THE EFFECT OF WORK ENVIRONMENT, COMPENSATION, AND MOTIVATION ON EMPLOYEE WORK PRODUCTIVITY

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ABSTRACT: The purpose of this study is to find out the effect of the work environment, compensation, and motivation on employee work productivity. This research was conducted in the Gaya Ceramic and Design in 2019. The number of samples used was 44 people, with a saturated sampling method. Data collection methods used were questionnaire and interview methods. The type of data is quantitative data. The data source used is primary data obtained from the Gaya Ceramic and Design. The analysis technique used is multiple linear regression analysis techniques. This research proves that the work environment has a positive and significant effect on employee work productivity. Compensation has a positive and significant effect on employee work productivity and motivation has a positive and significant effect on employee work productivity. Compensation has a positive and significant effect on employee work productivity and motivation has a positive and significant effect on employee work productivity.

Keywords: work environment, compensation, motivation, work productivity.

I. INTRODUCTION

Employee work productivity is a very important factor in supporting business success. According to Mulyadi (2016: 100), productivity is the result of the work of a person or employee who compares input and output. Productivity is calculated by comparing the total amount of output with the total amount of input used to produce output (Navqi et al, 2013). According to Handaru et al, (2019) Employee work productivity can be seen from how employees do a job that can increase company profits as efficiently as possible. Increased productivity means that economically it produces more output for a given level of input, resulting in profits that increase income and living standards, improve competitiveness and generally develop a better quality of life (Basri et al, 2018). High productivity will benefit both employers and employees, especially for their welfare. Hanasyha (2016) mentioned work productivity is an important factor in the company to build an organization that has competitiveness, achieved company goals, has a strategic performance and meets the proportions in holding the interests of the organization.

One company that pays attention to employee work productivity is Gaya Ceramic and Design. Gaya Ceramic and Design was established on August 25, 2010 at Jalan Raya Sayan No. 105, Ubud, Gianyar, Bali. Gaya Ceramic and Design is a company engaged in the manufacture of ceramics made from clay and other types of substances. The initial problem in the interview regarding employee work productivity was the decline in ceramics production. This is caused by the decline in productivity of the ceramic employees. Preliminary data show that productivity in terms of effectiveness and work efficiency has not yet led to optimal work performance, this indicates that the production of ceramics per month has not been fully achieved.

The results of interviews with the Head of the Gaya Ceramic and Design Production Section found that the low productivity of ceramic employees was caused by the production of ceramics that had not yet fully reached the target. The results of interviews with several Style and Ceramic Design employees, that these employees often feel less enthusiastic in meeting the targets and the ceramic production results achieved are not always increasing compared to before.

Companies also need to pay attention to environmental safety during working hours by regulating the use of work tools while in the workplace environment. According to Ajala (2012) a conducive workplace environment can help increase productivity. Things that need to be considered in a work environment are work environments such as lighting (light), air condition, work facilities, relationships with colleagues, and security. The air condition in Gaya Ceramic and Design has not been clean enough so that it disrupts employee work productivity.

Research conducted Hanasyha (2016) states that the work environment has a positive and significant effect on employee work productivity, where organizations can increase the productivity of their employees if they improve working environment conditions. Improved work environments can cause higher employee work
productivity and poor working conditions to contribute to low employee work productivity (Taiwo, 2010). Senata et al. (2014) states that the work environment has a positive effect on employee work productivity. Saha and Mazumder (2015) states that the work environment has a positive effect on employee work productivity. Panjaitan (2017) states the work environment has a positive and significant effect on work productivity. Other studies from Basit et al. (2018) states that the work environment has a positive and significant effect on employee work productivity. Sinaga (2016) also stated that the work environment had a positive effect on the work productivity of the production department employees.

Besides the work environment, another factor that can affect productivity is compensation. Compensation is a reward given by the company for services that employees have provided in completing a job (Santoni and Suana, 2018). Basically, compensation is divided into two parts, namely direct and indirect compensation. Direct compensation is directly related to employee performance and productivity such as wages and salaries, while indirect compensation is compensation that is not related to work results and employee performance (Dewi, 2014). Salary is the compensation paid to workers for services or work performed (Salisu et al., 2015). According to Bawoleh et al. (2016) compensation must be fair and equitable because employees tend to compare the amount of compensation based on their input to the company, the amount of compensation received by other employees with the same tasks, position and the amount of compensation received by employees in similar companies.

Zulfadil and Taufiqurrahman (2017) states that the higher the compensation given, the higher the level of employee work productivity. Research conducted by Yamoah (2013) states that compensation has a positive effect on employee work productivity. Agustini and Dewi (2019) states that the better the compensation given, the better the work productivity of employees, this means that compensation has a positive and significant effect on employee work productivity. Umar (2010) stated that there was a significant influence between compensation and work productivity of employees in the pharmaceutical sales department at work. Abdussamad (2014) states that compensation has a significant effect on work productivity. Fitranti and Prasetio (2018) shows that compensation has a significant positive effect on work productivity. Wardani and Prasetio (2018) also stated that compensation had a significant positive effect on employee work productivity. Providing fair and equitable compensation will increase the work productivity of Gaya Ceramic and Design employees, if compensation is felt to be unfair, there will be a sense of disappointment, so the possibility of good employees will leave the company.

Compensation programs must be designed so that potential employees feel valued and are willing to stay in the company. Attractive and timely compensation can also increase employee motivation, where compensation is the main thing that can make employees stay in the company. Ganta (2014) explained that compensation is a factor that can increase employee motivation which is able to create a special passion for employees to complete every responsibility given by the company, therefore it is important for companies to pay attention to the compensation system that is applied to maintain and increase employee motivation.

Motivation is the most important thing for any community organization or private sector (Zameer et al, 2014). Each employee has a different motivation as an encouragement in doing his work, so that work done with hard work can produce optimal results and increase productivity in the company. Motivation explains how to encourage individual work morale so they want to work hard by giving all their abilities and skills to achieve organizational goals (Fernandes, 2018). Motivation will be very important, because with motivation it is expected that every employee will work hard and enthusiastically to achieve high work productivity (Idji, 2020). According to Chukwuma and Okafor (2014) motivation is the process of arousing behavior, maintaining behavioral progress, and channeling behavior into a particular action. Ismajli et al. (2015) states motivation has a positive and significant effect supported by the acquisition of work, salary, and opportunities for promotion seem to be the most important motivating factors.

Omollo (2015) assess that motivation has a positive effect on employee work productivity if the rewards received are in accordance with what the employee's workload is. Research Hutabarat (2016) states that motivation has a positive and significant effect on employee work productivity. Khan and Gautam (2014) states motivation has a positive and significant effect on employee work productivity. Kurniawan (2018) states motivation has a positive and significant effect on employee work productivity. Jayaratna and Yasodara (2014) also states that motivation has a positive and significant effect on employee work productivity. The low motivation of employees of Gaya Ceramic and Design, indicated by employees in doing work is not optimal.

### II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Research conducted Hanasyha (2016) states the work environment has a positive and significant effect on employee work productivity, where organizations can increase the productivity of their employees if they improve working environment conditions. Senata et al. (2014) states that the work environment has a positive effect on work productivity. Saha and Mazumder (2015) states that the work environment has a positive and significant effect on work productivity. Panjaitan (2017) states the work environment has a positive and
significant effect on work productivity. Other studies from Basit et al. (2018) states that the work environment has a positive effect on work productivity. Sinaga (2016) also states the work environment has a positive effect on work productivity. Based on previous research, the following hypotheses can be arranged:

H1: The work environment has a positive and significant effect on productivity.

Research conducted Yamoah (2013) states that compensation has a positive effect on employee work productivity. Agustini and Dewi (2019) states that the better the compensation given, the better the work productivity, this means that compensation has a positive and significant effect on work productivity. Umar (2010) stated that there was a significant influence between compensation and work productivity of employees in the pharmaceutical sales department at work. Abdussamad (2014) states that compensation has a significant effect on work productivity. Fitrianti and Prasetio (2018) shows that compensation has a significant positive effect on work productivity. Wardani and Prasetio (2018) also stated that compensation had a significant positive effect on employee work productivity. Based on previous research, the following hypotheses can be arranged:

H2: Compensation has a positive and significant effect on work productivity.

Research which is conducted Ismajli et al. (2015) states motivation has a positive and significant effect supported by the acquisition of work, salary, and opportunities for promotion seem to be the most important motivating factors. Omollo (2015) also considered that motivation has a positive effect on employee work productivity if the rewards received are in accordance with what the employee's workload is. Hutabarat (2016) states that motivation has a positive and significant effect on employee work productivity. Khan and Gautam (2014) states motivation has a positive and significant effect on employee work productivity. Kurniawan (2018) states motivation has a positive and significant effect on employee work productivity. Jayarathna and Yasodara (2014) also states that motivation has a positive and significant effect on employee work productivity. Based on previous research, the following hypotheses can be arranged:

H3: Motivation has a positive and significant effect on work productivity.

III. RESEARCH METHODS

The location of this research was conducted in Gaya Ceramic and Design which is located at Jalan Raya Sayan No. 105 Ubud, Gianyar, Bali. The basic consideration in choosing Gaya Ceramic and Design as a research location is because there are found problems related to work productivity that are suspected to be influenced by the work environment, compensation, and motivation.

The population in this study were all production department employees, amounting to 44 people in the Gaya Ceramic and Design. In this study the samples used were 44 employees of the production department who worked on Gaya Ceramic and Design. The method of determining the sample in this study included in the study population (saturated sample).

The analytical model used in this study is multiple linear regression analysis. Multiple linear regression analysis is used to find out how much influence the independent variable consisting of the Work Environment (X1), Compensation (X2), and Motivation (X3) to the dependent variable ie Work Productivity (Y) in Gaya Ceramic and Design. The results of multiple linear regression analysis can be seen in Table 1.

IV. RESULTS AND DISCUSSION

Multiple Linear Regression Analysis

The analytical model used in this study is multiple linear regression analysis. Multiple linear regression analysis is used to find out how much influence the independent variable consisting of the Work Environment (X1), Compensation (X2), and Motivation (X3) to the dependent variable namely Work Productivity (Y) in Gaya Ceramic and Design. The results of multiple linear regression analysis can be seen in Table 1.
Table 1. Results of Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std.Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.777</td>
<td>.312</td>
<td></td>
<td>2.495</td>
</tr>
<tr>
<td>Work Environment (X1)</td>
<td>.261</td>
<td>.103</td>
<td>.285</td>
<td>2.543</td>
</tr>
<tr>
<td>Compensation (X2)</td>
<td>.281</td>
<td>.129</td>
<td>.332</td>
<td>2.185</td>
</tr>
<tr>
<td>Motivation (X3)</td>
<td>.288</td>
<td>.137</td>
<td>.334</td>
<td>2.095</td>
</tr>
<tr>
<td>R2</td>
<td></td>
<td></td>
<td></td>
<td>0.748</td>
</tr>
<tr>
<td>F value</td>
<td></td>
<td></td>
<td></td>
<td>99.68</td>
</tr>
<tr>
<td>Sig.F</td>
<td></td>
<td></td>
<td></td>
<td>0.000</td>
</tr>
</tbody>
</table>

Based on Table 1 which presents the results of multiple linear regression analysis, the structural equation is as follows.

\[ Y = 0.777 + 0.261 \times X_1 + 0.281 \times X_2 + 0.288 \times X_3 \]

Information:

- **Y** = Work Productivity
- **X1** = Work environment
- **X2** = Compensation
- **X3** = Motivation

The multiple linear regression equation shows the direction of each independent variable to the dependent variable. The multiple linear regression equation can be described as follows:

- \( X_1 = 0.261 \) indicating that the work environment (X1) has a positive effect on work productivity (Y) in Gaya Ceramic and Design.
- \( X_2 = 0.281 \) indicating that compensation (X2) has a positive effect on work productivity (Y) in Gaya Ceramic and Design.
- \( X_3 = 0.288 \) indicating that motivation (X3) has a positive effect on work productivity (Y) in Gaya Ceramic and Design.

**F test**

F test is used to show the feasibility of multiple linear regression models that test the effect of Work Environment (X1), Compensation (X2), Motivation (X3) variables on Work Productivity (Y). F test results can be seen from the value of sig. annova < \( \alpha = 0.05 \), then this model is said to be feasible or there is a significant influence between the independent variables on the dependent variable. F test results can be seen in Table 2.

Table 2. Test Results F

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>11,066</td>
<td>3</td>
<td>3,689</td>
<td>39.68</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>3,718</td>
<td>40</td>
<td>0.093</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14,784</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on Table 2, the F test results obtained a significance value of 0.000 which is smaller than 0.05, so the multiple linear regression model is feasible as an analysis tool to test the effect of independent variables on the dependent variable.

**Determination Coefficient Test (R^2)**

The coefficient of determination test aims to measure the extent of the variation of the independent variables namely Work Environment (X1), Compensation (X2), Motivation (X3) to the dependent variable namely Work Productivity (Y). The coefficient of determination is between 0-1, meaning the higher the value of the coefficient of determination, the better the prediction of the independent variables on the dependent variable. The results of the coefficient of determination test (R2) can be seen in Table 3.

Table 3. Determination Coefficient Test Results (R2)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R.</th>
<th>Std. Error of Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.865</td>
<td>0.748</td>
<td>.73</td>
<td>0.30489</td>
</tr>
</tbody>
</table>

Primary Data, 2020
Based on Table 3 it can be seen that the value of R Square ($R^2$) = 0.748. The analysis uses the following formula.

\[
D = R^2 \times 100\%
\]

\[
D = 0.748 \times 100\%
\]

\[
D = 74.8\%
\]

Based on these results it is known that the value of $R^2$ = 74.8 percent, which means that 74.8 percent of work productivity ($Y$) in the Gaya Ceramic and Design is influenced by work environment variables ($X_1$), compensation ($X_2$), motivation ($X_3$) and the remaining 25.2 percent influenced by other variables not examined in this study.

**Partial Test Results (t test)**

Partial test (t test) is used to test the effect of each independent variable (work environment, compensation, and motivation) on the dependent variable (work productivity) partially. T test results can be seen in Table 4.

### Table 4. Test Results t

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Environment ($X_1$)</td>
<td>0.285</td>
<td>0.015</td>
</tr>
<tr>
<td>Compensation ($X_2$)</td>
<td>0.332</td>
<td>0.035</td>
</tr>
<tr>
<td>Motivation ($X_3$)</td>
<td>.334</td>
<td>0.043</td>
</tr>
</tbody>
</table>

Primary Data, 2020

**Effect of Work Environment on Employee work productivity**

The results showed that the work environment had a positive and significant effect on employee work productivity, which meant that the better the work environment felt by the employees, the work productivity of employees at Gaya Ceramic and Design would increase. This can be seen from the employee's relations with fellow colleagues well and harmonious so that the work can be completed quickly, in addition the company provides environmental comfort for employees so that employees feel calm and comfortable at work.

This study reinforces the results of previous studies conducted by Hanasyha (2016) states that the work environment has a positive and significant effect on employee work productivity, where organizations can increase the work productivity of their employees if they improve working environment conditions. Similar research was also carried out by Basit et al. (2018), Panjaitan (2017), Saha and Mazumder (2015), Senata et al. (2014), Sinaga (2016) which gets the result that the work environment has a positive effect on employee work productivity.

**Effect of Compensation on Employee work productivity**

The results showed that compensation had a positive and significant effect on employee work productivity, which meant that the higher the compensation felt by the employees, the employee's work productivity in Gaya Ceramic and Design would increase. This can be seen from the wages that employees get according to the hourly salary rate of work they do in the company, in addition to the bonuses they get in accordance with the results of their work at the company.

This study reinforces the results of previous studies conducted by Agustini and Dewi (2019) states that the better the compensation given, the better the work productivity of employees, this means that compensation has a positive and significant effect on employee work productivity. Similar research was also carried out by Abdussamad (2014), Agustini and Dewi (2019), Fitrianti and Prastio (2018), Umar (2010), Wardani and Praseto (2018), Yamoah (2013) which results that compensation has a positive effect on employee work productivity.

**Effect of Motivation on Employee work productivity**

The results showed that motivation had a positive and significant effect on employee work productivity which meant that the higher the motivation felt by the employees, the work productivity of employees in the Style Ceramic and Design would increase. This can be seen from the opportunity given to employees to develop their careers and abilities and employees have high responsibilities at work.

This study reinforces the results of previous studies conducted by Ismajli et al. (2015) states motivation has a positive and significant effect supported by the acquisition of work results, salary, and opportunities for promotion which are the most important motivating factors. Similar research was also carried out by Hutabarat (2016), Jayaratha and Yasodara (2014), Khan and Gautam (2014), Kurniawan (2018), Omollo (2015) which gets the result that motivation has a positive effect on work productivity.
V. CONCLUSION

This research provides evidence on the development of organizational behavioral science and human resources, especially regarding work productivity, work environment, compensation, and motivation. Thus, the results of this study provide empirical support and can be stated to strengthen the results of previous studies.

This research is expected to provide positive benefits for the company. Companies must pay more attention to employee work productivity by seeing how the safety of the work environment of employees around him so that employees can work more comfortably, in addition to providing appropriate compensation to employees so that employees can work productively, and more motivating their employees so that employee morale is high. This will increase employee work productivity which will be useful for the progress of the company.

REFERENCES


