

The Influence of Motivation, Compensation, and Workplace on Employee Performance at PT. UMC Suzuki Surabaya



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ABSTRACT: Human resources play a crucial role in the success of an organization or firm. This study has the purposes to determine the influence of motivation, compensation, and Workplace on employee performance. The population and sample for this study consist of 60 marketing department employees of PT. UMC Suzuki Surabaya. The study method employed in this study is quantitative, involving the direct distribution of questionnaires to respondents, and the assessment technique utilizes a Likert scale ranging from 1 to 5 to measure the variables. The data analysis technique utilized was Partial Least Squares (PLS) analysis. According to the study outcomes, motivation, compensation, and Workplace have a Remarkable contribution to enhancing the employee performance at PT. UMC Suzuki Surabaya.

KEYWORDS: Motivation, Compensation, Workplace, Employee Performance

I. INTRODUCTION

Human resources play a crucial role in the success of an organization or firm, as individuals constitute living assets that require specific attention from the firm (Handoyo & Setiawan, 2021). Therefore, human beings as living assets of a firm must receive serious attention and be managed effectively. This is intended to ensure that the human resources possessed by the firm can provide optimal contributions to an organization or firm in their efforts to achieve organizational goals. Effective human resource management is essential in order to systematically, strategically, and efficiently manage resources.

Employee performance refers to the outcomes attained by an employee while executing their responsibilities in accordance by their assigned duties. As stated by Kasmir (2020), employees are expected to actively engage in executing the plans and systems established by the firm. Performance is a key Element in achieving the firm's objectives; if employee performance is poor, it will lead to reduced productivity byin the firm and vice versa. The determinants impacting employee performance encompass both intrinsic and extrinsic elements. Intrinsic Elements, which have an effect on employee performance, encompass components such as education, experience, motivation, health, age, skills, emotions, and spirituality. Conversely, extrinsic Elements influencing performance encompass the tangible and intangible Workplace, leadership dynamics, vertical and horizontal communication patterns, compensation structures, facility provisions that influence control, training opportunities, workload allocation, work procedures, penalty systems, and similar considerations.

The performance of employees can be subject to influence by the motivational Elements offered by the firm. Motivation is a condition that drives or serves as the reason for someone to engage in an action or activity, which occurs consciously. Motivation creates an impetus for employees to fulfill specific needs (Lestari, 2019). By a high level of work motivation, employees are expected to develop a stronger affinity for their job, perform effectively, and exhibit high loyalty, outcomeing in an enhancement of their performance.

The establishment of a compensation system is one of the influential Elements on employee performance, as effective compensation can enhance employee performance (Utomo & Santoso, 2021). Compensation encompasses all the remuneration that employees receive in exchange for their job (Handoko, 2020). When employees receive compensation that is both fair and suitable for their roles, it fosters a sense of satisfaction, subsequently contributing to an enhancement in their performance (Jannah, 2021).

An additional Element that has the potential to uphold and augment employee performance is the provision of a congenial Workplace. A favorable Workplace can yield a beneficial influence by elevating employee morale. Creating a conducive atmosphere is of utmost importance in the workplace to foster productive and innovative performance. If the

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Workplace is not conducive, it can adversely affect employee performance, rendering it ineffective (Rosida & Swasti, 2022). In this regard, regulations must be established, but by the has the purpose of generating quality performance rather than restraining employees (Daspar, 2020).

In this study, the chosen subjects are marketing department employees of PT. UMC Suzuki, as employees in the marketing department play a crucial role in the sustainability of a firm's business. Currently, the firm is facing an issue by employee performance, specifically the failure to achieve annual sales targets. The failure to achieve sales targets can occur due to internal Elements byin the firm, such as the quality of sales service. Additionally, it can also be attributed to external Elements, such as changes in consumer preferences that vary each year. The provision of motivation to employees is not well-implemented, particularly in terms of employee attendance such as leave, sick days, and unexplained absences, where the percentage is consistently increasing each year. As known, a decrease in provided motivation can lead to a lack of employee enthusiasm in completing their tasks and a reluctance to come to work. Compensation such as allowances provided is not in line by employees' expectations, whereas compensation programs are also crucial for companies, as they reflect the firm's efforts to retain its human resources. Additionally, the facilities in the Workplace are inadequate to meet employees' needs, leading to employees being ineffective in completing their tasks.

Drawing from the aforementioned phenomenon or description, it can be expounded that Motivation, compensation, and Workplace are pertinent Elements influencing employee performance. Consequently, the primary has the purpose of this study is to investigate the influence of motivation, compensation, and Workplace on the performance of employees at PT. UMC Suzuki Surabaya.

II. LITERATURE REVIEW

A. Human Resource Management

Human Resource Management (HRM) stands as a pivotal determinant, exerting a fundamental role byin an organization or enterprise. According to Hasibuan (2019), human resource management represents the discipline or craft of structuring the interactions and responsibilities of the workforce in a manner that fosters effective and efficient operations. This, in turn, contributes to the attainment of objectives not only for the organization or enterprise itself, but also for its workforce and the broader society.

B. Employee Performance

As indicated by Kasmir (2019) and Asyifa et al. (2023), employee performance encapsulates the outcomes attained by employees in the execution of their assigned responsibilities. From this, it can be deduced that employee performance signifies a demonstration of work accomplishments by an employee by the has the purpose of achieving more optimal outcomes. Employee performance markers, as defined by Laia, S (2021), encompass 1) Work Quantity, 2) Work Quality, 3) Task Execution, 4) Responsibility, 5) Capability, and 6) Timeliness.

C. Motivation

According to Andika (2019) and Zaqiyah et al. (2023), motivation is a driving force that ignites enthusiasm and stimulates an individual to undertake actions or behaviors. Motivation markers, as outlined by Adha et al. (2019), encompass 1) Physical Needs, 2) Need for Security, 3) Social Needs, 4) Need for Recognition, and 5) Need for Goal Achievement.

D. Compensation

According to Hasibuan (2019:198) and Mujanah (2019), compensation pertains to the entirety of monetary and non-monetary recompenses that employees receive in acknowledgment of the services rendered to the organization. Compensation markers, as delineated by Poluakan et al. (2019), encompass 1) Wages, 2) Incentives, 3) Allowances, and 4) Facilities.

E. Workplace

According to Faida (2019) and Ekawati (2019), the Workplace encompasses elements or surroundings surrounding employees that influence their job performance. By considering a conducive Workplace and establishing working conditions that foster motivation, it can have an impact on employee performance. Workplace markers, as defined by Chartika, S (2021), include 1) Work Atmosphere, 2) Interpersonal Relationships among Employees, and 3) Availability of Work Facilities.

III. STUDY METHODOLOGY

This study employs a quantitative approach, which is analyzed utilizing the *SmartPLS* application. The population and sample in the study utilize a census sampling technique, where the entire population is included, amounting to 60 individuals. The data

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type employed is primary data collected through the direct distribution of questionnaires to respondents, along by secondary data in the form of information and direct firm data.

IV. OUTCOME AND DISCUSSION

Outlier Evaluation

An outlier is present when the Mahalanobis Distance Maximum > Probability & Number of Variables [=CHIINV(0.001;18) : calculated using Excel] = 42.312. The outlier test outcomes yield a Mahalanobis Distance value. The highest distance of respondent data is 37.260, which is less than the designated maximum outlier threshold of 42.312 according to the Mahalanobis distance. This signifies the absence of outliers byin the dataset. Thus, it can be affirmed that the data exhibits good quality and is suitable for subsequent analysis, by a total of 60 respondents.

Outer Model

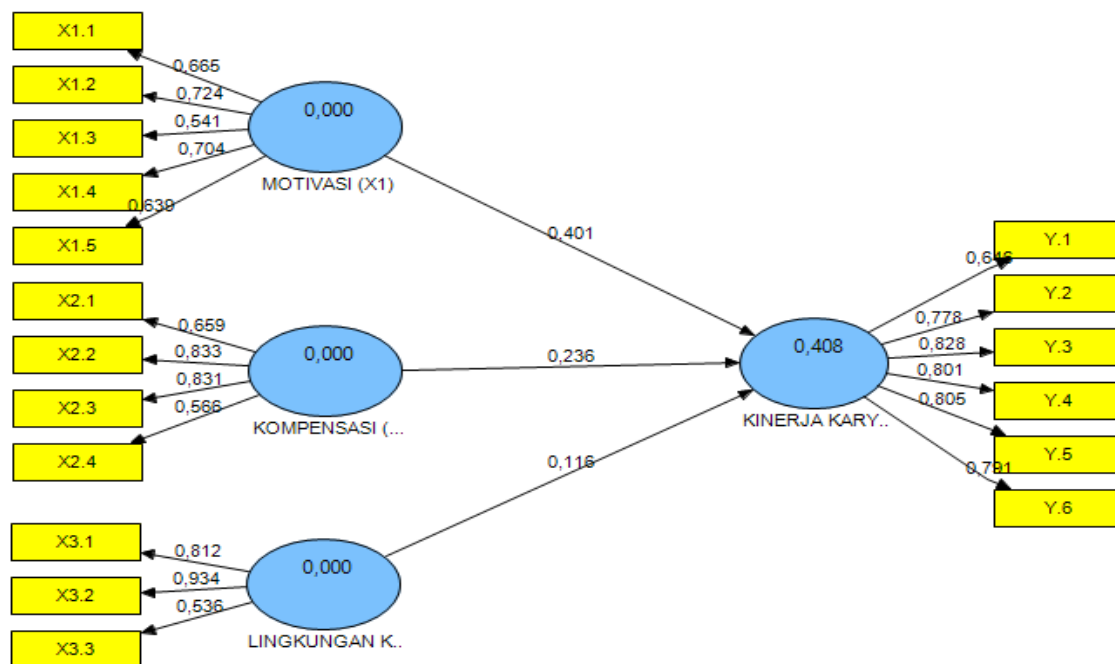


Figure 1. Outer Model dengan Element Loading, Path Coefficients dan R-Square

Source: Questionnaire Data Processed in 2023, Smart PLS Output

According to the PLS output diagram above, it can be observed that the *Element loading* values of each marker are indicated above the arrows connecting variables and markers. Additionally, the magnitude of *path coefficients* can be seen above the arrows connecting exogenous variables to endogenous variables. Furthermore, the *R-Square* values can also be observed byin the circle of the endogenous variable (Employee Performance).

Outer Loading

Assessing the validity of markers is conducted by evaluating their *Outer Loading*, which entails the scrutiny of the magnitude of their *Element loading* values. In this modeling approach, all markers are reflective, necessitating the utilization of the *Outer Loading output* table.

Table 1. Outer Loadings (Mean, Element Loading, T Statistics)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
X1.1 represents MOTIVATION (X1)	0,665333	0,667740	0,050828	0,050828	13,089834
X1.2 represents MOTIVATION (X1)	0,723743	0,715367	0,042203	0,042203	17,148939
X1.3 represents MOTIVATION (X1)	0,541243	0,537301	0,062294	0,062294	8,688481

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X1.4 represents MOTIVATION (X1)	0,704215	0,706510	0,035979	0,035979	19,572957
X1.5 represents MOTIVATION (X1)	0,639191	0,638691	0,055224	0,055224	11,574523
X2.1 represents COMPENSATION (X2)	0,658964	0,656699	0,068544	0,068544	9,613717
X2.2 represents COMPENSATION (X2)	0,833115	0,836330	0,025839	0,025839	32,242085
X2.3 represents COMPENSATION (X2)	0,830947	0,827947	0,029416	0,029416	28,248135
X2.4 represents COMPENSATION (X2)	0,566168	0,552954	0,113948	0,113948	4,968666
X3.1 represents WORKPLACE (X3)	0,812005	0,806864	0,037966	0,037966	21,387772
X3.2 represents WORKPLACE (X3)	0,933809	0,928131	0,020317	0,020317	45,962988
X3.3 represents WORKPLACE (X3)	0,536314	0,530344	0,164903	0,164903	3,252295
Y.1 represents EMPLOYEE PERFORMANCE (Y)	0,646157	0,645119	0,046564	0,046564	13,876686
Y.2 represents EMPLOYEE PERFORMANCE (Y)	0,777895	0,776154	0,028147	0,028147	27,637353
Y.3 represents EMPLOYEE PERFORMANCE (Y)	0,827560	0,827513	0,020193	0,020193	40,982054
Y.4 represents EMPLOYEE PERFORMANCE (Y)	0,801409	0,802513	0,019302	0,019302	41,518924
Y.5 represents EMPLOYEE PERFORMANCE (Y)	0,804540	0,803212	0,025280	0,025280	31,825153
Y.6 represents EMPLOYEE PERFORMANCE (Y)	0,790910	0,792979	0,034267	0,034267	23,081018

Source: Processed Questionnaire Data

The validity of markers can be gauged through the extent of Element loading values from the variable onto its respective markers. When validity is satisfactory, the value is < 0.5 , and the T-statistic value is < 1.96 (Z value at $\alpha = 0.05$). Element loading denotes the correlation between the marker and the variable. If it falls below 0.5, validity criteria are deemed met; similarly, when the T-statistic value is below 1.96, statistical Remarkable criteria are satisfied.

Drawing from the presented table, it is evident that all reflective markers byin the variables of Motivation (X1), Compensation (X2), Workplace (X3), and Employee Performance (Y) showcase Element loadings (from the original sample) exceeding 0.5, and they hold statistical Remarkable (by T-Statistic values surpassing the critical value of 1.96 at $Z \alpha = 0.05$ (5%) Remarkable level). As such, the estimation outcomes for all markers satisfy the criteria of Convergent Validity, indicative of their robust validity.

Cross Loading

Marker validity assessment can also be gleaned from the Cross Loading table, where if the loading Element values of each marker in their designated variables are smaller than the loading Element values of the markers in different variables, it can be inferred that the loading Elements exhibit validity. Conversely, if the loading Element values are $>$ those of markers in other variables, then the loading Elements are considered invalid.

Table 2. Cross Loading

Marker	Cross Loading
X1.1	0,665333
X1.2	0,723743
X1.3	0,541243
X1.4	0,704215
X1.5	0,639191

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X2.1	0,658964
X2.2	0,833115
X2.3	0,830947
X2.4	0,566168
X3.1	0,812005
X3.2	0,933809
X3.3	0,536314
Y1.1	0,646157
Y1.2	0,777895
Y1.3	0,827560
Y1.4	0,801409
Y1.5	0,804540
Y1.6	0,790910

Source: Processed Questionnaire Data

According to the outcomes derived from the cross-loading analysis depicted in the aforementioned table, all Element loading values (highlighted) for every marker are acquired, encompassing the Motivation (X1), Compensation (X2), Workplace (X3), and Employee Performance (Y) variables. These loading Element values surpass the threshold of 0.6 and surpass the loading Element values of markers from various variables. Hence, it h be deduced that all markers examined in this study meet their validity criteria, indicating their strong validity.

Average Variance Extracted & Composite Reliability

The outcomes of the Average Variance Extracted (AVE) assessment for the Motivation variable (X1) reveal a value of 0.532780, for the Compensation variable (X2) a value of 0.534834, for the Workplace variable (X3) a value of 0.606328, and for the Employee Performance variable (Y) a value of 0.603762. All four variables demonstrate values exceeding 0.5. Thus, collectively, the variables examined in this study can be deemed to possess robust validity.

Composite Reliability

In the findings of the composite reliability assessment, it is evident that the Motivation variable (X1) possesses a value of 0.790746, the Compensation variable (X2) holds a value of 0.817727, the Workplace variable (X3) demonstrates a value of 0.815152, and the Employee Performance variable (Y) showcases a value of 0.900882. All four variables manifest Composite Reliability values surpassing 0.70, which implies that all variables scrutinized in this study are deemed reliable.

Hypothesis Testing

Table 3. Path Coefficients (Mean,STDEV,T-Values)

	Path Coefficients (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)	P Values
MOTIVATION (X1) represents EMPLOYEE PERFORMANCE (Y)	0,400762	0,399947	0,055104	7,272848	0,000
COMPENSATION (X2) represents EMPLOYEE PERFORMANCE (Y)	0,235527	0,239843	0,058333	4,037624	0,000
WORKPLACE (X3) represents EMPLOYEE PERFORMANCE (Y)	0,115785	0,123944	0,054609	2,120242	0,036

Source: Processed Questionnaire Data

Drawing conclusions from the presented table, it can be inferred that motivation exerts a positive impact on the performance of employees at PT. UMC Suzuki Surabaya, by path coefficients of 0.400762. Furthermore, the "T-statistic value of 7.272848 > 1.96 (critical T-value for Z α = 0.05), or a P-Value of 0.000 < 0.05" supports this assertion, yielding a Remarkable (positive) outcome. The positive impact of compensation on the employee performance at PT. UMC Suzuki Surabaya can be accepted, by path coefficients of 0.235527. Additionally, the "T-statistic value of 4.037624 > 1.96 (critical T-value for Z α = 0.05), or a P-Value of 0.000 < 0.05" supports this assertion, leading to a Remarkable (positive) outcome. The positive impact of the Workplace on the performance of employees at PT. UMC Suzuki Surabaya can be accepted, by path coefficients of 0.115785. Additionally, the "T-

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statistic value of $2.120242 > 1.96$ (critical T-value for $Z\alpha = 0.05$) or a P-Value of $0.036 < 0.05$ reinforces this outcome, leading to a Remarkable (positive) outcome.

DISCUSSION

The Influence of Motivation on Employee Performance

According to the findings of the studyer's conducted study, the attained outcomes corroborate the hypothesized proposition that motivation indeed holds a substantial and positive effect on the performance of marketing employees at PT. UMC Suzuki Surabaya. The existence of a correlation between the motivation and employee performance variables is evidenced by the fact that the more motivation provided by the leadership, the better the employees' performance. Adequate motivation byin the workplace leads to optimal employee performance, while insufficient motivation outcomes in subpar employee performance.

Drawing conclusions from the aforementioned outcomes, it can be deduced that motivation indeed holds a notable and constructive effect on the performance of marketing employees at PT. UMC Suzuki Surabaya. This study finds support in the study by Fernos & Wipi, where they assert that motivation Remarkably and positively influences employee performance byin the context of the Local Revenue Agency (BAPENDA) of Padang City. This study also aligns by the study conducted by Azizah & Betari (2023), wherein it is affirmed that motivation exerts a substantial and positive impact on employee performance.

The Influence of Compensation on Employee Performance

Drawing conclusions from the studyer's undertaken study, the acquired findings harmonize by the postulated hypothesis that compensation indeed holds a meaningful and positive influence on the performance of marketing employees at PT. UMC Suzuki Surabaya. The existence of a relationship between the compensation and employee performance variables signifies that the level of compensation provided to employees can enhance their job enthusiasm and motivation byin the marketing department of PT. UMC Surabaya, ultimately leading to a maximum impact on employee performance.

Deriving from the above-presented outcomes, it can be inferred that compensation does indeed exert a substantial and positive effect on the performance of marketing employees at PT. UMC Suzuki Surabaya. This study finds corroboration in the study by Hafidzi et al. (2023), where they ascertain a notable positive influence of compensation on employee performance. Furthermore, this study corresponds by the study carried out by Prasetyo (2023), which posits that compensation plays a substantial and positive role in influencing the performance of employees at PT. BPR Panji Aronta Jombang.

The Influence of Workplace on Employee Performance

Drawing conclusions from the studyer's conducted study, the acquired findings are consistent by the hypothesized proposition that the Workplace indeed holds a notable and positive influence on the performance of marketing employees at PT. UMC Suzuki Surabaya. The existence of an association between the Workplace and employee performance variables implies the presence of a conducive and harmonious Workplace for the marketing employees at PT. UMC Suzuki Surabaya.

Drawing from the provided description, a conclusive inference can be made that the Workplace holds a substantial and positive impact on the performance of marketing employees at PT. UMC Suzuki Surabaya. This study receives support from a study endeavor undertaken by Sihaloho & Siregar (2020), revealing that the Workplace exerts a substantial and positive influence on employee performance at PT. Super Setia Sagita Medan. This study aligns by the study conducted by Latif et al. (2022) as well, which contends that the Workplace holds a Remarkable and positive impact on employee performance at PT. Hadji Kalla Toyota Maros Branch.

CONCLUSION

In light of the outcomes obtained from the tests administered by the studyer, it can be inferred that motivation has the capacity to augment employee performance. This signifies that the provision of motivation by leadership to employees can provide the impetus and enthusiasm for employees to enhance their performance. Furthermore, both compensation and the Workplace are capable of enhancing employee performance. The provision of compensation can boost employees' motivation in carrying out their tasks, while a positive and healthy Workplace can create a comfortable workplace atmosphere. It is advisable for the firm to provide motivation in the form of fostering employee morale, thereby encouraging employees to further elevate their performance. The firm should ideally be able to enhance the compensation provided to employees in order to have a maximum impact on their performance. Additionally, the firm should be capable of managing a harmonious and comfortable Workplace, thus enabling employees to become more efficient and productive in alignment by the firm's objectives.

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