The Influence of Workplace Environment, Work Discipline, and Financial Compensation on Employee Performance at PT BPR Naga Batubulan

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ABSTRACT

This study aims to evaluate the impact of workplace environment, work discipline, and financial compensation on employee performance at PT BPR Naga Batubulan. Employing a saturated sampling technique, 40 employees were selected as respondents and analyzed using multiple linear regression analysis. Results reveal significant and positive effects of the workplace environment, work discipline, and financial compensation on employee performance. The study underscores the importance of these factors in enhancing overall productivity, job satisfaction within the organization. By recognizing the significance of a conducive work environment, effective work discipline, and fair financial compensation, companies can better strategize for employee retention and performance improvement. This research provides valuable insights for HR practitioners and organizational leaders aiming to optimize workforce effectiveness and morale.
INTRODUCTION

In Bali, the demand for financial institutions is increasing, among them is the role of Bank Perkreditan Rakyat (BPR), whose existence can help improve the economy of the local community, especially those involved in small-scale businesses or home industries. An organization is considered successful in achieving its goals when each individual within the organization can fulfill their duties effectively. Every organization, in carrying out its activities, has a vision, mission, and objectives that must be achieved. To realize these visions, missions, and objectives, every organization must be able to determine the necessary strategies in human resource planning. The presence of BPR in the community environment will not be maximized without support from human resources (HR), especially the company's employees. PT BPR Naga Batubulan, engaged in the financial institution sector, plays a vital role in assisting small and medium enterprises to develop, especially in the form of capital. PT BPR Naga Batubulan offers 3 products: savings, deposits, and credits. Every organization endeavors to enhance the performance of its employees, aiming to attain the company's objectives. By improving employee performance, a company can yield numerous advantages. A high-performing employee is instrumental in advancing the company towards its goals and targets (Widyani & Putra, 2020).

Employee performance is the work results achieved by an individual or group of individuals according to their respective authorities/responsibilities during a certain period. High employee performance is certainly expected by companies for the achievement of their goals. As the number of high-performing employees increases, a company's productivity also rises, bolstering its ability to thrive and compete on a global scale. Factors influencing employee performance include the workplace environment; a pleasant workplace environment will provide comfort to employees, thereby influencing an increase in employee performance (Sihaloho & Siregar, 2019). Based on the presented facts and conflicts, the following research questions can be formulated:

1. What is the simultaneous effect of the workplace environment, work discipline, and financial compensation on employee performance at PT BPR Naga Batubulan?
2. How does the workplace environment influence employee performance at PT BPR Naga Batubulan?
3. How does work discipline influence employee performance at PT BPR Naga Batubulan?
4. How does financial compensation influence employee performance at PT BPR Naga Batubulan?
LITERATURE REVIEW
Employee Performance

Employee performance refers to the condition exhibited by employees towards a company, whether in the form of achievements or significant contributions to the company, which are measured against the company’s criteria or vision, thereby determining the level of success of a company. Employee performance is the outcome of the work achieved by an individual or a group of individuals in accordance with their respective authorities/responsibilities during a specific period. Companies eagerly anticipate high levels of employee performance to effectively attain their organizational objectives. Based on research conducted by Lukita Putri Yulia (2023), the workplace atmosphere, adherence to work standards, and job remuneration positively and significantly impact employee performance at PT Honda Victory Surabaya.

H1: Workplace environment, work discipline, and financial compensation have a strong and meaningful influence on employee performance at PT BPR Naga Batubulan.

Workplace Environment

The workplace environment is the condition in which employees carry out their tasks, which can influence and motivate an employee to perform their duties. With a clean, peaceful workplace environment and contemporary equipment, employees will be happier and more comfortable while working. Consequently, a company will achieve high employee performance, leading to the successful attainment of its goals. The workplace environment is a pleasant environment that provides comfort to employees, thereby influencing their level of performance. Based on research conducted by Adi Kresmawan (2021), the research indicates that the workplace environment exerts a strong and meaningful influence on employee performance.

H2: The workplace environment has a strong and meaningful influence on employee performance at PT BPR Naga Batubulan.

Work Discipline

Work discipline pertains to the demeanor or conduct demonstrated by employees or individuals within an organization, demonstrating values of obedience, orderliness, compliance, and orderliness towards the company, which has established regulations to achieve its goals effectively. If an employee violates these regulations, they will be subject to sanctions agreed upon by the company and its employees. Work discipline involves the self-control patterns of employees and adherence to rules, demonstrated through sincere teamwork efforts within the company. Discipline efforts are employed within the company to provide warnings or penalties to employees who violate the regulations and rules of the company. Based on research conducted by (Lukita Putri Yulia, 2023), it is stated that work discipline has a strong and meaningful influence on employee performance.

H3: Work discipline has a strong and meaningful influence on employee performance at PT BPR Naga Batubulan.
Financial Compensation

Compensation refers to the rewards or remuneration provided by a company to its employees, whether in the form of money, goods, or other contributions beneficial to the employees in achieving their goals through their work activities. Financial compensation is a reward received by an individual as remuneration for their work, either in the form of money or other rewards. Compensation is the direct and indirect provision of rewards, in the form of monetary payment or tangible goods, is provided to employees as remuneration for the services they render to the company. Research conducted by (Wahyu Anindra et al., 2021) indicates that compensation has a strong and meaningful influence on employee performance. H4: Financial compensation has a strong and meaningful influence on employee performance at PT BPR Naga Batubulan.

![Figure 1. Conceptual Framework](image)

**METHODOLOGY**

The research was conducted at PT BPR Naga Batubulan. Data were obtained through the distribution of questionnaires, with a sample size of 40 employees as respondents, employing a saturation sampling technique. Data processing technique involved multiple linear regression analysis.

**RESEARCH RESULT**

Testing the instrument validity through instrument validity test and instrument reliability test. Validity test is a measure of accuracy occurring in the object presented by the researcher. Validity test is obtained by Pearson correlation value > 0.3 for each statement, indicating the validity of the variable instrument. Reliability is the measure of questionnaire statement reliability. The research instrument is reliable because Cronbach's alpha is greater than 0.60, indicating that the research data is reliable. Testing classical assumptions with normality test shows that the Test Statistic value is 0.064 and the Asymp.Sig coefficient (2-tailed) is 0.200, indicating normal distribution. "Based on
multicollinearity test, tolerance value is less than 0.10 and VIF value is greater than 10, indicating no multicollinearity symptoms. Based on heteroskedasticity, it is shown that each model has a significance greater than 0.050," meaning there is no heteroskedasticity in the research data.

### Table 1. Multiple Linear Regression Analysis Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Regression Coefficient</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace environment (X₁)</td>
<td>0.634</td>
<td>3.479</td>
<td>0.001</td>
</tr>
<tr>
<td>Work discipline (X₂)</td>
<td>0.267</td>
<td>2.686</td>
<td>0.011</td>
</tr>
<tr>
<td>Financial compensation (X₃)</td>
<td>0.432</td>
<td>2.641</td>
<td>0.012</td>
</tr>
</tbody>
</table>

(\textit{Constant}) : 0.768

F Statistik : 59,530

Sig F : 0.000

R² : 0.818

R : 0.912

\[ Y = 0.768 + 0.634X_1 + 0.267X_2 + 0.432X_3 \] ........................ (1)

\( \alpha = \) The constant value of 0.768 indicates that when the workplace environment (X₁), work discipline (X₂), and financial compensation (X₃) are all equal to zero, employee performance is 0.768.

X₁ = 0.634 indicates that the workplace environment has a positive influence on employee performance; thus, if the workplace environment is good, employee performance will increase.

X₂ = 0.267 indicates that work discipline has a positive influence on employee performance; therefore, if work discipline improves, employee performance will increase.

X₃ = 0.432 indicates that financial compensation has a positive influence on employee performance; hence, if financial compensation increases, employee performance will increase.

The result of the F-test calculation (59.530) > F-table (2.86) with a significance value of F being 0.000 < 0.05, thus rejecting the null hypothesis (H₀). This indicates that the variables workplace environment (X₁), work discipline (X₂), and financial compensation (X₃) collectively have a significant positive effect on employee performance (Y) at PT BPR Naga Batubulan.
Table 2. Results of the F-Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3498.401</td>
<td>3</td>
<td>1166.134</td>
<td>59.53</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>705.199</td>
<td>36</td>
<td>19.589</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4203.600</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee performance
b. Predictors: (Constant), workplace environment, work discipline, financial compensation

Based on the F-test outcomes presented in Table 2, it is evident that the variables workplace environment (X1), work discipline (X2), and financial compensation (X3) jointly exert a significant positive influence on employee performance (Y) at PT BPR Naga Batubulan.

Table 3. Results of the t-Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.768</td>
<td>2.594</td>
<td>.296</td>
<td>.769</td>
</tr>
<tr>
<td>Workplace environment</td>
<td>.634</td>
<td>.182</td>
<td>.387</td>
<td>3.479</td>
</tr>
<tr>
<td>Work discipline</td>
<td>.267</td>
<td>.100</td>
<td>.281</td>
<td>2.686</td>
</tr>
<tr>
<td>Financial compensation</td>
<td>.432</td>
<td>.164</td>
<td>.338</td>
<td>2.641</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee performance

Workplace Environment:

According to the provided data, it is evident that the calculated t-value (3.479) exceeds the critical t-value from the table (1.688) at a significance level of 0.001, which is less than 0.05. Consequently, the null hypothesis (H0) is rejected, while the alternative hypothesis (Ha) is accepted. This implies that the workplace environment variable significantly and positively influences employee performance at PT BPR Naga Batubulan. The regression coefficient β1 (workplace environment variable) of 0.634 suggests that as the quality of the workplace environment improves, there is a corresponding increase in employee performance at PT BPR Naga Batubulan.
Work Discipline:

Drawing from the provided information, it is evident that the calculated t-value (2.686) surpasses the critical t-value from the table (1.688) at a significance level of 0.011, which is lower than 0.05. As a result, the null hypothesis (H0) is rejected, while the alternative hypothesis (Ha) is embraced. This suggests a significant positive influence of the work discipline variable on employee performance at PT BPR Naga Batubulan. With a regression coefficient β2 (work discipline variable) of 0.267, it indicates that higher levels of work discipline correspond to increased employee performance at PT BPR Naga Batubulan.

Financial Compensation:

From the provided data, it is evident that the t-value (2.641) exceeds the critical t-value from the table (1.688) at a significance level of 0.012, which is less than 0.05. Consequently, the null hypothesis (H0) is rejected in favor of the alternative hypothesis (Ha), suggesting a significant positive impact of the financial compensation variable on employee performance at PT BPR Naga Batubulan. With a regression coefficient β3 (financial compensation variable) of 0.432, it indicates that higher levels of financial compensation are associated with increased employee performance at PT BPR Naga Batubulan.

DISCUSSION

Based on the simultaneous F-test, it is found that the calculated F-value (59.530) exceeds the critical F-value (2.86), with a significance level of 0.000 < 0.05. Therefore, the null hypothesis (H0) is rejected. This implies that the variables workplace environment (X1), work discipline (X2), and financial compensation (X3) collectively have a significant positive effect on employee performance (Y) at PT BPR Naga Batubulan. The coefficient of determination (R2) is 81.8%, indicating that 81.8% of employee performance at PT BPR Naga Batubulan is influenced by the variables workplace environment (X1), work discipline (X2), and financial compensation (X3), while the remaining 18.2% is influenced by other variables not examined in this study. The findings of this research are consistent with studies conducted by (Lukita Putri Yulia, 2023), (Apriyansyah et al., 2023), (Prasetya et al., 2023), (Fajar & Maria, 2022), which demonstrate that workplace environment, work discipline, and financial compensation significantly affect employee performance.

The obtained t-value (3.479) exceeds the critical t-value (1.688) at a significance level of 0.001 < 0.05. Thus, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted, indicating that the workplace environment variable has a significant positive effect on employee performance at PT BPR Naga Batubulan. The regression coefficient β1 (workplace environment variable) of 0.634 suggests that the better the workplace environment, the higher the employee performance at PT BPR Naga Batubulan. According to Sihaloho & Siregar (2019), the workplace environment is one of the places where employees spend most of their daily activities. A pleasant workplace environment provides comfort to employees, thereby influencing an increase in employee performance. A pleasant workplace environment can also affect the emotional attitude of employees. If employees feel comfortable in their
working environment, they will be content at their workplace, leading to increased productivity and the effective and efficient utilization of working hours. These findings align with research conducted by (Lukita Putri Yulia, 2023), (Apriyansyah et al., 2023), (Prasetya et al., 2023), (Fajar & Maria, 2022), (Sihaloh & Siregar, 2019), (Saputra, 2021), (Deswita et al., 2018), (Kresmawan et al., 2021), which states that the workplace environment significantly influences employee performance.

The obtained t-value (2.686) is greater than the critical t-value (1.688) at a significance level of 0.011 < 0.05. Thus, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted, indicating that the work discipline variable has a significant positive effect on employee performance at PT BPR Naga Batubulan. The regression coefficient \( \beta_2 \) (work discipline variable) of 0.267 suggests that an increase in work discipline leads to an increase in employee performance at PT BPR Naga Batubulan. One of the factors influencing employee performance is work discipline, which involves self-control patterns and adherence to rules, as well as sincere collaboration within the company's team, as mentioned by (Syahputra et al., 2020). Efforts to enforce discipline within a company are used to provide warnings or penalties to employees who violate company regulations and rules. These findings align with research conducted by (Lukita Putri Yulia, 2023), (Apriyansyah et al., 2023), (Prasetya et al., 2023), (Fajar & Maria, 2022), (Suwanto et al., 2022), (Sanjaya et al., 2022), which states that work discipline significantly influences employee performance.

The obtained t-value (2.641) exceeds the critical t-value (1.688) at a significance level of 0.012 < 0.05. Thus, the null hypothesis (H0) is rejected, and the alternative hypothesis (Ha) is accepted, The results indicate that the financial compensation variable has a notably positive impact on employee performance at PT BPR Naga Batubulan. With a regression coefficient \( \beta_3 \) of 0.432, it suggests that a rise in financial compensation corresponds to an increase in employee performance within the company. Financial compensation represents a reward granted to employees in acknowledgment of their contributions to the company. It serves as one facet of Human Resource Management practices concerning various forms of individual incentives exchanged for executing organizational duties. Therefore, financial compensation constitutes a remuneration received by individuals for their labor, encompassing monetary or alternative rewards. Compensation encompasses both direct and indirect forms of recompense, provided to employees as acknowledgment for their services rendered to the company (Sulthan Muhammad Fauzan & Sary, 2020).
CONCLUSIONS AND RECOMMENDATIONS

Based on the data analysis and discussion, the conclusions of the research are as follows:

1. Workplace environment, work discipline, and financial compensation significantly influence employee performance at PT BPR Naga Batubulan.
2. Workplace environment has a strong and meaningful influence on employee performance at PT BPR Naga Batubulan. This means that the better the workplace environment, the higher the employee performance at PT BPR Naga Batubulan.
3. Work discipline has a strong and meaningful influence on employee performance at PT BPR Naga Batubulan. This means that an increase in work discipline leads to an increase in employee performance at PT BPR Naga Batubulan.
4. Financial compensation has a strong and meaningful influence on employee performance at PT BPR Naga Batubulan. This means that an increase in financial compensation leads to an increase in employee performance at PT BPR Naga Batubulan.

In efforts to enhance employee performance at PT BPR Naga Batubulan, the following recommendations are suggested:

1. Workplace environment: While the overall workplace environment at PT BPR Naga Batubulan is satisfactory, there is room for improvement in certain aspects, particularly in the statement related to teamwork, which received the lowest average score. Therefore, PT BPR Naga Batubulan should foster employee cohesion by organizing more morning briefings and non-formal meetings to enhance camaraderie among employees, fostering a more cohesive working environment.
2. Work Discipline: Although work discipline at PT BPR Naga Batubulan is generally good, there is an area for improvement in the statement regarding punctuality, which received the lowest average score. Therefore, PT BPR Naga Batubulan should implement written sanctions for employees who repeatedly arrive late to work, ensuring punctuality among the workforce.
3. Financial Compensation: While financial compensation at PT BPR Naga Batubulan is relatively high overall, there is an opportunity for improvement in the statement regarding salary matching current employee positions, which received the highest average score. Therefore, PT BPR Naga Batubulan should consider providing salaries commensurate with employees' performance, rewarding those who consistently achieve high results.
4. Employee Performance: Although employee performance at PT BPR Naga Batubulan is generally high, there is an area for improvement in the statement related to task completion within set targets, which received the lowest average score. Therefore, PT BPR Naga Batubulan should offer incentives to employees who exceed their performance targets, fostering a sense of motivation and driving higher work performance.
These recommendations aim to address specific areas for improvement identified within the organization to further enhance employee performance and overall organizational effectiveness at PT BPR Naga Batubulan.

**ADVANCED RESEARCH**

For future research endeavors, it is advisable to contemplate incorporating supplementary variables that may influence employee performance. Additionally, expanding the scope of the study or selecting different research locations beyond a single focus area can provide a broader perspective. This approach will offer a more comprehensive understanding of the factors affecting employee performance and enable the findings to be applied more universally. Potential areas for expansion or inclusion of variables could include: organizational culture, leadership style, work-life balance.

**REFERENCES**


