

The Influence of Work Environment and Compensation on Employee Performance (MSMEs) at Ibu Nur's Jamblang Rice Stall, Cirebon

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Employee performance is an important factor that determines the success of a business, including in the micro business sector such as Warung Nasi Jamblang Ibu Nur. To achieve optimal performance, support from various factors is needed, including compensation and work environment. These two factors play a role in shaping employee motivation, satisfaction, and productivity. The research method used is a quantitative method with a survey approach. Data collection was conducted by distributing questionnaires to 30 respondents who were employees of Warung Nasi Jamblang Ibu Nur. The data analysis techniques used included validity testing, reliability testing, normality testing, multicollinearity testing, heteroscedasticity testing, multiple linear regression analysis, t-testing, F-testing, and coefficient of determination (R^2) analysis. The results showed that compensation and work environment had a positive and significant effect on employee performance. This means that the better the compensation provided and the more conducive the work environment created, the higher the performance produced by employees. Thus, management is expected to continue to pay attention to the compensation system and work environment conditions so that employee performance can continue to improve optimally. This study aims to strengthen empirical evidence that fair compensation and a conducive work environment can improve employee performance.

Keywords: Compensation, Work Environment, Employee Performance, Warung Nasi Jamblang Ibu Nur

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1. Introduction

Employee performance is a crucial aspect determining the success and sustainability of an organization. According to Mangkunegara (2017), employee performance is the work results achieved by an individual in carrying out their responsibilities based on their abilities, experience, and dedication. Meanwhile, Rivai (2018) explains that performance is the concrete behavior displayed by an individual as a contribution to achieving organizational goals. Similarly, Colquitt et al. (2015) emphasize that employee performance serves as a crucial basis for assessing overall organizational effectiveness. Therefore, improving employee performance is a top priority that every company must maintain.

One crucial effort to maintain and improve performance is through providing appropriate compensation. Compensation serves as a form of appreciation for employee contributions and work results. According to Hasibuan (2019), compensation is all rewards received by employees, both financial and non-financial, for their services to the organization. Handoko (2016) adds that a fair and appropriate compensation system can foster motivation and job satisfaction. Meanwhile, Simamora (2015) argues that providing compensation commensurate with responsibilities and workload can increase employee loyalty and commitment to the organization.

Besides compensation, another factor that plays a significant role in improving employee performance is the work environment. According to Sedarmayanti (2017), the work environment encompasses physical, social, and psychological conditions that influence employee comfort and effectiveness at work. Nitisemito

(2016) also explains that a conducive work environment can create a pleasant work atmosphere and motivate employees to perform optimally. This aligns with Rivai's (2018) opinion that a positive work environment can foster work enthusiasm, strengthen relationships between employees, and create a harmonious and productive work atmosphere.

Compensation and the work environment are closely linked in influencing employee performance. Robbins and Judge (2017) state that when employees feel valued through appropriate compensation and work in a comfortable environment, they are motivated to deliver their best performance. Thus, these two factors play a crucial role in creating optimal performance for the company.

However, there is still a research gap in examining the simultaneous influence of these two variables on employee performance. Several previous studies have shown conflicting results. Research by Mokhammad Yanuar Pradita (2017) at PT. Bank Rakyat Indonesia Jombang Branch found that compensation negatively impacted employee performance, and Yuwana Wangsa Putri and Ratna Ekasari (2025) showed that the work environment had a significant negative impact on employee performance at PT FYP Mojokerto. These results indicate that not all compensation and work environment conditions have a positive impact on performance; rather, they can have a negative impact if the work system and conditions do not align with employee expectations.

Therefore, this study was conducted to strengthen empirical evidence regarding the positive influence of compensation and the work environment on employee performance at Warung Nasi Jamblang Ibu Nur. It is hoped that the results of this study can serve as a reference for other small business owners in implementing effective human resource management strategies to improve business performance and competitiveness.

Based on the above background, this study aims to: (1) Determine the effect of compensation on employee performance. (2) Determine the effect of the work environment on employee performance. (3) To determine the simultaneous influence of compensation and the work environment on employee performance. (4) To provide recommendations for companies to improve employee performance by improving the compensation system and work environment.

Hypothesis

H1: Compensation is suspected to have a positive effect on employee performance.

H2: The work environment is suspected to have a negative effect on employee performance.

2. Method

This research is a quantitative associative study using a survey approach. The aim is to determine the relationship between the variables studied: work environment, compensation, and employee performance. The study was conducted at Warung Nasi Jombang Ibu Nur at a time determined by the researcher. The data sources used consisted of primary and secondary data. Primary data were obtained directly from respondents through questionnaires completed by employees, as well as through interviews to enrich information and deepen understanding of actual conditions on the ground. Secondary data were obtained from supporting information such as the number of employees, company history, and other relevant internal documents.

The study population was all 35 employees of Warung Nasi Jombang Ibu Nur. The sample size was 30 respondents, drawn using a saturated sampling technique due to the relatively small population and the equal opportunity for each member to be included in the study sample. The questionnaire used a Likert scale of 1–5, with a score of 1 indicating "Strongly Agree," 2 "Agree," 3 "Disagree," 4 "Strongly Disagree," and 5 "Neutral."

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Data analysis was conducted using SPSS software through several stages. The first stage was validity and reliability testing, where the validity test was used to determine the extent to which the questionnaire items were able to measure the intended variables. The reliability test was used to measure the instrument's consistency by observing the Cronbach's Alpha value. An instrument is considered reliable if the Alpha value is greater than 0.70.

The next stage was the classical assumption test, which was conducted to ensure the regression model met the basic assumptions. A normality test was conducted to determine whether the data were normally distributed using a histogram. A multicollinearity test was used to ensure there was no high correlation between the independent variables, as indicated by a Tolerance value greater than 0.10 and a VIF value less than 10.

Once the classical assumptions were met, analysis was conducted using multiple linear regression to determine the effect of the independent variables on the dependent variable, both partially and simultaneously. The regression equation was used to describe the relationship between compensation (X1) and work environment (X2) on employee performance (Y). The influence of each independent variable was tested using a t-test, where a variable is considered significant if the calculated t-value is greater than the table t-value and the significance value is less than 0.05. Meanwhile, the simultaneous influence of independent variables on the dependent variable was tested using an F-test, and the test results are considered significant if the calculated F-value is greater than the table F-value and the significance value is less than 0.05.

With these analytical steps, this study is expected to provide a clear picture of the relationship between the work environment, compensation, and employee performance at Warung Nasi Jombang Ibu Nur in a comprehensive and systematic manner.

3. Results and Discussion

Data Analysis Results

Validity Test

Table 3. Work Environment Validity Test Results

		Work Environment
X1.1	Pearson Correlation	.796**
	Sig. (2-tailed)	.000
	N	30
X1.2	Pearson Correlation	.942**
	Sig. (2-tailed)	.000
	N	30
X1.3	Pearson Correlation	.772**
	Sig. (2-tailed)	.000
	N	30
X1.4	Pearson Correlation	.933**
	Sig. (2-tailed)	.000
	N	30
X1.5	Pearson Correlation	.879**
	Sig. (2-tailed)	.000
	N	30

		Work Environment
X1.6	Pearson Correlation	.762**
	Sig. (2-tailed)	.000
	N	30
X1.7	Pearson Correlation	.792**
	Sig. (2-tailed)	.000
	N	30
X1.8	Pearson Correlation	.544**
	Sig. (2-tailed)	.002
	N	30
X1.9	Pearson Correlation	.680**
	Sig. (2-tailed)	.000
	N	30
LING	Pearson Correlation	1
KUN	Sig. (2-tailed)	
GAN	N	30
KERJ A		

Based on the results of the validity test conducted on the nine statements in the work environment variable, the significance value (Sig.) for each statement item was found to be below 0.05. According to validity test requirements, a statement item is considered valid if its significance value is less than 0.05. Therefore, it can be concluded that all statement items in the work environment variable are valid, making them suitable for use as research instruments and allowing for further analysis.

Table 4. Compensation Validity Test Results

		Compensation
X2.1	Pearson Correlation	.890**
	Sig. (2-tailed)	.000
	N	30
X2.2	Pearson Correlation	.882**
	Sig. (2-tailed)	.000
	N	30
X2.3	Pearson Correlation	.899**
	Sig. (2-tailed)	.000
	N	30
X2.4	Pearson Correlation	.756**
	Sig. (2-tailed)	.000
	N	29
X2.5	Pearson Correlation	.920**
	Sig. (2-tailed)	.000
	N	30
X2.6	Pearson Correlation	.881**
	Sig. (2-tailed)	.000
	N	30
X2.7	Pearson Correlation	.054

		Compensation
	Sig. (2-tailed)	.778
	N	30
X2.8	Pearson Correlation	.840**
	Sig. (2-tailed)	.000
	N	30
X2.9	Pearson Correlation	.825**
	Sig. (2-tailed)	.000
	N	30
KOMPENSASI	Pearson Correlation	1
	Sig. (2-tailed)	
	N	30

Based on the results of the validity test conducted on the compensation variable, eight of the nine statements tested had a significance value (Sig.) below 0.05. This indicates that these eight statements met the validity test criteria and were declared valid.

Meanwhile, one statement had a significance value (Sig.) above 0.05, and therefore, based on the validity test requirements, it was declared invalid. Therefore, it can be concluded that most of the statement items in the compensation variable met the validity criteria, making the compensation variable suitable for use in further analysis by excluding the invalid statement items.

Reliability Test

Results of the Work Environment Reliability Test (X1)

Reliability Statistics	
Cronbach's Alpha	N of Items
.934	9

Based on the reliability test results for the work environment variable, a Cronbach's Alpha value of 0.934 was obtained. This value indicates an excellent level of internal consistency. A research instrument is considered reliable if its Cronbach's Alpha value is above 0.70, or at least above 0.60, the acceptable limit. Therefore, because the Cronbach's Alpha value for the work environment variable is greater than 0.70 ($0.934 > 0.70$), it can be concluded that the instrument for the work environment variable is reliable and suitable for use in further research analysis.

Compensation Reliability Test Results (X2)

Reliability Statistics	
Cronbach's Alpha	N of Items
.860	9

Based on the results of the reliability test conducted on the compensation variable, a Cronbach's Alpha value of 0.860 was obtained. This value indicates a good level of internal consistency. A research instrument is considered reliable if its Cronbach's Alpha value is above 0.70, or at least above 0.60, the threshold for feasibility.

Therefore, because the Cronbach's Alpha value for the compensation variable is greater than 0.70 ($0.860 > 0.70$), it can be concluded that the instrument for the compensation variable is reliable and suitable for use in further research analysis.

C. Hypothesis Testing

T-Test

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	48.547	3.570		13.597	.000
	WORK	-.307	.163	-.691	-1.882	.071
	ENVIRONMENT					
	COMPENSATION	.148	.107	.507	1.380	.179

a. Dependent Variable: EMPLOYEE PERFORMANCE

The Influence of the Work Environment on Employee Performance

Based on the t-test results, the work environment variable obtained a significance value (Sig.) of 0.071. This value is greater than 0.05, so it can be concluded that the work environment does not significantly influence employee performance. Therefore, the hypothesis stating that the work environment influences employee performance is rejected. This indicates that changes in work environment conditions do not significantly impact employee performance levels.

The Influence of Compensation on Employee Performance

Based on the t-test results, the compensation variable obtained a significance value (Sig.) of 0.179. This value is greater than 0.05, so it can be concluded that compensation does not significantly influence employee performance. Therefore, the hypothesis stating that compensation influences employee performance is rejected. This indicates that the compensation received by employees is not a factor that significantly influences employee performance.

F-Test

Model		ANOVA ^a				
		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.345	2	8.173	1.910	.168 ^b
	Residual	115.521	27	4.279		
	Total	131.867	29			

a. Dependent Variable: EMPLOYEE PERFORMANCE
 b. Predictors: (Constant), COMPENSATION, WORK ENVIRONMENT

Based on the F-test results, a significance value of 0.168 was obtained, which is greater than 0.05 (0.168 > 0.05). This indicates that the work environment and compensation simultaneously do not significantly influence employee performance. Therefore, it can be concluded that the hypothesis stating that the work environment and compensation influence employee performance is rejected. The results of this study indicate that although the work environment and compensation were assessed as good based on the questionnaire results, these two variables were not always the primary factors directly influencing employee performance. This condition indicates the presence of other factors that are more dominant in influencing employee performance in the companies studied.

According to Sedarmayanti (2017), the work environment is all the conditions surrounding employees that can influence the execution of their work. A good work environment can indeed support smooth work activities and create comfort for employees. However, Sedarmayanti emphasized that the work environment is supportive and not the sole determining factor for employee performance. Therefore, a good

and stable work environment does not always have a significant impact on performance improvement, especially if employees have become accustomed to the conditions.

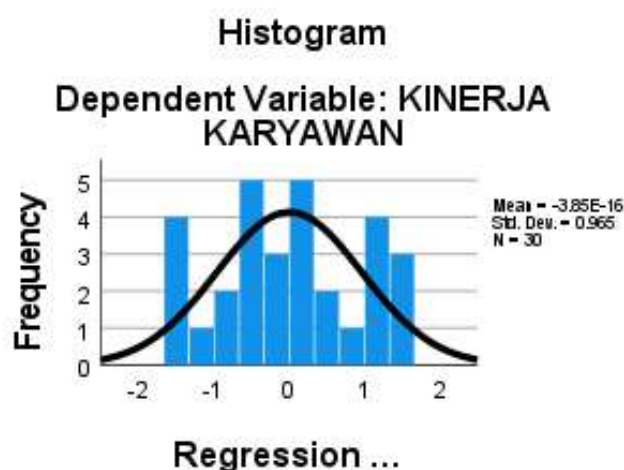
These research results are supported by empirical findings from the research of Dewi et al. (2024) stated that employee professionalism has a greater influence on performance than the work environment, particularly in organizations with long-term employees. This finding aligns with the actual research findings, where most employees have been working for a considerable period and possess expertise and professionalism in their fields. Furthermore, research by Adilla Perdana et al. (2024) shows that the work environment does not have a significant direct effect on employee performance; rather, its influence emerges through other variables such as job satisfaction. This indicates that a positive work environment does not necessarily directly improve performance if it is not accompanied by increased satisfaction or other psychological factors.

Furthermore, according to Hasibuan (2018), compensation is a reward provided by a company to employees for their contributions, both financial and non-financial. Compensation is provided with the aim of motivating employees, increasing work morale, and maintaining employee loyalty to the company. However, Hasibuan also explains that compensation does not always have a direct impact on employee performance. Employees with extensive work experience, high professionalism, and a strong sense of responsibility tend to maintain good performance even if compensation is not the primary driving factor. Budiman's (2025) research also found that compensation had no significant effect on employee performance, while organizational culture had a more dominant influence. This finding reinforces the findings of this study, which stated that employee performance is more influenced by work culture, established work systems, and the values of discipline and responsibility embedded within the organization. Based on observations and interviews with company leaders, it was found that good employee performance is more attributable to long work experience, employee professionalism, a positive work culture, and a consistently implemented work system. These conditions result in the work environment and compensation no longer being the primary factors influencing employee performance.

Therefore, it can be concluded that the F-test results, which indicate no significant influence of the work environment and compensation on employee performance, are theoretically and empirically acceptable, as they are supported by the theories of Sedarmayanti (2017) and Hasibuan (2018), and are reinforced by relevant previous research and actual conditions in the field.

Classical Assumption Test

Normality Test



The normality test in this study was conducted using a histogram diagram, which aims to determine whether the research data is normally distributed. The normality test is a prerequisite in parametric statistical analysis.

Based on the results of the normality test using a histogram, the data distribution pattern forms a bell-shaped curve. The data distribution shows a relatively symmetrical distribution around the mean and does not show any extreme deviations to the right or left. This indicates that the data on the work environment and compensation variables for employee performance tend to follow a normal distribution pattern. Therefore, it can be concluded that the research data is normally distributed, thus meeting the assumption of normality and suitable for use in further statistical analysis.

Multicollinearity Test

Model	Coefficients ^a						Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF	
	B	Std. Error	Beta					
1 (Constant)	48.547	3.570		13.597	.000			
LINGKUNGAN KERJA	-.307	.163	-.691	-1.882	.071	.241	4.152	
KOMPENSASI	.148	.107	.507	1.380	.179	.241	4.152	

a. Dependent Variable: Employee Performance

Tolerance value:
 X1 = 0,241 > 0,10
 X2 = 0,241 > 0,10
 VIF Value:
 X1 = 4.152 < 10.00
 X2 = 4.152 < 10.00

The multicollinearity test in this study aims to determine whether there is a high correlation between the independent variables in the regression model. Multicollinearity testing is performed by examining the Tolerance and Variance Inflation Factor (VIF) values. Based on the test results, the Tolerance value for the Work Environment (X1) variable and Compensation (X2) is 0.241, both of which are greater than 0.10. Furthermore, the VIF values for the Work Environment (X1) and Compensation (X2) variables are each 4.152, which is less than 10.00. Based on these criteria, it can be concluded that there are no symptoms of multicollinearity among the independent variables in this research model.

Discussion

Based on the data analysis and discussion, it can be concluded that the work environment and compensation variables, either partially or simultaneously, do not significantly influence employee performance at Warung Nasi Jamblang Ibu Nur Cirebon. This finding indicates that employee performance is not solely determined by the work environment or the amount of compensation received, but rather is influenced by other factors that are more dominant in supporting performance achievement.

The insignificant influence of the work environment and compensation on employee performance can be explained by the actual conditions in the field. Based on observations and interviews, employees at Warung Nasi Jamblang Ibu Nur work within a relatively standardized and structured work system, accompanied by a well-established work culture. Furthermore, the employees' high level of professionalism, adequate work experience, and sense of responsibility for their work enable them to consistently demonstrate optimal

performance without over-reliance on work environment or compensation factors. Therefore, the results of this study align with empirical conditions in the field and support the view that the work environment and compensation are supporting factors, not primary determinants of performance in a stable organizational context.

However, this study has several limitations that should be considered. First, the number of respondents was relatively limited because the study was conducted on only one MSME, so the results cannot be generalized widely. Second, the independent variables studied were limited to the work environment and compensation, while there are many other factors that have the potential to influence employee performance, such as professionalism, work culture, leadership, work motivation, and job satisfaction. Therefore, further research is expected to expand the research object, increase the number of samples, and include other variables to obtain a more comprehensive picture of the factors that influence employee performance, particularly in the micro and small business sector.

4. Conclusion

Based on the previous discussion, it can be concluded that the Minister of Finance Regulation Number 37/PMK.03/2025 has provided a clear legal basis for the collection of Article 22 Income Tax (PPh) on e-commerce transactions. The provisions regarding the collecting party, rates, and reporting mechanisms as stipulated in Article 2, Article 7, Article 8, Article 14, and Article 15 have fulfilled the principle of legality in Article 23A of the 1945 Constitution and the principle of legal certainty in Article 3A paragraph (1) of Law Number 6 of 1983 concerning KUP. However, in its implementation there is still the potential for legal uncertainty, especially regarding the integration of the tax reporting system between the Directorate General of Taxes and the marketplace, as well as the absence of a clear dispute resolution and administrative correction mechanism. The provisions for the appointment of foreign marketplaces in Article 3 paragraph (2) also still do not provide definite quantitative limits, thus giving rise to the potential for multiple interpretations in its application. Substantially, PMK No. 37/PMK.03/2025 has reflected fiscal justice by providing tax exemptions for MSMEs with a turnover below IDR 500,000,000.00 per year as stipulated in Article 10 paragraph (1) letter a, but its effectiveness is still limited due to low tax literacy and limitations of the digital system. Therefore, the ideal legal construction must include clarity of norms, ease of administration, and legal protection, through the integration of the DGT data system with the marketplace using official APIs and digital clarification and restitution mechanisms. With an integrated, transparent, and accountable system, it is hoped that legal certainty and fiscal justice in digital tax collection can be optimally realized in accordance with the mandate of Article 3A paragraph (1) of the KUP Law.

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