

The Effect of Compensation and Work Environment on Performance with Motivation as an Intervening Variable in the Food Security Service and Binjai City Agriculture

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DOI: <https://doi.org/10.52403/ijrr.20230276>

ABSTRACT

Human resources refer to the people who work in the organization. Without people who have expertise, it is impossible for an organization to achieve its goals. Human resources are what make other resources work. In order to become the main pillar for forming competitiveness, it is necessary to make efforts to increase human resources so that employee performance can increase. This study aims to determine whether compensation and work environment affect employee performance through motivation as an intervening variable at the Food Security and Agriculture Service Office of Binjai City. The study was conducted on 91 employees using a saturated sampling technique. The data collection technique used was primary data in the form of questionnaires and secondary data obtained through documentation studies. The data analysis technique used quantitative data which was processed using the SPSS version 25 program, namely the t test, Sobel test and path analysis. The results obtained in this study indicate 1) there is a significant effect between compensation on motivation, 2) there is a significant effect between work environment variables on motivation, 3) there is a significant effect between compensation variables on performance, 4) there is a significant effect between work environment variables on performance, 5) there is a significant influence between motivational variables on performance, 6) motivational variables can affect work

motivational variables can affect work environment variables on performance.

Keywords: [Compensation, Work Environment, Motivation, Performance]

INTRODUCTION

Humans as workers or employees are important resources for the organization, because they have the talent, energy and creativity that is needed by the organization to achieve its goals. Human resources are very important for companies in managing, organizing, utilizing employees so that they can function productively to achieve goals. Human resources refer to the people who work in the organization. Without people who have expertise, it is impossible for an organization to achieve its goals. Human resources are what make other resources work. In order to become the main pillar for forming competitiveness, it is necessary to make efforts to improve human resources so that employee performance can increase.

The potential of every human resource in the organization can only be beneficial if it is planned and managed properly, so that it can have an impact on achieving effective and optimal organizational performance. Optimizing employee performance is carried out using various approaches, including providing education, training and providing appropriate compensation, or

creating a conducive work environment through providing motivation.

Through these processes, employees are expected to maximize performance and responsibility for their work because employees have been equipped with the skills they have acquired related to implementation and work responsibilities. Provision of proper compensation and motivation as well as a good work environment are basically the rights of employees. Besides that, the organization has an obligation to support the contribution of its employees in order to achieve the goals that have been determined. Likewise with what has been done by the Department of Food and Agriculture Security of the City of Binjai in order to spur the performance of its employees.

The Binjai City Food and Agriculture Security Service organizes government affairs in the Food, Agriculture and Fisheries Sector. The Ketapangtan Office has a big role in the Food self-sufficiency program by optimizing land through the implementation of urban farming (Urban Farming). Based on the results of initial observations at the Food and Agriculture Security Service of the City of Binjai, employees are not motivated to improve performance. Employees only work without paying attention to the results of their work, this is because employees feel relaxed at work because they will still get a salary without having to pay attention to their performance. In addition, employees also feel bored with the atmosphere in the work environment, thereby reducing employee motivation and enthusiasm at work. This needs to be considered by the organization so that employee motivation is maintained so that employees are motivated to improve their performance.

Motivation can also be used as a driving force in improving employee performance. Where through the provision of motivation, employees are expected to cooperate well and work effectively with all efforts to achieve organizational performance, so that the impact on employee work productivity

is better than before. Motivation is also very sensitive in achieving organizational goals because motivation is the encouragement given by the organization to its employees so that they are always enthusiastic about working so that organizational goals can be achieved.

According to Samsudin (2010: 281) motivation is the process of influencing or pushing from the outside towards a person or work group so that they want to carry out something that has been set. Without motivation, an employee cannot fulfill what is his motive in working so that his work targets will not be fulfilled. because motivation is an encouragement within a person related to the level, direction, and persistence of the consistency of the effort someone makes at work.

To encourage employee motivation at work, it is necessary to have a mutually beneficial working relationship between the organization and employees. Employees are expected to provide maximum performance for the organization and in return, the organization will provide compensation in accordance with the performance results that have been given by employees for the organization. Compensation plays an important role in improving employee performance, because compensation is one of the main reasons for a person to work more and to meet his life's needs.

An employee's performance is influenced by several factors including compensation and motivation. To improve employee performance requires a high motivation of employees to work, because with high motivation will make someone to work seriously. Employee motivation usually depends on how much the organization values the employee's performance. The award can be in the form of financial or non-financial compensation. Compensation consists of two kinds, namely financial compensation and non-financial compensation. Financial compensation is the payment someone receives in the form of wages and salaries. While non-financial compensation is payment given by the

organization to employees who are not in the form of money that can be used as a spirit to retain employees, namely facilities, work environment and work.

The work environment is a place where employees carry out their daily activities. A comfortable work environment provides a sense of security and allows employees to work optimally. The work environment can affect employee emotions. If the employee likes the work environment where he works, then the employee will feel at home at work, carry out activities so that work time is used effectively. According to Sedarmayanti (2012) the work environment is the whole of the tools and materials faced by the surrounding environment where a person works, his work methods, and his work arrangements both as individuals and as a group.

The work environment consists of the physical work environment in the form of work space, work facilities, lighting, air and the non-physical environment is the social condition in the form of the relationship between superiors and subordinates, the relationship between fellow employees and the work atmosphere. working environment conditions with good air circulation, available work facilities, adequate room lighting will be able to make employees work comfortably. Besides that, a conducive working atmosphere, harmonious superior and subordinate relations, harmonious relations between employees will make employees work in peace. Thus it will produce effective and efficient work.

Based on the phenomena that occur in the Food Security and Agriculture Service of the City of Binjai, the researcher is interested in conducting a study related to this phenomenon with the title "The Influence of Compensation and the Work Environment on Performance with Motivation as an Intervening Variable in the Office of Food Security and Agriculture in the City of Binjai".

LITERATURE REVIEW

According to Rivai (2004) Performance when associated with performance as a noun, then the notion of performance or performance is the result of work that can be achieved by a person or group of people in a company in accordance with the authority and responsibility of each in an effort to achieve company goals illegally, does not violate the law and does not conflict with morals and ethics.

Viewed from the point of view of other experts, performance is the amount of effort an individual expends on his work (Robbins, 2001). Meanwhile, according to Bernandi & Russell 2001 (in Riani 2011) performance is a record resulting from the function of a particular job or activity over a certain period of time.

According to Sinambela, et al (2012) suggests that employee performance is defined as the ability of employees to do certain skills. Employee performance is very necessary, because with this performance it will be known how far the employee's ability to carry out the tasks assigned to him. For this reason, it is necessary to determine clear and measurable criteria and jointly set them as a reference.

According to Steers (in Suharto & Cahyono 2005) the factors that influence performance are: 1. Ability, personality and work interest. 2. Clarity and acceptance or clarity of the role of a worker, which is the level of understanding and acceptance of a person for the tasks assigned to him. 3. The level of worker motivation is the energy that drives, directs and maintains behavior.

According to McCormick and Tiffin (in Suharto & Chyono, 2005) explains that there are two variables that affect performance, namely: 1. Individual Variables consist of experience, education, gender, age, motivation, physical condition, personality. 2. Situational Variables involve two factors, namely: a) Social and organizational factors, including: policy, type of training and experience, wage system and social environment. b) Physical and occupational factors, including: work

methods, arrangements and conditions, work equipment, work space arrangements, noise, irradiation and temperature.

According to Wirawan (2009) the performance dimension is the qualities or face of a job or activities that occur in the workplace that are conducive to measurement.

According to Robbins (2016) performance indicators are tools for measuring the extent to which employee performance is achieved. Following are some indicators to measure employee performance: Quality of Work, Quantity, Timeliness, Effectiveness, Independence.

Work motivation is a state or condition that encourages, stimulates or moves someone to do a job or activity so that employees can achieve their goals.

Factors Affecting Motivation According to Purwanto (Purwanto, 2011) motivation is influenced by two factors, namely hygiene factors and motivator factors.

according to Nawawi (2011) motivation can be divided into two forms, namely intrinsic motivation is a driving force that comes from within the worker as an individual, in the form of awareness about the importance or benefits of the work he is doing and extrinsic motivation is a driving force that comes from outside the worker as an individual. in the form of a condition that requires him to carry out the work to the fullest.

According to Wibowo (2012) the dimensions of motivation are as follows: the need for achievement, the need to expand association and the need to master a job.

Hamzah Uno (2012) suggests that as an indicator of motivation is responsibility in doing work, achievements, self-development and independence in acting.

One way of management to improve work performance, motivate and improve the performance of employees is through compensation (Mathis and Jackson, 2006).

Hani Handoko (2008) states that compensation is important for employees as individuals because the amount of compensation reflects the size of their work

among the employees themselves, their families and society.

Following are some of the factors described by Sedarmayanti (2011) which can influence the formation of a working environment condition associated with employee abilities including:

Lighting/Light at Work, Temperature at Work, Humidity at Work, Air Circulation at Work, Noise at Work, Mechanical Vibration at Work, Odors at Work, Color Layout at Work, Decoration, Safety at Work.

While the indicators of the work environment according to Sedarmayanti (2011: 15) are as follows: Lighting, Air Temperature, Noise, Use of Color, Space for Movement, Work Safety.

MATERIALS & METHODS

The research was conducted at the Department of Food Security and Agriculture, Binjai City, which is located at Jalan Jambi No. 7, West Rambung, South Binjai District, Binjai City.

The population in this study were all permanent employees (PNS) at the Binjai City Food and Agriculture Security Service, which were recorded in December 2022, totaling 91 people. Due to the small population size, the sampling technique in this study was a saturated sample, which means that the total sample used was the entire population. This research is included in associative research with a quantitative approach. This study examines the relationship between compensation (X1) and work environment (X2) to performance (Y) and motivation (Z) as the intervening variable. In this study, researchers used primary data and secondary data. The data collection technique used was a questionnaire, by making a list of questions in the form of a questionnaire addressed to employees and documentation studies, by collecting company/agency data related to research needs.

STATISTICAL ANALYSIS

The data analysis technique used quantitative data which was processed using

the SPSS version 25 program, namely the t test, Sobel test and path analysis.

RESULT

The Binjai City Food and Agriculture Security Service organizes government affairs in the Food, Agriculture and Fisheries Sector. The Ketapangtan Service has a big role in the Food self-sufficiency program by optimizing land through the implementation of urban warfare (Urban Farming). The Binjai City Disketapangtan Office is located on Jl. Jambi, No. 7, West Rambung, Kec. South Binjai, Binjai City, North Sumatra Province, 20731.

The characteristics of respondents at the Food Security and Agriculture Service of the City of Binjai in 2022 based on gender are as follows

Table 4.1 Characteristics of Respondents Based on Gender

No.	Gender	Total	Percentage
1.	Male	42	46.1
2.	Female	49	53.8
Total		91	100.0

Source: Primary Data Processed, 2022

From the table above, it can be seen that the majority of respondents were female with a total of 49 employees (53.8%). While the number of male respondents was 42 employees (46.1%).

Table 4.2 Characteristics of Respondents Based on Education Level

No.	Education Level	Total	Percentage
1.	SMA/SMK Sederajat	21	23
2.	Diploma (1/2/3)	27	29.6
3.	S1	32	35.1
4.	S2	11	12
Total		91	100.0

Source: Primary Data Processed, 2022

From the table above, it can be seen that the majority of respondents have an undergraduate degree, totaling 32 employees (35.1%). While the number of respondents with high school/vocational high school education was 21 employees (23%), the number of respondents with Diploma education (1/2/3) were 27 employees (29.6%) and the number of respondents with Masters education were only 11 employees (12 %).

Table 4.3 Characteristics of Respondents Based on Years of Service

No.	Years of Service	Total	Percentage
1	< 5 Tahun	23	25.3
2	5 – 10 Tahun	33	36.3
3	>10 Tahun	35	38.5
Total		91	100.0

Source: Primary Data Processed, 2022

From table 4.3, it can be seen that the majority of respondents have worked > 10 years, totaling 35 employees (38.5%). While the number of respondents who have worked < 5 years is 23 employees (25.3%) and the number of respondents who have worked 5-10 years is 33 employees (36.3%).

DISCUSSION

The compensation variable has a positive and significant effect on motivation at the Food and Agriculture Security Service of the City of Binjai. The compensation variable has a regression coefficient value of 0.062 and has a unidirectional effect, which means that each addition or increase in the value of one unit score of the compensation variable will increase the job satisfaction value of employees of the Binjai City Food Security and Agriculture Agency by 0.062 per one unit score.

Based on the results of testing the first hypothesis, it is known that compensation has a significant influence on the motivation of employees of the Food Security and Agriculture Office of the City of Binjai. This is supported by research conducted by Erwinsyah, Muhammad Wadud and Mohd. Kurniawan DP (2015), revealed that compensation affects motivation.

The work environment variable has a positive and significant effect on motivation at the Food and Agriculture Security Service of the City of Binjai. The work environment variable has a regression coefficient value of 0.102 and has a unidirectional effect, which means that each addition or increase in the value of one unit score for the work environment variable will increase the motivational value of the employees of the Binjai City Food Security and Agriculture Agency by 0.102 per one unit score.

Based on the results of testing the second hypothesis, it is known that the work environment has a significant influence on the motivation of employees of the Binjai City Food and Agriculture Security Office. This is supported by research conducted by Andi Hasryningsih Asfar and Rita Anggraeni (2020), which revealed that the work environment influences motivation.

The compensation variable has a positive and insignificant effect on performance at the Food Security and Agriculture Service of the City of Binjai. The compensation variable has a regression coefficient value of 0.056 and has a unidirectional effect, which means that each addition or increase in the value of one unit score of the compensation variable will increase the performance value of employees of the Binjai City Food Security and Agriculture Service by 0.056 per one unit score.

Based on the results of testing the third hypothesis, it is known that compensation has a significant influence on the performance of employees of the Food Security and Agriculture Office of the City of Binjai. The compensation factor is no less important in improving employee performance. Compensation can be a driving force for someone to carry out an activity in order to get the best results. Compensation is a process of giving encouragement to subordinates so that subordinates can work in line with the limits given to achieve optimal organizational goals. The findings of this study are supported by research conducted by Asrun Tonga (2018), which states that compensation has a positive and significant effect on performance.

The work environment variable has a positive and insignificant effect on performance at the Food Security and Agriculture Service of the City of Binjai. The work environment variable has a regression coefficient value of 0.187 and has a unidirectional effect, which means that each addition or increase in the value of one unit score for the work environment variable will increase the performance value of the

Binjai City Food Security and Agriculture Office by 0.187 per one unit score. Based on the results of testing the fourth hypothesis, it is known that the work environment has a significant influence on the performance of employees of the Food Security and Agriculture Office of the City of Binjai. The results of this study are in accordance with research conducted by Nurul Huda (2018) which also states that the work environment has a positive and significant effect on performance.

The motivational variable has a positive and significant effect on employee performance at the Food Security and Agriculture Service of the City of Binjai. The motivational variable has a regression coefficient value of 0.034 and has a unidirectional effect, which means that each addition or increase in the value of one unit score of the motivational variable will increase the performance value of employees of the Binjai City Food Security and Agriculture Agency by 0.034 per one unit score.

Based on the results of testing the fifth hypothesis, it is known that motivation has a significant influence on the performance of employees of the Food Security and Agriculture Office of the City of Binjai. This is in accordance with research conducted by Nurul Khoiriah, Sri Wahyu Lelly H.S and Wiji Utami (2019), who found that motivation can improve employee performance.

Based on the results of the Sobel test calculation, it is known that the t value is 35,161, so that the t count value is $35,161 > t$ table 2,528, it can be concluded that the motivational variable is able to mediate the relationship between the effect of compensation on performance. And based on path analysis, it is known that the influence of compensation (X1) on performance (Y) of Binjai City Food Security and Agriculture Service employees is 6%, which consists of a direct effect of 5.6% and an indirect effect of compensation (X1) on performance (Y) through motivation (Z) of 1.1%. The results of this calculation indicate that the direct effect of

compensation (X1) on performance (Y) is greater than the indirect effect. Thus it can be said that compensation is effective in improving performance, in other words it can be emphasized that compensation (X1) has an influence if there is an increase in employee performance in carrying out tasks. Based on the results of testing the sixth hypothesis, it is known that compensation through motivation has an influence on the performance of employees of the Binjai City Food and Agriculture Security Agency. The results showed that motivation has a role in mediating the effect of compensation on performance.

Based on the results of the Sobel test calculation, it is known that the t value is 29,722, so that the t value is $29,722 > t$ table 2,768. It can be concluded that the motivation variable is able to mediate the relationship between the influence of the work environment on performance. And based on path analysis, it is known that the influence of the work environment (X2) on the performance (Y) of Binjai City Food Security and Agriculture Service employees is 19%, which consists of a direct influence of 18.7% and an indirect effect of the work environment (X2) on performance (Y) through motivation (Z) of 0.3%. The results of this calculation indicate that the direct effect of the work environment (X2) on performance (Y) is greater than the indirect effect. Thus it can be said that the influence of the work environment (X2) will be smaller in increasing performance (Y) if it is done through motivation (Z).

Based on the results of testing the seventh hypothesis, it is known that the work environment through motivation has an influence on the performance of employees of the Food Security and Agriculture Office of the City of Binjai. The results showed that motivation has a role in mediating the influence of the work environment on performance.

CONCLUSION

Compensation has a positive and significant effect on motivation at the Food Security

and Agriculture Service of the City of Binjai. This means that this condition proves that the level of compensation can increase employee motivation.

The work environment has a positive and significant effect on motivation at the Department of Food Security and Agriculture in Binjai City. This means that this condition proves that the better the employee's work environment can lead to motivation.

Compensation has a positive and significant effect on performance at the Food and Agriculture Security Service of the City of Binjai. This means that this condition proves that the level of compensation to employees can improve performance.

The work environment has a positive and significant effect on performance at the Food and Agriculture Security Service of the City of Binjai. This means that this condition proves that the better the work environment can improve employee performance.

Motivation has a positive and significant effect on performance at the Department of Food Security and Agriculture in the City of Binjai. This means that this condition proves that the higher the motivation can improve performance.

The effect of compensation on the performance of employees of the Binjai City Food and Agriculture Security Service will be smaller if it is done through motivation. The direct effect of compensation on employee performance is greater than the indirect effect of compensation on performance. It can be concluded that motivation is not able to mediate the effect of compensation on performance.

The influence of the work environment on the performance of employees of the Binjai City Food and Agriculture Security Service will be smaller if it is done through motivation. The direct effect of the work environment on performance is greater than the indirect effect of the work environment on performance. It can be concluded that motivation is able to mediate the influence of the work environment on performance.

Declaration by Authors

Acknowledgement: None

Source of Funding: None

Conflict of Interest: The authors declare no conflict of interest.

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How to cite this article: Endang Metia Sembiring, Syaifuddin, Cut Fitri Rostina et.al. The effect of compensation and work environment on performance with motivation as an intervening variable in the food security service and Binjai City Agriculture. *International Journal of Research and Review*. 2023; 10(2): 635-642.
DOI: <https://doi.org/10.52403/ijrr.20230276>
