

The Effect of Work Environment and Compensation on Employee Performance

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DOI: [10.46821/benchmark.v2i2.250](https://doi.org/10.46821/benchmark.v2i2.250)

ABSTRACT

This study aims to determine the effect of the working environment and compensation to employee performance at PT. Jombang Intermedia Press (Radar Jombang). The sample of this research is a permanent employee at PT. Jombang Intermedia Press (Radar Jombang) by 40 respondents. Methods of analyzing data used in this study include testing instrument, the classical assumption, t test, F test and multiple linear regression. The results of this study indicate that the Work Environment and Compensation positive and significant effect on the performance of employees at PT. Jombang Intermedia Press (Radar Jombang). Therefore, PT. Jombang Intermedia Press (Radar Jombang) should maintain and facilitate all the needs of physically and psychologically to support all forms of employees' work activities.

Keywords: Work Environment, Compensation, Performance.

INTRODUCTION

The era of globalization as it is today is marked by competitive and risky economic developments, finally companies must be observant to grow and develop all existing potential in the face of intense competition. On the other hand, to be able to achieve the company's vision, mission, and goals, dedicated and professional human resources are needed. Work synergies are also supported by motivation and work environment in a company (Suprihati, 2014).

Meeting the needs of each human resource in the company will certainly result in the quality of the human resources themselves, and it will appear that the performance of each individual will increase. Performance is the result of work both in quality and quantity achieved by each individual in carrying out the tasks and responsibilities given (Chanderson & Suprastha, 2020).



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Good performance is supported by an important aspect, namely the work environment. The work environment is a social, psychological and physical life that affects workers in carrying out their duties (Chanderson & Suprastha, 2020). Fachreza et al. (2018) that the environment with job satisfaction has a positive relationship and has an effect on the work performance of an organization. Another factor that affects performance is compensation.

PT. Jombang Intermedia Pers is a publishing company. PT. Jombang Intermedia Pers as one of the local daily newspapers which is sufficient to add information and the scope of its reading is very potential for the surrounding community. In order to achieve the vision and mission, the management of PT. Jombang Intermedia Pers strives to be competitive, so that it maintains its existence and continues to advance according to its vision and mission. PT. Jombang Intermedia Press seeks to improve the presentation of information or news needed by the public.

In achieving the aspired vision, it is necessary to have expert human resources in each field. In addition, optimal performance must exist in the human resources owned. The company's vision and mission can be achieved if human resources have good performance. Performance is the result of work achieved by each human resource according to the vision and mission of the organization or company (Suprihati, 2014). Good and optimal performance has an impact on the output produced or on target (Andriani et al., 2021). Conversely, if employee performance decreases, it will have an impact on achieving company goals.

Chanderson & Suprastha (2020) explained that performance is a description of an achievement of activities, programs, policies in realizing the goals and visions of the organization's vision and mission. Performance is influenced by several factors including the work environment and compensation.

The work environment is a concern for organizational or company leaders. Spatial designs such as lighting, air, security, privacy and workspaces have an influence on employee performance (Marayasa & Noryani, 2020). In addition Sahlan et al. (2015) explains that employees in working or carrying out their duties are influenced by the surrounding work environment. So that the work environment greatly affects employee performance.

Employees who have good performance should receive comparable compensation. Compensation is defined as income, which can be in the form of money, goods, directly or indirectly received by employees in return for performance or output given to the company or organization (Sahlan et al. 2015). In addition Arifudin (2019), explained that the dimensions of compensation include Salary, Incentives, Operational Allowances, Health, and Pensions. Employee performance is high and tends to increase, then the company or organization must provide fair compensation to each employee whose performance is good. The compensation is in the form of salary in accordance with applicable regulations, incentives or bonuses, work protection in the form of health insurance and work accidents (Iswanto et al., 2020).

Meeting the needs of employees at the company will certainly produce quality human resources and have an effect on performance which tends to increase. Performance is the result of work both in quality and quantity achieved by each individual in carrying out the tasks and responsibilities given (Chanderson & Suprastha,

2020). These problems must be anticipated by PT. Jombang Intermedia Pers, which must carry out more supervision of employee performance and improve facilities so that employees are more comfortable at work. In addition, the compensation given also needs to be adjusted to what has been done by employees so that they feel satisfied so that the feedback given to the organization can be optimal and the goals of the organization will be easily achieved. The purpose of this study was to examine the effect of work environment and compensation on employee performance at PT. Jombang Intermedia Press.

METHOD

This research was conducted at PT. Jombang Intermedia Press (Radar Jombang). The sample in this study were all permanent employees as many as 40 employees of PT. Jombang Intermedia Press. The sampling technique in this study used the Proportion Stratified Random Sampling technique, this technique is used when the population has members that are not homogeneous and proportionally stratified (Sugiyono, 2012).

The purpose of this study was to determine the effect of the work environment and compensation on employee performance at PT. Jombang Intermedia Press (Radar Jombang) using multiple linear regression analysis.

$$Y = a + b_1X_1 + b_2X_2 + e \quad (1)$$

The information:

- a = the constanta
- b₁, b₂, b₃ = regression coefficient
- X₁ = work environment variables
- X₂ = compensation variable
- Y = employee performance variables
- e = error

RESULTS AND DISCUSSION

Validity and Reliability Test

Based on the table of validity test results, it can be seen that all statement items from the work environment, motivation, and performance variables are valid (Table 1). The results of the reliability test can be seen that the value of all statement items of work environment, motivation, and performance variables is alpha value > sig value (0.600). So it can be concluded that all of the statement items are reliable Table 2.

Table 1
Validity Test Results

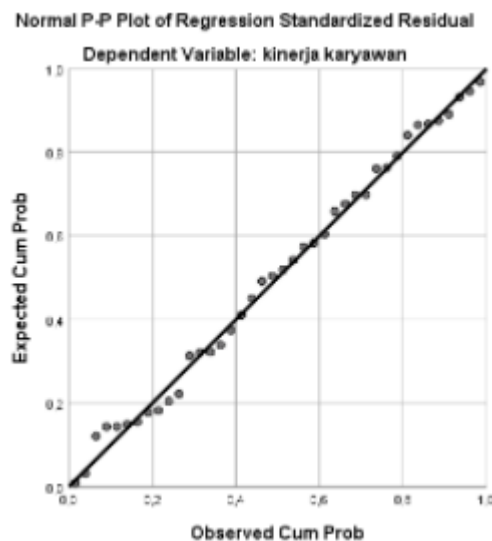
No	Variable	Number of Question	Description
1	Work environment	18	Valid
2	Compentation	18	Valid
3	Performance	10	Valid

Source: Processed Data, 2021

Table 2
Validity Test Results

No	Variable	Alpha Value	Sig Value	Description
1	Work environment	0,740	0,6	Reliable
3	Compentation	0,764	0,6	Reliable
4	Performance	0,772	0,6	Reliable

Source: Processed Data, 2021



Source: Processed Data, 2021

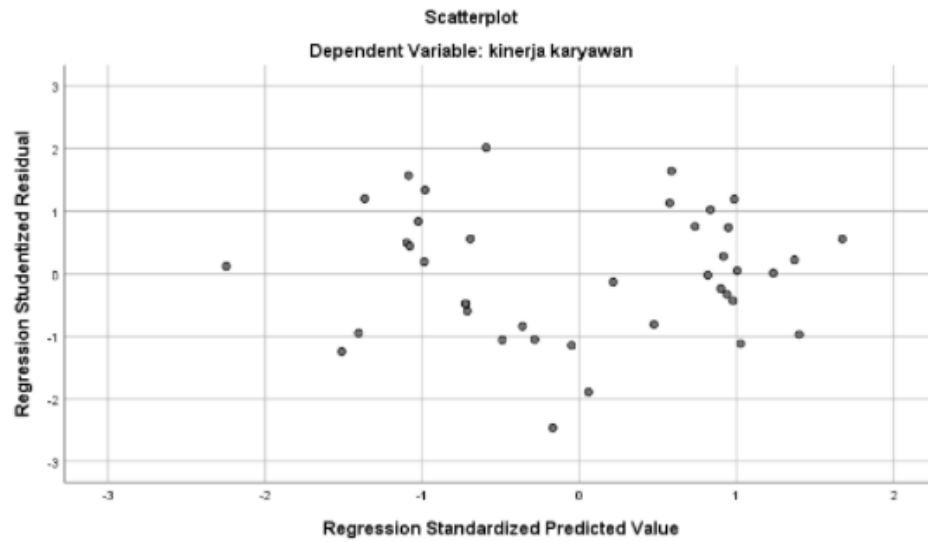
Figure 1
Normality Test

Normality test

Based on the results of the normality test, it can be explained that all variables consisting of two independent variables (variable X) consisting of: work environment and compensation with employee performance (variable Y) are said to be normal distribution, because the data (points) spread around a straight line and follow line direction (Figure 1).

Multicollinearity Test

Based on the results of the multicollinearity test, it can be explained that the work environment variable (X1) has a VIF value of 1.086, and the compensation variable (X3) has a VIF value of 1.027, it can be concluded that in this regression model there is no multicollinearity, because it has a VIF value for all three independent variable is less than 5.



Source: Processed Data, 2021

Figure 2
Heteroscedasticity Test

Table 2
T Test Results (Partial)
Coefficients^a

Variable	Sig
Work environment	,820
Compensation	,503

Source: Processed Data, 2021

Autocorrelation Test

Based on the results above, that the Durbin-Watson value of 1.834 can be seen that in this regression model there is no autocorrelation, because the Durbin-Watson value. is between <1 and >3 .

Heteroscedasticity Test

Based on figure 2, the heteroscedasticity test can be seen that this regression model does not occur heteroscedasticity, because the dots spread randomly and do not show a certain pattern.

T Test

Based on the results of the t-test above, for each of which the work environment (X1) has a significance value of 0.820. This means that there is a significant effect of the work environment on employee performance at Radar Jombang. Furthermore, motivation (X2) has a significance value of 0.537. Where there is a significant influence of motivation on the performance of Radar Jombang. Then for compensation (X3), it has a significance value of 0.503. That is, there is a significant effect of compensation on

employee performance at Radar Jombang. In accordance with research conducted by Alfitri et al. (2020), where compensation has a significant effect on employee performance on CV. BAHARI ENGINEERING GEDANGAN SIDOARJO.

F Test

Based on table 3, it is known that simultaneously the work environment and compensation variables have a significant effect on the employee performance of Radar Jombang with a sig value of 0.028 which is smaller than 0.05. Referring to the research of Dewi et al. (2021) that the work environment will also affect employee morale, where morale will have an impact on good employee performance so that employee productivity will increase. Furthermore Iswanto et al. (2020), also mentions that compensation has a very large effect on employee performance with a coefficient (beta) of 0.233.

Multiple Linear Regression Analysis

Based on the results of multiple linear regression, it can be obtained the following multiple linear regression equation.

$$Y = 3,117 - 0,012 X_1 + 0,610 X_2 - 0,021 X_3$$

The results of the analysis show that the R number is 0.932, which means that the relationship between employee performance and the two independent variables of work environment and compensation is in good category. Meanwhile, from the results of the coefficient of determination (R^2) in this study, the R^2 value of 0.868 means that 86.6% of the performance level of Radar Jombang employees is influenced by the work environment and compensation. While the remaining 23.4% is explained by variables that are not included in the variables used or not examined in this study (Table 4). Research Andriani et al. (2021), showed that the work environment had an effect on performance with an R^2 value of 0.738. In addition Hardiani & Vikaliana (2020) and Purnawati et al. (2019) explains that compensation has an important role in improving employee performance, a decrease in compensation by one unit will have a major effect on decreasing employee performance in the company.

Table 3
F Test Results (Simultaneous)
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	843,008	3	281,003	78,729	,028 ^b
	Residual	128,492	36	3,569		
	Total	971,500	39			

a. Dependent Variable: employee performance

b. Predictors: (Constant), compensation, motivation, work environment

Source: Data Processed, 2021

Table 4
Multiple Linear Regression Test Results
Coefficients^a

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	3,117	4,997
	Work Environment	-,012	,053
	Motivation	,610	,041
	Compensation	-,021	,030

a. Dependent Variable: employee performance

Source: Data Processed, 2020

CONCLUSION

Based on the research, it can be seen that the partial test results show that the work environment and compensation variables have a significant effect of 0.820 and 0.503. Meanwhile, the results of the F test simultaneously obtained a significance value of 0.028, which means that the work environment and compensation variables have a significant effect on the employee performance of Radar Jombang. For the coefficient of determination test (R^2), the value of R^2 is 0.868, meaning that 86.6% of the performance level of Radar Jombang employees is influenced by the work environment and compensation. While the remaining 23.4% is explained by other variables used or not examined in this study.

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