# Effect Of Work Environment, Motivation, And Compensation On Employee Performance At Bank Prima Master Branch Of Malang

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*Abstract:*
*This study aims to describe the variables of the Work Environment, Motivation variable, Compensation variable, Employee performance. Analyzing the influence of the Work Environment, Motivation and Compensation for Employee Performance, Analyzing among Work Environment variables, Motivation, and which variable is the dominant compensation for employee performance at Bank Prima Master Cabang Malang.*
*This research design uses the explanatory method to test a theory or hypothesis to strengthen or reject the existing research theory or hypothesis. The type of data used in this research is primary and secondary data with the measurement scale is the Likert scale and the questionnaire as the instrument. The population in this study amounted to 73 employees with a census sampling technique. Data analysis techniques used include descriptive analysis, Multiple Linear Regression Analysis, classic assumption test, test the accuracy of the model and test the significant variables.The results of this study indicate that the work environment, motivation, and compensation simultaneously and partially have a significant effect on employee performance at Bank Prima Master Cabang Malang.*
*Keyword: Work environment, Motivation, Compensation, Employee performance*

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## I.    Introduction

A good organization or financial institution is a financial institution in which there is a good system and human resources. Because a financial institution can run well if it has competent human resources to manage financial institutions as optimally as possible so that the performance of a bank can increase. One thing that can be used as a reference is that if a financial institution has human resources with low capabilities, it can be ascertained that the performance of the financial institution is also low. Conversely, if the ability of human resources is high, it is ensured that the performance can be high as well. The work environment in the company also affects the performance carried out by employees. This work environment itself consists of physical and non-physical that is attached to employees so that it cannot be separated from efforts to develop employee performance. The problem of the work environment in an organization is very important, In this case, it is necessary to have regulations and arrangements for work environment factors in the organization of organizational activities.

Another aspect that is no less important is motivation to improve employee performance, Motivation comes from the Latin word movere which means encouragement or moving. Other influencing factors include compensation, Compensation is an award or reward for workers who have contributed to realizing their goals through activities called work.

Bank Prima Master as a healthy bank, developed and trusted and plays an important role in the national economy with the quality of professional human resources, adhering to the banking code of ethics and quality development in line with technological advances in the era of globalization. However, there are still many employees whose work activities are not optimal, This is evident from not achieving the goals set by the company, different interests between employees that make goals are not achieved and conflicts arise between sections. This needs attention from the leadership, Therefore, an effort is needed that can be a solution so that these problems can be resolved immediately. Therefore, this study aims to describe the variables of the Work Environment, motivation variable, Compensation variable, Employee performance. Analyzing the influence of the Work Environment, Motivation and Compensation for Employee Performance, Analyzing among Work Environment variables, Motivation, and which variable is the dominant compensation for employee performance at Bank Prima Master Cabang Malang.

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## II. Literature Review

Performance has several different meanings according to various experts, but in that, they still have similarities in general. Company performance is the level of achievement of a result to realize the goals of a company. (Simanjuntak, 2005:98) Information about an organization's performance is a very important thing used for the evaluation process whether the performance process carried out by the organization so far is in line with the expected goals or not. Performance as a result or function of a job both individuals and groups in an organization that is influenced by various factors to achieve organizational goals within a certain time. (Tika, 2006:71)

The indicators of performance are work performance, Responsibility, Obedience, Honesty, Cooperation, and Initiative. The work environment is institutions or outside forces that have the potential to affect organizational performance, The work environment is formulated into two, namely the general environment and the special environment. This environment is in the form of social and technological conditions. While the special environment is the part of the environment that is directly related to the achievement of the goals of an organization (Robbin, 2003: 86). Other than that, the work environment has a relationship with employee performance in the sense that the better the company's work environment, the better the performance of its employees (Handoyo Djoko, 2013).

The work environment is everything different in the environment that can affect either directly or indirectly a person or group of people in carrying out their activities (Basuki and Susilowati, 2005:40). Work environment indicators include facilities and equipment, The physical condition of the workplace, Work atmosphere, and personal relationships. To achieve something you aspire to, As a human being, you must have motivation in your heart as a form of desire that can be used as a reference in self-development, besides that it is also a mandatory tool that must be owned by an organization. Motivation is a model of a strength that is embodied in an employee and that will also direct the behavior of the employee. (Gibson, Invancevich and Donnely 2005:98)

A willingness to make efforts to achieve goals in an organization that is dominated by an ability to satisfy some individuals can also be interpreted as motivation. Motivation is also a driving force so that someone can be passionate about work besides that workers can work together, work effectively and be able to be integrated to achieve the desired level of satisfaction (Hasibuan, 2007: 35).

The motivation of an employee in carrying out his duties in addition to considering a workforce for achievement must also have specific goals and be under company goals. This is proven by a worker who has high motivation will have a positive impact on the progress of the company (Wibowo, 2007). Motivation indicators include the need for survival, need for security, social needs, need for appreciation, Self-actualization needs, (Stoner, 2003: 140).

In general, in the life of every individual will need a job, With a job, you will get money to meet the needs of life. There is a management way to improve work performance, motivation and improve employee performance through the compensation method (Mathis, 2002:48).

Compensation is very important for an individual who becomes an employee because the amount of compensation can reflect the size of an employee's work among other employees. Compensation can also be interpreted as something that is considered as something that is contributed or considered as a reward or equivalent (Hasibuan, 2003: 246).

Existing compensation fostered motivation, as well as compensation payments that are following workers, make workers more enthusiastic in carrying out their duties while also influencing the success of a company (Aslam, 20015). Compensation indicators in this study include basic salary, Salary based on work, indirect benefits, Achievements, and awards, (Handoko, 2003:118).

## III. Research Method

The research design used is an explanatory research method that is explanatory and aims to test a theory or hypothesis to strengthen or even reject the existing research theory or hypothesis. This research was conducted at Bank Prima Master Cabang Malang which is already on the road Jaksa Agung Supra to 40, block chocolate shop A5-6 Malang.

The type of data used in this research is primary and secondary data with the measurement scale is the Likert scale and the questionnaire as the instrument. The population in this study amounted to 73 employees with a census sampling technique. Data analysis techniques used include descriptive analysis, Multiple Linear Regression Analysis, classic assumption test, test the accuracy of the model and test the significant variables.

## IV. Data Analysis And Research

**Multiple Linear Regression Analysis**

Regression analysis is an analysis that is used to measure the extent of the influence of one or several independent variables on the dependent variable. (Sunyoto, 2018:139)

**Table I**
**Multiple Linear Regression Analysis Results**
**Coefficients**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig | Collinearity Statistic | |
|---|---|---|---|---|---|---|---|
| | B | Std. error | Beta | | | Tolerance | VIF |
| (constant) | 4.727 | 3.057 | | 1.546 | .127 | | |
| X1 | .239 | .097 | .222 | 2.478 | .016 | .995 | 1.005 |
| X2 | .217 | .082 | .221 | 2.633 | .010 | .998 | 1.002 |
| X3 | .590 | .110 | .512 | 5.365 | .000 | .993 | 1.007 |

Source: *Primary Data Processed in 2021*

From the Coefficient table above, we can analyze multiple linear analyses from the Unstandardized Coefficient column. So it can be seen that the linear regression equation in the study above is : $Y = 4.727 + .239 X_1 + .217 X_2 + .590 X_3 + e$ interpretation of the multiple linear regression equation, namely:
1)      If the variables X1 (work environment), X2 (motivation), X3, (compensation), are considered non-existent (zero) then the value of Y (employee performance) is 4.727.
2)      If there is an increase in the value of the X1 variable (work environment), then the value of Y (employee performance) will increase.
3)     If there is an increase in the value of the X2 variable (motivation) there will be an increase.
4)      If there is an increase in the value of the X3 variable (compensation), there will be an increase.

**Hypothesis testing**
**a.       Hypothesis Test I**
Simultaneous F test results can be seen from the SPSS output in the ANOVA table. Hypothesis testing can be known by looking at the value (sig) in the table below as follows:

**Table II**
**Simultaneous test results**

**ANOVA**

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| 1    Regression | 1116.481 | 3 | 372.160 | 44.140 | .000[a] |
| Residual | 581.766 | 69 | 8.431 | | |
| Total | 1698.247 | 72 | | | |

Source: Primary Data Processed in 2021.

In the ANOVA table above, there is a sig column. With a value of 0.00 (sig. = 0.00) the value is below 0.05 (0.00 < 0.05) meaning that in this study the hypothesis can be accepted, namely there is a simultaneous influence of work environment variables (X1), motivation (X2) and compensation (X3) on employee performance (Y).
**b.       Hypothesis II Test**
The second hypothesis test in this study can be seen in the table below:

**Table III**
**Partial Test Results**

**Coefficients**

| model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig | Collinearity Statistic | |
|---|---|---|---|---|---|---|---|
| | B | Std. error | Beta | | | Tolerance | VIF |
| (constant) | 4.727 | 3.057 | | 1.546 | .127 | | |
| X1 | .239 | .097 | .222 | 2.478 | .016 | .995 | 1.005 |
| X2 | .217 | .082 | .221 | 2.633 | .010 | .998 | 1.002 |
| X3 | .590 | .110 | .512 | 5.365 | .000 | .993 | 1.007 |

Source: *Primary Data Processed in 2021.*

From the coefficients table above, it can be seen that the significant value for the variable X1 (work environment) = 0.016 (sig = 0.016) > 0.05. And the value of t count = 1.785. While t table df = n − k = 73 − 3 = 70. t table = 1,994. So that t count 1.785 < t table 1.994. So it can be concluded that the work environment variable has an effect on employee performance. For the significant value of the variable X2 (motivation) = 0.010 (sig = 0.010) > 0.05. And the value of t count is 2.633. while t table = df − k = 73 − 3 = 70. t table = 1,994. So t count 2.633 > t table 1.994. So it can be concluded that the motivation variable has a significant effect on employee performance. As for the significant value of the variable X3 (compensation) = 0.000 (sig = 0.000) > 0.05. And the value of t count = 5.365. While t table = df - k = 73 - 3 = 70. t table = 1,994 so it can be concluded that the compensation variable has a significant effect on employee performance.

Based on the white coefficients table above, it can be seen that the Unstandardized Coefficients B value in the compensation variable (X3) is 0.590 greater than the other variables, it can be concluded that compensation (X3) is the most dominant variable on the performance of Bank Prima Master Malang employees.

# V.     Discussion And Conclusion
## a.     Influence of Work Environment on Employee Performance
The work environment is formed by employees who obtain the work facilities they need, The work environment is formed by employees who obtain the work facilities they need, good air circulation, adequate lighting, comfortable working atmosphere, There is mutual respect among employees. The main thing that can affect the work environment either directly or indirectly or a group of people in carrying out their activities (Basuki and Susilowati, 2005:40). In this study, the work environment affects performance, This shows that the better the company's environment, the better the performance of its employees. (Ariwibowo, 2011)

## b.     The Effect of Motivation on Employee Performance
Motivation is shaped by the need to survive, the need for security, social needs, the need for appreciation, and self-actualization needs. The main thing that supports motivation is the formation of a team in carrying out and completing difficult institutional tasks. As motivation is a driving force so that individuals can be passionate about work, besides that workers can work together, work effectively and be able to be integrated to achieve the desired level of satisfaction (Hasibuan, 2007: 35). The results of this study motivation have a significant effect, This is evidenced by an employee who has a high motivation will have a positive impact on the welfare of the company. The results of this study are in line with Adreani (2017) which states that motivation has a positive effect on employee performance.

## c.     The Effect of Compensation on Employee Performance
Compensation is shaped by salary, allowance, bonus, overtime pay, and rewards. The main thing that supports compensation is the opportunity to increase career paths. Compensation is all forms of payment, both rewards, and gifts given to employees after which motivation arises from their work (Desler, 2006: 87).

Compensation has a significant effect on employee performance and is a variable that has a very dominant influence on employee performance. This shows that the provision of salaries that are following the standards that have been determined in addition to the salary given based on the length of work is also allowed to improve careers. Compensation is a trigger for an employee to get a reward for the work done. This research is in line with research conducted by Pratama (2015) which states that compensation affects employee performance. Based on the results of the research and discussion carried out, the following conclusions can be drawn:

1.	The work environment is formed by employees obtaining the needed work facilities, supportive workspace for work activities, good air circulation, adequate lighting, comfortable working atmosphere, There is mutual respect among employees.
2.	Motivation is shaped by the need to survive, need for security, social needs, need for appreciation. and self-actualization needs. The main thing that supports motivation is the formation of a team in carrying out and completing difficult institutional tasks.
3.	Compensation has a dominant effect on the performance of Bank Prima Master Malang employees. This shows that the main thing that should be considered to improve the performance of Bank Prima Master Malang employees is to increase compensation.

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