



ISSN : 2722-791X (Online)

**Point of View Research Management**

<https://journal.accountingpointofview.id/index.php/povrema>



## **The Effect of Compensation and Work Environment on Employee Performance**

Nurhaeda Zaeni <sup>†1</sup> Aryati Arfah <sup>2</sup> Baharuddin Semmaila <sup>3</sup>

<sup>\*1</sup>. Doctoral Student in Management Science, Universitas Muslim Indonesia, Makassar City, South Sulawesi Province, 90231, Indonesia

<sup>2,3</sup>. Universitas Muslim Indonesia, Makassar City, South Sulawesi Province, 90231, Indonesia

### **Submission Info**

Received Date, 02, April, 2022  
Accepted Date, 15, April, 2022  
Available online Date, 02, May, 2022

### **Keyword**

Compensation  
Work environment  
Performance

### **Email**

[dirwan@stienobel-indonesia.ac.id](mailto:dirwan@stienobel-indonesia.ac.id)

### **Abstract**

This study aims to determine and analyze the effect of compensation and work environment on employee performance at the Luwu Regency Regional Secretariat. This study involved 134 employees of the Luwu Regency Regional Secretariat. Because the population is not too large, this study uses the census method, namely the entire population as respondents. This study used primary data collected by distributing questionnaires to all respondents. The data analysis method used is multiple linear regression analysis using the SPSS program. The results showed that compensation and work environment had a significant effect on the performance of the Luwu Regency Regional Secretariat employees. Partially, the compensation variable is the most dominant variable affecting the performance of the Luwu Regency Regional Secretariat employees. This means that the provision of appropriate compensation for employees will encourage employees to be better at doing their jobs and be more responsible for each assigned task and will impact improving overall employee performance.



This is an open access article under the [CC BY 4.0 International License](https://creativecommons.org/licenses/by/4.0/)  
© Point of View Research Management (2022)

## **Introduction**

The Indonesian government has made fundamental changes in various fields, including government institutions and civil service, including competency standards as stated in Laws No. 32 and 33 of 2004 as improvements to Laws No. 22 and 25 of 1999. Managing human resources in every organization, especially government institutions, needs severe and continuous attention. Human resources (employees) in each of these organizations must develop both by the organization and by themselves continually. This will run effectively and proportionally if the organization is based on a professional and objective management system, especially in career management for each employee. Word, 2019). The need for efficient and effective management of human resources is crucial for the organization and fulfils

<sup>†</sup> Corresponding author. Nurhaeda Zaeni

Email address: [nurhaedazaeni@stienobel-indonesia.ac.id](mailto:nurhaedazaeni@stienobel-indonesia.ac.id)

the needs of employees who are motivated to advance and develop their careers. The opportunity for advancement available in the organization is one of the impetuses for individuals who wish to be better or more advanced than their current position (Haryani, 2015).

A career pattern is one of the Human Resources management strategies in a company that can increase one's enthusiasm and work passion. The right career pattern development system can provide direction for employees to develop themselves. The right career pattern development system can accelerate the achievement of organizational goals (Weol, 2015). To overcome this problem, policymakers can make internal improvements, one of which is through the development of human resources. This improvement in internal conditions also aims to strengthen oneself and increase resilience in the face of local and global competition, which will inevitably become increasingly fierce. This means that the agency must improve the performance management system of its agency by improving its employees' performance because the success of the agency in improving the performance of its agency is very dependent on the quality of the human resources concerned in working or working (Fadhil, 2016). Work is a human activity to change certain conditions of a natural environment. This change is intended to meet the needs of life and maintain a life that fulfils the purpose of life. Human life's needs are material and non-material such as pride and job satisfaction. In achieving the desired needs, each individual tends to be faced with new things that may not have been previously anticipated, so that through work and experience growth, a person will gain progress in his life. In the work process, a person can be seen how his performance is (Hartawati & Sahur, 2020).

Performance is the result or level of success of a person as a whole during a specific period in carrying out tasks compared to various possibilities, such as work standards, targets or targets as well as criteria that have been determined in advance and have been mutually agreed upon (Firman, 2019). When viewed from the origin of the word, the word performance comes from the word performance, which according to The Scribner - Bantam English Dictionary (Veithzal & Sagala, 2004), comes from the root word to perform, which has several entries, namely (1) doing, running, execute (to do or carry out execute); (2) fulfil or carry out the obligation of an intention or vow (to the discharge of fulfilling; as vow); (3) carry out or perfect the responsibilities (to execute or complete an understanding); (4) do something that is expected by a person or machine (to do what is expected of a person machine). From these inputs, it can be interpreted that performance is carrying out an activity and perfecting the work under its responsibilities to achieve results as expected.

Performance in carrying out its functions does not stand alone but is related to compensation and the work environment. Therefore, according to Keith Davis (A. Mangkunegara, 2006), two main factors affect an individual's performance, namely the ability (ability) and motivation (motivation) of the individual. Individual ability depends on the knowledge (knowledge) possessed, educational background, and skills (skills) mastered. Meanwhile, individual work motivation depends on attitude as the primary motivation and the environment that influences that motivation.

According to (Hasibuan, 2002; Juliningrum & Sudiro, 2013), compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company. The purpose of providing compensation is as a bond of cooperation, job satisfaction, effective procurement, motivation, employee stability, discipline, and the influence of labour unions and the government. Compensation is an award or reward for workers who have contributed to realizing their goals through work activities (H. Nawawi, 2001). Compensation is also an award given by employees,

both directly and indirectly, financially, and non-financially, which is fair to employees for their contributions to achieving organizational goals, so any company needs compensation to improve the performance of its employees. The forms of financial compensation are salaries, allowances, bonuses, and commissions. Meanwhile, non-financial compensation includes training, authority and responsibility, rewards for performance and a supportive work environment (Triastuti, 2019).

According to (Du et al., 2019; Paramitadewi, 2017; Sequeira et al., 2014), in principle, rewards can be divided into intrinsic and extrinsic rewards. Intrinsic rewards are rewarding that employee receive for themselves. Usually, this reward is a positive value or employee satisfaction with himself because he has completed a task that is quite challenging for him. Job enrichment techniques, such as assigning a role in decision-making, greater responsibility, greater freedom, and discretion at work to increase employee self-esteem, are intrinsically rewarding for the employee.

Extrinsic rewards include direct compensation, indirect compensation, and non-monetary rewards. Included indirect compensation are basic salary, overtime pay, incentive payments, allowances, and bonuses, while indirect compensation includes, among others, social security, insurance, pensions, severance pay, work leave, training, and vacations. Non-pecuniary rewards are satisfactions that employees receive from the work itself or from the psychological and physical environment in which employees work, including non-monetary rewards such as a sense of security, a comfortable work environment, self-development, career flexibility, opportunities to increase income, status symbols, praise and recognition (Hasibuan, 2019). Therefore, coaching and improving individual performance can foster and increase their abilities and work motivation. Increasing workability is carried out by improving the aspects that underlie these elements, namely individual work knowledge and skills and increasing work motivation by fostering individual mental attitudes and situations/environments that encourage individual job satisfaction and willingness.

Individual performance results from employee work both in terms of quality and quantity based on predetermined work standards (Emerole & Friday, 2017; Haryani, 2015). Productive employees describe the potential, perception, and creativity of a person who always wants to contribute his ability to be beneficial for himself and his environment. So, productive employees can make accurate, imaginative, and innovative contributions to approaching life's problems, have intelligence (creative) in achieving their life goals and are responsible and responsive in their relationships with other people (leadership). Employees like this are organizational assets who always try to improve themselves in their organizations and will support the achievement of organizational productivity (Aruan & Fakhri, 2016).

This expectation of PNS professionalism is motivated by the gap between the expected performance (intended performance) and the actual performance produced (actual performance) by PNS. There are still many levels of inefficiency in carrying out tasks, which is clear evidence of low competence. Civil servants who are less professional and lack moral awareness tend to abuse their authority or misuse state finances. The deviant behaviour of civil servants will become a complicated problem when civil servants have not been able to adapt to the dynamics of environmental change, including being less sensitive to the development of science and technology and challenging to improve their performance (Sumendap et al., 2015). Based on this description, this study examines the effect of compensation and work environment on employee performance at the Luwu Regency Regional Secretariat.

## Theoretical Framework and Hypotheses

The process of managing human resources (staffing or managing human resources), by Plunkett and Attner (Heneman et al., 2003), is defined as attracting, developing, rewarding, and retaining competent people. Its primary purpose is to recruit, develop, reward and employ the human resources needed to achieve organizational goals. Staffing is part of every manager's job that requires expertise and legal application skills. The work of managers includes helping with planning, organizing, staffing, controlling and sometimes carrying out functions of human resource management. Based on the human resource management process, Flamholtz further developed models for measuring the cost and value of human resources in human resource accounting. Human resources are referred to as the main asset in the organization; therefore, as the main asset, human resources have the same monetary value only as other assets.

According to (Russell, 1998; Otoo, 2016), the definition of performance is the recording of outcomes produced in specific work functions or activities over a certain period. According to (Wood et al., 2001; Aruan & Fakhri, 2016), performance is a concise measurement of the quantity and quality of tasks carried out by individuals or groups for a unit or organizational work. Performance is the level of success in carrying out tasks and the ability to achieve the goals that have been set (Donnelly et al., 1997). The concept of performance refers to the level of achievement of employees or organizations against job requirements. Graounlud, 1992 as quoted (by Sangkala, 2006; Fitria, 2016), defines performance as "the appearance of work behaviour characterized by flexibility of motion, rhythm and work sequence following procedures to obtain results that meet the quality, speed and quantity requirements".

Mangkunegara (2009) performance results from work in quality and quantity achieved by an employee in carrying out his duties. The objectives of employee performance (Basri & Rivai, 2005) are 1) To improve employee performance results, both in quality and quantity. 2) Provide new knowledge which will assist employees in solving complex problems, with a limited and regular series of activities, through tasks according to the responsibilities assigned by the organization. 3) Improve interpersonal relationships between employees in work activities within the organization. Organizational leaders are very aware of differences in performance between one employee and other employees under their supervision. Even though employees work in the same place, their productivity is not the same.

Atkinson developed the performance and Development Theory (A Theory of Performance and Development) and Winston 1974 (Corno et al., 2001), which revealed that (1) a person's cumulative achievement in the future is determined by the interaction between the overall level of performance while at work and time spent at work; (2) the overall level of performance at work is influenced by efficiency stemming from the nature of the current task and some personal abilities, while time spent on the job is influenced by the strength of motivation for other tasks and activities ( strength of motivation for the task and other activities) sourced from knowledge, beliefs, and personal conceptions as well as incentives and opportunities through environmental mediation that encourages taking action; and (3) one's abilities, motives, knowledge, beliefs, and personal conceptions are influenced by heredity and formative environment (growth and development) in the past.

In measuring performance, the most fundamental problem is setting the criteria. Job criteria are the most important factors of what people do in their jobs. In a sense, job criteria explain what the organization has paid for its employees to do. Therefore, these criteria are essential. Individual

performance in job criteria must be measured and compared to existing standards, and the results must be communicated to each employee. Not all job criteria can be used in an employee performance appraisal; this must be highly adapted to the type of work to be assessed. According to (Benardin & Russell, 1998; Siagian & Khair, 2018), there are 6 (six) primary criteria that can be used to measure performance, namely: 1) Quality, which is the degree to which the process or result of implementing activities is close to perfection or approaching the desired goal. Expected. 2) Quantity is the amount produced, for example, the number of rupiah, the number of units, and the number of cycles of activities completed. 3) Timeliness is the degree to which an activity is completed at the desired time by considering the coordination of other outputs and the time available for other activities. 4) Cost-effectiveness is the degree to which the use of organizational resources (human, financial, technological, material) is maximized to achieve the highest results or reduce losses from each unit of resource use. 5) Need for supervision is the degree to which a worker can carry out a job function without requiring the supervision of a supervisor to prevent undesirable actions. 6) Interpersonal impact is how employees maintain self-esteem, good name and cooperation among co-workers and subordinates.

Compensation is the remuneration provided by the company to its employees, which can be valued in terms of money that tends to be given appropriately (Negash et al., 2014; Renti, 2017). Compensation is a critical issue because someone wants to become an employee of a particular company with this compensation. Compensation is not the same as wages; although wages are part of compensation, perhaps the wages are part of the most considerable remuneration. Compensation other than consisting of wages can also be in-kind allowances, housing facilities, vehicle facilities and many others that can be assessed and tend to be received regularly. The issue of compensation is critical because it is the main impetus for a person to become an employee; besides, it dramatically influences the enthusiasm and enthusiasm of the employees. Thus, every company must be able to determine the proper compensation to support the achievement of company goals more effectively and efficiently.

The problem of compensation is not a simple problem but complex enough that every company should have a guideline on determining the proper compensation. In general, providing remuneration is to help companies achieve the company's strategic success goals and ensure internal and external justice (Hasibuan, 2019). External equity ensures that jobs are compensated relatively by comparing equal jobs in the labour market. Sometimes these goals can conflict with each other, and trade-offs must occur. For example, wage and salary analyses recommend paying equal amounts for the same jobs to retain employees and ensure fairness. Employee compensation refers to all forms of payment or gifts for employees derived from their work. Employee compensation has two main components: direct payments (in wages, salaries, incentives, commissions, and bonuses) and indirect payments (in the form of financial benefits such as insurance and vacations paid by the employer).

Today the system of providing remuneration is seen as one of the challenges that the management of an organization must face. It is said to be a challenge because the provision of remuneration for workers is no longer viewed solely as a means of satisfying material needs but has been linked to human dignity. On the other hand, organizations tend to see it as a burden that the organization must bear in setting goals and objectives (Meutia et al., 2017). In determining the proper remuneration for its employees, each company has its way. This means that it must be adjusted to the achievements and functions of each employee. However, in the application of remuneration, the company leadership is not limited to one thing but still pays attention to other factors, namely, compensation must be able to meet minimum needs,

compensation must increase, compensation must be able to generate enthusiasm and excitement, compensation must be fair, and compensation must not be static. Nitisemito, 1991; Rent, 2017).

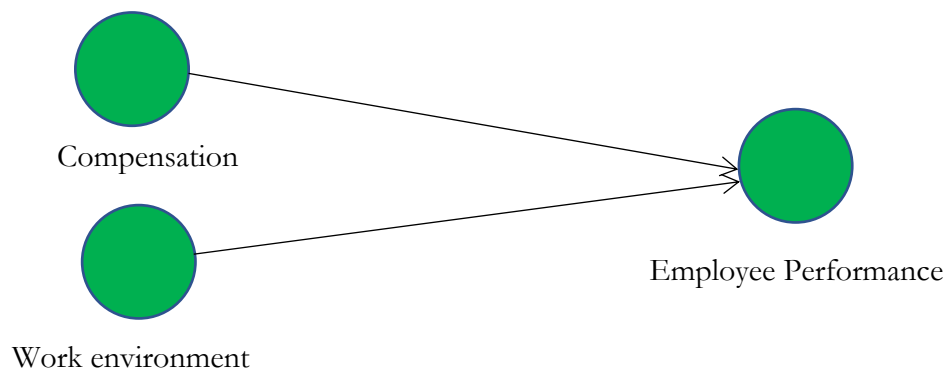
The work environment in an organization has an essential meaning for individuals who work in it because this environment directly or indirectly affects its employees (Davis, 1993; Siagian & Khair, 2018). According to (Nitisemito, 1998; Irawan & Kristinae, 2019), the work environment is around the workers and can affect them in carrying out the tasks assigned to them. Kartono 1999 (Aruan & Fakhri, 2016) suggests that the work environment concerns the material and psychological conditions that exist in the organization. Material conditions relate to conditions in the workspace. At the same time, the psychological condition concerns the relationship between employees and leaders and co-workers. Thus, the work environment can be interpreted as a psychological condition that exists in an organizational or organizational environment and is considered to influence the behaviour of its members. According to (Ahyari, 1994; Herlina, 2020), the work environment is where these employees carry out their daily duties and work, including employee services, working conditions, and employee relations. The work environment is an essential factor and affects employees in doing their jobs.

The work environment is a state around the workplace, both physically and non-physically, that can give a pleasant, secure, reassuring impression. A good working environment will make employees feel comfortable at work. A comfortable impression of the work environment in which the employee works will reduce boredom and boredom at work. This comfort will undoubtedly have an impact on improving employee performance. On the other hand, discomfort from the work environment experienced by employees can be fatal, namely decreased performance of the employees themselves (Irawan & Kristinae, 2019). The work environment can be influenced by several factors, including office equipment and office layout, affecting the physical environment of the office in general. An environment where employees carry out their daily tasks and work that is pleasant, comfortable, and comfortable will make employees feel at home in the office so that their duties and work can achieve good results.

**H<sub>1</sub>:** social media has a positive and significant effect on purchasing decisions for Ethnic Tuta bags in Soppeng District

**H<sub>2</sub>:** Brand perception has a positive and significant effect on purchasing decisions for Ethnic Tuta bags in Soppeng District

The research model is as shown in Figure 1.



**Figure 1. Research Model**

## Research Method

This research is a type of quantitative research with a survey approach. This study involved 134 employees of the Luwu Regency Regional Secretariat. Because the population is not too large, this study uses the census method, namely the entire population as respondents. The data in this study uses primary data collected by distributing questionnaires to all respondents filled with several statements with five answer options that will be given a weighted score such as answers (Very Good = 5, Good = 4, Fairly Good = 3, Less Good = 2, Very Bad=1). The data collected will be analyzed through several stages of testing. The first stage is to do a descriptive analysis. The second stage is to test the quality of the data, which consists of (a validity test and a reliability test). The third stage is the classical assumption test consisting of (normality, multicollinearity, and heteroscedasticity test). The fourth stage is to test all the hypotheses proposed in this study and will be proven through a partial test, simultaneous test and the coefficient of determination test.

**Table 1. Variable Operationalization**

Variable	Code	Indicator	Reference
Compensation (X1)	X1.1	Salary received	(Frilla Anggun Pratiwi, 2015; Irawan & Kristinae, 2019)
	X1.2	Allowance	
	X1.3	Health Insurance	
	X1.4	Job promotion	
	X1.5	Holiday allowance	
Work environment (X2)	X2.1	Lighting at work	(Herlina, 2020; Siagian & Khair, 2018)
	X2.2	Clean work environment	
	X2.3	Facilities provided	
	X2.4	Safety at work	
	X2.5	Relationships between co-workers	
Employee Performance (Y)	Y1.1	Number of jobs completed on time	(Herlina, 2020; Siagian & Khair, 2018)
	Y1.2	Quality of work	
	Y1.3	Knowledge	
	Y1.4	Ability at work	
	Y1.5	Passion at work	

## Data Analysis and Discussion

### Data Analysis

The first step is to test the quality of the data in the form of validity and reliability tests. The instrument is said to be good if the research instrument meets the main requirements, namely valid and reliability. Validity testing shows that the variable indicators used in this study have a correlation value greater than 0.3, namely the r table for the sample 134. By comparing the correlation value with the R-value contained in the table, the R-value for the sample of as many as 134 at the 5% level is equal to 0.3. Thus, all indicators used to measure Employee Performance variables are valid because all indicators and significance are 0.05. While the reliability test results show that the instrument has a high level of reliability, this is evidenced by the value of Cronbach's alpha > 0.60. This means that each item statement of the variables used in this study is reliable.

After the classical assumption test results are carried out, and the overall results show that the regression model meets the classical assumptions, the fourth step is to evaluate and interpret the multiple regression model. Determine the effect of compensation and work environment variables on employee performance at the Luwu Regency Regional Secretariat, as shown in table 2.

**Table 2. Regression Data Processed Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.820	.277		6.573	.000
	Kompensasi	.379	.053	.497	7.177	.000
	Lingkungan Kerja	.196	.034	.401	5.787	.000
	R = 0,613                                      F <sub>hitung</sub> = 39.345					
	R <sup>2</sup> = 0,375                                      Sig = 0,000					

From table 2, the constant value is  $\alpha = 1.820$ , the compensation variable (X1) is 0.379, and the Work Environment variable (X2) is 0.196, while the regression equation is as follows:

$$Y = 1.820 + 0.497X1 + 0.401X2$$

Constant value, namely  $\alpha = 1.820$ , which means that if the compensation variable (X1) and the work environment variable (X2) are equal to 0, then the performance of the Luwu Regency Regional Secretariat employee is 1.820. The results of the standardized compensation variable (X1) value of 0.497 or 49.70% with a significant level of 0.000 at the 95% confidence level or  $p < 0.05$ . Thus, the compensation variable has a significant effect on the employee performance variable by 49.70%, assuming that the other independent variables are constant. Thus, the hypothesis says that partially compensation variables have a significant effect on employee performance at the Luwu Regency Regional Secretariat. The standardized work environment variable (X2) results show a value of 0.401 or 40.10%, with a significant level of 0.000 at the 95% confidence level or  $p < 0.05$ . Thus, the work environment variable significantly affects employee performance variables by 40.10%, assuming that the other independent variables are constant. Thus, the hypothesis says that partially the work environment variable has a significant effect on employee performance at the Luwu Regency Regional Secretariat. The correlation coefficient (R) = 0.613 shows that the correlation between compensation and knowledge of environmental operations with employee performance is closely related between the independent variable (free) on the dependent variable (bound) and positive. The coefficient of determination (R<sup>2</sup>) = 0.375, which indicates that the variation in employee performance at the Luwu Regency Regional Secretariat can be explained by 55.9% compensation and the Work Environment variable of 55.9%. The remaining 44.41 % is influenced by other variables not examined in this research.

F Test (Simultaneous Test) The purpose of this research is to find out how the independent variables (independent) consisting of compensation and work environment variables simultaneously affect the performance of the Luwu Regency Regional Secretariat employees. From the ANOVA test or F-test results, it is obtained that  $F_{\text{count}} = 17,053 > F_{\text{table}} = 2.6136$  and has a significant level of 0.000. Because

the probability of 0.000 is much smaller than 0.05, it can be said that the regression model used can improve employee performance or the competence and work environment variables together influence increasing employee performance at the Luwu Regency Regional Secretariat.

The T-test (Partial Test) aims to determine the partial effect of each independent variable compensation (X1) and work environment (X2) on employee performance at the Luwu Regency Regional Secretariat, so the following is seen in table 3.

**Table 3. T-test Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	1,890	,271		6,968	,000			
	Compensation	,371	,053	,487	7,022	,000	,464	,523	,486
	Work environment	,189	,033	,397	5,725	,000	,369	,447	,396

**Tabel 4. Kontribusi Masing-Masing Variabel Independen**

Variable	r	r <sup>2</sup>	Kontribusi %
Compensation	0,523	0,273	27,3%
Work environment	0,447	0,199	19,9%

It can be concluded that the dominant variable is the compensation variable, with a contribution of 60.84%—compensation Variable. From the calculation results of the compensation variable, the value of  $t$  count = 7.177 >  $t$  table = 2.6136, with a significance level of 0.000, smaller than the level of = 5%. Based on the results of these calculations, there is a significant influence between compensation on employee performance at the Luwu Regency Regional Secretariat. From the results of the calculation of the work environment variable, the value of  $t$  count = 5.787 >  $t$  table = 2.6136, with a significance level of 0.004, smaller than the level of = 5%. Based on the results of these calculations, there is a significant influence between the environment on employee performance at the Luwu Regency Regional Secretariat.

## Discussion

The results of testing the first hypothesis (H1) indicate that compensation significantly affects employee performance at the Luwu Regency Regional Secretariat; compensation can improve and improve employee performance, further increasing compensation. It is under the work that will support the completion of Duty. The form of attention to compensation is that the Luwu Regency Regional Secretariat needs to pay more attention to the level of compensation for each employee under the work results of each employee can be in the form of salaries. Other income such as honorariums for government activities by paying attention to each employee's work can produce justice in providing compensation to employees can avoid conflicts that arise will occur in the environment of the Directorate of Business employees by way of preparation of a good workload analysis. Compensation is also a dominant variable of employee performance. This can be interpreted that income in the form of salary, honorarium received, transportation costs, bonuses, allowances and pension funds and other income received by employees are under what employees expect. The significance of this influence should get excellent and severe attention; the compensation can be used as a stimulus for employee welfare and fulfilment of needs.

Nawawi (2005) argues that compensation for organizations/companies is rewarding/rewards to workers who have contributed to realizing their goals through activities called work. Similar understandings (Posuma, 2013) say that employee compensation means all forms of rewards/payments or rewards that flow to employees or arise from their employment. According to (Handoko, 2012; Fitria, 2016), compensation is everything employees receive as compensation for work. If compensation is given correctly, employees will be more satisfied and motivated to achieve organizational goals. Compensation is necessary for employees because compensation reflects the value of the employee's work, his family, and society. These definitions indicate that compensation as a right received in carrying out its obligations to the organization will impact employee performance at the Luwu Regency Regional Secretariat if it meets good criteria. Compensation contains a professional relationship where one of the main goals of employees is to get rewards to meet various needs. At the same time, on the company side, they pay employees so that employees can carry out work under the wishes and expectations of the company with the primary goal of advancing the company's business. The purpose of providing compensation, among others, is for employee job satisfaction which will later maintain the stability of the employee himself. In addition, employees are also spared from the influence of labour unions and finally concentrate on their work. Here it can be seen that providing compensation that is more appropriate and accepted by employees because it is under the energy and abilities expended and appreciates employees' hard work. Employees will be more professional by working in earnest and making various efforts to achieve reasonable work results better so that their performance can be further improved. With better performance, it will undoubtedly advance the company's business. The results of this study are in line with research (Fitria, 2016; Hariyanto, 2018) which found that compensation has a positive effect on employee performance.

The results of testing the second hypothesis (H2) indicate that the work environment has a significant effect on increasing employee performance at the Luwu Regency Regional Secretariat; this is because the employee's work environment can improve and improve employee performance, further improving the work environment facilities, it is under the work being undertaken at this time as well as with the improvement in the means of the work environment, it will support the completion of the task. The results of this study are in line with the opinion (Nitisemito, 2011; Aruan & Fakhri, 2016), which states that a work environment condition can be said to be good if employees can carry out activities optimally, healthy, safe, and comfortable, while an unfavourable work environment demands workers. More work and time do not support obtaining an efficient work system design. A conducive work environment can directly affect employees in improving employee performance. On the other hand, an inadequate work environment will reduce employee performance. A work environment is good if humans can carry out activities optimally, healthy, safe, and comfortable. Based on this, it can be said that if the work environment is improved, employee performance can also increase. The work environment is a means of supporting the smooth running of the work process, where comfort and safety at work are also very considered in creating a conducive and pleasant working atmosphere for employees to support employee performance in carrying out their work activities. The work environment is also a series of conditions or conditions of an agency's work environment that is the place of work of employees who work in that environment. These results support previous research by (Siagian & Khair, 2018), which proves that the work environment positively influences employee performance. Likewise, several other studies have concluded that the work environment significantly affects performance (Elizar & Tanjung, 2018; Farisi & Fani, 2019; Herlina, 2020).

## Conclusions

Based on the results of the research and discussion described, it can be concluded that compensation and work environment significantly affect the performance of the Luwu Regency Regional Secretariat employees. Partially, the compensation variable is the most dominant variable affecting the performance of the Luwu Regency Regional Secretariat employees. This means that providing appropriate compensation for employees will encourage employees to do their jobs better and be more responsible for each assigned task and will improve overall employee performance. Based on the results of the analysis and discussion, as well as the conclusions that have been put forward, suggestions can be given as input for the Luwu Regency Regional Secretariat, including: (1) From the aspect of employee compensation, efforts are needed to create a conducive space for employees, by providing opportunities to continue higher-level education to be able to think analytically on complex problems in order to be able to give birth to creative ideas, encourage employees to have the ability to complete the tasks that are their responsibility. (2) From the aspect of employee skills, leadership efforts and attention are needed for employees by providing training that is relevant to the employee's duties. Lack of attention to task clarity, accuracy and accuracy of work needs to be motivated. Furthermore, encouragement is needed so that employees can act to exceed what is needed or what the job demands; additional efforts are needed to convince employees that information is costly. Therefore, employees should not miss information and the rapid development of science and technology. (3) From the aspect of employee attitudes, it can be explained that the influence of self-attitudes and values on improving employee performance has indicated that the ability to develop other people, the ability to direct; group cooperate; lead the group; and a sense of empathy is directly proportional to the achievement of employee performance. Therefore, it is necessary to develop new training and training so that employees can remain in control of their attitude, behaviour and speech and remain cooperative.

## References

- Aruan, Q. S., & Fakhri, M. (2016). Pengaruh Lingkungan Kerja Terhadap Kepuasan Kerja Karyawan Lapangan Departemen Grasberg. *Modus*, 27(2), 141. <https://doi.org/10.24002/Modus.V27i2.553>
- Basri, A. F. M., & Rivai, V. (2005). *Performance Appraisal*. Jakarta: Pt Raja. Grafindo Persada.
- Corno, L., Cronbach, L. J., Kupermintz, H., Lohman, D. F., Mandinach, E. B., Porteus, A. W., & Talbert, J. E. (2001). *Remaking The Concept Of Aptitude: Extending The Legacy Of Richard E. Snow*. Routledge.
- Donnelly, J. H., Gibson, J. L., & Ivancevich, J. M. (1997). *Management*. Praha: Grada, 1997. 824 S. Isbn 80-716-422-3.
- Du, Y., Han, L., Fang, M., Liu, J., Dai, T., & Tao, D. (2019). Lir: Learning Individual Intrinsic Reward In Multi-Agent Reinforcement Learning. *Advances In Neural Information Processing Systems*, 32. <https://proceedings.neurips.cc/paper/2019/hash/07a9d3fed4c5ea6b17e80258dec231fa-Abstract.html>
- Elizar, E., & Tanjung, H. (2018). Pengaruh Pelatihan, Kompetensi, Lingkungan Kerja Terhadap Kinerja Pegawai. *Maneggio: Jurnal Ilmiah Magister Manajemen*, 1(1), 46-58. <https://doi.org/10.30596/Maneggio.V1i1.2239>
- Emerole, B., & Friday, P. D. O. E. (2017). The Effect of Compensation On Employee Performance In Nigeria Civil Service: A Study Of Rivers State Board Of Internal Revenue Service. *Journal Of*

- Strategic Human Resource Management, 6(2).  
[https://doi.org/https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3480547](https://doi.org/https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3480547)
- Fadhil, M. (2016). Pengaruh Kompetensi Sumber Daya Manusia Terhadap Kinerja Pegawai Pada Balai Latihan Kerja Industri Makassar. *Perspektif: Jurnal Pengembangan Sumber Daya Insani*, 1(1), 70–81. <https://doi.org/10.26618/perspektif.v1i1.155>
- Firman, S. N. (2019). Analisis Kemampuan Kerja, Kepemimpinan, Disiplin Kerja Dan Motivasi Kerja Terhadap Kinerja Pegawai Dinas Perhubungan Komunikasi Dan Informatika Kabupaten Kudus. Skripsi. <https://doi.org/http://repository.stimart-amni.ac.id/613/>
- Fitria, C. (2016). Pengaruh Kepemimpinan, Komunikasi Interpersonal Dan Kompensasi Terhadap Kinerja Pegawai Dinas Pendidikan Kabupaten Solok Selatan. *Stkip Pgri Sumatera Barat*. <http://repo.stkip-pgri-sumbar.ac.id/id/eprint/5027/>
- Frilla Anggun Pratiwi, R. H. (2015). Pengaruh Kompensasi, Gaya Kepemimpinan, Dan Lingkungan Kerja Terhadap Kinerja Pegawai. 3(3), 66–71. <https://doi.org/10.35794/emba.3.3.2015.10422>
- Hariyanto, A. (2018). Pengaruh Motivasi , Kompensasi Dan Kompetensi Terhadap Kinerja Pegawai Pada Kantor Bappeda Kabupaten Bantaeng The Influence Of Motivation , Compensation And Competence On Employee Performance At Bappeda Bappeda Office. 1(2), 183–197. <https://doi.org/https://doi.org/10.2568/Yum.V1i2.241>
- Hartawati, S. I., & Sahur, M. A. (2020). Pengaruh Lingkungan Kerja Dan Kompensasi Terhadap Kinerja Pegawai Pada Dinas Pendidikan, Pemuda Dan Olahraga Kabupaten Majene. *Jurnal Lentera Bisnis*, 9(2), 121–127. <http://dx.doi.org/10.34127/jrlab.v9i2.385>
- Haryani, S. S. (2015). Pengaruh Kompensasi Terhadap Motivasi Kerja Dan Kinerja (Studi Pada Karyawan PT. Telekomunikasi Indonesia, Tbk Malang). Brawijaya University.
- Hasibuan, D. (2019). Pengaruh Kompensasi Dan Kompetensi Terhadap Kinerja Karyawan Pt. Herfinta Aek Batu Kecamatan Torgamba Kabupaten Labuhanbatu Selatan. 6(1), 9–15. <http://jurnal.ulb.ac.id/index.php/ecobisma/article/view/14>
- Heneman, H. G., Judge, T., & Kammeyer-Mueller, J. D. (2003). *Staffing Organizations*. Mendota House Middleton, Wi.
- Herlina, V. (2020). Pengaruh Kompensasi Dan Lingkungan Kerja Terhadap Kinerja Karyawan. *Jurnal Administrasi Nusantara*, 3(1), 46–55. <https://doi.org/10.51279/jan.V3i1.114>
- Irawan, & Kristinae, V. (2019). Pengaruh Lingkungan Kerja Dan Kompensasi Terhadap Kinerja Pegawai Di Hypermart Sampit. *Simdos.Unud.Ac.Id*. [https://simdos.unud.ac.id/uploads/File\\_Penelitian\\_1\\_Dir/Db1f1dadcd25999d0c1941871080bde1.Pdf](https://simdos.unud.ac.id/uploads/File_Penelitian_1_Dir/Db1f1dadcd25999d0c1941871080bde1.Pdf)
- Juliningrum, E., & Sudiro, A. (2013). Pengaruh Kompensasi, Budaya Organisasi, Terhadap Motivasi Kerja Dan Kinerja Pegawai. *Jurnal Aplikasi Manajemen*, 11(4), 665–676. <https://jurnaljam.ub.ac.id/index.php/jam/article/view/606>
- Mangkunegara, A. . (2006). *Evaluasi Kinerja Sumber Daya Manusia*. Refika Aditama.
- Mangkunegara, A. A. A. P. (2009). *Perencanaan Dan Pengembangan Sumber Daya Manusia*.
- Meutia, M., Sari, I., & Ismail, T. (2017). Pengaruh Kompensasi Dan Kompetensi Dengan Motivasi Sebagai Intervening Dalam Meningkatkan Kinerja. *Jurnal Manajemen*, 20(3), 353–369. <https://doi.org/10.24912/Jm.V20i3.12>
- Nawawi, H. (2001). *Perencanaan Sumberdaya Manusia*. Gajah Mada University Press.
- Nawawi, H. H. (2005). *Metode Penelitian Bidang Sosial*.
- Negash, R., Zewude, S., & Megersa, R. (2014). The Effect Of Compensation On Employees Motivation: In Jimma University Academic Staff. *Basic Research Journal Of Business Management And Accounts*, 3(2), 17–27. [https://doi.org/https://www.academia.edu/download/35001321/Rijalu\\_Et\\_Al.Pdf](https://doi.org/https://www.academia.edu/download/35001321/Rijalu_Et_Al.Pdf)
- Otoo, F. (2016). Effect Of Communication On Employee Performance At Ghana Revenue Authority,

- Kumasi. Kwame Nkrumah University of Science And Technology.  
<http://dspace.knust.edu.gh:8080/jspui/handle/123456789/9197>
- Paramitadewi, K. (2017). Pengaruh Beban Kerja Dan Kompensasi Terhadap Kinerja Pegawai Sekretariat Pemerintah Daerah Kabupaten Tabanan. E-Jurnal Manajemen Universitas Udayana, 6(6), 255108.  
<https://ojs.unud.ac.id/index.php/Manajemen/article/download/29949/18950>
- Posuma, C. O. (2013). Kompetensi, Kompensasi, Dan Kepemimpinan Pengaruhnya Terhadap Kinerja Karyawan Pada Rumah Sakit Ratumbuang Manado. Jurnal Emba: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi, 1(4). <https://doi.org/10.35794/emba.1.4.2013.2748>
- Renti, P. (2017). Pengaruh Kepemimpinan, Komunikasi Interpersonal, Kompensasi Dan Motivasi Kerja Sebagai Variabel Intervening Terhadap Kinerja Pegawai Di Kantor Bupati Sijunjung. Stkip Pgri Sumatera Barat. <http://repo.stkip-pgri-sumbar.ac.id/id/eprint/810/>
- Sequeira, P., Melo, F. S., & Paiva, A. (2014). Learning By Appraising: An Emotion-Based Approach To Intrinsic Reward Design. Adaptive Behavior, 22(5), 330–349.  
<https://doi.org/https://doi.org/10.1177%2f1059712314543837>
- Siagian, T. S., & Khair, H. (2018). Pengaruh Gaya Kepemimpinan Dan Lingkungan Kerja Terhadap Kinerja Karyawan Dengan Kepuasan Kerja Sebagai Variabel Intervening. Maneggio: Jurnal Ilmiah Magister Manajemen, 1(1), 59–70. <http://dx.doi.org/10.30596%2Fmaneggio.v1i1.2241>
- Sumendap, J., Mandey, J., & Mambo, R. (2015). Pentingnya Kompetensi Kerja Dalam Meningkatkan Kinerja Pegawai Negeri Sipil Di Biro Umum Dan Keuangan Universitas Sam Ratulangi Manado. Jurnal Administrasi Publik, 4(32). <https://ejournal.unsrat.ac.id/index.php/JAP/article/view/9900>
- Triastuti, D. A. (2019). Pengaruh Lingkungan Kerja, Kompetensi Dan Iklim Organisasi Terhadap Kinerja Pegawai. Journal Of Management Review, 2(2), 203. <https://doi.org/10.25157/jmr.v2i2.1796>
- Veithzal, R., & Sagala, E. J. (2004). Manajemen Sumber Daya Manusia Untuk Perusahaan. Jakarta: Pt Raja Grafindo Persada.
- Weol, D. H. (2015). Pengaruh Lingkungan Kerja, Pelatihan Dan Penempatan Terhadap Kinerja Pegawai Di Dinas Pendidikan Nasional Provinsi Sulawesi Utara. Jurnal Berkala Ilmiah Efisiensi, 15(5).  
<https://ejournal.unsrat.ac.id/index.php/jbie/article/view/10136>