

**THE INFLUENCE OF COMPENSATION AND WORK ENVIRONMENT ON THE
PERFORMANCE OF SOPPENG REGENCY PUBLIC WORKS AND SPATIAL PLANNING
DEPARTMENT EMPLOYEES**

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Abstract

This research aims to determine the effect of compensation and work environment on the performance of public works department employees and spatial planning in Soppeng district. The variables in this research consist of compensation and work environment as independent variables and employee performance as the dependent variable. This type of research is associative quantitative which uses primary data. The population in this study was 78 employees of the Public Works and Spatial Planning Department of Soppeng Regency. The data collection technique was carried out by distributing questionnaires to employees. The data analysis technique uses multiple linear regression with the help of SPSS version 25 software. The results of this research show that compensation has a positive and significant effect on employee performance, the work environment has a positive and insignificant effect on employee performance, compensation and the work environment have a positive and significant effect on the performance of employees of the public works department and spatial planning of Soppeng district.

Keywords: Leadership Style, Compensation, Employee Performance.

INTRODUCTION

Human resources are one of the key resources in achieving the goals of an organization. In the business agenda, the role of humans is crucial in both long-term and short-term competition; an organization must have added value compared to other organizations. In this case, many organizational phenomena have human resources that are loyal to the institution. From all of that, there must be something that makes the employees loyal to the company where they work.

Human resource management is a field of management that specifically studies the relationships and roles of people within organizations. This is because human resource management involves managing the workforce within the organization to achieve the organization's goals. Human resource management can also produce good performance in a company by evaluating and providing compensation to each individual according to their performance capabilities.

The achievement of an agency's goals does not only depend on modern equipment, complete facilities and infrastructure, but rather more on the people who carry out the work. The success of an institution is greatly influenced by the performance of its individual employees. Every institution will always strive to improve the performance of its employees, with the hope that the institution's goals will be achieved. Performance is the final result of a certain job or activity. If we do a job well, we will produce good performance as well. In an organization, if employee performance is good, it will create good organizational performance, and conversely, if employee performance is poor, it will also lead to poor organizational performance. Performance is the final result of an employee's work measured in terms of both quality and quantity. (Mangkunegara dalam setyorini et al, 2021;49).

The provision of compensation in an organization plays a very important role as it can address various increasingly complex workplace issues such as low performance. According to Mangkunegara (2004:89), compensation is everything given by the company to employees as a reward for their performance to the company. The provision of compensation is expected to improve employee performance, work productivity, loyalty, discipline, and sense of responsibility towards their positions, as it provides them with the opportunity to increase their income. In addition to the factor of compensation provision, the work environment where the employees work is also equally important in improving employee performance. The Work Environment is everything that exists around the worker and can influence them in carrying out the tasks assigned. For example, the work environment, relationships with coworkers, and the availability of work facilities. Because it can affect employee performance. (Nitisemito dalam Nuraini, 2013:27). Therefore, the organization must provide an adequate Work Environment such as a physical environment (comfortable office

layout, clean surroundings, colors, sufficient lighting, and pleasant music), as well as a non-physical environment. (suasana kerja pegawai, kesejahteraan pegawai, hubungan antar sesama pegawai, serta hubungan antar pegawai dengan pimpinan). A good work environment can support the execution of tasks, so employees have a strong work ethic and improve their performance.

The influence of Compensation and Work Environment on Performance has been extensively proven in previous studies. In the research conducted by Handoko & Susbiyani (2022), it was shown that Compensation has a significant impact on employee Performance and Work Environment has a significant impact on employee Performance. Similarly, the study by Ramadhan & Satrio (2020) indicated that Compensation and Work Environment have a positive and significant impact on employee Performance. However, the research results from Piliang (2022) showed that Work Environment does not have a significant impact on employee Performance.

Issues related to employee performance are challenges that management consistently faces. Therefore, it is very important for organizational management, especially leaders, to understand the factors that influence employee performance. With this understanding, management can design and implement various actions and policies aimed at improving employee performance in line with the organization's expectations and goals.

RESEARCH METHOD

The method used in this research is quantitative research. According to Kurniawan & Puspitaningtyas (2023:16), quantitative research is a systematic scientific study based on the philosophy of positivism used to investigate specific populations and samples. Quantitative research uses questionnaires for data collection. Then the data obtained includes the respondents' answers regarding the questions or items posed.

According to Kurniawan & Puspitaningtyas (2023:24), research design is the structure or details of the research that can provide an overview and direction of where the research should be conducted, as well as an overview of when the research will be completed and implemented.

According to McCombes (2019), research design, also known as research strategy, is a plan to answer a series of research questions. In this section is a framework that includes methods and procedures for collecting, analyzing, and interpreting data. Therefore, a good research design will result in effective and efficient research.

According to Kurniawan and Puspitaningtyas (2023:88), data analysis is the stage conducted after all research data has been collected. Data analysis is a method for analyzing, studying, and managing specific data so that clear conclusions can be reached about the issues being researched and discussed. In this study, it is Quantitative Analysis. Quantitative analysis is an analysis used to analyze data statistically, with the collected data being analyzed using statistical techniques. The data obtained was processed using SPSS software. (Statistical Product and Service Solution). Data analysis techniques use descriptive analysis techniques, data quality tests (including validity tests, reliability tests), classical assumption tests (including normality tests, multicollinearity tests, and heteroscedasticity tests), influence tests (including multiple linear regression analysis and coefficient of determination tests), and hypothesis tests, namely partial test/T-test, simultaneous test/F-test.

RESULT AND DISCUSSION

1) The Influence of Compensation (X1) on Employee Performance (Y).

The relationship between Compensation and Employee Performance has a t-calculated value greater than the t-table ($8.480 > 1.665$) and a significant value of 0.000, which is less than 0.05, as well as an unstandardized regression coefficient (B) of 0.396. This indicates that Compensation has a positive and significant effect on the Employee Performance of the Public Works and Spatial Planning Office of Soppeng Regency, thus supporting the acceptance of H1. As explained by Kahn (2020), proper compensation not only serves as a financial incentive but also as a key factor in enhancing intrinsic motivation. A compensation system that recognizes individual contributions can encourage employees to give their best in their work.

Based on the results of the questionnaire statement testing conducted by the researcher, these results indicate that the salary indicator "The salary I receive in relation to the workload" has the lowest score with an average value of 310 (High). This result shows a dissatisfaction among respondents regarding the compensation received. Respondents who gave the lowest score indicate that they feel the salary does not match the workload performed, which could signal a problem in the compensation system. This point is important for data analysis, as it can help identify dissatisfied groups and encourage management to evaluate and improve the Compensation policy. Additionally, the facility indicator "The facilities provided are continuously updated and improved to meet employee needs" has the highest score with an average value of 353 (Very High). This result indicates that respondents strongly agree that good facilities directly impact employee performance. When an organization invests in the improvement and renewal of facilities, it creates a comfortable and supportive Work Environment, which can enhance motivation. Employees who feel valued through the provision of appropriate facilities tend to be

more engaged and committed to their tasks, resulting in better Performance. In addition, access to modern equipment and resources allows employees to work more efficiently and effectively, reducing stress and increasing job satisfaction. Thus, the positive relationship between updated facilities and employee performance highlights the importance of addressing employee needs in achieving organizational goals.

The results of this study can be understood by examining how individuals attribute the causes of employee performance in line with attribution theory, where individuals tend to seek factors that can explain the causes of an event or outcome. In this case, when Compensation affects employee Performance, they may feel that when receiving Compensation commensurate with their efforts, they tend to attribute their work results to personal contributions and supporting facilities. The improvement of facilities creates a conducive Work Environment, which strengthens employees' belief that their efforts are valued proportionally. Thus, employees who feel that their needs and facilities are met will be more motivated and committed to improving performance, because they see a direct relationship between the support provided by the organization and the success achieved. This is in line with the attribution theory perspective, which states that recognition of factors influencing performance, such as compensation and facilities, strengthens internal motivation, ultimately encouraging employees to deliver their best performance.

The results of this study are in line with the research by Astuti & Indratno (2022) titled "Compensation and Employee Performance in the Construction Sector: An Empirical Study." This research shows a significant influence of Compensation on Employee Performance in the construction sector. This means that every increase in Compensation is associated with a substantial improvement in Performance. The findings reinforce the conclusion that compensation plays an important role in determining employee performance within an organization.

2) The Influence of Work Environment (X₂) on Employee Performance (Y).

The relationship between the Work Environment and Employee Performance has a t-value that is smaller than the t-table ($0.150 < 1.665$) and a significance value of 0.881, which is greater than 0.05, as well as an unstandardized regression coefficient (B) of 0.008. This indicates that the Work Environment has a positive but not significant effect on the Employee Performance of the Public Works and Spatial Planning Office of Soppeng Regency, suggesting that H₂ is rejected.

Based on the results of the questionnaire statement testing conducted by the researcher, this result shows that the indicator of people within the Work Environment, namely "Employees support each other in achieving common goals and facing challenges," has the lowest score with an average value of 326. (Tinggi). Differences in individual and group goals can create misalignment in efforts to achieve common objectives, causing some employees to feel that the support provided is inadequate or inconsistent. Moreover, the challenges in the workplace faced by

employees, such as high workloads or time pressure, can reduce their ability to support each other. These factors may indicate the need for improvements in work culture, such as enhancing collaboration programs and strengthening team communication. By understanding and addressing these issues, the PUPR Office can create a more supportive and collaborative Work Environment, which will improve the score for that statement in the future.

Additionally, the indicator of a suitable workplace, which is "Workspaces equipped with ergonomic and comfortable furniture," has the highest score with an average value of 346 (Very High). Workspaces equipped with ergonomic and comfortable furniture are very important because they can create tranquility for employees. When the work environment is comfortable, employees feel more relaxed and less stressed. This tranquility allows them to focus on tasks without distractions. With supportive furniture, employees can work in a more peaceful atmosphere, which positively impacts their performance. As explained by Craig (2018), an environmental psychologist, a well-designed workspace can reduce stress and enhance employees' mental well-being. With supportive furniture, employees can work in a more peaceful atmosphere, which positively impacts overall performance.

Based on attribution theory, the relationship between the Work Environment and Employee Performance can be explained by how employees interpret and relate their experiences at the workplace to the performance they produce. Individuals tend to seek the causes of the behaviors and outcomes they experience. If employees are in a comfortable and supportive Work Environment, they may be more motivated and feel better emotionally, which can improve their Performance. However, if the performance results do not meet expectations, employees may attribute other factors outside the Work Environment, such as personal abilities or external situations, making the positive impact of the Work Environment insignificant. Thus, although a good Work Environment can provide encouragement, other factors in attribution theory play a role in how employees assess their Performance.

In this context, the Work Environment at the PUPR Office of Soppeng Regency can have a positive impact on the performance of employees, most of whom have been working for more than 10 years. However, the influence may not be significant, considering that long-serving employees tend to be accustomed to the existing conditions. Employees with extensive experience usually have established routines and a deep understanding of the organization's dynamics and culture, so they may not feel a significant impact from positive changes in the work environment. This habit can cause employees to feel comfortable in their comfort zone, resulting in resistance to changes that may be proposed to improve the Work Environment. In line with Gonzalez's (2022) opinion, a good Work Environment supports well-being, but senior employees may be more focused on stability and familiarity than on exploring new opportunities. Established organizational culture and long-standing work practices can

influence employees' responses to new initiatives. On the other hand, Roberts (2005) states that employees who feel valued will contribute better, but if they feel there is no need to adapt to a new environment, the positive impact will diminish. Therefore, to improve employee performance at the PUPR Office in Soppeng, an approach that considers the experience and habits of long-serving employees is necessary.

The results of this study are in line with the research by Nurhandayani, A. (2022) titled "The Influence of Work Environment, Job Satisfaction, and Workload on Performance." This study found that although the Work Environment has a positive influence on employee Performance, the influence is not statistically significant. The results indicate that while a good Work Environment is expected to improve Performance, factors such as job satisfaction and individual motivation also need to be considered.

3) The Influence of Compensation (X₁) and Work Environment (X₂) on Employee Performance (Y).

The relationship between Compensation and Work Environment on Employee Performance has a calculated F value greater than the F table ($9.016 > 3.968$) and a significant value of $0.000 < 0.05$, indicating that H₃ is accepted. This shows that Compensation and Work Environment simultaneously have a positive and significant effect on the Performance of employees at the Public Works and Spatial Planning Office of Soppeng Regency. Fair and adequate compensation increases employee motivation and loyalty, while a comfortable and supportive work environment reduces stress and encourages collaboration. When these two factors synergize, employees feel valued and supported, making them more committed to delivering their best performance. Thus, investing in Compensation and a good Work Environment becomes key to improving overall employee Performance.

In addition, a significant relationship is also indicated by the R Square value of 49%, which shows the contribution of Compensation and Work Environment to Employee Performance. Based on the third hypothesis, it can be interpreted that Compensation and Work Environment simultaneously have a positive and significant effect on Performance. This means that both factors, Compensation and Work Environment, indicate that improvements in Compensation, such as salaries and benefits, as well as enhancements in the Work Environment, such as a comfortable atmosphere and good support, will significantly contribute to the improvement of employee Performance. In other words, both Compensation and Work Environment complement each other and are both important to achieve optimal Performance results. As stated by Gonzalez (2022), employees who receive good rewards in a conducive environment tend to be more committed and loyal, thereby increasing overall productivity and performance. Thus, employee performance tends to improve when there is alignment between the rewards received and the conditions of their workplace. By effectively managing these two aspects, the Public Works and Spatial

Planning Office can achieve more optimal results and maximize employee contributions towards the organization's goals.

This research is in line with the study conducted by Putri, M. (2022) titled The Influence of Compensation and Work Environment on Employee Performance in Public Service. In this study, it was found that Compensation and Work Environment simultaneously have a significant positive impact on Employee Performance. The coefficient of determination shows that these two variables can explain 70% of the variation in employee performance.

CONCLUSION

Based on the research results and discussions that have been presented previously, the following conclusions can be drawn from the study on the Influence of Compensation and Work Environment on Employee Performance in the Public Works and Spatial Planning Office of Soppeng Regency, with a sample of 78 respondents:

1. Compensation has a positive and significant effect on employee performance in the Public Works and Spatial Planning Office of Soppeng Regency.
2. The Work Environment has a positive but not significant effect on employee performance in the Public Works and Spatial Planning Office of Soppeng Regency.
3. Compensation and the Work Environment simultaneously have a positive and significant effect on employee performance in the Public Works and Spatial Planning Office of Soppeng Regency.

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