PATH ANALYSIS

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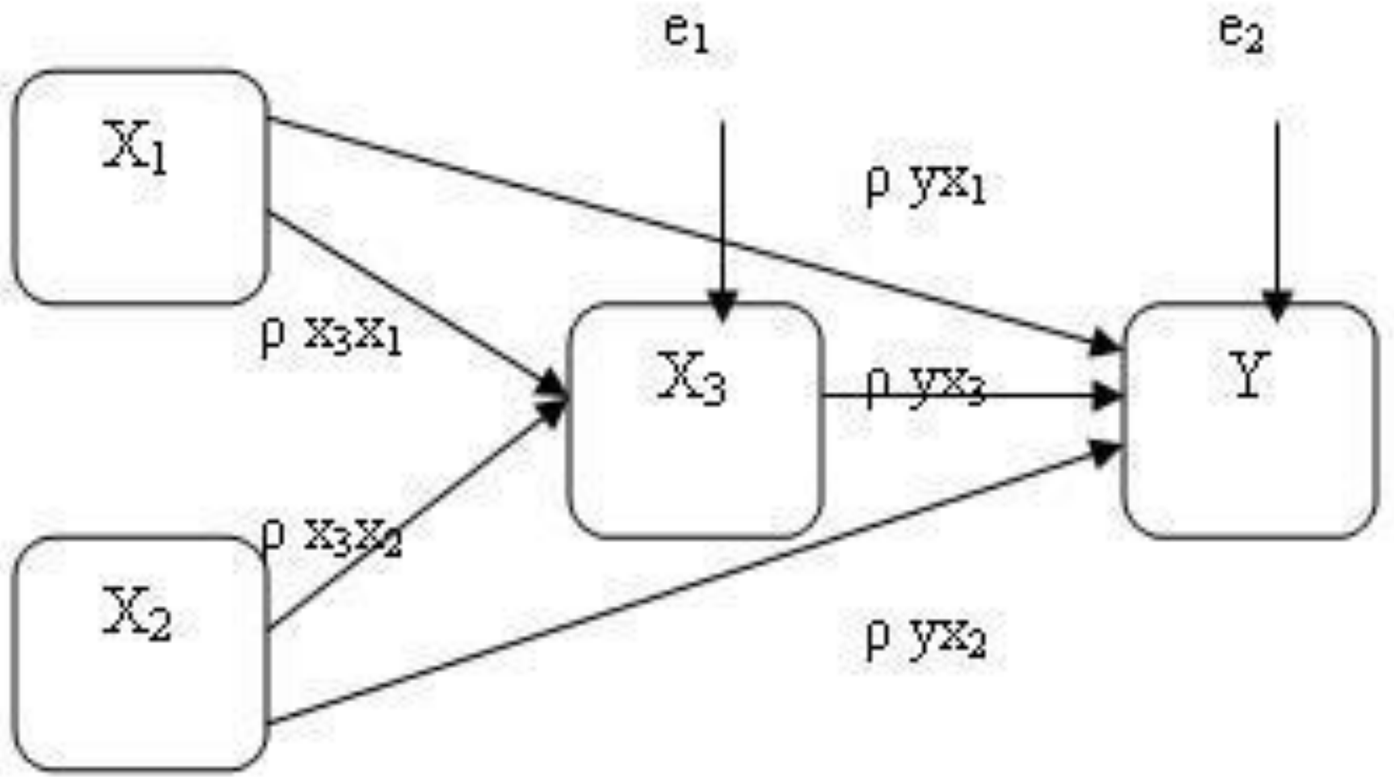
Effect of Compensation and Organizational Culture on Employee Performance

DATA : https://goo.gl/zmDCxA

X1 = Compensation
X2 = Organizational Culture
X3 = Work motivation
Y = Performance

DESAIN



$X_3 = X_3X_1 + \rho X_3X_2 + Є_1$ Substruktural 1

$Y = \rho YX_1 + \rho YX_2 + \rho YX_3 + Є_2$ Substruktural 2

ASUMPTION

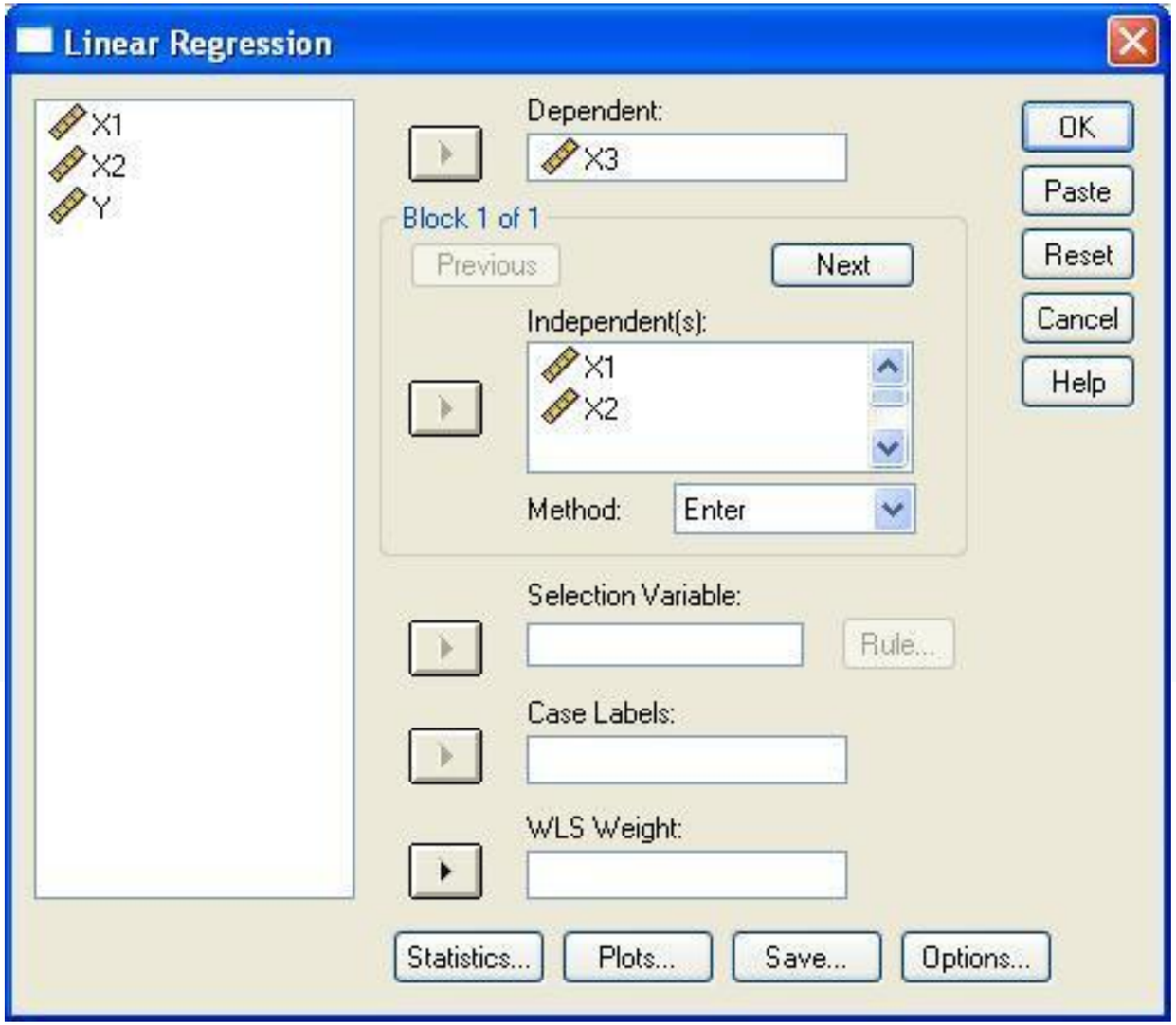
The model is assumed to have met the requirements of path analysis including interval scale data, **normal distribution, fulfillment of the assumptions of linearity, normality, homogeneity and free from the problem of multicollinearity**. The discussion on this matter will be explained separately so that the discussion about interpreting the value of path analysis with regression.

In stage 1 the structural equation is X3 = X3X1 + ρ X3X2 + Є1

Where X1 is compensation, culture X2 and X3 motivation

To calculate the regression equation:

Click Analyze
Select Regression >> Select Linear
In the dependent variable enter variable X3
In the independent variable column enter variables X1 and X2
Leave the method fixed in the Enter option
Click OK


Linear Regression
X1
X2
Y
Dependent:
X3
Block 1 of 1
Previous
Next
Independent(s):
X1
X2
Method:
Enter
Selection Variable:
Rule...
Case Labels:
WLS Weight:
OK
Paste
Reset
Cancel
Help
Statistics...
Plots...
Save...
Options...

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	X2, X1[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: X3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699[a]	.488	.475	4.78723

a. Predictors: (Constant), X2, X1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1662.977	2	831.488	36.282	.000[a]
	Residual	1741.732	76	22.918		
	Total	3404.709	78			

a. Predictors: (Constant), X2, X1

b. Dependent Variable: X3

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.343	7.317		1.413	.162
	X1	.461	.094	.462	4.916	.000
	X2	.380	.103	.346	3.678	.000

a. Dependent Variable: X3

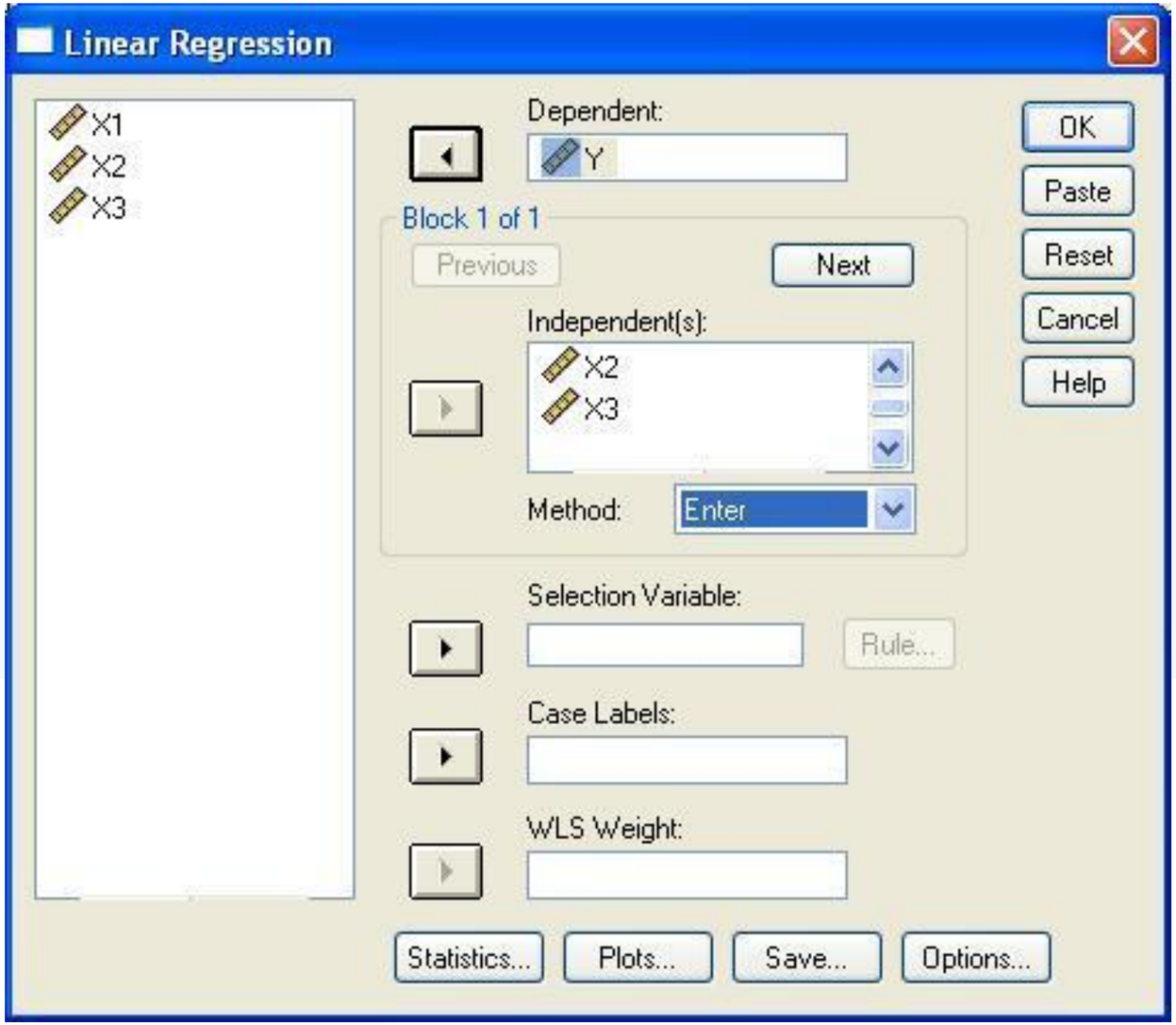
TAHAP 2

there is stage 2 the structural equation is Y = ρ YX1 + ρ YX2 + ρ YX3 + Є2

Where X1 is compensation, X2 culture, X3 motivation and Y performance

To calculate the regression equation:

Click Analyze
Select Regression >> Select Linear
In the dependent variable column enter the variable Y
In the independent variable column enter variables X1, X2 and X3
Leave the method fixed in the Enter option
Click OK


Linear Regression
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OK
Paste
Reset
Cancel
Help
Statistics...
Plots...
Save...
Options...

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	X3, X2, X1[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Y

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859[a]	.738	.728	3.48609

a. Predictors: (Constant), X3, X2, X1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2569.476	3	856.492	70.477	.000[a]
	Residual	911.461	75	12.153		
	Total	3480.937	78			

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.382	5.398		-.071	.944
	X1	.200	.078	.199	2.557	.013
	X2	.245	.082	.220	2.997	.004
	X3	.574	.084	.568	6.876	.000

a. Dependent Variable: Y

SUB STRUKTURAL 1

Perhatikan hasil output regresi sub 1

Simultaneously compensation and organizational culture have a positive and significant effect on employee motivation. The magnitude of the simultaneous influence is 0.488 or rounded to 49% is the contribution of the compensation variable and organizational culture to work motivation. While the remaining 51% is influenced by other factors outside the model.

This simultaneous model occurs significantly. This can be seen from the probability (sig) or <0.01. Further testing of significance is continued with individual testing through statistical parameters t. Individual test results also show a significant effect. By considering the acquisition of sig <0.01 on line X1, sig <0.01 on line X2. This certainly explains that simultaneously and partially compensation and organizational culture can be used as variables that influence employee work motivation. Furthermore, the empirical causal influence between variables (X1) compensation and (X2) this organizational culture can be described through sub-structural equation 1 (one). X3 = ρ X3X1 + ρ X3X2 + ρ X3Є1, or X3 = 0.462X1 + 0.346X2 + 0.715 Є1

Partially compensation has a positive and significant effect on employee motivation. The magnitude of the partial effect and direct compensation for motivation is 0.462 or rounded to 46%. Thus, the level of motivation is influenced by compensation of 46%, while the remaining 54% is explained by other factors outside the model.

Partially organizational culture has a positive and significant effect on employee motivation. The magnitude of the partial and direct influence of organizational culture on motivation is 0.346 or rounded to 35%. That is, the high and low work motivation of employees is influenced by organizational culture by 35%, while the remaining 65% is explained by other factors outside the model.

SUB STRUKTURAL 2

Perhatikan hasil output regresi sub 2

Simultaneously, the effect of X1 X2 and X3 on Y is 0.738 (rounded 74%. The remaining 26% is influenced by other factors outside the model. Simultaneous models occur significantly. Taking into account the probability of F is 70.447 on sig 0.000 <0.01. After simultaneous models proved to be significant, then a partial influence path was examined, out of three variables placed as predictors, all had a sig value <0.05 so that all predictors partially had an effect on Y

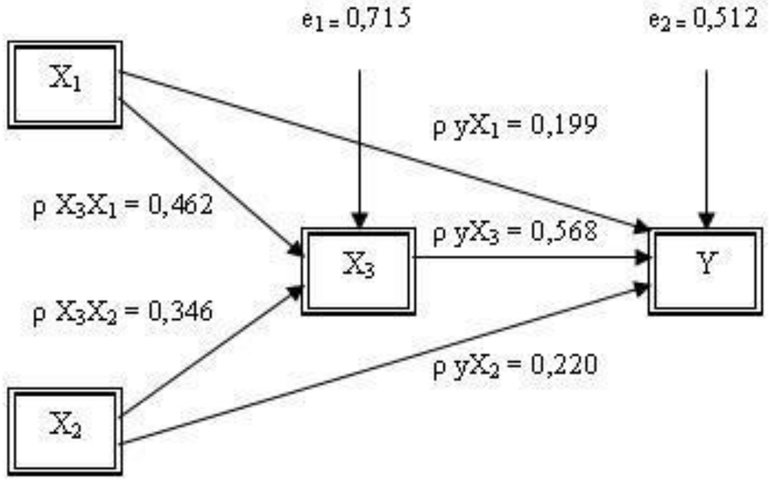
Direct compensation has a positive and significant effect on employee performance. The magnitude of the direct effect of compensation on performance is 0.199 or rounded to 20%. That is, the high and low performance of employees is only able to be influenced by compensation of 20% while the remaining 80% is influenced by other factors outside the model.

Directly the organizational culture has a positive and significant effect on employee performance. The magnitude of the partial and direct influence of organizational culture on performance is 0.220 or rounded to 22%. That is, the high and low performance can only be influenced by organizational culture by 22%, while the remaining 78% is explained by other factors outside the model.

Directly work motivation has a positive and significant effect on employee performance. The magnitude of the effect of motivation on performance is 0.568 or rounded up to 57%. That is, the high and low performance can be influenced by motivation by 57%, while the remaining 43% is influenced by other factors outside the model. Of the three variables used as performance predictors, the motivation variable was also identified as the strongest variable that affected performance compared to two other variables, namely compensation and organizational culture.

Overall, the influences formed from sub-structural 2 can be described through structural equation 2, namely Y = ρ yX1 + ρ yX1 + ρ yX1 + e2, or Y = 0.199X1 + 0.220X2 + 0.568X3 + ρ ye2. Based on the results of the hypothesis testing 3,4 and 5 in structural equation 2, an empirical path diagram is obtained for the Y model as described in the following figure:

Diagram Jalur Empiris Studi Kinerja
(Standardized, n = 79)



Ringkasan Hasil Estimasi Parameter Model

Model	Koefisien Jalur	t	p	R^2
Sub structural 1 (X_1 X_2 ke X_3)				
X_1 (p X_3X_1)	0.462	4.916	0.000	0.488
X_2 (p X_3X_2)	0.346	3.678	0.000	
Sub structural 2 (X_1 X_2 X_3 ke Y)				
X_1 (p yX_1)	0.199	2.557	0.013	0.738
X_2 (p yX_2)	0.220	2.997	0.004	
X_3 (p yX_3)	0.568	6.876	0.000	

Indirect Effect dan Total Effect:

1.Pengaruh tidak langsung / indirect effect, X_1 ke Y melalui X_3 = p X_3X_1 x p yX_3 = (0,462) x (0,568) = 0,262. Dengan demikian pengaruh totalnya = p yX_1 + IE= 0,199 + 0,262 = 0,461.

2.Pengaruh tidak langsung / indirect effect, X_2 ke Y melalui X_3 = p X_3X_2 x p yX_3 = (0,346) x (0,568) = 0,196. Dengan demikian pengaruh totalnya = p yX_2 + IE= 0,220 + 0,196 = 0,416

REFLEKSI

1. **Informasi penting hari ini**

2. **Manfaat penting dari informasi penting hari ini**

3. **Tindak lanjut yang dapat saudara lakukan**

THANK YOU!

ANY QUESTIONS?