

THE EFFECT OF WORK MOTIVATION, WORK ENVIRONMENT, AND COMPENSATION ON EMPLOYEE PERFORMANCE AT BANK BTN MEDAN BRANCH OFFICE

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Abstract

This study aimed to assess the impact of employee motivation, work environment, and remuneration on performance at the Bank BTN Medan Branch Office. This study employs quantitative methodologies and utilizes 40 employees as samples. The sampling is determined by saturation sampling. A questionnaire with a Likert scale is distributed directly to respondents to collect data. Instrument test of reliability and validity, classical assumption test, and hypothesis test utilizing multiple linear regression analysis and SPSS. The findings revealed that work motivation, work environment, and salary had a significant and positive impact on the performance of Bank BTN Medan Branch Office personnel, either partially or simultaneously. The effect obtained was on the value of 75.7%, means that work motivation, work environment, and compensation received have a significant influence on the performance of its employees, although it is necessary to increase certain aspects so that the increase will also improve and enhance the performance of the employees of the Bank BTN Medan Branch Office.

Keywords: Compensation, Performance, Work Environment, Work Motivation

1. INTRODUCTION

The banking business is competitive and growing faster in line with human needs in the aspect of financial and financial services. Based on data on banking business activities, the number of banks in 2018 was 1.708 business units, but decreased to 1.652 in 2019 and continued to decline to 1.575 in 2021 (Otoritas Jasa Keuangan, 2021). This shows that the banking business unit must pay attention to management in order to compete and not lose consumer confidence. Banking companies must also be able to create reliable employees to carry out their duties and responsibilities properly. This aims to make the company have a quality that is not inferior to other banking companies. Therefore, in training and also developing employee performance to be even better, especially in empowering human resources, it is very necessary to pay attention to the welfare of its employees.

Human resources play a role as one of the important factors for a company to survive in the era of globalization. Human resources who have good performance aim to make the company progress and the ability to compete with other companies. Employees in the company are the main assets that have a strategic role in a company, namely carrying out activities in planning, carrying out work, and controlling company activities. The company consistently strives for the work to be done optimally. Superior workers can certainly provide the most appropriate contribution expected by the company including achievement in work, loyalty to the company, and a good attitude. Problems that are often faced by a company are usually related to human resource problems. This

is one of the challenges that must be managed by management.

Employee performance is a representation of the work performed by workers and is typically used as a foundation or benchmark for evaluating personnel within an organization. Good performance is an effective means of achieving the organization's objectives. Consequently, performance is a factor in accomplishing organizational objectives, and efforts must be taken to enhance employee performance. To maintain and increase employee performance, it is possible to consider the elements that influence performance. There are both internal and external elements that impact employee performance. This study examines the internal and external contributors to better performance.

Providing motivation is a way for employees to work even harder with encouragement and effort for their abilities and skills, so that employees are ready to realize company goals. Work motivation has an important role in achieving maximum company goals, by motivating employees to complete work according to predetermined standards, therefore companies must be able to motivate employees, namely in accordance with the wishes and needs of employees.

Another thing that every leader in the company needs to observe is compensation, for example such as benefits, salary increases, compensation structures and compensation scales, so it is not only the work environment and motivation that the company leaders need to observe. Compensation is given as a reward for the dedication given by employees in the form of time, abilities and ideas submitted to the company. Compensation provided by financial service companies such as banks is generally in the form of direct or indirect. To motivate workers to enhance the quality of their job, banking businesses pay bonuses, salary, and allowances as compensation.

Additionally, the work environment might influence employee performance. The work environment in banking organizations that requires great focus and makes employees physically and non-physically comfortable, in terms of facilities and interpersonal interactions. Therefore, efforts should be taken to ensure that the work atmosphere is positive and accommodating, since this enables employees to feel comfortable and enthusiastic about doing their jobs. A tight and mutually beneficial connection between coworkers, as well as between supervisors and subordinates, will positively affect employee morale.

Employees who work in the banking industry in Indonesia generally work in two types of banks, namely private-owned banks or state-owned banks. According to data from the Otoritas Jasa Keuangan (2021), In Indonesia, there are only five state-owned banks: Bank Rakyat Indonesia, Bank Mandiri, Bank Negara Indonesia, Bank Tabungan Negara, and Bank Syariah Indonesia. This number is less than privately owned banks which reached 67 commercial banks consisting of 38 divisional banks and 29 non-divisional banks. In addition, the growth of State-Owned Enterprises (hereinafter referred to as BUMN) bank assets grew by around 6%, which is still lower than private banks which reached 14,2%. This causes the government to pay attention to the number of human resources as a driver of the bank's growth in order to encourage organizational performance in general.

Based on the performance of State-Owned Enterprises (hereinafter referred to as BUMN) in 2021 among the five operating banks, Bank Tabungan Negara (BTN) is a bank that has a Compound Annual Growth Rate (CARG) growth which is used as an indicator of the lowest banking growth projection of 17,97% and BRI 24,37%, BNI 19,9% and

Mandiri 19,4% while Bank Syariah Indonesia, which is a new bank, does not yet have complete data in data recapitulation (Dataindonesia.id, 2022). The low average growth at Bank BTN indicates there are problems that need to be identified further.

Bank BTN in Indonesia has 76 general branches, 24 sharia branch offices, 304 sub-branches and 48 sharia sub-branches. Based on news reported from kumparan.com (2021) Bank BTN Medan Branch Office related to the problem of non-performing credit cases involving four employees in a fictitious credit case in 2021. Negative issues reported in various news related to Bank BTN Medan Branch Office mentioned a problem a fictitious credit of Rp39,5 billion for the right to use a building (hereinafter referred to as SHGB) for one of the companies. This causes the name of Bank BTN Medan Branch Office to be less good in the eyes of consumers. To maintain its image, Bank BTN Medan Branch Office continues to improve resource management, especially employee performance.

Based on a preliminary study conducted at Bank BTN Medan Branch Office, it is known that Bank BTN Medan Branch Office already has performance appraisal guidelines related to employee behaviour, character, knowledge, and expertise. The selection of performance appraisal components is based on the vision, mission, and work culture of Bank BTN Medan Branch Office. However, based on interviews, it is known that employee performance has decreased in the very good category. The following is data on employee performance appraisal of Bank BTN Medan Branch Office:

Table 1. Data Recapitulation of Employee Performance Assessment of Bank BTN Medan Branch Office 2017 - 2020

Year	L	%	WE	%	W	%	VW	%	Amount
2017	1	2,70	9	24,32	20	54,05	7	18,92	37
2018	0	0,00	10	26,32	22	57,89	6	15,79	38
2019	1	2,63	12	31,58	20	52,63	5	13,16	38
2020	2	5,13	16	41,03	16	41,03	5	12,82	39

Source: Data Recapitulation of Bank BTN Medan Branch Office, 2022

Information:

B	= Bad	(0 – 19)
L	= Less	(20 – 39)
WE	= Well Enough	(40 – 59)
W	= Well	(60 – 79)
VW	= Very Well	(80 – 100)

Table 1 explains that the majority of Bank BTN's Medan Branch Office employee performance appraisals are good and there are no employees who perform poorly. However, what is interesting is that the number of employees who perform very well has decreased every year, while the number of employees who perform quite well continues to grow. This shows that although on average the employee's performance has been good, the condition of the employee's ability has not met the ideal condition, which is very good. In addition, there is the potential for a decrease in individual performance in employees who continue to show a decline in work quality with the increase in the number of employees whose performance category is quite good. In addition, based on the results of interviews from 20 employees of Bank BTN Medan Branch Office, it was found that 16 of 20 (80,0%) employees admitted that they had difficulty exceeding the set work targets.

Furthermore, some employees feel that they are unable to complete the work according to the target set because the employee lacks motivation in completing the work. In addition, based on an interview with one of the supervisors of the Bank BTN Medan Branch Office, many employees will only complete work if there are instructions from superiors so that employees tend to still not have the initiative to start a job, so employees have low motivation in carrying out their duties and tend to wait for instructions first from his superiors.

Preliminary studies was done through interviews with employees of Bank BTN Medan Branch Office also showed that most employees complained that employees felt that the physical environment at work had noise that affected their concentration at work. This is because the Bank BTN Medan Branch Office is located right on the side of the road, so many vehicles pass on the road. In addition, there are also employees who feel that the salary compensation they receive is not sufficient to meet their daily needs. This is because there are differences between the needs of each person's life.

In addition to these problems, this is also supported by the literature gap found in previous research, such as those carried out by Alwan & Djastuti (2018) finding that work motivation has a significant positive effect on employee performance. However, Luhur (2014) found that work motivation had no effect on employee performance. Meanwhile, Moulana et al. (2017) discover that employee performance is significantly influenced by the work environment. However, a research by Arianto (2013) highlight that the work environment has no effect on employee performance. In addition, in the research of Astutik (2016); Rizal et al. (2014); Suwati (2013); Utami (2014) reveals that compensation has an effect on employee performance.

There is a phenomena of employee performance at the Bank BTN Medan Branch Office characterized by a decline in the very excellent category in performance evaluation and an increase in the pretty good category, indicating that employees have difficulty performing their responsibilities in quantity and quality. Hence, it is vital to determine the causes of the reduction in performance, such as a lack of work motivation, a loud workplace, and inadequate pay for the company's employees' wellbeing. The relevance of recognizing variables that contribute to a deterioration in performance stems from the fact that if employees lack motivation, particularly regarding their obligations at the Bank BTN Medan Branch Office, they may lack the initiative to finish work on time. A less effective work environment has not been able to appropriately impact employee performance, hence affecting employee performance. Inadequate compensation might also impair employee motivation to do their responsibilities correctly.

2. LITERATURE REVIEW

2.1. Work Motivation

Work motivation is a driver of willingness and driving force of individual work desire because each motivation has a specific purpose to be achieved (Hasibuan, M. S., & Hasibuan, 2016). Work motivation is a psychological condition that is urgent, animates or moves that leads to and gives birth to individual behavior, attitudes and actions in order to achieve goals (Siagian, 2013). Anwar Prabu Mangkunegara in Fadillah et al. (2013) explains 5 indicators of work motivation, namely responsibility, work performance, opportunities for advancement, recognition for performance and challenging work.

2.2. Work Environment

The work environment is where a person does his job. The work environment needs to get more attention because there can determine the product results obtained. A safe and secure environment can make work easier and get better results that company expect (Schultz & Schultz, 2016). The work environment is something that exists in the surroundings of workers and can influence how they do their jobs. A good work environment is one in which employees can work in a safe, healthy, and pleasant way; a poor work environment can have a negative influence on the organization since people cannot perform at their highest level. According to Sedarmayanti (2017) there are 5 indicators of the work environment, namely lighting/illumination, air temperature/temperature, noise in the workplace, work safety, and relationships between employees.

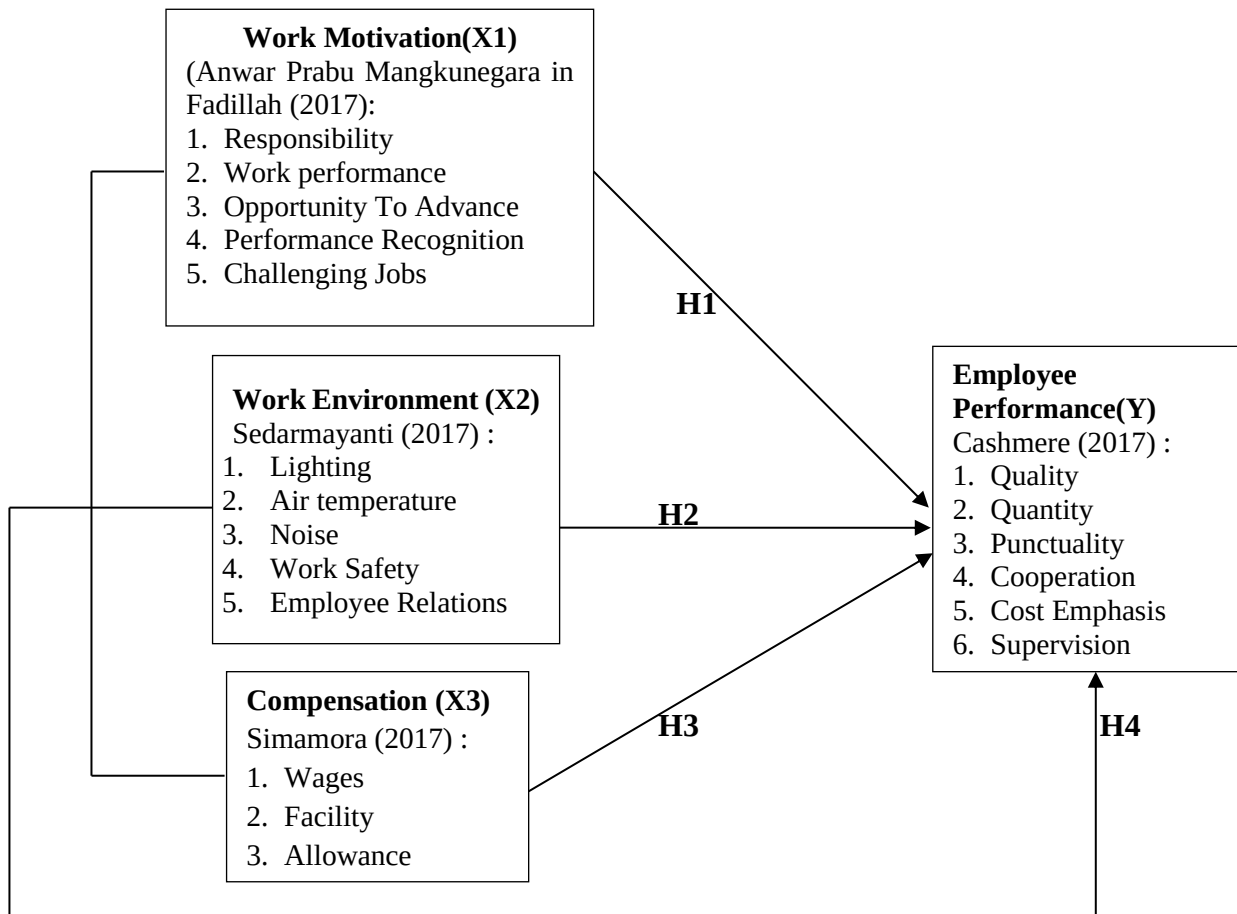
2.3. Compensation

Compensation is the provision of fair and appropriate services to employees in return for their services to the company. So compensation has a broad understanding, in addition to salaries and wages, it can be in the form of housing, transportation facilities, uniforms, family assistance, health assistance, food assistance and various other forms with permanent acceptance allowances by employees (Suwatno & Priansa, 2014). Compensation is not just about salary and wages, but also other things. Stone T. H. (2017) noted that compensation is all forms of salary received by workers in return for work that employees have given to employers. According to Simamora (2017), there are 3 indicators of compensation, namely employee salaries, work facilities for employees and benefits received by employees.

2.4. Employee Performance

Performance is the consequence of labor and work behavior accomplished to complete tasks and obligations within a certain time frame (Kasmir, 2017). Performance is the consequence of an employee's job and the quality and quantity he or she has accomplished in carrying out his or her obligations in line with the responsibilities assigned to the workers (Mangkunegara, 2017). A company's level of success is significantly impacted by employee performance. The development of the company's business will yield positive employee performance. Inversely, bad employee performance will negatively effect the company's success. According to Kasmir (2017) there are 6 indicators of employee performance, namely quality, quantity (amount), time (term), cooperation, cost suppression and supervision.

2.5. Conceptual Framework



Source: Author (2022)

Figure 1. Conceptual Framework

Based on the conceptual framework, this study proposes several hypotheses:

- H1 : Motivation Has a Significantly Positive Effect on Employee Performance
- H2 : Work Environment Has a Significant Positive Effect on Employee Performance
- H3 : Compensation Has a Significantly Positive Effect on Employee Performance
- H4 : Work Motivation, Work Environment and Compensation Have a Significantly Positive Effect on Employee Performance

3. RESEARCH METHODS

This research takes a quantitative approach while also utilizing an associative methodology. Research object located at the Medan Branch Office of Bank BTN. Sampling using Non Probability sampling using a saturation sample strategy among all 40 employees in the workforce totaling the population under study. Utilization of a Likert scale for the purposes of conducting instrument calibration and measurement. Putting research tools through their paces, the research analysis tool that makes use of SPSS software (Statistical Product and Service Solution version 25) includes the classical

assumption test, multiple linear regression analysis, and hypothesis testing; the F test; the t test; and the R^2 test.

4. RESULTS AND DISCUSSION

4.1. Research Results

4.1.1. Research Instrument Test

The following are the results of the research instrument testing the validity of each variable:

Table 2. Validity Test Result

No	Work motivation	$r_{\text{statistic}}$	r_{table}	Information
1	X1.1	0,351	0,312	Valid
2	X1.2	0,425		Valid
3	X1.3	0,764		Valid
4	X1.4	0,585		Valid
5	X1.5	0,729		Valid
6	X1.6	0,789		Valid
7	X1.7	0,641		Valid
8	X1.8	0,52		Valid
9	X1.9	0,508		Valid
10	X1.10	0,64		Valid

No	Work environment	$r_{\text{statistic}}$	r_{table}	Information
1	X2.1	0,602	0,312	Valid
2	X2.2	0,79		Valid
3	X2.3	0,67		Valid
4	X2.4	0,791		Valid
5	X2.5	0,531		Valid
6	X2.6	0,809		Valid
7	X2.7	0,636		Valid
8	X2.8	0,482		Valid
9	X2.9	0,616		Valid
10	X2.10	0,426		Valid

No	Compensation	$r_{\text{statistic}}$	r_{table}	Information
1	X3.1	0,705	0,312	Valid
2	X3.2	0,727		Valid
3	X3.3	0,73		Valid
4	X3.4	0,723		Valid
5	X3.5	0,704		Valid
6	X3.6	0,713		Valid
7	X3.7	0,682		Valid
8	X3.8	0,685		Valid

No	Employee performance	$r_{\text{statistic}}$	r_{table}	Information
1	Y1.1	0,56	0,312	Valid
2	Y1.2	0,343		Valid
3	Y1.3	0,598		Valid
4	Y1.4	0,686		Valid
5	Y1.5	0,692		Valid
6	Y1.6	0,793		Valid
7	Y1.7	0,781		Valid
8	Y1.8	0,65		Valid
9	Y1.9	0,318		Valid
10	Y1.10	0,334		Valid
11	Y1.11	0,615		Valid
12	Y1.12	0,578		Valid

Source: Primary data processed by SPSS version 25 (2022)

The table above shows that all statement items in each variable have an rcount value greater than rtable (0.3120) with an alpha value of 0.05 (5%), so that all statement instruments on all variables are declared valid and suitable to be used to measure research variables and given to respondents. After testing the validity of the instrument, the next is reliability testing. The following are the results of testing the reliability test instrument of each variable:

Table 3. Reliability Test Result

No	Variable	Cronbach's Alpha	Significance	Information
1	Work motivation	0,805	0,6	Reliable
2	Work environment	0,834	0,6	Reliable
3	Compensation	0,855	0,6	Reliable
4	Employee performance	0,818	0,6	Reliable

Source: Primary data processed by SPSS version 25 (2022)

According to the data presented in the table above, all of the statement items contained within each variable have a reliability coefficient value that is greater than 0,60. As a result, all of the instruments contained within each of these variables have been deemed reliable and are therefore suitable for use in research variables and for distribution to respondents.

4.1.2. Classic Assumption Test

The Kolmogorov-Smirnov test was utilized in order to determine whether or not the results of this study were normal. The results of the normality test are as follows:

Table 4. Normality Test Result

		Unstandardized Residual
N		40
Normal Parameters, b	mean	0.0000000
	Std. Deviation	3.14919409
Most Extreme Differences	Absolute	0.102
	Positive	0.78
	negative	-0.102
Test Statistics		0.102
asympt. Sig. (2-tailed)		0.200c,d
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Primary data processed by SPSS version 25 (2022)

Asymp was able to acquire the outcomes of the Kolmogorov-Smirnov non-parametric test, which was used to examine the normality of the data. Sig. (2-tailed) is 0.200, which indicates that the value is substantially higher than the threshold of 5%, which is expressed as $0.200 \geq 0.05$ in this context. Therefore, it is reasonable to draw the conclusion that the study data follows a normal distribution and that it would be possible to proceed with the following test.

In addition, the multicollinearity test determines whether or not there is multicollinearity with the independent variables based on whether or not the value of VIF > 10 . On the other hand, if the VIF < 10 , this indicates that there is no evidence of multicollinearity. The results of the test for multicollinearity are presented in the following table.

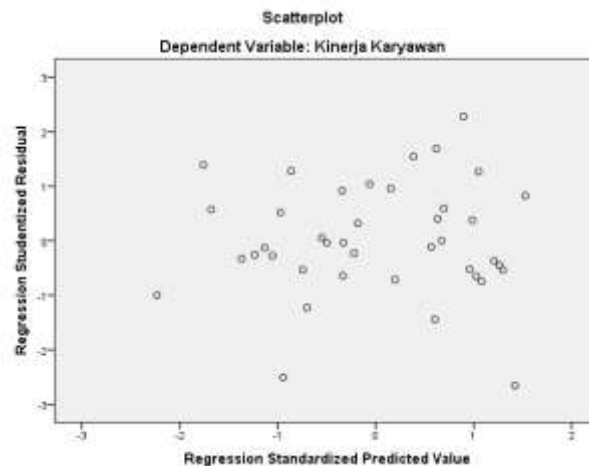
Table 5. Multicollinearity Test Result

Research Model	Tolerance	VIF	Information
Work Motivation(X1)	0,470	2,129	Multicollinearity does not occur
Work Environment(X2)	0,523	1,914	Multicollinearity does not occur
Compensation(X3)	0,509	1,966	Multicollinearity does not occur

Source: Primary data processed by SPSS version 25 (2022)

The table that can be seen above illustrates that the Tolerance value for all independent variables is 0.10, and the VIF value for all independent variables does not exceed 10. On the basis of these findings, one may get the conclusion that there are no indications of multicollinearity in any of the independent variables, which comprise work incentive factors (X_1), work environment variables (X_2), and compensation variables (X_3).

Furthermore, the heteroscedasticity test of this study uses a scatter-plot which can be described as follows:



Source: Primary data processed by SPSS version 25 (2022)

Figure 2. Heteroscedasticity Test Result

The illustration demonstrates that it is possible to see that the distribution of the study data demonstrates that it does not form a particular pattern. We are able to reach the conclusion that the assumption is true since there is no evidence of heteroscedasticity in the regression model used in this investigation, which demonstrates that the assumption may be trusted.

4.1.3. Multiple Linear Regression Analysis

The following are the results of multiple linear regression between variables work motivation (X_1), work environment (X_2), and compensation (X_3) on employee performance (Y) at Bank BTN Medan Branch Office.

Table 6. Multiple Linear Regression Test Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.467	3,589		0.687	0.496
	Work motivation	0.332	0.133	0.287	2.495	0.017
	Work environment	0.277	0.120	0.252	2,311	0.027
	Compensation	0.647	0.154	0.465	4.203	0.000
a. Dependent Variable: Employee Performance						

Source: Primary data processed by SPSS version 25 (2022)

Based on the results of multiple linear regression analysis in the table above, the resulting equation model is as follows:

$$Y = 2,467 + 0,332 \text{ Motivation} + 0,277 \text{ Environment} + 0,647 \text{ Compensation}$$

- 1) The constant value (a) is 2,467 with a positive sign indicating that there is no influence from work motivation (X_1), work environment (X_2), and compensation (X_3), then the value of employee performance (Y) at Bank BTN Medan Branch Office is 2,467.
- 2) The coefficient of work motivation (X_1) of 0,332 indicates that there is a positive influence between work motivation (X_1) on employee performance (Y), meaning that every increase in the value of work motivation (X_1) will increase employee performance (Y) at Bank BTN Medan Branch Office by 0,322 .
- 3) The work environment coefficient value (X_2) of 0,277 indicates that there is a positive influence between the work environment (X_2) on employee performance (Y), meaning that every increase in the value of the work environment (X_2) will increase employee performance (Y) at Bank BTN Medan Branch Office by 0,277.
- 4) The value of the compensation coefficient (X_3) of 0,647 indicates that there is a positive influence between compensation (X_3) on employee performance (Y), meaning that every increase in the value of work motivation (X_3) will increase employee performance (Y) at Bank BTN Medan Branch Office by 0,647.

4.1.4. Hypothesis Testing

T test (partial) to see how much influence between the independent variables work motivation (X_1), work environment (X_2), and compensation (X_3), on employee performance (Y) at Bank BTN Medan Branch Office individually (partial). The significant level used is 5% or 0,05 (two-tailed test) with degrees of freedom $df = nk = 36 (40-4)$, then the table value of 2,028 can be obtained. The following are the results of the t-test:

Table 7. Partial Significance Test (t-test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.467	3.589		0.687	0.496
	Work motivation	0.332	0.133	0.287	2.495	0.017
	Work environment	0.277	0.120	0.252	2,311	0.027
	Compensation	0.647	0.154	0.465	4.203	0.000
a. Dependent Variable: Employee Performance						

Source: Primary data processed by SPSS version 25 (2022)

- 1) The partial test between the work motivation variable (X_1) on employee performance (Y) obtained that the $t_{\text{statistic}}$ value is greater than the t_{table} value, which is 2,495 ($2,495 > 2,028$), while the significant value obtained is 0,017 which is smaller than the 0,05 alpha level. This shows that H_1 is accepted and H_0 is rejected, meaning that there is a significant influence between work motivation (X_1) on employee performance (Y) at Bank BTN Medan Branch Office employees.
- 2) The partial test between the work environment variables (X_2) on employee performance (Y) obtained that the $t_{\text{statistic}}$ value was greater than the t_{table} value, namely 2,311 ($2,311 > 2,028$), while the significant value obtained was 0,027 smaller than the 0,05 alpha level. This shows that H_2 is accepted and H_0 is rejected, meaning that there is a significant influence between the work environment (X_2) on employee performance (Y) at Bank BTN Medan Branch Office employees.
- 3) The partial test between the compensation variable (X_3) on employee performance (Y) obtained that the $t_{\text{statistic}}$ value is greater than the t_{table} value, which is 4.203 ($4,203 > 2,028$), while the significant value obtained is 0,000 which is smaller than the 0,05 alpha level. This shows that H_2 is accepted and H_0 is rejected, meaning that there is a significant influence between compensation (X_3) on employee performance (Y) at Bank BTN Medan Branch Office employees.

The simultaneous F test was used to determine the significance of the combined influences of work motivation (X_1), work environment (X_2), and remuneration (X_3) on employee performance (Y) at the Bank BTN Medan Branch Office. If $f_{\text{statistic}}$ is more than f_{table} and significance value is < 0.05 , which corresponds to a significance level of $\alpha = 5\%$, then the independent variable has a significant influence on the dependent variable at the same time. The results of the F test are as shown in the following table (simultaneous).

Table 7. Simultaneous Significance Test (Test F)

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1337,120	3	445,707	41,485	0.000b
	Residual	386,780	36	10,744		
	Total	1723,900	39			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Compensation, Work Environment, Work Motivation						

Source: Primary data processed by SPSS version 25 (2022)

As can be seen in the table that the value in this investigation is higher than the f_{table} value, which comes in at 41,485 ($8,412 > 2,87$), however the significant value, which comes in at 0,000 is lower than the alpha level of 0,05. This demonstrates that H_4 is accepted whereas H_0 is not accepted, which indicates that there is a substantial effect between work motivation (X_1), work environment (X_2), and remuneration (X_3) combined on the performance of employees working at the Bank BTN Medan Branch Office (Y).

In addition, the test known as the coefficient of determination is used to determine

how well one variable is able to explain the variance of another variable that is known as the dependent variable. The following is an account of the findings from the test of the coefficient of determination.

Table 8. Coefficient of Determination Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,881a	0,776	0,757	3,27779
a. Predictors: (Constant), Compensation, Work Environment, Work Motivation				
b. Dependent Variable: Employee Performance				

Source: Primary data processed by SPSS version 25 (2022)

The table shows that the result of the r value is 0.881, this means that the relationship between work motivation (X_1), work environment (X_2), and compensation (X_3) on employee performance (Y) at Bank BTN Medan Branch Office is very close. The value of the coefficient of determination obtained is 0,757 which shows the influence of work motivation (X_1), work environment (X_2), and compensation (X_3) on employee performance (Y) on employees of Bank BTN Medan Branch Office (Y) is 75,7% while the remaining 24,3% is influenced by other variables not examined in this study.

4.2. Discussion

4.2.1. The Effect of Work Motivation on Employee Performance at Bank BTN Medan Branch Office

Based on the results of the study, it shows that work motivation has an effect on employee performance as evidenced by the $t_{\text{statistic}}$ value is greater than the t_{table} value, which is 2,495 ($2,495 > 2,028$), while the significant value obtained is 0,017 which is smaller than the 0.05 alpha level. This shows that the hypothesis is accepted or there is a significant influence between work motivation on employee performance at Bank BTN Medan Branch Office. The results of this study indicate that work motivation has an important role in achieving maximum company goals. One of the work motivations received by employees of Bank BTN Medan Branch Office is the provision of incentives and also giving praise from superiors to motivate employees to work. By motivating employees to complete work according to predetermined standards, therefore companies must be able to motivate employees, namely in accordance with the wishes and needs of employees. they are through the provision of motivation, so that employees are ready to realize the company's goals. Wursanto (2009) explains that motivation is an impulse, desire, desire and driving force that comes from humans to do or to do something.

This study reveals that work motivation is in the good category, as well as performance, this can be seen from the average answers of respondents who have answered agree, although on some items there is a tendency for work motivation to be less like responsibility. Responsibility is related to the quality and quantity of work which is one indicator of employee performance. So, the importance of increasing responsibility in order to maintain the performance of employees who can complete work targets or tasks on time with quality work standards. This finding has implications for human resource management policies at Bank BTN Medan Branch Office to be able to mobilize

and focus on employee development so that they are more motivated in increasing responsibility in the form of initiatives. Initiatives are very much needed by the company because each work division has different duties and responsibilities, but on the other hand the initiative to help the success of the program as a whole is crucial. Management can foster initiative by building bonds between employees so that they can have a culture of helping each other.

4.2.2. The Influence of the Work Environment on Employee Performance at Bank BTN Medan Branch Office

According to research results, it shows that the work environment has an effect on employee performance as evidenced by the value of $t_{\text{statistic}}$ greater than t_{table} which is 2,311 ($2,311 > 2,028$), while the significant value obtained is 0,027 which is smaller than the alpha level of 0,05. This shows that the hypothesis is accepted or there is a significant influence between the work environment on employee performance at Bank BTN Medan Branch Office. The findings of this research reveal that the circumstances of the work environment are deemed excellent or suitable if people are able to do tasks in an optimum, safe, healthy, and pleasant manner. The suitability of the work environment can be seen as a result in the long term even further. Uncomfortable work environments such as noise from passing vehicles can cause employees to become unfocused at work, it would be better if the office could be provided with silencers so as not to disturb the concentration of employees. The results in this study are in line with the findings of Alvyonita (2017) which suggests that there is a positive influence of the work environment on employee performance where the level of relationship is in the very strong category. Meanwhile, this result is contradicts with the research by Febriani, (2017) & Puspita (2017) who found that there was no significant effect of the work environment on employee performance. Moekijat (2018) argues that employees can improve their work ability if they have a comfortable and safe work environment, in other words, employees are given the motivation to continue working.

The results of this study also show that of the three variables, the work environment is the variable that has the lowest contribution with the regression coefficient value 0.277. It is necessary to improve the work environment both physically and non-physically. Physical work environments such as rooms, especially soundproof rooms, need to be a priority for Bank BTN Medan Branch Office so that employees feel comfortable, concentrate more so that they can complete their work well. Employees who feel a conducive work environment will be more able to focus their attention, listen to complaints or customer requests well, so that both in administrative work or in service the physical environment conditions greatly affect the quality of employee work.

4.2.3. The Effect of Compensation on Employee Performance at Bank BTN Medan Branch Office

Based on the results of the study, it shows that compensation has an effect on employee performance as evidenced by the $t_{\text{statistic}}$ value greater than the t_{table} value, which is 4,203 ($4,203 > 2,028$), while the significant value obtained is 0,000 which is smaller than the 0,05 alpha level. This indicates that the hypothesis is supported or that there is a substantial relationship between the salary offered to Bank BTN Medan Branch Office personnel and their performance. The results obtained in this study are in line with research conducted by Julita (2017) which found that there was a very strong and positive

influence on the effect of compensation on employee performance at the Financial Services Authority Regional Office 5, North Sumatra, Medan.

The findings of this research demonstrate that if pay values are enhanced, employee performance will rise. Moreover, a decline in the value of remuneration will diminish the value of employee performance. This is because compensation can be a factor for employees in carrying out activities at the company. Julita (2017) also reveal that inadequate remuneration may decrease employee performance, motivation, and work satisfaction, and even drive away prospective employees. In addition to non-salary pay, there is indirect compensation, which is extra remuneration provided to all workers based on business policy in an attempt to increase their welfare.

The results of this study also show that compensation is a variable that has the largest regression coefficient, namely 0.647. This shows that compensation is very important in employee empowerment efforts. Compensation is expected to motivate employees so that they can complete their work well. With adequate compensation and an increase in motivation that is carried out successfully, an employee will be motivated in carrying out the work assigned to him and try to overcome the problems that occur. The selection of compensation is based on whether the existing rewards are in accordance with the employee's assessment and whether extrinsic or intrinsic rewards have value as expected and can motivate someone to do something expected by the organization.

4.2.4. The Influence of Work Motivation, Work Environment, and Compensation on Employee Performance at Bank BTN Medan Branch Office

According to the study's results, job motivation, work environment, and salary have a substantial impact on employee performance. It can be observed that each of the independent variables of work motivation (X_1), work environment (X_2), and remuneration (X_3) have a connection with one another and both have an impact on employee performance (Y) at the Bank BTN Medan Branch Office. This may be shown by the fact that the produced f statistic value is more than the f table value, where the resulting f statistic value is 41.485 ($8,412 > 2,87$) and the significant value of 0,000 is less than the alpha 5% level ($0,000 < 0,05$). It also indicates that the study's premise is supported, or that work motivation, work environment, and remuneration have simultaneous effects on employee performance at the Bank BTN Medan Branch Office. 75,7% of employee performance at the Bank BTN Medan Branch Office is influenced by work environment and compensation, while the remaining 24.3% is influenced by variables not examined in this study, such as organizational culture, leadership style, work stress, work discipline, and work experience (Sibuea, 2021; Sipayung, 2021; Sitorus, 2017).

Performance is the willingness of an individual or group to carry out a task in line with assigned obligations and anticipated outcomes. As is well known, employee performance has a significant impact on a company's degree of success. Good employee performance will follow positive business growth outcomes. Poor employee performance will also have a detrimental influence on the success of the organization. In this study, employee performance was measured using six (6) indicators, namely quality, quantity (amount), punctuality, cooperation, cost suppression, and supervision, where the lowest indicator was in the results of the analysis is cost suppression where in suppressing these costs it can be seen that employees are accustomed to an adequate budget so that when there is a budget cut it will affect their performance that is charged, although not all employees can fulfill it, but most are able to produce quality work.

5. CONCLUSION

The conclusion that can be drawn from the study findings and discussion of the effect of motivation, work environment, and remuneration on employee performance at the Bank BTN Medan Branch Office is:

- 1) The variable of work motivation has a positive and significant effect on employee performance. This shows that the higher work motivation will improve employee performance for the better at Bank BTN Medan Branch Office, especially on the work performance indicator with a mean value of 3,59 which indicates that employees have been able to realize the work given as well as possible.
- 2) The work environment variable has a positive and significant effect on employee performance. This shows that the better the work environment, the better the performance of the employees of Bank BTN Medan Branch Office, especially on the employee relations indicator with a mean value of 3,64 which indicates that communication has been well established between fellow employees and with superiors.
- 3) The compensation variable has a positive and significant effect on employee performance. This shows that the higher the compensation received, the better employee performance at Bank BTN Medan Branch Office, especially on the salary indicator with a mean value of 3,68 which indicates that the salary given to employees is adequate.
- 4) The variables of work motivation, work environment and compensation have a simultaneous effect on employee performance for the better at Bank BTN Medan Branch Office. The results of the coefficient of determination indicate that the relationship formed is a very close relationship and thus work motivation, work environment and compensation can explain the performance of employees of Bank BTN Medan Branch Office.

Based on the results of the study, it can be suggested to the Bank BTN Medan Branch Office by focusing on:

- 1) Special attention is needed from the management and leadership of Bank BTN to hold training and regular meetings at least once a week so that they have more opportunities and time to chat and motivate employees to foster a sense of responsibility and loyalty from each of these employees to achieve goals and targets that have been set.
- 2) It is expected that the Bank BTN Medan Branch Office will pay more attention to noise pollution that employees often complain about. The relatively large noise level requires additional facilities to reduce or reduce noise pollution felt by employees. because work requires concentration, noise should be avoided so that employees can work with focus so as to maximize the performance of each employee involved.
- 3) Based on the compensation that has been given by Bank BTN Medan Branch Office to its employees. Even though the old-age benefits have been provided by Bank BTN, employees still need more adequate benefits to ensure their old age after retiring from their jobs, for example by providing an old-age investment scheme that is taken from 5% of fixed income per month and given when the employee quits or will be out of duty.

- 4) It is recommended to Bank BTN Medan Branch Office to encourage employees to complete work on time so that budgeting costs do not occur due to inefficient work.

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