

Analysis of The Effect of Compensation, Organizational Commitment, and Work Environment on Employee Performance

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ABSTRACT

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The purpose of this study is to find out and analyze the simultaneous and partial influence of compensation, organizational commitment, and work environment on employee performance at PT Sarana Daya Mandiri Banjarmasin. This research is explanatory research, which is a study that highlights between variables and tests the hypotheses that have been formulated. The type of research used is associative (causal relationship), which aims to know the relationship between two or more variables. The research sample was as many as 36 respondents who were employees at PT Sarana Daya Mandiri Banjarmasin. Data analysis techniques are used multiple linear regression analysis. The results showed that compensation, organizational commitment and work environment simultaneously and partially affect employee performance. This indicates that if these three factors increase, it will directly impact the improvement of employee performance. Based on these results, the research hypothesis is accepted.

INTRODUCTION

High employee performance is expected by the company. The more employees who have high performance, the productivity of the company as a whole will increase so that the company will be able to survive in uncertain environmental conditions. Some factors that can be used to improve performance include compensation, work environment and organizational commitment. Compensation is important for the company, because it is an effort of the organization to maintain human resources. Losses can occur if compensation is awarded unwisely is the company can lose employees who have high performance, and the company has to spend more for the recruitment of new employees who are qualified according to the needs of the company (Yahyo, Waluyo, & Dewi, 2013).

High employee performance is required to be able to improve the results of work in accordance with the planning and needs of the company. Uneven performance of

company employees based on performance assessment criteria, more likely due to working conditions and company conditions felt by employees do not provide support for them to be able to work with the fulfillment of the target of work that has been set.

Based on the exposure, this study is to conduct an analysis on employee performance, namely by presenting the title of the effect of compensation, organizational commitment, and work environment on employee performance at PT Sarana Daya Mandiri Banjarmasin.

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METHOD

This type of research uses *explanatory* research, which is a study that highlights between variables and tests the hypotheses that have been formulated. The type of research used is associative (causal relationship), which aims to determine the

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relationship between two or more variables (Sugiyono, 2012). This research was conducted at PT Sarana Daya Mandiri Banjarmasin Province South Kalimantan with 36 employees. Sampling research is using the sampling technique used is saturated sampling. Saturated sampling is a method of determining samples when an entire population member is used for samples.

Data collection techniques used are Observation and questionnaire (questionnaire). Data analysis techniques by testing validity and reliability with reliability size are performed using the cronbach (*alpha coefficient*). This is useful to know if the measurements we make are reliable, where usually the reliability of an instrument is acceptable if it has an *alpha cronbach* above 0.6 (Ghozali, 2006). Based on the regression analysis used will then be conducted hypothesis testing of research factors, namely

testing whether independent variables affect dependent variables, namely with t tests, which are conducted to test whether each free variable is significant to the bound variable. T-tests can also be used to test the effect of free variables on bound variables. If the resulting significant value is lower than the α (0.05) then the research hypothesis is accepted, on the contrary if the resulting significant value is higher than the α (0.05) then the research hypothesis is rejected.

RESULTS AND DISCUSSION

The discussion of research is to conduct multiple linear regression analysis and test the research hypothesis. Based on the data of questionnaire answers, it is then analyzed using spss program so that output with the following description is generated:

Table 1
Multiple Linear Regression Analysis

factor	Betta Coefficient	t _{hitung}	Significant
constant	0,062		
Compensation (X ₁)	0,282	2,210	0,034
commitment Organizational (X ₂)	0,382	2,748	0,010
milieu work (X ₃)	0,471	4,499	0,000
Hypothesis Test	F _{hitung}	= 69,368	
	F _{tabel}	= df (0,05) = N - 1 - k (36 - 1 - 3)	
		= df 33 = 2,901	
Coefficient Test Determination	t _{tabel}	= df 33 (0,05)	
		= 2,037	
	R =	0,931	
	R ² =	0,867	
	Adj R ² =	0,854	

Source: Data Processed (2020)

Mathematically the model of multiple linear regression functions can be stated as follows:

$$Y = 0,062 + 0,282 \cdot X_1 + 0,382 \cdot X_2 + 0,471 \cdot X_3$$

The interpretation of the equation is as follows:

1. A constant value of 0.062 indicates that if the Compensation factor (X₁), Organizational Commitment (X₂), and Work Environment (X₃) does not change in the form of improvement or decrease, then

the Employee Performance level is at the level of 6.2%.

2. If there is an increase in compensation factor (X₁), it will be followed by an increase in percentage of Employee Performance level of 28.2%.
3. If there is an increase in organizational commitment factor (X₂), it will be followed by an increase in percentage of Employee Performance level of 38.2%.

If there is an increase in the Work Environment factor (X₃), it will be followed by

an increase in the percentage of Employee Performance by 47.1%.

2. Hypothesis Testing

a Simultaneous Hypotheses

Simultaneous influence testing is a test of influence together for all independent variables against dependent variables, where in the study used test F. The resulting $F_{calculated}$ F value is 69,368 with a significant value of 0.000. This indicates that the Compensation factor (X_1), Organizational Commitment (X_2), and Work Environment (X_3) jointly affects Employee Performance (Y). It is reviewed with $F_{calculated}$ F value greater than the F_{table} F value ($69.368 > 2.901$), and a significantly lower value than the alpha standard (0.05).

b Partial Hypothesis

Hypothetical testing of research is conducted using t. For more details on the level of influence given by each factor freely to the bound factors are as follows:

1. The compensation factor (X_1), has $t_{calculated}$ t value of 2,210 and a significant level of 0.034. This indicates that compensation has a significant impact on employee performance. This is based on $t_{calculated}$ t value greater than the t_{table} t value ($2,210 > 2,037$) and a significant value smaller than a significant level ($0.034 < 0.05$).
2. The Organizational commitment factor (X_2) has $t_{calculated}$ t value of 2,748 and a significant level of 0.010. This indicates that organizational commitment factors have a significant impact on employee performance. This is based on a calculated t value greater than the t_{table} t value ($2,748 > 2,037$) and a significant value smaller than the significant level ($0.010 < 0.05$).
3. The Working Environment Factor (X_3) has $t_{calculated}$ t value of 4,499 and a significant level of 0.000. It shows that the work environment has a significant impact on employee performance. It is based

on a calculated t value greater than the t_{table} t value ($4,499 > 2,037$) and a significant value smaller than a significant level ($0.000 < 0.05$).

3. Coefficient of Determination Test

The coefficient of determination of data processing results based on SPSS output can be seen in the table as follows:

Tabel 2
Description of Statistics

R	R Square
0,931	0,867

- a. An R value of 0.931 or 93.1% is a correlation coefficient that indicates the level of relationship between the Compensation factor (X_1), organizational commitment (X_2), and the Work Environment (X_3) with Employee Performance (Y).
- b. The *value of R Square* with a value of 0.867 is R squared, which indicates that the independent factors taken in this study have a relationship rate with dependent factors of 86.7% so that the remaining 13.3% are other factors not stated in the research, such as leadership, work motivation, and career development.
- c. The *Adjusted R Square* value of this regression model is 0.854 which indicates that variations or ups and downs of dependent variables (employee performance) are influenced by independent variables (compensation, organizational commitment, and work environment) of 85.4%.

4. Implications of Research Results

a. Effect of Compensation on Employee Performance

Theory stated by (Hasibuan & Hasibuan, 2016), which suggests that compensation is all income in the form of money, direct or indirect goods received by employees as an imbalance for services provided to the company. The establishment of an effective compensation system is an important part of human resource management as it helps attract and retain talented jobs. In addition, the company's compensation system has an impact on strategic performance.

The results of this study support researchers (Heliawan & Fitria, 2018),

(Khoeruman, Syekh, & Susilawati, 2018), (Suryanulloh & Arifin, 2017), (Njoroge, Kwasira, Wambui Njoroge, & Kwasira, 2015) where compensation has a significant impact on employee performance. In empirical studies it is stated that compensation provided by the company is a fundamental factor of improving employee performance, so that each company will strive to provide financial and non-financial compensation in accordance with the company's capabilities. Improving employee performance requires the formulation of budget planning for compensation to employees, so that the company can avoid problems related to compensation.

b. The Impact of Organizational Commitment on Employee Performance

Theories put forward (Robbins & Judge, 2013), (McShane & Von Glinow, 2010) in (Kaswan, 2012), which suggests that an organizational commitment consisting of affective commitments demonstrates the strong emotional desire of employees to adapt to existing values so that their goals and desires to remain in the organization can be realized, continuation commitments that are commitments based on one's concerns about losing something gained in the organization, such as salaries, facilities, and others, and normative commitments that demonstrate the moral responsibility of employees to remain in the organization.

The results of this study support researchers (Heliawan & Fitria, 2018), (Khoeruman et al., 2018), (Suryanulloh & Arifin, 2017), (Murty, 2012), Hudori (2018), (Inanlou & Ahn, 2017), (Rafiei, Amini, & Foroozandeh, 2014), and (Rubel & Kee, 2014) where they suggest that the organizational commitment of employees is an aspect that directly impacts the performance of employees. Employees who have a strong personal attachment as part of the organization, the desire to advance the organization and accept the values prevailing in the work environment will

strive to work well in accordance with the company's goals.

c. The Impact of the Work Environment on Employee Performance

theory (Yahyo et al., 2013). that suggests that the work environment as an important aspect and needs to be considered by the company. The work environment can foster the spirit of employee work, where employees carry out tasks both physical and non-physical. The relationship between employees and superiors and colleagues, opportunities for employees to be able to develop themselves, as well as security in work will be a very important aspect so that employees have the desire to be able to work to the maximum.

The results of the study support researchers (Heliawan & Fitria, 2018), (Suryanulloh & Arifin, 2017), Hudori (2018), dan Nigatu (2016) presenting empirical studies that the company's work environment directly impacts the comfort, convenience, security, and security of employees in carrying out their duties and responsibilities. A good organizational environment will be seen from the harmonious relationship between employees and superiors, employees with employees, and security in work.

CONCLUSION

Compensation, organizational commitments and a joint work environment have an impact on employee performance. This indicates that if these three factors increase, it will directly impact the improvement of employee performance. Based on these results, the first research hypothesis is accepted.

Compensation has a significant impact on employee performance. It shows that any improvement in the compensation policy implemented by the company will directly impact the on performance improvements employee. Based on these results, the second hypothesis is accepted.

1. Organizational commitment has a significant impact on employee performance. It shows that any improvement that occurs in an employee's

commitment to work and have a strong attachment to the company will directly impact on improving employee performance. Based on these results, the third hypothesis is accepted.

2. The work environment has a significant impact on employee performance. It shows that any improvement in policy and maintenance of the work environment for the better, will directly impact on improving employee performance. Based on these results, the fourth hypothesis is accepted.

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