DIJDBM: Dinasti International Journal of Digital Business Management
E-ISSN: 2715-4203
P-ISSN: 2715-419X
DINASTI PUBLISHER
https://dinastipub.org/DIJDBM dinasti.info@gmail.com +62 811 7404 455
DOI: https://doi.org/10.38035/dijdbm.v6i2

The Influence of Work Motivation, Compensation and Work Environment on Employee Performance at PT. Jaya Kencana

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Abstract:This study aims to determine the effect of work motivation on employee performance at PT. Jaya Kencana, the effect of compensation on employee performance at PT. Jaya Kencana, the influence of the environment on the performance of employees at PT. Jaya Kencana, and the effect of work motivation, compensation, and work environment simultaneously on employee performance at PT. Jaya Kencana. The method used in this research is descriptive quantitative method. This research was conducted by looking for primary data with a sample size of 100 employees of PT. Jaya Kencana. The data were processed by statistical analysis with validity, reliability, classical assumption test, multiple linear regression analysis, hypothesis testing through t test and F test, and analysis of the determinant coefficient (R). From the results of the analysis, it shows that the results of the multiple linear regression test are Y= 5.526 + 0.481X1 + 0.133X2 + 0.357X3 and for the F test results it is found that H0 is rejected and Ha is accepted with a value of Fcount 57.663 > Ftable 2.99 at significant 0.000 < Ftable 0.05. So the F test shows that work motivation, compensation, and work environment together (simultaneously) have a positive and significant effect on employee performance at PT. Jaya Kencana with the percentage of the coefficient of determination of 63.2%.

Keywords: Work Motivation, Compensation, Work Environment, Employee Performance

INTRODUCTION

In the current era of heightened openness and accelerated globalisation, there has been a marked intensification in the level of global competition, alongside the rapid advancements in technology, shifts in the demographic landscape, and volatile economic conditions. These dynamic changes have precipitated significant shifts in the environmental context of industrial enterprises. Indonesia is currently navigating the era of the 4th Industrial Revolution, also known as Industrial Revolution 4.0, which is predicated on the objective of enhancing the

competitiveness and productivity of the national industry. The hallmarks of this era are automation and digitalisation, which are poised to exert a profound influence on the future of industry in Indonesia.Concomitant with the advent of the Industrial Revolution 4.0 and the pervasive adoption of digital technologies, the paradigm of business competition and development, which historically relied on the exploitation of natural resources, is undergoing a fundamental shift towards the mastery of information technology and the cultivation of a skilled workforce.In this context, the strategic investment in human resources assumes paramount importance.The utilisation of natural resources is inevitable, and this will inevitably give rise to environmental challenges. In contrast, investment in human resources is characterised by its unlimited and dynamic nature.

The Indonesian nation attaches greater importance to the issue of human resources in its developmental stage, with a particular emphasis on enhancing the quality of human resources to ensure they become the central focus of national development. Humans represent the most significant element in the developmental process, capable of producing goods and services that are of value to a nation and valuable results that determine the welfare and standard of living of the community.

Established in 1965, PT Jaya Kencana is one of the first mechanical and electrical contractors in Indonesia. PT Jaya Kencana is also known as one of the pioneers who introduced elevator and escalator technology to the country in 1983. Growing with the development of our nation and at the same time surviving the downturn of the Indonesian economy has transformed the company into a strong and reliable institution.

Motivation.

The concept of motivation in the context of management is demonstrated through human resources in general and subordinates in particular.The crux of motivation lies in the direction of the power and potential of subordinates, thereby fostering a collaborative effort to achieve and realize predetermined goals.The significance of motivation stems from its role in influencing, channeling, and supporting human behavior, leading to a willingness to work diligently and enthusiastically to achieve optimal results. Maslow's (1970) seminal theory posits that motivation is the driving force from within that compels humans to act or strive to meet their needs.

Compensation

Compensation is defined as any form of remuneration received by an individual in exchange for their services or achievements within a professional context. This encompasses both tangible and intangible forms of compensation, including financial rewards, direct or indirect, as well as the provision of goods or services.According to Hasibuan (2008: 118), compensation refers to all forms of financial or material benefits received by employees in return for their contributions to the company. In contrast, Mangkunegara (2011: 83) defines compensation as a "monetary gift" bestowed upon employees in recognition of their services.

Work environment.

The work environment is defined as the social, psychological, and physical aspects of the company that influence employees in performing their duties.Human life is inseparable from the various conditions of the surrounding environment, and there is a close relationship between humans and the environment. In this case, humans will always try to adapt to various circumstances of the surrounding environment. Similarly, when performing work tasks,

employees as humans cannot be separated from the various circumstances around where they work, namely the work environment. During the course of their work, employees invariably interact with the various conditions that define the work environment.

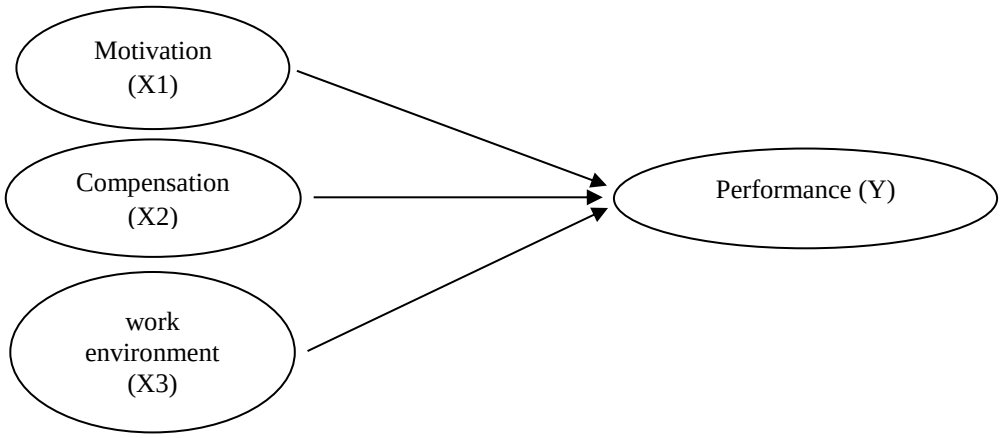
Performance

Performance is defined as Work Energy Kinetics, or "work performance" in English. In this context, the term generally refers to "job performance" or "actual performance," which can be understood as a work performance or actual achievement achieved by an individual in carrying out their duties.Within the domain of management, performance is defined as an individual's work performance or work results, based on the quantity and quality achieved in carrying out their functions in accordance with the responsibilities received. As posited by Mangkunegara (2011: 67), the term "performance" is derived from the concept of "Job Performance" or "Actual Performance," which can be defined as the work performance or actual achievements accomplished by an individual in the execution of their responsibilities.

The Theoretical Model

The present study focuses on the relationship between motivation, competence, the work environment, and performance. Effective motivation is expected to improve competence and the work environment, which in turn has an impact on performance. This model is consistent with the findings of Sutrisno (2021), who highlighted the synergy of these variables in growing a productive organization. By integrating these factors, this model provides a comprehensive framework for understanding the employee dynamics of PT Kencana Jaya.

Framework



Research Hypothesis

The basis for this study's research hypothesis is threefold:

H1: Motivation exerts an influence on employee performance.

H2: Compensation affects employee performance.

H3: The work environment affects employee performance.

H4: Motivation and compensation affect employee performance.

METHODS

Research Design

The present study employs a quantitative research design, which utilizes numerical data and statistical measurements to evaluate the proposed hypothesis.As Sujarweni (2015) elucidates, quantitative methods are particularly efficacious in examining causal relationships by collecting measurable data and employing statistical tools.The quantitative approach is well-suited for assessing the impact of motivation, competence, and the work environment on performance, as these variables can be quantitatively measured and analyzed.

Research Location

The research site is defined as the physical location where researchers conduct studies to generate solutions to specific problem formulations.In this particular study, the researchers conducted their study at PT Jaya Kencana, which is located at 60 Salemba Raya, Central Jakarta.

Research Population

The population of this study consisted of 100 employees of PT Jaya Kencana, Jl. Salemba Raya No. 60, Central Jakarta.

Sampling Technique

The sampling technique employed in this study was purposive, whereby a subset of the population was selected based on specific criteria. The criteria were designed to ensure that the selected sample would adequately represent the population in terms of relevant characteristics. The selection process was conducted in accordance with rigorous scientific principles, ensuring the accuracy and validity of the results.

Purposive sampling techniques are utilized to select samples from a population, and they are appropriate when certain criteria must be met by the participants. In this study, the primary criterion was respondents' involvement in financial administration tasks, and the final sample consisted of 100 respondents, which was considered adequate for statistical analysis.

Method Collection Data

The primary data was collected through the administration of structured questionnaires to respondents, with the objective of measuring motivation, compensation, the work environment, and employee performance. The questionnaire was designed to elicit responses using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The use of structured questionnaires ensures consistency in providing answers, thus facilitating reliable data analysis.

Instrument Validity Test

The present study sought to assess the validity of the research instrument employed, with the objective of ensuring its capacity to accurately measure the variables under investigation.To this end, Pearson correlation analysis was utilized to evaluate the validity of each item.In accordance with the methodologies outlined by Solihin and Ratmono (2020), the validity of an item is determined by the presence of a significant correlation coefficient at the 5% level ($p < 0.05$).

Instrument Reliability Test

The reliability of the instrument was assessed by employing Cronbach's Alpha and Composite Reliability methods. According to Sholihin and Ratmono (2013), a variable is deemed reliable if Cronbach's Alpha and Composite Reliability values surpass 0.70. High reliability signifies that the instrument consistently measures variables across different items and respondents.

Data Analysis Methods

The analysis was executed using SPSS version 25, a widely utilized statistical software program for quantitative research. The analysis comprised multiple steps, including validity and reliability tests, classical assumption tests, coefficient of determination, and hypothesis testing.

Classical Assumption Test

The implementation of classical assumption tests is imperative to ascertain that the data satisfies the criteria for regression analysis. These criteria encompass assessments for normality, multicollinearity, heteroscedasticity, and autocorrelation. The adherence to these assumptions enhances the robustness and validity of the regression model.

Normality Test

The objective of the normality test is to ascertain whether the data under consideration adheres to a normal distribution.As elucidated by Widardjono (2013), the data is deemed to be normally distributed if the Skewness and Kurtosis Critical Ratio (CR) values fall within the range of -2.58 to 2.58 at a significance level of 5%.

Multicollinearity Test

Multicollinearity is evaluated through the utilization of the Variance Inflation Factor (VIF).According to Ghozali (2018), the absence of multicollinearity is indicated when the VIF value is less than or equal to 5. The presence of multicollinearity has the potential to distort regression coefficients, thereby affecting the accuracy of the estimated relationship between variables.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) is a statistical measure used to assess the explanatory power of independent variables. An R^2 value close to 1 indicates that the majority of the variance in the dependent variable (employee performance) can be attributed to motivation, compensation, and the work environment.

Hypothesis Testing

The t-test, which is employed at a 5% significance level, was utilized to assess the statistical significance of the hypotheses. The acceptance of hypotheses was contingent upon the observation of a t-statistic value that exceeded 1.96, thereby ensuring the attainment of statistical significance.The t-test offers insight into the extent to which each independent variable exerts a substantial influence on personnel performance.

Regression Model

This study uses a multiple linear regression model to examine the relationship between leadership, work discipline, motivation, and performance. The model is expressed as: Y = b1X1+b2X2+b3X3.

Where:

1. X1 represents Motivation
2. X2 represents Compensation
3. X3 represents Work Environment
4. Y represents Employee Performance
5. b1, b2, b3 are regression coefficients.

Interpretation of Regression Coefficient

The regression coefficient (b1, b2, b3) is a measure of the influence of each independent variable on employee performance, showing both the magnitude and the direction of that influence. A positive coefficient indicates a unidirectional relationship, while a negative coefficient indicates an opposite relationship.

RESULTS AND DISCUSSION

Validity and Reliability Test Results

The validity test is employed to assess the precision of each question item within a questionnaire. The validity of a questionnaire is contingent upon its capacity to elicit information that is commensurate with the intended measurement and upon the calculation of a correlation value (r count) that exceeds the established threshold (r table). The r values obtained through calculation are evident in the "Correlations" column of the SPSS output sheet. The question item's validity is determined by the comparison of the total correlations column value with the r table value. If the former exceeds the latter, the question item is deemed valid.

Reliability measurement is conducted through a one-time, one-shot measurement employing the SPSS tools Cronbach Alpha (α) statistical test.The Cronbach Alpha value utilized in this study is set at 0.60, under the assumption that a list of questions subjected to the Cronbach Alpha test will be deemed reliable if the result falls within the 0.60 range and unreliable if the result falls below 0.60.

Normality Test

The normality test employed in this study was the Kolmogorov-Smirnov method. The following results are derived from the normality test conducted using SPSS Version 26.

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.51983477
Most Extreme Differences	Absolute	.069
	Positive	.054
	Negative	-.069
Test Statistic		.069

Asymp. Sig. (2-tailed)	.200[c,d]

Based on the table above, the regression model's normality is statistically significant at the 0.200 level. This outcome indicates that the data possesses a significance value greater than 0.05, thereby validating the regression model's standard error and ensuring its reliability for further analysis. A valid standard error signifies that the model exhibits a high degree of accuracy in predicting the value of the dependent variable based on the independent variable.

Heteroscedasticity Test

The objective of the heteroscedasticity test is to evaluate the similarity or inequality of the variance of the residuals from one observation to another. In this study, the Spearman's rho test was employed. The presence of heteroscedasticity is indicated by a significance value greater than 0.05. Conversely, heteroscedasticity is observed when the significance value is less than 0.05.

Multicollinearity Test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5,835	2,641		2.209	.030		
	Work motivation	.464	.088	.411	5.291	.000	.631	1,585
	Compensation	.144	.103	.115	1,399	.165	.565	1,771
	Work environment	.360	.081	.395	4.466	.000	.487	2,051

The results of the test conducted on SPSS indicate that the tolerance value of all work motivation variables is 0.631, the compensation variable is 0.565, and the work environment is 0.487. It is evident that the three tolerance values are greater than 0.10. The VIF value for the work motivation variable is 1.585, for the compensation variable is 1.771, and for the work environment is 2.051, all less than 10.00. These findings indicate that the regression model is not affected by multicollinearity and that the data is appropriate for use in the regression model.

Coefficient of Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802a	.643	.632	2.52800

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

Based on the table above, the coefficient of determination (adjusted R^2) is 0.632. This indicates that the independent variables (i.e., work motivation, compensation, and work environment) account for 63.2% of the variability in employee performance. The residual 36.8% is attributed to factors that are not explained by these independent variables.

t-Test Results

Based on data processing, the t value for the work motivation variable is 10.068, which is greater than the t table (1.984). The significance is 0.000, which is less than 0.05. Therefore, H01 is rejected, indicating that work motivation exerts a significant effect on employee performance. The t value for the work motivation variable is 6.907, which is greater than the t table (1.984) and has a significance level of 0.000, thus indicating that it is smaller than 0.05. This finding supports the rejection of H01. This finding indicates that compensation exerts a substantial influence on employee performance.Similarly, the t value for the work motivation variable is 10.010, which is greater than the t table of 1.984 and has a significance level of 0.000, indicating that it is less than 0.05. This outcome further substantiates the rejection of H01, thereby concluding that compensation exerts a significant effect on employee performance.

F Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1105.526	3	368,509	57,663	.000b
	Residual	613,514	96	6,391		
	Total	1719.040	99			

The ANOVA test or F test yielded an F-count of 57.663 and an F-table amounting to 2.99, with a significant level of 0.000. The F-count was found to be greater than the F-table, and the probability was less than 0.05. This indicates that the null hypothesis (Ho) is rejected, and it can be concluded that work motivation, compensation, and work environment collectively influence employee performance.

The Influence of Work Motivation on Employee Performance at PT. Jaya Kencana

The findings of the statistical analysis, employing SPSS software for data processing, substantiate the hypothesis that work motivation variables (X_1) exert a substantial influence on employee performance. The calculated T value (10.068) exceeds the tabulated T value (1.984), thereby rejecting the null hypothesis and supporting the alternative hypothesis. The results of this study demonstrate that, to a certain extent, work motivation variables have a positive impact on employee performance. This finding is further substantiated by the statistical significance value of 0.000 <0.05 (α = 5%), thereby underscoring the substantial impact of motivation on employee performance at PT Jaya Kencana.

The Influence of Compensation on Employee Performance at PT. Jaya Kencana

The findings of the present study substantiate the hypothesis that the compensation variable exerts a partial influence on employee performance. This conclusion is substantiated by the outcomes of statistical analysis employing SPSS software, specifically the T-test for the compensation variable (X2). The calculated T-value (6.907) exceeds the critical value (1.984), thereby rejecting the null hypothesis and supporting the alternative hypothesis. This conclusion is further substantiated by the obtained p-value of 0.000 <0.05 (α = 5%), thereby affirming a substantial impact of compensation on employee performance at PT Jaya Kencana.Compensation stands as a pivotal element in the realm of employee relations,

encompassing direct cash payments, indirect payments in the form of employee benefits, and incentives designed to galvanize employees in pursuit of enhanced productivity.

The Influence of Work Environment on Employee Performance of PT. Jaya Kencana

The findings of the present study substantiate the hypothesis that the work environment variable exerts a partial influence on employee performance. This conclusion is supported by the outcomes of statistical analysis employing SPSS software, specifically the data processing for the test of work environment variables (X3). The calculated T value (10.010) exceeds the critical value (1.984) at the 1% level of significance, thereby rejecting the null hypothesis and supporting the alternative hypothesis. This finding is further substantiated by the obtained p-value of 0.000 <0.05 (α = 5%), thereby underscoring a substantial impact between work environment and the performance of PT Jaya Kencana employees.The presence of adequate facilities and a well-maintained work environment has been demonstrated to exert a significant influence on employee performance. Furthermore, the need for quiet conditions during working hours is also highlighted, emphasizing the importance of an environment conducive to focused work. Companies must prioritize the creation of such conditions to ensure employee well-being and optimize productivity, thereby enabling the attainment of production targets.

The Influence of Work Motivation, Compensation, and Work Environment on Employee Performance at PT. Jaya Kencana

The results of the analysis with SPSS, employing the ANOVA test or F test, indicate an F count of 57.663. This is significant when considered against the F table amounting to 2.99, with a significant level of 0.000. The F count exceeds the F table, and the probability is less than 0.05, which indicates that the null hypothesis (Ho) is rejected. This suggests that work motivation, compensation, and work environment collectively influence employee performance.The test results indicate an adjusted R-squared coefficient of 0.632, indicating that the independent variables (i.e., work motivation, compensation, and work environment) can explain 63.2% of the variability in employee performance. The residual 36.8% of the variance in employee performance is attributed to factors outside the scope of the independent variables, including but not limited to organizational culture and employee safety and health.

CONCLUSION

The regression coefficient of work motivation is 10.068, which indicates that work motivation has a positive effect on employee performance, and that this effect is partially significant. The regression coefficient of compensation is 6,907, and its positive coefficient value indicates that compensation has a positive effect on employee performance, partially. The regression coefficient of the work environment is 10.010, and its positive coefficient value indicates that the work environment has a positive effect on employee performance, partially. The joint influence of work motivation, compensation, and work environment on employee performance is substantiated by the statistical significance of F count (57.663) over F table (2.99), at a p-value of 0.000.

The coefficient of determination (Adjusted R Square) is 0.632, indicating that the independent variables (work motivation, compensation, and work environment) collectively account for 63.2% of the variance in employee performance, with the remaining 36.8%

attributable to other factors. Additional influential factors include organizational culture and employee safety and health.

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