

ABSTRACT

Work motivation is an internal and external driver that influences employee effort and discipline. Compensation and organizational culture have been identified as important factors shaping motivation. In national companies, low motivation is often associated with tardiness due to perceptions of compensation and work recognition. However, in multinational companies, tardiness is more complex due to the influence of hybrid work systems and differences in compensation between local and expatriate employees.

This study aims to analyze the influence of compensation and organizational culture on employee work motivation in multinational companies. Specifically, this study examines the contribution of these two variables to increasing work motivation and evaluates the strength and significance of their influence. The findings of this study are expected to enrich the literature in the field of human resource management and provide practical implications for multinational companies in designing more effective employee management strategies.

The research method used was a quantitative approach with a purposive sampling technique. Data collection was conducted by distributing a Likert-scale questionnaire to 115 respondents, determined using the Lemeshow formula. Data analysis was conducted using Structural Equation Modeling (SEM) to partially and measurably examine the relationship between compensation, organizational culture, and work motivation.

The results of the study indicate that compensation has a positive effect on work motivation, with a coefficient of 0.151. However, this effect is relatively weak and falls just short of the threshold of statistical significance ($P\text{-Value} = 0.050$), so its interpretation requires caution. Conversely, organizational culture exhibits a very strong and significant effect on work motivation, with a coefficient of 0.804 and a $P\text{-Value} = 0.000$. This finding confirms that a positive and conducive organizational culture is more effective in increasing work motivation than compensation alone.

This research is both theoretically and practically beneficial. Theoretically, it adds insight into the field of human resource management, particularly regarding the role of compensation and organizational culture on work motivation in multinational companies. The finding that organizational culture has a stronger influence than compensation can serve as a reference for further research, particularly in the context of cross-border work cultures. Practically, the results of this study can help companies design more effective strategies to increase work motivation, by emphasizing strengthening organizational culture and considering non-financial forms of compensation to improve employee engagement and performance.

Keywords: *compensation, organizational culture, multinational companies, SEM, work motivation*