisfaction then impact to better performance.

Lecture who has high level of working regularity and accuracy tends to work more regularly, planned, and has a high sense of responsibility. This employee is more able to complete his work on time, and maintain high quality work (Ernawati and Rochmah, 2019). Employee who has high level of emotional intelligence tends to be able to manage and understand his/her own emotions so that helping him/her to establish good communication, resolve conflicts, and work as a team. These personality traits have direct impact on improving his/her performance.

Lecture who thinks creatively at work is more capable of finding new solutions to overcome all work problems. Creativity can encourage lecture to create more efficient work methods, faster processes, and more innovative products that have an impact on work performance. Someone who able to find more effective and efficient ways to complete work tends to have better work productivity compared to other people because he/she is able to reduce amount of time needed to do the work (Afsar and Umrani, 2019). The quality of work becomes better because lecture who are given opportunity to innovate feels more appreciated and satisfied. So that lectures will always want to show the best results (Hadi et al., 2020).

Previous studies on influence of organizational culture, compensation, and personality traits have been conducted by many researchers from various countries and various different organizations on employee performance. However, there are still few studies that explore the impact of transformational leadership on employee performance in private universities in Tangerang. The findings of this research hopefully could help fill the gap. This study aims to analyse the influence of organizational culture, compensation, and personality traits on employee performance and also expected to

enrich literature of organizational culture, compensation, and personality traits by showing how innovative work behaviour mediate the influence of organizational culture, compensation, and personality traits on employee performance.

RESEARCH METHOD

This research is quantitative descriptive study conducted to determine relationship among organizational culture, compensation, personality traits, innovative work behaviour and employee performance in eleven private universities in Tangerang. Questionnaires distributed by online google form to lecturers of private universities. The population of the eleven universities was 578 lectures. The number of samples collected was 306 people then data was processed and analysed using SEM Amos.

Instrument for measuring organizational culture was adapted from Robbins and Judge, (2019) which consists of 15 indicators. Compensation measurement uses 11 indicators adapted from Hasibuan, (2019). Sixteen indicators of personality traits were adapted from Jirásek and

Sudzina, (2020). To measure innovative work behaviour, 10 indicators developed by Jong and Hartog (2010) were used. Employee performance measurement uses 27 indicators adapted from the study of Griffin et al., (2007). All questionnaire items use a 5-point Likert scale, namely 1 strongly disagree to 5 strongly agree. Testing of research instrument is carried out by testing validity and reliability of each questionnaire item. Validity testing is carried out using factor loading criterion where an indicator is valid if factor loading > 0.35 . Reliability testing is carried out using cronbach's alpha, where an indicator is reliable if it has a cronbach's alpha ≥ 0.6 .

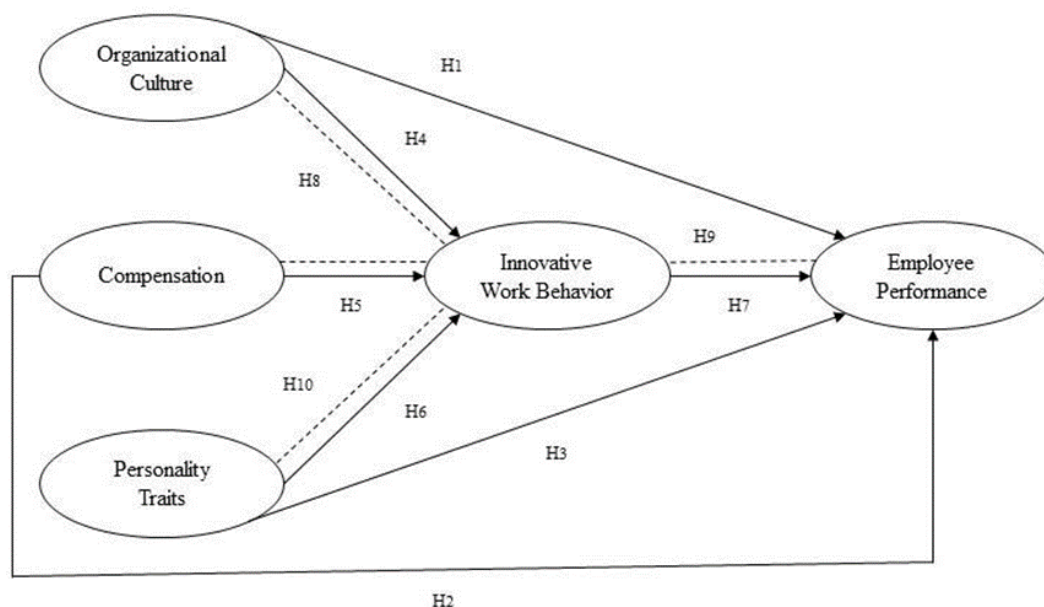


Figure 1. Conceptual Framework

Source: Authors' own

RESULT AND DISCUSSION

Profile Respondent

Majority of respondents are male, aged < 30 year, master degree, married, average monthly income > IDR 5-10 million, work experience > 1-5 year, and expert assistant

Validity and Reliability Test

Table 1 shows validity test for five variables. 15 indicators of organizational culture are valid and organizational culture reliable; 11 indicators of compensation are valid; 16 indicators of personality traits are valid; 10 indicators of innovative work behaviour are valid; and 27 indicators of employee performance are valid. Table 2 shows that variable of organizational culture, compensation, personality traits, innovative work behaviour and employee performance

Table 1. Validity and Reliability Instrument

Indicator	Factor Loading	Cronbach's Alpha
OC1	0.706	0,926
OC2	0.666	
OC3	0.819	
OC4	0.784	
OC5	0.802	
OC6	0.477	
OC7	0.771	
OC8	0.750	
OC9	0.630	
OC10	0.692	
OC11	0.807	
OC12	0.736	
OC13	0.701	
OC14	0.757	
OC15	0.621	
CO1	0.792	0,954
CO2	0.644	
CO3	0.826	
CO4	0.834	
CO5	0.881	
CO6	0.863	
CO7	0.859	
CO8	0.849	

CO9	0.840	
CO10	0.880	
CO11	0.841	
PT1	0.840	0,958
PT2	0.810	
PT3	0.752	
PT4	0.802	
PT5	0.797	
PT6	0.810	
PT7	0.828	
PT8	0.828	
PT9	0.767	
PT10	0.725	
PT11	0.832	
PT12	0.816	
PT13	0.777	
PT14	0.623	
PT15	0.808	
PT16	0.804	
IW1	0.824	0,947
IW2	0.846	
IW3	0.871	
IW4	0.649	
IW5	0.828	
IW6	0.878	
IW7	0.857	
IW8	0.867	
IW9	0.845	
IW10	0.856	
EP1	0.777	
EP2	0.804	
EP3	0.852	
EP4	0.847	
EP5	0.787	
EP6	0.789	
EP7	0.820	
EP8	0.789	
EP9	0.828	

EP10	0.873	0,983
EP11	0.838	
EP12	0.864	
EP13	0.865	
EP14	0.867	
EP15	0.864	
EP16	0.837	
EP17	0.869	
EP18	0.849	
EP19	0.814	
EP20	0.868	
EP21	0.848	
EP22	0.820	
EP23	0.854	
EP24	0.846	
EP25	0.809	
EP26	0.771	
EP27	0.767	

Source: Authors' own

Feasibility of the instrument was conducted by testing validity and reliability of each questionnaire item. The validity and reliability of the questionnaire was shown from the value of factor loading and cronbach's alpha. Test of validity for variable of organizational culture, compensation, personality traits, innovative work behaviour and employee performance showing number > 0.35. Reliability test of the instrument showed value of cronbach's alpha > 0.6. Therefore, research instrument is valid and reliable based on Hair *et al.*, (2019).

Goodness of Fit

Goodness of Fit is a hypothesis test that aims to show the level of suitability and accuracy of a model as a whole.

Table 2. Goodness of Fit Model

Fit Index	Goodness of Fit	Criteria	Remark
Absolute Fit Test	CMIN= 455.562; P = 0.000)	≥ 0.05	Poor Fit
	RMSEA = 0,058	≤ 0.80	Good Fit
	RMR = 0.013	< 0.05	Good Fit
Incremental Fit Measures	NFI = 0,928	$\geq 0,90$	Good Fit
	CFI = 0,972	$\geq 0,90$	Good Fit
	IFI = 0,972	$\geq 0,90$	Good Fit

		RFI = 0,918	$\geq 0,90$	Good Fit
Parsimony	Fit	AGFI = 0.808	$\geq 0,90$	Marginal Fit
Measures		PNFI = 0.811	$\geq 0,90$	Marginal Fit

Source: Authors' own

Confirmatory Factor Analysis

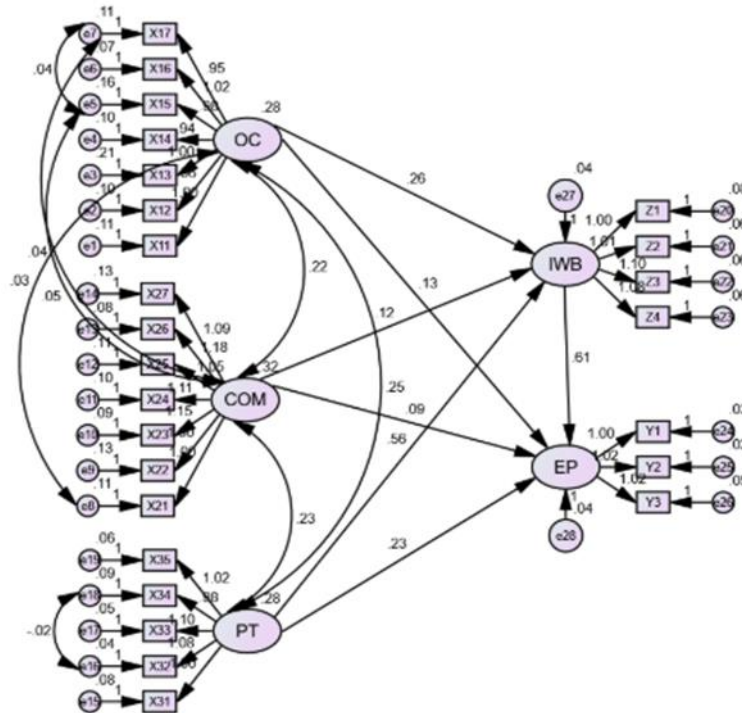


Figure 2. CFA Model Diagram

Source: Authors' own

Descriptive Statistics

Table 3. Research Variable Mean

Variabel	Mean
Organizational Culture	4,1370
Compensation	3,8731
Personality Traits	4,2236
Innovative Work Behavior	4,1437
Employee Performance	4,2115

Source: Authors' own

The highest mean is personality traits of 4.2236, employee performance with a mean of 4.2115, innovative work behaviour with mean of 4.1437, organizational culture with mean of 4.1370, and compensation with mean of 3.8731 indicating that lecturers agree with implementation of organizational culture, compensation, personality traits,

and innovative work behaviour by private universities in Tangerang to improve performance.

Hypothesis Testing Results

Table 4. Direct Effect Hypothesis Testing

Hypothesis		Coefficient	p-value	Decision
H1	Organizational Culture has positive effect on Employee Performance	0.129	0.099	Not Supported
H2	Compensation has positive effect on Employee Performance	0.094	0.038**	Supported
H3	Personality Traits has positive effect on Employee Performance	0.234	0.021**	Supported
H4	Organizational Culture has positive effect on Innovative Work Behavior	0.258	0.006**	Supported
H5	Compensation has positive effect on Innovative Work Behavior	0.118	0.017**	Supported
H6	Personality Traits has positive effect on Innovative Work Behavior	0.555	0.000**	Supported
H7	Innovative Work Behavior has positive effect on Employee Performance	0.608	0.000**	Supported

** < 5%

Source: Authors' own

Table 5. Indirect Effect Hypothesis Testing

Hipotesis		Koefisien	P (Sobel test)	Kesimpulan
H8	Innovative Work Behavior mediates effect of Organizational Culture on Employee Performance	0.157	0.048**	Supported
H9	Innovative Work Behavior mediates effect of Compensation on Employee Performance	0.072	0.023**	Supported

Hipotesis		Koefisien	P (Sobel test)	Kesimpulan
H10	Innovative Work Behavior mediates effect of Personality Traits on Employee Performance	0.337	0.000**	Supported

** < 5%

Source: Authors' own

Direct Effect H1: Influence of Organizational Culture on Employee Performance

Based on statistical test, organizational culture coefficient is 0.129 and the p-value was $0.099 > 0.05$ (alpha 5%), it can be concluded that there is no positive influence of organizational culture on lecturer performance. It can be interpreted that the more dominant application of organizational culture, the more it can reduce performance of lecturers. Organizational culture is not affecting lecturer performance due to the lack of clarity or communication about university vision by leaders to lecturers. Lecturers not connected to the vision and goals of university. It is impacted to awareness of lecturers to carry out *tridharma* obligation.

Direct Effect H2: Influence of Compensation on Employee Performance

Based on statistical test, compensation coefficient is 0.094 and p-value of $0.038 < 0.05$ (alpha 5%), it can be concluded statistically that there is positive effect of compensation on lecturer performance. It can be concluded that higher compensation received lecturers, the more it can motivate and improve their performance. Lecturers are satisfied with compensation received both in financial and non-financial forms. Respondents also considered that allowances and facilities are appropriate. Fair compensation system gives positive impact on high work motivation. Level of lecturer attendance in teaching and activeness to provide guidance on students also increased.

Direct Effect H3: Influence of Personality Traits on Employee Performance

Based on statistical test, coefficient of personality traits is 0.234 and p-value $0.021 < 0.05$ (alpha 5%), it can be concluded that there is positive influence of personality traits on lecturer performance. The better personality traits possessed lecturers, the better they can build good relationships with students and colleagues, increase collaboration, and create comfortable learning atmosphere. The personality traits of lecturers such as easily adapting to fellow lecturers and students, being meticulous, being open to new experiences and ideas, and having stable emotions, can help lecturers to be more effective and adaptive lecturers. They are able to well collaborate in academic environments.

Direct Effect H4: Influence of Organizational Culture on Innovative Work Behaviour

Based on statistical test, organizational culture coefficient is 0.258 and p-value 0.006 < 0.05 (alpha 5%), it can be concluded that there is positive influence of organizational culture on lecturer innovative work behaviour. The more positive organizational culture applied, the more it encourages lecturers to innovate. Organizational culture of private universities in Tangerang creates work environment that supports creativity and collaboration. The teaching method is carried out by complementing with field visits to companies in Tangerang. Universities presenting management and technology practitioners to give public lectures. Students are encouraged to actively respond and provide opinions during teaching sessions. Universities also provide laboratories where students can practice teaching materials in accordance with technology and dynamic economic conditions.

Direct Effect H5: Influence of Compensation on Innovative Work Behaviour

Based on statistical test, compensation coefficient is 0.118 and p-value 0.017 < 0.05 (alpha 5%), it can be concluded that there is positive influence of compensation on the lecturer innovative work behaviour. The higher compensation received, the more committed lecturer to innovate and produce works that can support academic goals. Compensation provided is not only in the form of salary and allowances, but also various non-financial incentives such as opportunities for career development or promotion. Respondents feel fairness in the provision of compensation and then they respond with enthusiasm in creating, exploring and implementing new ideas in teaching, research and community service.

Direct Effect H6: Influence of Personality Traits on Innovative Work Behaviour

Based on statistical test, coefficient of personality traits is 0.555 and p-value 0.000 < 0.05 (alpha 5%), it can be concluded that there is positive influence of personality traits on lecturer innovative work behaviour. The better personality traits of lecturers, the more it will affect lecturer behaviour in facing challenges, interacting with colleagues, and developing new ideas. Respondents showed strong motivation to improve knowledge and skills that support teaching activities. Students' demands for higher quality education in line with changes in technology and social conditions quickly and innovatively responded by lecturers. They introduce new teaching methods and improve learning facilities. Tangerang private universities pursue lecturers to develop knowledge and skills by providing scholarships.

Direct Effect H7: Influence of Innovative Work Behaviour on Employee Performance

Based on statistical test, innovative work behaviour coefficient is 0.608 and p-value 0.000 < 0.05 (alpha 5%), it can be concluded that there is positive influence of innovative work behaviour on lecturer performance. The higher innovative work

behaviour of lecturers, the higher lecturer performance that bring positive impact on university. Respondents showed high innovative behaviour as seen from their activeness in bringing innovative ideas in every routine meeting with university leaders. The implementation of learning using web-based technology makes students easier to access teaching materials, learning videos, and exams online. The learning process becomes more flexible because students can access lecture materials without having to go to campus. Universities also implement a competency-based curriculum that focuses on developing students' practical skills.

Indirect Effect H8: Innovative Work Behaviour mediates effect Personality Traits on Employee Performance

Based on statistical test, coefficient of innovative work behaviour that mediates the influence of organizational culture on employee performance is 0.157 and p-value $0.048 < 0.05$ (alpha 5%), it can be concluded that innovative work behaviour can mediate the influence of organizational culture on lecturer performance. Universities support innovation activities by encourage lecturers to develop skills and knowledge in teaching methods and research. Lecturers become more involved in training programs, seminars, and workshops that introducing and discussing new teaching methods. Innovative behaviour has positive impact not only on lecturer performance but also improves teamwork in facing upcoming challenges.

Indirect Effect H9: Innovative Work Behaviour mediates effect Compensation on Employee Performance

Based on statistical test, coefficient of innovative work behaviour that mediates effect of compensation on employee performance is 0.072 and p-value $0.023 < 0.05$ (alpha 5%), it can be concluded that innovative work behaviour can mediate the effect of compensation on lecturer performance. Fair compensation is responded by lecturers by innovating in compiling syllabi and teaching methods. Innovation is consistently developed by integrating technology into learning process and teaching methodology so that it will improve lecturer performance. Improvement in lecturer performance can be seen from the results of student satisfaction survey.

Indirect Effect H10: Innovative Work Behaviour mediates effect Personality Traits on Employee Performance

Based on statistical test, coefficient of innovative work behaviour that mediates influence of personality traits on employee performance is 0.337 and p-value $0.000 < 0.05$ (alpha 5%), it can be concluded that innovative work behaviour can mediate influence of personality traits on lecturer performance. Lecturers of Tangerang private universities have open personalities to new ideas, willing to help, highly motivated, energetic and enthusiastic to develop academic abilities. Respondents showed a strong

desire to practice innovation in the teaching process, conduct research and community service. This personality influences to see opportunities to become high-quality lecturers.

CONCLUSION

Organizational culture does not have positive effect on lecturer performance. There is a weakness of leaders in explaining university's organizational culture and vision, which then impacted to understanding and activeness of lecturers in carrying out *tridharma* activities. Compensation has positive effect on lecturer performance. Fair compensation has positive impact on high work motivation and level of lecturer attendance in teaching and providing guidance to students. Personality traits have positive influence on lecture performance. Lecturer personality such as easy to adapt to fellow lecturers and students, thorough, open to new ideas, stable emotions help lecturers to become more effective, adaptive, and able to well collaborate well in academic environment. Organizational culture has a positive influence on lecturer's innovative work behaviour. University's organizational culture creates a work environment that supports creativity, experimentation, and collaboration. Compensation has a positive and significant effect on lecture innovative work behaviour. Fair compensation is responded with increasing of enthusiasm in creating, exploring and implementing new ideas in teaching, research and community service. Personality traits have positive effect on lecture innovative work behaviour. Lectures show proactive attitude and high motivation improve teaching quality. Universities also quickly and innovatively respond by introducing new patterns in teaching and develop new learning facilities. Innovative work behaviour has positive influence on lecture performance. High innovative behaviour is implemented in learning using digital technology that makes students easier to carry out lecture activities. Innovative work behaviour mediates effect of organizational culture on lecture performance. University organizational culture is able to encourage lecturers to improve innovative work behaviour in teaching activities, which then bring positive impact on lecturer performance and increase teamwork in overcoming challenges. Innovative work behaviour mediates effect of compensation on lecture performance. Fair compensation is responded by lecturers in increase innovating in teaching process so that increasing lecturer performance. Innovative work behaviour mediates influence of personality traits on lecture. Lectures show personality of open to new ideas, willing to help, highly motivated, energetic and enthusiastic to innovate and develop academic abilities. These innovative practices have positive impact on increasing student satisfaction with lecturer performance and university reputation.

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