

The Influence Of Participative Leadership Style And Compensation On Organizational Citizenship Behavior (OCB) At PT. Urbane Indonesia

Pengaruh Gaya Kepemimpinan Partisipatif Dan Kompensasi Terhadap *Organizational Citizenship Behavior (OCB)* Di PT. Urbane Indonesia

Hersili Wangi Shidikkusumah¹, Deden Sutisna²

Universitas Widyatama, Indonesia^{1,2}

hersili.wangi@widyatama.ac.id¹, deden.sutisna@widyatama.ac.id²

*Corresponding Author

ABSTRACT

This study aims to analyze the influence of participative leadership style and compensation on Organizational Citizenship Behavior (OCB) at PT. Urbane Indonesia. The research design uses a descriptive-verify method with a quantitative approach. Data collection was carried out by distributing questionnaires to 52 employee respondents using a saturated sampling technique. The data analysis technique used is Multiple Linear Regression. Descriptive analysis shows that the employees' OCB level is excellent, with a mean score of 4.06. The results of the partial hypothesis test (t-test) show that both participative leadership style ($t=8.440$, $p=0.000$) and compensation ($t=10.446$, $p=0.000$) have a positive and significant effect on OCB. Simultaneously (F-test), both variables significantly influence OCB with an F-value of 85.74 ($p=0.000$). The coefficient of determination (R^2) is 0.778, indicating that 77.8% of the variance in employee OCB is explained by participative leadership style and compensation, while the remaining 22.2% is influenced by other factors outside this research model. Compensation is identified as the most dominant factor in triggering extra-role behavior. quality of healthcare services.

Keywords: Participative Leadership Style, Compensation, Organizational Citizenship Behavior (OCB)

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh gaya kepemimpinan partisipatif dan kompensasi terhadap *Organizational Citizenship Behavior (OCB)* di PT. Urbane Indonesia. Desain penelitian menggunakan metode deskriptif-verifikatif dengan pendekatan kuantitatif. Pengumpulan data dilakukan melalui penyebaran kuesioner kepada 52 responden karyawan menggunakan teknik sampel jenuh. Teknik analisis data yang digunakan adalah Regresi Linear Berganda. Hasil analisis deskriptif menunjukkan tingkat *OCB* karyawan berada pada kategori sangat baik dengan nilai rata-rata 4,06. Hasil uji hipotesis parsial (Uji t) menunjukkan bahwa gaya kepemimpinan partisipatif ($t=8,440$, $p=0,000$) dan kompensasi ($t=10,446$, $p=0,000$) berpengaruh positif dan signifikan terhadap *OCB*. Secara simultan (Uji F), kedua variabel berpengaruh signifikan terhadap *OCB* dengan nilai F-hitung sebesar 85,74 ($p=0,000$). Nilai koefisien determinasi (R^2) sebesar 0,778 menunjukkan bahwa kontribusi pengaruh kombinasi gaya kepemimpinan partisipatif dan kompensasi terhadap *OCB* karyawan adalah sebesar 77,8%, sedangkan sisanya sebesar 22,2% dipengaruhi oleh variabel lain di luar model penelitian ini. Kompensasi diidentifikasi sebagai faktor paling dominan dalam memicu perilaku kesukarelaan karyawan.

Kata Kunci : Gaya Kepemimpinan Partisipatif, Kompensasi, Organizational Citizenship Behavior (OCB)

1. Introduction

In an era of global competition, an organization's success is determined not only by managerial skills or business strategy, but also by the behavior and commitment of its employees to the organization. One concept that plays a crucial role in improving organizational effectiveness is Organizational Citizenship Behavior (OCB), which is the voluntary individual behavior of employees that goes beyond the formal demands of their jobs or is optional (Organ, Podsakoff, & MacKenzie, 2006). OCB helps create a harmonious, collaborative, and progress-oriented work environment for the organization.

PT. Urbane Indonesia is a multidisciplinary firm specializing in architecture, urban design, and interior design focused on developing sustainable urban projects. It has long been recognized for its innovative approach to design and development. With a talented team of professionals, the company has successfully established a strong presence in a highly competitive market. However, despite its growth and success, PT. Urbane Indonesia faces significant challenges related to employee engagement, particularly regarding participation in organizational events and activities. This has raised concerns about employee motivation and the overall health of the organization, particularly regarding fostering a cooperative work environment.

Employee engagement is a crucial factor contributing to the success of any organization. Employee engagement involves not only commitment to job responsibilities but also a willingness to go beyond formal duties for the benefit of the organization. One aspect of employee engagement is Organizational Citizenship Behavior (OCB), which includes actions such as helping coworkers, volunteering for additional tasks, and contributing to the organization's culture and overall success without being explicitly required. However, initial observations indicate potential challenges in the implementation of OCB at PT. Urbane Indonesia, which is declining, particularly in the form of low participation in company-organized events such as attending meetings, participating in company events, keeping up to date with organizational changes, training programs, workshops, and team-building activities.

Based on internal data for 2024, PT. Urbane Indonesia had 52 employees spread across various divisions such as architectural design, urban planning, interior design, and management. However, in recent years, the company has faced challenges in the form of low employee participation in organizational activities such as general meetings, internal training, and company social events. Only around 62% of employees actively participated in these non-productive activities, while the remainder showed a passive or unenthusiastic attitude.

This situation indicates a potential low level of OCB among employees, which is related to their participation in events organized by PT. Urbane Indonesia. According to Organ (2006), employees with high OCB typically demonstrate loyalty, concern for coworkers, and active involvement in organizational activities. Therefore, it is important for companies to identify factors that can influence increased organizational citizenship behavior, including leadership style and compensation systems.

Participative leadership is an approach that emphasizes employee involvement in the decision-making and problem-solving processes of the organization (Yukl, 2013). Participative leaders encourage two-way communication and provide space for employees to express ideas or suggestions. Ahmad's (2019) research shows that this participative leadership style has a positive relationship with increased organizational citizenship behavior because employees feel valued and involved in the organization's work processes. Studies consistently show that participative leadership can positively influence OCB by fostering an environment of trust, psychological empowerment, and fairness (Somech, 2010; Sagnak, 2016). When employees feel valued and listened to, they are often intrinsically motivated to reciprocate with voluntary behaviors that benefit the organization (Blau, 1964, cited in Podsakoff et al., 2000).

Specifically, regarding the issues at PT. Urbane Indonesia, a participatory leadership style can directly address the issue of low attendance at organizational events by making employees feel more ownership and involvement in organizational activities and processes. Involving employees in planning or decision-making regarding company events, for example, can transform these events from mere extravagances into shared commitments.

Beyond leadership style, compensation also plays a crucial role in shaping positive work behaviors. Fair and competitive compensation, both financial and non-financial, can increase employee motivation, job satisfaction, and the tendency to demonstrate initiative (Robbins & Judge, 2019). Although OCB is by definition optional and not tied to formal

rewards, the overall perception of fair and adequate compensation is a key driver of job satisfaction and perceived organizational support, which in turn can influence OCB (Rhoades & Eisenberger, 2002).

Furthermore, a well-structured compensation system can enhance employee job satisfaction and create a sense of fairness within the organization. However, if employees feel the compensation they receive is inadequate or unfair compared to the effort they put in, this can lead to employee disengagement and reduced OCB. This suggests that leadership style and compensation are significant factors in influencing employee participation in organizational events and their willingness to engage in OCB.

The findings of several studies on the direct relationship between compensation and OCB are sometimes mixed, but general evidence suggests that a satisfactory compensation package acts as a prerequisite for employees to feel a moral obligation to reciprocate with positive extra-role behaviors. At PT. Urbane Indonesia, if employees perceive their compensation to be uncompetitive or unfair, their motivation to participate in uncompensated volunteer activities such as company events tends to decrease, regardless of their performance in those roles.

The combination of a participatory leadership style and an effective compensation system is believed to improve employee organizational citizenship behavior at PT. Urbane Indonesia. For example, by involving employees in the formulation of policies and reward initiatives, participation in organizational activities is expected to increase by up to 80% in the following year. This will impact team collaboration, productivity, and the organization's reputation.

Therefore, the problem at PT. Urbane Indonesia, namely low employee enthusiasm for volunteering in organizational events (low OCB Civic Virtue), suggests the need for in-depth quantitative analysis. This study will specifically investigate the extent to which participatory leadership style and the effectiveness of the compensation system influence employee Organizational Citizenship Behavior. This research will provide strategic insights for PT. Urbane Indonesia to improve its organizational culture and employee engagement.

This research is important because, to date, there has been little research specifically examining the relationship between participative leadership style, compensation, and organizational citizenship behavior (OCB) in the Indonesian creative architecture industry. Based on the background, the author is interested in examining the influence of participative leadership style and compensation on organizational citizenship behavior (OCB) at PT. Urbane Indonesia.

2. Literature Review

Organizational Citizenship Behavior (OCB)

Organizational Citizenship Behavior (OCB) refers to proactive behavior exhibited by employees that is not formally recognized by the organization's reward system but contributes to the organization's overall effective functioning (Organ, 1988). This behavior includes voluntary actions such as helping coworkers, being punctual, showing initiative, and maintaining a positive attitude toward the organization. Organ (1988) stated that OCB is closely related to the concept of extra-role behavior, meaning that it goes beyond the duties outlined in the employee's formal job description. This behavior is driven by personal initiative and a sense of ownership of the organization, rather than by coercion or the expectation of specific rewards, and is often described as "extra-role" behavior. Robbins and Judge (2019) further define OCB as "individual behavior that is proactive/choice-based, not directly or explicitly recognized by the formal reward system, and that overall promotes the effective functioning of the organization." These definitions suggest that OCB acts as an informal social facilitator that enhances teamwork, communication, and performance within an organization.

Organizational Citizenship Behavior (OCB) has become an important topic in human resource management within organizations, reflecting voluntary employee actions that support organizational effectiveness beyond formal role requirements. According to Organ (1988), "OCB is discretionary individual behavior, not directly or explicitly recognized by the formal reward system, and that, overall, promotes the effective functioning of the organization." This view aligns with the classic thinking of Barnard (1938), who emphasized "willingness to cooperate" as a crucial element in maintaining organizational systems. Furthermore, Katz and Kahn (1966) argued that organizations function as open social systems that require not only reliable role performance but also "innovative behavior and initiative" to remain adaptive and effective.

Theoretically, OCB is closely related to Social Exchange Theory (Blau, 1964), which states that individuals engage in reciprocal behavior when they perceive fairness, trust, and support from the organization. In the workplace, this reciprocity manifests when employees voluntarily engage in behaviors that benefit the organization in exchange for socio-emotional rewards such as respect, recognition, and fairness (Organ, 1988; Eisenberger et al., 1986). Human Relations Theory (Mayo, 1933) also contributes to this understanding by stating that supportive interpersonal relationships and attention to employees' socio-psychological needs encourage behaviors that go beyond formal tasks. In modern organizations, OCB can represent a bridge between formal task performance and the informal social dynamics that underpin teamwork and commitment.

Participative Leadership Style

According to Peter Guy Northouse, in his book, participatory leadership is a style in which leaders invite and involve followers in the decision-making process, allowing space for their opinions and ideas, and integrating their contributions into group decisions. This style emphasizes collaboration and participation as a path to achieving shared goals, with followers feeling more like part of the process.

This leadership style describes a leader who provides opportunities for subordinates to participate in the collective decision-making process. When decisions impact organizational members, the leader opens up space for subordinates who demonstrate initiative to participate. Furthermore, the leader is willing to provide assistance in the process. Thus, although the final decision remains with the leader, the decision-making process is carried out collaboratively between the leader and subordinates.

Participative leadership, also known as democratic leadership, is a leadership approach that emphasizes the involvement of subordinates in the decision-making process and encourages open communication between leaders and employees. According to Likert (1967), participatory leadership is based on the principles of mutual trust and respect, where leaders value the opinions, ideas, and contributions of team members in organizational decision-making. Rather than relying solely on authority or commands, participative leaders empower employees by giving them a voice in shaping strategy, solving problems, and improving operations. This approach fosters a sense of psychological ownership and strengthens employee commitment to achieving shared goals.

Participative leadership aligns with the human relations movement, which views employees not simply as subordinates but as valuable contributors to organizational success. Robbins and Judge (2019) describe participative leadership as a leadership style in which managers actively seek input from subordinates before making decisions, believing that greater participation leads to more effective problem-solving and higher job satisfaction. This leadership style increases transparency and trust by creating an atmosphere where employees feel respected and involved in the decision-making process. In practice, participative leaders

act as facilitators who guide, support, and coordinate group efforts rather than simply act as authoritarian figures.

Therefore, participative leadership is based on the theory of shared decision-making and empowerment theory, which states that employees perform better when they have control and autonomy over their work (Yukl, 2013). Therefore, empowerment can increase intrinsic motivation by fulfilling psychological needs for competence, autonomy, and relatedness. Therefore, participatory leadership is not only a management technique but also a motivational mechanism that encourages proactive and responsible behavior. Employees under participative leadership often exhibit higher Organizational Citizenship Behaviors (OCB) involving altruism, conscientiousness, and civic virtue so they can perceive fairness, recognition, and trust from their leaders.

Compensation

Compensation is one of the most fundamental elements of human resource management, serving as an organization's primary means of attracting, motivating, and retaining employees. According to Dessler (2020), compensation refers to all forms of payment or reward provided to employees arising from their work. This includes direct financial payments such as wages, salaries, and bonuses, as well as indirect benefits such as insurance, pension plans, and paid leave. Thus, compensation serves not only as a means of livelihood for employees but also as a strategic tool for organizations to improve performance and achieve competitive advantage. Designing and implementing a fair and competitive compensation system is crucial to ensuring employee satisfaction and commitment to organizational goals.

From a psychological and behavioral perspective, compensation is a reciprocal relationship between employers and employees, in which the organization rewards the contributions, skills, and efforts of its workforce. Milkovich, Newman, and Gerhart (2016) define compensation as all forms of financial rewards and tangible benefits that employees receive as part of their employment relationship. This concept is rooted in equity theory and expectancy theory, which emphasize fairness and perceived value as core to employee motivation. When employees perceive their compensation as fair relative to their efforts and comparable to their peers, they tend to exhibit higher productivity and engagement. Conversely, perceived pay inequity can lead to dissatisfaction, absenteeism, or even employee turnover.

Compensation also plays a crucial role in shaping employee behavior and performance outcomes. Mondy and Martocchio (2016) state that compensation acts as a powerful motivator, influencing employees to perform tasks efficiently and effectively. A well-structured compensation system aligns individual performance with organizational goals through performance-based pay, merit increases, and incentive programs. In this sense, compensation is not simply a cost to be managed, but an investment in human resource development. Especially in professional sectors such as architectural consulting, where creativity and quality output are crucial, an effective compensation strategy can enhance employee motivation, innovation, and organizational citizenship behavior.

In addition to monetary rewards, compensation includes non-financial recognition and benefits that contribute to employee well-being and overall job satisfaction. Gomez-Mejia, Balkin, and Cardy (2016) argue that modern compensation systems emphasize total rewards, integrating financial and non-financial aspects to meet both extrinsic and intrinsic employee needs. Non-monetary compensation, such as career development opportunities, flexible work arrangements, and recognition programs, can enhance employees' sense of belonging and purpose. This holistic approach ensures that compensation supports not only financial security but also personal and professional fulfillment, which drives long-term organizational loyalty.

From a managerial perspective, determining compensation involves balancing multiple objectives, including internal equity, external competitiveness, and compliance with legal standards. According to Armstrong and Taylor (2020), compensation management aims to create a structured system that rewards employees fairly based on their contributions while ensuring alignment with organizational strategy and labor market conditions. Factors influencing compensation include job complexity, employee performance, skill level, market demand, and company profitability. Therefore, an effective compensation policy must be transparent, fair, and performance-oriented to simultaneously support organizational effectiveness and employee satisfaction.

Thus, compensation is a multifaceted concept encompassing both financial and non-financial rewards provided by an organization to its employees in exchange for performance and commitment. Compensation serves not only as a means to meet economic needs but also as a strategic mechanism to motivate, retain, and develop a skilled workforce. A well-designed compensation system contributes to employee motivation, increased productivity, and strengthened organizational loyalty—key factors in achieving long-term business success, particularly in knowledge-intensive industries such as architectural consulting.

The Effect of Participative Leadership Style on Organizational Citizenship Behavior (OCB)

Participative leadership emphasizes the active involvement of employees in decision-making by encouraging open communication, shared accountability, and the exchange of ideas. Participative leaders value subordinate input, build a sense of belonging, and foster trust and psychological safety. Through respectful and fair relationships, employees can be encouraged to demonstrate Organizational Citizenship Behavior (OCB), such as helping coworkers, demonstrating loyalty, and supporting organizational initiatives. Research shows that leadership that fosters trust and fairness contributes to increased OCB and overall organizational effectiveness.

In addition to increasing trust and motivation, a participative leadership style can strengthen teamwork, collaboration, and employee satisfaction and commitment, which can be important factors in fostering OCB. By allowing space for employee ideas and contributions, leaders foster altruism and collective responsibility, especially in professional environments that demand creativity and collaboration, such as architectural consulting firms. This approach is in line with Social Exchange Theory (Blau, 1964), where leaders who empower and value employees will receive rewards in the form of loyalty, cooperation, and proactive behavior that strengthens organizational productivity and innovation.

The Effect of Compensation on Organizational Citizenship Behavior (OCB)

Compensation plays a crucial role in shaping employee attitudes and behavior, including Organizational Citizenship Behavior (OCB). When employees perceive their compensation as fair, transparent, and commensurate with their contributions, positive attitudes such as loyalty, motivation, and voluntary participation beyond formal duties emerge. Based on Social Exchange Theory (Blau, 1964), fair compensation creates a reciprocal relationship between the organization and employees, where adequate rewards encourage positive behaviors such as cooperation, initiative, and concern for the organization. This strengthens the psychological contract and enhances OCB, particularly in professional environments such as architectural consulting firms that demand high levels of creativity and collaboration.

Numerous studies, both internationally and in Indonesia, show that fair and performance-based compensation enhances OCB through a sense of fairness, job satisfaction, and organizational commitment. Compensation systems that combine financial and non-financial rewards, such as recognition, training, and career opportunities, have been shown to

strengthen employees' emotional attachment to the organization. In a creative context, employees who feel valued are more motivated to help coworkers, demonstrate initiative, and contribute to collective success. So an effective compensation strategy not only retains employees, but also fosters voluntary behavior that strengthens the organization's performance and competitive advantage.

The Simultaneous Effect of Participative Leadership Style and Compensation on Employee Organizational Citizenship Behavior (OCB)

Simultaneously, a participative leadership style and a fair compensation system are a strategic combination in creating a work environment conducive to the growth of Organizational Citizenship Behavior (OCB). Participative leaders create a sense of psychological safety and emotional involvement, while adequate compensation provides material security and tangible recognition for employee contributions. When these two aspects are present together in an organization, employees feel not only professionally valued but also financially recognized, ultimately increasing their motivation to contribute beyond minimum job standards.

The combination of these two variables can be comprehensively explained through Social Exchange Theory (Blau, 1964). This social exchange theory asserts that human behavior in organizations is based on the principle of reciprocity. Through a participative leadership style, organizations provide "social assets" in the form of trust, autonomy, and respect for employee ideas. Conversely, through a fair and transparent compensation system, organizations provide "economic assets." When employees receive the ideal combination of supportive leadership and fair compensation, the psychological contract between them and the organization is strengthened. In return, employees will voluntarily demonstrate OCB, such as a willingness to help coworkers, maintain organizational resources, and contribute creative ideas for mutual progress.

In the context of a creative industry like an architectural consulting firm, the simultaneous influence of these two factors is crucial. The characteristics of architectural work demand intense collaboration, tight deadlines, and a high level of creativity. Participative leadership ensures that sectoral egos among architects can be dissolved through open discussion, while fair compensation ensures that their creative energy is rewarded proportionately. An imbalance in either factor, for example, a participative leader but below-standard compensation, or high compensation but a highly authoritarian leadership style, will hinder the optimization of OCB. Therefore, the appropriate alignment between participative leadership and effective compensation simultaneously serves as a powerful factor in encouraging proactive behavior, loyalty, and sustainable organizational competitive advantage.

Conceptual Framework

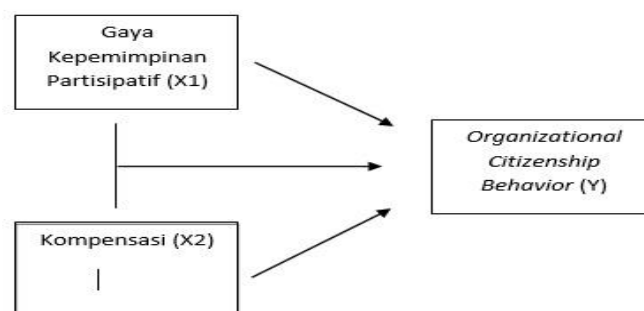


Fig. 1. Conceptual Framework

3. Research Methods

This study employed a quantitative research approach with a descriptive and verificative design to examine the influence of participative leadership style and compensation on organizational citizenship behavior (OCB) at pt. urbane indonesia. The descriptive approach was used to describe the existing conditions of each research variable, while the verificative approach was applied to test the hypotheses regarding the relationships among variables through statistical analysis.

This research was conducted at PT. Urbane Indonesia, a project-based architectural and urban design consulting firm in Bandung, West Java. The location was chosen based on the importance of Organizational Citizenship Behavior (OCB), where the success of multidisciplinary team projects is highly dependent on employee volunteerism and collaboration in a dynamic business environment. Theoretically, using Social Exchange Theory, there are initial phenomena in the form of variations in participation levels, differences in perceptions regarding compensation, and differences in employee OCB levels. Therefore, this study was designed to empirically investigate the extent to which Participative Leadership Style and Compensation influence OCB among the company's employees.

This study was conducted throughout the 2025/2026 period, which included a series of stages ranging from preparation, questionnaire distribution, data collection, to data analysis. Due to the limited population size of only 52 employees, the researcher applied a saturated or census sampling method. By involving all members of the population who met the criteria as respondents, this study aims to collect complete and in-depth information regarding the impact of leadership styles and compensation systems on employee volunteer behavior within the organization.

The research used a questionnaire as a data collection instrument developed from indicators for each variable. To measure responses, a five-point Likert scale was used, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The Likert scale was chosen based on its ability to structuredly measure respondents' views and opinions.

This study involved participative leadership style (X1) and compensation (X2) as independent variables, and organizational citizenship behavior (Y) as the dependent variable. The participative leadership style variable was measured through four main dimensions, namely consultation, delegation, joint involvement, and collaborative decision-making. Meanwhile, compensation was assessed based on the components of direct financial compensation, indirect financial compensation, and non-financial rewards. Finally, the organizational citizenship behavior (OCB) variable was measured using behavioral indicators of altruism, conscientiousness, sportsmanship, courtesy, and civic virtue.

The data analysis process was conducted using the SPSS program through several scientific procedures. Instrument and model testing included descriptive statistical analysis, validity testing, reliability testing, and classical assumption testing (normality, multicollinearity, and heteroscedasticity). The influence of participative leadership style and compensation on organizational citizenship behavior was analyzed using multiple linear regression. Meanwhile, hypothesis testing was evaluated based on the t-test (partial), F-test (simultaneous), and coefficient of determination (R²) to assess the contribution of the independent variables to the dependent variable.

4. Results and Discussions

This study aims to analyze the influence of Participative Leadership Style and Compensation on Organizational Citizenship Behavior or OCB. Data collection was conducted on 52 employees as respondents at PT. Urbane Indonesia. Based on descriptive statistics, the

OCB variable recorded the highest average value of 4.06, which indicates that employees generally have very good volunteer behavior. On the other hand, the Participative Leadership Style variable had an average of 3.92, while the Compensation variable recorded the lowest average of 3.74.

Based on partial testing (t-test) in the previous section, it was found that Participative Leadership Style (X_1) has a positive and significant influence on employees' Organizational Citizenship Behavior (Y). The statistical results show that the calculated t value $> t_{table}$ ($8.440 > 2.010$) with a significance level of $0.000 < 0.05$. This empirically proves that the better and more inclusive the participatory leadership style implemented by superiors, the more it will be followed by a significant increase in employees' organizational citizenship behavior (OCB). Theoretically, the findings of this study are very much in line with the theory of shared decision making and the theory of empowerment which states that employees perform better when they have control and autonomy over their work. In this company environment, this active involvement (reflected in the high mean value of X_1 of 3.92) has succeeded in creating a democratic work climate. Employees no longer see themselves as merely executing orders, but as strategic partners of the organization. This sense of appreciation triggers intrinsic motivation and a deep sense of belonging. When employees feel a sense of belonging to the company, they will voluntarily contribute extra-role behaviors beyond their formal responsibilities, such as helping overwhelmed coworkers or providing constructive feedback to improve team efficiency. Similarly, this research aligns with Organ's (2018) view, which asserts that OCB thrives in an organizational environment that fosters a sense of procedural justice through active employee involvement in internal company processes.

Partial test results demonstrate that participatory leadership triggers high employee volunteerism. When leaders provide space for discussion in decision-making, as indicated by a high mean value (X_1) of 3.92, employees feel a greater sense of moral responsibility. This feeling of appreciation fuels their intrinsic motivation to voluntarily help coworkers in need without expecting immediate rewards.

The partial test results for the second variable indicate that Compensation (X_2) has a positive and significant effect on employees' Organizational Citizenship Behavior (Y). This fact is supported by the calculated t value $> t_{table}$ ($10.446 > 2.010$) with a significance level of $0.000 < 0.05$. Through the regression coefficient value of 0.461 and the highest calculated t value, the compensation variable is proven to be the most dominant predictor influencing the formation of OCB behavior in 52 employees of this company. The theoretical explanation for the dominance of this variable is firmly rooted in the Social Exchange Theory proposed by Peter Blau (1964). This theory explains that industrial relations in the workplace are basically based on the principle of reciprocity. When a company is committed to providing fair, appropriate, and timely compensation (both financial such as salaries and bonuses, and non-financial such as health benefits), employees will perceive this as a form of organizational concern for their welfare. Based on the norm of reciprocity, employees will feel a moral obligation to repay the organization's kindness. Because fulfilling formal (in-role) duties is considered a standard obligation in exchange for basic wages, employees reciprocate the organization's extra-benevolence through voluntary acts of OCB, such as maintaining a clean work environment, not taking excessive breaks, and upholding the company's reputation outside of work hours. Empirically, these findings support the quantitative research conducted by Wijaya (2023) in a similar industry, which stated that satisfaction with the remuneration system is linearly correlated with employees' willingness to work beyond the established minimum standards. However, because the compensation variable recorded the lowest mean score (3.74) among the other variables in the data description, these results also serve as an important warning for management. Referring to Sari's (2024) research, latent dissatisfaction with economic aspects has the potential to slowly erode OCB behavior. Therefore, maintaining

an industry-competitive compensation system is absolutely necessary if companies want to maintain high employee loyalty and voluntary behavior.

Compensation was found to be the most dominant determinant factor, with the highest regression coefficient (0.461). Based on social exchange theory, a fair and satisfactory compensation system creates a sense of economic security for the 52 employees of this company. As a result, they no longer focus solely on fulfilling their core duties but instead have the psychological energy left to contribute more to the advancement of the workplace (OCB). The combined effect of these two variables, which reached 77.8%, demonstrates that the combination of humanistic leadership and fair pay is the key to building work loyalty.

Based on simultaneous testing (F-test), it was found that Participative Leadership Style (X_1) and Compensation (X_2) simultaneously have a significant influence on employee Organizational Citizenship Behavior (Y). This is evidenced by the calculated F value $> F_{table}$ ($85.74 > 3.19$) with a significance probability value of $0.000 < 0.05$. The coefficient of determination, with an R-Square value of 0.778, indicates that the combination of these two independent variables contributes a very strong influence, amounting to 77.8%, to the variation in employee OCB.

These simultaneous results can trigger positive organizational outcomes such as OCB behavior, employees need balanced job resource support. Participative leadership style acts as a socio-psychological resource that provides a sense of security and autonomy in the workplace, while compensation acts as a material-economic resource that ensures employee physical well-being. When a company is able to effectively integrate these two resources meaning employees are led by superiors who value their opinions and are paid fairly, it creates an ideal work environment. Employees are freed from basic financial pressures and feel recognized as human beings. The collective impact of this material and psychological satisfaction is what gives rise to the highest level of loyalty in the form of massive OCB. This total influence of 77.8% confirms that efforts to foster employee volunteerism will not be optimal if the company only focuses on one aspect. Good leadership without adequate wages will trigger demotivation, while high wages without humanistic leadership will only produce transactional workers without emotional loyalty.

Instrument Test

Validity Test

Validity testing was conducted using the Corrected Item-Total Correlation method in SPSS. The (r-count) value of each of the 10 questions per variable will be compared with the (r-table) value. The (r-table) value for $N=52$ at 5% significance is 0.273. All questions for participative leadership style and compensation on organizational citizenship behavior (OCB) have a (r-count value > 0.273). Thus, it is stated that all question indicators in this questionnaire are valid and can be used for data collection.

Reliability Test

Reliability testing was measured using the Cronbach's Alpha coefficient with a standard reliability limit of a value greater than 0.60. The Cronbach's Alpha value for all three variables was above 0.60. This proves that the questionnaire instrument has very high consistency (reliability) if reused in the future.

Classical Assumption Test

Normality Test

The purpose of the normality test is to assess the distribution of residual data in a regression model. The method used in this study is the Kolmogorov-Smirnov (K-S) test with a

significance level of 0.05. Residual data are categorized as normally distributed if the significance value exceeds 0.05.

The test uses the One-Sample Kolmogorov-Smirnov Test. Data are considered normally distributed if the significance value (p-value) is >0.05 . A significance value of $0.200 > 0.05$ demonstrates that the residual model in this study meets the assumptions of a normal distribution.

Multicollinearity Test

The multicollinearity was conducted to ensure there was no strong linear relationship between the independent variables, namely participative leadership style and compensation. The requirements for passing the test were a Tolerance value is greater than 0.10 and a Variance Inflation Factor (VIF) value is less than 10. The Tolerance value ($0.642 > 0.10$) and VIF ($1.558 < 10$), so it was concluded that the regression model was free from multicollinearity problems.

Heteroscedasticity Test

The purpose of the heteroscedasticity test is to ensure that the residual variance in the regression model remains constant across all observations. A good regression model requires the absence of heteroscedasticity, so the residual variance must be consistent or homogeneous.

Testing was conducted using the Glejser Test by regressing the independent variables against the Absolute Residual values. The model is declared successful if the significance value of the independent variables is >0.05 . Because the significance values of both variables are above 0.05, it can be confirmed that this regression model is free from heteroscedasticity (residual variance is constant/homoscedastic).

Multiple Linear Regression Analysis

Multiple linear regression analysis was employed to examine the effect of participative leadership style and compensation on organizational citizenship behavior (OCB) at PT.Urbane Indonesia, Bandung City. Based on the SPSS output, the following regression equation was obtained:

$$Y = 0.854 + 0.376 X_1 + 0.461 X_2$$

Where:

Y = Organizational Citizenship Behavior (OCB)

X_1 = Participative Leadership Style

X_2 = Compensation

Based on this equation, the interpretation of the regression model can be described in an integrated manner. The constant value of 0.854 indicates the condition of employee OCB when the participative leadership style (X_1) and compensation (X_2) variables do not change or are zero. A positive relationship was found in both independent variables; the coefficient of (X_1) of 0.376 indicates that every one-point increase in participative leadership style will boost OCB by 0.376 points. Meanwhile, the coefficient value of (X_2) of 0.461 confirms that a one-point increase in the compensation system will optimize employee OCB achievement by 0.461 points.

Coefficient of Determination and Test

Partial Test (t-Test)

Partial testing (t-test) shows that both independent variables have a positive and significant effect on OCB. The (t-count) value for Participative Leadership Style is 8.440, while

Compensation records a higher (t-count) value of 10.446 (with a (t-table) limit of 2.010 and a significance value of 0.000).

Simultaneous Testing (F Test)

Based on the simultaneous test, the F-count value was 85.74 with a significance probability of 0.000. Because the significance value is much smaller than 0.05, H3 is accepted. This proves that Participative Leadership Style and Compensation together have a significant effect on employee OCB.

Analysis of the Coefficient of Determination (R^2)

The R-square value obtained was 0.778. This figure indicates that the combined influence of Participative Leadership Style and Compensation on the variation in employee OCB was 77.8%. The remaining 22.2% was influenced by other variables outside this research model.

5. Conclusion

Conclusion

Based on the research results and discussion presented regarding the influence of Participative Leadership Style (X1) and Compensation (X2) on Organizational Citizenship Behavior (OCB) (Y) among 52 company employees, the following conclusions can be drawn:

Participative Leadership Style (X1) has a positive and significant partial effect on employee OCB (Y). This is evidenced by the calculated t value $>$ t table ($8.440 > 2.010$) and a significance value of $0.000 < 0.05$. This means that the more inclusive the leadership is in involving employees in the decision-making process, the more employee volunteerism (OCB) in the workplace will significantly increase.

Compensation (X2) has a positive and significant partial effect on employee OCB (Y). This is evidenced by the calculated t value $>$ t table ($10.446 > 2.010$) and a significance value of $0.000 < 0.05$. Compensation is the most dominant determinant in triggering OCB, having the largest regression coefficient (0.461). This means that the fair fulfillment of financial and non-financial rights can stimulate employees to contribute more to the company beyond their core duties.

Participative Leadership Style (X1) and Compensation (X2) simultaneously (together) significantly influence employee OCB (Y). This is evidenced by the calculated F_value of 85.74 and a significance value of $0.000 < 0.05$. The combination of a comfortable work environment created by the leader and satisfaction with compensation contributed 77.8% to the fluctuations in employee OCB at this company.

Suggestions

Referring to the conclusions above, several practical and academic suggestions are as follows:

Practical Suggestions

Maintaining and Improving Compensation Policies: Because compensation is the most dominant variable, company management is advised to regularly review the appropriateness of wage structures, incentives, and benefits to ensure they remain competitive and fair for all employees.

Leadership Training for Supervisors: Management needs to conduct regular training for managers or division heads to hone participatory leadership styles, such as task delegation techniques and open discussion methods before setting work targets.

Academic Suggestions

Adding New Variables: Given that the coefficient of determination (R^2) indicates a contribution of 77.8%, 22.2% of the variation in OCB is still influenced by other factors. Future researchers are advised to examine variables outside this model, such as Organizational Culture, Job Satisfaction, or Organizational Commitment.

Expanding the Research Sample: Future research is expected to expand the scope of respondents beyond 52 employees, for example by using a census method across all company branches to generalize the data more broadly and accurately.

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