Article

The Effect of SOE Core Values (AKHLAK) and Compensation on the Employees Work Productivity of Oil and Gas Subsidary Company

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Abstract: This study discusses the influence of SOE core values (AKHLAK) and compensation on the employees work productivity of oil and gas subsidary companies. In this study, researchers used quantitative methods, using data collection techniques obtained through distribution of questionnaires containing up to 44 questions. The population in this study was all employees of oil and gas subsidiary company which amounted to 261 people. So that the sample amounted to 156 people. From the results of instrument tests, classical assumption tests, and hypothesis tests through the IBM SPSS Statisctics Version 26 application, it shows that the SOE core values (AKHLAK) has a significant relevance to the employees work productivity. The compensation variable is of substansial absence of relevance to the employees work productivity. The variables of SOE core values (AKHLAK) and compensation simultaneously have a relevance to employee work productivity.

Keywords: *Compensation, Employees Productivity.*

1. Introduction

State-Owned Enterprises (SOE) play a role as agents of development that are useful in helping the smooth running of government plans to realize independence, welfare, sustainability, stability, and equality. In order to prepare Indonesian human resources to be able to compete in the international arena, each company instills core values to increase competitiveness. Identity, or corporate culture, shared experiences, beliefs, and norms are important aspects that every company must determine its own to differentiate from other company. This culture helps define the work and business climate that exists in an organization. In addition, Ebert & Griffin (2017) argue corporate culture helps newcomers become familiar with existing behaviors or cultures. One of the

implementations of planting core values to increase competitiveness is in state-owned companies that contribute the largest profits in Indonesia that have business activities in the energy sector. Its business activities move from upstream to downstream and are integrated with each other starting from exploration and production activities, processing, distribution and marketing while still being guided by the AKHLAK values as core values. The SOE core values (AKHLAK) are designed for the process of changing human capital within the scope of SOEs in the hope of increasing the capabilities of SOEs and contributing optimally to Indonesia. AKHLAK is the identity and binder of work culture that supports the performance of state-owned companies. Referring to Circular Letter Number: SE-7/MBU/Q7/2020 related to the Core Values of SOE human resources and the application of core values to all SOE human resources.

Recently, SOEs have had to face various problems, namely related to moral values or core values that are not upheld and the need for improvement (Sindonews, 2022). According to the results of research by ACT Consulting for the period of September 2020 – May 2021 related to the evaluation of the AKHLAK work culture health index against 47 SOEs and subsidiaries, low results were obtained, especially on the average AKHLAK implementation index which means that employees occasionally implement AKHLAK in the daily world of work (ACT Consulting International, 2021).

In addition to instilling core values to increase work productivity, there are other factors that affect productivity including working hours, quality, efficiency and effectiveness, work discipline and compensation (Labudo, 2013). According to Ebert & Griffin (2017), the company's compensation system is financial rewards. The first aspect of retaining capable employees is the company's compensation system, the reward package it offers to employees in return for their workforce (Ebert & Griffin, 2017). From the results of the observations above, the author decided to examine the effect of SOE core values (AKHLAK) and compensation on the employees work productivity of oil and gas subsidiary companies.

2.   Literature

2.1   Management

Robbins and Coutler (2019) defines management, which is a process that involves coordinating and supervising the work activities of others, so that the activities faced can be carried out effectively and efficiently. In this case, individuals who have good management skills can mobilize the resources owned by both humans and nature to do activities well. There are 4 functions to coordinate work efficiently and effectively (Robbins & Coutler, 2019), as follows;

1. Planning, a management function that identifies and organizes goals, sets strategies to achieve goals, and develops plans to carry out activities that will be coordinated in the company.

2. Organizing management functions to organize the company and ensure the work is as planned to minimize errors in coordination.

3. Leading, a management function that discusses a leader to direct the organization to the goals that have been planned to produce clear achievements.

4. Controlling, a management function that explains that management serves to monitor, compare, and help justify the work done.

2.2 Human Resource Management

Ebert & Griffin (2017) says that a set of processes of organizational activity directed at attracting workers, developing the abilities and self-potential of workers, and maintaining an effective workforce called human resource management which is an important aspect that every company has to held. Meanwhile, Dessler (2015) revealed that HR is a process for recruiting employees, providing performance assessments, providing training, providing compensation, maintaining relationships between workers, and paying attention to the health, safety and justice of workers. In human resource management, to achieve the goals of the enterprise one of the most crucial resources or components is the worker. Therefore, there are factors that affect the productivity of workers, namely the provision of compensation and strengthening the company's core values. As a professional human resource management, it is necessary to ensure comparable compensation, meet industry criteria, and are worthy of luring people to work in the organization.

2.3 Employees Productivity

Productivity is a parameter of the work that has been done, taking into account the cost of resources used to carry out a series of works. According to Sutrisno (2016 in (Baiti, Djumali, & Kustiyah, 2020)) states related to work productivity is the scale of completeness of work results that have been determined to create a result of labor.

2.4 SOE Core Values

AKHLAK is the baseline of a success repetition proclaimed by SOE to build a world-class reputation (Thohir & Agustian, 2020). AKHLAK, which in this case is the basis of SOE competencies, is formulated as an acronym for *Amanah, Kompeten, Harmonis, Loyal, Adaptif and Kolaboratif* (AKHLAK). Referring to Circular Letter Number: SE-7/MBU/Q7/2020 related to the Core Values of SOE human resources and the application of core values to all SOE human resources.

2.5 Compensation

Someone who works for a company expects compensation from the employer. The compensation system in a company is a major factor in retaining skilled workers. The total compensation that the company offers is in accordance with the results of the performance of its workers (Ebert & Griffin, 2017). While the concept of compensation according to Siswanto (2013) is a wage aimed at employees who are active in working for their abilities, obligations for responsibilities, and manifestations of work achieved. Employee compensation includes all forms of payment addressed to employees for their efforts in carrying out work and considers a number of aspects such as organizational level, educational level, and employment status.

Based on the above explation, here is the conceptual framework. The hypothesis based on this frame of mind is as follows;

H_1 = SOE core values (AKHLAK) has an affects employees work productivity

H_2 = Compensation has an affects employees work productivity

H_3 = SOE core values (AKHLAK) and compensation has an affects employees work productivity

3. Methods

3.1 Research Design

This research is quantitative research with descriptive and associative techniques. While the research technique used is descriptive and associative techniques which are useful for seeing the influence or relationship between two or more variables. In this study, this technique was used to see the effect of SOE core values (AKHLAK) and compensation on employee work productivity.

3.2 Population and Sampling

The population that will be used as research subjects is 261 people based on the number of employees in 2022. Using the Krejcie and Morgan table method, the sample amounted to 156 people.

3.3 Research Methods

In this study using research methods in the form of multiple linear regression analysis and hypothesis testing. With the following equation:

$Y = \alpha + b_1X_1 + b_2X_2$

Information:

Y = Work Productivity

α = Constanta

X_1 = SOE Core Values (AKHLAK)

X_2 = Compensation

b_1 = SOE Core Values regression coefficient (AKHLAK)

b_2 = Compensation regression coefficient

The hypothesis tests to be carried out are partial tests, model feasibility tests, and determinant coefficients. With this hypothesis test, it can be known the influence of each variable that is used as an independent variable. With the numbers obtained, it can describe the influence of each variable.

4.   Results

4.1   Validity Test

Validity test is the level of accuracy between the data presented by the researcher and the data that occurs in the research object (Sugiyono, 2013). The method that researchers use in instrument validity tests is the Pearson correlation method. Using r table, where the sum of n = 156 and alpha (α) = 0.05, then r of the table is 0.1572. If the value of r counts $\geq$ r of the table, then the question item in the questionnaire can be said to be valid.

Table 1. Validity Test Results

Variable	Indicator	Corrected Item-Total Correlation	r-table	Validity
Core Value	X_1	0.355	0.1572	Valid
	X_2	0.291	0.1572	Valid
	X_3	0.329	0.1572	Valid
	X_4	0.382	0.1572	Valid
	X_5	0.393	0.1572	Valid
	X_6	0.375	0.1572	Valid
	X_7	0.368	0.1572	Valid
	X_8	0.318	0.1572	Valid
	X_9	0.420	0.1572	Valid
	X_{10}	0.205	0.1572	Valid
	X_{11}	0.333	0.1572	Valid
	X_{12}	0.362	0.1572	Valid
	X_{13}	0.415	0.1572	Valid
	X_{14}	0.576	0.1572	Valid
	X_{15}	0.399	0.1572	Valid
	X_{16}	0.419	0.1572	Valid
	X_{17}	0.507	0.1572	Valid
	X_{18}	0.389	0.1572	Valid

Variable	Indicator	Corrected Item-Total Correlation	r-table	Validity
Compensation	X_1	0.410	0.1572	Valid
	X_2	0.428	0.1572	Valid
	X_3	0.459	0.1572	Valid
	X_4	0.278	0.1572	Valid
	X_5	0.368	0.1572	Valid
	X_6	0.317	0.1572	Valid
	X_7	0.300	0.1572	Valid

	X8	0.277	0.1572	Valid
	X9	0.310	0.1572	Valid
	X10	0.289	0.1572	Valid
	X11	0.398	0.1572	Valid
	X12	0.338	0.1572	Valid
	X13	0.305	0.1572	Valid
	X14	0.319	0.1572	Valid
Work Productivity	X1	0.408	0.1572	Valid
	X2	0.365	0.1572	Valid
	X3	0.418	0.1572	Valid
	X4	0.421	0.1572	Valid
	X5	0.187	0.1572	Valid
	X6	0.497	0.1572	Valid
	X7	0.419	0.1572	Valid
	X8	0.353	0.1572	Valid
	X9	0.425	0.1572	Valid
	X10	0.267	0.1572	Valid
	X11	0.432	0.1572	Valid
	X12	0.456	0.1572	Valid

Source: Data processed by researchers, 2023

4.2   Reability Test

In the reliability test which indicates a consistent and strong reality. Question items are declared reliable when the coefficient of Cronbach's Alpha (a) > 0.6. Conversely, if the question items are unreliable if the coefficient of Cronbach's Alpha (a) < 0.6. Based on the results of the reliability test, each indicator has Cronbach's Alpha (a) $\geq$ 0.6 so it can be concluded that each variable has consistent and strong reliability.

Table 2. Reability test results

Variable	Sig	Cronbach's Alpha (a)
Core values	0,708	0,6
Compensation	0,632	0,6
Work Productivity	0,661	0,6

Source: Data processed by researchers, 2023

4.3   Normality Test

The normality test is carried out to ensure that the data that has been analyzed is normally distributed or taken from the normal population. Data is considered normally distributed if the significance value is greater than 0.05 (Ghozali, 2016). In the significance column, there is a test of normality result which is worth $0.2 \geq 0.05$. It can be concluded that the data is normally distributed or passes the normality test.

Table 3. Normality test results

Statistic	Unstandarized Residual	Alpha (a)
Asymp. Sig (2 tailed)	0,2	0,05

Source: Data processed by researchers, 2023

4.4   Multicolinearity Test

The regression model can be stated to be good when the correlation does not occur between the independent variables, if the correlation is true then this indicates that there is a multicollinearity problem (Ghozali, 2016). There are problems in the multicollinearity test if the tolerance value is < 0.10 and the VIF value is > 10. Conversely, the multicollinearity problem is said to not exist if the tolerance value is ≥ 0.10 and the VIF value is ≤ 10. Based on the results of the multicollinearity test, the two independent variables, namely core values and compensation, do not exist or are free of multicollinearity because the VIF value is < 10.

Table 4. Multicollinearity test results

Variable	Sig.	VIF
Core values	1,886	10
Compensation	1,886	10
Work Productivity	1,886	10

Source : Data processed by researchers, 2023

4.5   Heterocedasticity Test

In the heteroscedasticity test through the Glejser Test which functions to regress the residual absolute value to the independent variable (Ghozali, 2016). The heteroscedasticity test is declared free from heteroscedasticity if the significance value is > 0.05. Meanwhile, if you have a heterscedasticity problem, the significance value is <0.05. Based on the results of the heteroscedasticity test, the core value variable has a significance value of 0.246 while the compensation variable has a significance value of 0.228. So it can be concluded that the two variables with a significant value of ≥ 0.05 means that they are free from heteroscedasticity.

Table 5. Heteroscedasticity test results

Variable	Sig.	VIF
Core values	0,246	0,05
Compensation	0,228	0,05

Source: Data processed by researchers, 2023

4.6   Regression Analysis

In this study, multiple linear regression analysis was carried out with the aim of testing the correlation between the independent variables, namely the SOE core values of (X_1) and compensation (X_2) on the dependent variable, namely work productivity (Y) (Ghozali, 2016).

Table 6. Regression analysis results

Variable	B	Sig.
(constant)	6,878	0,015
Core values	0,498	0,000
Compensation	0,071	0,337

Source: Data processed by researchers, 2023

Based on the table above, the results of calculating the independent variables are arranged in the following model;

$$Y = 6.878 + 0.498X_1 + 0.071X_2$$

Interpretation:

1. A constant that has a positive value interprets that there is a unidirectional relationship between an independent variable and a dependent variable

2. Constant 6.878 states that if all independent variables are considered constant or X=0, then the value of Y (work productivity) is 6.878

3. Constant 0.498 states that if the variable core value of SOEs increases employee work productivity also increases. And also, according to the significance value below 0.05 indicates that this variable has a significant effect on the dependent variable.

4. Constant 0.071 states that if the compensation variable increases, the employee's work productivity also increases. And also, according to the significance value above 0.05 indicates that this variable has no significant effect on the dependent variable.

4.7   T-Test

The provision in the t test results, the variable X is said to affect Y if the signification value < 0.05, or t calculate > t table. Meanwhile, variable X is said to have no effect on variable Y if the significance value > 0.05 or t calculate < t table. T the table obtained from the table with α = 0.05 and df = 156 is 1.976.

Table 7. T-test results

Variable	t	Sig.
Core values	8,664	0,000
Compensation	0,963	0,337

Source: Data processed by researchers, 2023

Based on the table above, it is known that only the core value variable (X1) has a significance value of ≤ 0.05 while the compensation variable (X2) has a significance value of ≥ 0.05. Based on the t value, only the core value variable (X1) has a t count ≥ 1.976 while the compensation variable (X2) has a t count ≤ 1.976. Based on the results of the interpretation it is stated that only the core value variable has a significant influence on work productivity.

4.8 F-Test

According to (Ghozali, 2016), which indicates that the independent variable has a simultaneous influence on the dependent variable is a significance value <0.05, or F count > F table.

Table 8. F-test results

Variable	Df	F	Sig.
Regression	2	82,468	0,000
Residual	153		
Total	155		

Source: Data processed by researchers, 2023

In the ANOVA test, the calculated F value is 82.468 indicating that the value is higher than the table F value, which is 3.00 which is obtained from the formula (k, n-k)

Information:

k = Independent variables　　= 2

n = Research respondents　　= 156

In the f table (2.156) with a significance value of 0.05 is 3.00. Based on the results of the ANOVA test, it is known that the significance value is 0.000 ≤ 0.05. And the calculated F obtained from the ANOVA test is 82.468 ≥ F table which is 3.00. So it can be said that the two independent variables affect the dependent variable.

4.9 R_Square

Table 9. R-square results

Model	R	R^2	Adjusted R Square	Std. Error of the Estimate
1	0,720	0,519	0,512	2,41570

Source: Data processed by researchers, 2023

Based on the results of linear regression, it gives an R^2 value of 0.519. It can be interpreted that the linear regression equation made based on the results of the questionnaire is said to be good because the value of R^2 is close to 1. The explanation on this matter is that the resulting equation is of good quality and can be used as a reference to explain the relationship between related variables. Based on the results above, 0.481 was influenced by factors outside of this study.

5. Discussion

1. The Effect of SOE Core Values (AKHLAK) on Work Productivity (H1)

Through the results of hypothesis testing, the first hypothesis (H_1) is declared proven and accepted. Based on this test it is proven that the BUMN core value variable (AKHLAK) has a positive and significant effect on the work productivity of employees. These results explain that if there is an increase in the implementation of the BUMN core value indicators (AKHLAK) it will increase employee productivity. The BUMN core values (AKHLAK) proclaimed by the Minister of BUMN are said to be the baseline of a repetition of success proclaimed by BUMN to build a world-class reputation (Thohir & Agustian, 2020). This was also convinced by the research conducted by Kasmawati, Nurbaya, & Maklassa (2022) that the core values of AKHLAK had a significant positive effect on the productivity of employees of PT PLN Persero UIKL Sulawesi. Another study that proves that core values affect employee work productivity is research conducted by Jemi, Tarigan, & Syawaluddinn (2018) which concludes that organizational culture influences employee work productivity at PT Mitra Packindo Berdikari Medan.

2. The Effect of Compensation on Work Productivity (H2)

Through the results of hypothesis testing, the second hypothesis (H_2) was declared unproven and rejected. Based on these tests it is proven that the compensation variable has no significant effect on the work productivity of employees but has a positive direction. The positive test results explain that if there is an increase in compensation, it will increase employee productivity. However, the test results were not significant, explaining that the size of the compensation provided by company had no effect on the productivity of its employees. This can happen when employees have the view that work is not just for compensation. In addition, employees think that the most important thing for them right now is to get a decent job, especially in an era of VUCA, so they think that the compensation they get is appropriate. The results of this study are in line with other studies conducted by Mundakir & Zainuri (2018) which show that compensation does not affect the performance of DPU employees in Rembang Regency.

3. The Effect of SOE Core Values and Compensation on Work Productivity (H3)

Through the results of hypothesis testing, the third hypothesis (H_3) is declared proven and accepted. Based on this test it is proven that the variables of BUMN core values (AKHLAK) and compensation have a positive and significant effect on the work productivity of employees. Thus, explaining that if there is an increase in

the implementation of the BUMN core value indicators (AKHLAK) and an increase in compensation, it will increase employee productivity.

6.   Conclusion and Recommendations

6.1   Conclusion

Based on the test results and analysis of the research that the researchers have done, several conclusions can be drawn, namely as follows;

1. SOE core values (AKHLAK) have a significant effect on the work productivity of employees with a significance of $0.000 \leq 0.05$ and a beta coefficient of 0.498 or positive. It can be concluded that the greater the level of implementation of BUMN core values (AKHLAK) will increase the work productivity of employees.

2. Compensation has no significant effect on the work productivity of employees with a significance of $0.377 \geq 0.05$ and a beta coefficient of 0.071 or positive.

3. SOE core values (AKHLAK) and compensation have a significant effect on the work productivity of employees of with a significance of $0.000 \leq 0.05$. Thus, explaining that if there is an increase in the implementation of the BUMN core value indicators (AKHLAK) and an increase in compensation, it will increase employee productivity.

6.2   Practitioner Advice

Based on the conclusions above, there are several suggestions that the researchers provide as follows;

1. For company, the implementation of BUMN core values (AKHLAK) can be maintained and also improved so that it can reach the level of achievement of organizational culture and increase in company profits.

2. For future researchers, the researcher hopes that the research will be used as literature by future researchers by using other variables to measure employee work productivity. So that research related to employee work productivity is not seen only from the two core value variables and compensation, but from other aspects that have an influence on employee work productivity in a company.

3. Based on the statement above, it can be explained that the performance variable (Y) has the smallest value of 4.16, which explains that teachers work according to the working hours specified in statement Y2. The advice that can be given is to utilize the available time to do the tasks given so that there is no delay in returning home from working hours.

Conflicts of Interest: The authors declare no conflict of interest.

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