

The Effect of Remuneration and Work Environment on Satisfaction and Its Impact on Performance at Public Institution

Restu Amalia

Student of Master Management, Postgraduate Program,
Bina Darma University Palembang, Indonesia
restuamalia9@gmail.com

Muji Gunarto^{*)}

Management Department of Economics and Business Faculty,
Bina Darma University, Palembang, Indonesia
mgunarto@binadarma.ac.id

Abstract

The role of employee performance has a dominant influence in the process of achieving organizational goals, because with new ideas, problem solving skills and seizing opportunities or accuracy in making decisions. Many factors can affect performance, such as job satisfaction, remuneration, and work environment. The purpose of this study was to determine the effect of remuneration and work environment on satisfaction and its impact on performance at public institution. This study used quantitative approach, with samples of 250 respondents from 2125 populations of Civil Servants at Public Institution in Musi Rawas Utara. The sampling technique that was used is simple random sampling. Samples were taken randomly from 3 public institutions in Musi Rawas Utara. The analysis technique used in this study was Structural Equation Model (SEM) analysis approach. The results showed that there is a positive (0.73) and significant (t-value 3.96) effect between remuneration on job satisfaction. There is a positive (0.13) but insignificant (t-value 0.75) effect between the work environment on job satisfaction. There is a very weak (0.08) and insignificant (t-value 0.30) effect between remuneration on performance. There is a positive (0.33) and significant (t-value 1.99) effect between the work environment on the performance. There is a positive (0.55) and significant (t-value 3.04) effect between job satisfaction on performance.

Keywords

Remuneration, Work Environment, Job Satisfaction, Performance.

Introduction

Every organization certainly has organizational goals. One of the factors needed in order to achieve these goals is the human resource factor (Santoso. 2017). Human resources that are managed and directed properly can create employees who have discipline and high performance. The role of employee performance has a dominant effect the process of achieving organizational goals, because with new ideas, problem solving skills and seizing opportunities or accuracy in making decisions. Performance is the result or work performance (output) both in quality and quantity achieved by human resources in carrying out their work assignments, in accordance with the responsibilities and time given (Syawal et al. 2019). Based on the results of interviews by researchers with one employees public institution of Musi Rawas Utara with the initials TS, on Monday, January 17, 2022. TS said that he often experienced a decline in performance, because he often did not complete assignments on time and the work results were not as expected. Limited time in completing tasks, and inadequate facilities made his performance as an employee not optimal. Employee performance is influenced by several factors, negative factors and positive factors. Positive factors that can improve performance include remuneration, work environment and work discipline. Remuneration is a reward or award for employees as a result of good performance in the organization, including by giving gifts, awards and promotions (Jusmalini. 2011). Based on data from the 2022 Work Plan at Employee Institution of Musi Rawas Utara. The Employee Work Evaluation Program has not been implemented at Musi Rawas Utara, making the staffing sector

or organization experiencing difficulties in providing rewards for employees who have done a good and maximum job. Providing good remuneration can provide attractiveness to employees and can increase job satisfaction and work motivation which in turn will directly improve individual performance. The results of the research by Pratama and Arik (2017) say that there is a significant effect of the remuneration system on employee job satisfaction. Job satisfaction is a positive feeling of employees towards their work, which is the result of the evaluation of each job characteristic. Employees who have job satisfaction tend to have positive feelings about their work, and vice versa (Robbins & Judge 2012). Uncomfortable work environment conditions, unclear division of main tasks and functions as well as lack of appreciation for employees at Public Institution of Musi Rawas Utara are some of the aspects that cause employees to view their work negatively. This is in line with the research of Syawal, et al. (2019) which states that job satisfaction is an affective or emotional response to various aspects or aspects of one's work so that job satisfaction is not a single concept. Musriha (2011) states that the work environment has a positive impact on employee performance.

A comfortable work environment causes the level of concentration of employees at work to increase, and this condition causes the level of employee productivity to increase. However, based on the results of researcher interviews with 10 employees of Musi Rawas Utara, showed that 80% of employees stated that they were not comfortable with the work environment, and only 20% stated that they were quite comfortable. Added to the results of observations that have been carried out by researchers from January 17, 2022 to January 18, 2022, the state of the work environment in Musi Rawas Utara has not supported employees to work comfortably. The description above that in line with the research of Santoso (2017) which states that the work environment affects employee satisfaction and performance. However, this is different from the results in the research of Qisthio (2018) and the research of Dhermawan et al. (2012) which states that the work environment variable has no significant effect on job satisfaction. This means that no matter how good the working environment conditions, it will not affect the level of employee job satisfaction. Based on the references described previously, there are gaps in the results of previous studies, so researchers need to conduct further research by examining the influence relationship of the related variables.

1.1 Objectives

The purpose of this study was to determine the effect of remuneration on job satisfaction, the effect of work environment on job satisfaction, to determine the effect of remuneration on performance, the effect of work environment on performance and to determine the effect of job satisfaction on performance in Public Institution.

2. Literature Review

2.1. Remuneration

According to the research of Syawal et al (2019), remuneration is the provision of compensation in accordance with the increase in employee performance. If employees provide high performance, high remuneration will also be obtained. Remuneration is any form of reward received by employees as a result of task performance in an organization, including gifts, awards or promotions (Santoso 2017). According to Mathis (2016) remuneration must have a positive impact or benefit, namely bonds cooperation, job satisfaction, effective procurement, motivation, ensuring justice, discipline, union influence, government influence. According to Mondy and Neo (in Marwansyah, 2010) remuneration indicators are remuneration in the form of salary, income and performance allowances, remuneration in the form of health insurance and pension programs.

2.2. Work environment

The work environment is everything that around the workers/employees that can affect employee job satisfaction in carrying out their work so that maximum work results will be obtained, where in the work environment there are work facilities that support employees in completing tasks assigned to employees in order to improve work. cloud card in a company (Enny Maheasy 2019). Sihaloho and Siregar (2020) said that the work environment is one of the places most often used by employees in carrying out their daily activities. A pleasant work environment will provide a sense of comfort to employees so that it can affect employee performance. The factors that affect the work environment according to Enny Mahmudah (2019) are personal, leadership, team, system, and contextual factors. According to Setiawan (2016) the indicators of the work environment consist of a work atmosphere, relationships with colleagues, the availability of work facilities.

2.3. Job satisfaction

Job satisfaction is a person's positive feeling towards his job, which is the result of an evaluation while working on the job (Fitriansyah 2021). According to Wibiseno and Dewi (2018) Job satisfaction is one of the factors that can affect how employees carry out their duties and responsibilities at work. According to research by Saputra and Andani (2021) the factors that can increase job satisfaction are Work Environment, Motivation and Organizational Commitment. The factors of job satisfaction problems in all organizations are Co-worker Relations, Support for Working Conditions, Clarity of Task Division and Relationships with Superiors (Fitriansyah 2021). Based on research by Sugandi D (2018), job satisfaction has five indicators, namely Satisfaction with Salary, Satisfaction with the Work itself, Satisfaction with Promotion, Satisfaction with Supervision, and Satisfaction with Coworkers. Sukirno (2017) states that job satisfaction includes 5 (five) dimensions, namely the Job Itself, Supervision, Rewards (Pay), Promotion Opportunities, and Co-Workers.

2.4. Performance

Performance is work performance or work (output) both quality and quantity achieved by human resources per unit of time in carrying out their work assignments, in accordance with the responsibilities given to them (Syawal et al, 2019). According to research by Arya, et al (2018), employee performance is the ability of an employee to achieve work requirements, which can be completed on time and produce quality products and in accordance with the company's vision and mission. Thus, employee performance affects the quality of a product or service produced. According to Sudarmanto in (Kurniawati 2017) there are 4 performance indicators, namely quality of work, quantity of work, cooperation with others in work and punctuality. Meanwhile, according to Bernadin and Russell in (Ginting 2018) The performance indicators of an individual are as follows: quality, quantity, timeliness, cost effectiveness (effectiveness of spending in completing tasks and need for supervisors (independence in work).

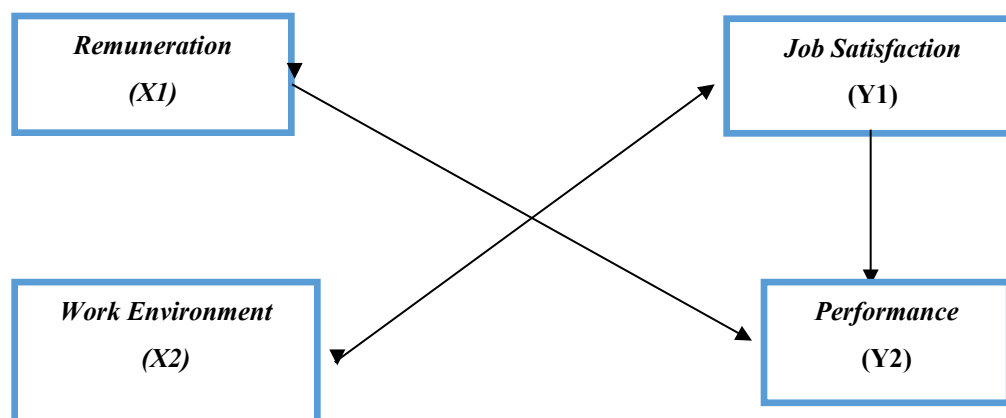


Figure 1. Framework Thinking

2.5. Hypothesis

The hypothesis of this study are :

1. There is a significant effect between remuneration on job satisfaction.
2. There is a significant influence between the work environment on job satisfaction.
3. There is a significant influence between remuneration on performance.
4. There is a significant influence between the work environment on performance
5. There is a significant influence between job satisfaction on performance.

3. Methods

This study used quantitative research methods to examine the effect between variables. There are 4 variables in this study, the independent variables are Remuneration (X1) and Work Environment (X2) and the dependent variables are Job Satisfaction (Y1) and Performance (Y2).

4. Data Collection

The source of data used in this research is the Public Institution of Musi Rawas Utara. The primary data in this study were questionnaires, observations, and interviews, and secondary data were obtained from books, journals, and other documents related to the research conducted. The research population are Civil Servants at Public Institution of Musi

Rawas Utara 2120 people with total sample of 250 respondents. The technique of distributing questionnaires is done by random sampling method where samples are taken from all members of the population at random without existing strata in the population. This analysis technique uses a Structural Equation Model (SEM) analysis approach.

5. Results and Discussion

5.1 Respondent Profile

The Respondents in this study were 250 Civil Servants at Public Institution of Musi Rawas Utara. Based on the age range, it showed that most of the respondents (67%) or 168 respondents are aged 25-35 years, there are (14%) or 35 respondents aged less than 25 years, there are (13%) or 33 respondents aged 35-45 years, and there are only (6%) or 14 respondents aged 45-55 years. Based on gender, the majority of research subjects were women, there are 132 people (53%) and men as many as 118 people (47%). This characteristic condition illustrates that the respondents who are taken represent a balanced gender and already represent the characteristics of the population Civil Servants at Public Institution of Musi Rawas Utara.

5.2 Descriptive Analysis

5.2.1. Description of Work Environment Variables

Table 1 is description the results of respondents' answers to statements from the Work Environment variable.

Table 1. Respondents' Responses to the Work Environment

| No | Indicator Items | Frequency of Answers Score | | | | | Min | Max | Achievements (%) |
|----------------|---|----------------------------|-------------|--------------|---------------|--------------|-------------|-------------|------------------|
| | | 1 | 2 | 3 | 4 | 5 | | | |
| 1 | My workplace security unit is working well so I feel safe | 0 | 1 | 26 | 141 | 82 | 1054 | 1250 | 84% |
| 2 | My workplace ensures the safety of its employees at work | 2 | 7 | 38 | 133 | 70 | 1012 | 1250 | 81% |
| 3 | Layout of work equipment such as tables, chairs etc. neatly arranged in the workspace | 2 | 12 | 33 | 137 | 66 | 1003 | 1250 | 80% |
| 4 | Currently available work facilities are sufficient to support work activities | 3 | 3 | 50 | 125 | 69 | 1004 | 1250 | 80% |
| 5 | The relationship between co-workers is very harmonious | 0 | 6 | 42 | 133 | 69 | 1015 | 1250 | 81% |
| 6 | Every employee has the same opportunity for career advancement or to be promoted | 0 | 0 | 25 | 139 | 86 | 1062 | 1250 | 85% |
| Average | | 1.17 | 4.83 | 35.67 | 134.67 | 73.67 | 1025 | 1250 | 82% |

Source: Processed data, 2022

The Table 1 shows that 6 (six) indicator items for the overall Work Environment variable, the criteria are sufficient with an average score of 82. Overall, the work environment for Civil Servants at Public Institution of Musi Rawas Utara is considered sufficient, but there are several indicators that have values below the average as in the indicator items in numbers 3 and 4, namely "The layout of work equipment such as tables, chairs etc. is neatly arranged in the workspace and the currently available work facilities are sufficient to support work activities." This shows that there needs to be an improvement in the Work Environment at Public Institution of Musi Rawas Utara. The work environment is a place where employees carry out daily activities. A conducive work environment provides a sense of security and allows employees to work optimally. The description above is in line with the research of Santoso (2017) which states that the work environment affects employee satisfaction and performance.

5.2.2. Description of Remuneration Variable

Table 2 is description the results of respondents' answers to statements from the Remuneration variable

Table 2. Respondents' responses to the variable Remuneration

| No | Indicator Items | Frequency of Answers Score | | | | | Score Score | Score Max | Achievements (%) |
|----------------|--|----------------------------|-------------|--------------|---------------|--------------|----------------|-------------|------------------|
| | | 1 | 2 | 3 | 4 | 5 | | | |
| 1 | I get health benefits according to my expectations | 0 | 1 | 26 | 141 | 88 | 1057 | 1250 | 85% |
| 2 | The pension benefits provided are in accordance with applicable procedures and standards | 2 | 7 | 38 | 133 | 70 | 1060 | 1250 | 85% |
| 3 | The remuneration I currently receive is in accordance with the position (responsibility within the position) | 2 | 12 | 33 | 137 | 66 | 1099 | 1250 | 88% |
| 4 | The remuneration I currently receive is in accordance with work performance (results) | 3 | 3 | 50 | 125 | 69 | 1085 | 1250 | 87% |
| 5 | work) has been achieved. I feel my work is always appreciated | 0 | 6 | 42 | 133 | 69 | 1100 | 1250 | 88% |
| 6 | Where I work, provides equal opportunities for employees to be promoted to higher positions. | 0 | 0 | 25 | 139 | 86 | 1062 | 1250 | 85% |
| Average | | 1.17 | 4.83 | 35.67 | 134.67 | 74.67 | 1077,17 | 1250 | 86% |

Source: Processed data, 2022

The Table 2 shows that 6 (six) variable indicator items, the overall Remuneration is in the sufficient criteria with an average score of 86. However, there are several indicator items that have a value below the average value including "My place of work provides good opportunities. evenly distributed to employees to be promoted to higher positions. This shows that the provision of remuneration in the form of promotions has not been carried out optimally, whereas good remuneration can provide employee attractiveness and can increase job satisfaction and work motivation which in turn will directly improve individual performance. According to Mathis (2016) it has a positive impact or benefit, namely Cooperation Bonds, Job Satisfaction, Effective Procurement, Motivation, Ensuring Justice, Discipline, Influence of Trade Unions, Influence of Government. In line with the results of research by Pratama and Arik (2017), it is stated that there is a significant effect of the remuneration system on employee job satisfaction.

5.2.3 Description of Job Satisfaction Variables

Table 3 is description the results of respondents' answers to statements from the Job Satisfaction variable.

Table 3. Respondents' Responses to Job Satisfaction Variables

| No | Indicator | Frequency of Answers Score | | | | | Score Score | Score Max | Achievements (%) |
|----|---|----------------------------|---|----|-----|----|-------------|-----------|------------------|
| | | 1 | 2 | 3 | 4 | 5 | | | |
| 1 | I am happy with the responsibilities of my current job. | 0 | 1 | 5 | 155 | 89 | 1082 | 1250 | 87% |
| 2 | My current jobthis is within my capabilities. | 0 | 0 | 1 | 159 | 90 | 1089 | 1250 | 87% |
| 3 | My salary is rightwith applicable standards | 1 | 0 | 1 | 168 | 80 | 1076 | 1250 | 86% |
| 4 | I got a chance to get a raise | 8 | 8 | 24 | 111 | 99 | 1035 | 1250 | 83% |
| 5 | I feel happy because there | 3 | 7 | 28 | 136 | 76 | 1025 | 1250 | 82% |

| | | | | | | | | | | |
|----------------|--|------------|------------|-------------|--------------|-------------|---------------|-------------|------------|--|
| | is an opportunity open for | | | | | | | | | |
| 6 | Promoted I am happy with the level of career advancement of employees. | 4 | 6 | 25 | 124 | 91 | 1042 | 1250 | 83% | |
| 7 | I enjoy working with coworkers who provide me with sufficient support | 4 | 3 | 1 | 141 | 101 | 1082 | 1250 | 87% | |
| 8 | I enjoy working with coworkers who each other help get the job done | 1 | 2 | 10 | 149 | 88 | 1071 | 1250 | 86% | |
| 9 | I am happy with bosses who have high work motivation | 0 | 3 | 9 | 148 | 90 | 1075 | 1250 | 86% | |
| 10 | I am happy with superiors who can provide support to subordinate employees | 0 | 3 | 4 | 146 | 97 | 1087 | 1250 | 87% | |
| Average | | 2.1 | 3.3 | 10.8 | 143.7 | 90.1 | 1066.4 | 1250 | 85% | |

Source: Processed data, 2022

The Table 3 shows that 10 (ten) indicator items of the Job Satisfaction variable, the overall criteria are quite good with an average score of 85. However, there are several indicator items that have a value below the average value including “I feel happy because there is an opportunity open to promotion,” and “I had the opportunity to get a raise.” Meanwhile, “My current job is according to my ability” has the highest score. This shows that in general the level of job satisfaction for Civil Servants at Public Institution of Musi Rawas Utara is relatively good. Job satisfaction is a person's positive feeling towards his job, which is the result of an evaluation while working on the job (Fitriansyah 2021).

5.2.4 Description of Performance Variables

Table 4 is description the results of respondents' answers to statements from the Performance variable.

Table 4. Respondents' responses to the Performance variable

| No | Indicator | Frequency of Answers Score | | | | | Score Score | Score Max | Achievements (%) |
|----|--|----------------------------|---|----|-----|-----|-------------|-----------|------------------|
| | | 1 | 2 | 3 | 4 | 5 | | | |
| 1 | I am able to innovate in completing work. | 2 | 0 | 0 | 139 | 109 | 1103 | 1250 | 88% |
| 2 | I always minimize mistakes in getting work done. | 5 | 0 | 1 | 139 | 105 | 1089 | 1250 | 87% |
| 3 | I finish a job neatly. | 0 | 0 | 7 | 128 | 115 | 1108 | 1250 | 89% |
| 4 | I am able to work to achieve/exceed the target. | 5 | 0 | 9 | 148 | 88 | 1064 | 1250 | 85% |
| 5 | I finish work on time. | 5 | 0 | 0 | 138 | 107 | 1092 | 1250 | 87% |
| 6 | I use my time effectively & efficiently. | 0 | 0 | 0 | 126 | 124 | 1124 | 1250 | 90% |
| 7 | I am quick to act/take decision. | 0 | 0 | 15 | 157 | 78 | 1063 | 1250 | 85% |

| | | | | | | | | | |
|----------------|--|------------|------------|------------|--------------|--------------|----------------|-------------|------------|
| 8 | I enjoy working as a team. | 0 | 3 | 10 | 147 | 90 | 1074 | 1250 | 86% |
| 9 | I do not force my opinion in discussion/meeting. | 8 | 17 | 19 | 116 | 90 | 1013 | 1250 | 81% |
| Average | | 2.7 | 2.2 | 6.7 | 137.5 | 100.6 | 1081.11 | 1250 | 86% |
| | | 8 | 2 | 8 | 6 | 7 | | | |

Source: Processed data, 2020

Table 4 shows that of the nine item indicator variables, the overall performance is in good criteria with an average of 86. However, there are several indicators that have a value below the average value including "I do not force my opinion in discussions/meetings and I am fast in acting/making decisions. This shows that the accuracy and cooperation of work have not been implemented effectively, which is stated in the research of Syawal, et al (2019) that employee performance has a dominant influence in the process of achieving organizational goals, because with new ideas, problem solving skills and seizing opportunities or opportunities. accuracy in making decisions.

5.3 Structural Model

After conducting a confirmatory factor analysis (CFA) for each variable, then an analysis of the full model for the structural model is carried out. The estimation results for the full analysis of the initial structural model are shown in Figure 2.

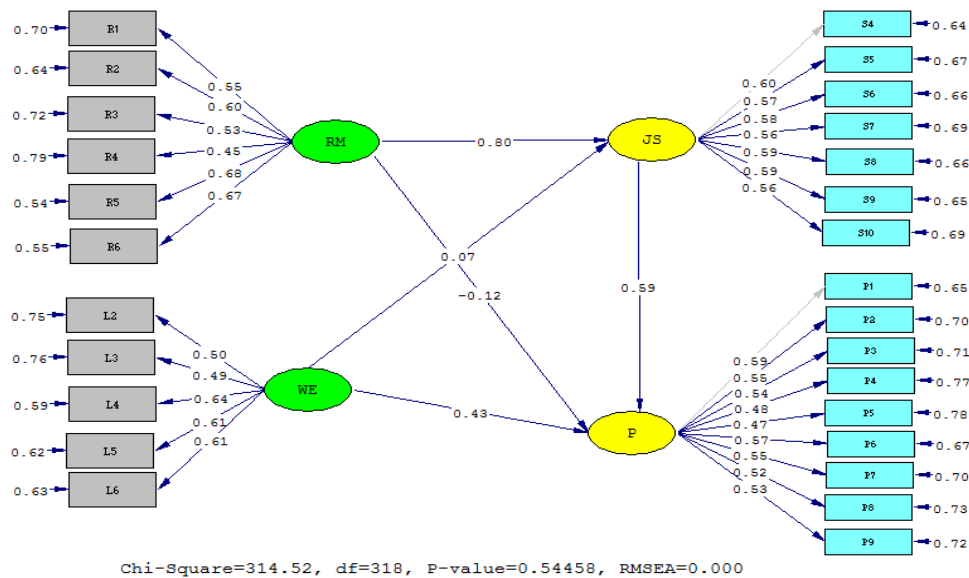


Figure 2. Full Model Initial Estimation Results

Figure 2 shows the parameter values in the relationship between the existing latent variables and the number of the loading factor values of each indicator forming the latent variable. The factor loading indicator item value is greater than 0.5 but there are several variable indicator items that have not reached 0.5. So it is necessary to do a reprocessing process to get a fit model.

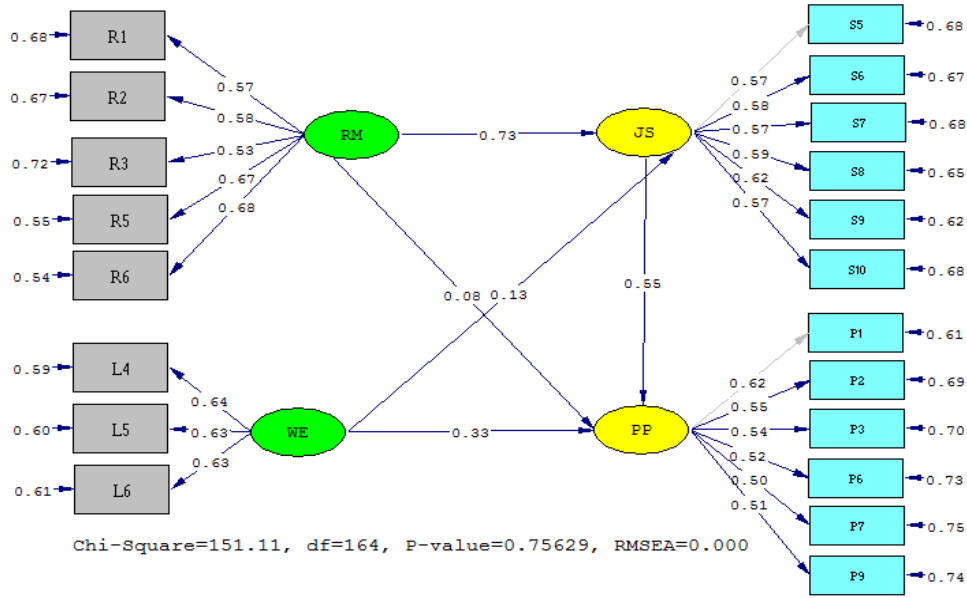


Figure 3. Final Result of Full Model Estimation.

Figure 4 shows the parameter values in the relationship between the existing latent variables and the number of the loading factor values of each indicator forming the latent variable. Based from the existing parameter values, it shows that the relationship between exogenous variables and endogenous variables is positive. The figure also shows the magnitude of the direct influence. Based on Figure 2, shows that there is a positive effect from exogenous variable to an endogenous variable. Where if the relationship between variables shows a positive and significant relationship, meaning that if the variable has increased, then the other variables also increase and vice versa. The overall test results for the full model analysis are shown in Figure 3.

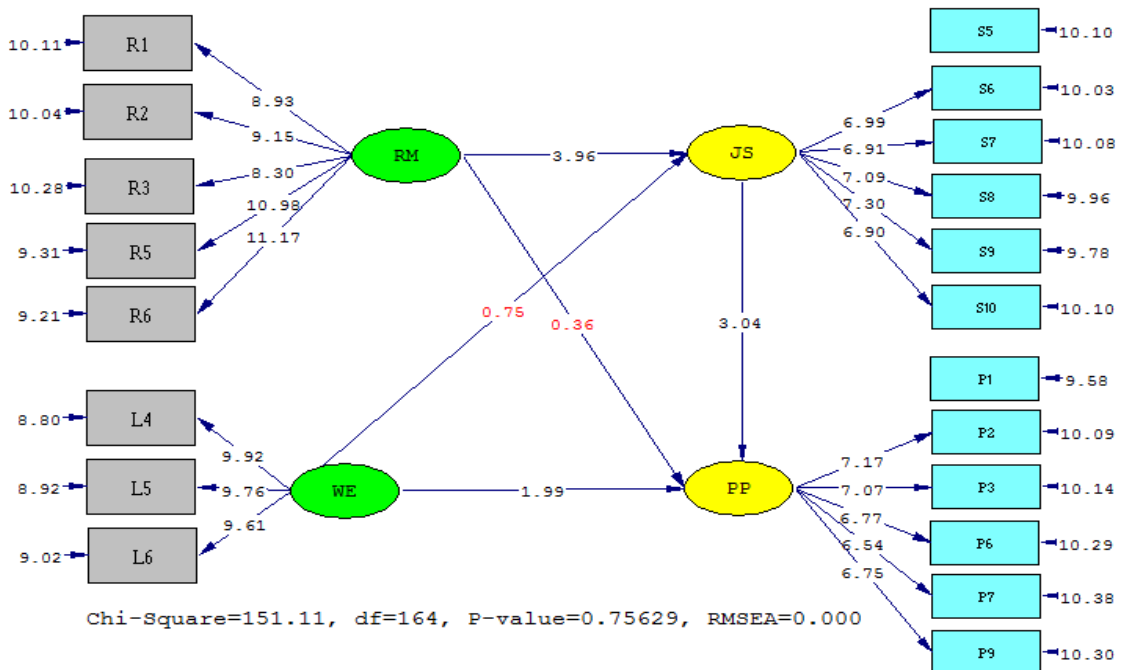


Figure 4. Full Model Test Results.

Figure 3 is the test result for the measurement model and the structural model. All parameters were tested by statistical t-test where the test was significant if the t-value obtained was more than 1.96, and vice versa if the t-count value obtained was less than 1.96 then the parameter was not statistically significant. All indicators forming the latent variable are significant, because the obtained t value is greater than 1.96, while the test results for the structural model, namely the relationship between the latent variables are significant and some are not significant.

Table 5. Results of Goodness of Fit (GOF) Full Model Final Test

| No | Criteria | Limit Value | Results | Conclusion |
|----|---|---------------------|---------|------------|
| 1 | <i>X²-chi square, Significance probability</i> | <i>p-value</i> 0.05 | 0.75 | Fit |
| 2 | GFI | > 0.90 | 0.94 | Fit |
| 3 | AGFI | > 0.90 | 0.93 | Fit |
| 4 | CFI | > 0.95 | 1.00 | Fit |
| 5 | TLI or NFI | > 0.95 | 0.96 | Fit |
| 6 | RMR | 0.10 | 0.03 | Fit |
| 7 | RMSEA | 0.08 | 0.00 | Fit |

Based on Table 5, showed that the final test of the full model formed has met several statistical criteria of goodness of fit (GOF) such as Chi Square, GFI, AGFI, CFI, TLI, RMR and RMSEA, so that the final test of the full model has met the criteria of a good measurement model (fit). The test results of each structural model parameter are shown in Table 6.

Table 6. Results of Testing the Relationship between Latent Variables.

| Endogenous Variables | Exogenous/ Endogenous Variables | Estimate | SE | t- Value | Note. | R2 |
|----------------------|---------------------------------|----------|------|----------|-----------------|-------|
| Job satisfaction | <--- Remuneration | 0.73 | 0.18 | 3.96 | Significant | 0.70 |
| Job satisfaction | <--- Work environment | 0.13 | 0.18 | 0.75 | Not significant | |
| Performance | <--- Remuneration | 0.08 | 0.22 | 0.36 | Not significant | 0.,80 |
| Performance | <--- Work environment | 0.33 | 0.17 | 1.99 | Significant | |
| Performance | <--- Job satisfaction | 0.55 | 0.18 | 3.04 | Significant | |

Based on Table 6 shows that of the 5 (five) hypotheses proposed, there are 3 (three) hypotheses that are accepted (significant) and the remaining 2 (two) are not significant. There is a positive effect between remuneration on job satisfaction of 0.73 with a t-value of 3.96. Statistically it can be stated that remuneration has a significant effect on job satisfaction because the t-value is greater than the t-table (1.96). This means that the better the remuneration system provided, the higher the level of employee job satisfaction. Providing good remuneration can provide attractiveness to employees and can increase job satisfaction and work motivation which in turn will directly improve individual performance. The findings of this study state that remuneration has a positive and significant effect on job satisfaction.

There is a positive influence between the work environment on job satisfaction of 0.13 with a t-value of 0.75 and statistically not significant because the t-value is smaller than the t-table (1.96). This means that there is no significant effect between the work environment on job satisfaction. According to research by Sihalo and Siregar (2020) the work environment is one of the places most often done by employees in carrying out their daily activities. Factors that affect the environment according to Lestari and Harmon (2017) are lighting, air temperature, humidity, air circulation, and noise. A pleasant work environment will provide a sense of comfort to employees so that it can affect employee satisfaction and performance. Research findings that the work environment does not significantly affect job satisfaction. This condition illustrates that the work environment at Public Institution of Musi Rawas Utara does not significantly affect the satisfaction of the Civil Servants.

There is a very weak positive effect between remuneration on performance of 0.08 with a t-value of 0.36 and statistically not significant because the t-value is smaller than the t-table (1.96). This means that there is no significant effect of remuneration on performance. Remuneration is intended to stimulate employees to be motivated to do a much better and maximum job (Aswathappa in Rapsanjani & Johannes 2019). In line with Jusmalini's research (2011) Remuneration is a reward for employees as a result of good performance in the organization.. Research findings Research findings that remuneration does not significantly affect job satisfaction. This condition illustrates that remuneration management at at Public Institution of Musi Rawas Utara does not significantly affect the performance of Civil Servants. According to Maheasy Enny (2019) there are other factors that affect performance, namely abilities and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction and others.

There is a positive influence between the work environment on performance of 0.33 with a t-value of 1.99. Statistically it can be stated that there is a significant effect between the work environment on performance because the t-value is greater than the t-table (1.96). This means that the more comfortable the work environment, the higher the performance. The work environment is everything that is around employees that can affect employee job satisfaction in carrying out their work so that maximum work results will be obtained, where in the work environment there are work facilities that support employees in completing tasks assigned to employees in order to improve employee work in a company (Enny Mahmudah, 2019). If the employee likes the work environment in which he works, the employee will feel comfortable in working and carrying out his activities so that work time can be used effectively. Productivity will be high and automatically employee performance will also be high. (Anggi, 2015).

There is a positive influence between job satisfaction on performance of 0.55 with a t-value of 3.04. Statistically it can be stated that job satisfaction has a significant effect on performance because the t-value is greater than the t-table (1.96). This means that the higher the level of job satisfaction, the performance will also increase. Employees who have job satisfaction tend to have positive feelings about their work. Someone who has a high level of satisfaction will have high motivation and productivity. The findings of this study indicate a significant effect on job satisfaction on performance. This means that the level of employee satisfaction at Public Institution of Musi Rawas Utara is very influential on performance. Supported by Enny (2019) that the factor that affects performance is job satisfaction. Feelings of pleasure or joy or feelings of liking someone before and after doing a job will also affect the work of employees. So job satisfaction can affect performance.

Conclusion

The conclusions of this study are 1) There is a positive and significant influence between remuneration on job satisfaction. 2) The positive but not significant effect of the work environment on job satisfaction. 3) There is no significant effect of remuneration on performance. 4) There is a positive and significant influence between the work environment on performance. 5) There is a positive and significant influence between Job Satisfaction on Performance. Based on the results, some suggestions are needed as follows. Management of remuneration for employees is felt to be still not carried out properly, so it is necessary to carry out employee management through: 1) Performance Evaluation; 2) Giving Rewards/Awards; 3) Giving Bonuses; 4) Position Promotion. The need of development of the work environment at Public Institution of Musi Rawas Utara through the addition or procurement of facilities and infrastructure that support performance so that employees feel comfortable and safe so as to improve the quality of employee performance in at Public Institution of Musi Rawas Utara. The limitation of this research is that it uses a purely quantitative approach, so that future researchers can conduct this research by adding qualitative research.

References

- Abdul Haeba Ramli, Compensation, Job Satisfaction And Employee Performance In Health Services, Business and Entrepreneurial Review, vol.18, no.2, p. 177 – 186, 2018. Issn: 2252-4614 .
- Ahmad, Y., Tewal, B., & Taroreh, RN (2019),_The Effect of Work Stress, Workload, and Work Environment on Employee Performance at PT. Fif Group Manado. EMBA Journal: Journal of Economic Research, Management, Business and Accounting, 7(3).
- Anwar P, & Budi I, 2018,_The influence of job satisfaction and motivation on the employee performance at PT. Information Media Era, International Conference on Design, Engineering and Computer Sciences, doi:10.1088/1757-899X/453/1/012064.

- Auliani Ri & Wulanyani Swasti, _ Factors of Job Satisfaction in Travel Company Employees in Denpasar, Udayana Psychology Journal, vol.4, no.2, Issn: 2354 – 5607,2017.
- Avian, W & Prasetya A, _The Effect of Remuneration System on Job Satisfaction and Work Motivation in Higher Education, Journal of Business Administration (JAB), vol. 46, no.1, 2017.
- Ayu P, Juliarti D, Agung A, & Sudja, 2018,_ Effect of Compensation and Work Environment on Employee Performance with Employee Job Satisfaction as an Intervening Variable, International Journal of Contemporary Research and Review, vol. 09, no.3, Issn: 0976 – 4852 .
- Badrianto, Y., & Ekhsan, M. (2020). Effect of work environment and job satisfaction on employee performance in PT. Nesinak industries. Journal of Business, Management, & Accounting, 2(1).
- Berliana, M., Siregar, N., & Gustian, HD (2018). The model of job satisfaction and employee performance. International Review of Management and Marketing, 8(6), 41.
- Dian Apriyanti, 2018,The Influence of Remuneration, Work Environment and Competence on Employee Performance, Economic Thesis, State Islamic University.
- Erri D, Lestari AP & Asyma H, 2021, The Effect of Leadership Style on Employee Performance at PT. Melzer Global Sejahtera Jakarta, Journal of Research Innovation, vol. 1, no. 9, Issn: 2722-9467 .
- Fitriansyah, 2021, The Influence of Dimensions of Job Satisfaction on Employee Performance at the Secretariat Office of the DPRD of South Barito Regency, Islamic University of Kalimantan, Mab Banjarmasin.
- Gunarto, M., Armanto, R., & Achmadi, J. (2021). The role of collaboration in mediating distinctive capability on performance in the digital industry in Indonesia. In 11th Annual International Conference on Industrial Engineering and Operations Management, IEOM 2021 (pp. 3028-3036).
- Gunarto, Muji, 2018, Statistical Analysis with Structural Equation Model (SEM): Theoretical & Practical, Alfabeta, Bandung.
- Gunarto, Muji, 2018, Test the Validity and Reliability of Social Research Instruments (Questionnaire). Retrieved April 20, 2022, from <https://klinikstatistik.wordpress.com/referensi-uji-validitas-dan-reliabilitas-by-muji-gunarto/>.
- Handyaningrum I, Siti E, & Prasetya A, 2016,_ Factors Affecting Job Satisfaction and Employee Performance (Study on Employees of PDAM Malang City), Journal of Business Administration, vol. 40 no.1.
- Himma M, 2017,_ Analysis of the Effect of Work Environment Factors on Employee Performance at the State Polytechnic of Malang, Journal of Administration and Business, vol. 11, no. 2, Issn : 1978-726X.
- I Made Yuliara, 2016, Multiple Liner Regression Module, Udayana University, Bali.
- Ilham Tahar, 2012, _ Study of Performance-Based Remuneration System, Master's Thesis, University of Indonesia.
- Imam Ghazali, 2011._ Structural Equation Model Concept & Application with AMOS 19.0 program, UNDIP, Semarang.
- Julita, J., & Arianty, N. (2018),_ The Effect of Communication and Work Environment on Employee Performance at PT. Jasa Marga (Persero) TBK Belmera Medan Branch.
- Lestary L & Harmon, 2017,_ Effect of Work Environment on Employee Performance, Journal of Business & Investment Research, vol. 3, no. 2, Issn: 2460-8211 .
- Maheasy Enny, 2019, Human Resource Management, UPHARA Press Management, Surabaya.
- Meithiana Indrasari, 2017, Job Satisfaction and Employee Performance, Indomedia Pustaka, Yogyakarta.
- Mohammed Inuwa, 2016, Job Satisfaction and Employee Performance: An Empirical Approach, The Millennium University Journal, vol. 1, no. 1, Issn: 2225-2533 .
- Nabawi, R. (2020),_The Influence of the Work Environment, Job Satisfaction and Workload on Employee Performance. Maneggio: Scientific Journal of Masters in Management, 2(2), 170-183.
- Nafiudin Sukirno, 2017,_ Effect of Job Satisfaction on Desire to Move Moderated Employee Organizational Commitment Danamon Savings and Loans (DS) Modal Solutions Cluster Bandung 2 West Java, Journal of Management Science, vol. 3, no. 1.
- Pitasari AN & Perdhana, SM, 2018,_ Employee Job Satisfaction: Literature Study, Diponegoro Journal Of Management, vol. 7, no. 4, p: 1-11.
- Rapsanjani, A., & Johannes, S. (2019). The Effect of Remuneration, Work Motivation and Job Satisfaction on Employees Performance. International Humanities and Applied Sciences Journal (IHSJ), 2(2), 23-29.
- Rehora P, & Jaroslav Vrchota, 2018,_ Remuneration In Small And Middle-Sized Enterprises With Project Management, Procedia Computer Science, 138, p. 829–83,2018.
- Santoso, R,_ The Effect of Work Environment Remuneration on Employee Job Satisfaction Motivation on Employee Performance, Journal of Management Science and Research, vol. 6, no. 11, Issn: 2461-0593,2017 .
- Saputra S & Andani KW, 2021, Factors Affecting Employee Job Satisfaction at PT Citra Crocotama International in Jakarta, Journal of Managerial and Entrepreneurship, vol. 3, no. 1, h: 98-106.

- Sihaloho R, & Siregar H, Effect of Work Environment on Employee Performance at PT. Super Setia Sagita Medan, Scientific Journal of Socio Secretum, vol. 9 no. 2, h. 273-281,2019.,2016.
- Sugiono, 2015, Quantitative, Qualitative and R&D Research Methods, Alfabeta Publishers, Bandung.
- Sukidi, & Wajdi F, Effect of Motivation, Compensation, and Job Satisfaction on Employee Performance With Job Satisfaction as an Intervening Variable, Journal of Resource Management Economics, vol. 18, no. 2, h. 79-91,2016.
- Sunarta, The Importance of Job Satisfaction, Journal of Efficiency – Study of Administrative Sciences, vol. 16, no. 2, Issn: 2528-5750 ,2019.
- Susanto A, Effect of Work Environment and Individual Competence on Employee Performance at PT. North Sumatra Plantation, Journal of Management and Business, vol. 18, no. 1, Issn: 2685-7294,2017 .
- Sekartini, NL., The Influence of Work Ability, Work Discipline, Work Motivation on Job Satisfaction and Employee Performance at Warmadewa University Administration. JAGADITHA Journal of Economics & Business, 3(2), 64-75,2016.
- Setyabudi, A., Gunarto, M., & Marjukah, A. (2021). The Effect of Job Training on Employee Performance with Employee Status as a Moderating Variable. *Proceedings of the 11th Annual International Conference on Industrial Engineering and Operations Management Singapore*.
- Syawal M, Bua H, & Madjid, The Effect of Remuneration, Work Environment and Work Discipline on Employee Performance (The Effect Of Remuneration, Working Environment, And Working Discipline On The Employee Performance), Journal of Management, Business and Organization, vol. 3, no. 1, Issn: 2502-4175,2019 .
- Tasman, T., Siregar, ZME, & Nasution, MF. The influence of work environment, promotion, and job satisfaction on employee performance. Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences, 4(3), 4026-4031,2021.
- Tun Huseno, 2016, *Employee Performance*, Media Nusa Creative, Malang.
- Wibiseno Q & Dewi, M, Impact of Work Motivation, Organizational Climate, Work Environment on Job Satisfaction of Pecatu Village Credit Institution Employees, Unud Management E-Journal, vol. 7, no. 12, Issn: 2302-8912, 2018 .

Biography

Restu Amalia is currently a student and completing a Master of postgraduate of Management program at the Bina Darma University program, Palembang, Indonesia. Hers bachelor's degree was obtained from Sriwijaya University, Palembang, Indonesia, in the psychology of medical faculty. Current position is civil servant.

Muji Gunarto; is a senior lecturer at the Faculty of Economics and Business, Bina Darma University, Palembang, Indonesia. His current position is Dean of the Faculty of Economics and Business, Bina Darma University Palembang, Indonesia. A bachelor's degree was obtained from the Faculty of Statistics, Padjajaran University, Bandung, Indonesia. The Master's degree in Science was obtained from Sriwijaya University, Palembang, Indonesia. And the Doctoral degree was obtained from the Indonesian University of Education Doctoral Program. Several books and scientific papers have been published in journals indexed by Scopus and Sinta.