


The Effect of The Work Environment and Compensation on Employee Performance at PT. Mataram Duta Abadi

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Article Info	ABSTRACT
Keywords: Work Environment, Compensation, Employee Performance	From year to year the textile industry has a strategic impact on industrialization and provides a surplus to the trade balance. Developments can be seen from increasing market demand and export activity. The aim of the research is to analyze the influence of the Work Environment and Compensation on Employee Performance. The research method uses quantitative methods to examine certain samples or populations using random sampling techniques. The research population was 54 respondents. The research results show that the work environment and compensation have a positive and simultaneous effect on employee performance.
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INTRODUCTION

The textile industry is an industry that carries out processing by changing fiber into thread and cloth (Asmara, 2013). The textile industry in Indonesia is a well-developed sector, with the hope of playing a role in absorbing labor and economic development. Based on the Central Java Province Central Statistics Agency, the largest textile industry production growth in 2021 was 4.41%. The textile industry from year to year provides a surplus to the trade balance and has a strategic impact in the industrialization series. This development can be seen from the increase in market demand and export activity.

Mataram Textile (PT. Mataram Duta Abadi) was founded in 2019 led by a CEO and experienced team. Mataram Textile provides products by combining the best textile machines and quality fabric raw materials with high work efficiency, thereby creating fabric of the best quality but at affordable prices.

Compensation is giving to employees in the form of money, goods directly or indirectly as a form of reward for services provided to the company (Hasibuan 210:118). Compensation is something that employees get for remuneration for the work they have done (Handoko, 2012: 155). The amount of salary or compensation in a company is determined based on work performance, length of service, type of work, position, job responsibilities, seniority and needs. Providing compensation that is fair and in accordance with what has been achieved during the employee's work can influence employee performance.

Apart from the work environment and compensation, there is also performance which is the main key in achieving success in business continuity goals. Simamora (2002: 21) says that "work results can be achieved by one or several people in a company, in accordance with their respective responsibilities and authorities, in the context of efforts to achieve goals legally, in accordance with ethics and morals, and without violating the law. with employee performance". So it can be said that employee performance is the result that someone has achieved from the target that must be achieved in accordance with the specified time.

Based on the results of observations made at PT. Mataram Duta Abadi, the company does not provide overtime pay to its employees, and does not give appreciation to employees who hold concurrent positions. Furthermore, problems in the work environment that were found were lack of maintenance of facilities such as air conditioning or (AC) so that several units were damaged, lack of maintenance for equipment used to support company activities, and lack of lighting in several corners of the room. This can cause discomfort for employees who are working and have an impact on improving employee performance.

The results of previous research identified that there were differences in the research of Octavia, et al. (2022) that compensation has a significant negative effect on employee performance. Meanwhile, Fajar and Maria (2022) explained that the work environment and compensation do not affect employee performance.

Research by Astriningtyas and Kusumayadi (2022) can be concluded that "the work environment partially has a significant influence on the work productivity of employees at the Bima Regency Public Works (PU) Service". Megaster Research and Arumingtyas (2020) can conclude that "work environment and compensation have a significant effect on employee performance". Research conducted by Waskito and Sari (2022) can be concluded that "partially work environment variables have a positive effect on performance".

However, there are differences in research conducted by Prasetyo and Triasity (2017), it can be concluded that "the work environment does not have a significant influence on employee performance". Research conducted by Choirunnisaa and Agung Solihin (2023) can be concluded that "the work environment has no effect on employee performance and job satisfaction has an effect on employee performance".

Based on the description above, a research is proposed with the title "The Influence of the Work Environment and Compensation on the Performance of PT Mataram Duta Abadi Employees". Based on the background described above, the problems that are currently occurring can be identified, namely:

1. Does the work environment affect employee performance at PT Mataram Duta Abadi?
2. Does compensation affect employee performance at PT Mataram Duta Abadi?
3. Do the work environment and compensation have a simultaneous effect on employee performance at PT Mataram Duta Abadi?

Literature Review

Work environment

According to Herlinda et.al (2021:122) The work environment is an environment around employees that can influence employees in carrying out their assigned tasks. Budiarti (2020:92) It is important for management to pay attention to the work environment of a company, both physical and non-physical, which employees receive while working. Companies must be able to build a safe, comfortable and peaceful work environment for the long-term welfare of employees, so that employees will feel at home working effectively and even create an atmosphere like at home.

Compensation

(Sutrisno 2019, 181) says "Compensation is all the remuneration an employee receives from his company as a result of the services/energy he has provided to the company." (Silaswara, et al., 2021), said "Compensation is a remuneration given by the company to employees for the work they have done."

Based on the explanation above, it can be concluded that compensation as a reward is in accordance with the employee's work for the company, whether in the form of thoughts or energy in an effort to improve the company's status. Employees carry out their work with good performance with the aim of getting awards from the company. Conversely, if employee performance decreases, the compensation received by employees will also decrease.

Employee performance

Payaman J. Simanjuntak (2011:1) explains that "performance is the level of achievement of results in order to realize company goals". Performance management is the entire series carried out in the form of improving company performance, including the performance of each group and individual within the company. Company, group and individual performance can be influenced by various internal and external factors.

METHOD

The research method used is quantitative research. According to Sugiyono (2018) "quantitative research is a research method that refers to the philosophy of positivism, used to research certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical with the aim of test the established hypothesis ". The research was carried out at PT Mataram Duta Abadi located inTangerang City, Banten. Research begins in January – February 2023.

Sugiyono (2018) explains "a sample is part of the number and characteristics of the population". Meanwhile Arikunto (2013) "sample is a portion or representative of the population studied". The research population was 54 people. In this study, the data analysis method used the Linearity test, Multicollinearity test, Heteroscedasticity test, partial test (t), Coefficient of Determination (R²), and F test.

The data collection method is the method used by researchers to obtain research data, where in this research the researchers collected data using a questionnaire.

Questionnaires are a technique by making a list of questions related to the object under study for the part of the respondent who is directly related to the research (Sugiyono (2017: 199). Questionnaires are given to all employees who work at PT Mataram Duta Abadi to obtain information regarding activities within the relevant company with employee performance.

RESULT AND DISCUSSION

The validity test is used to measure the validity of questionnaires. It can be said to be valid if the question can reveal something that will be measured by the questionnaire (Ghozali, 2019).

Tabel 1 Validity Test Results

No	Variable	Indicator	R count	R table	Information
1	Working environment (X1)	X1	0.690	0.263	VALID
		X2	0.893	0.263	VALID
		X3	0.865	0.263	VALID
		X4	0.762	0.263	VALID
2	Compensation (X2)	X1	0.881	0.263	VALID
		X2	0.821	0.263	VALID
		X3	0.881	0.263	VALID
		X4	0.821	0.263	VALID
4	Employee performance (Y)	Y1	0.868	0.263	VALID
		Y2	0.775	0.263	VALID
		Y3	0.869	0.263	VALID
		Y4	0.667	0.263	VALID
		Y5	0.841	0.263	VALID

Source: Data processed in 2024

The table above shows that from the results of the validity test it was found that "all indicators used in measuring research variables have a correlation coefficient $>$ from the r-table for degree of freedom (df) is $n-2$, namely $54-2=52$ which is equal to **0.263**. "So that all question items used in measuring work environment variables and compensation for employee performance are said to be valid."

Reliability shows that a measurement instrument can provide consistent measurement results. According to Ghozali (2011) "reliability is actually a tool for constructing. A questionnaire is said to be reliable if a person's answers to questions are consistent from time to time."

Tabel 2 Reliability Test Results

No	Variable	Indicator	Cronbach's Alpha	Reliability standards	Information
1	Working environment (X1)	X1	0.914	0.6	Reliable
		X2	0.915	0.6	Reliable

No	Variable	Indicator	Cronbach's Alpha	Reliability standards	Information
		X3	0.914	0.6	Reliable
		X4	0.920	0.6	Reliable
2	Compensation (X2)	X1	0.914	0.6	Reliable
		X2	0.907	0.6	Reliable
		X3	0.914	0.6	Reliable
		X4	0.907	0.6	Reliable
4	Employee performance (Y)	Y1	0.907	0.6	Reliable
		Y2	0.913	0.6	Reliable
		Y3	0.910	0.6	Reliable
		Y4	0.916	0.6	Reliable
		Y5	0.715	0.6	Reliable

Source: Data processed 2024

Normality test

The normality test aims to "test whether in the regression model, the confounding or residual variables have a normal distribution. The normality test in this study used the Kolmogorov-Smirnov test. "Data is said to be normally distributed if it has a test probability value greater than 0.05 ($P > 0.05$)" (Ghozali, 2019).

Tabel 3 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		54
Normal Parameters, b	Mean	.0000000
	Std. Deviation	1.42496198
Most Extreme Differences	Absolute	,093
	Positive	,093
	Negative	-.088
Statistical Tests		,093
Asymp. Sig. (2-tailed)		,200c,d

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

In the table above, it can be seen that the Kolmogorov Smirnov value is $0.093 > 0.05$ and Asymp.sig is $0.200 > 0.05$, in other words the variable has a normal distribution.

Coefficient of Determination Test Results

Tabel 4 Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811a	,658	,644	1,453

a. Predictors: (Constant), Compensation, Work Environment

b. Dependent Variable: Employee Performance

The table above shows "the results of the coefficient of determination test obtained an Adjusted R² value of 0.644, which means that the variable can be explained by work environment and compensation variables of 64.4%, while the remaining 35.6% is explained by other variables outside the model studied."

T Hypothesis Test Results

Tabel 5 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3,445	1,828		1,885	,065		
Work environment	,407	.126	,317	3,220	,002	,692	1,446
Compensation	,629	.105	,591	5,996	,000	,692	1,446

a. Dependent Variable: Employee Performance

a) Work Environment (X1)

"The calculated value for the work environment variable is 3.220 and ttable 1,675 with $\alpha = 0.05$ it is known that $t_{count} > t_{table}$ and the work environment significance value is $0.002 < 0.05$ so that H₀ is rejected (H₁ is accepted) indicating that the work environment has a significant effect on the performance of PT employees. Mataram Duta Abadi".

b) Compensation (X2)

"The calculated value for the compensation variable is 5,996 and ttable with $\alpha = 0.05$ is known to be so that $t_{count} > t_{table}$ 1,675 and the significance value of compensation is $0.000 < 0.05$ so that H₀ is rejected (H₁ is accepted) indicating that compensation has a significant effect on the performance of PT employees. Mataram Duta Abadi".

F Test Results

The F test is used "to see whether there is an influence of the independent variables (work environment X1, compensation X2) on the dependent variable (employee performance)". From the results of data processing with the SPSS version 21.0 program, the calculation results are as follows:

Tabel 6 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	206,697	2	103,349	48,977	,000 ^b
Residual	107,617	51	2,110		
Total	314,315	53			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Compensation, Work Environment

So, for the results above we can see that "the calculated F value is 48.977 with a significance level of 0.0000. Based on these results, it can be seen that $F_{count} > F_{table}$

(48.977 > 3.18) which means that H₀ is rejected and H₃ is accepted. So it can be concluded that the work environment and compensation simultaneously influence employee work productivity at PT. Mataram Duta Abadi”.

Discussion

The Influence of the Work Environment on Employee Performance

The influence of the work environment on employee performance can be seen from the results of the calculated t value of the work environment variable of 3.220 and t_{table} 1,675 with $\alpha = 0.05$ it is known that t_{count} > t_{table} and the significance value of education level is 0.002 < 0.05, meaning it can be concluded that H₀ is rejected (H₁ is accepted) indicating that the work environment has a significant effect on the performance of PT employees. Mataram Duta Abadi, then the hypothesis which states that work motivation variables influence employee performance is accepted."

The research results are supported by Dewi Putri Utama. et.al (2015) which states that "work environment and compensation have a significant effect on employee performance". So the higher the work environment and compensation, the easier it will be for employee performance.

The Effect of Compensation on Employee Performance

The effect of compensation on employee performance can be seen from the results of the calculated t value of the compensation variable 5,996 and t_{table} with $\alpha = 0.05$ is known to be so that t_{count} > t_{table} 1,675 and the compensation significance value is 0.000 < 0.05, meaning it can be concluded that H₀ is rejected (H₂ is accepted) indicating that compensation has a significant effect on the performance of PT employees. Mataram Duta Abadi”.

The research results are supported by Megaster Technician, Fida Arumingtyas (2020) who states that "work environment and compensation have a significant effect on employee performance". So the higher the work environment and compensation, the easier it will be for employee performance.

Environmental Influence and Compensation Simultaneously Influence Employee Performance

The research results show that "there is a simultaneous influence of the work environment and compensation on the performance of PT employees. Mataram Duta Abadi, this is proven by the results of simultaneous hypothesis testing showing that the calculated F value of the work environment and compensation variables is equal to the significance level of 0.0000. Meanwhile, the F_{table} value is known to be equal. Based on these results, it can be seen that 48.977 F_{count} > F_{table} (48.977 > 3.18) which means that H₀ is rejected and H₃ is accepted. So it can be concluded that the work environment and compensation simultaneously influence employee performance at PT. Mataram Duta Abadi”.

The research results are supported by Tiara Kusuma (2022) who states that "work environment and compensation have a significant effect on employee performance". So the higher the work environment and compensation, the easier it will be for employee performance. This can be proven from the two variables (Work Environment and Compensation) which contribute to this research, namely that the overall independent

variables, namely the work environment and compensation as a whole, have a significant influence on employee performance variables, namely at PT. Mataram Duta Abadi.

CONCLUSION

Based on the testing and analysis that has been carried out, the conclusions of this research are: The influence of the work environment on employee performance can be seen from the results of the calculated t value of the work environment variable of 3.220 and ttable 1,675 with $\alpha = 0.05$ it is known that tcount is greater than ttable and the significance value for education level is $0.002 < 0.05$, meaning it can be concluded that H0 is rejected (H1 is accepted) indicating that the work environment has a significant effect on the performance of PT employees. Mataram Duta Abadi, then the hypothesis which states that work motivation variables influence employee performance is accepted." The effect of compensation on employee performance can be seen from the results of the calculated t value of the compensation variable 5,996 and ttable with $\alpha = 0.05$ is known to be so that tcount is greater than ttable 1,675 and the compensation significance value is $0.000 < 0.05$, meaning it can be concluded that H0 is rejected (H2 is accepted) indicating that compensation has a significant effect on the performance of PT employees. Mataram Duta Abadi". The research results show that "there is a simultaneous influence of the work environment and compensation on the performance of PT employees. Mataram Duta Abadi, this is proven by the results of simultaneous hypothesis testing showing that the calculated F value of the work environment and compensation variables is equal to the significance level of 0.0000. Meanwhile, the Ftable value is known to be equal. Based on these results, it can be seen that $48.977 F_{count} > F_{table}$ ($48.977 > 3.18$) which means that H0 is rejected and H3 is accepted. So it can be concluded that the work environment and compensation simultaneously influence employee performance at PT. Mataram Duta Abadi".

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