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Do Wages and Work Environments Play a Big Role on Employee Performance in Private Organizations?

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ABSTRACT

Human resources are a significant enough part of achieving organizational goals, both large and small companies; a company has modern equipment with high technology. The purpose of understanding and studying human resource management is the knowledge needed to have analytic skills in dealing with management problems, especially in the organization's field. The role of human resources in the company is significant because as the primary driver of all activities or activities of the company in achieving its objectives, both to obtain profits and to maintain the survival of the company. The success or failure of a company in maintaining its existence starts from the human being itself in maintaining the company in maximizing its effectiveness and efficiency. Wages and work environment are factors that significantly affect employee performance. An employee who has high wages or as expected and a pleasant work environment will achieve the company's goals and objectives.

1. Introduction

The development of the business world is currently multiplying, so companies running a business are expected to be able to use human resources correctly and adequately. Human resources are a significant enough part of achieving organizational goals, both large and small companies; a company has modern equipment with high technology. Human resources are one of the main driving forces for every company operation, so efforts in developing human resources are the primary strategy to enforce global competition (Gibson, 1996: 32). The purpose of understanding and studying human resource management is the knowledge needed to have analytic skills in dealing with management problems, especially in the organization's field. HR's position, especially about quality, human resources in a more extensive system, is the organizational strategy. In placing

organizational goals effectively and efficiently through planning, organizing, leadership and controlling organizational resources (Daft, 2002:8).

Given the increasingly intense competition between companies, today requires companies to survive and compete with other companies, one of the things that companies can take to survive in intense competition. The role of human resources in the company is significant because as the primary driver of all activities or activities of the company in achieving its objectives, both to obtain profits and to maintain the survival of the company. The success or failure of a company in maintaining its existence starts from the human being itself in maintaining the company in maximizing its effectiveness and efficiency. In other words, the performance of an organization or company is greatly influenced and even depends on the quality



and competitive ability of its human resources. Employees who have an attitude of struggle, devotion, discipline, and professional abilities are very likely to have achievements in carrying out tasks so that they are useful and productive. Professional employees can be interpreted as a view always to think, work hard, work full time, discipline, honest, high loyalty, and full dedication for the success of his work (Hamid, 2003:40).

The benefits of performance appraisal are: 1) performance improvement 2) adjustment of compensation performance 3) placement decisions 4) training and development need 5) planning and career development 6) definition of staff placement process 7) inaccurate information 8) work design errors 9) job opportunities same 10) external challenges 11) HR feedback (Mangkuprawira, 2003: 224-225). Various stimuli of work motivation factors can improve employee performance. In general, people working in a company have a goal to get a wage to meet their needs with the fulfillment of employee needs. It will create a pleasant working environment within the company. Increasing the workforce factor is the most crucial factor in the implementation of the production process; it is necessary to have a workforce that has the skills and expertise for the survival of the company. So that the workforce used by the company can work well, the company leadership should pay attention to all needs related to employees, and the company needs to pay more attention to the existence of employees so that employee loyalty to the company is also high (Sumartini.2005). According to Rivai (2005:375), "Wages are as fair and appropriate remuneration for workers for their services in achieving organizational goals". Wages are direct financial rewards paid to employees based on working hours, the number of goods produced, or the number of services provided. So unlike salaries whose amounts are relatively fixed, wages can change. The concept of wages is usually linked to payment processing power for casual workers. Wages and work environment are factors that significantly affect employee performance. An

employee who has high wages or as expected and a pleasant work environment will achieve the company's goals and objectives.

2. Literature Review

The term performance comes from the word job performance or actual performance, which means work performance or actual achievement achieved by someone. According to Mangkunegara (2000: 67), "performance is the result of work produced by an employee to achieve the expected goals". According to Besnadin and Russell (1993: 135), "performance is the record that results from the function of a particular job or activity for a specific "period. From some of the above opinions, it can be concluded that each employee's intended performance is the work achieved so that it can contribute to the company. Performance appraisal is a process carried out by the company in evaluating the work performance of the company. Performance appraisal is a process of evaluating individual work implementation. In modern organizations, performance appraisal provides an essential mechanism for management to explain goals and performance standards and motivate individual performance in the next time (Simumora,1997:416). Wages are rewards or rewards for one's work. Workers, but increasing the primary need that they want to be satisfied with is getting a wage for their lives; wages cannot function as a way to improve work performance by providing job satisfaction from income. Another benefit derived from wages is also a tool for increasing and shaping employee loyalty: work for work, in the relevant company that underlies to work for companies that want to get an income to pay for their lives with these wages, as a company tool to improve employee performance.

Every employee in carrying out the



obligation or task feels that their work results are inseparable from the supervisor's assessment, either directly or indirectly. Performance appraisal is used to determine an employee's performance. Wages are direct financial rewards paid to employees based on working hours, the number of goods produced, so unlike salaries with relatively fixed amounts, the number of wages can vary. According to Sukanto and Indriyo (2000: 151), "the work environment is anything that exists around workers that can affect work including lighting arrangements, noise control, workplace cleanliness arrangements, and workplace safety arrangements." According to Nitisemito (1992:25), the work environment is "everything around the workers and can influence themselves in carrying out the tasks at stake". From the above opinion, it can be concluded that the work environment is everything that exists around the workers that affect the tasks at stake. In general, the understanding of the work environment is the environment in which the employees carry out their duties and work.

3. Methods

The design of this research is quantitative observational research. This research was conducted at CV Aji Bali Jayawijaya, located in the Kadipiro Surakarta area. The population in this study were all employees in the CV. Aji Bali, amounting to 100 employees. Because this research is a population study or census study, it does not use samples and sampling. The types of data used in this study include primary data and secondary data. Primary data in this study were obtained by giving a questionnaire (questionnaire), which included a questionnaire about job satisfaction, work discipline, and communication given to employees who acted as samples. Secondary data is data or information relevant and is the result of studies of other parties for their

interests but can be used by other parties to answer research problems. Secondary data were obtained from magazines, newspapers, manuals, and data. The questionnaire made contains questions that correspond to aspects to be assessed. To determine the value of the questionnaire, answers for each question posed with a Likert scale modification.

this study, there are three variables, namely work discipline as an independent variable given the symbol (X1). Communication as an independent variable is given the symbol (X2). Job satisfaction as a dependent variable or not dependent (dependent variable) given the symbol (Y). Data analysis was performed with SPSS Version 25 with a normality test, correlation test, and linear regression test.

4. Results and Discussion

The results showed that wages and work environment influence employee performance. This can be seen from the regression equation as follows: $Y = 0.384 + 0.515.X1 + 0.463.X2$. This means that a decent salary is given to employees to increase welfare. The wages are provided as compensation for the input and sacrifice services provided by employees to the company. While a work environment that is quiet, clean, brightly lit, and well ventilated will provide a pleasant working atmosphere for employees. This creates a feeling of not being bored, so in this way can reduce or avoid wasting time and costs so that that employee performance will improve.

The results of the first hypothesis test with the regression t-test obtained a calculated wage variable (X1) of 7.588, which was accepted at a significance level of 5% ($p < 0.05$). This means that wages have a positive effect on employee performance. This means that the higher the employee's wages, the higher the employee's performance. Conversely, the lower the wage the lower the employee's performance.



Acceptance of the first hypothesis is following the opinion of Husein Umar (2004:16), which states that wages are remuneration for carrying out work and motivating employees. The primary purpose of the remuneration is to retain organizational employees in the long run. Wages are given by the company to employees to increase welfare. Because one of the fundamental aspects of someone to work or become an employee at a company is because they want to get an income for their living expenses, providing decent salaries will make employees feel cared for. The company has valued the hard work they do. In these conditions, employees will work in a disciplined manner, and the result is higher performance. The results of the second hypothesis test with a t- regression test obtained t-count of work environment variables (X2) of 6.142 accepted at a significance level of 5% ($p < 0.05$). This means that the work environment has a positive effect on employee performance. This means that the better the work environment of employees, the higher the employee's performance. Conversely the less good the work environment, the lower the performance of employees.

A good and pleasant work environment will improve employee morale and earnestness. Excellent communication and cooperation between all company components, proper work equipment, comfortable workspace, protection against hazards, proper ventilation, adequate lighting, and cleanliness can not only increase work efficiency. This a pleasant work environment for employees will create work morale and can improve employee performance. According to Alex. S Nitisemito (2002:18), factors that can be included in the work environment are cleanliness, lighting, air exchange, safety, and noise. A supportive work environment is one of the essential factors that encourage employee morale. Employees need a pleasant work environment so they can do

their jobs well. In this case, employees prefer physical conditions that are not dangerous and troublesome. Temperature, light, noise, and other environmental factors are made in such a way that employees feel at home. Also, employees need to be supported by work facilities that are clean, quiet, and safe.

Testing the third hypothesis with the F test obtained a value of F count $> F_{table}$ ($87.424 > 3.15$) at a significance level of 5%. Wages and the work environment together have a positive effect on employee performance. This means that wages and work environment are factors that affect employee performance. In terms of wages, wages are given by companies to protect employees and their families, namely to meet the minimum living needs for employees and their families and as a form of appreciation to employees who have contributed their energy and thoughts to the company. The amount of this wage depends on the level of sacrifice (energy and mind) someone. The higher the sacrifice, the higher the income given. This will spur employees to work harder to earn a higher income.

Various efforts made by a manager to be able to attract, maintain and pay attention to employees to remain in the company, the company must provide rewards for services that have been issued by the workforce on the company. This includes direct financial payments in the form of overtime pay, incentives, commissions, and bonuses, and welfare. They were providing remuneration to workers directly in the form of money intended to increase employee productivity and pay attention to employees who excel to be at the company. With the provision of wages, it is expected that a workforce can be more productive and have full responsibility for their duties so that the company's production volume targets can be met. Also, with the wages of labor and company relations will be well established, so that all workers will try to



improve performance. Judging from the work environment, according to Alex S. Nitisemito (2002:25), the work environment is something that exists around the workers and can affect themselves in carrying out the tasks assigned. In general, a workforce wants a place where work is quiet, safe, comfortable, and clean. With such an environment, it is expected that workers can be better, more productive, and enthusiastic at work. Besides that, with a better work environment, the workers will be more motivated to carry out their work and get satisfaction at work so that performance will increase.

The coefficient of determination test results obtained a value of R² of = 0.643 which shows that the wage and work environment variables affect employee performance by 64.3%. In comparison, the remaining 35.7% is influenced by other variables not examined, for example, work motivation, communication, facilities and infrastructure, and career path. The wage variable gives a useful contribution of 36.8%, while the work environment variable contributes an adequate contribution of 27.5% to employee performance. The total contribution of the variable wage and work environment contributed 64.3% to employee performance. The calculation of active contributions shows that wages have a dominant influence on employee performance. By the opinion of Panji Anoraga (1998:56) which states that basically someone works expecting rewards following the type of work. Because, given the appropriate wages, there will be enthusiasm. Workers can meet the needs of life for themselves and their families, feel the company needs, and workers need these jobs so that a reciprocal relationship is in harmony. This has a positive impact on improving employee performance.

5. Conclusion

The regression analysis results obtained the

equation: $Y = 0.384 + 0.515.X1 + 0.463.X2$, which means that employee performance is influenced by wages and the work environment of employees. The results of the regression analysis also obtained a coefficient of determination (R²) of 0.643. This means that 64.3% of employee performance variables are influenced by wage and work environment variables. The remaining 35.7% is explained by other variables, such as work motivation, communication, facilities and infrastructure, and career path. Wages have a positive effect on employee performance CV. Aji Bali Jayawijaya. This is evident from the results of the t-test that obtained t count X₁ = 7,588 accepted at a significance level of 5%. The work environment has a positive effect on employee performance CV. Aji Bali Jayawijaya. This is evident from the results of the t-test that obtained t count X₂ = 6.142 accepted at a significance level of 5%. Wages and work environment together have a positive effect on employee performance CV. Aji Bali Jayawijaya. This is evident from the F test results obtained, an F count of 87.424 received at a significance level of 5%. The results of the calculation of relative contributions and active contributions indicate that the contribution of wages to employee performance is 36.8%. In comparison, the work environment contributes 27.5%, so the total contribution of wages and work environment in improving employee performance is 64.3%.

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