

# **THE EFFECT OF WORK ENVIRONMENT, ORGANIZATIONAL COMMITMENT AND COMPENSATION ON EMPLOYEE PERFORMANCE AT AISYIYAH ST. KHADIJAH, PINRANG DISTRICT**

**Saiful Herman<sup>1</sup>, Joko Kurniawan<sup>2</sup>**

<sup>1</sup> Indonesian Nobel Institute of Technology and Business, Makassar

<sup>2</sup> Malang State University / Magister Manajemen, Malang

E-mail: <sup>1)</sup> [syaifuherman28@gmail.com](mailto:syaifuherman28@gmail.com), <sup>2)</sup> [jokokurniawan171097@gmail.com](mailto:jokokurniawan171097@gmail.com)

## **Abstract**

*This study aims to (1) examine and analyze partially and simultaneously the influence of the work environment, organizational commitment and compensation on employee performance. This research was conducted at St. Aisyiyah General Hospital. Khadijah Pinrang District by taking 86 employees as research samples. The results of this study indicate that (1) partially the work environment and organizational commitment variables significantly influence employee performance, while the compensation variable has no influence on employee performance at St. Aisyiyah General Hospital. Khadijah Pinrang District (2) simultaneously the work environment, organizational commitment and compensation significantly influence the performance of employees of St. Aisyiyah General Hospital.*

**Keywords:** *Work Environment, Commitment, Compensation and Employee Performance*

## **1. INTRODUCTION**

Every organization has goals, both general and specific, short term and long term, which will be realized by using various existing resources or factors of production. Management plays a very important role, because management is "the process of planning, organizing, leadership and controlling organizational efforts and the process of using all organizational resources to achieve organizational goals that have been set (Girniawan, 2019)

Employee performance which is the result of a person's thought and effort towards the work done, that is, can be tangible, seen, counted, but in many cases the results of thought and effort cannot be counted and seen, such as ideas for solving a problem, new innovation of a product goods or services, can also be the invention of more efficient work procedures (Priasmara, 2013). Meanwhile according to Wibowo (2016) performance is something to be achieved, the achievements shown and one's abilities. Performance indicators are something that will be measured and used as a basis for assessing performance levels.

Basically, many factors affect employee performance. But here researchers will only examine the work environment, organizational commitment and compensation. One of the factors that also affect the performance of employees in providing learning is the work environment. The work environment is everything that exists around workers who can influence themselves in carrying out assigned tasks, for example cleanliness, music and so on, therefore the work environment is a factor

that supports achieving optimal performance for employees because the physical work environment in an organization is a working condition that provides a comfortable atmosphere and work situation for employees in achieving the goals desired by an organization (Princess, 2021:197). Further according to Sedarmayanti & Siswanto (2014), the better the work environment it will provide good opportunities for performance achievement this is due to the comfortable atmosphere to work.

Furthermore, another factor that affects performance is organizational commitment. According to Saputra & Wibowo (2017), organizational commitment or employee loyalty is the degree to which employees identify with the organization and want to continue to actively participate in it. Organizational commitment is a measure of the desire to work to remain in the company in the future. Commitment is strongly related and related to the organization at the emotional level. The existence of employees who have a high commitment to the organization, namely the existence of a strong belief and acceptance of organizational goals and values, a strong will to work for the sake of the organization and a strong desire to remain a good employee in an organization. employees who do have a high commitment spirit, will not leave the job, (Mulyasa, 2014: 42).

Then, a factor that is no less important is related to the issue of compensation. Compensation according to Azwar (2013) namely awards given by employees, both directly and indirectly, financially and non-financially, that are fair to employees for their contribution in achieving organizational goals, so that compensation is needed by any company to improve the performance of its employees. Forms of financial compensation are salaries, benefits, bonuses, and commissions. And for non-financial compensation including training, authority and responsibility, rewards for performance and a supportive work environment (Hasibuan, 2019).

Based on the results of observations it is known that the performance of employees at St. Aisyiyah General Hospital. Khadijah, Pinrang Regency, is not optimal and with many employees who experience delays every day, this is a problem that cannot be ignored by the hospital, because these problems will result in a decrease in employee performance and can affect employee work activities. Then the work of employees which owned is still not good, because receiving rewards from carrying out duties at the Hospital is not balanced with the contributions made, causing motivation in work that is not optimal. Conditions like this can then create a lack of enthusiasm to unite in the organization to achieve organizational goals.

Observing the description on the background above, there are three factors that can affect performance, which will be explained in detail as follows: work environment according to Afandi (2018 : 66) is something that exists in the environment of workers who can influence themselves in carrying out tasks such as temperature, humidity, ventilation, lighting, noise, cleanliness of the workplace and the adequacy of work equipment. The work environment can be interpreted as the whole of the tools faced, the surrounding environment in which a worker, his work methods, as a result of his work both as individuals and as a group.

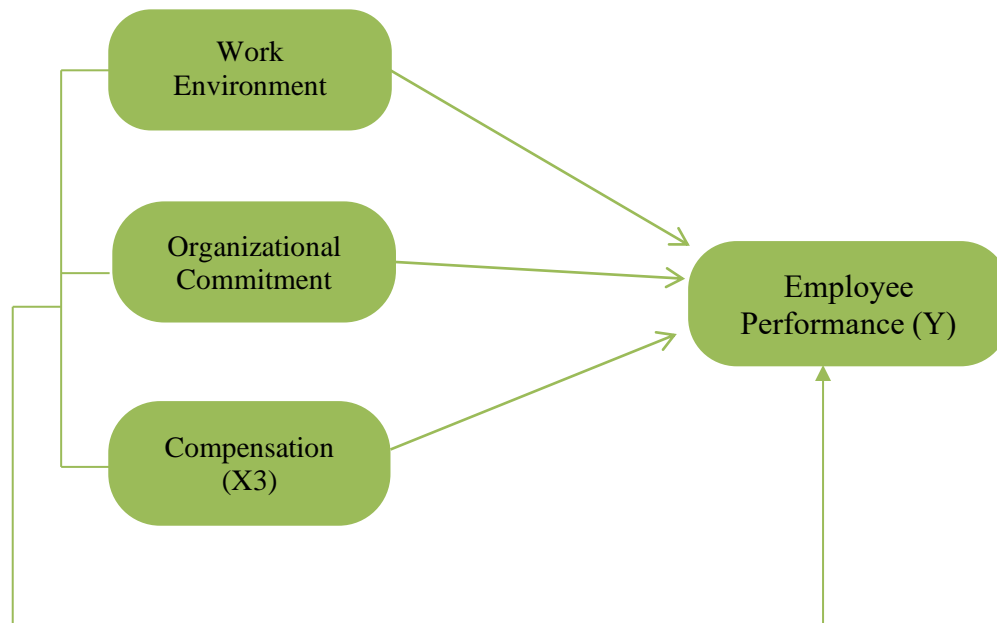
Organizational commitment is a condition in which an employee sided with a particular organization and its goals and desires to maintain membership in that organization. According to Samsuddin (2018: 61), the notion of organizational commitment is a promise (agreement/contract) to do something. Promises to ourselves or to others that are reflected in our actions. Commitment is a complete acknowledgment, as an actual attitude that comes from a character that comes out from within a person (Ismayanti, 2021: 140).

Compensation is everything received by employees as a reward for their work. The purpose of the compensation system is to reward performance, ensure fairness, retain employees, obtain quality employees, control costs, comply with regulations (Sedarmayanti, 2014). According to Darmady (2018) defines compensation as what workers receive in exchange for their contribution to the organization. Meanwhile according to Hasibuan (2019) compensation is all income in the form of money, goods, directly or indirectly.

Within the compensation there is an incentive system that links compensation with performance. With compensation, workers are rewarded based on performance and not based on seniority or number of hours worked(Saputra & Wibowo, 2017: 348).

Based on the description above, this research is structured through a conceptual framework that can be described as follows:

Figure 1. Research Concept Framework



Through the conceptual framework image above, there will be three hypotheses developed in this study, namely:

1. The work environment has a partially positive and significant effect on employee performance at the "Aisyiyah St. Khadijah" General Hospital, Pinrang Regency
2. Organizational commitment has a partially positive and significant effect on employee performance at the "Aisyiyah St. Khadijah" General Hospital, Pinrang Regency
3. Compensation has a positive and significant effect partially on employee performance at the "Aisyiyah St. Khadijah" General Hospital, Pinrang Regency
4. Work environment, organizational commitment and compensation have a positive and significant impact simultaneously on employee performance at the General Hospital "Aisyiyah St. Khadijah" Pinrang Regency
5. Organizational Commitment has the most dominant influence on employee performance at the "Aisyiyah St. Khadijah" General Hospital, Pinrang Regency

## 2. IMPLEMENTATION METHOD

This research uses a quantitative descriptive research approach. Quantitative approach is defined as an approach that produces data, writing, and behavior obtained from what is observed(Sugiyono, 2013). This research was conducted at the "Aisyiyah St. Khadijah" General Hospital, Pinrang Regency. The time of implementation of this research was carried out from March

to May 2022, with a research sample of 86 (eighty six) people who were all employees at the "Aisyiyah St. Khadijah" General Hospital, Pinrang Regency.

The data analysis technique uses multiple linear regression analysis, which is preceded by a validity test and a reliability test on the research data. Hypothesis testing is used to test the t test to test the partial relationship and the f test to determine the relationship simultaneously. Analysis of significance in this study was used through a test of the coefficient of determination (R square).

### 3. RESULTS AND DISCUSSION

#### Results

Statistical calculations in the multiple linear regression analysis used in this study were by using the help of the IBM SPSS for Windows version 25.0 computer program. The full results of data processing using the SPSS program are in the appendix and are further explained in Table 1 below:

Table 1. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Betas		
1	(Constant)	15,496	3,511		4,414	.000
	Work environment	.169	.154	.142	2,094	.277
	Organizational Commitment	.228	.129	.224	2,772	.080
	Compensation	.206	.129	.176	1,599	.114

a. Dependent Variable: Employee performance

Source: Processed primary data, 2022

The regression equation model that can be written from these results in the form of the regression equation is as follows:

$$Y = 15.496 + 0.169X_1 + 0.228X_2 + 0.206X_3$$

The regression equation can be explained as follows:

- A constant of 15.496 means that if there is no change in the variables  $X_1$ ,  $X_2$  and  $X_3$ , the Employee Performance value at St. Aisyiyah General Hospital. Khadijah Pinrang Regency is 15,496
- The regression coefficient of the work environment variable has a positive direction in its effect on employee performance. The coefficient value of 0.169 indicates that if there is an increase of one unit worth in variable  $X_1$  and the other variables are fixed then Y or Employee Performance at St. Aisyiyah General Hospital. Khadijah Pinrang Regency will increase by 0.169

- c. The regression coefficient of the organizational commitment variable has a positive direction in its effect on employee performance at the Aisiyiah General Hospital st. Khadijah Pinrang Regency with a coefficient value of 0.228 indicates that if there is an increase of one unit worth in variable X2 and other variables are fixed then Y or Employee Performance at St. Aisiyiah General Hospital. Khadijah Pinrang Regency will increase by 0.228
- d. The regression coefficient of the compensation variable has a positive direction in its effect on employee performance at the Aisiyiah General Hospital st. Khadijah Pinrang Regency with a coefficient value of 0.206 indicates that if there is an increase of one unit worth in variable X3 and the other variables are fixed then Y or employee performance at St. Aisiyiah General Hospital. Khadijah Pinrang Regency will increase by 0.206.

### Partial hypothesis testing

#### 1. The influence of the work environment on employee performance in Aisiyiah General Hospital st. Khadijah, Pinrang Regency

The test results obtained the t value for the discipline variable showing the value of  $t = 2.094$  while the t table value for n 86 was 1.988 thus there was no influence between the work environment on employee performance. With a significance value of 0.277,  $0.277 > 0.05$  has a significant effect on employee performance at St. Aisiyiah General Hospital. Khadijah, Pinrang Regency

#### 2. The effect of organizational commitment on employee performance in Aisiyiah General Hospital st. Khadijah, Pinrang Regency

The test results obtained the t value for the motivational variable showing the t value = 2.772 while the t table value for n 86 is 1.988 thus the t calculated value is smaller than the t table value so it is proven that there is an influence between organizational commitment variables and employee performance at General Hospitals Aisiyiah st. Khadijah Pinrang Regency with a significance value of  $0.080 > 0.05$ .

With a significance value above 0.05, it indicates that organizational commitment has no significant effect on employee performance at St. Aisiyiah General Hospital. Khadijah, Pinrang Regency.

#### 3. Effect of compensation on employee performance in Aisiyiah General Hospital st. Khadijah, Pinrang Regency

The test results obtained that the t value for the compensation variable shows the value of  $t = 1.599$  while the t table value for n 86 is 1.988 thus the t calculated value is smaller than the t table value so it is proven that there is no influence between the compensation variable and the performance of employees at the hospital General Aisiyiah st. Khadijah Pinrang Regency with a significance value of  $0.114 > 0.05$ . With a significance value above 0.05, this indicates that compensation has no significant effect on the performance of employees at the Aisiyiah General Hospital st. Khadijah, Pinrang Regency.

### F Test (Simultaneous Hypothesis Testing)

The F test is intended to find out whether the independent variables in this case are work environment variables, organizational commitment and compensation have a joint effect on employee performance at St Aisyiyah General Hospital. Khadijah, Pinrang Regency. The results of the calculation of the F test to test the relationship of the independent variables together are obtained in Table 2 below:

Table 2. Table of Regression Analysis Results together

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	MeanSquare	F	Sig.
1	Regression	25,677	3	8,599	1878	.140b
	residual	373,672	82	4,557		
	Total	399,349	85			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant) Work environment, organizational commitment and compensation

Source: Processed primary data, 2022

From the results of statistical processing above shows the value of  $F_{count} = 1,878$  while the F table value is 2.72. This result shows that the calculated F value is greater than the F table value. It can be concluded that there is an influence between the X variables together on the Y variable.

A significance value of  $0.140 > 0.05$ , thus a significance value above 0.05 indicates that together the work environment variables, organizational commitment variables and compensation variables have a positive and significant influence on employee performance at Aisyiyah General Hospital st. Khadijah, Pinrang Regency.

### Coefficient of Determination

The coefficient of determination is used to determine how much influence the independent variables have on the dependent variable. The value of the coefficient of determination is determined by the value of R square

Table 3 Coefficient of Determination

Model	R	R Square	Adjusted R Square
1	.254a	.064	.030

a. Predictors: (Constant) Work environment, organizational commitment and compensation

b. Dependent Variable: Employee Performance

Source: Processed primary data, 2022



The results of the regression calculation can be seen that the coefficient of determination  $R^2$  obtained is 0.064, this means 6.4% of employee performance at St. Aisyiyah General Hospital. Khadijah Pinrang Regency is influenced by the work environment, organizational commitment and compensation while the remaining 93.6% of employee performance at the Aisyiyah General Hospital st. Khadijah Pinrang Regency is influenced by other variables not examined in this study.

## **Discussion**

The results of this study state that the three X variables, namely work environment, organizational commitment and compensation, have a positive and significant influence on the Y variable, namely employee performance, while one X3 variable, namely compensation, does not have a dominant influence on the Y variable, namely employee performance.

### **1. The influence of the work environment on Employee Performance**

The work environment is one of the most important components of employees in completing their work. The work environment is everything that is around employees/workers who play an important role and can influence the worker in carrying out the tasks given (Nuraini, 2013). The work environment includes working relationships that are formed between fellow employees and the relationship between subordinates and superiors as well as the physical work environment where employees work (Sedarmayanti, 2014).

The results of this study support the first hypothesis which states that the work environment has a significant positive effect on employee performance. Testing the first hypothesis produces a regression coefficient value 0.169. This shows that if the value of the work environment ( $X_1$ ) increases by 1 unit, then the value of employee performance will increase 0.169 unit. The work environment variable has a t count of 2.094 which is smaller than the t table value of 1.988 with a significance value of 0.277 which is greater than 0.05. The test results are in accordance with Riga Putra Kurniawan's research (2016) that the work environment has a significant effect on employee performance

### **2. The Effect of Organizational Commitment on Employee Performance**

Employees who have a high commitment to the organization will give maximum effort to achieve organizational goals, are willing to sacrifice for the benefit of the organization and have a strong desire to remain in the organization (Yuwono, 2015). One of the factors that influence organizational commitment according to Hodge and Anthony (2012) is employee performance.

The results of this study support the second hypothesis which states that organizational commitment has no significant positive effect on employee performance. Testing the second hypothesis produces a regression coefficient value 0.228. This shows that

if the value of organizational commitment (X2) increases by 1 unit, then the value of employee performance will increase 0.228 unit. The organizational commitment variable has a t count of 2.772 which is smaller than the t table value of 1.988 with a significance value of 0.080 which is greater than 0.05. The test results are in accordance with the research of Amilin and Dewi (2015) that organizational commitment has no significant effect on employee performance.

### **3. Effect of compensation on Employee Performance**

Compensation is everything that employees receive either directly or indirectly in the form of material or non-material income as a reward for services for contribution, work, employee dedication to the organization or organizations/agencies. Compensation is very important in creating employee performance, because one of the reasons employees work is to make ends meet and compensation from the organization is their source of income.

The results of this study support the third hypothesis which states that compensation has no significant positive effect on employee performance. Testing the third hypothesis produces a regression coefficient value 0.206. This shows that if the value of compensation (X3) increases by 1 unit, then the value of employee performance will increase 0.206 unit. The compensation variable has a t count of 1.599 which is smaller than the t table value of 1.988 with a significance value of 0.114 which is greater than 0.05. The test results are in accordance with the research of Dwi (2015) and Jody (2016) that compensation has no significant effect on employee performance.

The research results are supported by Umar's statement (2015), compensation is something received by employees in forms such as salary or wages, bonuses, premiums, treatment, insurance, and other similar things that are paid by the organization. There are various factors that influence employee performance so that they can improve their performance to achieve organizational or agency goals, one of which is compensation.

The results of the questionnaire also show that compensation has a moderate tendency. The highest score on the questionnaire indicates that the compensation system implemented by the organization is appropriate, but the benefits provided by the organization to employees are still felt to be lacking by employees at St. Aisyiyah General Hospital. Khadijah, Pinrang Regency.

### **4. CONCLUSION**

Based on the results of the research and discussion that have been stated above, several conclusions can be drawn as follows:

1. The work environment has a positive influence on employee performance at the Aisyiyah General Hospital st. Khadijah, Pinrang Regency. This is evidenced by the obtained t value for the work environment variable which shows a t count value of 2.094 while the t table value is 1.988 thus the  $t \text{ count} > t \text{ table value} = 2.094 > 1.988$ ,



because t count is greater than t table it can be concluded that there is an influence between the work environment and employee performance at St. Aisyiyah General Hospital. Khadijah, Pinrang Regency.

2. Organizational commitment has a positive influence on employee performance at Aisyiyah General Hospital st. Khadijah, Pinrang Regency. This is evidenced by the obtained t value for the organizational commitment variable which shows a t calculated value of 2.772 while the t table value is 1.988 thus the t calculated value  $>$  t table value =  $2.772 > 1.988$  because t calculated is greater than t table, it can be concluded that there is the influence between organizational commitment and employee performance at the Aisyiyah General Hospital st. Khadijah, Pinrang Regency.
3. Compensation does not have a positive effect on employee performance at Aisyiyah General Hospital st. Khadijah, Pinrang Regency. from the obtained t value for compensation which shows the t calculated value of 1.599 while the t table value is 1.988 thus the t calculated value  $>$  t table value =  $3,680 > 1.993$  because t calculated is smaller than t table, it can be concluded that there is no influence between compensation and employee performance at Aisyiyah General Hospital st. Khadijah, Pinrang Regency
4. Simultaneously it shows that work environment variables (X1), organizational commitment (X2), and compensation (X3) have a positive and significant effect on employee performance (Y) with a significance of  $0.140 > 0.05$ . With a significance value above 0.05, it indicates that together the work environment variables, organizational commitment variables and compensation variables have a positive and significant influence on employee performance at St. Aisyiyah General Hospital. Khadijah, Pinrang Regency.

## REFERENCES

- Afandi, P. (2018). Human Resource Management (Theory, Concept and Indicators). Riau: Zanafa Publishing.
- Azwar, S. (2013). Human Attitude Theory and Measurement (Yogyakarta: Student Library, 2016). Research methods. XI print.
- Darmadi, H. (2018). Principal Human Resource Management. Yogyakarta: Deepublish.
- Mulyasa, E. (2012). School-based management: concept, strategy and implementation.
- Princess, CK (2021). The Influence of Organizational Culture and Work Experience on Employee Organizational Commitment of Sales Force Pt. World Innovative Telecommunication Jember. In Digital Repository Universitas Jember (September 2019 Issue, pp. 2019–2022). Faculty of Economics and Business, University of Jember.
- Samsuddin, H. (2018). Employee Performance Overview of the Dimensions of Leadership Style, Organizational Culture and Organizational Commitment. First Edition. Sidoarjo: Indomedia Pustaka.

- Saputra, W., & Wibowo, I. (2017). The Effect of Leadership Style on Employee Performance Through Discipline and Work Motivation of PPSU Employees in Duren Sawit Village, East Jakarta. *Journal of Business Management Krisnadwipayana*, 5(2), 1–19.
- Sedarmayanti. (2014). The Effect of Office Layout on Employee Performance at the Transmigration and Social Manpower Office in Cimahi City. *Journal of Administrative Sciences: Media Development of Administrative Science and Practice*, 11(3), 501–510.
- Sugiyono, D. (2013). Educational research methods with quantitative, qualitative and R&D approaches.
- Wibowo. (2016). Work management. 3rd edition, Jakarta: PT. Graph King.