



The Impact of Compensation and Non-Physical Work Environment on Employee Performance at CV. Sumber Makmur Indonesia, West Jakarta

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ABSTRACT

This study aims to analyze the effect of compensation and non-physical work environment on employee performance at CV. Sumber Makmur Indonesia, both partially and simultaneously. Using a saturated sample technique with 60 employees, data were collected through observation and questionnaires. The results of multiple linear regression showed that compensation (0.126) and non-physical work environment (0.337) had a positive effect on employee performance. The determination test (R^2) of 24.4% showed the contribution of independent variables to employee performance. The t-test proved that compensation (t-count 3.674 > t-table 2.002) and non-physical work environment (t-count 4.229 > t-table 2.002) had a significant effect, while the F test (9.174 > 3.16) showed a significant simultaneous effect.

Keywords: Compensation, Non-Physical Work Environment, Employee Performance

INTRODUCTION

Competition in today's business world is getting tighter, causing companies to have to face the demands of having a competitive advantage in terms of technology, products, and human resources. The increasingly tight competition also drives rapid economic growth, as evidenced by the increasing number of goods and services companies that have emerged. This forces companies to compete with each other and drives the need for skilled and qualified workers. The success of a company cannot be separated from the performance of employees who are able to manage the company towards the desired progress. On the other hand, many companies fail and are destroyed due to the inability to manage human resources, especially in the era of the industrial revolution 4.0.

In this framework, employee performance is not only measured in terms of productivity, but also in terms of the ability to innovate, adapt, and contribute in an ever-changing environment. Thus, the key to employee success in this era of business competition lies in their ability to continue learning, work together effectively, and make a positive impact globally. Today, a company's ability to grow is highly dependent on the quality of its human resources. Therefore, the current state of the world of work encourages employees to continue to improve their skills and competencies in order to stay in line and competitive.

A company has the hope of achieving significant improvements, and to achieve this, it is important to increase employee productivity. Employee performance is a

major factor in organizational life, because the success of an organization depends heavily on the performance of its employees. Therefore, companies strive to improve the performance of their employees through various activities aimed at their development. Optimal employee performance is essential for business success, because it can help the company achieve its main goal, which is to make a profit.

Performance is basically a picture of a task that has been successfully completed or not by an employee. Employee performance affects the extent of the contribution given to the company, which involves various aspects such as quality, quantity, time, cost control, supervision, and relationships between employees (Kasmir, 2019:208).

In the process, the company's achievements or performance often experience ups and downs, which are in line with the ups and downs of employee performance in the company. This shows a positive relationship between employees and the company where they work. Every achievement of the company's targets must always consider employee performance and the company's environmental conditions. The importance of employee performance for the company lies in the hope that employees can provide optimal contributions, thus ensuring the achievement of satisfactory results.

Employee performance is influenced by compensation factors and the fulfillment of non-material needs, such as the comfort of the work environment. Companies need to create a conducive environment and provide fair compensation to support employee performance. Job satisfaction also plays an important role; the more satisfied employees are with their salary, promotions, coworkers, superiors, and work, the better their performance, both in terms of quality and timeliness.

This research was conducted at CV. Sumber Makmur Indonesia, located in West Jakarta. This company is engaged in the marketing business sector, both online through platforms such as Shopee, Tokopedia, and Tiktok, as well as offline wholesale. CV. Sumber Makmur Indonesia offers a variety of household products and kitchenware. With a large capacity, this company is able to process hundreds of orders each month, both from online and offline customers. With an approach that prioritizes customer satisfaction and operational efficiency, the company continues to grow and is able to meet increasing market demand.

Based on observations and interview results in the CV. Sumber Makmur Indonesia work environment, several problems were found related to employee performance. Although most employees have worked according to the time and targets set, they often cannot achieve the expected amount of work. Some of the problems identified in this company include the relationship between employees and superiors, as well as between fellow employees, which are considered not to be going well. In addition, the responsibility in work and supervision carried out by superiors is considered not optimal. This is due to the lack of comfortable working conditions, which affects the quality and quantity of work that does not comply with company standards. And there are still employees who do not comply with the work regulations in force in the company.

Table1CV. Sumber Makmur Indonesia Performance Data

NO.	Position and Job	Target	Realization	GAP
1	Manager			

	1. Ensure products shipped are free from shipping errors or damage, reducing customer return rates.	90 products	70 products	20 products
	2. Monitor, provide direction and motivation to achieve targets	100%	75%	15%
	3. Hold meetings to discuss team developments.	100%	80%	20%
2	Supervisor			
	1. Provide clear instructions to the team to achieve daily or weekly goals.	100%	70%	30%
	2. Analyze work processes and provide solutions to improve team productivity.	30 days	14 days	16 days
	3. Compile team performance reports and provide updates to managers.	100%	80%	20%
3	Head of Warehouse			
	1. Conduct routine stock taking to ensure physical stock matches system data.	500 SKUs (Stock Keeping Units)/month	200 SKUs (Stock Keeping Units)/month	300 SKUs (Stock Keeping Units)/month
	2. Target team productivity to process a minimum of 500 orders per day.	500 orders	250 orders	250 orders
	3. Conduct regular stock checks, for example weekly or monthly.	200 items/week	100 items/week	100 items/week
4	Warehouse Admin			
	1. Ensure stock accuracy and condition of goods received and sent according to standards.	300 shipments	250 shipments	50 shipments
	2. Input stock data that matches the stock	200 items/week	100 items/week	100 items/week

	in the marketplace and ensure that the goods sent are not defective.			
	3. Create regular stock reports to ensure accurate data.	300 products/week	200 products/week	100 products/week
	Marketplace Admin			
	1. Entering new products, updating descriptions, prices and stock of items.	50 products	30 products	20 products
5	2. Reply to chats, process returns, and handle customer complaints.	300 customers	250 customers	50 customers
	3. Receive and process incoming orders on marketplace and offline platforms	1000 receipts	950 receipts	50 receipts
	Team Picker			
	1. Picking items that match customer orders from shelves or warehouses.	500 invoice	250 invoice	250 invoice
6	2. Ensure that the selected items match the order details (type, quantity, condition).	100%	70%	30%
	3. Record items taken in the system and ensure stock is updated correctly.	300 products	200 products	100 products
	Team Packing			
	1. Pack the prepared order according to the printed order label.	500 invoice	250 invoice	250 invoice
7	2. Entering data on the use of bubble wrap and duct tape for the packaging process.	10 rolls	5 rolls	5 rolls
	3. Check that the items and quantity ordered match those in the cart, and ensure that there are no errors on the receipt.	100%	80%	20%

8	Team Outbound			
	1. Sort and group orders based on available couriers	500 invoice	250 invoice	250 invoice
	2. Scan and input package data into the system according to the goods physically received.	300 label	250 label	50 label
	3. Compile courier reports and ensure that outgoing orders match recorded data.	50 reports	40 reports	10 reports
9	Security			
	1. Record and collect employee ID cards upon arrival and return them upon leaving.	60 employees	55 employees	5 employees
	2. Monitor and control access in and out of warehouses and offices, ensuring only authorized personnel can enter.	100%	90%	10%
	3. Coordinate with warehouse and shipping teams to ensure goods are received and shipped safely, and record the time of receipt of goods.	100 manifest	90 manifest	10 manifest

Source: Internal Data of CV. Sumber Makmur Indonesia

Based on the data presented in Table 1, Employee performance in various positions shows a gap between the targets set and the actual results achieved.

In general, many positions have not achieved their targets optimally. For example, for the Manager position, although there have been efforts to reduce shipping errors and customer returns, a gap of 20 products indicates that there is a problem in controlling the quality of shipping. In addition, although direction and motivation have been provided to the team, there is still a gap of 15% which indicates that there is room for improvement in terms of monitoring and supporting the team. Meetings held to discuss team developments are also not fully effective, with a gap of 20%.

In the Supervisor position, instructions given to the team to achieve daily or weekly goals were only achieved 70%, with a gap of 30%. This indicates that there is

a lack of clarity or effectiveness of the instructions given. In addition, solutions to improve team productivity were also not in accordance with the target, with 16 days longer than set. The preparation of the team's performance report also did not meet the target, with a gap of 20%.

In the position of Warehouse Manager, the results of routine stock opname are far from the set target. The realization only reached 200 SKUs per month, while the target was 500 SKUs, indicating that there were obstacles in checking physical stock that needed to be resolved immediately. Likewise, the team's productivity target for processing orders per day was only achieved by half. Weekly stock checks were also not optimal because they only reached 100 items/week, while the target was 200 items/week.

For the Warehouse Admin position, despite efforts to ensure the accuracy of stock and the condition of goods received and sent, only 250 shipments were achieved from the target of 300. Inputting stock data in the marketplace and ensuring that the goods sent are not defective is also not optimal, with a gap of 100 items/week. The stock report that was prepared has also not been achieved according to target, with a gap of 100 products/week.

The Marketplace Admin position also faces challenges in achieving targets. Entering new products, updating descriptions, prices, and stock of goods did not reach the target, with a gap of 20 products. Handling chats, returns, and customer complaints was also not optimal, with a gap of 50 customers. Processing incoming orders was also not fully achieved, with a gap of 50 receipts.

In the Team Picker position, although the items taken according to customer orders are a priority, there is a fairly large gap of 30% between the target and the realization. This indicates the need for improvement in accuracy and speed in the goods selection process. In addition, the recording of goods taken in the system also needs to be improved to be more in line with the targets that have been set.

For Team Packing, the order packaging only achieved 50% of the target set, which shows the need for improvement in speed and accuracy during the packing process. The use of materials for packaging is also not in accordance with the target, with a gap of 5 rolls. The suitability of goods and the number of orders also still has a gap of 20%, which shows that there are still errors in the inspection before shipping.

In the Outbound Team position, sorting orders according to couriers has also not reached the target, with a gap of 250 invoices. Inputting package data into the system and courier reports also show significant gaps, each with a shortage of 50 labels and 10 reports. This shows that there are still processes that need to be improved so that the shipping process runs smoothly.

In the Security position, although the recording of employee ID cards and access control is running quite well, there is a gap of 5 employees that needs to be considered. Coordination with the warehouse and shipping teams also needs to be improved so that goods are received and sent safely, considering the gap in the number of recorded manifests.

Overall, employee performance in many positions has not fully met the targets set. There are many gaps that indicate the need for improvement in operational processes, supervision, and monitoring of target achievement. Clearer strategy

development, additional training, and more efficient division of tasks among teams are expected to help achieve targets and improve overall performance.

Some factors that may cause this gap include a lack of clear communication between teams, a lack of appropriate skills or training to handle certain tasks, and suboptimal task allocation. Developing a more focused and clear strategy is crucial, so that each team has the same understanding of the goals they want to achieve and the best way to achieve them. In addition, additional training and employee skill development will also be very helpful in improving their performance.

Improvements in task division also need to be made, so that each team member can focus more on their area of expertise, so that team productivity can be maximized. All of these steps are expected to help achieve the set targets, improve overall team performance, and reduce existing gaps. With improvements in various aspects of operations, supervision, and human resource management, it is hoped that team performance will be increasingly optimal and contribute positively to the company's goals and success.

Compensation is a reward received by an employee for their contribution and role in the company. Every employee certainly expects compensation that matches their expectations. When the compensation received meets these expectations, employees tend to feel more motivated and enthusiastic about working. This statement is supported by Siagian and Defrianti (2018), who state that providing the right compensation will make employees feel satisfied and motivated, which ultimately improves their performance. Ganyang (2018:93) also emphasizes that "company management must design compensation well so that it has a positive impact on the company's growth."

Compensation issues at CV. Sumber Makmur Indonesia are still considered less than good, because the compensation payments given by the company have not been in accordance with employee expectations. The salaries, allowances, and incentives received by employees are still relatively low and have not met the standards set by the government. This has caused many employees to complain because the compensation received is not commensurate with the work results they provide. Based on observations at the research location, there are still shortcomings in the types of compensation provided by the company, and the salaries received by employees have not met the Regional Minimum Wage (UMR) for the Jakarta area. The following is employee salary data at CV. Sumber Makmur Indonesia:

Table 2. Jakarta Region UMR Table and Salary Realization

NO	Year	Minimum Wage	Realization	GAP
1.	2023	4,900,000	2,944,000	1,956,000
2.	2022	4,650,000	2,733,000	1,917,000
3.	2021	4,416,000	2,511,000	1,905,000
4.	2020	4,270,000	2,300,000	1,970,000
5.	2019	3,940,000	2,100,000	1,840,000
Source: CV. Sumber Makmur Indonesia data 2019-2023				

Based on table 2 which shows the UMR for the Jakarta region and salary realization, it can be concluded that there is a significant difference between the UMR set and the salary received by employees from year to year.

Although the UMR has increased every year, the actual salary received by employees remains lower than the applicable UMR, with the largest gap occurring in 2020 and the smallest gap in 2019.

This gap shows that there is a mismatch between the wage standards set by the government and what employees receive in the field. Therefore, this needs to be a major concern for companies and related parties to review existing salary policies, so that the salaries received by employees can be more in line with the established UMR and improve their welfare. In addition, companies also need to consider making periodic salary adjustments to match changes that occur in the UMR in the future, and ensure that employees receive fair compensation for the contributions they make. That way, in addition to helping to increase employee motivation and productivity, this step can also improve the relationship between the company and employees in the long term.

Table 3. Compensation Data CV. Sumber Makmur Indonesia

Division	Amount Employee	Basic salary				
		2019	2020	2021	2022	2023
Manager	1	Rp.2700000	Rp.2900000	Rp.3300000	Rp.3800000	Rp.4200000
Supervisor	2	Rp.2300000	Rp.2600000	Rp.2900000	Rp.3200000	Rp.3500000
Head of Warehouse	1	Rp.2,000,000	Rp.2300000	Rp.2600000	Rp.2900000	Rp.3200000
Warehouse Admin	5	Rp.2,000,000	Rp.2150000	Rp.2300000	Rp.2450000	Rp.2600000
Marketplace Admin	10	Rp.2,000,000	Rp.2150000	Rp.2300000	Rp.2450000	Rp.2600000
Team Picker	15	Rp.2,000,000	Rp.2150000	Rp.2300000	Rp.2450000	Rp.2600000
Team Packing	15	Rp.2,000,000	Rp.2150000	Rp.2300000	Rp.2450000	Rp.2600000
Team Outbound	5	Rp.2,000,000	Rp.2150000	Rp.2300000	Rp.2450000	Rp.2600000
Security	1	Rp.2,000,000	Rp.2150000	Rp.2300000	Rp.2450000	Rp.2600000

Source: CV. Sumber Makmur Indonesia data 2019-2023

Based on Table 3, the compensation data provided by the company from 2019 to 2023 shows an increase that has not met expectations. The basic salary for the positions of Manager, Supervisor, and Warehouse Manager only increased by IDR 200,000 to IDR 300,000 per year, while the basic salary for the positions of Marketplace Admin, Picker Team, Packing Team, and Security only increased by IDR 150,000 per year. This increase is still far from employee expectations, especially considering the

increasing workload. Therefore, it can be concluded that the company's basic salary is still far below the Jakarta Regional Minimum Wage (UMR) standard set by the government, which can affect employee satisfaction and work motivation as a whole.

Table 3. Compensation Type Data (Financial and Non-Financial)

NO	Compensation (Financial and Non-Financial)	Information	
		There is	No There is
1.	BPJS and JKK	✓	
2.	Meal allowance		✓
3.	Overtime Pay	✓	
4.	Holiday allowance	✓	
5.	Annual bonus for employees	✓	
6.	Transportation costs borne by the company		✓
7.	Life insurance		✓
8.	Additional leave outside of regular leave		✓
9.	Sales incentives for employees		✓
10.	Vacation/Picnic		✓

Source: CV. Sumber Makmur Indonesia data 2019-2023

Based on Table 4, it can be concluded that the company provides several forms of compensation to employees, such as BPJS, JKK, overtime pay, holiday allowances, and annual bonuses. However, several other compensation elements, such as meal allowances, transportation costs covered by the company, life insurance, additional leave outside of regular leave, sales incentives, and vacations/picnics, are not available. According to Afandi (2018:195), "Examples of benefits are health and life insurance, vacations covered by the company, pension programs, and other benefits related to employee relations." From here, it can be seen that the root of the problem in compensation lies in the imbalance in the offering of facilities provided to employees, which has the potential to affect their work satisfaction and motivation.

To address the existing compensation issues, companies need to conduct a comprehensive evaluation of the policies currently implemented. One step that can be taken is to add compensation elements that are not currently available, such as meal allowances, transportation costs, life insurance, and providing additional leave outside of regular leave and sales incentives. By improving and completing the compensation package, companies can increase employee satisfaction and motivation levels, which will ultimately support improved performance and improve employee retention rates. These improvements will also help create a better relationship between employees and the company.

The work environment is an important factor that companies need to pay attention to in order to create comfort at work. The work environment includes everything around employees that can affect the way they carry out their assigned tasks (Nitisemito, 2018). The work environment is divided into two categories, namely the physical work environment and the non-physical work environment. According to Astuti & Mulyadin (2022), the non-physical work environment plays a very important role in creating comfort for employees. This factor can affect the

physiological and psychological aspects of employees, which ultimately contributes to increasing their work effectiveness.

Non-physical work environment conditions need serious attention from both leaders and employees themselves, especially in terms of job responsibilities and cooperation between co-workers in completing tasks. This problem often occurs due to lack of interaction between employees. Obstacles in completing work often arise due to unclear understanding of the tasks given by superiors. Sometimes, leaders provide feedback that is not specific enough, so employees feel confused and do not understand the instructions given. This lack of communication greatly affects work efficiency in the organization. Discomfort in a non-physical work environment can cause a decrease in employee morale, because less supportive environmental conditions can affect their motivation and productivity.

Table 4. Employee Non-Physical Work Environment Pre-Survey Data

No	Work environment Non-Physical	Indicator	Answer		Presentation	
			Agree	Don't agree	Agree	Don't agree
1	My communication relationship with my co-workers is going well and effectively.	Relations hip between co-workers at the same level	11	4	73%	27%
2	I feel safe from any form of intimidation from other employees.	Relations hip between co-workers at the same level	5	10	33%	67%
3	My coworkers help me when I have problems at work.	Relations hip between co-workers at the same level	10	5	67%	33%
4	I feel that the rewards given by the company are in accordance with my performance.	Relations hip between superiors and	5	10	33%	67%

No	Work environment Non-Physical	Indicator	Answer		Presentation	
			Agree	Don't agree	Agree	Don't agree
		employees				
5	I feel that the company provides opportunities for employees to improve their careers according to their performance.	Relationship between superiors and employees	4	11	27%	73%
6	I feel that the supervision of the superiors towards the employees in the company is quite good.	Relationship between superiors and employees	6	9	40%	60%
7	I feel I get recognition for my work achievements from my superiors.	Relationship between superiors and employees	4	11	27%	73%
8	I feel that this company really emphasizes good and solid teamwork.	Cooperation between employees	6	9	40%	60%
9	Employees in this company are open to each other if they have problems and try to solve the problems together.	Cooperation between employees	4	11	27%	73%
10	My colleagues and I always give maximum contribution, both in terms of energy and thought.	Cooperation between employees	9	6	60%	40%

Source: Pre-survey of 15 employees of CV. Sumber Makmur Indonesia

From Table 5, the results of the pre-survey conducted, show that most employees feel they do not get recognition for their work achievements from their superiors, with 73% disagreeing that their achievements are recognized. In addition, 60% of employees also disagree regarding the supervisory control of superiors over employees, while only 40% feel that supervision is quite good. On the other hand, 73% of employees feel there is no openness in facing problems and feel that there are no solutions provided to solve problems together. However, the majority of employees feel that they have made maximum contributions, both physically and mentally (60% agree), and 67% agree that their coworkers help them when they experience difficulties. Overall, the majority of employees feel dissatisfied with several aspects of the relationship between superiors and employees and teamwork.

From the above conclusions, it can be concluded that the results of the pre-survey indicate significant dissatisfaction between employees and superiors, especially related to work recognition, supervision, and opportunities for career development. Although there are positive aspects, such as effective communication between coworkers and assistance from fellow employees, companies need to focus on improving and enhancing the aspects that cause dissatisfaction. This is important to create a better work environment and support optimal employee performance. Therefore, companies are advised to conduct further evaluations and consider improvements or adjustments to policies to improve overall employee satisfaction.

METHOD

This study uses a quantitative method with a causal associative approach to analyze the relationship between compensation and non-physical work environment on employee performance at CV. Sumber Makmur Indonesia. With a population of 60 employees, this study uses a saturated sample technique. Data were collected through a Likert scale-based questionnaire, while data analysis was carried out using validity and reliability tests to ensure the accuracy of the instrument. In addition, this study applies classical assumption tests, including normality tests with Kolmogorov-Smirnov, multicollinearity tests with Variance Inflation Factor (VIF), and autocorrelation tests using Durbin-Watson to detect residual correlations. Heteroscedasticity tests with the Glejser method were also carried out to ensure the equality of residual variances. Data analysis was carried out using multiple linear regression to determine the simultaneous and partial effects of independent variables on employee performance, t-tests, F-tests and determination tests (R^2)

RESEARCH RESULT

1. Linear Regression Analysis

The purpose of this regression test is to analyze the influence of compensation variables (X_1) and non-physical work environment (X_2) on employee performance (Y). This assessment is carried out both individually (partially) for each variable, and simultaneously (simultaneously) to determine how much the two variables contribute to influencing employee performance. This regression test also aims to measure the influence of each factor on employee performance, as well as to understand the interdependent relationship between these variables in influencing overall performance.

The results of the regression analysis have been processed using SPSS Version 26 and can be seen in the table presented below:

Table 6. Simple Linear Regression Test Results for Compensation Variables() On Employee Performance (Y) X_1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27,198	4.341		6.266	.000
	Compensation	.385	.105	.434	3,674	.001

a. Dependent Variable: Employee performance

Source: SPSS Output Version 26

Based on what is shown in the table, the equation obtained is $Y = 27.198 + 0.385X_1$

Table 7. Simple Linear Regression Test Results for Non-Physical Work Environment Variables() On Employee Performance (Y) X_2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	25,397	4.199		6,048	.000
	Non-physical work environment	.437	.103	.485	4.229	.000

a. Dependent Variable: Employee performance

Source: SPSS Output Version 26

The table above shows the equation obtained, namely $Y = 25.397 + 0.437X_2$.

Table 8. Multiple Regression Test Results of Compensation Variables() and Non-Physical Work Environment () on Employee Performance (Y) X_1X_2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.254	4.470		5.426	.000
	Compensation	.126	.164	.142	.767	.446
	Non-physical work environment	.337	.166	.375	2,031	.047

a. Dependent Variable: Employee performance

Source: SPSS Output Version 26

As stated in the table above, the results of the regression calculation obtained the equation $Y = 24.254 + 0.126X_1 + 0.337X_2$

2. Correlation Coefficient Analysis (r)

Table 9. Results of Partial Correlation Coefficient Analysis Between Compensation() On Employee Performance (Y)X₁

Correlations			
		Compensation	Employee performance
Compensation	Pearson Correlation	1	.434**
	Sig. (2-tailed)		.001
	N	60	60
Employee performance	Pearson Correlation	.434**	1
	Sig. (2-tailed)	.001	
	N	60	60
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: SPSS Output Version 26

Based on the table attached above, it can be concluded that there is a significant correlation between compensation and employee performance. The Pearson correlation coefficient between these two variables is 0.434, indicating a strong positive correlation between the two. This means that the level of compensation received by employees has a positive correlation with their level of performance. In addition, the very low significance value (sig), namely (0.001), strengthens this finding and indicates that the relationship is significant and unlikely to occur by chance. Based on this, it can be concluded that compensation has a significant effect on employee performance in the company.

Table 10. Results of Partial Correlation Coefficient Analysis Between Non-Physical Work Environment() On Employee Performance (Y)X₂

Correlations			
		Non-physical work environment	Employee performance
Non-physical work environment	Pearson Correlation	1	.485**
	Sig. (2-tailed)		.000
	N	60	60
Employee performance	Pearson Correlation	.485**	1
	Sig. (2-tailed)	.000	
	N	60	60
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: SPSS Output Version 26

Based on the data in the table above, it can be concluded that there is a very significant relationship between non-physical work environment and employee performance. The Pearson correlation value between the two variables is 0.485, which indicates a fairly strong positive relationship.

In other words, the improvement of the non-physical work environment is proportional to the improvement of employee performance. This is reinforced by a

very low significance value (sig) (0.000), which indicates that this relationship is strong and very unlikely to occur by chance. Therefore, it can be concluded that the non-physical work environment has a very significant influence on employee performance in the company.

Table 11. Results of Simultaneous Correlation Coefficient Analysis Between Compensation() and Non-Physical Work Environment () on Employee Performance (Y) X_1X_2

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.493a	.244	.217	3,582	.244	9.174	2	57	.000
a. Predictors: (Constant), Non-physical work environment, Compensation									

Source: SPSS Output Version 26

Based on the results listed in the table, the simultaneous correlation coefficient value of 0.493 indicates that compensation (X_1) and non-physical work environment (X_2) have a significant influence on employee performance (Y). This shows that both variables, both individually and together, make a strong contribution in influencing employee performance in the company. In other words, compensation factors and non-physical work environment simultaneously have an important role in improving employee performance.

3. Determination Coefficient Analysis

The determination coefficient analysis aims to determine the percentage of variability in the dependent variable that can be concluded by the independent variable, either partially or simultaneously. Employee performance (Y) is tested to determine the compensation variable (X_1) and non-physical work environment (X_2). The results of the coefficient calculated with SPSS version 26 are presented as follows:

Table 12. Results of Partial Determination Coefficient Analysis Between Compensation() On Employee Performance (Y) X_1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.434a	.189	.175	3,677
a. Predictors: (Constant), Compensation				

Source: SPSS Output Version 26

Based on the data listed in the table above, the coefficient of determination value is 0.189. Indicating that the compensation variable (X_1) contributes 18.9% to the employee performance variable (Y). This means that around 18.9% of employee performance can be explained by the influence of the compensation received. Meanwhile, the remaining 81.1% is influenced by other factors not explained in this study, which may include other variables that contribute to employee performance but are not included in this research model.

Table 13. Results of Partial Determination Coefficient Analysis Between Non-Physical Work Environment() On Employee Performance (Y) X_2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485a	.236	.223	3,569
a. Predictors: (Constant), Non-physical work environment				

Source: SPSS Output Version 26

Based on the results listed in the table, the coefficient of determination value is 0.236. This value shows that the non-physical work environment variable (X_2) has a contribution of 23.6% to the employee performance variable (Y). This means that around 23.6% of the changes that occur in employee performance can be explained by the influence of the non-physical work environment.

Meanwhile, the remaining influence of 76.4% comes from other factors that are not included in the scope of this study. This shows that although the non-physical work environment plays an important role in influencing employee performance, there are many other factors that also influence employee performance but are not analyzed in this study, such as motivation factors, job satisfaction, training, or other external factors that can contribute to employee performance.

Table 14. Results of Simultaneous Analysis of Determination Coefficient Between Compensation() and Non-Physical Work Environment () on Employee Performance (Y) X_1X_2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.493a	.244	.217	3,582
a. Predictors: (Constant), Non-physical work environment, Compensation				

Source: SPSS Output Version 26

Based on the results of the determination coefficient analysis contained in the table above, it can be concluded that the regression model involving both predictors, namely compensation (X_1) and non-physical work environment (X_2), is very effective in describing the variations that occur in employee performance (Y).

With an R square value of 0.244, this indicates that 24.4% of the variation in employee performance can be explained by the two factors, namely compensation and non-physical work environment. This means that this regression model is able to describe the significant influence of the two factors on employee performance, although there are still other variables that affect performance that are not explained by this model.

The figure of 24.4% recorded in the coefficient of determination shows that the combination of compensation and non-physical work environment contributes that much in predicting differences in employee performance. Although this contribution is quite significant, there is still a remaining 75.6% of the variation influenced by other factors outside the two variables. This indicates that other factors may also have an important role that is not covered in this study.

Thus, the main conclusion of this analysis is that there is a strong correlation between compensation, non-physical work environment, and employee performance.

The regression model used in this study is able to explain most of the variations in employee performance with a fairly high level of accuracy. Therefore, these results indicate that compensation and non-physical work environment are important factors that need to be considered in efforts to improve employee performance in the company.

Hypothesis Testing

1. Partial Test (T-Test)

1) The effect of compensation () on employee performance (Y) X_1

Table 15. Compensation Variable t-Test Results() X_1 On Employee Performance (Y)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	27,198	4.341		6.266	.000
	Compensation	.385	.105	.434	3,674	.001

a. Dependent Variable: Employee performance

Source: SPSS Output Version 26

According to the test results shown in the table above, the compensation variable has a significant impact on employee performance at CV. Sumber Makmur Indonesia because the value T_{hitung} which is greater than the value ($3.674 > 2.002$) with a low significance value ($0.001 < 0.005$). As a result, the null hypothesis $T_{tabel}(H_{01})$ Rejected and hypothetical (H_{a1}) accepted, this study shows that compensation has a significant partial influence on employee performance at CV. Sumber Makmur Indonesia

2) The influence of non-physical work environment () on employee performance (Y) X_2

Hypothesis is determined by:

- $H_{02}: 0$ means there is no influence of the non-physical work environment on the performance of CV. Sumber Makmur Indonesia employees. β_2
- $H_{a2}: 0$ means that there is an influence of the non-physical work environment on the performance of employees at CV. Sumber Makmur Indonesia $\beta_2 \neq$

The results of data analysis using SPSS version 26 are as follows:

Table 16. Results of the t-test of non-physical work environment variables() X_2 On Employee Performance (Y)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	25,397	4.199		6,048	.000
	Non-physical work environment	.437	.103	.485	4.229	.000

a. Dependent Variable: Employee performance

Source: SPSS Output Version 26

Based on the table above, it can be concluded that the value T_{hitung} exceeds the value ($4.229 > 2.002$). In addition, the significance value is also less than 0.05 ($0.000 < 0.005$). Therefore, the null hypothesis $T_{tabel}H_{02}$ rejected and the alternative hypothesis is accepted, indicating that the non-physical work environment and employee performance at CV. Sumber Makmur Indonesia are correlated and partially significant. H_{a2}

2. Simultaneous Test (F Test)

Table 17. F Test Results Between Compensation (X_1) and Non-Physical Work Environment (X_2) On Employee Performance (Y)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	235,434	2	117,717	9.174	.000b
	Residual	731,416	57	12,832		
	Total	966,850	59			
a. Dependent Variable: Employee performance						
b. Predictors: (Constant), Non-physical work environment, Compensation						

Source: SPSS Output Version 26

The table above shows that the value is greater than the value ($9.174 > 3.16$). Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. Both hypotheses show a significant relationship between compensation) and non-physical work environment) on employee performance (Y) at CV. Sumber Makmur Indonesia simultaneously. $F_{hitung} F_{tabel}H_{03}H_{a3}(X_1(X_2$

DISCUSSION

The Effect of Compensation () on Employee Performance (Y) X_1

According to this study, there is a positive correlation between compensation and employee performance at CV. Sumber Makmur Indonesia, as shown by the simple linear regression test which forms the regression equation $Y = 27.198 + 0.385X_1$. This shows that the value of 27.198 in the constant indicates the presence or absence of a compensation variable. (X_1), employee performance value (Y) will remain 27.198. The compensation regression coefficient) of 0.385 identifies that the constant is fixed and the compensation variable) changes by 1 unit, employee performance (Y) will increase or decrease by 0.385. The correlation coefficient of 0.434 indicates a strong and positive relationship between the two variables. The determination coefficient of 0.189 implies that the compensation variable affects employee performance by 18.9% while other factors affect the remaining 81.1%. According to the hypothesis test conducted, there is a significant partial relationship between compensation and employee performance, because the value (3.674) exceeds the value (2.002) therefore the null hypothesis () is rejected and the alternative hypothesis () is accepted. This is relevant to the research conducted by Risky Andriyani, M. Toni Nawawi (2022) which found that compensation significantly affects employee performance. ($X_1(X_1 T_{hitung} T_{tabel}H_{01}H_{a1}$.

The Influence of Non-Physical Work Environment () on Employee Performance (Y) X_2

The results of the study indicate that the non-physical work environment in the workplace and employee performance at CV. Sumber Makmur Indonesia are positively correlated, as indicated by the regression equation $Y = 25.397 + 0.437$ and the correlation coefficient of 0.485 indicates a strong and positive relationship between the two variables and a determination coefficient of 0.236. However, only 23.6% of the variation in employee performance can be explained by the non-physical work environment, while the remaining 76.4% is influenced by other components not examined in this study. Hypothesis testing shows that there is a significant partial influence between the non-physical work environment and employee performance, because the value (4.229) exceeds the value (2.002) then the null hypothesis () is rejected and the alternative hypothesis () is accepted. This is relevant to the research conducted by $X_2 T_{hitung} T_{tabel} H_{02} H_{a2}$ by Fitriani et al. (2019) who found that a non-physical work environment has a positive impact on employee performance.

The Influence of Compensation () and Non-Physical Work Environment () on Employee Performance (Y) $X_1 X_2$

The results show that employee performance is positively influenced by compensation () and non-physical work environment (), as seen from the regression equation $Y = 24.254 + 0.126 + 0.337$. From the correlation coefficient of 0.493 indicates a strong and positive relationship between the two variables and the coefficient of determination between the independent variable and the dependent variable of 0.244, indicating a very strong relationship between the two. As much as 24.4% of the variation in employee performance can be explained simultaneously by compensation and non-physical work environment, while the remaining 75.6% is influenced by other factors not examined in this study. Hypothesis testing shows that there is a significant simultaneous influence between compensation and non-physical work environment on employee performance at CV. Sumber Makmur Indonesia because the value (9.174) exceeds the value (3.16) so that the null hypothesis () is rejected and the alternative hypothesis () is accepted. This is relevant to research conducted by $X_1 X_2 X_1 X_2 F_{hitung} F_{tabel} H_{03} H_{a3}$ Muhammad Audityawan Arief and Badia Perizade (2023) that there is an influence of compensation and non-physical work environment on employee performance.

CONCLUSION

Based on the results of the study, compensation and non-physical work environment have a positive and significant effect on employee performance at CV. Sumber Makmur Indonesia, both partially and simultaneously. The regression results show that compensation has an effect of 18.9% on employee performance (t-count 3.674 > t-table 2.002, sig. 0.001 < 0.005), while the non-physical work environment has an effect of 23.6% (t-count 4.229 > t-table 2.002, sig. 0.000 < 0.005). Simultaneously, compensation and non-physical work environment affect employee performance by 24.4% (F-count 9.174 > F-table 3.16, sig. 0.000 < 0.005). The limitations of this study include other factors that have not been studied, the possibility of bias in filling out the questionnaire, and the limited time of the study. Therefore, it is recommended for companies to evaluate the compensation system to better suit employee needs, strengthen communication between superiors and employees, and create a more collaborative work environment. In addition, for further research, it is recommended

to consider additional variables and expand the research period to obtain more comprehensive results.

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