

## The Effect of Compensation and Work Environment on Production Employee Performance with OCB As Mediation Variable (Case Study of CV. Berlian Makmur Situbondo)

# Nadia Mega Oktavia Hapsari<sup>1\*</sup>, Uci Yuliati<sup>2</sup>, Dicky Wisnu Usdek Riyanto<sup>3</sup>

Management Department, Universitas Muhammadiyah Malang, Indonesia Corresponding E-mail: nadiahapsari86@gmail.com

#### Abstract

The purpose of the study was to determine the effect of compensation and work environment on employee performance with organizational citizenship behavior as mediation at CV Berlian Makmur in Situbondo Regency. The population in the study was 55 production employees. The sampling technique is total sampling. Data collection through questionnaires and interviews. The analysis method uses a range of scales and linear regression analysis techniques with SmartPLS 2.0. The results showed that compensation and work environment had a positive and significant effect on employee performance partially. Compensation has no significant effect on organizational citizenship behavior. The work environment has a positive and significant effect on organizational citizenship behavior. Organizational citizenship behavior has a positive and significant effect on employee performance. Organizational citizenship behavior does not mediate compensation for employee performance. Organizational citizenship behavior mediates the work environment on employee performance.

**Keywords**— compensation, work environment, employee performance, OCB.

#### **Abstrak**

Tujuan penelitian untuk mengetahui pengaruh kompensasi dan lingkungan kerja terhadap kinerja karyawan dengan *organizational citizenship behavior* sebagai mediasi pada CV Berlian Makmur di Kabupaten Situbondo. Populasi dalam penelitian 55 orang karyawan produksi. Teknik sampling adalah total sampling. Pengumpulan data melalui kuesioner dan wawancara. Metode analisis menggunakan rentang skala dan teknik analisis regresi linier dengan SmartPLS 2.0. Hasil penelitian menunjukkan bahwa kompensasi dan lingkungan kerja berpengaruh positif dan signifikan terhadap kinerja karyawan secara parsial. Kompensasi tidak berpengaruh signifikan terhadap *organizational citizenship behavior*. Lingkungan kerja berpengaruh positif dan signifikan terhadap *organizational citizenship behavior*. *Organizational citizenship behavior* berpengaruh positif dan signifikan terhadap kinerja karyawan. *Organizational citizenship behavior* tidak memediasi kompensasi terhadap kinerja karyawan. *Organizational citizenship behavior* memediasi lingkungan kerja terhadap kinerja karyawan.

Kata kunci: kompensasi, lingkungan kerja, kinerja karyawan, OCB

#### INTRODUCTION

Human resource management is a science that regulates planning, organizing, implementing, and controlling human resources within a company or organization to achieve effective and efficient goals. In the organization, human resources play a very important role because, with the existence of human resources, every goal in the organization can be achieved optimally. Every company must have a goal to be achieved so that the company can survive in the business environment. The goals to be achieved by each company include getting big profits so that the company can develop more products by the desired goals, and the creation of welfare for each employee so that employee performance becomes better and more motivated. Performance according to Mathis & Jackson (2011) is an evaluation process to see how well an employee is doing their job when compared to a set of standards, which can then be communicated to each employee. Performance is considered to have an important role because it can maximize the realization of company goals. Factors that can affect performance are the environment, feedback, job design, remuneration or compensation, and job appraisal. To create good employee performance, companies must pay attention to work environment factors. According to Afandi (2018) the work environment can be interpreted as a place for all employees where in the work environment there are facilities that can support the achievement of company goals. A good work environment can have a good impact in the long term for every employee. Meanwhile, a work environment that is not good can reduce employee morale and performance so that it can have a negative effect on the development of the company.

Compensation according to Dessler (2007) is all forms of giving salaries, bonuses, gifts given to employees as a form of reward for the work they do for the company. Compensation can be one of the biggest factors that can boost a person's morale. Compensation factors according to Sutrisno (2011) are the demand and supply of labor, the company's ability and willingness to pay, labor unions, work productivity, and cost of living. Organizational Citizenship Behavior (OCB) is the behavior of employees who are outside of their duties, for example, the expression of personal interest in the work of others, giving advice in improving new employees, enthusiasm, and concern for the organization or company. Organizational Citizenship Behavior can involve several behaviors such as helping other people's work, volunteering in carrying out extra tasks, and complying with existing regulations in the company. Organizational Citizenship Behavior (OCB) according to Davis & Newstrom (2002) is more related that an employee as social being. CV Berlian Makmur is located at District Panji, Situbondo Regency is a company engaged in the manufacture of organic fertilizer for agriculture.

2019 2018 2020 Work Weight Grade Score (%) Weight Grade Score Weight Grade Score Behavior (%) (%) (%) (%)(%) Discipline 40 85 34 40 80 32 40 70 28 40 80 32 80 32 70 **Target** 40 40 28 75 Attitude 20 80 16 20 15 20 60 12 79 Total 100 82 68

Table 1. Results of Employee Performance Assessment CV Berlian Makmur

It can be seen in table 1 that the condition of employee performance at CV Berlian Makmur in the last three years has decreased from 2018-2020 in all aspects from 82%, then decreased to 79% and decreased again to 68%.

		Respondent	Score (%)
Variable	Frequency	Value	
Work Environment	20	55	36,4%
Motivation	7	55	12,7%
Compensation	16	55	29,1%
Organizational Culture	4	55	7,3%
Work Discipline	5	55	9,1%
Job Satisfaction	3	55	5,5%
Total	55	55	100%

Table 2. Factors Affecting Employee Performance at CV Berlian Makmur

The table above shows that the variables that can affect the performance of the production staff at CV Berlian Makmur are the work environment and compensation variables.

**Table 3.** Production Results Data for 2020

Month	Production	Realization	Deviation	Description
	Targets			
January	300.000 Kg	310.000 kg	> 10.000 Kg	Achieved
Febuary	300.000 Kg	270.000 Kg	< 30.000 Kg	Not Achieved
March	300.000 Kg	298.000 Kg	< 2.000 Kg	Not Achieved
April	300.000 Kg	240.000 Kg	< 60.000 Kg	Not Achieved
May	300.000 Kg	318.000 Kg	> 18.000 Kg	Achieved
June	300.000 Kg	320.000 Kg	> 20.000 Kg	Achieved
July	300.000 Kg	210.000 Kg	< 90.000 Kg	Not Achieved
August	300.000 Kg	200.000 Kg	< 100.000 Kg	Not Achieved
September	300.000 Kg	330.000 Kg	> 30.000 Kg	Achieved
October	300.000 Kg	280.000 Kg	< 20.000 Kg	Not Achieved
November	300.000 Kg	295.000 Kg	< 5.000 Kg	Not Achieved
December	300.000 Kg	345.000 Kg	> 45.000 Kg	Achieved

Data Source: CV Berlian Makmur

Based on the table above, it can be seen that the performance of employees in the field of fertilizer production in January-December 2020. For the production targets that were realized in accordance with the company's targets were in January, May, June, September, and December. Meanwhile, those that do not meet the target are in February, March, April, July and August. October and November. The achievement of production targets and increasing employee performance according to the President Director of CV Berlian Makmur are caused by timely compensation, bonuses, work environment and availability of raw materials. Meanwhile, the failure to achieve the production target was caused by engine problems, unmotivated employees, absent employees at work, unfavorable weather, and PT Petrokimia Gresik's policy not to temporarily produce.

**Table 4.** Compensation received by employees in 2020

No	Position	<b>Employee Salary</b>	Employee Salary Compensation Type	
1.	Production	Rp. 1.980.000	THR, BPJS Employment, severance pay,	
	Employees		and bonuses	

The compensation data above explains the monthly salary for each position in CV Berlian Makmur. In addition to giving salaries, CV Berlin Makmur also provides THR of Rp.1,000,000-Rp

2,000,000/year. In addition to THR, employees also receive severance pay of 1 time for each position when the employee is dismissed by the company. In addition to THR, BPJS employment, and severance pay, CV Berlian Makmur also provides financial and non-financial bonuses. For financial bonuses in the form of 5% of salary and non-financial bonuses in the form of basic materials. This bonus is given when sales exceed the target set by the company. The compensation is given so that employees are more enthusiastic and motivated to do the work and responsibilities given.

#### LITERATURE REVIEW

Employee performance according to Robbins & Coulter (2012) is the result of work in quality and quantity achieved by each employee in carrying out the responsibilities that have been given. Performance comes from the word job performance and can also be called actual performance or work performance achieved by each employee. Mathis & Jackson (2002) explains that performance is an action that has been taken by each employee in carrying out the work tasks that have been given by the company. Compensation according to Mathis & Jackson (2011) is one of the most important factors in influencing someone to choose to work in the company rather than in other companies. According to Dessler (2007) compensation is any form of reward or payment given to each employee as a form of reward for the work that has been done. The purpose of compensation according to Kadarisman (2012) is as a bond of cooperation, as satisfaction at work, and employee motivation so that they can carry out their duties and responsibilities better. Render & Haizer (2001) explains that the work environment is a physical environment used as a place for employees to work that can affect their performance, safety and quality of work life. Robbins & Coulter (2012) eexplain that the work environment is divided into two parts, namely the non-physical work environment and the physical work environment. According to Siagian (2004) explains that the benefits of the work environment are that it can increase employee morale. With the increase in work enthusiasm, employees can produce maximum products and services in accordance with the goals of each company. According to Organ et al (2006) Organizational Citizenship Behavior is a free behavior, which is indirectly recognized by the reward system and in the process of promoting effective functioning within the organization. The framework for formulating this research hypothesis is as follows:

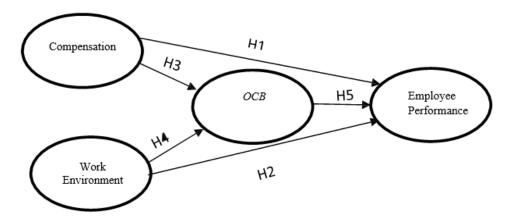


Figure 1. Research Framework

#### RESEARCH METHODS

The location of the research was done at CV Berlian Makmur, Situbondo Regency. The type of research used is explanatory with the total population in the study there are 55 employees of the production division and using the entire population of 55 people to be the sample. The type of non-probability sampling used is by using saturated sampling. This type of data source uses primary data with data collection techniques using questionnaires. The technique for making the researcher's scale is using a 5-point Likert scale. The instrument test uses validity and reliability tests. The data analysis technique used in this study used the Partial Least Square (PLS) method. Test the hypothesis by looking for direct and indirect effects, then the Sobel test is carried out.

#### RESULTS AND DISCUSSION

The research method used is through the distribution of questionnaires to 55 employees of the production division at CV Berlian Makmur. Characteristics of respondents are gender, age and position. The results of the characteristics of the respondents that have been carried out can be seen in the following description:

Characteristics **Information** People Percentage Gender 55 100% Male 0 0% Female 2. Age Less than 20 years 6 10,9% 21-30 years 28 50,9% 31-40 years 19 34,5% More than 40 years 2 3,7% Position Production Employee 55 100% Last Education **SMP** 12 21,8% SMA41 74,5% S12 3,7% 5. Length of Work 25 Less than 2 years 45,5% 2-10 years 30 54,5% 11-20 years 0 0%

**Table 5.** Characteristics of Respondents

Source: Data obtained via googleform

Based on table 5, there are 100% male respondents, the majority are aged 21-30 years and 31-40 years. Characteristics of respondents in the position of production employee status of 100%, the majority of the last education is high school status of 74.5% and the majority of the length of work 2-10 years by 54.5%.

**Table 6.** Validity Test

Variable	Item	r-test	r-table	Description
Performance	Y1	0.815	0,266	Valid
	Y2	0.886	0,266	Valid
	Y3	0.921	0,266	Valid
	Y4	0.780	0,266	Valid
	Y5	0.768	0,266	Valid
Compensation	X1.1	0.896	0,266	Valid
	X1.2	0.885	0,266	Valid
	X1.3	0.841	0,266	Valid
	X1.4	0.863	0,266	Valid
	X1.5	0.796	0,266	Valid

Variable	Item	r-test	r-table	Description
Work Environment	X2.1	0.991	0,266	Valid
	X2.2	0.972	0,266	Valid
	X2.3	0.920	0,266	Valid
	X2.4	0.911	0,266	Valid
OCB	Z1	0.920	0,266	Valid
	<b>Z</b> 2	0.911	0,266	Valid
	<b>Z</b> 3	0.734	0,266	Valid
	<b>Z</b> 4	0.842	0,266	Valid
	<b>Z</b> 5	0.825	0,266	Valid

Source: Results of data processing with SPSS25

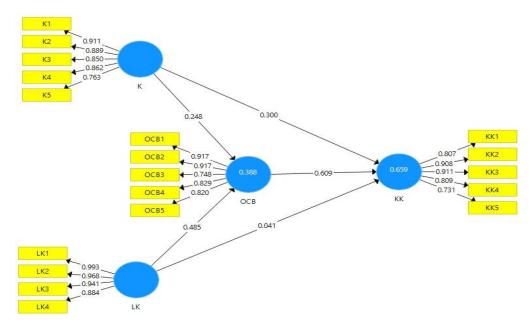
Based on table 6, it is known that the r-count on each question item on the variables of employee performance, compensation, work environment and organizational citizenship behavior has a value greater than r-table where r-table is for 55 respondents with a significant level of 5%, which is 0.266 so that it can prove that each indicator on the employee performance variable can be declared valid.

Table 7. Reliability Test

Variabel	Cronbach Alpha	N of item	Reliable Limit	Description
Performance employee	0.888	5	0,6	Reliabel
Compensation	0.906	5	0,6	Reliabel
Work Environment	0.960	4	0,6	Reliabel
organizational citizenship behavior	0.901	5	0,6	Reliabel

Source: Results of data processing with SPSS25

Based on table 7, it is known that all variables can be said to be reliable because they have a Cronbach alpha value 0.6.



Picture 2. Path Model Result

Table 8. Loading Factor

Variabel	Item	Factor Loading	Descriptiom
Performance employee	Y1	0.907	Valid
	<i>Y</i> 2	0.908	Valid
	<i>Y3</i>	0.911	Valid
	<i>Y4</i>	0.809	Valid
	Y5	0.731	Valid
Compensation	X1.1	0.911	Valid
•	X1.2	0.889	Valid
	X1.3	0.850	Valid
	X1.4	0.862	Valid
	X1.5	0.763	Valid
Work Environment	X2.1	0.993	Valid
	X2.2	0.968	Valid
	X2.3	0.941	Valid
	X2.4	0.884	Valid
OCB	Z1	0.917	Valid
	Z2	0.917	Valid
	Z3	0.748	Valid
	Z4	0.829	Valid
	<i>Z</i> 5	0.820	Valid

Source: Results of data processing with SmartPLS

Based on table 8 shows that all constructs have a factor loading value above 0.7 which means all items can be said to be valid.

Table 9. Value of Average Variance Extracted

Variable	Average Variance Extracted
Performance employee	0.699
Compensation	0.734
Work Environment	0.897
Organizational Citizenship Behavior	0.720

Source: Results of data processing with SmartPLS

In table 9 it is known that all variables in the study have an AVE value above 0.5. Employee performance variable has an AVE value of 0.699, for compensation variable is 0.734, work environment is 0.897, and for OCB is 0.720. It can be said that each indicator can reflect each variable validly.

Table 10. Cronbach Alpha Value and Composite Reliability

Variable	Cronbach alpha	Composite Reliability	Description
Performance employee	0.891	0.920	Reliabel
Compensation	0.910	0.932	Reliabel
Work Environment	0.963	0.972	Reliabel
Organizational Citizenship Behavior	0.901	0.928	Reliabel

Source: Results of data processing with SmartPLS

Based on table 10 shows that the value of the alpha coefficient or Cronbach's alpha and the value of composite reliability on each variable is more than 0.6, indicating that the variables in the study are said to be reliable.

Table 11. Square Value

Variabel	R-Square
Performance employee	0,659
Organizational Citizenship Behavior	0,388

Source: Results of data processing with SmartPLS

Table 11 explains that employee performance is influenced by compensation, work environment and Organizational Citizenship Behavior as much as 65.9%. While the Organizational Citizenship Behavior is influenced by compensation and the work environment is only 34.1%.

Table 12. Direct Variable

	Variable	Sample	Standard	T Statistc	P Value
Variable	Coefficient	Average (M)	Deviation		
Compensation →	0.451	0.439	0.217	3.548	0.000
Performance employee					
Work Environment →	0.248	0.237	0.157	1.679	0.094
Performance employee					
Compensation → OCB	0.336	0.334	0.131	2.571	0.010
Work Environment → OCB	0.485	0.486	0.122	3.968	0.000
OCB → Performance	0.609	0.606	0.129	4.708	0.000
employee					

Source: Results of data processing with SmartPLS

Table 12 shows that the direction of influence on positive and negative variables can be seen in the variable coefficients. Meanwhile, if you want to see the significance, you can see through the statistical T table with a value of 1.96 and the table P value 0.005, so it can be seen that compensation has no significant effect on employee performance. While the work environment has a positive and significant effect on employee performance, compensation has no significant effect on organizational citizenship behavior and the work environment has a positive and significant effect on organizational citizenship behavior.

Table 13. Indirect Variable

	Variable	Sample	Standard	T Statistc	P Value
Variable	Coefficient	Average (M)	Deviation		
Compensation $\rightarrow$ OCB $\rightarrow$	0.151	0.145	0.094	1.601	0.110
Performance employee					
Work Environment →	0.295	0.188	0.083	2.787	0.006
OCB→ Performance					
_employee					

Source: Results of data processing with SmartPLS

From the calculation results that have been listed in table 13 that the direction of influence on positive and negative variables can be seen in the variable coefficients. If you want to see the significance, you can see through the T statistical table with a value of 1.96 and in the table P value 0.05, so It can be seen that compensation has no significant effect on employee performance through organizational citizenship behavior and the work environment has a positive and significant effect on employee performance through organizational citizenship behavior.

 Table 14. Sobel Test Results Compensation to Employee Performance With OCB as Mediating

 Test Statistic	Std. Error	P - Value	Description
1.58	0.095	0.112	Mediation

Based on Table 14, calculating the results of mediation using the Sobel test, it can be explained that OCB does not mediate compensation on employee performance because the statistical t test results have a value of 1.58 with a significance level of 0.112.

Table 15. Sobel Test Results Work Environment to Employee Performance With OCB as Mediating

Test Statistic	Std. Error	P - Value	Description
3.04	0.097	0.002	Mediation

Based on Table 15, calculating the mediation results using the Sobel test, it can be explained that OCB mediates the work environment on employee performance because the statistical t test results have a value of 3.04 with a significance level of 0.002. Based on the results of data analysis, compensation has an effect positive and significant impact on the performance of the employees of the production department in CV Berlian Makmur. This is supported by research that conducted by Mutholib (2019) and Arifin et al (2019) explained that compensation has an effect on employee performance. Giving salaries, allowances, bonuses and guarantees health provided by CV Berlian Makmur has a very strong influence on employee performance, especially production employees. The impact of the compensation can be seen from employee performance results where employees can create perfection of work according to company standards.

Environment work has a positive and significant effect on employee performance. This is supported by research conducted by Olivia et al (2021) and Suprastha (2020) explain that the work environment has a significant effect on employee performance. Work environment can have a strong impact on employee performance. If well-designed work environment creates relationships good work and can bind employees in their environment. Based on the results of data analysis, it is explained that compensation does not significantly affect the organization citizenship behavior at CV Berlian Makmur. It is also supported with research conducted by Sulastri et al (2018) and Shanty, D., & Mayangsari (2019) explain that compensation has no effect significant on organizational citizenship behavior. Environment work has a positive and significant effect on the organization citizenship behavior. This is reinforced by research that conducted by Kailola (2018) and Muarip (2021) explain that if the work environment created is good, employees will have a high level of volunteerism. Thus, the hypothesis the fourth is accepted because if it is seen empirically it is proven. The work environment that surrounds the employees of the production department on CV Berlian Makmur is considered capable of influencing the emergence of attitudes or voluntary behavior arising from each employee.

Based on the results of data analysis, it is explained that organizational citizenship behavior has a positive and significant effect on employee performance. This is supported by research conducted by Bustomi et al (2020), Halim & Dewi (2018), Novianti (2021) explained that every employee will need OCB to form employees who not only improve in terms of needs but also concerned with the development of the company. Based on the results of the analysis of the indirect effect (indirect effect) the data explains that the work environment has a positive and significant effect on employee performance through organizational citizenship behavior. This is supported by research that conducted by Sukmawati et al (2013) explained that a good work environment will lead to increased organizational citizenship behavior of employees so that they can become important role on employee performance.

#### **CONCLUSIONS**

The goal of the study was to ascertain, at CV Berlian Makmur in Situbondo Regency, the relationship between employee performance and pay, with corporate citizenship behavior serving as a mediator. 55 factory workers made up the study's sample. Total sampling is the sampling method. Interviews and questionnaires are used to acquire data. Multiple scales and SmartPLS 2.0's linear regression analysis

Hapsari et al. Jamanika Vol.02 (02)

methods are used in the analysis process. The findings indicated that employee performance was somewhat influenced favorably and significantly by pay and work environment. Organizational citizenship behavior is not significantly impacted by compensation. Organizational citizenship behavior is positively and significantly influenced by the workplace. Employee performance is positively and significantly affected by organizational citizenship behavior. Organizational citizenship behavior does

not mediate compensation for employee performance. Organizational citizenship behavior mediates the

### **REFERENCES**

work environment on employee performance.

Afandi, P. (2018). Manajemen Sumber Daya Manusia; Teori, Konsep, Indikator. Zanafa.

Arifin et al. (2019). Pengaruh Kompetensi, Kompensasi dan Kepemimpinan Terhadap Kinerja Karyawan. *Ekonomi, Keuangan, Investasi Dan Syariah (EKUITAS)*, 1(1), 22–29.

Bustomi et al. (2020). Pengaruh Organizational Citizenship Behavior (OCB) Terhadap Kinerja Pegawai Kementerian Agama Kota Bandung. *Tadbir: Jurnal Manajemen Dakwah*, *5*(1), 1–16.

Davis & Newstrom. (2002). Perilaku dalam Organisasi (Terjemahan Agus Darma). Erlangga.

Dessler. (2007). Manajemen Sumber Daya Manusia, Edisi 1. Indeks.

Halim & Dewi. (2018). Analisa Pengaruh Organizational Citizenship Behavior Terhadap Kinerja Karyawan Hotel Bintang 3 Di Surabaya. *Jurnal Hospitality Dan Manajemen Jasa*, 6(2), 183–193. Kadarisman, M. (2012). *Manajemen Kompensasi*. Rajawali Pers.

Kailola, S. (2018). Pengaruh Kepribadian Dan Lingkungan Kerja Terhadap Organizational Citizenship Behavior (OCB) dan Kinerja Tenaga Medis 96 (Studi pada Rumah Sakit Sumber Hidup dan Rumah Sakit Hative di Kota Ambon). *Jurnal Manis*, 2(2), 62–81.

Mathis & Jackson. (2002). Manajemen Sumber Daya Manusia. Salemba Empat.

Mathis & Jackson. (2011). Human Resource Management (edisi 10). Salemba Empat.

Muarip, A. A. (2021). Pengaruh Lingkungan Kerja Terhadap Och Kerja Guru Pada Smk Negeri 1Semendawai Suku Iii Oku Timur. *Jurnal Trisna Riset*, 2(1), 8–15.

Mutholib, M. (2019). Pengaruh Pelatihan Kerja dan Kompensasi Finansial terhadap Kinerja. *Liabilities* (*Jurnal Pendidikan Akuntansi*), 2(3), 222–236.

Novianti, K. R. (2021). Does Organizational Commitment Matter? Linking Transformational Leadership With Organizational Citizenship Behavior (Ocb). *Jurnal Aplikasi Manajemen*, *19*(2), 335–345. https://doi.org/10.21776/ub.jam.2021.019.02.09

Olivia et al. (2021). Pengaruh beban dan lingkungan kerja terhadap kinerja karyawan pt karya cipta buana sentosa di maumere flores. *Gema Wiralodra*, 12(1), 139–150.

Organ et al. (2006). Organizational Citizenship Behavior: Its Nature, Antecedents, and Consequences. Sage Publication, Inc.

Render & Haizer. (2001). Prinsip-prinsip Manajemen Operasi: Operations Management. Salemba Empat.

Robbins & Coulter. (2012). Management. Prentice Hall.

Shanty, D., & Mayangsari, S. (2019). Analisis Pengaruh Kompensasi, Motivasi, Lingkungan Kerja Terhadap Kinerja Karyawan Dengan Komitmen Organisasional Sebagai Variabel Intervening. Jurnal Informasi, Perpajakan, Akuntansi, Dan Keuangan Publik, 12(2), 103.

Siagian. (2004). Teori Motivasi dan Aplikasinya. Bina Aksara.

Sukmawati et al. (2013). Peran Organizational Citizenship Behavior sebagai Mediator Pengaruh Kepuasan Kerja , Lingkungan Kerja dan Komitmen Organisasi terhadap. *Aplikasi Manajemen*, 11(4), 547–558.

Sulastri et al. (2018). Pengaruh kompensasi finansial dan kepuasan kerja terhadap organizational

citizenship behavior (OCB) pada karyawan PT. Kilang Lima Gunung. *Jurnal Kajian Manajemen Bisnis*, 7(2), 69–79.

Suprastha, L. (2020). Pengaruh Lingkungan Kerja Dan Motivasi Terhadap Kinerja Karyawan Pada PT SUNRISE POLYBAG. *Jurnal Manajerial Dan Kewirausahaan*, 2(1), 123.

Sutrisno, E. (2011). Leadership in Organizations. PT. Fajar Interpratama Offset.