

# The Influence of Transactional Leadership, Organizational Culture, and Compensation on the Performance of Employees at the Energy And Mineral Resources Government Agency of South Sulawesi Province

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## Abstract

**Objective:** Based on data acquired from the South Sulawesi Provincial Energy and Mineral Resources Agency, it indicates the low performance of staff. Therefore, research is carried out on the causes of decreased or low employee performance so that it can be used as material in employee performance enhancement initiatives. **Research Design & Methods:** This research is exploratory, particularly seeking to identify relatively new correlations. This research uses a qualitative technique by distributing a questionnaire to the sample and the population, namely personnel of the Department of Energy and Mineral Resources of South Sulawesi Province, utilizing descriptive and inferential analysis. **Findings:** 1. Directly transactional leadership has a favorable and significant effect on staff performance. The implementation of transactional leadership has been properly actualized which directs each employee to increase their performance. 2. Directly organizational culture has a negative and insignificant effect on employee performance. Organizational culture that has not been effectively actualized leads employee performance to deteriorate. 3. Directly pay has a favorable and considerable effect on employee performance. The salary given has vital value for employees in increasing their performance. 4. Indirectly, transactional leadership through work happiness has a favorable and considerable effect on staff performance. The application of transactional leadership through work satisfaction has been actualized collaboratively between leaders and subordinates in carrying out their duties and functions to increase employee performance. 5. Indirectly organizational culture through job happiness has a negative and not significant effect on employee performance. Organizational culture through work satisfaction that has been carried out thus far has not been fully actualized, hence employee performance has declined. 6. Indirectly pay through job satisfaction has a favorable and considerable effect on employee performance. Compensation through job satisfaction has been adopted in accordance with the supply of remuneration to promote employee performance. **Implications & Recommendations:** The Energy and Mineral Resources of South Sulawesi Province can use the results of this research and combine them with a strategy to develop human resources and improve the performance of its personnel.

**Keywords:** Transactional Leadership, Organizational Culture, Employee Compensation, and Performance.

## 1. Introduction

An important component in the application of human resource management is to make every employee in an organization able to carry out the vision, mission, key tasks, and functions as well as the values espoused by a business to improve and develop. On this premise, the implementation of human resource management is vital and relevant to be studied and developed to fulfill corporate goals. This is crucial and necessary for the Department of Energy and Mineral Resources of South Sulawesi Province to implement human resource management as an important element in managing and employing personnel as human resources. The fact that in the last five years based on information reports in the human resource development section shows that employees of the South Sulawesi Province Energy and Mineral Resources Office as State Civil Apparatuses (ASN) realize performance achievements based on an assessment of quantity, quality, time efficiency and effectiveness of using the budget for all policy activities, programs and activities that have been implemented so far has not been following the target, there has even been a trend in the five years that the percentage has decreased.

The cause of lower employee performance is influenced by decreased employee work satisfaction. This may be seen from the phenomena which reveals that employees often complain or are frustrated with the work activities they confront, especially those related to expectations to fulfill their job satisfaction. This sort of discontent creates low employee performance as a result of the influence of low employee job satisfaction. The findings of Nurbina's research, Baharuddin Semmaila, and Serlin Serang (2022), found the most dominant variable of employee performance, namely remuneration. Compensation has a considerable effect on employee performance. This illustrates that there is a propensity for compensation for employee performance to be a reflection of the magnitude of work value.

The low attainment of employee performance that has occurred so far in the South Sulawesi Province Energy and Mineral Resources Office, cannot be isolated from the influence of transactional leadership demonstrated by officials who lead their subordinates in carrying out their principal jobs and functions. The leaders displaying transactional leadership to their subordinates do not apply rewards depending on the work achievements accomplished. The effect is that many of the subordinates are unsatisfied at work which causes their performance to deteriorate.

In addition to transactional leadership, organizational culture is also a characteristic that causes employee performance to diminish. The fact reveals that among employees there are still people who have not been able to adequately materialize the organizational culture following the philosophical beliefs of the previous founders of the firm. As a result of an organizational culture that is not fully institutionalized in every employee, causes employees at work to often display dissatisfaction and are unable to demonstrate increased performance. This suggests that the organizational culture adopted so far is still poor which causes employee performance to decline.

Furthermore, the phenomena of compensation received by employees is employees still requesting to enhance remuneration following the task completed. It can be shown that the provision of pay as an organizational policy has not been able to improve the welfare of employees, even employees feel that the compensation they receive is not appropriate to the demands of what is done by employees. As a result, job compensation received by employees is poor, which affects employee performance.

Research by M. Harisa Pawerangi, Baso Amang, Nurpadila (2023) illustrates that staff workload might reduce employee performance. Therefore remuneration has a substantial effect on boosting employee performance.

As a result of the lower performance supplied by employees, this is because employees often complain about the perceived poor level of job satisfaction, where employees as state civil servants often grumble and demonstrate their unhappiness in carrying out their daily responsibilities. This is also influenced by the problem of superior transactional leadership that does not meet the wishes of subordinates, the current execution of the corporate culture that is not institutionalized properly, and the low level of compensation received by employees. So the influence of transactional leadership, corporate culture, and salary are variables that influence low employee performance.

## 2. Literature Review

### 2.1 The Concept of Transactional Leadership

Impressive management of human resources requires an impressive leader. An organization will develop fast if it discovers the correct leadership style. Transactional leadership is leadership that offers rewards or punishments to employees for carrying out their obligations (Rusdiyanto & Riani, 2015). Leadership style is an attitude, activity, or pattern of a leader, both directly and indirectly to his/her subordinates (Awaru & Ernawati, 2015).

Bass (2010: 57) believes that transactional leadership is leadership in which the leader defines what must be done by employees in order to achieve organizational goals and helps people acquire confidence in executing the task. So transactional leadership is a leadership in which a leader encourages his subordinates to work by offering resources and prizes in return for increased effective task completion.

Furthermore, Bass (2010: 122) states that transactional leadership includes three dimensions, namely first, contingent reward (group award) to influence the leader to clarify the work that must be done, using incentives as a tool to encourage the achievement of the results of carrying out the tasks as expected. Second, management by exception, which consists of two, namely passively, influencing the leader's behavior and using correction or punishment as a response to poor performance/ deviation from standards, and actively influencing behavior, the leader actively monitors the work performed by employees and use corrective measures in order to ensure that work is carried out and completed according to standards. And third, laissez-faire leadership (leadership laissez-faire), essentially leaders who avoid trying to influence subordinates, neglect coaching tasks as leaders, bury themselves in mundane work and avoid conflict. Leaders have a lot of responsibility for subordinates, don't define clear goals, don't aid group decision-making, and let everything flow as long as everything appears safe.

By stressing the connection between leader and follower, transactional leadership reveals how the relationship between leader and follower is founded on self-interest (Alrowwad et al., 2020). Still, according to (Alrowwad et al., 2020) state that the exchange of employee benefits (psychological or material rewards given by the president to his followers) serves as a guiding principle of business (in its most basic definition) and that this principle can be strengthened by the threat of punishment.

Bass (2010: 199) suggests transactional leadership which is defined as leadership that involves an exchange process that causes subordinates to receive rewards and helps subordinates identify what must be done to meet the expected results such as better spending quality, more sales, or service from employees. , as well as minimize production costs. Helping his subordinates in defining what the leader

must do helps his subordinates to awareness of the self-concept and self-esteem of these subordinates. The transactional method incorporates the concept of achieving goals as a framework.

## 2.2. Organizational Culture Concept

The idea of organizational culture noticed in this study is related to the regulations or work principles that are carried out by a government agency, starting from regional agencies to central agencies. The application of the concept of organizational culture is applied in written and unwritten forms.

Before comprehending the study of the notion of organizational culture, it is first required to grasp what is meant by culture and organization. According to Robbins (2007: 14) culture is a system of values that are taught and thought to have standards of knowledge, morals, law, and behavior imparted by individuals, organizations, or society to act according to basic habits in viewing oneself. Handy (2007:58) explains that an organization is a group of more than one individual who cooperates depending on the interests and goals to be reached. Patricia (2007:19) asserts that organizational culture is a complex mix of ideologies, symbols, and core values that shape the perspective of the organization.

According to (Sule & Saefullah, 2019), organizational culture is the values and norms accepted and carried out by an organization related to the organization's environment. The existence of a link between personal values and organizational values will increase performance.

As part of the firm's organization, employees will perceive the values of the organizational culture that exists in the company, whether the company's values are individual values. The existence of a link between personal values and organizational values will lead to performance (Rivai, 2020:124).

The core organization culture hypothesis put up by Algerrow (2008: 33) claims that advanced and modern organizations have a fundamental philosophy that binds every member of the organization and has cultural adhesive values in advancing the organization or enterprise. The adhesive values of the organizational culture in question include integrity, identity, accountability, discipline, and result orientation in managing the organization.

The relevance of organizational culture, defining organizational culture as a collective agreement on the values that tie all persons in an organization to set the normative boundaries of the behavior of organizational members (Andayani, and Tirtayasa, 2019: 46). In addition to creating qualified human resources, the success of the business also depends on its culture. A strong organizational culture is intended to enhance individuals inside the organization to build attitudes and behaviors that can provide a maximum performance to increase the quality of performance through organizational culture (Faizal and Isa 2016; Nanda Novziransyah 2017; Sagita 2018)

## 2.3 Compensation Concept

To attain higher performance then the corporation needs to pay proper compensation to its staff. Compensation is an award as a reward for service, attention, hard work, and talents of human resources given to a business in both financial and non-financial forms. Compensation the better it would create awareness among employees to work better and respect the laws of the organization (Khair, 2017). Similarly, according to (Daulay, Pasaribu, Putri, and Astuti, 2017) compensation is everything obtained by employees as reimbursement for their job or something that includes cash contributions received by employees in place of their services to the organization. The compensation concept applied to the South Sulawesi Province Energy and Mineral Resources Service corresponds to Government Regulation Number 38 of 2015 about the Provision of Salaries/Pensions/Allowances. On this premise, the

Government is obliged to increase employee wellbeing by giving compensation. Compensation is a key component and is of importance to many government agencies in order to promote the welfare of employees to always raise satisfaction at work and seek to continuously improve their performance.

Bangun (2012: 252) states that compensation is an important factor and a concern for every employee in working to get rewards or remuneration in accordance with work contributions to the work produced. Compensation that is given fairly will make employees satisfied and will ultimately affect the employee's performance. So thus, employee performance will rise or decrease in accordance with the amount of employee job satisfaction with the salary supplied by the company (Jufrizen, 2017).

According to Schuler and Jackson (2009: 74), the concept of compensation is a concept to retain and attract human resources capable of carrying out organizational work so that with this compensation people feel rewarded with the remuneration they receive, and this is what encourages everyone to be able to improve performance. Broadly speaking, the supply of compensation in a government organization context, its application refers to considerations regarding the provision of total compensation (total compensation). Bangun (2012: 259) explains that the notion of compensation applied in government agencies relates to an understanding of the classification of compensation, where the concept of compensation is condensed into two main categories, namely financial compensation and non-financial compensation. Financial compensation comprises direct compensation and indirect compensation, while non-financial compensation comes in the form of available work settings and facilities. The form of direct remuneration is basic salary (salary and wages), and variable compensation (incentives and bonuses). Indirect compensation (social security, medical, insurance, holidays, pensions, and numerous benefits). While non-financial remuneration is based on surroundings (facilities) and work flexibility (organizational rules, quality management, pleasant co-workers, flexible time, and division of tasks).

#### **2.4. Performance Concept**

There are many definitions of employee performance that are said by experts, one of the definitions of performance is the work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in order to legally achieve the organizational goals concerned, does not violate the law and is in accordance with morals and ethics (Ulfa and Ridwan, 2015). Performance is a record of the results obtained from various job duties or activities over a certain period of time. Bernardin and Russel (in Ruky, 2012: 28) state that: "performance is defined as the record of outcomes produced on a specified job function or activity during a time period". Another definition of performance is put up by Simanjuntak (2005) that performance is the level of achievement of results for the implementation of specified activities. Performance management is the whole activity carried out to improve organizational performance, including the performance of each individual and workgroup.

Work performance is technically defined as the value of the set of employee behaviors that contribute, either favorably or negatively, to corporate goal accomplishment (Colquitt et al., 2017). The performance or the performance is the result of work that can be achieved by one or a group of people in an organization, following the responsibilities and authorities of each in order to fulfill organizational goals (Arifin, Hamming, Ramlawati, and Lamo, 2015).

Performance is the result of work in quality and quantity that can be obtained by an employee in carrying out tasks in accordance with the obligations allocated to him. The concept of performance according to Mangkunegara (2005:9) is the comparison of the results accomplished with the participation of labor per

unit of time (typically per hour). Faustino Cardosa Gomes in Mangkunegara, (2005:9) provides the definition of performance as a succession of efficiency and effectiveness generally related with production.

### 3. Research Method

#### 3.1. Research Approach

This research is designed to answer the problems that have been formulated and the objectives to be achieved as well as to test hypotheses. The research design is an investigation structure that is arranged in such a way, so that researchers obtain answers to research questions, distinguished as follows:

1. This research is exploratory, namely trying to find relatively new relationships, and explanatory, namely research conducted by explaining the symptoms caused by an object of research.
2. In terms of its objective, it is a causal study that seeks to explain the causal relationship between the influence of transactional leadership, organizational culture, and compensation on the performance of employees of the South Sulawesi Province Energy and Mineral Resources Office.

#### 3.2. Research Time and Location

The research location was carried out at the Office of the Energy and Mineral Resources Office of South Sulawesi Province as a research object to see the effect of transactional leadership, organizational culture, and compensation on employee performance. The research time is scheduled for six months.

#### 3.3. Source & Types of Data

The type of data in this study consists of primary and secondary data. Primary data is data obtained from observations, distribution of questionnaires, and interviews. Secondary data, namely data obtained at the Office of Energy and Mineral Resources of South Sulawesi Province.

#### 3.4. Data Collection Method

Data collection techniques (instruments) used were observation, questionnaires, interviews, and documentation.

1. Observation is a research activity by directly observing in the field according to the observed object related to the identity data of the employee of the South Sulawesi Province Energy and Mineral Resources Office as a respondent.
2. The questionnaire is a series of statements that are distributed and given to informants to answer questions by ticking the weights according to the category assumptions. The statement items in the questionnaire are based on applicable management theories and on the findings of previous researchers. Questions or assertions in the questionnaire were scored using a Likert scale as follows: score/value 1 to 5 which implies the value 1 = strongly disagree, 2 = disagree, 3 = disagree, 4 = agree and 5 = strongly agree.
3. The interview is a question and answer in this case the researcher confirms the research object.
4. Documentation is secondary data that has been processed and used as an archive to strengthen the results of observations.

#### 3.5. Sample and Population

The population in this study were all employees of the Department of Energy and Mineral Resources of South Sulawesi Province who were taken randomly purposive. The South Sulawesi Province Energy and Mineral Resources Office has a total of 193 employees. So the total population is 193 employees. So the sample size in this study was 193 respondents. More details are shown in the table below.

**Table 1 Total Population and Research Sample**

No	ESDM Service Employee	Population	Sample
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1	South Sulawesi Province	193	193
T o t a l		193	193

Source: Department of Energy and Mineral Resources of South Sulawesi Province, 2016

### 3.6 Data Analysis Technique

The data analysis technique employed in describing the phenomena in this study is descriptive statistical analysis technique and analysis Structural Equation Modeling (SEM).

#### 3.6.1. Descriptive Analysis

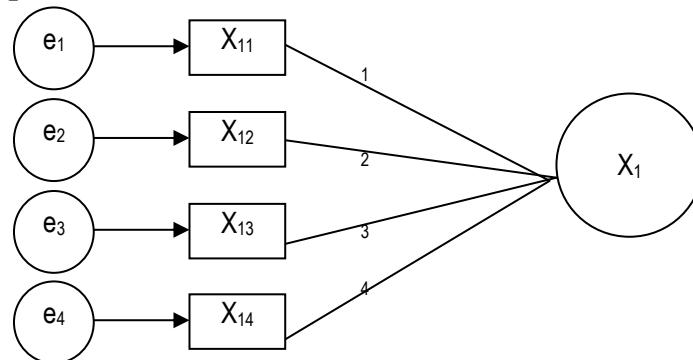
Descriptive statistical analysis is used to assess data by summarizing or describing the acquired data as it is without aiming to generate broad inferences (Ancok and Singarimbun, 2005:85). Descriptive statistical analysis was utilized to describe the characteristics of the respondents including gender, last education, age, and years of service.

#### 3.6.2. Inferential Analysis

The inferential analysis employed is analysis Structural Equation Model (SEM) is a statistical analysis technique that integrates numerous characteristics found in route analysis and confirmatory factor analysis to estimate several equations simultaneously.

The following shows the measurement of each variable in this study in the model confirmatory factor analysis:

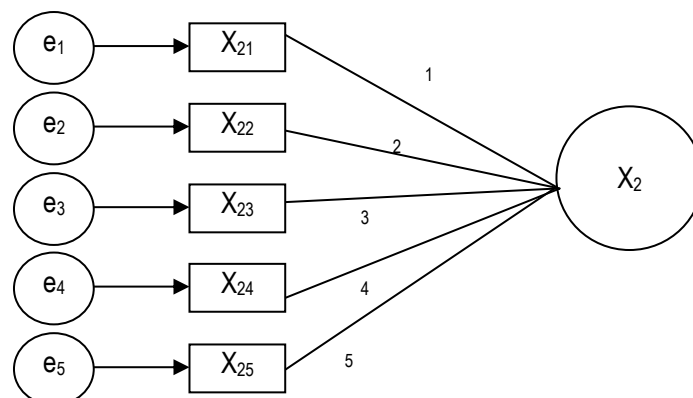
#### Transactional leadership (X<sub>1</sub>)



Equation:

$$\begin{aligned}
 X_{11} &= l_1 + X_1 + \text{and}_1 & X_{13} &= l_3 + X_1 + \text{and}_3 \\
 X_{12} &= l_2 + X_1 + \text{and}_2 & X_{14} &= l_4 + X_1 + \text{and}_4
 \end{aligned}$$

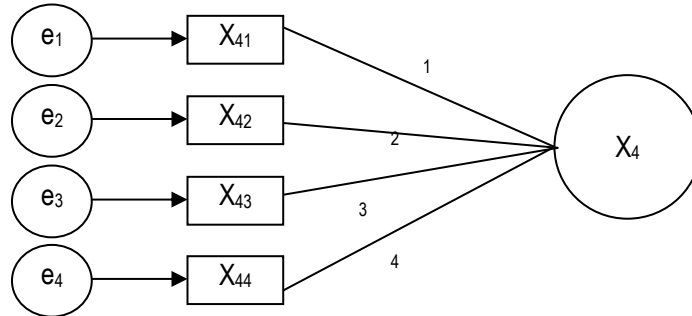
#### a. Organizational Culture (X<sub>2</sub>)



Equation:

$$\begin{aligned} X_{21} &= I_1 + X_2 + \text{and}_1 & X_{24} &= I_4 + X_2 + \text{and}_4 \\ X_{22} &= I_2 + X_2 + \text{and}_2 & X_{25} &= I_5 + X_2 + \text{and}_5 \\ X_{23} &= I_3 + X_2 + \text{and}_3 \end{aligned}$$

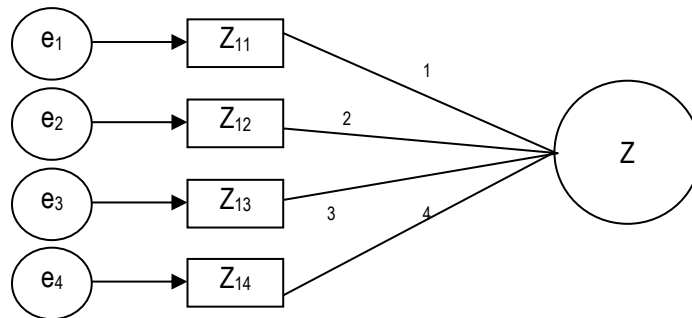
**b. Compensation (X<sub>4</sub>)**



Equation:

$$\begin{aligned} X_{41} &= I_1 + X_4 + \text{and}_1 & X_{43} &= I_3 + X_4 + \text{and}_3 \\ X_{42} &= I_2 + X_4 + \text{and}_2 & X_{44} &= I_4 + X_4 + \text{and}_4 \end{aligned}$$

**c. Employee performance (Z)**



Equation:

$$\begin{aligned} WITH_{11} &= I_1 + Z + e_1 \\ WITH_{12} &= I_2 + Z + e_2 \\ WITH_{13} &= I_3 + Z + e_3 \\ WITH_{14} &= I_4 + Z + e_4 \end{aligned}$$

More details are shown in Table 2 below:

**Table 2 Goodness of Fit Index**

Goodness of Fit Index	Information	Cut-Off Value
Chi-square	Test whether covariance the estimated population is equal to covariance sample (whether the model fits the data)	Expected small
Significant Probability	Significant test of matrix differences covariance data and matrix covariance which is estimated	≥0,05



RMSEA	Measuring the deviation of the parameter values of a model with a matrix covariance population	$\leq 0,08$
GFI	Measures the overall level of fit of the model which is calculated from the estimated residual squared model compared to the actual observation data	$\geq 0,90$
AGFI	GFI adapted to ratio degree of freedom (DF)	$\geq 0,90$
CMIN/DF	Fit between data and model	$\leq 2,0$
TLI	Comparison between models tested against baseline model	$\geq 0,95$
CFI	The size of the comparison between the hypothesized model and the null model is also a measure of the fit of the model	$\geq 0,95$

Source: Ferdinand, A, (2011)

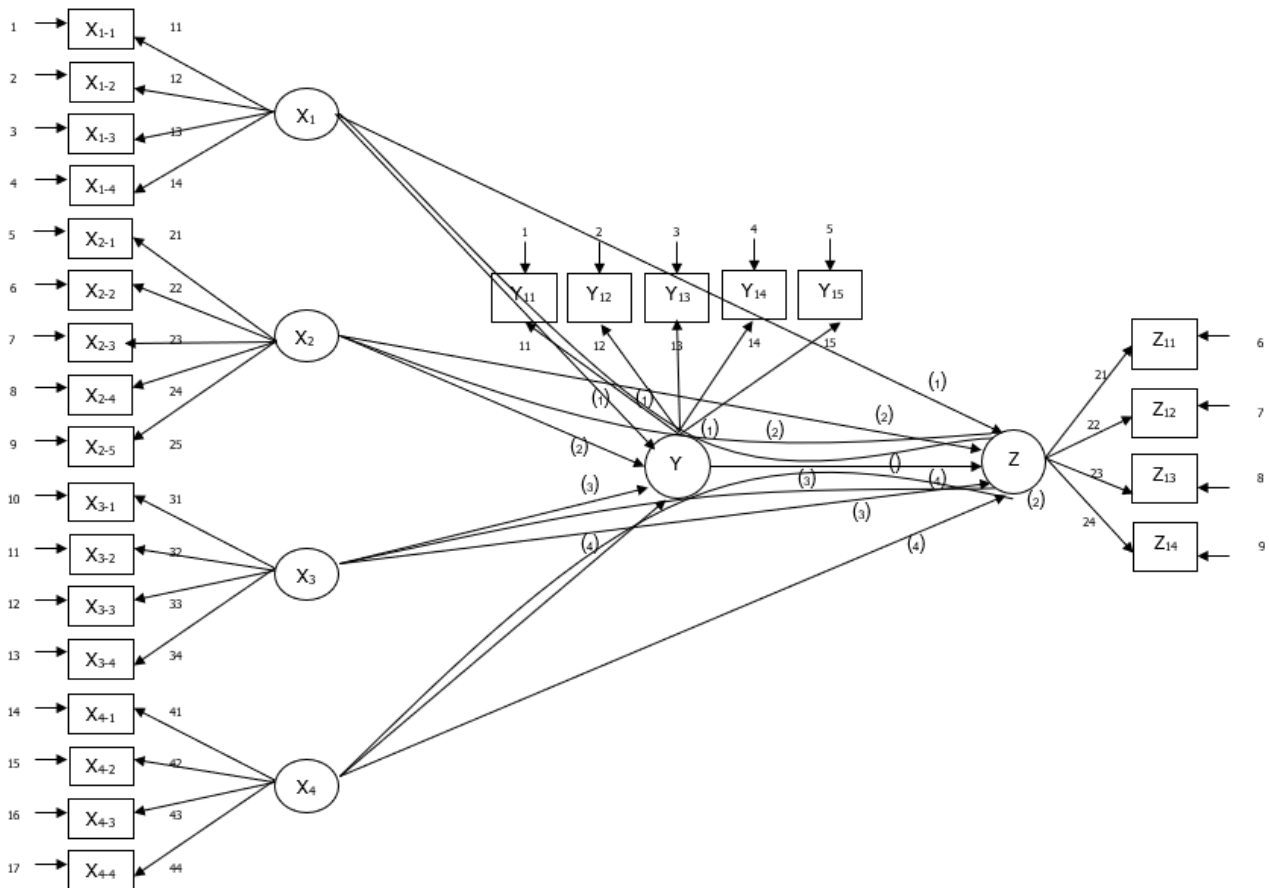


Figure 1 Independent Variable Path Diagram to Dependent Variable

**Information:**

- ( $\xi$ ) = Konstruk Let Exogen
- ( $\eta$ ) = Konstruk Let Endogen

**The exogenous latent construct consists of variables:**

- ( $\xi_1$ ) = Transactional Leadership
- ( $\xi_2$ ) = Organizational culture
- ( $\xi_4$ ) = Compensation

**The endogenous latent construct consists of variables:**

- $(\eta_2)$  = Performance
- $\gamma$  = The direct relationship of exogenous variables to endogenous variables
- $\beta$  = Endogenous variable direct relationship (the1) and endogenous (the2)
- $\lambda$  = Direct relationship of exogenous or endogenous variables to the indicators
- $\delta$  = To measure the measurement error of exogenous variable indicators
- $\varepsilon$  = Measuring the error of the endogenous variable indicators

**Table 3 Operational Definition of Research Variables**

No	Variable	Draft	Indicator	Measurement
1	Transactional leadership (X1)	The ability of a leader to make exchanges to place the right person in developing his leadership	<ul style="list-style-type: none"> <li>● Contingent reward</li> <li>● Active management exception</li> <li>● Passive management exception</li> <li>● Laissez-faire</li> </ul>	1 = Strongly Disagree 2 = Disagree 3 = Disagree 4 = Agree 5 = Strongly Agree

No	Variable	Draft	Indicator	Measurement
2	Organizational Culture (X2)	Philosophy of normative habits that have been rooted in advancing the organization	<ul style="list-style-type: none"> <li>● Integrity</li> <li>● Identity</li> <li>● Responsibility</li> <li>● Discipline</li> <li>● Result orientation</li> </ul>	1 = Strongly Disagree 2 = Disagree 3 = Disagree 4 = Agree 5 = Strongly Agree
3	Compensation (X4)	Rewards received by employees for remuneration for work performed in the workplace organization	<ul style="list-style-type: none"> <li>● Salary</li> <li>● Incentives</li> <li>● Allowances</li> <li>● Facility</li> </ul>	1 = Strongly Disagree 2 = Disagree 3 = Disagree 4 = Agree 5 = Strongly Agree
5	Employee Performance (Z)	Work results obtained by employees by using all their potential to realize organizational goals	<ul style="list-style-type: none"> <li>● Quantity</li> <li>● Quality</li> <li>● Time</li> <li>● Cost</li> </ul>	1 = Strongly Disagree 2 = Disagree 3 = Disagree

				4 = Agree 5 = Strongly Agree
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#### 4. Results And Discussion

##### 4.1. Results

Overall based on the empirical model shown in the following table regarding the direct effect (direct effect) and indirect effect (indirect effect) of the variables studied. The test results are presented in the following table:

**Table 4 Hypothesis test Direct Effect and Indirect Effect**

HIP	Independent Variable	Variable Intervening	Dependent Variable	Standardize				Information
				Direct Effect	Indirect Effect	Total Effect	P-Value	
5	Transactional Transactions (X1)	-	Performance (WITH)	0.205	-	0.205	0.035	Positive and Significant
6	Organizational culture (X2)	-	Performance (WITH)	-0.068	-	-0.068	0.720	Negative and No Significant
8	Compensation (X3)	-	Performance (WITH)	0.198	-	0.198	0.032	Positive and Significant
10	Transactional Transactions (X1)	Job Satisfaction (Y)	Performance (WITH)	-	0.208	0.413	-	Positive
11	Organizational culture (X2)	Job Satisfaction (Y)	Performance (WITH)	-	-0.103	-0.171	-	Negative
13	Compensation (X4)	Job satisfaction (AND)	Performance (WITH)	-	0.189	0.387	-	Positive

From the overall model, it can be observed that there are seven paths that give a positive and significant direct influence, one path that has a negative and significant direct influence. Furthermore, for the indirect effect, there are three paths that are positive and substantial, whereas the other two paths are negative and negligible. The interpretation of Table 5 for the direct effect and indirect effect can be described as follows:

- Transactional leadership has a direct positive effect of 0.205 and a significant value of 0.035 on employee performance.
- Organizational culture has a direct beneficial influence of 0.268 and 0.020 significant on employee performance.
- Compensation has a direct negative effect of -0.260 and a significant value of 0.022 on employee performance.

- b. Transactional leadership indirectly has a positive effect of 0.208 on performance through employee job satisfaction.
- c. It is. Organizational culture indirectly has a negative influence of -0.193 on performance through employee job satisfaction.
- d. Compensation indirectly has a negative effect of -0.167 on performance through employee job satisfaction.

## **4.2. Discussion**

### **4.2.1. TRANSACTIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE**

Based on the results of the research, transactional leadership has a favorable and significant effect on the performance of Agricultural Quarantine staff in the South Sulawesi region. The reason that transactional leadership has a positive effect is that the leadership in this agency has properly implemented all indicators of transactional leadership starting from contingent reward, active management by exception, passive management by exception, and laissez-faire which are carried out by leaders to their subordinates, so that their subordinates show achievement of work results by actually generates a large number of jobs.

### **4.2.2. ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE**

The results of the study reveal that organizational culture has a direct negative influence and is not significant on employee performance based on the facts obtained at the research location. The reason that organizational culture has a negative and insignificant effect is that the indicators of organizational culture in the form of integrity, identity, responsibility, discipline, and result orientation are not all employees can actualize well the application of organizational culture, so the application of organizational culture has no significant effect on performance because employees carry out activities the work does not practice the philosophical values that become binding normative habits for every employee to improve their performance according to the achievement of work results in quantity, quality, time efficiency, and cost-effectiveness. That is the reason that the organizational culture applied so far has a negative and insignificant effect on employee performance.

### **4.2.3. COMPENSATION ON EMPLOYEE PERFORMANCE**

Discussing the influence of remuneration on employee performance, the findings reveal that compensation directly has a positive and significant effect on employee performance. Employees in carrying out their main duties and functions always expect to receive compensation following work results that are appropriate and worthy of acceptance, so that the achievement of employee performance in carrying out their work is in accordance with the duties and responsibilities carried out.

The reason for compensation has a positive and significant effect on employee performance, it is known that employees in carrying out their work always expect to receive compensation and always try to increase their compensation by continuing to pay attention and improve the achievement of the work they are engaged in so that they have the eligibility to receive a salary every month according to the work achieved. , want incentives from any additional labor, acquire benefits in the form of insurance and health insurance for employees, and desire to get work facilities supplied by the organization to make their work simpler. The desire for this compensation is the remuneration expected by employees to be obtained, thus making employees continue to work hard to obtain optimal work results to improve employee performance in

accordance with the achievement of work results in quantity, carry out quality work, do work efficiently on time and use the budget effectively.

## 5. Conclusion

Based on the analysis of research results and discussion empirically and theoretically, it is concluded as follows:

1. Directly transactional leadership has a favorable and significant effect on staff performance. The implementation of transactional leadership has been properly actualized which directs each employee to increase their performance.
2. Directly organizational culture has a negative and insignificant effect on employee performance. Organizational culture that has not been effectively actualized leads employee performance to deteriorate.
3. Directly pay has a favorable and considerable effect on employee performance. The salary given has vital value for employees in increasing their performance.
4. Indirectly, transactional leadership through work happiness has a favorable and considerable effect on staff performance. The application of transactional leadership through work satisfaction has been actualized collaboratively between leaders and subordinates in carrying out their duties and functions to increase employee performance.
5. Indirectly organizational culture through job happiness has a negative and not significant effect on employee performance. Organizational culture through work satisfaction that has been carried out thus far has not been fully actualized, hence employee performance has declined.
6. Indirectly pay through job satisfaction has a favorable and considerable effect on employee performance. Compensation through job satisfaction has been adopted in accordance with the supply of remuneration to promote employee performance.

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