

THE EFFECT OF COMPENSATION AND WORKING ENVIRONMENT ON THE PERFORMANCE AND ORGANIZATIONAL COMMITMENT OF PT YULIA COSMETICS EMPLOYEES

Saima Rambe^{1)*}, Nurul Dalimunte²⁾, Cut Sah Kha Mei Zsazsa³⁾
Universitas Pembinaan Masyarakat Indonesia Medan, Indonesia¹⁾
Email: rambesaima@gmail.com^{1)}*

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Abstract

This research is a quantitative and qualitative research to determine the influence of compensation and work environment on the performance and organizational commitment of employees at PT. Yulia Cosmetics is a company that operates in a competitive business sector in an economy in the technological era, in meeting the challenges of technological competition and environmental changes, the compensation provided by PT. Yulia Cosmetics for employees exceeds the minimum minimum wage. If compensation and the work environment do not meet the needs of workers, the performance and commitment of the organization are not met, which will have an impact on employee work, resulting in the company experiencing a decline. The sample used was 32 employees of PT. Yulia Cosmetics Medan. Data were collected using a questionnaire, with the analysis technique used being multiple linear regression analysis with the help of the SPSS program. The results of the Rehabilitation Test show that the Compensation variable is 0.916, while the work environment is 0.863 and performance and organizational commitment is 0.898, which is significant at $0.000 < 0.05$, which shows that the career development variable has a positive and significant effect on employee job satisfaction, while the compensation variable has a calculated value of (5.180). $> t_{table} (2.052)$ with a significance of $0.000 < 0.05$ which indicates that the variable Compensation has a positive and significant effect on employee job satisfaction. $F_{table} (87.129 > 3.35)$ concludes that the independent variables, namely career development (X1) and compensation (X2) together have a positive and significant effect on the Employee Job Satisfaction variable (Y) at the Grand Impression Hotel Medan. The analysis shows that career development has an effect on employee job satisfaction and compensation has an effect on employee job satisfaction and career development and compensation have a simultaneous effect on employee job satisfaction.

Keywords: Career Development, Compensation, Employee Job Satisfaction

A. INTRODUCTION

With increasingly stringent economic developments, companies in carrying out operations are not only pursuing productivity but more so their performance. Employee performance is an important factor because of the progress of an organization or company. If performance increases, success in achieving company goals is wide open, but if performance decreases, it will result in setbacks for the company and the company will not be able to maintain its business.

Human resource performance/productivity is influenced by many factors including compensation, work environment, job satisfaction, and motivation. One of the

considerations for employee performance is fair compensation and an appropriate work environment.

According to Fajar and Heru, compensation is all extrinsic rewards that employees receive in the form of wages, incentives and various allowances (benefits), and has the main objectives: 1. Attracting potential job applicants, 2. Retaining good employees, 3. Achieving excellence competitive, 4. Increase productivity, 5. Make payments in accordance with legal regulations (Labor Law), 6. Ensure fairness, 7. Facilitate strategic targets.

The work environment is a very important component for employees in carrying out work activities according to Sunyoto. Company leaders in assigning duties and responsibilities to employees should also pay attention to the employee's work environment.

PT. Yulia Cosmetics really needs high employee performance to increase company production. Commitment is shown in the employee's desire to maintain their membership in the company, shown in the small number of employees who stop working or leave the company. The many problems that arise while working do not make employees abandon their work and continue to carry out their assigned duties.

Basically, someone who works will feel comfortable and have high loyalty to the company if they get job satisfaction. Employee job dissatisfaction is indicated by the number of violations committed. Violations committed by employees require the company to issue a warning letter (SP) and a decision to suspend them.

The dissatisfaction felt by employees is thought to be due to employees still feeling that what they have received in the form of compensation is still far from what was expected. Employees still feel that the existing reward system is inadequate, especially in terms of distributing incentives and bonuses. Employees feel that the incentive and bonus distribution system is not based on the results of their work so far. It is feared that this feeling of injustice in the distribution of compensation will have an impact on employee commitment.

From the description above, the author is interested in finding out more about the influence of compensation and work environment on the performance and commitment of employees to the company at PT. Yulia Kosmetik, thus the author raises the title "The Influence of Compensation and Work Environment on the Performance and Organizational Commitment of Employees of Pt. Yulia Kosmetik"

B. LITERATURE REVIEW

Understanding Organizational Commitment

According to Mathis and Jackson, organizational commitment is the level of trust and acceptance of the workforce towards the goals of the organization and the desire to remain in the organization. Robbins stated that organizational commitment is a condition where employees identify themselves with the elements of the organization and its goals, and desire to maintain membership in the organization.

Dimensi Komitmen Organisasi

Meyer and Allen in Umam, formulated three dimensions of commitment in organizations, namely affective, continuance, and normative.

1. Affective commitment.
2. Continuance commitment.
3. Normative commitment.

Organizational Commitment Indicators

According to Stress in Dessler, organizational commitment can be seen in at least 3 factors, namely:

- a. Strong belief and acceptance of the organization's goals and values
- b. Willingness to promote the interests of the organization,

c. The desire to maintain membership in the organization

Understanding the Work Environment

According to George R. Terry, the work environment can be defined as the forces that influence either directly or indirectly the performance of an organization or company. According to Mardiana, the work environment is the environment where employees carry out their daily work. A conducive work environment provides a sense of security and allows employees to work optimally.

Work Environment Indicators

Based on the theories that have been put forward by experts, the work environment can be measured using the following indicators:

a. Work Atmosphere

Work atmosphere is the conditions around employees who are doing work which are influenced by the implementation of the work itself.

b. Relationships with coworkers

Relationships with co-workers, namely relationships with co-workers that are harmonious without any mutual undermining (intrigue) between co-workers.

c. Availability of work facilities

The availability of complete work facilities, although not new, is one of the supports for the work process

Employee Performance Indicators

According to Mathis and Jackson, there are 3 indicators in employee performance, including:

a. Organizational career opportunities.

b. Awards given.

c. Employee relations

d. Task and work plans

C. RESEARCH METHODOLOGY

This research uses quantitative methods, multiple linear regression which functions to determine whether compensation and work environment have a positive and significant influence on employee performance and is supported by the t test and f test which function to determine the impact and influence of compensation and work environment on performance. employee. With data collection techniques, documentation studies, interviews, questionnaires.

D. RESULT AND DISCUSSION

Results of respondents' assessments of PT work environment variables. Yulia Kosmetik, shows an overall average score of 3.36, so this means that the overall work environment at PT. Yulia Cosmetics received a good response from employees.

Table 1. Validity Test Results for 32 Respondents Regarding Compensation Validity Testing, Work Environment and Employee Performance

Variable	Indicator Items	Coefficient Correlation	Information
Compensation	Monthly Salary (X1.1)	0,899	Valid
	Holiday Allowance (X1.2)	0,884	Valid
	Job Bonus (X1.3)	0,811	Valid
	Social Security (X1.4)	0,875	Valid

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Work Performance	Company Facilities (X1.5)	0,853	Valid
	Air Temperature (X2.1)	0,845	Valid
	Work Space (X2.2)	0,693	Valid
	Wiggle Room (X2.3)	0,768	Valid
	Room Lighting (X2.4)	0,824	Valid
	Wall Staining (X2.5)	0,879	Valid
Employee performance	Accuracy of Task Completion (Y1.1)	0,847	Valid
	Suitability of Working Hours (Y1.2)	0,821	Valid
	Attendance Rate (Y1.3)	0,783	Valid
	Cooperation Between Employees (Y1.4)	0,922	Valid
	Job Satisfaction (Y1.5)	0,847	Valid

Source: Primary data processed, 2024

Table 2. Reliability Test Results for 32 Respondents Regarding Testing the Validity of Compensation, Work Environment and Employee Performance

Variable	Indicator Items	Cronbach's Alpha Indicator	Cronbach's Alpha Variable	Information
Compensation	Monthly Salary (X1.1)	0,886	0,916	Reliable
	Holiday Allowance (X1.2)	0,892		Reliable
	Job Bonus (X1.3)	0,911		Reliable
	Social Security (X1.4)	0,894		Reliable
	Company Facilities (X1.5)	0,899		Reliable
Work environment	Air Temperature (X2.1)	0,824	0,863	Reliable
	Workspace (X2.2)	0,864		Reliable
	Wiggle Room (X2.3)	0,844		Reliable
	Room Lighting (X2.4)	0,827		Reliable
	Wall Staining (X2.5)	0,806		Reliable
Employee Performance	Accuracy of Task Completion	0,880	0,898	Reliable
	(Y1.1)	0,880		Reliable
	Suitability of Working Hours (Y1.2)	0,894		Reliable
	Attendance Rate (Y1.3)	0,847		Reliable
	Collaboration Between Employees	0,873		Reliable

Source: Primary data processed, 2024

Table 3. Multiple Linear Regression Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,191	2,125		,090	,929
	Kompensasi	,524	,114	,537	4,621	,000

Lingkungan Kerja	,479	,122	,455	3,916	,001
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Source: Primary data processed, 2024

Dependent Variable: Employee Work Performance and Commitment

According to the calculation of multiple linear regression analysis, the following equation can be obtained:

$$Y = 0,191 + 0,524 X_1 + 0,479 X_2$$

The linear equation can be defined as a regression coefficient for the variable. The variable coefficient X_2 of 0.479 states that every improvement in the work environment will have an effect on increasing the employee performance variable (Y) which has a positive sign.

Multiple regression in this study uses a standardized coefficient (beta). This is because the standardized coefficient (beta) can select differences in units of measurement in the independent variables and observe each independent variable relatively and there is no multicollinearity between the independent variables. (Imam Ghazali, 2005).

Table 4. Coefficients^a t-test results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	,191	2,125		,090	,929
Compensation	,524	,114	,537	4,621	,000
Work Environment	,479	,122	,455	3,916	,001

Source: Processed primary data (2024)

Dependent Variable: Performance and commitment

Based on table 4.4, the results of the t test (Partial) can be explained as follows:

Compensation Variable (X1)

The test results with SPSS 23 for Windows for the Compensation variable (X1) obtained a value of tcount (4.621) > ttable (2.052) with a significance of 0.000 < 0.05. Thus, the decision from the research hypothesis is that H_0 is rejected and H_1 is accepted, which means that Compensation (X1) has a positive and significant effect on Employee Work Commitment Performance (Y) at PT. Yulia Cosmetics Medan.

Work Environment Variables (X2)

The test results with SPSS 23 for Windows for the Work Environment variable (X2) obtained a value of tcount (3.916) > ttable (2.052) with a significance of 0.000 < 0.05. Thus, the decision from the research hypothesis is that H_0 is rejected and H_1 is accepted, which means that the work environment (X2) has a positive and significant effect on employee performance and work commitment (Y) at PT. Yulia Cosmetics Medan.

The results of the F (Simultaneous) test in this study can be seen in table 4.5 below:

Table 5. F Test Results (Simultaneous)

ANOVA^a

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Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	304,229	2	152,114	87,129	,000 ^b
Residual	47,138	29	1,746		
Total	351,367	32			

a. Dependent Variable: Employee Work Performance and Commitment

Source: Processed primary data (2024)

Based on Table 4.5, the results of the F test can be seen simultaneously, and the Fcount value = 87.129 with a significance level of 0.000 is obtained. Thus, the Fcount > Ftable value is obtained (87.129 > 3.35) and the significance level is (0.000 < 0.05) with the hypothesis H0 being rejected and Ha is accepted so it can be concluded that the independent variables namely Compensation (X1) and Work Environment (X2) together have a positive and significant effect on the Employee Work Commitment variable (Y) at PT. Yulia Cosmetics Medan.

Coefficient of Determination Test (R²)

Determinant coefficient testing is used (Compensation and Work Environment) on the dependent variable (Employee Performance and Work Commitment). The coefficient of determination ranges from zero to one ($0 \leq R^2 \leq 1$). If R² is greater or closer to one, then it can be said that the influence of the independent variable (X1), namely Compensation, (X2), namely the Work Environment, is large on the dependent variable (Y), namely Employee Performance and Commitment. This means that the model used is increasingly powerful in explaining the influence of the independent variable on the dependent variable and vice versa.

Table 6. Multiple Correlation Coefficients
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917(a)	.840	.835	1.777

Source: Processed primary data (2024)

Predictors: (Constant), work environment

The table above shows that the coefficient of determination (R²) is 840, which means that 84% of the variability in performance variables can be explained by the independent variable, in this case the work environment.

E. CONCLUSIONS

There is a linear influence of compensation on employee performance and commitment at the PT office. Yulia Cosmetics The linear equation with a regression coefficient for variable X1 of 0.524 states that every increase in compensation will have an effect on increasing the employee performance variable (Y) with a positive sign. The variable coefficient X2 of 0.479 states that every improvement in the work environment will have an effect on increasing the employee performance variable (Y) which has a positive sign. The test results with SPSS 23 for Windows for the Compensation variable (X1) obtained a value of tcount(4.621) > ttable(2.052) with a significance of 0.000 < 0.05. The test results with SPSS 23 for Windows for the Work Environment variable (X2) obtained a value of tcount (3.916) >

ttable (2.052) with a significance of $0.000 < 0.05$. Sig value. F is 0.000, t explains that there is a linear relationship pattern between work environment variables and performance, $R^2 = 0.840$ or 84%, meaning that the influence of variables outside the model is $P_y\epsilon = 1 - R^2 = 0.16$ (error). Based on the sig value of X3 is 0.000 smaller than 0.05. This result provides the conclusion that mode; This path analysis, namely variable X3 has a significant effect on Y.

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