

## The Effect of Compensation and Work Environment on Employee Performance through Work Motivation at PT. PLN (Persero) Bululawang



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**ABSTRACT:** This study aims to describe compensation, work environment, motivation and employee performance, analyze compensation and work environment on motivation, analyze compensation and work environment on employee performance, analyze compensation and work environment on employee performance and the influence of motivation on employee performance at PT. PLN (Persero) Bululawang. The population and sample in this study are employees at PT. PLN (Persero) Bululawang with a total of 74 employees. The data analysis technique used is path analysis. The results of the analysis show that compensation and work environment affect motivation. Compensation and work environment affect employee performance. Motivation affects employee performance. Compensation and work environment affect employee performance through motivation.

**KEYWORDS:** Compensation, Work Environment, Motivation, Employee Performance

### I. INTRODUCTION

In this era of globalization, precise, fast and accurate data and information supported by good management are very much needed by decision makers in the business world. The business world is required to create high employee performance for company development. Companies must be able to build and improve performance in their environment. The company's success is influenced by several factors, one important factor is human resources. Human resources are actors from all levels of planning to evaluation who are able to utilize other resources owned by the organization or company.

The existence of human resources in a company plays a very important role. Ardana et al (2012) states that every company must be professional in managing company resources. Human resources (HR) play the most important role in a company compared to other resources. One of the management functions applied in a company is the personnel function/human resource management.

Flippo (in Iswanto, 2011) revealed that human resource management can be interpreted as planning, organizing, directing and controlling activities over labor procurement, development, compensation, maintenance integrity and termination of employment relations with human resources to achieve individual targets, organizations and society. Or in other words, HRM can be broadly defined as planning, procurement, development, maintenance and use of human resources in an effort to achieve individual and organizational goals. Individual employee performance greatly influences the success of an organization. Employee performance directly influences the company's image in the eyes of the wider community. Every organization or company will always try to improve the performance of its employees so that employee performance is optimal. This effort is carried out with the hope that the goals of the organization/company will be achieved.

According to Sedarmayanti (2017), compensation is everything received by employees as compensation for their services or contributions to the company/organization." Another opinion from Hasibuan in R. Supomo and Eti Nurhayati (2018), explains that compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company. According to Simamora in Dini Fitrianasari Vol.7 No.1 (2016), states: "Compensation is what employees receive in exchange for their contribution to the company, both financial and non-financial, based on the work the employee does.

## **The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang**

Based on these definitions, it can be concluded that compensation is a means of binding employees to be loyal to the organization and make more sacrifices to the company or all things that the organization provides for the remuneration received by employees, whether directly in the form of money, salary, bonuses, etc., or indirectly in the form of allowances, awards, facilities and leave, as compensation in exchange for employee contributions to PT. PLN (Persero) Bululawang for the work carried out by employees.

According to Simanjuntak (2017) the work environment can be interpreted as all the tools encountered, the surrounding environment where a person works, his work methods, as an influence on his work both as an individual and as a group. Meanwhile, according to Sedarmayanti (2018) a work environment is a place where there are a number of groups where there are several supporting facilities to achieve company goals according to the company's vision and mission. Nitisemito (2019) defines the work environment as everything that is around workers and that influences them in carrying out their assigned tasks.

It can be concluded that the work environment is everything around PT employees. PLN (Persero) Bululawang which influences him in carrying out and completing the tasks given to him in an area. So work environment research is more directed at how employees feel safe, comfortable, peaceful and satisfied in completing work in their work space.

Hasibuan (2016) states that work motivation is given to humans, especially to subordinates or followers). Motivation here is about how to encourage employee enthusiasm in an organization so that these employees can work hard with all their abilities so that the goals of the organization that have been set can be achieved. Motivation in an organization is very important, because having good motivation in an organization can make every individual in the organization want to work hard and be enthusiastic to achieve goals and be able to provide the best for society and the organization, in this case it is hoped that employees can provide services. the best, good society.

Sardiman (2014) states that the definition of work motivation is a change in energy within a person which is marked by the emergence of feelings and is preceded by a response to a goal. Meanwhile, according to Mulyadi (2015) motivation is a driving force or drive for a person to behave in a certain way which can arise from within or outside the individual. Motivation is encouragement both from other people and from oneself to do work consciously and enthusiastically to achieve certain targets.

Based on observations and interviews with several employees at PT. PLN (Persero) Bululawang found several employee work motivation phenomena as follows: if there are errors in work, employees lack the initiative to correct them, and there is still a lack of employees in generating new ideas in completing tasks. Here we can see a lack of responsibility, initiative in completing work and creativity in carrying out work (Yancomala, 2014).

It can be concluded that good motivation will improve the performance of every employee at PT. PLN (Persero) Bululawang. Every employee has a strong reason to motivate and encourage them to complete their tasks as well as possible. The high motivation of employees leads employees to be more enthusiastic in completing the tasks given to them and this can also improve employee performance.

Marwansyah (2014) states that performance is a person's achievement or achievement regarding the tasks assigned to him, performance can also be seen as a combination of work results and competence. Meanwhile, according to Edison (2016), performance is the result of a process that is referred to and measured over a certain period of time based on previously established provisions or agreements. According to Mangkunegara (2016), the definition of performance is that performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

PT. PLN (Persero) is a State-Owned Enterprise (BUMN) which operates in the field of meeting and serving national electricity needs. PT. PLN (Persero) Bululawang which is located on Jl. Raya Bululawang No.13, Bululawang, Kec. Bululawang, Malang Regency, East Java. Every company is required to always improve the performance of its employees in order to achieve the goals that have been set, as is the case with PT. PLN (Persero) Bululawang as a company providing electricity services and has made a major contribution in meeting the electricity needs of the community continues to strive to improve the performance of its employees and optimize their ability to carry out their work, such as in the service and administration division, which has 74 employees.

In this regard, this research is intended to determine the influence of compensation policies and the creation of a good and comfortable work environment on employee performance at PT. PLN (Persero) Bululawang through work motivation as a moderating/intermediary variable. Apart from the phenomenon of motivation problems, it turns out that there is also a Research Gap, namely the existence of other research that shows different results, so that with the existence of the problem phenomenon and the Research Gap in previous research, it is deemed necessary to know more deeply about the influence of compensation and the work environment on employee performance in PT. PLN (Persero) Bululawang with work motivation as a moderating variable.

# **The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang**

## **II. LITERATURE REVIEW**

### **A. Employee Performance Theory**

Performance is the result of a process that is referred to and measured over a certain period of time based on previously established provisions or agreements. According to Rivai (2013), performance is a general term used in part or all of the actions or activities of an organization in a period with reference to a number of standards such as past costs projected on the basis of efficiency, accountability or management accountability and the like. According to Wirawan (2015) performance is an abbreviation of work energy kinetics, namely human energy, if kinetic or employed will produce work output.

Mangkunegara in Rahim et al.'s (2017) research, performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction and contributes to the economy. Armstrong in Kurniawan et al (2017).

### **B. Work Motivation Theory**

Motivation comes from the Latin word "movere" which means encouragement or driving force. Motivation in management is only directed at human resources, especially subordinates. Motivation is a driver of someone's willpower, motivation has the goal of achieving predetermined desires. Work motivation has a strong connection to compensation and the work environment. As stated by Sutrisno (2014), the factors that influence motivation are internal factors and external factors originating from employees, where external factors are the amount of compensation and working environment conditions.

Motivation can also be used as a driving force in improving employee performance. By providing this motivation, employees are expected to be able to collaborate well and work effectively with all efforts to achieve satisfaction at work, so that the impact on employee work productivity is better than before. Motivation is also very sensitive in achieving company goals because motivation is the encouragement given by the company to its employees so that they are always enthusiastic about working so that the company's goals can be achieved.

### **C. Compensation Theory**

Basically, working people also want to earn money to meet their living needs. For this reason, an employee begins to appreciate hard work and increasingly shows loyalty to the company and that is why the company rewards employee work performance by providing compensation. Compensation is everything that employees receive as remuneration for the work they do. Compensation is a form of remuneration given to an employee for work performance, both financial and non-financial. According to Milkovich (2011), compensation is all forms of financial and service returns, as well as all benefits obtained by employees as part of the relationship between employee and employer.

### **D. Work Environment Theory**

According to Sutrisno (2012), the work environment is the entire work facilities and infrastructure around employees who are doing work which can influence the implementation of work. According to Sinambela (2016), the work environment describes the general attitude of employees and society towards trade unions. According to Noah and Steve (2012), the work environment is the overall relationship that occurs with employees in the workplace. Everything in the workplace is a work environment. Employees are in a work environment when employees carry out work activities, and all forms of relationships involving these employees are included in the work environment.

### **E. Hypothesis**

H1: It is suspected that there is a significant influence of compensation and work environment on work motivation.

H2: It is suspected that there is a significant influence of compensation and work environment on employee performance.

H3: It is suspected that there is a significant influence of motivation on employee performance.

H4: It is suspected that there is a significant influence of compensation and work environment on employee performance through work motivation.

## **III. RESEARCH METHODS**

### **A. Research design**

The research design or what is also called research design used is quantitative research, where the research was carried out to determine the influence of Compensation and Work Environment on Employee Performance with Motivation as a Variable at PT PLN (Persero) Bululawang. This type of research includes explanatory research. This explanatory research aims to explain and

# The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang

test or prove a theory or hypothesis to strengthen or reject existing theories or research hypotheses. Meanwhile, the approach used is a survey approach.

## B. Operational Definition of Variables

### 1) Employee Performance (Y1)

Employee Performance (Y1) is the work result shown by PT. PLN (Persero) Bululawang. employee performance indicators, namely: amount of work, quality of work, punctuality, attendance and ability to collaborate.

### 2) Work Motivation (Y2)

Work Motivation (Y2) is what motivates employees to work at PT. PLN (Persero) Bululawang. Indicators of work motivation, namely: physical needs, security and safety needs, social needs, esteem needs and self-actualization needs.

### 3) Compensation (X1)

Compensation (X1) is a gift from PT. PLN (Persero) Bululawang to employees because of the work given to these employees. Variable indicators are: salary, allowances, bonuses and facilities.

### 4) Work Environment (X2)

Work Environment (X2) is a condition surrounding the workplace of PT Employees. PLN (Persero) Bululawang is based on organizational structure, a pleasant impression, security, reassurance, and comfort in working. Work environment indicators are: lighting, air temperature, noise, use of color, space required, security and employee relations.

## C. Population and Sample

The population in this study were employees of PT. PLN (Persero) Bululawang, totaling 74 employees. The sample in this study was taken from a population of 74 employees. Because the population was relatively small, the researchers used a technique (census), where all members of the population were used as research objects.

## D. Data Analysis Techniques

This research uses descriptive analysis and path analysis. Path analysis is an extension of multiple linear regression analysis to parts that have a direct relationship that can be analyzed using multiple linear regression analysis.

## IV. RESULTS AND DISCUSSION

### A. Path Diagram Model

The path analysis model in this research can be presented in Figure 1 below.

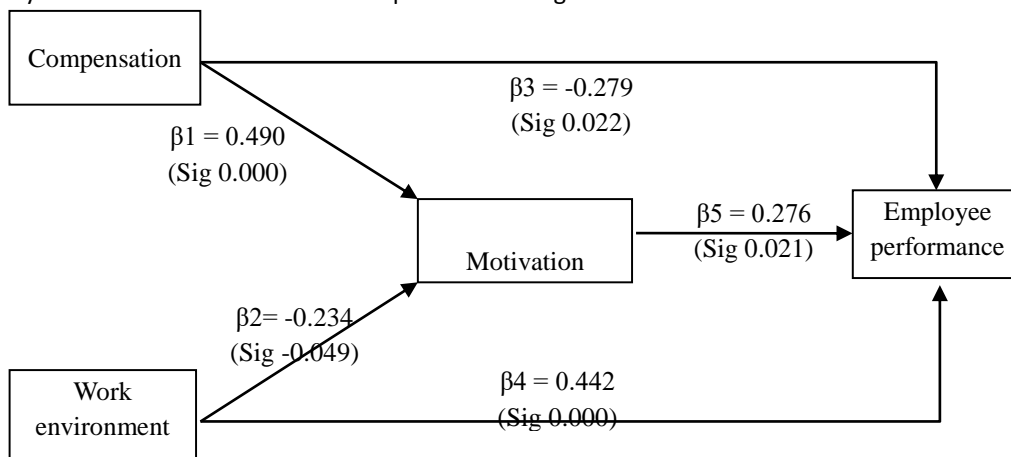


Figure 1. Path Analysis Results

### B. The Influence of Compensation and Work Environment on Motivation

To test the influence of compensation and work environment on motivation directly, and the magnitude of the direct influence using the linear regression method. The calculation results are presented in Table 1 below.

Table 1. Effect of Compensation and Work Environment on Motivation

Variable	Beta	t value	Sig	Information
Compensation	0.490	4.186	0.000	Significant
Work environment	-0.234	-1.999	0.049	Significant

**The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang**

R	= 0.446
R Square	= 0.199
Adjusted R Squared	= 0.176
F value	= 8.798
Sig	= 0.000
Endogenous variable = Motivation	

Source: Primary Data Processed 2023

The effect of compensation on work motivation is significant at the  $\alpha$  level of 5% with a significant value of 0.000, a t value of 4.186 and a regression coefficient of 0.490. This shows that compensation has an effect on motivation, which means that the better the compensation, the more motivation it can increase.

The influence of the work environment on work motivation is significant at the  $\alpha$  level of 5% with a significant value of 0.049, a t value of -1.999 and a regression coefficient of -0.234. This shows that the work environment influences motivation, which means that the better and more comfortable the work environment is, the more motivation it can increase.

The magnitude of the coefficient of determination is shown by the summary model, where the Adjusted R Squared value is 0.176 or 17.6% and the magnitude of the influence of other variables is 82.4%. This shows that the contribution of the influence of compensation and work environment variables to motivation variables is 17.6%, while 82.4% of motivation variables are influenced by other variables in compensation and work environment.

Thus, the first hypothesis which states that compensation and the work environment have a significant effect on motivation is statistically tested.

**C. The Influence of Compensation and Work Environment on Employee Performance**

To examine the direct influence of compensation and work environment on employee performance, and the magnitude of the direct influence using the linear regression method. The calculation results are presented in Table 2 below.

**Table 2. Effect of Compensation and Work Environment on Employee Performance**

Variable	Beta	t value	Sig	Information
Compensation	-0.279	-2.339	0.022	Significant
Work environment	0.442	3.707	0.000	Significant
R	= 0.412			
R Square	= 0.169			
Adjusted R Squared	= 0.146			
F value	= 7.242			
Sig	= 0.000			
Endogenous variable = Employee Performance				

Source: Primary Data Processed 2023.

The effect of compensation on employee performance is significant at the  $\alpha$  level of 5% with a significant value of 0.022, a t value of -2.339 and a regression coefficient of -0.279. This shows that compensation has an effect on employee performance, which means that the better the compensation, the better the employee's performance can be.

The influence of the work environment on employee performance is significant at the  $\alpha$  level of 5% with a significant value of 0.000, a t value of 3.707 and a regression coefficient of 0.442. This shows that the work environment influences employee performance, which means that the better the compensation, the greater the motivation.

The magnitude of the coefficient of determination is shown by the summary model, where the Adjusted R Squared value is 0.146 or 14.6% and the magnitude of the influence of other variables is 85.4%. This shows that the contribution of the influence of compensation and work environment variables to employee performance variables is 14.6%, while 85.4% of employee performance variables are influenced by other variables in compensation and work environment.

Thus, the second hypothesis which states that compensation and the work environment have a significant effect on employee performance is statistically tested.

## The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang

### D. The Effect of Motivation on Employee Performance

To test the influence of motivation on employee performance directly, and the magnitude of the direct influence using the linear regression method. The calculation results are presented in Table 3 below.

**Table 3. Effect of Motivation on Employee Performance**

Variable	Coef. Regression	t value	Sig	Information
Motivation	0.276	2,359	0.021	Significant
<i>R</i>	= 0.480			
<i>R Square</i>	= 0.231			
<i>Adjusted R Squared</i>	= 0.198			
F value	= 6.994			
Sig	= 0.000			
Endogenous variable = Employee Performance				

Source: Primary Data Processed 2023

The effect of motivation on employee performance is significant at the  $\alpha$  level of 5% with a significant value of 0.021, a t value of 2.359 and a regression coefficient of 0.276. This shows that motivation influences employee performance, which means that if employees are more motivated, employee performance can increase.

The magnitude of the coefficient of determination is shown by the summary model, where the Adjusted R Squared value is 0.198 or 19.8% and the magnitude of the influence of other variables is 80.2%. This shows that the contribution of the influence of motivation variables to employee performance variables is 19.8%, while 80.2% of employee performance variables are influenced by other variables in motivation.

Thus, the third hypothesis which states that motivation has a significant effect on employee performance is statistically tested.

### E. The Influence of Compensation and Work Environment on Employee Performance Through Motivation

The hypothesis testing method is carried out using path analysis, namely by using multiple regression and then filtering based on statistical tests and significance. This statistical test can be carried out using the standardized beta coefficient (standard  $\beta$ ). If the  $\beta$  value is significant, then the path coefficient is significant. Path coefficients that are not significant must be discarded. Significance tests can be carried out by comparing the significance of the paths. If the significance value of the path coefficient is  $<0.05$  then the coefficient is significant, but if the significance value of the coefficient is  $>0.05$  then it is considered not significant.

To see the effect of compensation and work environment on employee performance through motivation, it is presented in Table 4 below.

**Table 4. Summary of Direct, Indirect and Total Effect Analysis Results from Path Analysis**

Variable	Direct Effects	Sig.	Indirect Effects	Total Effects
Compensation for motivation	0.490	0.000	-	-
Work environment on motivation	0.234	0.049	-	-
Compensation for Employee Performance	0.279	0.022	-	-
Work environment on employee performance	0.442	0.000	-	-
Motivation on employee performance	0.276	0.021	-	-
Compensation for employee performance through motivation	-	-	$0.490 \times 0.276 = 0.135$	$0.279 + 0.135 = 0.414$
Work environment on employee performance through motivation	-	-	$0.234 \times 0.276 = 0.064$	$0.442 + 0.064 = 0.506$

Source: Primary Data Processed 2023.

Based on the data listed in Table 18 above, it can be seen that the total influence of the compensation variable on the employee performance variable (0.414) is greater than the direct influence (0.279). Likewise for work environment variables on



## The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang

employee performance variables, where the total effect (0.506) is greater than the direct effect (0.442). These results indicate that motivation has the status of an intervening variable in the influence of compensation and work environment on employee performance, because the total value is greater than the direct influence.

Based on the data in Table 18, the results of path analysis show that the compensation variable influences employee performance variables through the motivation variable, because the total influence value (0.414) is greater than the direct influence value (0.279). Work environment variables influence employee performance variables through motivation variables, because the total influence value (0.506) is greater than the direct influence value (0.442). Thus, the fourth hypothesis which states that compensation and the work environment have a significant effect on employee performance through motivation is also statistically tested.

### F. Structural Equation Model Test Results

Testing the validity of the model in path analysis is very necessary so that it can be known whether a valid analysis has been carried out. Testing the validity of the model in path analysis there are two indicators that need to be seen, namely the total coefficient of determination ( $Rm^2$ ). In this case, the interpretation of the coefficient of determination ( $Rm^2$ ) is the same as the interpretation of the coefficient of determination ( $R^2$ ) in regression analysis.

The intended interpretation can be explained in the following calculations.

$$\begin{aligned} Rm^2 &= 1 - (\sqrt{1 - R_1^2} * \sqrt{1 - R_2^2}) \\ &= 1 - (\sqrt{1 - 0,199} * \sqrt{1 - 0,169}) \\ &= 1 - (\sqrt{0,801} * \sqrt{0,831}) \\ &= 1 - (0.894 * 0.917) \\ &= 1 - 0.819 \\ &= 0.18 \end{aligned}$$

### G. Discussion

#### 1. Description of Compensation, Work Environment, Employee Performance and Motivation

Compensation and work environment are factors that influence employee performance through motivation at PT. PLN (Persero) Bululawang. Compensation is considered good when the company's policy on material compensation (basic salary, incentives/bonuses, allowances and wages) and non-material compensation (praise and leave) is deemed appropriate in accordance with government regulations and in accordance with what employees expect and do. The work environment is considered good if the company is able to provide everything around employees while working as well as possible, such as quality work facilities, air temperature, lighting, noise, security, as well as good working relationships between employees and superiors. Meanwhile, work motivation is considered good if employees have the drive to work optimally.

Compensation is a factor that has a significant influence on employee performance through work motivation. Apart from that, the influence of compensation variables on work motivation is relatively strong and positive. This means that providing compensation will have an effect on high employee motivation at work, so that it can improve employee performance at work. This shows that the better PT. PLN (Persero) Bululawang provides compensation to employees, which will increase employee motivation at work, so companies must pay attention to the compensation given to employees so that compensation is given appropriately, so that employees can be motivated and will influence employee performance. The results of this research are also in accordance with previous research conducted by Ndaru Tutus Priyo Handoko et al (2022) which proves that compensation influences employee performance through motivation.

The work environment is a factor that has a significant influence on motivation and if employees are motivated it can improve employee performance. This means that the work environment will influence the high level of employee work motivation. The higher the employee's motivation at work, the better the employee's performance. The results of this analysis are supported by the statement made by Sunyoto (2012) that paying attention to a good work environment can provide employee motivation to work. This shows that the better and more comfortable the employee's work environment is, the more work motivation will increase and can improve employee performance at work. So companies must create a comfortable and good work environment for their employees because this will increase employee motivation at work. The results of this research are also in accordance with previous research conducted by Asrun Tonga & Nurul Huda (2018) which proves that there is an influence between the work environment and employee performance through motivation.

## **The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang**

Work motivation is a factor that has a significant influence on employee performance and shows that work motivation variables are able to explain employee performance variables. Apart from that, the influence between these variables is classified as very strong and has a positive value. This means that the better the work motivation, the better the employee's performance. Work motivation has a strong connection to compensation and the work environment. Apart from that, the influence of compensation variables and the work environment on work motivation is classified as strong and positive. So, if the compensation and working environment conditions are better, the level of work motivation will also increase. This shows the compensation given to PT employees. PLN (Persero) Bululawang and the working environment provided to employees have made employees feel motivated to work. Employee performance is shaped by quantity, quality and timeliness. The main thing that can improve employee performance is quantity, which is reflected in employees taking full responsibility for work results. An employee who is said to have good performance is of course fully responsible for the results of his work.

An employee must be able to carry out or complete his duties and responsibilities well, where when an employee is able to complete the tasks he is carrying out, the employee must also be able to account for the results of his work to his superiors. On the other hand, employees who perform poorly cannot complete their tasks well, or are often late in completing their tasks and responsibilities, and it is not uncommon for these employees to be unable to account for the results of their work to their superiors. As according to Mangkunegara (2017), performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. By being able to take responsibility for their work results, the employee can be assessed as having a good quality of work.

### **2. The Influence of Compensation and Work Environment on Motivation**

Compensation has a significant effect on motivation of PT employees. PLN (Persero) Bululawang. Compensation has a direct influence on motivation with a significant value of 0.000, a t value of 4.186, and a regression coefficient of 0.669. This can be interpreted to mean that good compensation will have an influence on the motivation of PT employees. PLN (Persero) Bululawang. As the conceptual basis shows, employee compensation consists of salary, allowances, bonuses and facilities. So with good compensation it will have a positive influence on increasing the performance of PT employees. PLN (Persero) Bululawang. Negash, Zewude and Megersa (2014) in their research entitled *The Effect of Compensation on Employees Motivation: In Jimma University Academic Staff* show results that are in line with this research, where the results show that there is a relationship between compensation and its components and employee work motivation.

The work environment influences the motivation of PT employees. PLN (Persero) Bululawang with a significant value of 0.049, a t value of 1.999, and a regression coefficient of 0.203. This can be interpreted as that the work environment influences motivation. as the conceptual basis shows that with a supportive work environment both in terms of facilities and co-workers, this will improve employee performance at PT. PLN (Persero) Bululawang. There are three key elements in motivation, namely effort, organizational goals and needs. Effort is a measure of intensity, if someone is motivated then he will try as hard as he can to achieve the goal, but not necessarily high effort will produce high performance. Therefore, intensity and quality of these efforts are needed and focused on company goals. Needs are internal conditions that give rise to drives, where unsatisfied needs will give rise to tension that stimulates drives from within the individual. This drive gives rise to search behavior to find a particular goal. In the work context, motivation is an important factor in encouraging an employee to work. Motivation is an individual's willingness to expend high effort to achieve organizational or company goals. If it turns out that needs are met, there will be a reduction in tension.

The results of this research are in accordance with those conducted by Ramadhani (2013), who stated that compensation will be able to increase employee work motivation in a company because with compensation that is appropriate to workload, responsibilities and needs, it will provide more encouragement to employees to be able to work better.

The results of this research are in accordance with those conducted by Ansaruddin (2012), who stated that the work environment will be able to influence employee work motivation in a work environment, therefore employees will feel more suited to work and are encouraged to do many things that are in accordance with their duties and responsibilities within the company. .

### **3. The Influence of Compensation and Work Environment on Employee Performance**

Compensation influences employee performance at PT. PLN (Persero) Bululawang with a significant value of 0.022, a t value of 2.339 and a regression coefficient of 0.395. This shows that the salary received has fulfilled the needs of its employees, employees also feel safe with the work insurance provided by the company, as well as the provision of work benefits provided by the company to its employees, has made employees able to put more effort into completing their tasks with full sense. responsibility to achieve maximum results and can prioritize cooperation with colleagues in completing work assigned by their



## **The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang**

superiors. The compensation provided will be very useful in supporting individual and collaborative performance at PT PLN (Persero) Bululawang.

The work environment influences employee performance at PT. PLN (Persero) Bululawang with a significant value of 0.000, a t value of 3.707, and a regression coefficient of 0.405. With the guarantee of job security as work protection for employees in carrying out tasks that have been ordered by their superiors or carrying out orders in accordance with the applicable SOPs of PT PLN (Persero) Bululawang, there is lighting in the work space that is sufficient for employees' needs in working and a guaranteed work environment. , has made employees more serious in their work so that the work available and produced can be in accordance with the targets set by PT. PLN (Persero) Buluwawang.

The results of this research are in accordance with those conducted by Afriansyah (2014), who stated that compensation will provide an increase in employee performance in a work environment, because with compensation provided appropriately by the company, employees can be calmer at work, can collaborate more collaboratively. active and provide better results at work.

The results of this research are in accordance with those conducted by Prasetyo (2013), who stated that a work environment that is relatively appropriate to the work needs of its employees will be able to provide a greater sense of comfort and enthusiasm at work, employees who work will be able to complete their work in accordance with their assigned duties and responsibilities. had been given to him by his superior.

### **4. The Effect of Motivation on Employee Performance**

Motivation influences employee performance at PT. PLN (Persero) Bululawang with a significant value of 0.021, a t value of 2.359, and a regression coefficient of 0.292. This can be interpreted to mean that employee motivation will have an influence on increasing the performance of PT employees. PLN (Persero) Bululawang. As in the conceptual basis, motivation is based on needs as in Maslow, namely: physical needs, security and safety needs, social needs, esteem needs, self-realization or self-actualization needs. Motivation is a series of processes that give rise to, direct and maintain human behavior to achieve goals. Motivation is also related to the choices made by individuals, the direction of the behavior they carry out. Motivation is something that encourages individuals (employees) to take action to achieve certain goals.

Motivation can also be shaped by salary, work supervision, promotions, and coworkers. Agencies need to pay attention to factors that can create employee job satisfaction. By providing appropriate and fair salaries, flexible and conducive work supervision, good promotions and harmonious relations between employees, this can create employee job satisfaction. Employees with high job satisfaction are able to produce maximum performance.

The results of this research are in accordance with those conducted by Farlen (2011) and Prasetyo (2013), who stated that employee motivation will have a good impact on employee performance, with employee motivation in working, employees can be more optimal in carrying out their duties and responsibilities in the company. .

### **5. The Influence of Compensation and Work Environment on Employee Performance Through Motivation**

Motivation is able to mediate the influence of compensation on employee performance at PT. PLN (Persero) Bululawang. The total of compensation variables on employee performance variables is (0.587) greater than the direct effect (0.395). Likewise for work environment variables on employee performance variables, where the total influence is (0.464) greater than the direct influence (0.405). This is in line with the conceptual basis where compensation will have an influence on performance through motivation. If compensation is managed well, it will increase work motivation which ultimately can improve employee performance. Employees with high achievement motivation really like challenges, dare to take risks, are able to take responsibility, and like to work hard. This drive will create a need for achievement in employees who differentiate them from others, because they always want to do something better. Based on experience and anticipation of pleasant results and if previous achievements are considered good, employees prefer to engage in achievement behavior. On the other hand, if employees have been punished for experiencing failure, then feelings of fear of failure will develop and create an urge to avoid failure

Motivation is also able to mediate the influence of the work environment on employee performance at PT. PLN (Persero) Bululawang. This is in line with the conceptual basis where a supportive work environment has an indirect effect on employee performance through work motivation. A good work environment will increase employee motivation at work, and ultimately will improve employee performance. The work environment is a place where employees carry out activities every day. A conducive work environment provides a sense of security and allows employees to work optimally. The work environment can influence employee emotions. If an employee likes the work environment where he works, then the employee will feel at home in his workplace, carrying out activities so that working time is used effectively.

From the explanation above, it can be concluded that motivation is able to mediate the influence of compensation and work environment on employee performance at PT. PLN (Persero) Bululawang. With appropriate compensation and a comfortable

# The Effect of Compensation and Work Environment on Employee Performance Through Work Motivation at PT. PLN (Persero) Bululawang

working environment, this can create motivation for employees so that in the end it will trigger employee enthusiasm resulting in good performance. The results of this research support Asrun et al (2018), Handoko et al (2022), and Rahmawati et al (2014) which prove that the variable compensation and work environment influence employee performance.

## V. CONCLUSION AND SUGGESTIONS

### A. Conclusion

Based on the results of the research and discussion as described in the previous chapter, the conclusions of this research can be stated as follows:

1. The results of descriptive statistical analysis of compensation variables, work environment, employee motivation and performance provide an illustration that employees of PT. PLN (Persero) Bululawang tends to be active in carrying out duties and work within the company. Work motivation is one of the factors that can encourage employee enthusiasm at work to achieve good work results by relying on the size and level of employee performance, and job satisfaction is one of the factors that can improve employee performance.
2. Compensation has an influence on employee motivation at PT. PLN (Persero) Bululawang, while the work environment has an influence on motivation.
3. Compensation has an influence on PT Employee Performance. PLN (Persero) Bululawang, while the work environment has an influence on employee performance.
4. Motivation has an influence on employee performance at PT. PLN (Persero) Bululawang. These results show that increasing employee motivation will also increase employee performance.
5. Compensation and work environment can improve employee performance through motivation. Motivation is the most important part for the company to pay attention to and consider, because through motivation employee work results can be achieved.

### B. Suggestions

In connection with the results and conclusions of this research, suggestions can be outlined as follows:

1. Practically
  - a) The results of descriptive statistical analysis of compensation, work environment, motivation and employee performance provide an illustration that employees of PT. PLN (Persero) Bululawang tends to be active in carrying out tasks and work. Compensation is one of the factors that can encourage employee enthusiasm at work to achieve good work results by relying on the size and level of employee performance.
  - b) Compensation and work environment have an influence on PT employee motivation. PLN (Persero) Bululawang.
  - c) Compensation and work environment have an influence on the performance of PT employees. PLN (Persero) Bululawang.
  - d) Motivation has an influence on employee performance at PT. PLN (Persero) Bululawang.
  - e) Compensation and Work Environment can improve employee performance through Motivation. This is because through work motivation it will increase employee enthusiasm for work.
2. For Further Researchers

For further researchers, it is recommended to develop this research by using other variables that can influence employee performance and with a larger number of samples, so that they will get better and more up-to-date results in their research.

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