

THE INFLUENCE OF PHYSICAL WORK ENVIRONMENT AND COMPENSATION ON EMPLOYEE PRODUCTIVITY WITH JOB SATISFACTION AS AN INTERVENING VARIABLE AT PT. INDOMARCO PRISMATAMA MEDAN BRANCH

Melia Bu'ulolo^{1)*}, Wira Wahyuni¹⁾, Ahmad Karim¹⁾, Saima Rambe¹⁾
Universitas Pembinaan Masyarakat Indonesia Medan, Indonesia¹⁾
*Email: meliabuulolo89@gmail.com**

Article History

Received: 4 January 2025

Accepted: 18 January 2025

Published: 19 April 2025

Abstract

Human resources (HR) play a crucial role in organizations, both in the public and private sectors. PT. Indomarco Prismatama Medan Branch has experienced a significant decline in employee attendance, decreasing by 2.2% from the first to the second quarter, 8.2% in the third quarter, and 3.2% in the fourth quarter. This study employs a quantitative approach with a sample of 60 employees. The t-test results indicate that physical work environment (X1) and compensation (X2) significantly influence work productivity (Y) and job satisfaction (Z), with t-values greater than t-table values and significance levels < 0.05 . Additionally, job satisfaction (Z) also significantly affects work productivity (Y). The F-test results show that the work environment and compensation simultaneously influence work productivity, with F-value (33.129) $>$ F-table (3.16). The analysis of direct and indirect effects reveals that the indirect effect (0.681) is greater than the direct effect (0.011883), indicating that job satisfaction acts as an intervening variable in the relationship between the physical work environment and compensation toward work productivity.

Keywords: Physical Work Environment, Compensation, Work Productivity, Job Satisfaction

A. INTRODUCTION

HR in a company plays a very important role in the process of running the company. So if HR in the organization is less productive / unable to meet the standards set by the company, the company will eventually collapse. With good HR, it will make employee work productivity in the company better (Budiharjo et al., 2023). In an organization, high employee productivity can basically be said to be an achievement for employees. PT Indomarco Prismatama is one of the leading retail companies in Indonesia, which has branches in various regions including the city of Medan (Wetisari, 2022).

The increasing population is also increasing the needs of the community in shopping, especially shopping at PT. Indomarco, so that maximum work productivity is needed from employees (Iryadana, 2023). In an era of increasingly tight business competition, employee work productivity is a key factor in the success of the company. Based on the initial Pre-survey of the study, which was conducted in February 2024, it was found that employee work productivity decreased, this was seen from the complaints of several visiting guests regarding the expressions and lack of friendliness of employees in greeting guests who came, in addition, some employees were not there during working hours which made guests have to wait (Candana & Ali, 2024).

Table 1. Recapitulation Data of Absences for the Period of 2023

No	Quarter	Number of employees	Working days	Presence
1	Quarter 1	126 Orang	71 Hari	85.9%
2	Quarter 2	126 Orang	75 Hari	83.7%
3	Quarter 3	126 Orang	74 Hari	75.5%
4	Quarter 4	126 Orang	74 Hari	72.3%

Source: PT. Indomarco Prismatama Medan Branch (2024)

From the table above, it can be seen that the attendance rate at PT. Indomarco Prismatama Medan Branch has decreased quite drastically. The company has targeted employee attendance of 100% with a tolerance level of 95%. The data above can explain that every quarter, the percentage of employee attendance decreases from beginning to end. Therefore, the level of employee satisfaction can be doubted by the truth of the attendance recapitulation. This certainly has an impact on employee work productivity which is decreasing.

B. LITERATURE REVIEW

Physical Work Environment

The physical work environment is the work location, where employees carry out their daily work and activities, such as an office or in a building. In general, other factors such as noise levels, humidity, refreshment and incentives such as child care, are also part of the work environment (Winarsih et al., 2020). The work environment has positive and negative impacts on employee psychology and well-being. In the psychological, physical, mental, and social environment in an organization, an employee can work together and analyze work to achieve better work effectiveness and can increase productivity (Nurwati, 2021). The main goal is to create an environment that ensures maximum ease of business and eliminates all causes of frustration, anxiety, and fear. If the environment is pleasant, fatigue, monotony, and boredom can be minimized, then performance can be maximized. According to Andrew Harrison, (2014), Work Environment Indicators are divided into:

1. Room temperature
2. Increase ventilation
3. Passive cooling
4. Reduce indoor heat
5. Control solar heat
6. Control sunlight
7. Facilitate machine operation.

Compensation

According to Hasibuan (2017) compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company. The establishment of an effective compensation system is an important part of human resource management because it helps attract and retain talented jobs (Yani, 2022). In addition, the company's compensation system has an impact on strategic performance (Dasuki & Yudawati, 2022). According to Ismaya & Japlani (2021) compensation is the total remuneration received by employees as a result of carrying out work in the organization or others related to salaries, wages, bonuses, incentives and allowances.

According to Milkovich and Newman (2015), the dimensions of compensation measurement include:

1. Direct Compensation

- a. Base Wage
 - b. Merit Pay (bonus)
 - c. Incentive (insentif)
2. Indirect Compensation
 - a. Income Protection
 - b. Work/Life Focus
 - c. Allowances

Work Productivity

Productivity is a concept that describes the relationship between results (the amount of goods and services produced) and the resources (the amount of labor, capital, land, and so on) used to produce those results (Ramadhani & Nasution, 2023). The concept of productivity is closely related to how far a process produces output by consuming certain inputs (Pirdaus, 2023). According to Suwanto (2016), employee work productivity is a concrete result (product) produced by an individual or group, during a certain unit of time in a work process.

Sutrisno (2011), to measure work productivity, an indicator is needed, namely as follows:

1. Having the ability to carry out tasks. An employee's ability is highly dependent on the skills they have and their professionalism in working. This provides the power to complete the tasks assigned to them.
2. Improving the results achieved. Trying to improve the results achieved. Results are one that can be felt by both those who do it and those who enjoy the results of the work.
3. Work enthusiasm. This is an effort to be better than yesterday.
4. Self-development. Self-development can be done by looking at the challenges and expectations with what is faced.
5. Quality. Quality is the result of work that can show the quality of an employee's work.
6. Efficiency. Comparison between the results achieved and the total resources used.

Job satisfaction

Every person who works expects decisions from their workplace. Job satisfaction will affect the productivity that managers really expect, for that managers need to understand what to do to create employee job satisfaction to become actors who support the achievement of goals, have thoughts, feelings, and desires that can influence their attitudes towards their work (Wahyuni & Cahyono, 2021). Job satisfaction is also a feeling of supporting or not supporting employees related to their work or their condition (Rivaldo et al., 2021). According to (Gusroni & Mulyani, 2021) stated that job satisfaction is a general attitude towards one's work, the difference between the amount of rewards an employee receives and the amount they believe they should receive.

According to: Fauzia, A., & Irianti, R. (2020) there are several indicators of job satisfaction, namely:

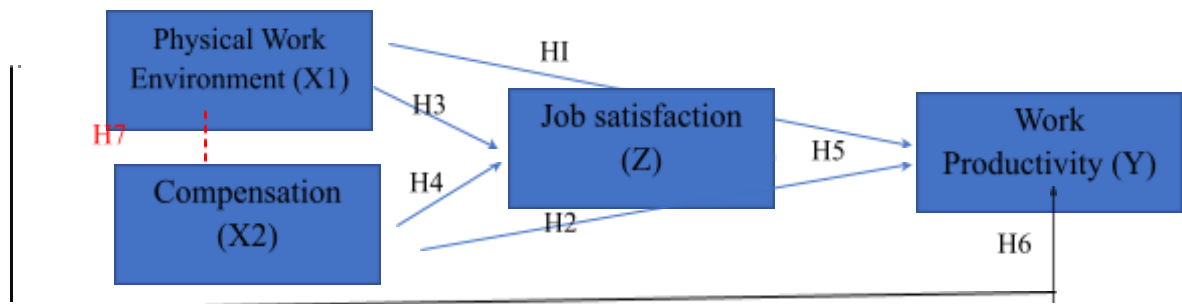
1. Effective leadership.
2. Conducive Work Environment.
3. Career development opportunities.

Previous research

Research conducted by Ika Nur Tulisayah (2019) on the Influence of Compensation and Work Environment on Job Satisfaction and Its Impact on Employee Work Productivity at PT. Global Way Indonesia in Sidoarjo. The results of the study show:

1. Compensation affects job satisfaction at PT. Global Way Indonesia in Sidoarjo.
2. Work environment affects job satisfaction at PT. Global Way Indonesia in Sidoarjo.
3. Compensation affects work productivity at PT. Global Way Indonesia in Sidoarjo.
4. Work environment affects work productivity at PT. Global Way Indonesia in Sidoarjo.
5. Job satisfaction affects work productivity at PT. Global Way Indonesia in Sidoarjo.

Based on the literature review, the conceptual framework in this study is stated in the Figure:



C. RESEARCH METHODOLOGY

This study uses a quantitative approach because according to Sugiyono (2019) that the quantitative approach is a study based on the philosophy of positivism to examine a certain population or sample and random sampling with data collection using instruments and data analysis (Irvan et al., 2023). Sampling also states that if the sample is less than 100 people, the whole can be taken (Isapunju et al., 2024). While the number is more than 100 people, the sample is taken between 10% -15% or 20% -25% or more. Therefore, the author took 60 people as a sample to help this study.

D. RESULT AND DISCUSSION

Table 2. Validity Test of Research Variables

Physical Work Environment (X1)			
Statement	r_{count}	r_{table}	Validity
P1	0.806	0.254	Valid
P2	0.784	0.254	Valid
P3	0.795	0.254	Valid
P4	0.758	0.254	Valid
P5	0.764	0.254	Valid
P6	0.514	0.254	Valid
Compensation (X2)			
Statement	r_{count}	r_{table}	Validity
P1	0.738	0.254	Valid
P2	0.736	0.254	Valid
P3	0.769	0.254	Valid
P4	0.852	0.254	Valid
P5	0.679	0.254	Valid
P6	0.634	0.254	Valid
Work Productivity (Y)			
Statement	r_{count}	r_{table}	Validity
P1	0.700	0.254	Valid
P2	0.637	0.254	Valid
P3	0.690	0.254	Valid
P4	0.688	0.254	Valid
P5	0.682	0.254	Valid
P6	0.735	0.254	Valid

ARTICLE

Job Satisfaction (Z)			
Statement	r _{count}	r _{table}	Validity
P1	0.744	0.254	Valid
P2	0.727	0.254	Valid
P3	0.732	0.254	Valid
P4	0.839	0.254	Valid
P5	0.772	0.254	Valid
P6	0.836	0.254	Valid

Table 3. Reliability Test Results

Variable	Cronbach Alpha	Constant	Reliability
Physical Work Environment (X1)	0.823	0.6	Reliable
Compensation (X2)	0.832	0.6	Reliable
Work Productivity (Y)	0.772	0.6	Reliable
Job satisfaction (Z)	0.859	0.6	Reliable

Table 4. Results of the Kolmogorov Smirnov Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.88819510
Most Extreme Differences	Absolute	.069
	Positive	.048
	Negative	-.069
Test Statistic		.069
Asymp. Sig. (2-tailed) ^c		.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.	.679
	99% Confidence Interval	Lower Bound
		Upper Bound
		.667
		.691

- a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 624387341.

Table 5. Multicollinearity Test Results

		Coefficients ^a				Collinearity Statistics	
Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance VIF
1	(Constant)	10.238	3.211		3.188	.002	
	Lingkungan Kerja	.259	.126	.270	2.060	.044	.758 1.319
	Kompensasi	.328	.136	.315	2.404	.020	.758 1.319

a. Dependent Variable: Kepuasan Kerja

Table 6. Heteroscedasticity Test Results
Coefficients^a

ARTICLE

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.714	1.974	.868	.389
	Lingkungan Kerja	-.014	.074	-.029	.854
	Kompensasi	.116	.081	.226	.157
	Kepuasan Kerja	-.077	.075	-.156	.308

a. Dependent Variable: ABSRES

E. CONCLUSION

The t-test results show that the calculated t value (3.005) > t table (2.002) as well as the significance value of $0.004 < 0.05$ meaning that H1 is accepted with the conclusion that the physical work environment (X1) has a significant effect on work productivity (Y). The t-test results show that the calculated t value (8.210) > t table (2.002) as well as the significance value of $0.000 < 0.05$ meaning that H2 is accepted with the conclusion that Compensation (X2) has a significant effect on work productivity (Y). The t-test results show that the calculated t value (3.577) > t table (2.002) as well as the significance value of $0.001 < 0.05$ meaning that H3 is accepted with the conclusion that the Work Environment (X1) has a significant effect on Job Satisfaction (Z). The results of the t-test show that the calculated t value (3.818) > t table (2.002) and the significance value is $0.000 < 0.05$, meaning that H4 is accepted with the conclusion that Compensation (X2) has a significant effect on Job Satisfaction (Z). The results of the t-test show that the calculated t value (3.338) > t table (2.002) as well as the significance value of $0.001 < 0.05$, meaning that H5 is accepted with the conclusion that job satisfaction (Z) has a significant effect on work productivity (Y). The results of the f-test show that the calculated f value is $33.129 > f$ table 3.16, meaning that there is a significant simultaneous effect, with the conclusion that the work environment (X1) and compensation (X2) together have an effect on work productivity (Y). The results of the comparison of direct and indirect effects show a direct effect value (0.011883) < indirect effect (0.681), which means that the hypothesis is accepted, thus the physical work environment and compensation have an effect on work productivity with job satisfaction as the intervening variable.

REFERENCE

- Ajala, E. M. (2012). The Influence of Workplace Environment on Workers' Welfare, Performance and Productivity. *The African Symposium: An Online Journal of the African Educational Research Network*, 12(1), 141–149.
- Alhamda, S. (2014). The Relationship Between Training , Compensation and Employment Promotion with Labor Productivity Employees in Public Health Centre (Puskesmas) of Bukittinggi – West Sumatera , Indonesia. *Global Journal of Biology, Agriculture dan Health Science*, 3(2), 44–48.
- Armstrong, M., & Taylor, S. (2017). *Armstrong's Handbook of Human Resource Management Practice*. Kogan Page Publishers.
- Budihardjo, A., Wiradarmo, A. A., Ramadhanti, F., Saputra, I., Safriana, L., Kusmulyono, M. S., ... & Susila, W. R. (2023). *Fenomena Bisnis Ekonomi Terkini: Seri 2 2022-2023*. Prasetiya M
- Candana, D. M., & Ali, H. (2024). *Model Kinerja dan Produktivitas Kerja Karyawan*. CV. Gita Lentera.
- Cangara, Hafied. (2016). *Komunikasi Politik: Konsep Teori dan Strategi*. Jakarta: Kencana Prenada.
- Dasuki, T. M. S., & Yudawati, Y. (2022). Pengaruh Pengendalian Internal, Kesesuaian Kompensasi, dan Ketaatan Aturan Akuntansi terhadap Kecenderungan Kecurangan

<http://jurnaldialektika.com/>

Publisher: Perkumpulan Ilmuwan Administrasi Negara Indonesia

P-ISSN: 1412 -9736

E-ISSN: 2828-545X

- Akuntansi (Studi Pada SKPD Kabupaten Majalengka). *Jurnal Akuntansi Kompetif*, 5(1), 31-40.
- Fauzia, A., & Irianti, R. (2020). Analisis Pengaruh Kepemimpinan, Lingkungan Kerja, dan Peluang Pengembangan Karir terhadap Kepuasan Kerja dan Kinerja Karyawan pada CV. Karya Sejati Sentosa.
- Gusroni, I., & Mulyanti, R. Y. (2021). Pengaruh Kepemimpinan Dan Kepuasan Kerja Terhadap Turnover Intention Serta Dampaknya Terhadap Kinerja Karyawan PT. NKI. *Perspektif*, 1(1), 78-88.
- Hasibuan, Malayu. (2017). *Manajemen Sumber Daya Manusia*. Edisi Revisi. Penerbit Bumi Aksara. Jakarta.
- Irvan, I. A., Afgani, M. W., & Isnaini, M. (2023). Filosofi Penelitian Kuantitatif dalam Manajemen Pendidikan Islam. *Jurnal Review Pendidikan Dan Pengajaran (JRPP)*, 6(4), 1965-1976.
- Iryadana, M. R., & ST, M. (2023). *Manajemen Pengembangan Bisnis*. Cipta Media Nusantara.
- Isapunju, W., Dama, H., & Ishak, I. M. (2024). Pengaruh Tingkat Pendidikan Dan Literasi Keuangan Terhadap Perilaku Keuangan Umkm Di Kawasan Menara Limboto. *JAMBURA: Jurnal Ilmiah Manajemen dan Bisnis*, 7(1), 130-137.
- Ismaya, L., & Japlani, A. (2021). Pengaruh Disiplin Kerja, Budaya Organisasi, Komitmen Kerja dan Kompensasi terhadap Kinerja Karyawan Pada PT. Sumber Batu Persada di Desa Nyampir, Kecamatan Bumi Agung. *Jurnal Manajemen DIVERSIFIKASI*, 1(2), 363-376.
- Nurwati, S. (2021). Determinasi kepuasan kerja dan kinerja pegawai: Kompensasi dan lingkungan kerja (suatu kajian studi literatur manajemen sumberdaya manusia). *Jurnal Ilmu Hukum, Humaniora Dan Politik*, 1(2), 235-264.
- Pirdaus, R. (2023). Pengaruh Budaya Organisasi, Lingkungan Kerja Dan Komunikasi Terhadap Produktivitas Kerja Karyawan Pt. Asuransi Tri Pakarta Cabang Palembang (Doctoral Dissertation, 021008 Universitas Tridinanti Palembang).
- Ramadhani, P., & Nasution, M. I. P. (2023). Komunikasi Sebagai Faktor Pendorong Produktivitas Karyawan Kantor Kementerian Badan Pertanahan Nasional Sumut. *Community Development Journal: Jurnal Pengabdian Masyarakat*, 4(4), 7218-7221.
- Rivaldo, Y., Sulaksono, D. H., & Pratama, Y. (2021). Pengaruh Stres Kerja, Komunikasi, Komitmen Organisasi Dan Motivasi Terhadap Kepuasan Kerja Pegawai Damkar Pemko Batam. *Jurnal Manajemen dan Kewirausahaan*, 1(1), 49-58.
- Sugiyono. 2019. *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Alfabeta, Bandung.
- Sutrisno, Edy. (2011). *Budaya Organisasi*. Cetakan Kedua. Jakarta : Penerbit Kencana
- Suwarto, S. (2016). Pengaruh Motivasi kerja, Budaya organisasi, dan Semangat kerja terhadap Produktivitas kerja karyawan pada Universitas Muhammadiyah Metro. *Derivatif: Jurnal Manajemen*, 10(2).
- Wahyuni, S. I., & Cahyono, K. E. (2022). Pengaruh motivasi, kepuasan kerja dan fleksibilitas kerja terhadap kinerja driver grab di surabaya. *Jurnal Ilmu Dan Riset Manajemen (JIRM)*, 11(11).
- Wertisari, N. L. G. A. (2022). Pengaruh Disiplin Kerja, Motivasi Kerja dan Komunikasi Interpersonal Terhadap Kinerja Karyawan Pada PT. Indomarco Prismaatama Cabang Bali (Doctoral dissertation, Universitas Mahasaraswati Denpasar).
- Winarsih, W., Veronica, A., & Efidiyana, E. (2020). Peranan Lingkungan Kerja Terhadap Kinerja Karyawan PT. Musi Prima Karsa Palembang. *Jurnal Manajemen dan Investasi (MANIVESTASI)*, 2(2), 181-191.

Yani, A. (2022). Pengaruh Kompensasi Terhadap Kinerja Karyawan CV. Rizki Abadi. Jurnal Inovasi Penelitian, 3(2), 5185-5188.