



The Influence Of The Work Environment And Compensation System On Employee Performance And Job Satisfaction At PT. Bankaltimtara Nunukan Branch Indonesia Malaysia Border

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Abstract The purpose of this research is to determine the influence of the work environment and compensation system on employee performance and job satisfaction at PT. Bankaltimtara Nunukan Branch, Indonesia-Malaysia border area. This research is quantitative research. The subjects of this research were all employees and leaders of PT Bankaltimtara, Nunukan Branch, Indonesia-Malaysia Border Area. For data analysis, a model test was used using smartPLS version 3.0 which consists of Outer and Inner Model tests. Based on smartPLS, the validity test is carried out with an outer loading threshold of > 0.5 and AVE > 0.5 , while the reliability test is carried out with a Composite reliability threshold of 0.7. Next, testing the hypothesis is carried out based on the output of the Path Coefficient by paying attention to the Original Sample values, T-statistics and P Values. From the results of data management and analysis, it was found that the work environment variable had an influence on job satisfaction of $0.869 > T$ table (0.688), the work environment had an influence on employee performance of $5.399 > T$ table (0.688), Compensation had an influence on job satisfaction of $1.351 > T$ table (0.688), Compensation influences employee performance by $4.522 > T$ table (0.688), job satisfaction influences employee performance by $1.017 > T$ table (0.688), work environment simultaneously influences job satisfaction and employee performance by $0.722 > T$ table (0.688) and compensation simultaneously influences job satisfaction and employee performance by $0.922 > T$ table (0.688).

Keywords: Work Environment, Compensation, Job Satisfaction and Employee Performance

I. INTRODUCTION

PT Regional Development Bank of East Kalimantan and North Kalimantan, abbreviated as PT BPD Kaltim Kaltara as Bankaltimtara, is one of the Regional Owned Enterprises owned by the East Kalimantan Provincial Government, North Kalimantan Provincial Government, Regency/City Governments throughout East Kalimantan and Regency/City Governments throughout North Kalimantan with the legal entity form of a Limited Liability Company.

It officially started operating on October 14 1965, inaugurated by the Governor of KDH Tk. I East Kalimantan Mr. A. Moeis Hasan, with a legal umbrella in the form of East Kalimantan Level I Regional Regulation No. 3/PD/64 dated 19 September 1964 which received approval from the Minister of Home Affairs through decree no. 9/10/8-45 dated 01 April 1965, and Business License from the Minister of Central Bank Affairs/Bank Indonesia No. Kep. 95/PBS/65 dated September 21, 1965.

In carrying out its business, PT. Bank Altitara Nunukan Branch consists of 35 employees. With the number of employees we have, structured and directed human resource management is required in order to obtain employee performance that meets expectations. According to Kasmir, performance is the result of completing tasks and responsibilities given within a certain time period. Apart from that, performance is also defined as a form of action, achievement or skill of an employee in carrying out his work (Kasmir, 2016, pp. 182–184). To improve employee performance, it is necessary to consider the factors that influence performance. According to Kasmir, factors that influence employee performance are job satisfaction and the work environment (Kasmir, 2016, pp. 189–193). Meanwhile, according to Simanjuntak, factors that influence performance come from supporting facilities which can be in the form of compensation (S. E. Widodo, 2015, p. 133).

The second factor that influences employee performance is compensation. Compensation is all income in any form received by employees as compensation for services provided to the company. From an interview with one of the employees who is an employee in the marketing department, information was obtained that the compensation system provided by PT.

Bankaltimtara to employees is good and adequate and is determined by the size of the targets that can be achieved by employees. The compensation provided can encourage employee performance to become better. Several studies such as those conducted by Djoko Setyo Widodo (D. S. Widodo, 2017, p. 903), Sri Rustilah (Rustilah, 2018, p. 222), Pitriyani and Abd. Halim (Pitriyani, Halim, & Hasibuan, 2019, p. 65), and Ali Wairooy (Wairooy, 2017, p. 21) show that compensation influences employee performance. Another factor that influences performance is job satisfaction. Job satisfaction is an emotional state that reflects employee feelings towards their work. It is known that employee job satisfaction at PT. Bankaltimtara Nunukan Branch is good because it is supported by a good working environment and an appropriate and adequate compensation system. This condition makes it possible to achieve good employee performance as well. Research that discusses the influence of job satisfaction on employee performance includes Chadek Novi Charisma Dewi et al (Dewi, Bagia, 2018, p. 159), Natalia Susanto (Susanto, 2019), I Gede Sudha Cahyana and I Ketut Jati (Cahyana & Jati, 2017, p. 1335), Jufrizen (Jufrizen, 2017), and Achmad Fadhil and Yuniadi Mayowan (Fadhil & Mayowan, 2018, p. 46). Apart from that, in this research a mediating variable, namely job satisfaction, was used to determine the indirect effect of work environment variables and compensation on employee performance by using a validity test to determine the level of significance. Research on employee performance

widely carried out in various fields, making research on employee performance feasible. Apart from that, high employee performance is very necessary to produce good quality work. High employee performance is really needed by PT Bankaltimtara Nunukan Branch because it will greatly influence Bankaltimtara's performance in the community and in generating profits. Employee performance certainly cannot be separated from the influence of the work environment, compensation and job satisfaction. Good working environmental conditions, appropriate compensation and high job satisfaction will greatly influence employee performance. However, it is necessary to carry out in-depth research to find out whether these three factors can improve employee performance. So this research was conducted to find out how the work environment and compensation system influence employee performance with job satisfaction as an intervening variable at PT. Bankaltimtara Nunukan Branch

In accordance with the description above, the problem of this research can be formulated as follows:

1. Does the work environment have a significant effect on employee job satisfaction at PT. Bank Kaltimtara Nunukan Branch
2. Does the work environment have a significant influence on employee performance at PT. Bank Kaltimtara Nunukan Branch
3. Does the Compensation System have a significant effect on employee job satisfaction at PT. Bankaltimtara Nunukan Branch
4. Does the compensation system have a significant effect on employee performance at PT. Bank Kaltimtara Nunukan Branch
5. Does job satisfaction have a significant effect on employee performance at PT. Bankaltimtara Nunukan Branch
6. Does the work environment through job satisfaction have an effect on employee performance at PT. Bankaltimtara Nunukan branch
7. Does the compensation system through job satisfaction have an effect on employee performance at PT. Bankaltimtara Nunukan Branch

A. *The Aims of Study*

The aims of this study is to identify as follows:

Based on what is explained in the background of the problem, the aim of this research is.

1. To determine the influence of the work environment on employee job satisfaction at PT Bank Kaltimtara Nunukan Branch
2. To determine the influence of the work environment on employee performance at PT. Bank Kaltimtara Nunukan Branch
3. To determine the effect of the Compensation System on Job Satisfaction at PT. Bankaltimtara Nunukan Branch?
4. To determine the effect of the compensation system on employee performance at PT Bank Kaltimtara Nunukan Branch
5. To find out whether job satisfaction has a significant effect on employee performance at PT. Bankaltimtara Nunukan branch
6. To determine the influence of the work environment through job satisfaction on employee performance at PT.

Bankaltimtara Nunukan Branch.

7. To determine the effect of compensation through job satisfaction on employee performance at PT. bankaltimtara Nunukan Branch

II. LITERATURE REVIEWS

A. *Work Environment Indicators*

Work environment indicators according to Afandi (2018:70) are as follows:

1. *Lighting*

Sufficient lighting that emits appropriately will increase the work efficiency of employees, because they can work more quickly and less quickly make their eyes tired.

2. *Color*

It is one of the important factors to increase the work efficiency of employees, especially color will affect their mental state. By using the right color on the walls of the room and other equipment, the joy and calm at work of the employees will be maintained.

3. *Air*

Regarding these air factors, what is often air temperature and the amount of water vapor in the air.

4. *Sound*

To overcome noise, it may be necessary to place equipment that has a loud sound, such as telephone typewriters, motorbike parking, etc. In a special room, so that it doesn't disturb other workers in carrying it out.

B. *Indicators - Job Satisfaction Indicators*

Work According to Afandi (2018:82) Indicators of job satisfaction are as follows:

1. *Employment*

Does the content of the work someone does have satisfying elements?

2. *Wages*

The amount of payment a person receives as a result of carrying out work is in accordance with the needs that are felt to be fair.

3. *Promotion*

The possibility that someone can develop through promotion. This relates to whether there are opportunities to gain career advancement while working.

4. *Supervisor*

Someone who always gives orders or instructions in carrying out work

C. *Compensation Indicator*

Indicators for providing compensation to employees certainly vary. Hasibuan (2017: 86) stated that generally compensation indicators are:

1. *Salary is money given every month to employees as compensation for their contributions, such as:*

a. Compatibility of salary from the company.

b. Decent and fair rewards.

2. *Incentives are financial rewards given directly to employees whose performance exceeds specified standards, such as:*

a. Bonus if you have achieved your work target.

b. Payment of wages for time not worked (leave).

3. *Benefits are compensation given to certain employees as compensation for their sacrifices, such as:*

a. Health benefits.

b. Positional allowance.

c. Family allowance.

4. *Facilities are supporting facilities provided by the organization, such as: a. Company car facilities.*

D. Indicators - Job Satisfaction Indicators

Work According to Afandi (2018:82) Indicators of job satisfaction are as follows:

1. Employment

Does the content of the work someone does have satisfying elements?

2. Wages

The amount of payment a person receives as a result of carrying out work is in accordance with the needs that are felt to be fair.

3. Promotion

The possibility that someone can develop through promotion. This relates to whether there are opportunities to gain career advancement while working.

4. Supervisor

Someone who always gives orders or instructions in carrying out work

E. Performance Indicators According to Afandi (2018:89) employee performance indicators are as follows:

1. Quantity of work results

All kinds of units of measurement related to the amount of work output that can be expressed in terms of numbers or other numerical equivalents.

2. Quality of work results

All kinds of units of measurement related to the quality or qualities of work results which can be expressed in terms of numbers or other numerical equivalents.

3. Work discipline

Comply with applicable laws and regulations.

4. Initiative

The ability to decide and do the right thing without having to be told, being able to find out what should be done about things around you, trying to keep moving to do several things even though things feel increasingly difficult.

5. Accuracy

The level of suitability of the work measurement results, whether the work has achieved its goals or not.

6. Honesty

One of the human traits that is quite difficult to implement

A hypothesis is a temporary answer to a research problem formulation, where the research problem formulation has been stated in the form of a statement sentence. So a hypothesis can also be stated as a theoretical answer to the formulation of a research problem, not yet an empirical answer with data (Sugiyono, 2018). So that this research can be directed as expected, in this research the author formulates the following hypothesis:

H1: It is suspected that the work environment has a significant influence on job satisfaction at PT. Bankaltimtara Nunukan Branch

H2: It is suspected that the work environment has a positive and significant effect on employee performance at PT. Bankaltimtara Nunukan Branch

H3: It is suspected that compensation has an insignificant effect on job satisfaction at PT. Bankaltimtara Nunukan Branch

H4: It is suspected that compensation influences employee performance at PT. bankaltimtara Nunukan Branch

H5: It is suspected that job satisfaction has a significant effect on employee performance at PT. Bankaltimtara Nunukan Branch.

H6: It is suspected that the environment indirectly has a positive effect through Job Satisfaction on Employee Performance at PT. Bakaltimtara Nunukan branch

H7: It is suspected that compensation indirectly has a positive effect through Job Satisfaction on Employee Performance at PT. Bankaltimtara Nunukan Branch

III. METHODOLOGY

This research is quantitative research and consist of exogenous variables, mediating variable and endogenous variable.

A. Research Scope

This research was carried out in Nunukan, North Kalimantan with the research object at the Bankaltimtara Nunukan Branch office, Jl. Pattimura Nunukan Timur, Nunukan Regency, North Kalimantan Province for a period of time (2 months) after completing PKL (field work practice), from 15 May to 31 July 2023.

B. Equations

The equations will be used in this research is structural equation model as follows:

$$Y_1 = \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + E_1 \quad (1)$$

$$Y_2 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Y_1 + E_5 \quad (2)$$

C. Instrument Analysis

Instrument analysis will be used for analyzing the data is Structural Equation Model (SEM) SmartPLS 3.20 version. It is consist of extracting Outer and Inner Loading.

D. Data Analysis

Data analysis will consist of several steps as follows:

1. Designing the structural equation model
2. Calculating the data
3. Extracting the Loading Factors (Outer and Inner)
4. Bootstrapping Process
5. Examining the hypothesis
6. Concluding the results

IV. RESULTS AND DISCUSSIONS

By using SmartPLS 3.00 version the structured can be developed as follows:

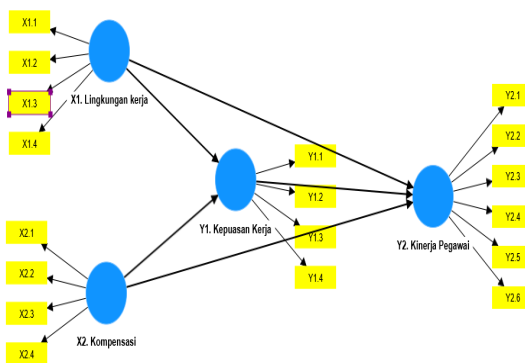


Figure 1. Calculation Results

After designing the structural model, it need to be calculated, the path coefficients as follows:

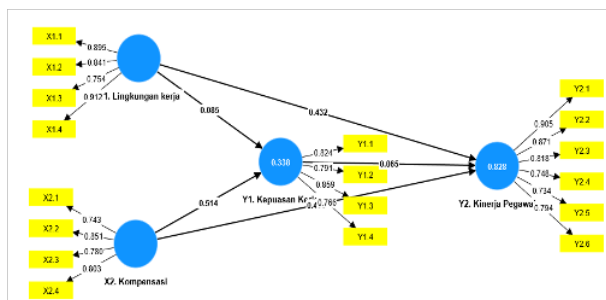


Figure 2. Path Coefficients

Discussions

Hypothesis 1 states that the work environment has a significant effect on job satisfaction, this is shown from the original sample value of 0.079, T statistic of 2.370 > t table (2.048), p value of 0.813 > 0.05, and it can be concluded that the work environment (X1) influences job satisfaction (Y1) at PT. Bankaltimtar Nunukan Branch.

Hypothesis 2 states that the work environment (X1) has a significant influence on employee performance (Y2) and is accepted, this is shown by the original sample value of 0.432, the T statistic of 3.093 > t table (2.048), and the p value of 0.002 < 0.5. concluded that the work environment (X1) has a significant influence on employee performance (Y2) at PT. Bankaltimtara Nunukan Branch.

Hypothesis 3 states that compensation (X) has a significant effect on job satisfaction received, this is shown by the original sample value of 0.516, T statistic of 2.095 > t table (2.048), and p value of 0.091 > 0.5. It can be concluded that Compensation (X2) influence on job satisfaction (Y1) at PT. Bankaltimtara Nunukan Branch.

Hypothesis 5 states that compensation (X2) has a significant effect on employee performance (Y2) is accepted, this can be seen from the original sample value of 2.687 T statistic > t table (2.048), p value of 0.007 < 0.5 So it can be concluded that Compensation (X2) Has a significant effect on employee performance (Y2) at PT. bankaltimtara Nunukan Branch.

Hypothesis 5 states that job satisfaction (Y1) has a significant influence on employee performance, this is shown from the original sample value of 0.067, T statistic of 3.078 < t table (2.048), and p value of 0.564 > 0.5. It can be concluded that job satisfaction (Y1) has no effect on (Y2) at PT. Bankaltimtara Nunukan branch.

Hypothesis 6 states that the work environment (X1) has a significant effect on employee performance (Y2) through job satisfaction (Y1) being accepted, this is shown by the positive original sample value of 0.035, T statistic of 2.461 > t table (2.048), and p value of 0.645 > 0.5 It can be concluded that the work environment (X1) has no effect on employee performance (Y2) through job satisfaction (Y1) at PT. bankaltimtara Nunukan Branch.

Hypothesis 7 states that compensation (X1) has a significant effect on employee performance (Y2) through job satisfaction (Y1) received, this is shown by the positive original sample value of 0.005, T statistic of 2.100 > t table (2.048), and p value of 0.920 > 0.5 It can be concluded that compensation (X2) has no effect on employee performance (Y2) through job satisfaction (Y1). At PT. Bankaltimtara Nunukan Branch

V. CONCLUSION AND SUGGESTION

From the results of the discussion analysis it can be concluded that:

1. The results of partial hypothesis testing prove that the work environment variable (X1) has a significant effect on job satisfaction (Y1) at PT. Bankaltimtara Nunukan Branch.
2. The results of partial hypothesis testing prove that the work environment variable (X1) has a significant influence on employee performance (Y2) at PT. Bankaltimtara Nunukan Branch.
3. The results of partial hypothesis testing prove that the Compensation variable (X2) has a significant effect on job satisfaction (Y1) at PT. Bankaltimtara Nunukan branch.
4. The results of partial hypothesis testing prove that the Compensation variable (X2) has a significant effect on employee performance (Y2) at PT. Bankaltimtara Nunukan Branch.
5. The results of partial hypothesis testing prove that the job satisfaction variable (Y1) influences employee performance (Y2) at PT. Bankaltimtara Nunukan Branch.
6. The results of partial hypothesis testing prove that the work environment variable (X1) through job satisfaction (Y1) has a significant influence on employee performance (Y2) at PT. Bankaltimtara Nunukan Branch.
7. The results of partial hypothesis testing prove that the compensation variable (X2) through job satisfaction (Y1) has a significant effect on employee performance (Y2) at PT. Bankaltimtara Nunukan Branch

SUGGESTION

For agencies to pay more attention or improve the work environment so that employees are satisfied through the work environment. And companies must pay more attention to aspects of employee job satisfaction, such as a compensation system that is fair for employees and benefits the company. Apart from that, companies can also provide bonuses or incentives according to employee performance targets achieved to increase work morale so that employee satisfaction levels are higher.

2. Suggestions for future researchers, that the results of this research can be used as a vehicle to increase and develop knowledge by applying theories in accordance with real problems in the field related to the compensation system and work environment as well as employee performance and also as reference material for future researchers

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