

ABSTRACT

The growing competitiveness in the business sector increasingly demands organizations to strengthen their internal capabilities, especially in terms of human resource quality. Bank Syariah Indonesia (BSI) Regional 10 Makassar is one of the strategic entities in the Islamic banking sector that emphasizes employee performance as a critical success factor. Over the past three years, employee performance at this regional branch has shown a fluctuating trend. This fluctuation indicates the presence of internal challenges that may affect the achievement of organizational targets.

One of the prominent phenomena identified is the inconsistency in performance evaluation results, particularly in areas such as punctuality, task completion, and team cooperation. Additionally, employee feedback indicates dissatisfaction with compensation systems, especially in relation to overtime pay and fairness in incentives. These issues point to the need for further investigation into the effectiveness of organizational culture and compensation structures in supporting employee productivity and motivation.

This study aims to analyze the influence of organizational culture and compensation on employee performance at BSI Regional 10 Makassar. Organizational culture, as a set of shared values and norms, is assumed to shape employee behavior, while compensation serves as an extrinsic motivator that drives work engagement. The research is grounded in performance theory and supported by previous empirical findings that link culture and rewards with employee output.

A quantitative method was employed, involving 177 respondents selected through purposive sampling. Data were collected using structured questionnaires and analyzed using multiple linear regression with SPSS. The research measured variables including innovation, team orientation, and reward fairness, aligned with established frameworks in organizational behavior and human resource management.

The results of the study confirm that both organizational culture and compensation have a positive and significant influence on employee performance, both partially and simultaneously. These findings suggest that strengthening internal culture aligned with Islamic values and ensuring equitable compensation systems are crucial for improving work outcomes. Therefore, organizations—particularly in the Islamic banking sector—must invest in cultural reinforcement and fair reward systems as part of their strategic human capital management.

Keywords: *Organizational Culture, Compensation, Employee Performance, Islamic Banking, Bank Syariah Indonesia..*