

**Original Article****THE EMPLOYEE PERFORMANCE IMPACTED BY COMPENSATION AND WORK ENVIRONMENT IN OF ELEMENTARY PRIVATE SCHOOL IN GRESIK****Nur Farida<sup>1)\*</sup>**<sup>1)</sup> College of Economics STIENU Gresik, Indonesia

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**ABSTRACT**

**Background.** Organizations are required to consistently transform in order to achieve work effectiveness and efficiency. One of the fundamental aspects in supporting organizational success is the existence of quality human resources.

**Research Purpose.** To investigate the effect of work environment and compensation on employee performance.

**Research Method.** This research used a cross-sectional design at an elementary private school in Gresik City with 69 questionnaires. The technic sampling was used saturated sampling of teachers and employees. Data analysis used the statistical t-test with

**Findings.** Compensation with a computed t value of  $6.427 > t$  table of 1.668 with a significance level of 0.000, and the hypothesis is accepted. According to the partial test findings (t-test) from the analysis of the study debate. Employee performance is, therefore, somewhat impacted by compensation. 2) The hypothesis is supported since the work environment has a t value of  $6.175 > t$  table of 1.668, a significance level of 0.000. Human resources performance is therefore influenced by the work environment to some extent. 3) Although the simultaneous test results (F test) indicate that  $F_{count} 165.913 > (3.14)$ .

**Conclusion.** Teachers' and employees' performance is simultaneously impacted by the variables of work environment and compensation.

**Keywords:** Compensation, Employees, Performance, Teachers, Work Environment.

**BACKGROUND**

The era of globalization is marked by rapid developments in science and technology, which have led to significant changes in organizational work systems. Organizations are required to transform consistently in order to achieve work effectiveness and efficiency. One fundamental aspect in supporting organizational success is the existence of quality human resources [1]. The quality of an organization's human resources is crucial to its success, especially educational institutions. In this instance, HR management is crucial to designing strategies for utilizing the workforce through structured planning, mobilization, and control processes [2]. In an organization, compensation is important because it is related to behavior, performance, and the effectiveness of organizational goals. Schools must provide appropriate compensation to their employees, assuming that such compensation can be used to meet the basic needs of employees. Compensation is one of the key elements influencing HR performance. Compensation is a type of compensation or remuneration that a company provides to its employees in recognition of their performance in line with their roles and obligations [3,4]. Fair and adequate compensation not only meets the basic needs of employees, but also

increases work enthusiasm, loyalty, and job satisfaction, which directly impact the productivity of the organization [5].

Over the past three years, the compensation received by teachers and employees has increased. This increase is in the form of family allowances and a new attendance allowance in 2023. From 2021 to 2022, there was an increase of Rp 25,000 or 50 percent, and in 2023, the attendance allowance will increase by Rp 25,000 or 50 percent. From 2021 to 2022, there was an increase of Rp 25,000 or 50 percent, and in 2023, the attendance allowance will be Rp 10,000 per day. Based on data from the Treasurer of the Private School Gresik Education Foundation, there is a significant difference in position allowances between teachers and employees, reflecting the differences in responsibilities and qualifications of each position.

Previous studies demonstrate that employee performance is significantly impacted by salary [6]. One tactic for raising employee performance is compensation management[7]. The workplace has an impact on employee performance in addition to pay[8]. The physical and non-physical aspects of the workplace can have an impact on employees' comfort, productivity, and effectiveness[9]. A good work environment is characterized by a well-organized workspace, a harmonious work atmosphere, and healthy interpersonal relationships between superiors and subordinates[10]. However, the work environment at a private elementary school in Gresik is considered not yet conducive.

Based on the preliminary results, the Deputy Principal, it was found that there are several problems, such as cramped teacher's rooms, noise from construction projects, suboptimal learning facilities, and disharmonious work relationships. This causes teachers and employees to feel uncomfortable, which ultimately affects their work performance. Other problems also include the unsafe placement of school archives due to the relocation of workspaces during renovations.

Research demonstrate that employee performance is significantly impacted by the workplace[11,12]. Employee performance is assessed according to organizational standards and is the outcome of individual work completed within a specific time frame in accordance with their roles, obligations, and responsibilities [13]. To achieve the goals of a school or organization, the people who carry them out are more important than sophisticated equipment and facilities. Schools and organizations will constantly work to raise staff performance to achieve their goals.

In educational institutions, teachers are a very strategic element of human resources, because they play a direct role in the teaching process and character building of students. Teachers as professional educators are expected to be able to carry out their roles optimally in creating an effective and quality learning atmosphere[14]. The quality of education is largely determined by the quality of performance of teachers and other educational personnel. By offering training, fair salary, a comfortable workplace, and continuous employee motivation, schools can enhance staff performance[15]. Without good human resource performance, achieving educational goals will be difficult to realize.

As the primary tools for education, the roles of teachers and staff are crucial for achieving educational objectives. To survive and thrive, a school must have employees with high dedication, strong motivation, and loyalty to the institution. This loyalty can grow if employees feel valued both professionally and personally[16]. Considering the description of the problem above, which the author found based on the phenomena occurring in the field, the research aimed to investigate the effect of work environment and compensation on human resources performance.

## RESEARCH METHOD

This type of research is descriptive in nature using a quantitative approach. Quantitative approach is a problem formulation related to questions about the value of independent variables, either on one or more variables (the variable itself), without comparing and looking for correlations across variables. This study employs a quantitative methodology[17]. The quantitative approach is essentially a quantitative research method, which is a methodical strategy to gathering data for particular goals and objectives.

The research location chosen to obtain data sources to be used as research material was an elementary private school in Gresik city. This research period is from January to April 2025. Saturated sampling is a form of purposive sampling, in which all members of the population are used as samples. This technique is used if the population size is relatively small and all individuals are considered to have information relevant to the study. In this study, all members of the population were used as samples. The sample consisted of 69 respondents. The sample consisted of 69 respondents, namely, employees of the private elementary school in Gresik.

A questionnaire is a method of gathering data in which participants are given a series of statements or written questions to complete. Google Forms was used by the author to distribute the questionnaire online for this study. The Likert scale served as the measurement tool for the variables employed in this investigation. The Likert scale is a tool used to gauge a person's or a group's attitudes, beliefs, and perceptions on social issues. There are five (five) answers to each questionnaire item, each with a unique weight or value. Every response option will receive a score ranging from good to negative. The tendency of the respondents' responses to each variable will then be derived from the distribution of their responses. This tendency will be based on the average score (index) classified into a score range using the Likert Scale utilized in this study. The values of positive and negative assertions are inversely related. The researcher will use positive statements in this research questionnaire, giving strongly agree responses a value of five (five), agree responses a value of four (four), and disagree responses a value of three (three), disagree responses a value of two (two), and strongly disagree responses a value of one (one).

Hypothesis testing is conducted to examine the validity of the formulated hypothesis. Hypothesis testing in this study uses simultaneous testing (F-test) and partial testing (t-test). A hypothesis is a temporary answer to a research question, where the question is stated in the form of a question and is temporary in nature, so its validity must be tested. T-test (Partial) is the results of the t-test are used to determine individually (partially) whether the independent variable has an effect on the dependent variable.

The steps for testing using the t-test are as follows: The steps for testing using the t-test are as follows:

1. Formulate the test hypothesis

- a.  $H_0: b_1 = 0$ : There is no positive and significant effect between the compensation variable and human resources performance.

- b.  $H_0: b_1 \neq 0$ : There is a positive and significant effect between the compensation variable and human resources performance.

- c.  $H_0: b_2 = 0$ : There is no positive and significant effect between the work environment variable and human resources performance.

d.  $H_0: b_2 \neq 0$ : There is a positive and significant influence between the work environment variable and human resources performance. This study uses a significance level of  $\alpha = 0.05$ , meaning that the probability of the validity of the conclusions drawn is 90% or the margin of error is 10%. The t-test is performed by comparing the t-count with the t-table.

## FINDINGS

**Table 1. Multiple Regression Test**

Model	Coefficients <sup>a</sup>				T-count	Sig.
	Unstandardized		Standardized			
	B	Std. Error	Beta			
(Constant)	1.312	.809			1.668	.05
Compensation	.244	.259	.496		6.427	.000
Work Environment	.243	.218	.514		6.175	.000

The findings from the analysis presented in the previous section are discussed in this section. The main analysis in this study is a regression analysis that will examine the extent of the relationship and influence of the independent variables, namely Compensation (X1) and Work Environment (X2), on the dependent variable Employee Performance (Y), where the object of this study is users of the private school elementary in Gresik application. Based on the test results, it is known that the Compensation variable has a significance level of 0.000, which is smaller than the alpha value of 0.05, and the calculated t-value of 6.427 is greater than the table t-value of 1.668. This indicates that Compensation has a partial effect on Employee Performance.

Teachers at private school elementary Gresik who feel valued through adequate compensation tend to show better performance. Based on the test results, it is known that the Work Environment variable has a significance level of 0.000, where the value is smaller than the alpha value of 0.05 and the t-count value of 6.175 is greater than the t-table value of 1.668. This indicates that the Work Environment has a partial effect on Employee Performance.

Based on the results of the F testing Value of 0.000, whereas Fcount in the table above is 165.913. So  $F_{count} > F_{table}$  or  $165.913 > 3.14$ . Therefore,  $H_3$  is accepted, meaning that the resulting regression is significant. This means that Compensation and Work Environment simultaneously (together) influence Employee Performance. Additionally, the coefficient of determination value is 0.834 or 83.4%, with the remaining 16.6% influenced by factors other than Compensation. Additionally, the coefficient of determination selected is 0.834 or 83.4%, with the remaining 16.6% influenced by factors other than Compensation and Work Environment (X1 and X2), which were not examined in this study.

## DISCUSSIONS

Teachers' and employees' performance is simultaneously impacted by the variables of work environment and compensation. This study is also in line with research that states that compensation has a positive and significant effect on Employee Performance[18].

According to the researchers, it can be explained that the compensation received can improve teacher performance. Compensation is a form of appreciation or reward from an organization given to employees for performing and completing their work in accordance with the tasks assigned to them or for achieving certain goals[19]. Argues that everything that surrounds employees, whether literally or non-physically, and has an impact on the duties that are allocated to them, is considered the work environment. Employee excitement will rise in a supportive workplace, which will boost job satisfaction, standards, or targets set[20]. Meanwhile, compensation is everything given by the school to employees as a reward or remuneration for the performance produced by employees for the benefit of the school.

Compensation indicators[21,22], are as follows:

1. Wages. Wages are the rights of employees that employers grant them in the form of monetary compensation that is determined and paid in accordance with a work agreement, agreement, or law, including for laborers and their families for labor and/or services that have been or will be rendered.
2. Incentives. Employees receive incentives when their performance surpasses predetermined benchmarks.
3. Allowances. Allowances are any additional benefits offered to workers or employees.
4. Facilities. Everything in the school that is used and enjoyed by staff members, both directly related to their jobs and for the efficient operation of their work, is referred to as work facilities. The conditions around the workplace that affect employees' productivity are referred to as the work environment.

Work environment indicators[23], are as follows:

1. Physical work environment. Consisting of lighting, noise, and facilities.
2. Non-physical workplace. Including attention and support from leaders, cooperation between groups, and smooth communication.

Employee performance is the result of the efforts and work methods used in carrying out the tasks that have been assigned[24]. Employee performance is an achievement or result of work that is good in terms of quality and quantity, achieved by employees in carrying out work tasks in line with the responsibilities assigned to them[25]. Employee performance indicators[26,27], are as follows:

1. Timeliness. Completing activities on time and maximizing the available time with other activities.
2. Work quality. Employees' perception of the quality of work and the perfection of the results of their tasks as well as their skills and abilities.
3. Work quantity. Numerical measurements, such as the quantity of units and completed activity cycles.

This study is also in line with the research[28], which states that Compensation and Work Environment have a positive and significant effect on Employee Performance so that private elementary school in Gresik city can improve it well. According to the researchers, it can be explained that Compensation and Work Environment are crucial for improving employee performance. Providing compensation commensurate with effort and a supportive work environment that promotes teacher well-being will make teachers feel valued and more committed to their work.

This also reduces teacher turnover rates, which can disrupt teaching stability and quality at the school. However, if either of these two factors is suboptimal, the impact can be negative on teaching quality. This also reduces the rate of teacher turnover, which can disrupt the stability and quality of teaching at the school. However, if either of these two factors is suboptimal, the impact can be negative on teacher performance.

## CONCLUSION

The analysis examines the impact of compensation and work environment on employee performance at a private elementary school in Gresik. The coefficient of determination indicates that a significant portion of performance is influenced by these factors. Adequate compensation and a supportive Work Environment enhance performance and reduce teacher turnover, crucial for maintaining teaching quality. Conversely, suboptimal conditions can negatively affect performance.

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### Conflict of Interest Statement

The author declares there is no conflict of interest during this research or publication of this article.

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