



## The Influence of Compensation and Working Environment on Employee Performance (Case Study of Mr. Samsudin's Home Industry)

Agustin Windianingsih<sup>1\*</sup>, Ratih Ayu Sekarini<sup>2</sup>, Muhammad Iqbal Yusri<sup>3</sup>,  
Tuhfatul Ibnu Kamal<sup>4</sup>

Universitas Islam Jakarta

**Corresponding Author:** Agustin Windianingsih [agustinwindia@yahoo.com](mailto:agustinwindia@yahoo.com)

---

### ARTICLE INFO

*Keywords:* Compensation,  
Work Environment,  
Employee Performance

*Received :* 18 October

*Revised :* 19 November

*Accepted:* 20 December

©2023 Windianingsih, Sekarini, Yusri,  
Kamal: This is an open-access article  
distributed under the terms of the  
[Creative Commons Atribusi 4.0  
Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This research seeks to examine how pay and workplace conditions affect workers' productivity in Mr. Samsudin's industry. Using a forty-person sample, the data gathering method in this research is by means of documentation studies, interviews and distributing questionnaires. Data analysis methods make use of the coefficient of determination, t test, f test, and multiple linear regression. For data processing in this study, SPSS for Windows is used. The study's findings indicate that there is a noteworthy and favorable correlation between employee performance and compensation. in Mr. Samsudin's home industry, while Employee performance is negatively and negligibly impacted by the work environment in Mr. Samsudin's home industry. Simultaneously, it shows that there is a significant influence between compensation and the employee environment in Mr. Samsudin's home industry

## **INTRODUCTION**

Tempe is a food made from fermentation of soybeans or several other ingredients using several types of *Rhizopus* mold, such as *Rhizopus oryzae*. This fermented preparation is generally known as "tempeh yeast". Although it is now consumed worldwide, tempeh is also very popular in Indonesia. Throughout the world, tempeh has been a popular meat alternative for vegetarians. Consequently, tempeh is currently made throughout the world, not just in Indonesia, but also abroad.

Compensation affects employee performance because compensation is the most important factor and is the center of attention organizations in attracting and retaining quality resources. Providing fair compensation in compliance with assigned duties and tasks that have been decided for each employee becomes an attraction separately by employees because employees feel appreciated for the efforts made. In general, the purpose of compensation is: to help organizations achieve strategic goals and guarantee rights internally fairly.

The items that surround employees' work in a company are referred to as the work environment. The physical layout of the workplace is not the only aspect of the work environment. A supportive work environment will help employees survive and can lower their level of work stress, which can affect employee performance in the tempe home industry. Other factors that can affect the work environment include the company's facilities and infrastructure, coworkers, level of competition, leadership, and communication.

## **LITERATURE REVIEW**

### **Definition of Performance Employee**

Mangkuprawira and Hubeis (2013: 160) state that employee performance is influenced by employee intrinsic and extrinsic factors. Intrinsic factors that influence employee performance consist of education, experience, motivation, health, age, skills, emotions and spirituality. Meanwhile, extrinsic factors that influence employee performance consist of the physical and non-physical environment, leadership, vertical and horizontal communication, compensation, control in the form of supervision, facilities, training, workload, work procedures, punishment systems and so on.

Performance is the outcome of labor that is strongly tied to the company's strategic goals, customer satisfaction, and economic effect. Performance, according to Simanjuntak (2005), is the extent to which objectives are met in order to produce desired outcomes. Numerous elements that can be divided into three categories affect each person's performance: the individual competence of the person concerned, organizational support, and management support (Simanjuntak, 2005).

### **Definition of Compensation**

According to Subekhi (2012: 176) compensation is any form of appreciation given to employees as compensation for the contributions they make to the organization.

According to Dessler in Subekhi (2012: 175) employee compensation is any form of payment or reward given to employees and arises from the employee's work.

### **Definition of Work Environment**

All kinds and forms of an organization's activities cannot be separated from the environment in which the activities are carried out. Whether it is a profit-oriented organization such as a company or a non-profit organization such as a government agency. The work environment is the main component where an employee makes the first contact with the world of work. An employee's comfort at work is determined by the surrounding work environment. The better and more conducive the employee's work environment is, the greater the work comfort they will get.

Sedarmayati (2009) defines the The term "work environment" refers to the entirety of the equipment and supplies used, the surroundings in which an individual works, the work procedures followed, and the organizational setup for both individual and group tasks.

## **METHODOLOGY**

The research method SPSS software is utilized in a quantitative manner, and data collection techniques using a sampling method questionnaire. Meanwhile, data sources come from the employees of the tempe home industry in Jakarta. To analyze the results of data processing, SPSS software is interpreted in narrative form.

## **RESULTS**

### **Multiple Correlation Coefficient Analysis**

The purpose the purpose of the multiple correlation coefficient test is to determine the degree of relationship isbetween two or more independent variables (X) and the dependent variable (Y).

Table 1. Multiple Correlation Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13,714	4,481		3,060	,004
Kompensasi	,589	,210	,493	2,806	,008
Lingkungan Kerja	,071	,130	,096	,548	,587

From the regression model above, the regression equation is:

$$Y = 13.714 + 0.589(X1) + 0.071(X2)$$

Notes:

Y = Employee Performance

X1 = Compensation

X2 = Work Environment

From this equation it can be explained that:

1. If compensation and work environment are assumed to be equal to zero (0), then employee performance is worth 13,714
2. If compensation is increased by 100% It will be succeeded by a rise in the effectiveness of 0.589 or 58.9% assuming other variables do not change
3. If the work environment is increased by 100% It will be succeeded by a rise in the effectiveness of of 0.071 or 7.1% assuming other variables do not change

**Coefficient of Determination Test**

Table 2. Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,559 <sup>a</sup>	,313	,276	3,11499

Source: SPSS data processing

a.Predictors: (Constant), Work environment (X2), Compensation (X1)

b.Dependent Variable: Employee Performance (Y)

$$\begin{aligned}
 D &= R^2 \times 100\% \\
 &= 0,313 \times 100 \% \\
 &= 31,3\%
 \end{aligned}$$

The computation results show that the two independent factors, namely remuneration (X1) and work environment (X2), determine the variation in employee performance variables (Y). The calculated coefficient of determination, or R square, is 0.313 (31.3%). Meanwhile, other factors not included in the study had an impact on the remaining 68.7%.

**F Test Results (Simultaneous Test)**

The results of SPSS data processing regarding The following table illustrates how employee performance is impacted by pay and work environment.:

Table 3. F Test Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	163,383	2	81,692	8,419	,001 <sup>b</sup>
Residual	359,017	37	9,703		
Total	522,400	39			

a. Dependent Variable: Performance (Y)

b. Predictors: (Constant), Work environment (X2), Compensation (X1)

Source: SPSS data processing

**F<sub>table</sub> = n-k-1 = 40-3-1 = 36 is 2,87**

In the ANNOVA table above you can see that the F value is 8.419, then the sig value is 0.001.

Ho : $\beta = 0$  means that compensation and work environment have no effect on employee performance in Mr. Samsudin's Home Industry.

Ho : $\beta \neq 0$ , meaning that compensation and work environment influence employee performance in Mr. Samsudin's Home Industry.

The hypothesis testing criteria are:

1. Ho is acceptable if F count < F table, indicating that workers in Mr. Samsudin's Home Industry are unaffected by pay or workplace conditions.
2. If F count > F table, Ho is rejected, indicating that employee performance in Mr. Samsudin's own industry is influenced by pay and work environment.

With a 5% error in the 2-party test and dk = n-k-1 (40-3-1 = 36), the computed F for the compensation and work environment variables is 8.419, as shown in the above table, resulting in a F table of 2.87. Employee performance is influenced by

both the work environment and remuneration variables if  $F_{\text{count}} > F_{\text{table}}$ , and vice versa. There is a negative relationship between pay and work environment if  $F_{\text{count}} < F_{\text{table}}$ . In this instance,  $F_{\text{count}} = 8.419 > F_{\text{table}} 2.87$  on employee performance. This indicates that employee performance at Mr. Samsudin's Home Industry is positively impacted by pay and the workplace. It is evident that the significance level, which was earlier decided to be 0.005, is less than the probability value F, or 0.001, which means that  $H_0$  is rejected because the sig value is less than 0.05. This indicates that there is a strong correlation between compensation and the work environment on employee performance in Home-Owned Industries. Mr Samsudin.

The  $H_0$  test decision is rejected, because  $F_{\text{count}} > F_{\text{table}}$ , namely  $8.419 > 2.87$  and the significance value  $< 0.005$ , is 0.001.

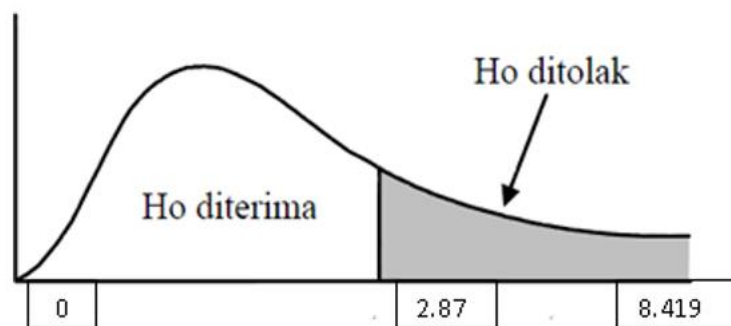


Figure 1. Hypothesis F Test Criteria  
Source: SPSS Data Processing

From the results of the image above, it can be explained that there is a positive influence between compensation and the work environment on employee performance at Mr. Samsudin's Home Industry.

### **T Test (Partially Test)**

In this study, the t test is employed to ascertain each independent variable's capacity to satisfy the dependent variable.

#### **a. Effect of Compensation ( $X_1$ ) on Employee Performance ( $Y$ )**

To see the effect of compensation, individually on employee performance, to simplify the t-test, researchers use SPSS for Windows data processing so the following is how the t-test can be obtained:

Table 4. X1 and Y T-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13,714	4,481		3,060	,004
Kompensasi (X1)	,589	,210	,493	2,806	,008
Lingkungan kerja (X2)	,071	,130	,096	,548	,587

Source: SPSS Data Processing

Based on the data results above, the calculated t for the compensation variable is 2,806 for a 5% error in the 2-party test and  $dk = n-3$  ( $40-3=37$ ), obtained t table 2,026. Employee performance is influenced by compensation if t count > t table, and vice versa. There is no relationship between employee performance and compensation in the event when t count is less than t table.

**Mr Samsudin's Home Industry**

So it can be seen that the probability value of t is sig 0.008, As the sig value is  $0.008 < 0.05$  and the previously established significance level is 0.05,  $H_0$  is rejected. This indicates that the relationship between pay and employee performance is highly significant. in Mr. Samsudin's home industry. The test decision result is that  $H_0$  is rejected, because  $t_{count} > t_{table}$ , is  $2,806 > 2026$  and the significance value  $< 0.05$ , is 0.008.



Figure 2. Mr Samsudin's Home Industry

Source: SPSS Data Processing

### T Test Hypothesis

From the results of the image above, it can be explained that there is a positive influence between compensation on employee performance in Mr. Samsudin's Home Industry.

#### b. Influence of Work Environment (X2) on Employee Performance (Y)

To see the impact of each employee's pay on their performance Researchers can obtain the t-test as follows by using SPSS for Windows data management, which makes the t-test simpler.:

Table 5. X2 And Y Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13,714	4,481		3,060	,004
Kompensasi (X1)	,589	,210	,493	2,806	,008
Lingkungan kerja (X2)	,071	,130	,096	,548	,587

Source: SPSS Data Processing

Based on the data results above, the calculated t for the compensation variable is 2,806 for a 5% error in the 2-party test and  $dk = n-3$  ( $40-3=37$ ), obtained t table 2,026. Employee performance is influenced by compensation if t count > t table, and vice versa. There is no relationship between employee performance and compensation in the event when t count is less than t table. Mr Samsudin's Home Industry.

Furthermore, it can also be seen that the t probability value is sig 0.587, Although the previously established significance level is 0.05, the sig value is  $0.587 > 0.05$ , indicating that  $H_0$  is accepted. This indicates that there is no discernible relationship between the work environment and employee performance in Mr. Samsudin's Home Industry.

## DISCUSSION

### 1. Effect of Compensation (X1) on Employee Performance (Y)

According to the aforementioned study findings, the impact of pay (X1) on worker performance (Y) states that there is a value of tcount 2.806 > ttable 2.026 and tcount is in the area where  $H_0$  is rejected so that  $H_a$  is acknowledged, hence it can be said that, in Mr. Samsudin's industry, employee performance is significantly influenced by salary. Based on the multiple regression value, it has



a constant of 0.352, proving that compensation has a favorable impact on worker performance. At  $0.008 < 0.05$ , remuneration has a considerable impact on employee performance, indicating that it affects performance significantly.

Compensation is an award given to human resources as a token of appreciation for their efforts and abilities to an organization, both financially and non-financially.. (Arismunandar & Khair, 2020). Providing good compensation will of course be very important for employees. Because having a good perspective will also improve employee performance. Therefore, Mr Samsudin needs to implement good compensation.

## **2. Influence of the Work Environment (X2) on Employee Performance (Y)**

It can be concluded that there is no significant influence of the work environment on employee performance in Mr. Samsudin's home industry Drawing from the aforementioned research findings on the relationship between employee performance (Y) and the work environment (X), it may be concluded that tcount is in the accepted Ho area (value of  $548 < t_{table} 2.026$ ) and that Ha is rejected.

At  $0.587 > 0.05$ , the The work environment has no substantial impact on employee performance, suggesting that the work environment has little effect on employee performance.

Based on the multiple regression value, it has a constant of 0.071, proving that Employee performance is not significantly impacted by the workplace.

The workplace exerts a noteworthy influence on how well individuals do the tasks assigned to them. Possessing the best possible workplace can provide a sense of comfort and satisfaction for Mr. Samsudin's home industry employees. In this study, the lowest score in the work environment variable was the ventilation and spatial planning indicators. The employees of Mr. Samsudin's home industry feel disturbed by indoor air ventilation which does not comply with health and work environment standards, as well as industrial pollution in the employees' work environment which is not circulated properly in Mr. Samsudin's home industry.

This also proves that previous researchers, according to Dewi Putri Utami (2016) and Mondiani (2017), showed that the work environment (X1) had no effect on employee performance (Y).

## **3. Effect of Compensation (X1) and Work Environment (X2) on Employee Performance (Y)**

Based on the findings from studies on how pay and workplace conditions affect workers' productivity in Mr. Samsudin's home industry.

The computed F from the ANOVA (Analysis of Variance) test is 8,419, whereas the f table is 2.87. These findings show that Ho is rejected since the sig level is  $0.001 < 0.05$ . Since Ha is agreed upon, it can be said that factors

pertaining to the working environment and pay interact. has a noteworthy and favorable impact on worker performance in Mr. Samsudin's industry.

The coefficient of determination test yielded a result of 0.313, or 31.3%, and the remaining percentage is due to other factors that were not examined in this investigation.

68.7%

## **CONCLUSION AND RECOMMENDATION**

Drawing from the findings of studies and conversations about how pay and workplace conditions affect workers' performance, Mr. Samsudin's home industry, the author draws the following conclusions:

1. From the research results, it is known that compensation and work environment simultaneously  $F_{count}$  (8.419) is greater than  $F_{table}$  2.87 and  $sig$   $0.001 < 0.05$ , It indicates a favorable influence. In Mr. Samsudin's industry, compensation and work environment together have a big impact on employee performance..
2. From the research results, it is known that partial compensation  $t_{count}$  (2.806) is greater than  $t_{table}$  (2.026) and  $sig$   $0.008 < 0.05$ , which means there is a positive influence on employee performance.
3. From the research outcomes It is well recognized that the workplace is partially calculated (548) is smaller than  $t_{table}$  (2.026) and  $sig$   $0.587 > 0.05$ , so it can be interpreted as having a negative influence on employee performance.

## REFERENCES

- A.A. Anwar Prabu Mangkunegara, (2002), *Manajemen Sumber Daya Manusia*.
- Arismunandar, M. F., & Khair, H. (2020). Pengaruh Kompensasi, Analisis Jabatan dan Pola Pengembangan Karir Terhadap Kinerja Karyawan. *Maneggio: Jurnal Ilmiah Magister Manajemen*.
- Afandi. (2018). *Manajemen Sumber Daya Manusia (Teori, Konsep, Indikator )*. Riau: Zanafa Publishing.
- Arikunto Suharsimi, *Prosedur Penelitian Suatu Pendekatan Praktik*, ( Jakarta: Rineka Cipta, 2006)
- Arifin. (2014). *Penelitian Pendidikan: Metode dan Paradigma Baru*. Bandung: PT Remaja Rosdakarya.
- Bawono, *Multivariate Analisis dengan SPSS*.
- Bambang Guritno dan Waridin. (2005). *Pengaruh Persepsi Karyawan Mengenai Perilaku Kepemimpinan, Kepuasan Kerja Dan Motivasi Terhadap Kinerja*. JRBI
- Cleveland, Jeanette N., Audrey S. Lim, and Kevin R. Murpy. (2007). *Management Challenges And Symptoms*. Australia: University of Melbourne.
- Guritno, B. dan Waridin. (2005). *Pengaruh Persepsi Karyawan Mengenai Perilaku Kepemimpinan, Kepuasan Kerja dan Motivasi Terhadap Kinerja*. JRBI,
- Hasibuan, M. (2002). *Manajemen Sumber Daya Manusia*. Jakarta: PT. Bumi Aksara.
- Hubeis, M. (2013). *Pengendalian Mutu Pada Proses Produksi Di Tiga Usaha Kecil Menengah Tahu Kabupaten Bogor*. *Jurnal Manajemen dan Organisasi*
- Imam Ghozali, *Aplikasi Mutivariate dengan Program IMB SPSS 20*. (Semarang: Badan Penerbit Universitas Diponegoro, 2013)
- Imam Ghozali, *Aplikasi Mutivariate dengan Program IMB SPSS 20*. (Semarang: BadanPenerbit Universitas Diponegoro, 2013)
- Juliandi, A., Manurung, S., & others. (2014). *Metodologi Penelitian Bisnis, Konsep dan Aplikasi: Sukses Menulis Skripsi \& Tesis Mandiri*. Umsu Press.
- Kaswan. (2017). *Psikologis Industri Dan Organisasi*. Bandung: Alfabeta.
- Mangkunegara, A.P. (2009). *Evaluasi Kinerja SDM*. Cetakan keenam. Bandung: Refika Aditama.
- Munandar. (2014). *Psikologi Industri Dan Organisasi*. Jakarta: Universitas Indonesia (UI-Press).
- Moehariono. (2012). *Pengukuran Kinerja Berbasis Kompetensi*. Jakarta: Raja Grafindo Persada.
- Nitisemito, A. S. (2002). *Manajemen Personalialia Dan Manajemen Sumber Daya Manusia*. Jakarta: Ghalia Indonesia.
- Simanjuntak, P. J. (2005). *Manajemen Dan Evaluasi Kinerja*. Jakarta: LP FE
- Simanjuntak, M. D. (2013). *Analisis Pengaruh Sumber Daya Manusia, Prasarana dan Lingkungan Kerja Terhadap Kinerja Pegawai Kopertis Wilayah-I Medan*. Medan: USU.
- Sugiyono. *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta, 2010.
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*. Bandung: Alfabeta CV.

- Subekhi, A., & Jauhar, M. (2012). *Pengantar manajemen sumber daya manusia (MSDM)*. Jakarta: Prestasi Pustakaraya.
- Subekhi, A., & Jauhar, M. (2012). *Pengantar manajemen sumber daya manusia (MSDM)*. Jakarta: Prestasi Pustakaraya.
- Sutrisno, Edy. (2010). *Manajemen Sumber Daya Manusia*. Jakarta: PT. P. Media Group.
- Simamora, Henry. (2004). *Manajemen Sumber Daya Manusia*. Yogyakarta: STIE YKPN.
- V. Wiratna Sujarweni, *Metode Penelitian Bisnis & Ekonomi* (Yogyakarta: Putaka Baru, 2015)