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The Impact of Compensation and Working Environment on Employee Performance at PT PLN (Persero) Bukit Asam Power Plant, Implementing Unit South Sumatra Power Unit

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Abstract---*This research investigated the impact of compensation and the work environment on employee performance at PT PLN (Persero) Bukit Asam Power Generation Implementation Unit, South Sumatra Power Plant Main Unit. The entire population of 120 employees was included in the study, and the census method was employed to determine the sample size. The multiple linear regression analysis findings revealed a positive and significant influence of both compensation and the work environment on employee performance. Particularly noteworthy was the effectiveness of compensation in facilitating urgent leave situations. Furthermore, it was emphasized that the physical work environment, encompassing facilities, workspace layout, and air circulation, necessitates thorough evaluation. To enhance employee performance, a recommended strategy involves implementing training and competency improvement initiatives.*

Keywords---*compensation, competency, employee performance, training, work environment.*

Introduction

The PT PLN Bukit Asam Generation Implementation Unit, Southern Sumatra Power Generation Unit (UIKSBS), conducts performance assessments for its employees based on the terms outlined in their work contracts with superiors. The agreed-upon Key Performance Indicators (KPIs) are derived from the management contract determined by Central PLN. The total performance value for an employee is the sum of individual competency and target assessments. Despite the company's concerted efforts to enhance human resource quality, the average employee performance has consistently failed to meet the company's expectations. The fluctuating results from 2018 to 2022 indicate a persistent challenge in achieving optimal employee performance at PT PLN (Persero) UPK Bukit Asam, as the average performance fails to surpass expectations.

Table 1

Realization of Electricity Production at PT PLN (Persero) Implementing Unit Bukit Asam Generation 2018-2022

No	Year	Bruto Realisation (Kwh)	Netto Realisation (Kwh)
1	2018	625.070.000	542.974.858
2	2019	1.005.578.100	884.526.788
3	2020	780.253.100	683.360.320
4	2021	1.326.138.900	1.188.032.322
5	2022	1.486.659.600	1.320.364.581

Source: PT PLN (Persero) UPK Bukit Asam, 2022

Based on the data presented in Table 1, PT PLN (Persero) Bukit Asam Generation Implementation Unit is actively distributing electricity in the Southern Sumatra region. The fluctuation in electricity production was found to be influenced by the performance of employees within PT PLN (Persero) UPK Bukit Asam. Employee performance is a critical concern that companies must address, emphasizing the need to maintain the quality of existing human resources and continually enhance employee performance.

Table 2

Realization of Partner Hospital Bill Payments at PT PLN (Persero) Implementing Unit Bukit Asam Generation

No	Invoice Date	Paid Date	Information
1	January 12, 2021	October 5, 2022	Hospital Bill
2	July 16, 2021	September 13, 2022	Hospital Bill
3	January 20, 2022	September 14, 2022	Hospital Bill
4	April 11, 2022	September 15, 2022	Hospital Bill
5	June 15, 2022	December 23, 2022	Hospital Bill

Source: Partner Hospital, 2022

Companies must prioritize employee welfare in addition to focusing on employee performance. This includes providing compensation. Employees at PT PLN (Persero) Bukit Asam Power Plant Implementation Unit receive not only direct compensation but also indirect compensation in the form of healthcare facilities. These healthcare benefits, provided through health insurance, extend to employees and their families by the company's regulations.

However, as indicated in Table 2, there is a noteworthy delay in the payment of hospital bills by PT PLN (Persero) human capital Palembang. This delay is in violation of the Service Level Agreement (SLA) stipulated in the health service contract for employees/retirees and their families between PT PLN (Persero) human capital Palembang and the Partner Hospital of PT PLN (Persero) Bukit Asam Power Generation Implementation Unit. The agreed-upon deadline for settling hospital bills is 30 calendar days from the receipt of the complete invoice document.

Consequently, the delay in payment has led the partner hospital to unilaterally suspend access to health services for all covered employees and their families until the outstanding bills are settled by PT PLN (Persero) human capital Palembang. This situation forces covered individuals to bear personal costs for medical treatment at the partner hospital until the subscription is reinstated.

The rationale for the payment delay is attributed to a shift in policy regarding managing health services or health insurance for employees and their families. Previously managed at PT PLN (Persero) Bukit Asam Generation Implementation Unit, this responsibility has been centralized to PT PLN (Persero) human capital Palembang.

Observations in the field reveal that, despite the policy change, general administration staff in the PLN Bukit Asam Power Generation Implementation Unit, formerly responsible for HR functions, continues to handle HR-related tasks, such as summarizing health receipts and monitoring training. This staff also serves as a conduit for inquiries about existing personnel regulations at PT PLN (Persero) Bukit Asam Generation Implementation Unit. The absence of a dedicated HR function in the Bukit Asam Power Generation Implementation Unit raises concerns among employees, as the centralized HR function prolongs the resolution of employee complaints related to HR matters and contributes to a less conducive work environment (Cummings et al., 2010; Raziq, & Maulabakhsh, 2015; López-Cabarcos et al., 2022).

Research Method

In this study, the population was all employees at the PLN office, Bukit Asam Power Generation Implementation Unit, and Southern Sumatra Power Generation Unit, totaling 120 employees. The author determined the sample size in this research using the census method (saturated sampling), a sample determination technique where all population members are used as samples. The sampling method used in this research is the saturated sample method. The saturated sampling method is a technique in which all population members are used as samples. In this research, the respondents were all employees at PT PLN (Persero) Bukit Asam Power Generation Implementation Unit, Southern Sumatra Power Generation Unit, totaling 120 employees, and all of them were the respondents in this research.

Result and Discussion

- a) A constant value of 0.537 indicates that the employee's performance is 0.756 if the compensation variable (X1) and work environment (X2) are 0 (zero).
- b) The regression coefficient value of the compensation variable is 0.380, which means that the compensation given will increase the performance of employees at PT PLN (Persero) Bukit Asam Implementation Unit, Southern Sumatra Power Generation Unit. Based on the results of the calculations that have been carried out, a significance of $0.000 < 0.05$ is obtained. The significance of $0.000 < 0.05$ indicates that the first hypothesis can be accepted. This value and the regression coefficient value of 0.380a, a positive relationship between compensation and the performance of PT PLN (Persero) employees of the Bukit Asam Implementation Unit of the Southern Sumatra Power Generation Unit, are shown.
- c) The regression coefficient value for the work environment variable is 0.491, which means that if the work environment is provided, the performance of employees at PT PLN (Persero) Bukit Asam Implementation Unit, South Sumatra Power Generation Unit will increase. Based on the results of the calculations that have been carried out, a significance of $0.000 < 0.05$ is obtained. The significance of $0.000 < 0.05$ indicates that the second hypothesis can be accepted. This value and the regression coefficient value of 0.491 show a relationship between the work environment and the performance of PT PLN (Persero) employees of the Bukit Asam Implementation Unit of the Southern Sumatra Power Generation Unit.

The effect of compensation on employee performance at PT PLN (Persero) Bukit Asam Implementing Unit, South Sumatra Power Generation Main Unit

The analysis results of this research show that compensation has a positive and significant effect on employee performance so the first hypothesis can be accepted. The results of this research are in line with the results of research Hassan (2022); (Touma, 2022); (Darmadi et al., 2023); (Ybnu & Nasirin, 2021); (Aji, 2021); (Ratnasari et al., 2023); (Sunarto, 2021); (Arismunandar & Khair, 2020); (Ningrum et al., 2021); (Lubis, 2021); (Manik, 2019) shows the results that compensation has a positive and significant effect on employee performance. Different results were shown by research results from (Fachmi et al., 2021); (Aromega et al., 2019), (Hidayati, 2019) showing that compensation has a negative and significant effect on employee performance.

Respondents to the direct compensation dimension at PT PLN (Persero) Bukit Asam Implementation Unit, Southern Sumatra Power Generation Unit, show that the percentage of Agree and Strongly Agree answers is 81.02% and is included in the "Good" category." The salary and bonuses are based on the rules set for the employee's position. From that, it provides official housing and official vehicles in good condition for employees to support their work. The official housing provided is also of a quality that is suitable for habitation and is equipped with several supporting facilities. It is hoped that employees who can get an official residence can occupy it without carrying too many belongings (Güngör, 2011; Bedarkar & Pandita, 2014; Eliyana & Ma'arif, 2019).

In the indirect compensation dimension at PT PLN (Persero) Bukit Asam Implementation Unit, Southern Sumatra Power Generation Unit, the percentage of Agree and Strongly Agree answers was 75.34% and was included in the "Quite Good" category. This shows that employees are allowed to apply for leave. Apart from that, employees are provided with appropriate health and life insurance according to the standards provided based on the employee's pose. Company regulations do this to provide welfare to PT PLN (Persero) employees and their nuclear families.

From the results of respondents' respondent's compensation variable (X1), it can be concluded that of the two dimensions of compensation, the most significant percentage of answers "Agree" and "S" roll "Agre" was 81.2%, n"mely in the direct compensation dimension. Meanwhile, the lowest percentage is in the indirect compensation dimension, namely 75.34%. This means the compensation given to PT PLN (Persero), the Bukit Asam

Implementation Unit, and the Southern Sumatra Power Generation Unit is quite good, especially in the direct compensation dimension.

The influence of the work environment on employee performance at PT PLN (Persero) Bukit Asam Implementation Unit, South Sumatra Power Generation Main Unit

The analysis results obtained in this research show that the work environment has a positive and significant effect on employee performance, so the second hypothesis can be accepted. The results of this research are in line with the results of research from (Rianda & Winarno, 2022); (Ratnasari et al., 2023); (Rasool et al., 2021); (Yusof, 2021); (López-Cabarcos, 2022); (Taiwo, 2020); (Jayaweera, 2015); (Bushiri, 2014); (Nzewi et al., 2018); (Ndolo, 2020); (Paramarta & Astika, 2020); (Mathews & Khann, 2016); (Naharuddin & Sadegi, 2013); (Nnzushi, 2015); (Al-Omari & Okasheh, 2017); (Agbozo et al., 2017); (Amin & Majid, 2017) shows the results that the work environment has a positive and significant effect on employee performance.

Based on the respondents, the percentage of Agree and Strongly Agree answers to the physical work environment dimension was 77.02% and included in the "Good" category". This shows that the atmosphere and facilities provided for employees by PT PLN (Persero) Bukit Asam Implementation Unit, Southern Sumatra Power Generation Unit, are following the standards and needs of employees. However, there are still respondents who stated "Strongly Disa" and "Disagree," so "there is" an indication that some employees feel that there are still deficiencies in terms of supporting facilities that have not been updated according to needs as well as a lack of air circulation in the workspace, where the workspace which always uses air conditioning and rooms that are too close together between rooms which causes air circulation to only rely on air conditioning (De Vos et al., 2011; Mojab et al., 2011).

In the non-physical environmental dimension, the percentage of Agree and Strongly Agree answers is 92.32% and is included in the "Good" category." This shows that the non-physical environment at PT PLN (Persero) Bukit Asam Implementation Unit, Southern Sumatra Power Generation Unit, is in a good relationship with fellow employees with a work structure that is by the skills, knowledge, and education of the job description provided. However, there still being respondents who stated "Strongly Disa" and "Disagree," which is an "indication that for some employees, the suitability of the job description with the given employee's abi employees still not appropriate, but with good relationships that exist, fellow employees can help each other if you experience difficulties in completing the work assigned by the company (Dulebohn & Werling, 2007; Cuñat & Guadalupe, 2009).

Based on the overall results of respondents' responses to the work environment variable (X1), it can be concluded that of the two dimensions, the most significant percentage for answers "Agree" and "S" roll "Agree" was 92.32%, especially in the non-physical work environment dimension. Meanwhile, the lowest % was in the physical environment dimension, namely 79.02%. This means the work environment at PT PLN (Persero) Bukit Asam Implementation Unit, South Sumatra Power Generation Unit, is quite good.

Conclusion

Based on the research and analysis results, the following conclusions can be drawn: Compensation has a positive and significant effect on employee performance at PT PLN (Persero) Bukit Asam Implementation Unit, Southern Sumatra Power Generation Unit.

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