



EFFECT OF WORK ENVIRONMENT AND COMPENSATION ON EMPLOYEE PERFORMANCE THROUGH WORK MOTIVATION (*Case Study at Perumda Tirta Mangkaluku, Palopo City*)

Muhammad Firman Salam¹, Sumardi², Indrianty Sudirman³

¹*Master of Management, Faculty of Economics and Business, Hasanuddin University; muhfirmansalam27@gmail.com*

²*Faculty of Economics and Business, Hasanuddin University; Sumardi@fe.unhas.ac.id*

³*Faculty of Economics and Business, Hasanuddin University; indrianty_sudirman@yahoo.com*

Abstract:

This study aims to determine the effect of work environment and compensation on employee performance through work motivation at Perumda Tirta Mangkaluku, Palopo City. This research is a quantitative research, the data used is primary data, namely data obtained from distributing questionnaires to research objects. The population in this study were employees at Perumda Tirta Mangkaluku, Palopo City. The sampling technique used purposive sampling with a total sample of 75 respondents. The analytical method used in this study is regression analysis via SPSS version 2.3. The results of the study show that (1) the work environment has a positive and significant effect on work motivation; (2) compensation has a positive and significant effect on work motivation; (3) the work environment has a positive and significant effect on employee performance; (4) compensation has a positive and significant effect on employee performance; (5) work motivation has a positive and significant effect on employee performance; (6) the work environment has a positive and significant effect on employee performance through work motivation; and (7) compensation has a positive and significant effect on employee performance through work motivation.

Keyword: *work environment, compensation, employee performance, work motivation*

A. PRELIMINARY

Human resources are the most important asset in improving company performance, both private and government companies. All processes required in achieving company goals are inseparable from human resources, both from decision making to the evaluation process, all of which cannot be separated from human resources. Employee performance is influenced by many factors. Three of them are work motivation, work environment and compensation. Phenomena that often occur regarding employee behavior related to motivation that affect performance, one of which is marked by employee absences, task completion and achievement of results. If employee absenteeism is good then employee motivation to work is good. Conversely, if employee absenteeism is bad, employee motivation is low. Likewise, the completion of tasks, the better the completion of an employee's task, means that the motivation of an employee is good. Apart from motivation, compensation also influences employee performance as indicated by employee discipline, loyalty, and employee attendance. The better employee discipline means good employee compensation, conversely if employee discipline decreases, employee compensation decreases. Also employee loyalty can be measured to determine employee compensation. conversely if employee discipline

decreases, it means that employee compensation decreases. Also employee loyalty can be measured to determine employee compensation. conversely if employee discipline decreases, it means that employee compensation decreases. Also employee loyalty can be measured to determine employee compensation.

B. RESEARCH METHODS

a. Research design

In this study researchers used a quantitative approach. This approach was chosen because it is a type of research that has its specifications, namely systematic, planned and clearly structured from the beginning to the research design, both regarding research objectives, research subjects, research objects, data samples, data sources and methodology.

b. Population and Sample

The population in this study were employees at Perumda Tirta Mangkaluku, Palopo City. This study used a purposive sampling technique in which the sample was selected from the population at the request of the researcher, to calculate the sample size using the Slovin formula.(Yulia Shavika, 2018). Based on the calculation of the number of samples in this study as many as 75 respondents.

c. Method of collecting data

Data collection in this study was carried out using an open questionnaire where respondents were asked to answer questions by selecting answers that had been provided using a Likert scale which contained five levels of answer choices regarding respondents' agreement with the statements put forward. Respondents filled out statements via the Google Form link which were distributed via social media.

d. Data analysis technique

The statistical data collected is generally random and raw, then the data is summed up regularly and the survey results that have been obtained are included in the data tabulation processed using SPSS software version 2.3, which is an analysis of structural equations based on variance which can simultaneously test the measurement model as well as test the model. structural.

C. ANALYSIS AND DISCUSSION

a. Validity test

Table 1 Validity Test

Variable	Items	Correlation coefficient	r Table	Information
Work environment				
X1	X1.1	0.813	0.191	Valid
	X1.2	0.766		
	X1.3	0.660		

	X1.4	0.673		
	X1.5	0.834		
	X1.6	0.732		
	X1.7	0.786		
Compensation				
X2	X2.1	0.825	0.191	Valid
	X2.2	0.761		
	X2.3	0.703		
	X2.4	0.735		
	X2.5	0.843		
	X2.6	0.807		
	X2.7	0849		
Employee performance				
Y	Y.1	0.788	0.191	Valid
	Y.2	0.731		
	Y.3	0.747		
	Y.4	0839		
	Y.5	0.825		
	Y.6	0.596		
	Y.7	0.860		
Work motivation				
Z	Z.1	0.729	0.191	Valid
	Z.2	0.483		
	Z.3	0.660		
	Z.4	0.810		
	Z.5	0.615		
	Z.6	0.773		
	Z.7	0.744		

Source: processed data (2022)

b. Reliability Test

Table 2 Reliability Test

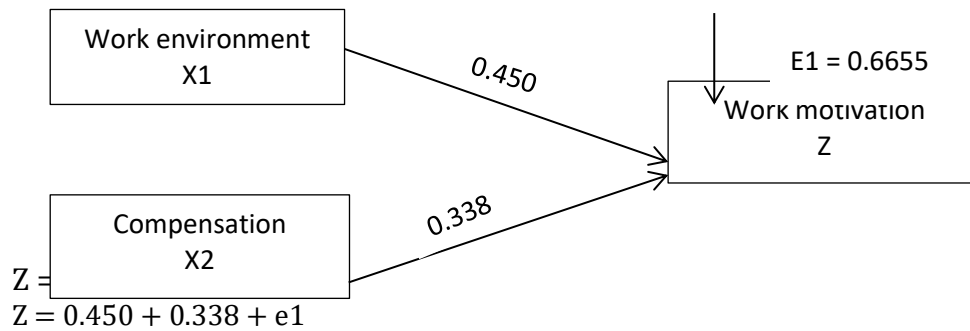
Variable	Reliability Coefficient	Test results
Work environment	0869	reliable
Compensation	0.895	reliable
Employee performance	0.876	reliable
Work motivation	0.788	reliable

Source: processed data (2022)

c. Path Analysis

Model I line

Figure 4.1 Path Analysis Model I



Model II line

Figure 4.2 Path Analysis Model II

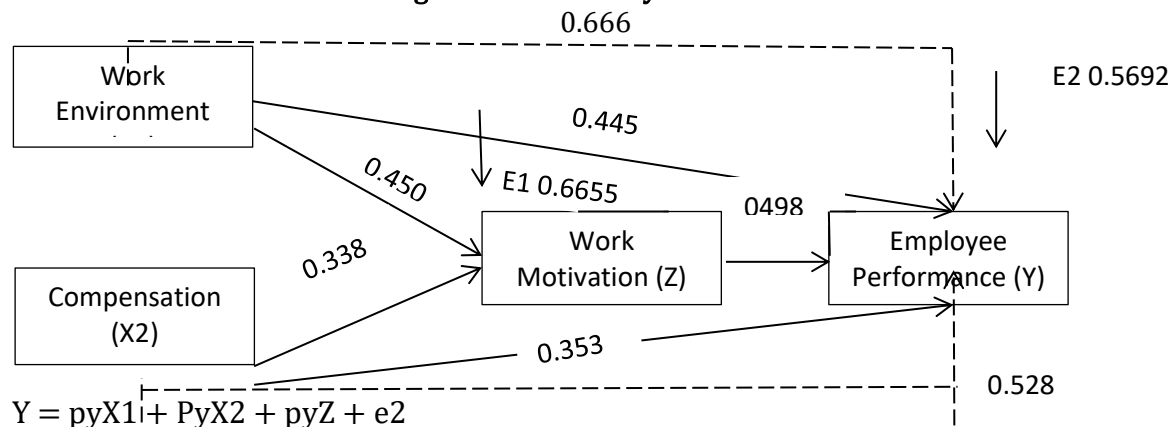


Table 3
Direct, Indirect and Total Effects Between Variables

Variable	Influence		
	Live	Q. direct	Total
X1 against Z	0.450	-	0.450
X2 against Z	0.338	-	0.338
X1 against Y	0.445	-	0.445
X2 against Y	0.353	-	0.353
Z against Y	0.498	-	0.498
X1 to Y through Z	0.445	(0.445 x 0.498) = 0.221	0.666
X2 to Y through Z	0.353	(0.353 x 0.498) = 0.175	0.528

Source: processed data (2022)

d. Sobel test

Table 4

Sobel test

Variable	Absolute Z Value	Significance
The influence of X1 on Y through Z	2.507 > 1.96	Significant
The influence of X2 on Y through Z	2.389 > 1.96	Significant

Source: processed data (2022)

1. Effect of work environment on work motivation

From the results of data analysis it is known that there is a significant influence between the work environment on work motivation, proven to be accepted with a value and a significance value of $0.001 < 0.05$. has the inference that the better the work environment provided by Perumda Tirta Mangkaluku City of Palopo to support the productivity of its employees, it will also increase their work motivation. According to Anwar Prabu (2015) suggests that employee motivation is also influenced by external factors (company characteristics) consisting of the work environment, salary, working conditions, and company policies, and work relations such as awards, promotions, and responsibility.

Based on the observations of researchers and the results of interviews when conducting research Good working environment conditions will affect employee motivation, one form of work environment that is very influential in providing work motivation for employees of Perumda Tirta Mangkaluku City of Palopo is a very high safety work environment. that sense of security. However, it is still lacking in terms of providing work safety facilities so that it will have an impact on providing work motivation. so in this case a good work environment is needed to be able to motivate employees to work.

2. Effect of compensation on work motivation

From the results of data analysis it is known that there is a significant influence between compensation on work motivation, proven to be accepted with a significance value of $0.010 < 0.05$. has the inference that the more appropriate the compensation provided by Perumda Tirta Mangkaluku to its employees, the more work motivation it will also increase. According to Anwar Prabu (2005) suggests that employee motivation is also influenced by external factors (company characteristics) consisting of the work environment, salary, working conditions, and company policies, and work relations such as awards, promotions, and responsibility. One of the external factors that influence work motivation is salary, while salary is part of compensation.

this research supports the research of Nurul Khoiriah, Sri Wahyu Lelly and Wiji Utami (2019) who conducted research on the Effects of Compensation and the Work Environment on Employee Performance with Work Motivation as an Intervening Variable at Pt. Perkebunan Nusantara XII Rubber Processing Section Kotta Blater Jember Plantation. The results showed that compensation and work environment had a significant effect on work motivation at PTPN XII Kebun Kotta Blater Jember. based on the observations of researchers when conducting research it was found that the provision of compensation at Perumda Tirta Mangkaluku was able to have an impact on employee motivation such as providing a salary according to the minimum wage and providing health insurance,

3. Effect of Product Quality on Customer Loyalty

From the results of data analysis it is known that there is a significant influence between the work environment on employee performance, proven to be accepted with a significance value of $0.002 < 0.05$. Having an inference that the better the work environment provided by the company, the employee's performance will improve. This is in accordance with the theory put forward by Armstrong (Bagus Kisworo: 2012), The work environment can be interpreted as a force that influences, either directly or indirectly, the performance of an organization or company. Sitti Zam Zam, et al: (2021) If the officer is happy with the work environment in which he is assigned, the officer can do his job faithfully to use the job more effectively. The output power will increase and directly improve the work efficiency of workers. In the book Rifki Affri Mulia and Nika Saputra (2021) Jay Heizer & Barry Render say that the work environment is the physical environment in which employees work which affects their performance, safety and quality of work life. This study supports research conducted by Lutfi Tri Hartanto (2016) whose research results are compensation, motivation, and work environment on employee performance. Found that compensation, motivation and work environment have a dominant effect on employee performance in UMKM Chips Tempe Production in Sanan, Malang City. This study supports research conducted by Lutfi Tri Hartanto (2016) whose research results are compensation, motivation, and work environment on employee performance. Found that compensation, motivation and work environment have a dominant effect on employee performance in UMKM Chips Tempe Production in Sanan, Malang City. This study supports research conducted by Lutfi Tri Hartanto (2016) whose research results are compensation, motivation, and work environment on employee performance. Found that compensation, motivation and work environment have a dominant effect on employee performance in UMKM Chips Tempe Production in Sanan, Malang City.

The working environment conditions at Perumda Tirta Mangkaluku are good but there are still deficiencies that must be corrected, this can be seen one of them with the presence of cleaning staff, the company's environment will be clean and provide comfort in working, besides that lighting is also very adequate, as well as the presence of security officers The company environment gives a sense of security at work. However, there are also points that need to be improved in the work environment, such as awareness to take care of company facilities, and it is also necessary to further improve harmonious relations among fellow employees. In addition to this, work safety facilities are also really needed by employees to avoid accidents at work so that employees can be safe while doing work.

4. Effect of compensation on Employee Performance

From the results of data analysis it is known that there is a significant influence between compensation on employee performance, proven to be accepted with a significance value of $0.003 < 0.05$, has the inference that the better the work environment provided by Perumda Tirta Mangkaluku to support employee productivity, the employee performance will improve. according to Khair (2017) that better compensation will encourage employee awareness to work better and follow company rules. This study supports research conducted by Lutfi Tri Hartanto (2016) whose research results are compensation, motivation, and work environment on employee performance. Found that compensation, motivation and work environment

have a dominant effect on employee performance in UMKM Chips Tempe Production in Sanan, Malang City.

Based on the observations of researchers regarding the provision of compensation to Perumda Tirta Mangkaluku employees is not optimal because there are still workers who feel that the salary given is unable to meet their needs, therefore the company should provide compensation other than the basic salary. such as bonuses to and incentives for employees, but these have not been paid for the last two years by the company. Perumda Tirta Mangkaluku's compensation in terms of health insurance is good because they are satisfied with the provision of health insurance.

5. Effect of Work Motivation on Employee Performance

From the results of data analysis it is known that there is a significant influence between work motivation on employee performance, a significance value of $0.000 < 0.05$, has the inference that the better the work motivation of Perumda Tirta Mangkaluku employees, the impact on performance improvement. According to Kasmir (2016) suggests that the factors that affect employee performance are abilities and skills, knowledge, work design, personality and work motivation. according to Mangkunagara (2013), argued that the factors that influence performance achievement are ability factors and motivational factors. This research also supports Nurul Khoiriah's research, Sri Wahyu Lelly and Wiji Utami (2019) who conducted research on the Effect of Compensation and the Work Environment on Employee Performance with Work Motivation as an Intervening Variable at Pt. Perkebunan Nusantara XII Rubber Processing Section Kotta Blater Jember Plantation. The results showed that work motivation has a significant effect on employee performance at PTPN XII Kebun Kotta Blater Jember.

Based on the experience of researchers that employee motivation at Perumda Tirta Mangkaluku has decreased because one of the things that motivates employees is bonuses from the company, but for the last two years the company has not given bonuses to employees for no apparent reason.

6. Indirect Effect of work environment and compensation on Employee Performance Through Work Motivation

From the results of the research that has been done, it shows that the influence of the work environment on employee performance directly has a significant influence. And the results can be obtained from the calculations through the Sobel test with the result of a t statistic of 2,507 which is greater than the absolute Z, which is 1.96, while the results of research on compensation for employee performance through work motivation are obtained by conclusions from the calculations through the Sobel test with the results of a larger t statistic of 2,389 compared to the absolute Z of 1.96.

These results indicate that the work environment has an indirect effect on employee performance through work motivation at Perumda Tirta Mangkaluku. Having the inference that the better the work environment that is supported by giving motivation to employees will improve employee performance. according to Armstrong (Bagus Kisworo: 2012), the work environment can be interpreted as a force that influences, either directly or indirectly, the performance of an organization or company. The results of this study are also in line with the theory put forward by Robbins, (2006) In this case, the better the work environment and compensation in a

company, supported by good motivation, will improve employee performance so that they can achieve the goals desired by the company. This research also supports the research of Elok Faiqatul Jannah, Diana Sulianti, Sunardi (2017) who conducted research related to the influence of the work environment and compensation on performance through employee motivation. The results of this study indicate that the work environment has an indirect effect on performance through employee motivation.

D. CONCLUSION

Based on the research that has been done and the results of data analysis that has been processed to find out the effect of the work environment and compensation on employee performance through compensation at Perumda Tirta Mangaluku, Palopo City. The conclusion of this study is that the product quality variable (X1) is 3,530 with a significance level of 0.001 less than $\alpha = 0.05$, then H0 is rejected and Ha is accepted. Which means the work environment has a significant effect on work motivation (Z), vthe compensation variable (X2) is 2.652 with a significance level of 0.010 which is less than $\alpha = 0.05$, then H0 is rejected and Ha is accepted. Which means that compensation has a significant effect on work motivation (Z), the work environment variable (X1) is 3.378 with a significance level of 0.002 less than $\alpha = 0.05$, then H0 is rejected and Ha is accepted. Which means the work environment has a significant effect on employee performance (Y), the compensation variable (X2) is 3.068 with a significance level of 0.003 less than $\alpha = 0.05$, then H0 is rejected and Ha is accepted. Which means that compensation has a significant effect on employee performance (Y), work motivation variable (Z) is 4,898 with a significance level of 0,000 less than $\alpha = 0.05$, then H0 is rejected and Ha is accepted. Which means work motivation has a significant effect on employee performance (Y), From the results of the Sobel test analysis, a Z value of $2.507 > 1.96$ (absolute Z value) is obtained. these results indicate that compensation indirectly affects employee performance through work motivation at Perumda Tirta Mangkaluku and from the results of the Sobel test analysis a Z value of $2.389 > 1.96$ (absolute Z value) is obtained. these results indicate that compensation indirectly affects employee performance through work motivation at Perumda Tirta Mangkaluku.

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