

Research Article

THE EFFECT OF WORK ENVIRONMENT AND COMPENSATION ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS A MEDIATION VARIABLE AT THE REGIONAL OFFICE OF THE MINISTRY OF RELIGION OF WEST SUMATRA PROVINCE

Dessi Akhriani, Elsanra Eka Putra, Immelda Wahyuni, Depi Desmita, Joni Rizal
STIE "KBP" Padang

Email: desiqe@gmail.com, elsanraekaputra13@gmail.com, immeldawahyuni73@gmail.com
depidesmita8@gmail.com, jonirizalbana@gmail.com



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ABSTRACT

This study aims to find out the effect of the work environment, compensation and job satisfaction on employee performance at the regional office of the ministry of religion in the province of West Sumatra. The type of research is quantitative research. The population is all civil servants at the Regional Office of the Ministry of Religion of West Sumatra Province, totaling 191 people with a total sample of 129 people. The sampling technique is stratified proportional sampling. The data analysis technique used path analysis. The results of the research work environment have a positive and significant effect on employee job satisfaction, compensation has a positive and significant effect on employee job satisfaction, the work environment has a positive and significant effect on employee performance, compensation has a positive and significant effect on employee performance, job satisfaction has a positive and significant effect on employee performance. Employee performance. Job satisfaction is not able to mediate the effect of work environment and compensation on employee performance. **Copyright © AJHSR, all rights reserved.**

Keywords: Work Environment, Compensation, Job Satisfaction, Employee Performance

PRELIMINARY

Human resources (HR) are the spearhead of the success of an organization, both private and government. In other words, the performance and existence of an organization is highly dependent on the quality of its human resources. Humans are the most important resource in the organization's efforts to achieve success. These human resources support the organization with work, talent, creativity and encouragement. The perfection of the

technological and economic aspects possessed by an organization will not be meaningful in achieving organizational goals without the intervention of its human resources.

Performance is defined as the quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2013:67) . Here employee performance plays an important role in the process of achieving agency goals, so every employee must be able to work together in improving and improving the quality of services continuously in order to realize the achievement of these goals.

To encourage employee performance, it is necessary to have a mutually beneficial relationship between the agency and the employee. Employees provide good work performance for the organization, while the organization provides appropriate compensation for work performance that has been given by employees to the organization. The work environment in the organization will also support the level of performance of employees. If the environment around the workplace gives an uncomfortable impression, employees will feel lazy to work. This is the same as what Siagian (2010:12) said that one of the employees' performance is influenced by the work environment. Besides being influenced by the work environment, employee performance is also influenced by compensation. Handoko (2014: 193) states that performance factors are also influenced by one of them by the compensation system. Giving compensation is very important, because the size of the amount of compensation is a measure of employee performance, if the compensation system provided by the company is fair enough for employees, it will encourage employees to work better and be responsible for each task assigned by the company.

Employee performance in an organization can also be influenced by job satisfaction. Job satisfaction is one of the important factors in order to get optimal work results. Where in the end the job satisfaction of employees / employees can affect the overall performance of the organization (Al-Ahmadi, 2009) . Job satisfaction is also important to increase productivity and work continuity of an organization. Within the scope of human resource management, the job satisfaction factor provides great benefits for the organization/company, the employees/employees themselves and for the community.

Conditions that are felt and experienced by an individual in the organization will be perceived as being satisfied or dissatisfied with the organization and its work. Job satisfaction is manifested by proper adjustment to work situations and conditions such as income problems, social conditions and psychological conditions. Robbins & Judge (2017: 46) state that *job satisfaction* is a positive feeling about work, resulting from an evaluation of its characteristics. Individuals with a high level of job satisfaction will show a positive attitude towards work, otherwise individuals who are dissatisfied with their work will show a negative attitude towards the job.

Some experts suggest that there are several factors involved in job satisfaction. Gibson (2012:102) mentions job satisfaction as an attitude that individuals have about their work. This results from their perception of their job, based on work environment factors, such as supervisor style, policies, and procedures, work group affiliation, working conditions, and additional benefits. Meanwhile, Gilmer in (Soetjipto & Adiyanti, 2006) found that there are ten dimensions that can affect an employee's job satisfaction, namely security, opportunities for advancement, company (management), wages, intrinsic and work aspects, supervision, social and work aspects, communication , working conditions and benefits. From this opinion, it can be said that job satisfaction can be influenced by factors that come from within the individual itself and factors outside the individual. The more job satisfaction factors that can be met, the higher the level of satisfaction achieved.

In government agencies, the HR is known as the State Civil Apparatus (ASN) which includes civil servants (PNS) and government employees with work agreements (P3K) who are appointed by staffing officers and assigned tasks in a government position or assigned other State duties and paid based on the legislation (ASN Law No. 5 of 2014). They are the spearheads of the wheels of government in providing services to the wider community. The main tasks and functions of government can run well if the ASN or the employees who run them are satisfied with the work that is their responsibility. Therefore, employee job satisfaction is one thing that cannot be ignored by government organizations/agencies in supporting the achievement of agency performance.

Likewise, employees at the Regional Office of the Ministry of Religion of West Sumatra Province. As a vertical agency that is under and directly responsible to the Minister of Religion of the Republic of Indonesia, the Regional Office of the Ministry of Religion Prov. West Sumatra has the task of carrying out the main duties and functions of the Ministry of Religion of the Republic of Indonesia in the Province of Indonesia based on the policies of the Minister of Religion and statutory regulations. Employee job satisfaction at the Regional Office of the Ministry of Religion Prov. West Sumatra is an important factor in efforts to achieve the goals, mission and vision of the organization as a whole.

Job satisfaction created by employees is expected to maximize their potential to carry out work, so that the roles and functions of government agencies can be achieved optimally. Employee job satisfaction will be able to affect work performance, dedication, commitment, and love of employees for the work entrusted to them. Job satisfaction of an employee of a government agency will also have an impact on his performance in providing

services to the community. On the other hand, dissatisfaction can be the starting point for problems that arise in the organization/institution. Dissatisfaction will give birth to negative or deviant behavior from employees such as often not coming to work, being lazy in completing work, procrastinating work, boredom, etc., so that in the end it can cause disruption to the achievement of organizational goals. Employee dissatisfaction will have an impact on decreasing work performance both in terms of quality and quantity so that it will also affect the quality of services provided or overall organizational performance.

As a government agency in charge of the religious sector in West Sumatra which covers 19 districts/cities, job satisfaction of employees at the Regional Office of the Ministry of Religion of West Sumatra Province is a very important thing to pay attention to. Public services held will be able to achieve excellent *service* if the service provided by each employee is done wholeheartedly. The diversity of the community to be served requires the capacity of employees who are truly able to provide the best service. This condition will be realized when every employee feels high job satisfaction in carrying out their duties and functions. This is in line with what was expressed by Brayfiel and Rothe in Istijanto (2005: 181) that individuals with high levels of job satisfaction are characterized by their interest in their work, feeling comfortable at work, having enthusiasm, enthusiasm for work, showing high loyalty and opportunities for advancement. . This positive attitude will be reflected in work morale, discipline and work performance. Until in the end it can provide maximum contribution to the organization. The assumption of services in government agencies that have been felt unsatisfactory and not in line with the expectations of the community can gradually be eliminated.

Basically the level of performance and job satisfaction of an individual is influenced by several factors. Among these factors the authors want to focus on the factors of the work environment, and the compensation they receive. These two factors are in direct contact with employees in carrying out their work activities and can be observed from the outside. From the initial observations made of 30 employees at the Regional Office of the Ministry of Religion Prov. West Sumatra, the phenomenon of job satisfaction encountered in the field, shows:

Table 1:
 The Phenomenon of Job Satisfaction of the Regional Office of the Ministry of Religion Prov. Boast

No	Phenomenon	Answer	Amount	%
1	Not satisfied with the current work environment	18	30	60
2	Not satisfied with the supervision carried out by superiors	21	30	70
3	Not satisfied with the compensation received	14	30	53

Source: initial observation, 2021

From Table 1.1 above, it can be seen that the job satisfaction of the employees of the Regional Office of the Ministry of Religion Prov is still low. Boast. Feelings of dissatisfaction with the work being carried out at this time can cause the low quality of services provided by employees to the community. This can be seen from the employees who are still not maximal in providing services such as service providers who are deemed unfriendly, not enthusiastic, the length of time for completing services, the long and convoluted bureaucratic process that must be passed by the community in an administration, there are still many employees who do not carry out their duties. During working hours and other conditions that indicate a sense of employee dissatisfaction at work.

In addition, based on the phenomena seen in the field, it shows that the level of attendance at the Regional Office of the Ministry of Religion of West Sumatra Province is still low. This can be seen from the employee attendance data at the Regional Office of the Ministry of Religion of West Sumatra Province as follows:

Table 2:
 Recapitulation of Attendance List for Regional Office of the Ministry of Religion Prov. Boast

No	Year	Employee Street (people)	Late Login >5 hrs (people)	%	No Description >5 hrs (people)	%
1	2018	140	69	49.28	27	19.28
2	2019	176	87	49.43	43	24.43
3	2020	191	93	48.69	31	16.23

Source: Ministry of Religion Regional Office Staffing Prov. West Sumatra, 2021

Table 1.2 above shows the percentage of employees who are late for work, come home prematurely and do not enter the office (absence) without any information/absenteeism. The attitude shown by these employees can affect the productivity and performance of the organization as a whole. This is also in line with the opinion of Handoko (2014: 196) Employees who get job satisfaction usually have better attendance and turnover records, are less active in union activities and usually perform better than employees who don't get job satisfaction.

In the context of job satisfaction of an ASN, of course, it cannot be separated from organizational variables, in this case the work environment. The work environment greatly affects the activities of resources within the organization. The work environment in which the organization carries out its activities is very influential on the progress and success of an organization. The work environment can be in the form of physical and non-physical conditions that are around or where employees work. Dessler (2016: 195) states that a good and comfortable work environment will be able to grow employee work motivation on duty and can also increase job satisfaction so that to achieve success in carrying out work in the organization, a good and conducive work environment is needed. This is also in line with Mill's opinion in Masyitasari & Suhermin (2019) that a pleasant work environment is the key driving force for employees to produce peak performance.

Based on temporary observations of the phenomena that occur regarding the work environment at the Regional Office of the Ministry of Religion prov. West Sumatra shows that the work environment is still considered unfavorable by most of the employees. This phenomenon occurs due to indications: 1) the condition of the employee's work space is not well organized, causing boredom at work, 2) The distance between one desk and another is very close so that there is not enough *space*. This limits the movement of the employee concerned at work, 3) Air circulation is not good where the air conditioner (AC) is not proportional to the number of employees occupying the room, 4) There is no special smoking room so there are employees who smoke while working in the room. Which is air-conditioned, 5) Lighting / lighting that is not optimal, 6) the size of the workspace is not balanced with the number of employees, 7) Lack of archive storage facilities so that archives accumulate in any place, 8) Communication is less open with the leadership, so that hinder the smooth execution of the work.

On the other hand, employee job satisfaction is also closely related to the compensation they receive based on the work they have done. Compensation is the main impetus for an employee to work. Compensation is important for an employee because it reflects a measure of the value of their work among the employee himself, his family and society and compensation also affects the productivity of the organization. In addition, compensation is very important as a source of income to fulfill one's life needs. The compensation given is very influential on the level of job satisfaction and work motivation as well as one's work results (Mangkunegara, 2013: 84) . However, the importance of compensation as an indicator of job satisfaction is difficult to estimate, this is because a person's job satisfaction is related to the amount of compensation they receive varies depending on the value they hold.

Compensation is a form of remuneration for contributions made to the organization, either directly in the form of money (financial) or indirectly in the form of awards (non-financial). Providing adequate compensation can increase one's job satisfaction. With the implementation of the Remuneration system, namely providing additional income to an employee as an appreciation for work or contributions in the organization, in addition to receiving a basic salary, employees at the Regional Office of the Ministry of Religion Prov. West Sumatra also receives monthly performance allowances (Tunkin). Performance Allowances are allowances given to Civil Servants, the amount of which is based on the results of the evaluation of positions and work performance achievements of Civil Servants.

Based on the results of interviews in early 2021 from several employees who were asked for their opinions regarding the performance benefits they received, there were still some who were not satisfied. This is because the amount of the performance allowance given is still based on the absenteeism concerned and has not seen the resulting performance. So there is an assumption that working or not working as long as good attendance will get a full performance allowance.

In addition, employees can also get compensation from additional income in the form of an honorarium that they receive from participating in an activity organized by the agency and payment of overtime pay for excess working hours from the additional assignments given. The Regional Office of the Ministry of Religion of West Sumatra Province in increasing the work motivation of its employees provides incentives in the form of providing honoraria and overtime pay. From the information obtained in the field, it can be seen that the budget for activity honoraria and overtime pay has increased from year to year, but this increase has not been able to increase employee job satisfaction. From the information obtained in the field, this is because in order to get compensation in the form of honorarium from the task of organizing activities, employees must get a turn arranged by the organization and sometimes according to their assessment this distribution is not fair and equitable especially for the implementation of activities in the regions. Likewise, additional tasks performed are sometimes not counted

as overtime hours. Likewise with office facilities that can be used such as official vehicles and official homes. According to them, there are still many employees who need it more, but for one reason or another, they cannot get this facility, because of the policies that apply in the agency.

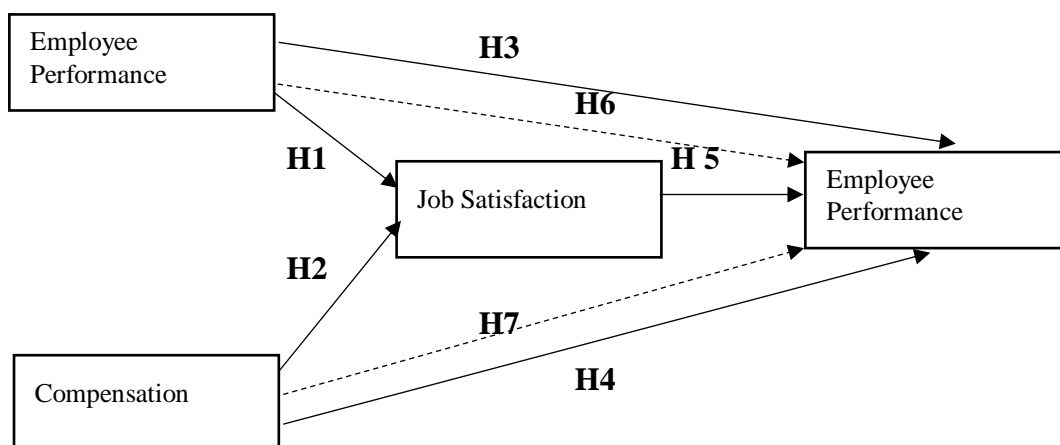


Figure 1: Research Conceptual Framework

From the conceptual framework image that has been described, the following hypotheses can be formulated:

- H1 Work Environment Affects Employee Job Satisfaction at the Regional Office of the Ministry of Religion of West Sumatra Province
- H2 Compensation has an effect on Employee Job Satisfaction at the Regional Office of the Ministry of Religion of West Sumatra Province
- H3 The Work Environment Affects Employee Performance at the Regional Office of the Ministry of Religion of West Sumatra Province
- H4 Compensation affects employee performance at the Regional Office of the Ministry of Religion of West Sumatra Province
- H5 Job Satisfaction Affects Employee Performance at the Regional Office of the Ministry of Religion of West Sumatra Province
- H6 The Work Environment Affects Employee Job Satisfaction with job satisfaction as a mediation at the Regional Office of the Ministry of Religion of West Sumatra Province
- H7 Compensation affects employee job satisfaction with job satisfaction as a mediation at the Regional Office of the Ministry of Religion of West Sumatra Province

RESEARCH METHODS

The type of research used is quantitative research. The object of this research is the Regional Office of the Ministry of Religion of West Sumatra Province (Kanwil Kemenag Prov. West Sumatra) and what is being studied are employees with the status of Civil Servants (PNS). There are two sources of data used, namely primary data and secondary data. The population that will be used in this study is all civil servants at the Regional Office of the Ministry of Religion Prov. West Sumatra with a total of 191 people. In this study, sampling was carried out using a *stratified proportional sampling* technique where every employee in the field in the population has the opportunity to be a sample. Proportional is used to determine the number of samples in each field. Based on Slovin (Umar, 2014:78) the sample size is 129 civil servants at the Regional Office of the Ministry of Religion Prov. Boast. Data collection is done by distributing questionnaires. Answer each question item using a *Likert scale*. The data analysis technique uses path analysis.

RESULTS AND DISCUSSION

The Influence of Work Environment and Compensation on Job Satisfaction of Regional Office Employees of the Ministry of Religion of West Sumatra Province

This section discusses the effect of the variables causing the work environment and compensation on the variables resulting from job satisfaction. Where job satisfaction in this study as an intervening variable. The effect will be seen either jointly or partially. The results of the processed data are presented in Table 4 and Table 5. The joint effect is seen through ANOVA which is presented in the following table:

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1343,365	2	671,683	10,934	.000 ^a
	Residual	5774.511	94	61.431		
	Total	7117,876	96			

a Predictors : (Constant), compensation, work environment

b Dependent Variable: job satisfaction

Source: Processed primary data 2022

Based on the framework of the path diagram of the sub-structure 1 as shown in Figure 2, an F test was carried out with an F count of 10.934 where the significant value was $0.000 < 0.05$. This shows that together the work environment and compensation have a significant effect on job satisfaction of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province. Then proceed with a partial test, this test is based on the analysis of the data presented in Table 5

Table 5. Coefficient of Substructure 1: Value of Path Coefficient Estimation

No	Influential Variables	Path Coefficient	t count	Sig.
1	Work environment	0.231	2,102	0.038
2	Compensation	0.265	2,411	0.018
Moderator Variable: Job Satisfaction				

Source: Processed Primary Data 2022

The Influence of Work Environment, Compensation and Job Satisfaction on the Performance of Regional Office Employees of the Ministry of Religion of West Sumatra Province

Analyzing the effect of the variables causing the work environment, compensation, job satisfaction on the performance of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province , either jointly or partially. The results of data analysis are presented in Table 6 and Table 7. Collectively carried out through ANOVA are presented in the following table:

Table 6: Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5701.185	3	1900,395	14,144	.000 ^a
	Residual	12495,907	93	134,365		
	Total	18197.093	96			

a Predictors : (Constant), job satisfaction, work environment, compensation

b Dependent Variable: employee performance

Source: Processed primary data 2022

Based on the framework of the path diagram of sub structure 2 as shown in Figure 3, an F test was carried out, where the value of sig. of $0.000 < 0.05$. This shows that together the work environment, compensation and job satisfaction have a significant influence on the performance of the employees of the Regional Office of the

Ministry of Religion of West Sumatra Province. Then proceed with a partial test, this test is based on the data analysis presented in Table 7

Table 7. Coefficients of Sub Structure 2: Estimating Value of Path Coefficients

No	Influential Variables	Path Coefficient	t count	Sig.
1	Work environment	0.253	2,433	0.017
2	compensation	0.211	2.012	0.047
3	Job satisfaction	0.247	2,590	0.011
Dependent variable : Employee Performance				

Source: Processed Primary Data 2022

The overall interpretation of the direct and indirect effects above can be summarized as follows:

Table 9: Summary of Interpretation of Direct and Indirect Effects Direct

No	Information	%	Total
1.	The direct influence of the work environment on employee performance	6.40	
	Indirect influence of work environment on employee performance through job satisfaction	1.44	
	The direct and indirect effect of work environment variables on employee performance		7.84
2.	The direct effect of compensation on employee performance	4.45	
	The indirect effect of compensation on employee performance through job satisfaction	1.38	
	The direct and indirect effect of compensation variables on employee performance		5.83
3	The direct effect of job satisfaction on employee performance	6.10	6.10
	The amount of influence of exogenous variables on endogenous variables	19.77	19.77
	The influence of other variables on employee performance	80.23	80.23
Total		100	100

Hypothesis testing and Discussion

The Influence of Work Environment on Job Satisfaction of Regional Office Employees of the Ministry of Religion of West Sumatra Province

Based on the results of descriptive analysis obtained information that the average score per indicator on the work environment variable is 3.78 and the respondent's level of achievement is 75.6% with a fairly good category. This shows that the working environment at the Regional Office of the Ministry of Religion of West Sumatra Province as measured by 2 (two) indicators is in quite good condition. If broken down per work environment indicator, it ranges from 3.59 - 3.97.

Based on the results of the analysis that has been calculated, it is obtained that the t_{count} is 2.102 and the value of sig. $0.038 < 0.05$. By paying attention to these two results, it can be interpreted that the work environment has a significant effect on job satisfaction of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province. In other words, the hypothesis that has been proposed can be accepted at $\alpha = 0.05$.

Improvements to job satisfaction can be done by changing or improving the work environment of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province, where the coefficient of work environment path to job satisfaction is 0.231, meaning that if the work environment is increased by 23.1%, it will increase job satisfaction by 23.1%. Improving the working environment of employees at the Regional Office of the Ministry of Religion of West Sumatra Province can be done by improving the physical work environment and non-physical work environment.

The work environment has an influence on employee job satisfaction both in the physical environment and in the non-physical environment. A safe, comfortable, pleasant and conducive work environment will have a positive impact on employee behavior at work. Employees who work in a pleasant work environment will be able

to increase passion and enthusiasm for work. Convenience at work will bring a sense of satisfaction at work. Organizations must be able to create a good work environment such as supportive work facilities, good room arrangement, comfortable work atmosphere and harmonious relationships between colleagues and superiors. Employees who are in a work environment like this will feel job satisfaction when carrying out their work or in other words as long as they are in an organizational environment. In simple terms, an employee will feel happy to work in a good and supportive work environment.

The results of this study are consistent with the results of research by Raeda et al., (2015) who conducted research on nurses in Jordan. The results of his research indicate that the work environment has a positive effect on the job satisfaction of nurses working in border areas. The support of a good work environment is the reason for them to continue to serve the people in the border areas. Another study conducted by Erro-Garcés & Ferreira (2019) where they found that a survey conducted on workers in 35 countries in Europe showed that the workplace environment plays an important role in determining the level of job satisfaction of workers. The work environment is as important a factor as other factors in the success of an organization. This is in line with research by Raziq & Maulabakhsh (2015) where research conducted on business sector companies in the city of Quetta, Pakistan, showed that there was a positive relationship between the work environment and employee job satisfaction. Business people need to realize the importance of a good work environment in order to maximize the level of job satisfaction of their employees.

The Effect of Compensation on Job Satisfaction of Regional Office Employees of the Ministry of Religion of West Sumatra Province

Based on the results of descriptive analysis obtained information that the average score per indicator on the compensation variable is 4.20 and the respondent's level of achievement is 83.9% with good category. This shows that the compensation at the Regional Office of the Ministry of Religion of West Sumatra Province as measured by 3 (three) indicators is in good condition. If broken down per indicator, the compensation ranges from 4.02 to 4.36.

Based on the results of the analysis that has been calculated, it is obtained that the t_{count} is 2,411 sig values. $0.018 < 0.05$. By paying attention to these two results, it can be interpreted that compensation has a significant effect on job satisfaction of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province. In other words, the hypothesis that has been proposed can be accepted at $\alpha = 0.05$.

Improvements to job satisfaction can be done by making changes or improvements to the work compensation of employees of the Regional Office of the Ministry of Religion of West Sumatra Province, where the coefficient of work compensation path to job satisfaction is 0.265, meaning that if work compensation is increased by 26.5% it will increase job satisfaction by 26, 5%. Increasing employee compensation at the Regional Office of the Ministry of Religion of West Sumatra Province can be done by increasing incentives, allowances and facilities.

Compensation is all forms of remuneration received by employees as a result of their work. The general assumption still states that compensation is the most important factor in terms of job satisfaction. Compensation is also one of the most effective ways for organizations to improve employee performance, motivation and job satisfaction. A good compensation system will be able to provide satisfaction for subordinates, the higher the compensation received by someone, the higher the level of satisfaction. A high degree of satisfaction will increase the enthusiasm to achieve better work performance. On the other hand, if employees perceive their compensation to be inadequate, their performance, and work motivation and job satisfaction may decrease

Simamora (2014:445) states that good compensation is a compensation system that is responsive to the situation and can motivate subordinates. The compensation system should be able to satisfy the needs of employees so that employees can make a high contribution to the organization/company.

The results of this study are consistent with the results of research by Mary et al., (2015) who conducted a study of secondary school teachers in Kenya where compensation plays an important role in determining employee job satisfaction. The low compensation received causes teacher dissatisfaction. The study also recommends that the government review teacher compensation so that they can improve the services they provide. The provision of compensation in an organization must be arranged in such a way that it becomes a good system in the organization and is able to provide job satisfaction for its employees.

The results of this study are consistent with the results of Darma's research (2017) on employees of PT. Indonesian Telecommunications. The results showed that compensation had a direct and significant effect on employee satisfaction at PT. Indonesian Telecommunications. This means that the higher the compensation given by the company to its employees, the higher the employee satisfaction. The compensation is in the form of salaries,

wages, bonuses, facilities, travel programs, holiday allowances. Good compensation can increase job satisfaction and in the end can improve the performance of Pt. Indonesian Telecommunications.

The results of this study are consistent with the results of research by Salisu, et al., (2015) whose research on workers in the public construction sector in Jigawa State, Nigeria revealed that compensation has a positive impact on workers' job satisfaction. The compensation aspects studied include: salaries, allowances, awards and pensions. From the aspects studied, only compensation in the form of pensions has a very close relationship with the level of satisfaction of the workers. This is because the object under study is in the public sector. The greater the number of pensions received by workers as a form of later income, the satisfaction felt with the work they are currently doing is also greater.

The Influence of the Work Environment on the Performance of the Regional Office of the Ministry of Religion of West Sumatra Province

. Based on the results of the analysis that has been calculated, the t_{count} is 2.433 and the value of $sig. 0.017 < 0.05$. By paying attention to these two results, it can be interpreted that the work environment has a significant effect on the performance of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province. In other words, the hypothesis that has been proposed can be accepted at $\alpha = 0.05$.

The magnitude of the $\beta_{1 \text{ path coefficient}}$ is 0.253. Based on the calculation results, the total influence of the work environment on employee performance through job satisfaction is 1.44% (indirect effect). When compared with the magnitude of the direct influence of the work environment on employee performance, which is 6.40%, the indirect effect of the work environment on the performance of the Regional Office of the Ministry of Religion of West Sumatra Province through job satisfaction is smaller. This shows that the work environment is very important compared to job satisfaction to achieve employee performance.

The work environment is the environment in the workplace both physically and non-physically that can give a pleasant, secure, reassuring and comfortable impression. work environment is one of the factors that affect the performance of an employee. An employee who works in a work environment that supports him/her to work optimally will produce good performance, on the other hand if an employee works in an inadequate and unsupported work environment to work optimally will make the employee concerned become lazy, tired quickly so that performance the employee.

The results of this study are consistent with the results of Tulenan's research, (2015) which states that the work environment affects the performance of employees at the Manado State Asset and Auction Service Office. This result statistically proves that the work environment has a significant positive effect on employee performance partially. These results support previous research conducted by Malik et al., (2011) which confirmed that there was a significant positive relationship between work environment indicators and employee performance. The work environment has an impact on the individual's ability to work safely, competently and in accordance with operational performance targets and also effective communication practices have a positive effect on employee performance. This means that the conditions of the work environment are realized or not by employees can affect their performance. The work environment can affect employees in a company physically and mentally. Physically, the performance of each employee may differ depending on the quality of the working conditions themselves; whether it is bad or good. Mentally, interaction between employees is also needed in a company. By interacting with each other, employees can share information about their work, loosen their workload by helping each other, reduce work stress, and keep their mental state stable in performing their duties.

The Effect of Compensation on the Performance of Regional Office Employees of the Ministry of Religion of West Sumatra Province

Based on the results of the analysis that has been calculated, it is obtained that the t_{count} is 2.012 and the value of $sig. 0.047 < 0.05$. By paying attention to these two results, it can be interpreted that compensation has a significant effect on the performance of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province. In other words, the hypothesis that has been proposed can be accepted at $\alpha = 0.05$.

The magnitude of the $\beta_{2 \text{ path coefficient}}$ is 0.211. Based on the calculation results, the total effect of compensation on employee performance through job satisfaction is 1.38% (indirect effect). When compared with the magnitude of the direct effect of compensation on employee performance, which is 4.45%, the indirect effect of compensation on the performance of employees of the Regional Office of the Ministry of Religion of West Sumatra Province through job satisfaction is smaller. This shows that compensation is very important compared to job satisfaction to achieve employee performance.

Compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company. Compensation is very important for employees because the size of the compensation is a measure of employee performance. Thus, if the compensation provided by the company is

fair and appropriate for employees, it can encourage employees to do their jobs better and be more responsible for each task assigned by the company. (Hameed et al, 2014) conducted a study on 200 respondents in 45 Pakistani commercial banks and they also found a direct and positive relationship between compensation and employee performance.

The Effect of Job Satisfaction on the Performance of Regional Office Employees of the Ministry of Religion of West Sumatra Province

Based on the results of descriptive analysis obtained information that the average score per indicator on the job satisfaction variable is 4.15 and the respondent's level of achievement is 83.1% with good category. This shows that the job satisfaction of employees at the Regional Office of the Ministry of Religion of West Sumatra Province as measured by 5 (five) indicators is in good condition. If broken down by employee job satisfaction indicator, it ranges from 3.87 to 4.40.

Based on the results of the analysis that has been calculated, it is obtained that the t_{count} is 2.590 and the value of sig. $0.011 < 0.05$. By paying attention to these two results, it can be interpreted that job satisfaction has a significant effect on the performance of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province. In other words, the hypothesis that has been proposed can be accepted at $\alpha = 0.05$.

Improvements to employee performance can be made by making changes or improvements to the job satisfaction of employees of the Regional Office of the Ministry of Religion of West Sumatra Province, where the path coefficient β_{33} (job satisfaction to employee performance) is 0.247, meaning that if job satisfaction is increased by 24.7% it will improve performance of employees by 24.7%. Increasing employee job satisfaction at the Regional Office of the Ministry of Religion of West Sumatra Province can be done by increasing satisfaction with the work itself, satisfaction with supervision/supervision of superiors, satisfaction with salary, satisfaction with promotion and satisfaction with coworkers.

Job satisfaction can determine the level of high or low employee performance. The existence of a level of job satisfaction is expected to improve employee performance so that it can achieve the goals expected by the company in obtaining good work results in producing good productivity. Employees who feel high satisfaction are more productive than those who are dissatisfied, so if employees are not satisfied, they will produce low performance.

The impact of job satisfaction will be felt all the time, both while carrying out work or outside carrying out work. Therefore, job satisfaction is important for every employee because without job satisfaction, optimal work results will be difficult to obtain. Job satisfaction will be able to give birth to positive attitudes from employees such as the desire to continue to excel and provide the best for the organization. On the other hand, dissatisfaction will lead to complaints, lack of work performance, so that performance will gradually decline.

This is in line with some of the results of research conducted by experts Azeem (2010) conducted research on 129 employees of steel industry companies where the results obtained indicate that employee satisfaction makes a positive contribution to the progress of the company. The same thing was done by Hoboubi et al., (2017) on employees of the Iranian petrochemical industry and the results show that employee job satisfaction affects employee productivity levels.

Job satisfaction in mediating the influence of the work environment on the performance of the Regional Office of the Ministry of Religion of West Sumatra Province.

Based on the calculation results, the total influence of the work environment on employee performance through job satisfaction is 1.44% (indirect effect). When compared with the magnitude of the direct influence of the work environment on employee performance, which is 6.40%, the indirect effect of the work environment on the performance of the Regional Office of the Ministry of Religion of West Sumatra Province through job satisfaction is smaller. This shows that the work environment is very important compared to job satisfaction to achieve employee performance. Thus, it can be concluded that job satisfaction is not able to mediate the effect of the work environment on the performance of the Regional Office of the Ministry of Religion of West Sumatra Province.

This indicates that the work environment can directly affect the performance of an employee, without having to go through intervening variables (job satisfaction). To improve the performance of an employee, the Regional Office of the Ministry of Religion of West Sumatra Province needs to pay attention to the work environment felt by an employee both in terms of the physical work environment and non-physical work environment.

According to Sunyoto (2012: 43) the work environment is everything that is around the workers and that can affect him in carrying out the tasks assigned. The work environment that arises in the organization is a factor that determines employee behavior.

Job satisfaction in mediating the effect of compensation on employee performance at the Regional Office of the Ministry of Religion of West Sumatra Province.

Based on the calculation results, the total effect of compensation on employee performance through job satisfaction is 1.38% (indirect effect). When compared with the magnitude of the direct effect of compensation on employee performance, which is 4.45%, the indirect effect of compensation on the performance of employees of the Regional Office of the Ministry of Religion of West Sumatra Province through job satisfaction is smaller. This shows that compensation is very important compared to job satisfaction to achieve employee performance. Thus it can be concluded that job satisfaction is not able to mediate the effect of compensation on the performance of employees of the Regional Office of the Ministry of Religion of West Sumatra Province.

This indicates that compensation can directly affect the performance of an employee, without having to go through the intervening variable (job satisfaction). To improve the performance of an employee, the Regional Office of the Ministry of Religion of West Sumatra Province needs to pay attention to the compensation felt by an employee in terms of incentives, benefits and facilities.

Simamora (2014) states that good compensation is a compensation system that is responsive to the situation and can motivate subordinates. The compensation system should be able to satisfy the needs of employees so that employees can make a high contribution to the organization/company.

After analyzing the path, the new path structure between exogenous and endogenous variables is obtained as follows:

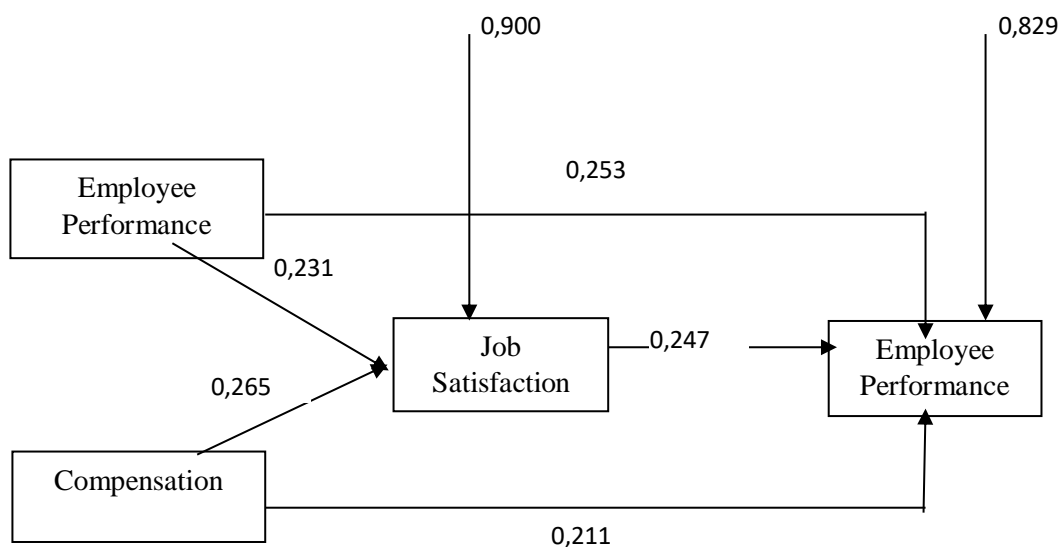


Figure 2: Path Analysis Structure (new)

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the research findings and discussions that have been carried out in Chapter IV, in this study several conclusions can be drawn, including:

1. The work environment has a positive and significant effect on job satisfaction of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province, meaning that the more the employee's work environment is improved, the employee's job satisfaction will also increase. Improvement of the employee's work environment can be done by making improvements to the physical work environment.
2. Compensation has a positive and significant effect on job satisfaction of employees of the Regional Office of the Ministry of Religion of West Sumatra Province, meaning that the more compensation given to employees, the job satisfaction of employees will also increase. Compensation improvements can be

- made by making improvements to incentives.
3. The work environment has a positive and significant effect on the performance of the employees of the Regional Office of the Ministry of Religion of West Sumatra Province, meaning that the more the employee's work environment is improved, the employee's performance will also increase. Employee performance improvement can be done by making improvements to the employee's work environment.
 4. Compensation has a positive and significant effect on the performance of employees of the Regional Office of the Ministry of Religion of West Sumatra Province, meaning that the more compensation given to employees, the performance of employees will also increase. Employee performance improvement can be done by making improvements to the compensation given to employees.
 5. Job satisfaction has a positive and significant effect on the performance of employees of the Regional Office of the Ministry of Religion of West Sumatra Province, meaning that the more job satisfaction of employees is increased, the performance of employees will also increase. Employee performance improvement can be done by making improvements to employee job satisfaction .
 6. Job satisfaction is not able to mediate the influence of the work environment on the performance of the Regional Office of the Ministry of Religion of West Sumatra Province. Based on the calculation results, the total influence of the work environment on employee performance through job satisfaction is 1.44% (indirect effect). When compared with the magnitude of the direct effect of the work environment on employee performance, which is 6.40%, the indirect effect of the work environment on the performance of the Regional Office of the Ministry of Religion of West Sumatra Province through job satisfaction is smaller. This shows that the work environment is very important compared to job satisfaction to achieve employee performance.
 7. Job satisfaction is not able to mediate the effect of compensation on the performance of employees of the Regional Office of the Ministry of Religion of West Sumatra Province. Based on the calculation results, the total effect of compensation on employee performance through job satisfaction is 1.38% (indirect effect). When compared with the magnitude of the direct effect of compensation on employee performance, which is 4.45%, the indirect effect of compensation on the performance of employees of the Regional Office of the Ministry of Religion of West Sumatra Province through job satisfaction is smaller. This shows that compensation is very important compared to job satisfaction to achieve employee performance.

Suggestion

Based on the conclusions above, to improve the performance of employees at the Regional Office of the Ministry of Religion of West Sumatra Province, the following are suggested:

1. To employees of the Regional Office of the Ministry of Religion of West Sumatra Province to be able to improve their performance related to work initiatives , namely by increasing creativity for completing work, looking for ways to work faster , being able to invite colleagues to do a good job , contributing to the progress of the agency, doing work even without supervision and continue with other work if the previous work has been completed.
2. The leadership of the Regional Office of the Ministry of Religion of West Sumatra Province should be able to improve the conditions of the work environment in terms of the physical work environment in the form of light distribution, sophisticated equipment, arrangement and placement of equipment, as well as maintaining and controlling noise and sound control in the workspace.
3. To the leadership of the Regional Office of the Ministry of Religion of West Sumatra Province to be able to increase job satisfaction, namely the indicators of satisfaction with promotions, by paying attention to the basis used for promotion in the agency.
4. To the leadership of the Regional Office of the Ministry of Religion of West Sumatra Province to be able to increase compensation by paying attention to the incentives given in terms of appreciation, bonuses and awards as well as praise given to employees and adjusting the level of education and responsibilities given.

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