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Effect of Compensation, Motivation and Work Environment on Employee Work Productivity PT Jia Lin Wood

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ABSTRACT

This study aims to determine and analyze the effect of compensation, motivation and work environment on employee work productivity. The research location is in PT Jia Lin Wood Deli Serdang, North Sumatra. The sample of this study was 78 employees with a multiple linear regression analysis research method and using the IBM SPSS Version 25 For Window program. The results showed partially and simultaneously that the variables of compensation, motivation and work environment had a positive and significant effect on the work productivity variable, with a percentage contribution of 44.5%.

Keywords: Compensation, Motivation and Work Environment

1. INTRODUCTION

Nowadays, the development of science and technology is experiencing rapid progress. The way the organization works is constantly changing and becoming more demanding. The development of the company certainly cannot be separated from the work of human resources. This shows that society is no longer seen as an enforcer of the company's mandate and guidelines, but rather as an actor or agent that determines the survival of companies and organizations. At this point, the HR function aims to add high value to the business. The problem of human resources is a matter of management, and the success or failure of management depends on the quality of human resources. Careful workforce planning can increase the work productivity of existing employees. This can be achieved by considering and adjusting the factors affecting employee productivity. There are several factors that affect employee productivity, in particular skills, work environment, motivation, rewards, education, work arrangements, work discipline, and the application of technology (Hariandja, 2017).

Compensation is any form of payment or reward to an employee arising from the work of such employee. Basically, workers work to get paid for the services they provide, and monetary compensation is used to meet their daily needs. If employees feel that the compensation they receive is equivalent to what they give to the company, they will work productively because they get the compensation they deserve. On the other hand, workers are unproductive if the compensation is low and not worth the performance, because it can make them lazy Employees want a fair and useful compensation system. A fair compensation system implemented based on job requirements, individual skill levels, and compensation criteria can help improve employee performance. The issue of compensation has become very important for employees and companies. In an effort to preserve human resources, it is important for the company to ensure that awards are given correctly. Without proper

compensation, the company loses good employees and has to pay for the employee recruitment process. Awarding is one of the implementations of the human resource management function related to giving awards to individuals in any form in exchange for employee performance in organizational tasks. Well-managed compensation can help a company achieve its goals, attract, retain and retain employees, and even make them more productive. It is the company's obligation to motivate employees to develop greater loyalty to the company in order to achieve the company's goal of increasing employee work productivity (Dessler Gary, 2017).

According to Veithzal Rivai, (2018) explaining that work motivation is an impetus for employees to take some actions in a positive direction in accordance with the needs and desires of the company. Motivation is important because every employee is expected to work hard or be eager to achieve high productivity. Leaders need to know what motivations and motivations their employees want in order to motivate them. Employees want to work so that their needs, both conscious and unconscious needs, can be met in the form of tangible or intangible physical and mental needs. The work motivation of employees in an enterprise can be simple, but it can also cause complex problems. Work motivation plays an important role in achieving the highest company goals. To achieve the greatest goals of the organization and maintain the satisfaction of its employees, the organization must thoroughly develop an organizational understanding of internal impulses that can increase employee productivity.

Another factor affecting employee performance is the work environment. The work environment plays a key role in improving employee performance through favorable physical and non-physical environments such as: Creating a safe and comfortable atmosphere for employees by providing occupational safety equipment and supplies, maintaining workplace cleanliness and motivating employees in every activities. , labor productivity increases along with the corresponding physical and non-physical conditions (Sari et al., 2020) . This suggests that the success of the organization and poor working conditions when forming a quality environment can lead to a lack of drive and zeal to work, factors that contribute to poor employee performance. Therefore, it is necessary to make efforts to create a positive and conducive work environment so that employees feel at home and feel joy in carrying out their duties. Close and mutually supportive relationships between colleagues and between superiors and subordinates also have a positive effect on employee morale. The work environment can create a committed working relationship between the people within the environment.

This phenomenon occurs at PT Jia Lin Wood, where most of the employees are production workers. Many employees find the tasks and work assigned very difficult due to the need to expend a lot of energy and a dirty work environment, so many employees choose another better company. Almost every month there is a turnover (an employee who quits his job) and is looking for another job. Employees no longer want to be in the company, this indicates low employee loyalty. Most of the employees who quit were new employees who worked for a month and couldn't stand the assigned tasks. This indicates a problem with the loyalty of PT Jia Lin Wood employees. These employees often consider quitting this job and identifying with employees who do not like their work in the company.

2. RESEARCH METHOD

The research approach carried out in this study is related to quantitative data using multiple regression analysis. According to Manullang & Manuntun, (2014) explaining that associative studies or causality (causality) are studies that examine whether a variable that acts as a free variable affects other variables that are bound variables. Quantitative association research, on the

other hand, is research that is based on the acquisition of quantified numerical values and qualitative data.

2.1 Research Location

This research was conducted at PT Jia Lin Wood which is located on Jalan Medan-Binjai KM 12 Deli Serdang Regency, North Sumatra-20351.

2.2 Population and Sample

The population is a group of research items , and the items are the smallest units that become the source of the data needed (Manullang & Manuntun, 2014) . The population in this study was all employees who worked at PT Jia Lin Wood, which amounted to 78 employees.

The sample is the representatives of the population (Manullang & Manuntun, 2014). The total population in this study was only 78 respondents (less than 100), so the entire population was taken as a saturated sample. So that the sample in this study was 78 respondents.

2.3 Data Collection Methods

The data collection techniques used in this study are:

a) Questionnaire or Questionnaire

Questionnaires or questionnaires are data collection techniques that are carried out by giving a set of questions or statements to other people who are respondents to answer.

b) Observation

Observation is a data collection technique by making direct observations on the object of study.

c) Interview Studies

Interviewing is a data collection technique by asking questions directly by the interviewer to the respondent, and the answers of the respondents are recorded or recorded.

2.4 Data Analysis Techniques

In this study using the help of the IBM SPSS Version 25 For Window program. As for the test of research analysis, it is as follows:

a) Descriptive Statistical Analysis

Description statistics are generally used to provide information about variables included in the study. The method of descriptive analysis is a method of analysis that collects, classifies and analyzes data, interprets the results, provides information and an outline of the problems to be discussed. Descriptive statistics give an idea of the phenomenon or features of the study.

b) Multiple Linear Regression Analysis

Hypothesis testing in this study used multiple regression analysis. This analysis test determines how independent variables of compensation, motivation and work environment affect the dependent variables of work productivity. As for the regression equation used, it is as follows:

$Y = \alpha + \beta1X1 + \beta2X2 + \beta3X3 + \varepsilon$

Information:

Y= Work Productivity

α= Constants

β1= Compensation regression coefficient

β2= Motivation regression coefficient

β3= Work Environment regression coefficient

X1= Compensation

X2= Motivation

X3 = Work Environment

ε = Error Term

c) Test of Classical Assumptions

The tests of classical assumption tests used in this study include normality tests, multicollinearity tests and heteroskedasticity tests.

1. Normality Test

The normality test is intended to test whether independent and/or dependent variables are normally distributed in a regression model, and whether disruptive or residual variables are normally distributed.

An excellent regression model is a normal or almost normal data distribution. The nonparametric Kolmogorov-Smirnov (K-S) test can be used to determine whether the distributed residue is normal. The Kolmogorov-Smirnov method includes normal non-distributing data if its significance is less than 0.05, and normally distributed data if its significance is greater than 0.05. In addition, graphical analysis is one of the easiest ways to check the normal distribution of data by comparing the observed data with the near-normal distribution in the probability plot. The normal probability plot is to compare the cumulative distribution of the normal distribution (Imam Ghozali, 2018).

2. Multicollinearity Test

The multicollinearity test is intended to test whether a regression model has detected any correlation between free variables. A good regression model should not show the presence of correlations between independent variables . If the free variables are between each other, then they are not orthogonal (Imam Ghozali, 2018). To detect the presence or absence of multicollinearity in a regression, it is necessary to test the magnitude of the VIF (Variance Inflation Factor) and Tolerance values. These two measures indicate each independent variable is described by another independent variable.

3. Heteroskedasticity Test

The heteroskedasticity test aims to test whether a residual regression model for different observations has variance. If the variance of different observations is the same, then it is called homoscedasticity and if it is different it is called heteroskedasticity. A good regression model is one that has homoelasticity or does not occur heteroskedasticity (Imam Ghozali, 2018) . To determine the presence or absence of heteroskedasticity, you can perform the Glejser test by regressing the absolute value of the residual on the free variable.

d) Hypothesis Test

This hypothesis test is carried out to determine the influence of independent variables on dependent variables and is a combined regression coefficient test (F test), individual regression coefficient test (t test) and determination coefficient test (R2 test) is carried out to determine the accuracy of estimates in regression analysis.

1. F-Test (Simultaneous Test)

This test basically shows whether all independent variables have the same influence on dependent variables. This F test was conducted to show that compensation, motivation and work environment simultaneously have a major effect on work productivity (Imam Ghozali, 2018).

2. T-test (Partial Test)

This test is carried out to test the extent to which each of the independent variables has a partial significant effect on the dependent variables . These t-tests are performed to show whether compensation, motivation and work environment explain the influence on work productivity. This test was carried out to determine the greatest influence between independent variables on dependent variables (Imam Ghozali, 2018).

3. Coefficient of Determination (R^2)

The coefficient of determination is used to determine the contribution of independent variables of compensation, motivation and work environment to the dependent variables of work productivity. The value of R^2 is between 0 and 1 ($0 \leq R2 \leq 1$). The closer the value of R^2 is to the value of 1, the stronger the ability of the independent variable to describe the dependent variable, and vice versa the closer the value of R^2 is to the value of 0, the clearer the independent variable will be. The number of free variables to describe bound variables is getting weaker and finite (Imam Ghozali, 2018).

3.RESULTS AND DISCUSSIONS

3.1 Descriptive Statistical Analysis

Table 1. Descriptive Statistical Analysis Test Results

Descriptive Statistics						
	N	Minimum	Maximum	Mean		Std. Deviation
	Statistics	Statistics	Statistics	Statistics	Std. Error	Statistics
Compensation	78	10.00 pm	24.00	17.9103	0.39443	3.48349
Motivation	78	10.00 pm	25.00	17.1923	0.42329	3.73839
Work Environment	78	9.00pm	25.00	16.9103	0.36868	3.25611
Work Productivity	78	10.00 pm	25.00	17.2949	0.41777	3.68961
Valid N (listwise)	78					

Source: SPSS v 25, 2022 Results

From Table 1, it can be seen that the minimum compensation value is 10.00, the maximum value is 24.00, the average value is 17.9103, and the standard deviation value is 3.48349. The minimum value of motivation is 10.00, the maximum value is 25.00, the average value is 17.1923, and the standard deviation value is 3.73839. The work environment value has a minimum value of 9.00, a maximum value of 25.00, an average value of 16.9103, and a standard deviation value of 3.25611. The minimum value is 10.00, the maximum value is 25.00, the average value is 17.2949, and the standard deviation is 3.68961.

3.2 Multiple Linear Regression Analysis

Table 2. Multiple Linear Regression Analysis Test Results

Coefficients[a]						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,224	2,604		3,543	0.001
	Compensation	0.3 56	0.135	0.3 53	2.7 17	0.006
	Motivation	0.313	0.116	0.317	2,707	0.008
	Work Environment	0.3 00	0.141	0.3 88	2,708	0.009
a. Dependent Variable: Work Productivity						

Source: SPSS v 25, 2022 Results

Based on the results of multiple linear regression tests, in Table 2 the following results are obtained:

Y = 9.224 + 0.356X1 + 0.313X2 + 0.300X3 + e

TheN ilai constant is 9.224. This value can be interpreted if the variables of compensation, motivation, and work environment affect the work productivity variable which has a value of 9,224. The value of the regression coefficient for the compensation variable is 0.356 and is known to be positive. That is, the increase of 1 unit on the compensation variable tends to increase work productivity by 0.356. The value of the regression coefficient for the motivation variable is 0.313 which is known to be positive. That is, the increase of 1 unit on the motivation variable tends to increase the work productivity variable by 0.313. The value of the regression coefficient for the work environment variable is known to be positive at 0.300. That is, the increase of 1 unit in the work environment variable tends to increase the work productivity variable by 0.300.

3.3 Testing classical assumptions
a) Normality Testing

Table 3. Normality Testing Results

One-Sample Kolmogorov-Smirnov Test		
		Work Productivity
N		78
Normal Parameters[a,b]	Mean	17.2949
	Std. Deviation	3.68961
Most Extreme Differences	Absolute	0.102
	Positive	0.092
	Negative	-0.102
Statistical Test		0.102
Asymp. Sig. (2-tailed)		0.045[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: SPSS v 25, 2022 Results

From Table 3, the statistical result of the Kolmogorov-Smirnov test is 0.102, greater than 0.05 and it can be said that all data are normally distributed. The next normality test is the normal probability plot and histogram, which compares the cumulative distribution of actual data with the normal cumulative distribution, with the test results as follows:

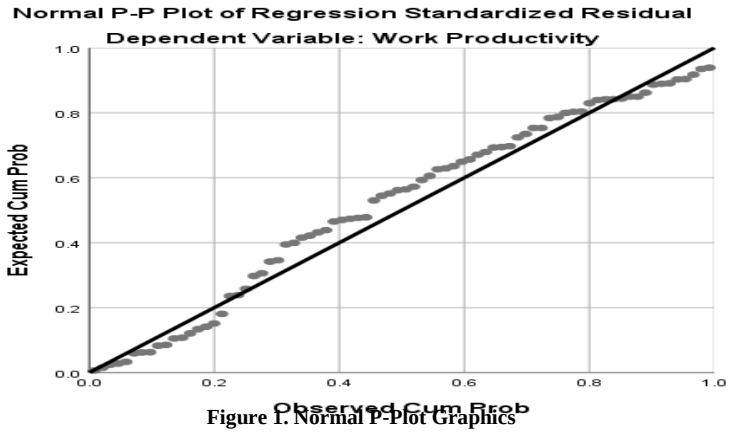

Figure 1. Normal P-Plot Graphics
Source: SPSS v 25, 2022 Results

Based on Figure 1, it can be seen that the data distribution is around the diagonal. So the assumption of normality is met and can take the test to the next level.

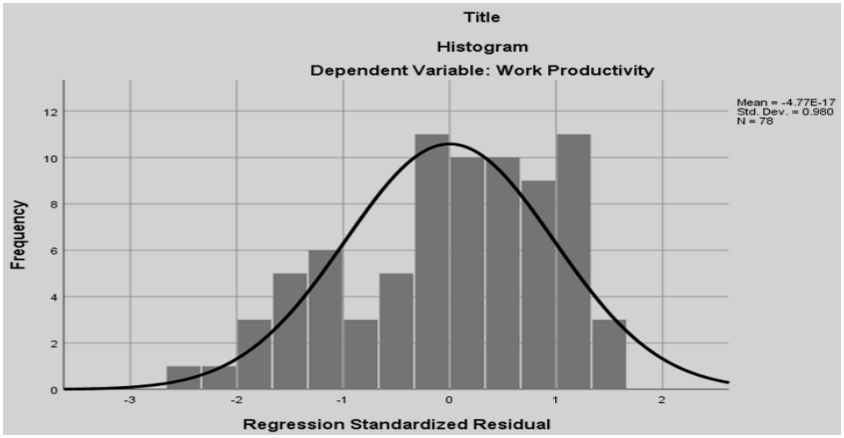

Figure 2. Histogram Chart
Source: SPSS v 25, 2022 Results

Based on Figure 2, it can be seen that the shape of the histogram is bell-shaped and thus represents normally distributed data, which allows meeting the assumption of normality for this study.

b) Multicollinearity Testing

Table 4. Multicollinearity Test Results

Coefficients[a]								
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	9,224	2,604		3,543	0.001		
	Compensation	0.356	0.135	0.353	2.717	0,006	0.711	1,407
	Motivation	0.313	0.116	0.317	2,707	0.008	0.843	1,186
	Work Environment	0.300	0.141	0.388	2,708	0,009	0.750	1,333
a. Dependent Variable: Work Productivity								

Source: SPSS v 25, 2022 Results

From Table 4, it can be seen that the results of the multicollinearity test show that no independent variable has a tolerance greater than 0.10. This means that there is no correlation between independent variables with values greater than 95%. The Variance Inflation Factor (VIF) value shows the same. This means that there is no independent variable with a VIF value of less than 10. The results of this study did not occur multicollinearity.

c)Heteroskedasticity Testing

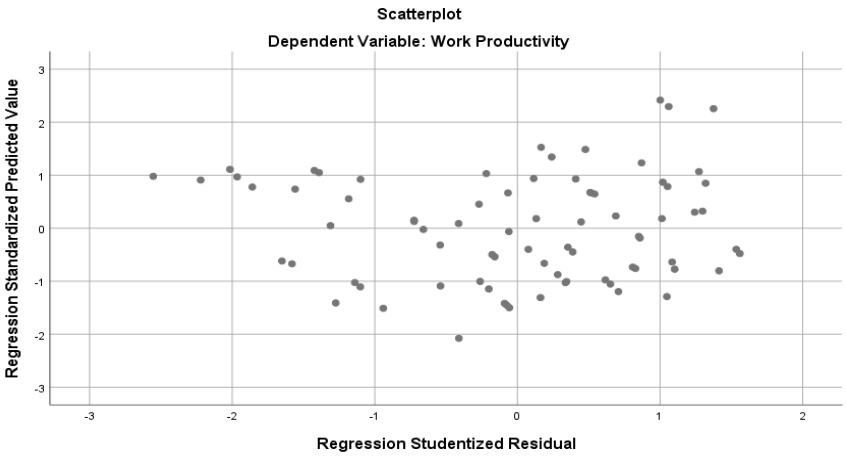

Figure 3. Scatterplot Chart
Source: SPSS v 25, 2022 Results

From Figure 3, which is a scatterplot chart, it can be seen that the dots are randomly distributed above and below the number 0 (zero) on the y-axis.

3.4 Hypothesis Test

a) F-Test (Simultaneous Test)

Table 5. F-Test Results

ANOVA[a]						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	151,719	3	50,573	4,174	0.009[b]
	Residual	896,499	74	12,115		
	Total	1048,218	77			
a. Dependent Variable: Work Productivity						
b. Predictors: (Constant), Work Environment, Motivation, Compensation						

Source: SPSS v 25, 2022 Results

Based on Table 5, the F-count value of the > F-table is 4.174 > 2.3 3 and the significance of the < from alpha 0.0to 09 < 0.05. This shows that the variables of compensation, motivation and work environment have a positive and significant effect on the variables of work productivity.

b) T-test (Partial Test)

Table 6. T-Test Results

Coefficients[a]						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,224	2,604		3,543	0.001
	Compensation	0.356	0.135	0.353	2.717	0,006
	Motivation	0.313	0.116	0.317	2,707	0.008
	Work Environment	0.300	0.141	0.388	2,708	0,009
a. Dependent Variable: Work Productivity						

Source: SPSS v 25, 2022 Results

Based on Table 6, the t-count value (X1) of the compensation variable > 1.665 from the t-table 2.517 and the significance of the alpha < is 0.006 < 0.05, meaning that compensation has a positive and significant effect on the work productivity of the cartilage. Nilai t-count (X2) the motivation variable > 1.665 from t-table 2.707 and the significance of the alpha < is 0.008 < 0.05, meaning that motivation has a positive and significant effect on the work productivity of the cartawan. Nilai t-count (X3) the work environment variable > 1.665 from the t-table 2.708 and the significance of the alpha < is 0.009 < 0.05, meaning that the work environment has a positive and significant effect on the work productivity of the cartilage

c)Coefficient of Determination (R^2)

Table 7. Coefficient of Determination Test Results (R^2)

Model Summary[b]				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.480[a]	0.445	0.410	3.48064
a. Predictors: (Constant), Work Environment, Motivation, Compensation				
b. Dependent Variable: Work Productivity				

Source: SPSS v 25, 2022 Results

Based on Table 7, it shows the result of the value of R2 (R squared) variables of compensation, motivation and work environment affecting work productivity by 0.445 or 44.5%.

CONCLUSION

With this research, companies are expected to increase employee salaries every year with a clear, fair and transparent scheme according to the work of employees. Providing annual leave to employees and thanking all employees for their hard work.

It is expected that the company improves the lighting of the work area with a type of lighting that is comfortable in the eyes of employees and does not affect visibility, cleans the work area after each work, provides special equipment and resources to complete and support the work.

By establishing an incentive system, the company will increase work motivation, evaluate the work of employees and the career development process expected of all employees, increase the annual salary as well as clarify the future of employees in the company. So that employees do not worry about the life and survival of their families in the future.

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