

The Influence of Compensation and Work Environment on Employee Performance at Perum DAMRI Palembang City Branch

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Abstract

This study aims to determine the effect of compensation and work environment on employee performance at Perum Damri Palembang branch. The method in this study was associative research. The analysis in this research utilized multiple linear regression analysis. The results of this study indicate that there is an effect of compensation and work environment on employee performance at Perum Damri Palembang branch. This research is expected to provide benefits for companies to evaluate employee performance through compensation and work environment.

Keywords: compensation, work environment, employee performance.

1. Introduction

Human Resources (HR) is the most important part of a company. Existing and available human resource management within a company is the most important factor. All the potential possessed by human resources has an influence on the company's efforts, planning, and the goals to be achieved by the company. Human resources as one of the elements that determine the success of a company. Employee performance is an important factor because without employee performance, the company will not be able to achieve the goals that the company wants in the future. According to Busro (2018: 88) performance is the result of work or work productivity both in quality and quantity achieved by a person or work team in carrying out tasks according to the responsibilities given by the organization.

One of the things that can affect employee performance is compensation. According to Hasibuan (2016: 118) compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company. Rewards obtained by employees as remuneration for their performance in an organization or company. Compensation can be physical or non-physical. Compensation must be calculated and handed over to employees based on sacrifices adjusted to the performance of employees for the company. Determination of previous compensation must be calculated according to employee performance. Therefore it is necessary to make an employee performance appraisal system. The system in outline must include an assessment of all employees such as the workload provided and able to be completed, accuracy and speed in completing work, interactions with employees or managers, and other compensation indicators.

Another factor that can determine employee performance is the work environment. The work environment according to Nuraini (2013:97) is everything that is around employees and can

affect them in carrying out the tasks assigned to them, for example by having air conditioning, adequate lighting and so on. Human life is inseparable from the various circumstances of the surrounding environment, between humans and the environment there is a very close relationship. In this case, humans will always try to adapt to various environmental conditions. Likewise, when doing work, employees as human beings cannot be separated from various circumstances around the place where they work

DAMRI is an abbreviation of the Indonesian Republic of Indonesia Motor Transport Department. the name DAMRI is still enshrined as the brand mark of this State-Owned Enterprise (BUMN), which until now has consistently carried out its duties as one of the providers of passenger and goods transportation services using buses and trucks. Perum (Public Company) DAMRI is a company engaged in transportation services under the auspices of (BUMN). This company is also concerned with employee performance, performance will be largely determined by elements of its employees. Therefore, in measuring the performance of an organization, it should be measured by looking at the work of its employees. This is marked by the standards that have been set that have not been reached and are maximized because ticket sales have not yet reached the target, which can be seen from the table below:

Table I. Performance report of Perum DAMRI Palembang city bus transportation unit

year	So (bus)	Rit	KM	Pnp
2016	183	528.490	11.242.942	20.966.263
2017	177	498.326	11.301.074	19.632.700
2018	161	500.561	10.676.256	18.714.889
2019	158	464.945	9.418.296	16.934.255
2020	156	434.865	9.014.336	16.028.233

Source: Perum Damri Palembang City Branch 2020

Description :

So: ready for operation

km: kilometers (distance)

Rit : back and forth in one route

Pnp : passenger

The table above shows that so, rit, km, and pnp have fluctuated from 2016-2020. It can be seen that so, rit, km, and passengers have decreased each year. The decrease in passengers every year causes the standard that the company wants is not achieved. Not achieving standards causes goals not to be achieved, because this is caused by a lack of cooperation between fellow employees, besides that the facilities and infrastructure are still lacking so that when you want to send passengers to their destinations they often experience schedule delays. This makes passengers feel uncomfortable so that passengers switch to other transportation. In addition, it is difficult to find opportunities to achieve goals such as promotion due to competition between employees within the company.

Poor employee performance is also affected by employee compensation. The compensation for Perum Damri employees is still lacking because the salaries received by employees do not match the district/city minimum wage (UMK) of South Sumatra which currently reaches Rp.3,270,093.72. It is this factor that many bus drivers still complain about the salary they receive which is still relatively small and not in accordance with the UMK of Palembang City, moreover bus drivers are not yet permanent employees at the company but only contract employees. In addition, there is a lack of benefits provided by the company to employees so that many employees complain about the benefits they receive and there are no incentives provided by the company to employees. The facilities provided by the company to employees are still lacking, such as computer facilities provided by the company which are still very limited so that when employees want to carry out tasks using a computer, they have to use it alternately with other employees, and the lack of internet access makes it difficult for employees to complete their work.

Not only compensation, the work environment also affects employee performance as seen in the company such as the air temperature in the work space is still not optimal because there is still little air ventilation so that employees feel hot when in the work space, and frequent damage to the cooler (AC) room due to lack of maintenance. The surrounding noise caused by the bus which is next to the work room disrupts the concentration of employees in the office. The arrangement of paint colors in the employee's workspace that has not been repainted for a long time makes the wall color fade so that employees feel bored with the appearance of the workspace and the lack of room arrangement which results in employees feeling less flexible in carrying out work activities. Another phenomenon that the authors found in the company was the loss of motorized vehicles, this happened due to a lack of security in guarding around the work environment

2. Literature Review

2.1 Compensation

According to Kasmir (2016: 233) compensation is remuneration provided by the company to its employees, both financial and non-financial. This means that the company will provide remuneration to all employees involved in it. For employees compensation is the employee's right to the burden and responsibility given to the company. According to Wibowo (2016: 289) compensation is a counter-performance to the use of labor or services that have been provided by the workforce. Compensation is the number of packages offered by the organization to workers in return for the use of labor. Compensation Indicators according to Hasibuan (2016: 130) put forward in general indicators of compensation, namely:

1) Salary

is money given every month to employees as remuneration for their contributions.

2) Wages

is a reward given directly to employees based on working hours.

3) Incentives

is a financial reward given directly to employees whose performance exceeds the specified standard.

4) Allowances

is compensation given to certain employees as a reward for their sacrifices.

5) Facilities are supporting facilities provided by the organization.

2.2 Definition of Work Environment

The work environment is everything that is around workers who can influence them in carrying out the tasks assigned to them (Nitisemito, 2010: 110). The work environment is the whole of the tools and materials encountered, the surrounding environment where a person works, his work methods, and work arrangements both as individuals and as a group (Sedarmayanti, 2011: 2). According to Sedarmayanti (2011: 46) indicators of the work environment are as follows:

1. Illumination or light

Lighting or light has great benefits for employees in order to get safety and smoothness in work.

2. Temperature in the workplace

Under normal circumstances each member of the human body has a different temperature. The human body always tries to maintain a normal state, with a perfect body system so that it can adapt to changes that occur outside the body. However, this ability to adapt has limits, namely that the human body can adapt itself to outside temperatures if changes in outside body temperature are not more than 20% for hot conditions and 35% for cold conditions, from the body's normal state.

3. Humidity in the workplace

Humidity is the amount of water contained in the air, usually expressed as a percentage. This humidity is related to air temperature, and together with temperature, humidity, speed of moving air and heat radiation from the air will affect the state of the human body when receiving or releasing heat from the body.

4. Air circulation in the workplace

Oxygen is a gas needed by living things to maintain survival, namely for metabolic processes. The surrounding air is said to be dirty if the oxygen level in the air has decreased and has been mixed with gases or odors that are harmful to the health of the body.

5. Noise/noise in the workplace

One of the populations that is quite busy for experts to deal with is noise, which is sound that is not wanted by the ear. It is unwanted because, especially in the long term, the sound comes to disturb peace in work, damage hearing, and cause communication errors.

6. Mechanical Vibration at Work

Mechanical vibration means vibrations generated by mechanical devices, some of which reach the employee's body and can cause unwanted consequences.

7. Odors at Work

The presence of odors around the workplace can be considered as pollution, because it can interfere with concentration at work and odors that occur continuously can affect olfactory sensitivity,

8. Coloring at Work

Manata colors in the workplace need to be studied and planned as well as possible. In fact, the color arrangement cannot be separated from the arrangement of decorations. This is

understandable because color has a big influence on feelings. The nature and influence of color sometimes causes feelings of joy, sadness and others because the nature of color can stimulate human feelings.

9. Decoration at Work

This decoration has to do with good color layout, therefore decoration is not only related to the results of the workspace but also related to how to arrange the layout, color layout, equipment and others for work.

10. Music at Work

According to experts, music that has a soft tone according to the atmosphere of the time and place can awaken and stimulate employees to work. Therefore songs need to be selected selectively to be played at work. Keamanan di Tempat Kerja

11. In order to keep the place and working environment in a safe condition, it is necessary to pay attention to safety at work. One of the efforts to maintain security in the workplace, can utilize a security guard unit (SATPAM).

2.3 Employee performance

According to Busro (2018: 89) performance is the result of work that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve company goals legally, not violating the law and not contradicting morals or ethics. . According to Rivai in Busro 2018: 88 performance is the willingness of a person or group of people to carry out an activity and perfect it in accordance with responsibilities with the expected results. Performance indicators are used for activities that can only be determined more qualitatively on the basis of observable behavior (Wibowo, 2016). There are seven indicators, namely:

1. Purpose

Goals are different states that an individual or organization actively seeks to achieve. Goals are a better state to be achieved in the future. Doing it like that so that performance achieves goals, to achieve goals requires individual, group and organizational performance. Individual and organizational performance is successful if it can achieve the desired goals.

2. Standard

tells when a goal can be completed. Standard is a measure of whether the desired goals can be achieved. Without standards, it cannot be known when a goal is achieved.

3.Feedback,

feedback reports progress, both quality and quantity, in achieving the goals defined by the standard. Feedback is especially important when we consider its true purpose. With feedback, evaluation of performance is carried out and as a result performance improvements can be made.

4. Tools or means,

are resources that can be used to help complete goals successfully. Without tools and facilities, specific work tasks cannot be carried out and objectives cannot be completed.

5. Competence,

is the ability possessed by a person to carry out the work assigned to him properly. Competence

allows a person to perform work-related tasks necessary to achieve goals.

6. Motives,

Motive is the reason or driving force for someone to do something. Managers facilitate motivation to employees with incentives in the form of money, giving recognition, setting challenging goals, setting affordable standards, asking for feedback, giving freedom to do work including time to do work, providing necessary resources and eliminating actions that result in incentives.

7. Opportunity,

Employees need to get opportunities or opportunities to show their work performance. There are two factors that contribute to the lack of opportunities for achievement, namely the availability of time and opportunities.

3. Research Method

The research location was conducted at PERUM DAMRI Palembang City Branch. The type of research used in this study is associative research, namely to determine the effect of employee compensation and the work environment on the performance of employees of Perum DAMRI Palembang City Branch. According to Sugiyono (2016: 137-146) associative research is research that aims to determine the relationship between two or more variables. Source of data used in this research is primary data. This primary data is data obtained by the author himself which is sourced from respondents through questionnaires about the effect of work compensation and the work environment on the performance of employees of Perum DAMRI Palembang City Branch.

The population in this study were all 105 employees. The sampling method uses proportionate stratified random sampling, namely the sampling technique used when the population has members who are not homogeneous and are proportionally stratified. Sugiyono suggested a very practical way of determining sample size, namely the Isaac and Michael tables. This study uses an error rate of 5%, if the total population is 105 people, the sample taken is 83 respondents.

4. Findings and Discussions

To determine the effect of these variables in this study, multiple linear regression tools were used. Regression shows the relationship between one variable and another variable where one variable affects another variable. As for multiple linear regression equation:

$$Y=a+b_1X_1+b_2X_2 +e$$

Where :

Y = Employee performance

a = Constant

b1 = Regression Coefficient of Compensating Variable

X1= Employee Compensation

b2 = Regression Coefficient of Work Environment Variables

X2= Work Environment

e =error of term

Based on the results of data processing carried out with the SPSS version 23 computer program, the results of multiple linear regression are obtained as follows:

Table 2. Multiple linear regression

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	
	B	Std. Error	Beta	t
(Constant)	1.489	.542		2.750
Employee Compensation	.697	.052	.714	13.382
Work Environment	.339	.064	.284	5.326

a. Dependent Variable: Employee performance

Based on the table 2, the results of multiple linear regression tests obtained the influence of competency and work environment variables on employee performance at PT Perum Damri Palembang City Branch can be described by the multiple linear regression equation as follows:

$$Y = 1.489 + 0.697X_1 + 0.339X_2 + e$$

The model above shows that:

1. A constant value of 1,489 (positive) indicates that if competence and work environment have a value of 0, then employee performance at PT Perum Damri Palembang City Branch remains positive.
2. The competency regression coefficient value is 0.697 (positive), indicating that if there is an increase or decrease in competency, the employee's performance at PT Perum Damri Palembang City Branch will increase or decrease assuming constant work discipline.
3. The value of the work environment regression coefficient is 0.339 (positive), indicating that if there is an increase or decrease in the work environment, the employee's performance at PT Perum Damri Palembang City Branch will increase or decrease assuming constant motivation.
4. The results of the multiple linear regression analysis above show that employee compensation has a more dominant influence in influencing employee performance, so it can be concluded that employee compensation is the main factor influencing employee performance at PT Perum Damri Palembang City Branch, while the work environment is a supporting factor that influences performance employees of PT Perum Damri Palembang City Branch.

5. Conclusion

Based on the results of the study, it can be concluded that there is a significant influence

between compensation and work environment on the performance of employees of PT Perum Damri Palembang City Branch. This is evidenced by the following results:

1. The results of the simultaneous hypothesis test, show the value of $F_{\text{count}} 1020,484 > F_{\text{table}} 2.37$, meaning that there is a significant effect of compensation and work environment on employee performance at PT Perum DAMRI Palembang City Branch.
2. The results of hypothesis testing partially (alone), show the value of $t_{\text{count}} 0.697 > t_{\text{table}} 1.66388$, meaning that there is a significant effect of Compensation on Employee Performance at PT Perum DAMRI Palembang City Branch.

The results of hypothesis testing partially (alone), show the value of $t_{\text{count}} 0.339 > t_{\text{table}} 1.66388$, meaning that there is a significant influence of the work environment on employee performance at PT Perum DAMRI Palembang City Branch.

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