

## Analysis Of The Influence Of Leadership, Non-Physical Work Environment And Compensation On Performance Of Workers In National Construction Company

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### Abstract:

The aim of this research is to investigate the potential significant effects of compensation, non-physical work environment, and leadership on employee performance. Every individual involved in this research is employed. In this study, one hundred samples were used. In this study, the researchers used observations, interviews, and questionnaires to gather data. In this study, hypotheses are tested using multiple linear regression analyses. Multiple linear analysis employed the t, F, and coefficient of determination tests (R<sup>2</sup>). The information gathered and the analysis performed with a multiple linear regression model allow for the drawing of the following conclusions: The compensation variable has a significant impact on worker performance, at least partially. Employee performance is influenced by non-physical work environment variables to a somewhat significant extent. The leadership variable has a somewhat significant impact on employee performance. Employee performance is significantly impacted by leadership, non-physical work environments, and compensation considerations all at the same time.

**Keywords:** compensation, non-physical work environment, leadership, employee performance.

## Introduction

Infrastructure development in the country is experiencing quite rapid development. One cause is the high growth of property in several cities throughout Indonesia. The development of the construction business has created competition between construction companies in obtaining projects. The number of construction companies worldwide is growing annually, so in order to stay competitive and uphold excellence, it is imperative to acknowledge the critical role that workers, or human resources, play in propelling the operations of construction companies. Given that workers devote their time, minds, and energies to their work, they deserve special consideration. In addition, their needs, wants, and hopes can affect their commitment, loyalty, and love for their jobs and employers, which in turn can affect employee performance. The author looks at the issues faced by workers in construction service companies that are registered as construction companies, taking into account the characteristics of construction workers, which include workers with a limited working period and relatively low education. K2, or small level two Companies need to be able to foster environments that will allow employees to grow and enhance their talents and skills to the fullest extent possible in order to achieve high performance, and one way to do this is by offering adequate pay or compensation (Annisa, 2015).

The number of wages that are paid to employees must follow the guidelines set forth by the local government. Nevertheless, according to the findings of staff financial interviews. He claimed that workers had not received a complete implementation of government regulations pertaining to the minimum wage in the Tangerang district. Only a few divisions logistics, for example have been paid according to the government-established nominal, whereas the organizers have nearly reached the standard nominal. Only field supervisors, construction workers, construction worker assistants, and workshop coordinators receive daily wages; other divisions, including draftsmen, project administration, financial staff, and general staff, continue to be paid less than the government-set minimum. Besides paying well, one way to boost productivity is by making the workplace welcoming, secure, accommodating, and pleasurable. Both the physical and virtual work environments are included in the definition of the work environment. What can be considered a non-physical work environment is the social aspects of the workplace. The virtual work environment that employees inhabit has an effect on their performance. Workers will feel at ease doing their work if their surroundings are favorable to working, their relationships with superiors are positive, and their coworkers are easy to work with (Khaerudin et al., 2021).

After the researcher conducted an interview with a craftsman working in the field, it was discovered that the craftsman felt there were a few things about the company that he did not like. He acknowledged that it was rare to find his superiors closely monitoring their staff. The working atmosphere he felt was not comfortable, so he was not able to carry out his work optimally. Apart from that, he also does not feel that there is a family relationship between employees and their superiors. He admits that he and several other workers feel a bit awkward when they have to interact directly with their superiors. Actions taken to raise performance that are not related to pay or the physical workplace, such as leadership. Effective leadership has a significant impact on how a company is managed. Leadership is essential to an organization because it is one of the elements affecting the accomplishment of its vision, mission, and goals. Businesses in the construction sector engage in a variety of activities that foster goodwill and collaboration among stakeholders. An organization is made up of numerous parties with diverse personalities. As a result, a leader is crucial in guiding the people in his organization. Field construction operations are typically overseen by a leader known as a project manager, sometimes referred to as a foreman (Mathis & Jackson, 2019). A project manager, also known as a foreman, is in charge of all construction activities in an organization and plays a critical role. The professionalism of a project manager greatly influences the success or failure of a project that is being implemented.

## Literature Review

Paying employees is the most difficult task for a business, but it also has the greatest significance for human resources since it shows how much the workforce, their families, and society value their labor. And for businesses,

compensation entails rewarding staff members who have helped them achieve their objectives through their work, with the primary objective of compensation being the enhancement of employee performance. Employee performance may suffer significantly if they believe their pay is insufficient. In order to inspire employees to work with enthusiasm, to reach their full potential, and to enhance their quality of life, compensation must be provided in a fair and suitable manner (Zunan et al., 2022). Besides paying well, one way to boost productivity is by making the workplace welcoming, secure, accommodating, and pleasurable. Long-term effects of an unsuitable work environment are evident. Unfavorable environmental factors can also make tasks more time- and energy-consuming and hinder the creation of effective work systems (Nitisemito, 2021).

Since the workplace is where organizational activities take place, a manager or business leader must be able to establish a welcoming atmosphere to support high morale among employees and the achievement of organizational objectives. Both the physical and virtual work environments are included in the definition of the work environment. What can be considered a non-physical work environment is the social aspects of the workplace. The virtual work environment that employees inhabit has an effect on their performance. If an employee's environment is conducive to working, they have positive relationships with their superiors, and they get along well with their coworkers, they will feel comfortable doing their work. Measures done to improve performance like leadership that have nothing to do with salary or the physical workspace. Good leadership has a big influence on how a business is run. Leadership is essential to an organization because it is one of the elements affecting the accomplishment of its vision, mission, and goals (Khaerudin et al., 2020). Compensation is one tool that management can use to boost productivity, inspire workers, and enhance job satisfaction and performance. To put it plainly, compensation is what workers get paid for the work they do. The amount paid to employees is typically the only topic of discussion when discussing compensation policies. If the compensation is sufficient, it indicates that it is both good and appropriate. The issue is complex because an organization's employees may not find what is adequate for it. The influence of compensation on employees is very large; high work morale, employee anxiety, and loyalty are largely influenced by the amount of compensation (Sedarmayanti, 2017).

An environment is considered good or suitable when it allows people to perform their tasks in the most efficient, safe, healthy, and comfortable ways possible. Long-term effects of an unsuitable work environment are evident. Unfavorable environmental factors can also make tasks more time- and energy-consuming and hinder the creation of effective work systems. A bad work environment will wear people out and make them perform less well, so leadership plays a critical role in fostering a positive environment. Taking the non-physical work environment into account, employee performance and discipline show positive and significant direct effects. The non-physical work environment has an impact on employee performance to some degree. Leadership is the ability to oversee and influence individuals or diverse groups of people to achieve goals (Rosari et al., 2022). A leader must possess certain traits, which have repercussions for the leader when they are employed. These attributes include the guts to take independent action and take ownership of one's decisions, as well as the realization that accountability cannot be delegated lower in the hierarchy. Leadership is necessary for an effective and efficient organization because it can encourage performance and goal achievement at work. This is because the leader plays a major role in determining the organization's success. Previous studies' findings indicate that employee performance is significantly impacted by leadership. According to other studies, employee performance is significantly impacted by leadership (Subarkah et al., 2017).

## **Methodology**

A population is a broad category made up of items or subjects chosen for study based on specific quantities and attributes that the researcher determines and then draws conclusions from. All of the participants in this study are employees. There were one hundred samples used in this study. The researchers employed questionnaires, observations, and interviews as data collection methods in this study. In this study, hypotheses are tested using multiple linear regression analyses. This analysis determines the impact of several independent variables. Multiple linear analysis employed the t, F, and coefficient of determination tests (R<sup>2</sup>). To put it simply, the coefficient of determination (R<sup>2</sup>) measures how much the model can account for changes in the dependent variable. To determine the simultaneous effects of independent variables on the dependent variable, the F test is used. The F test is meant

to assess every single independent variable. The t test was used to determine the extent to which each independent variable had a partial influence on the dependent variable.

### Case studies

The results of descriptive statistical tests indicated that the minimum and maximum respondent answers obtained from distributing the questionnaire were 30, 50, and 34.2, with a standard deviation of 3.9, respectively. With an average of 35 and a standard deviation of 2.7, the non-physical work environment variable had a minimum respondent answer of 40 and a maximum respondent answer of 50 obtained from distributing the questionnaire. With a standard deviation of 2.8, the average response to the questionnaire regarding the leadership variable was 25. The distribution of the questionnaire yielded a minimum of 30 and a maximum of 40 answers. The questionnaire distribution yielded a minimum respondent answer of 9 and a maximum respondent answer of 15, with an average of 13.1 and a standard deviation of 1.4 for the worker performance variable. Based on the compensation variable research findings,  $t\text{-count } 6.2 > t\text{-table } 1.99$  and a significance value of  $0.000 < 0.05$  were discovered. It is possible to conclude that  $H_a$  is approved and  $H_o$  is not. Therefore, it can be said that compensation greatly enhances worker performance. The present study's findings are consistent with earlier research indicating a partial relationship between employee performance and compensation. Similarly, studies carried out by other researchers at the clothing company demonstrate that pay has a big impact on output. And one way for management to improve work performance, motivate employees, and increase employee satisfaction and performance is through compensation.

Studies on variables associated with the non-physical work environment yielded significant values of  $0.000 < 0.05$  and  $t\text{-count } 4.9 > t\text{-table } 1.99$ . It is possible to conclude that  $H_a$  is approved and  $H_o$  is not. Therefore, it can be said that the non-physical work environment has a big influence on employee performance. The results of this investigation align with past research indicating a notable influence of the non-physical work environment on employee productivity. Other research also showed that the non-physical work environment had a major effect on performance. Creating both a physical and virtual work environment is one of the most important tasks that an organization must focus on in order to achieve its goals. A  $t\text{-count of } 2.4 > t\text{-table of } 1.99$  and a significance value of  $0.02 < 0.05$  were obtained for the leadership variable. It is possible to conclude that  $H_a$  is approved and  $H_o$  is not. Therefore, it can be said that leadership greatly raises worker performance. The results of this investigation align with past research indicating the significant influence of leadership on employee productivity. Similarly, additional studies have demonstrated that leadership significantly and favorably affects worker performance. Since leadership can promote performance and work achievement, it is necessary to create an organization that is both effective and efficient.

According to the F test results, the  $f\text{-count value was } 52.3 > f\text{-table } 2.7$ , with a significance value of  $0.000 < 0.05$ . Based on this regression model, it can be inferred that leadership, non-physical work environment, and compensation variables all have a significant simultaneous impact on worker performance. The study's conclusions are in line with past research showing that pay, work environment, and leadership all have a positive simultaneous impact on HR performance. The constant value is negative, meaning that leadership, compensation, and non-physical work environment variables are all viewed as constant or equal to zero, which will result in a decline in employee performance. The strong and positive correlation between worker performance and compensation is indicated by the positive coefficient value  $X_1$ . Employee performance will improve if they receive a high salary. The non-physical work environment significantly and favorably affects employee performance, as evidenced by the positive  $X_2$  coefficient. When the non-physical work environment is excellent, employee performance will also improve. Worker performance is positively and significantly impacted by leadership, as indicated by the positive  $X_3$  coefficient value. Employee performance will increase with high levels of leadership. 60% of the variance in worker performance variables is explained by variables related to compensation, non-physical work environment, and leadership, as indicated by the adjusted R square value of 0.6. The remainder is explained by other factors that the author did not look into.

## Conclusion

The information gathered and the analysis performed with a multiple linear regression model allow for the drawing of the following conclusions: The compensation variable has a partially significant influence on the worker performance variable. Employee performance is influenced by non-physical work environment variables to a somewhat significant extent. The leadership variable has a somewhat significant impact on employee performance. Employee performance is significantly impacted by leadership, non-physical work environments, and compensation considerations all at the same time. Based on the results of the study that was carried out, scientists can suggest the following: The purpose of this study is to furnish organizations with insights that will enable them to better comprehend the requirements of their workforce, specifically concerning non-physical work environments, leadership, and compensation factors. The results of the questionnaire revealed the following: it is expected that employers will pay their staff members in accordance with the caliber of the work they have produced; in the compensation variable, workers' wages are the factor that influences compensation. The non-physical work environment is influenced by harmonious relationships in the non-physical work environment variable. Therefore, it is hoped that companies will always foster friendly relationships, especially between staff members and their managers and coworkers. The relationship between the leader and the members is the factor in the leadership variable that influences leadership. It is therefore hoped that businesses will boost employees' faith in their superiors. It is therefore hoped that the business will create a nice and comfortable environment so that employees are enthusiastic about working. The performance variable states that the environment influences worker performance. It is envisaged that scholars will be able to use this study as a guide when undertaking additional research on related topics, such as worker performance, non-physical work environments, leadership, and compensation. It is advised that more research be done on aspects other than worker performance, non-physical work environment, leadership, and compensation issues that the author has addressed or that use different indicators and are backed by the most recent theories or research.

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