THE INFLUENCE OF WORK ENVIRONMENT, LEADERSHIP, AND COMPENSATION ON THE PERFORMANCE OF EMPLOYEES AT THE MINISTRY OF RELIGIOUS AFFAIRS OFFICE IN MAKASSAR CITY

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ABSTRACT

The purpose of this study was to determine and analyze the Influence of Work Environment, Leadership and Compensation on Employee Performance at the Makassar City Ministry of Religion Office. This type of research is quantitative research with a sample of 120 respondents using a questionnaire as a source of data collection, the analysis used is Multiple Linear Regression Analysis using the SPSS V.24 application. The results of the study indicate that: 1. Work Environment has a positive but not significant effect on employee performance, 2. Leadership has a positive and significant effect on employee performance, and 3. Compensation has a positive and significant effect on employee performance. With a confidence level of all variables of 95%.

KEYWORDS	*Work Environment, Leadership, Compensation, Employee Performance*

INTRODUCTION

All government agencies/ministries at the central and regional levels compete to be the best. Various ways are done so that they can improve public services in an excellent manner. To achieve this, maximum performance is required from employees at various levels (Sudarwati et al., 2021). Agencies are established because they have goals to achieve. In achieving its goals, each agency is influenced by the behavior and attitudes of the people contained in the agency. Therefore, the success of achieving these goals depends on the reliability and ability of employees to operate the work units contained in the agency, because the agency's goals can be achieved only because of

the efforts of the human resources contained in each agency (Syuhada & Ariswandy, 2022).

Human resources are the most important asset of an organization because of its role as the subject of implementing activities in an organization. Understanding the importance of the existence of human resources in today's global era, one of the efforts that must be achieved by the organization is to improve the quality of human resources. By improving the quality of Human Resources, it is hoped that employees can work effectively, efficiently, and professionally so that the performance they achieve is expected to be more satisfying according to predetermined work standards. Good performance is one of the goals of an organization or company in achieving high productivity. Achieving good performance cannot be separated from good human resources either (Paniran, 2021). As the Word of Allah SWT in the letter Ar-Rum Verse 30, as follows:

فَأَقِمْ وَجْهَكَ لِلدِّينِ حَنِيفًا ۚ فِطْرَتَ اللَّهِ الَّتِي فَطَرَ النَّاسَ عَلَيْهَا ۚ لَا تَبْدِيلَ لِخَلْقِ اللَّهِ ۚ ذَٰلِكَ الدِّينُ الْقَيِّمُ وَلَٰكِنَّ أَكْثَرَ النَّاسِ لَا يَعْلَمُونَ.

Which means: "So set your faces straight towards the religion of Allah; (remain upon) the fitrah of Allah who created man according to that fitrah. There is no change in the nature of Allah. (That is the straight religion, but most people do not know" (Indonesian Ministry of Religious Affairs).

If this verse is drawn towards the context of Human Resources then the reference in the discussion is the characteristics and also the potential of humans written in the Qur'an. Human resources according to the Qur'an are human potential that can be developed to carry out their duties well and become the khalifah of Allah SWT, humans are given the potential by God in the form of religion since humans are born, this potential is called fitrah. Seeing the importance of the existence of humans as actors who run an organization, it is not wrong to say that Human Resources is the most important asset that has an impact on the welfare of the agency directly (Oktavia, 2021).

Performance is the standard of work of an employee that has been achieved and contributes to the Agency. In improving the performance of an employee, of course, there are supporting factors that need to be considered for a manager or agency leader in order to increase the success rate of the agency (Mundung et al., 2022). The success of achieving the vision and mission of the organization is largely determined by the performance of individual employees. Every organization or company is required to always improve the performance of its human resources in order to achieve organizational goals. A person's performance is a combination of motivation, ability, effort and opportunity to complete a person's task or job based on the degree of willingness and level of ability of employees who can be assessed from the results of their work. According to several previous studies, performance can be influenced by several factors including the work environment ((Tanjung & Sunarto, 2023), leadership (Susanto, 2022) and compensation (Syuhada & Ariswandy, 2022).

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The work environment in a company is very important for management to pay attention to. Although work does not carry out the production process in a company, this factor is important and has a big influence, but many companies are currently paying less attention to this factor. The work environment has a direct influence on employees, where the work environment can improve employee performance (Nabawi, 2019). The results showed that there was a positive and significant influence between the Work Environment variable on employee performance (Farisi & Lesmana, 2021; Ratnasari et al., 2020). However, the results of this study are not in line with research conducted by Nurhidayati, & Junita Anggraini (2021) that the work environment has no effect on performance. Apart from the work environment, leadership is also something that needs to be considered at the office of the ministry of religion in Makassar city.

Leadership in an organization including bureaucracy is very important because without leadership, an organization is a disorganized, chaotic collection of people and machines. The need for leadership if an organization wants to be successful, especially good employees, always want how they can contribute to achieving organizational goals (Fazira & Mirani, 2019). The results showed that leadership has a significant and positive effect on employee performance (Shobirin & Siharis, 2022). Apart from leadership, performance can also be influenced by the compensation given to employees.

Compensation is a reward or service provided by the organization to the workforce because the workforce has contributed energy and thoughts for the progress of the organization in order to achieve the goals that have been set (Dwianto & Pupung Purnamasari, 2019). Compensation is an important factor in the organization to be able to attract, maintain and retain employees to continue working for the organization concerned (Lubis et al., 2021). Research conducted by Putra, *et al* (2021) shows that compensation has a positive and significant effect on employee performance. This research is in line with the results of Susilo's research, & Hendriyatna (2019) that compensation has a significant effect on employee performance. However, it is different from the research conducted by Ratnasari, *et al* (2020) that compensation has a positive but insignificant effect on employee performance.

The Makassar City Office of the Ministry of Religious Affairs is a government agency that has the formulation of vision, mission and technical policies in the field of services and guidance of religious life to the community, such as being required to be friendly to every community that wants to request services in terms of religious affairs and of course must be loyal and have good interactions with every employee around the Regional Office of the Ministry of Religion of Makassar City.

Based on initial observations made by researchers at the Office of the Ministry of Religious Affairs, Rappocini Raya Subdistrict, Makassar City, it appears that the work environment that can affect the decline in employee performance at the KEMENAG office can be seen from the imbalance between workload and resources and if there is an imbalance between high workload and limited resources at KEMENAG, employees may experience fatigue and stress which can be detrimental

to their performance in addition to inadequate physical conditions, such as work spaces that are too cramped, poor health facilities, or uncomfortable environmental conditions, can affect employee welfare and their performance. Then, related to leadership that can affect the decline in employee performance in the KEMENAG office can be seen from the lack of HR support and development, which is characterized by leadership that does not provide sufficient support to team members such as training and development. The next problem related to compensation that can affect the decline in employee performance in the KEMENAG office is that KEMENAG is not responsive to changes in economic conditions or additional tasks carried out by employees by adjusting compensation, this can create dissatisfaction and inequality. It is important for KEMENAG or other agencies to proactively address these issues in order to maintain and improve employee performance.

Based on the phenomena that occur and the different results of previous studies described in the background above, this is interesting to be reexamined. Therefore, this study will resolve how the Effect of Work Environment, Leadership and Compensation on Employee Performance of the Makassar City Office of the Ministry of Religion.

RESEARCH METHOD

In this study, using a quantitative approach method in its implementation based on Explanatory Research. According to Darwin, M., et al., (2021: 9) Explanatory Research is research that can explain how the relationship between two variables on situations and phenomena that occur. For example, explaining how an environment can affect behavior, how technological developments can affect consumer behavior and others. In this study, using a quantitative approach method in its implementation based on Explanatory Research. With details of February processing research permits and distributing questionnaires; March carried out data collection and data analysis then analyzed the interpretation of the results of the research data. The population in this study were employees at the Office of the Ministry of Religion of the Greater Rappocini District of Makassar City as many as 120 people. The sample is part of the population to be studied. However, the sample used in this study was a saturated sample, where the number of samples was the same as the population. The number of samples in this study were 120 people. As for several data collection methods used in this study, namely observation, documentation, interviews, and questionnaires. The data analysis technique of this research is inferential analysis.

RESULT AND DISCUSSION

Validity and Reliability Test

Table 1. Recapitulation of Validity and Reliability Test Results

Variables	Item	R	sig.	Description	Reliability	Description
Work environment	X1.1	0,563	0,000	Valid	0,603	Reliable
	X1.2	0,762	0,000	Valid		

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	X1.3	0,608	0,000	Valid		
Leadership	X2.1	0,821	0,000	Valid	0,827	Reliable
	X2.2	0,899	0,000	Valid		
	X2.3	0,863	0,000	Valid		
Compensation	X3.1	0,801	0,000	Valid	0,771	Reliable
	X3.2	0,779	0,000	Valid		
	X3.3	0,822	0,000	Valid		
Employee performance	Y1.1	0,751	0,000	Valid	0,858	Reliable
	Y1.2	0,865	0,000	Valid		
	Y1.3	0,848	0,000	Valid		
	Y1.4	0,855	0,000	Valid		

Based on Table 1, it can be seen that the research instruments for all items and variable indicators are valid. In addition, the test results show that all research instruments are reliable. This can be seen that all variables of this study have a reliability coefficient / alpha greater than 0.6. If the results of this reliability test are associated with the reliability coefficient index criteria, it shows that the reliability / alpha of the research instrument is high. Thus the research data is valid and suitable for testing the research hypothesis.

Hypothesis Testing

Based on the empirical model proposed in this study, it can be tested on the hypothesis proposed through testing the regression coefficient. The test results in Table 2 are hypothesis testing by looking at the p value, if the p value is smaller than 0.05, the effect between the variables is significant. The test results are presented in the following table:

Table 2. Hypothesis Testing

	Independent Variable	Dependent Variable	B	Beta	t	Sig	Description
H1	Work environment	Employee performance	0,149	0,116	1,335	0,185	Not Significant
H2	Leadership	Employee performance	0,395	0,376	3,886	0,000	Significant
H3	Compensation	Employee performance	0,325	0,316	3,948	0,000	Significant
R = 0,718							
R Square = 0.516							
t_{tabel} = 1.980							
F = 41,181	Sig = 0.000						
Regression Equation	$Y = 0.548 + 0.149X_1 + 0.395X_2 + 0.325X_3$						

Of the entire model of three hypothesized direct effects, two are significant and one is not significant. The interpretation of Table 2 can be explained as follows:

a. The work environment has a positive and insignificant effect on employee performance with P = 0.185 <0.05 with a coefficient value *of* 0.149, this coefficient indicates that the work environment is felt not to affect employee performance at the Makassar City Ministry of Religion Office.

b. Leadership has a significant positive effect on employee performance with P = 0.000 <0.05 with a coefficient value *of* 0.395, this coefficient indicates that the more effective the leader in carrying out his duties, the performance of employees at the Makassar City Ministry of Religion office will also increase.

c. Compensation has a significant positive effect on employee performance with P = 0.000 <0.05 with *a* coefficient value of 0.325, this coefficient indicates that the better employee work compensation, the better employee performance will be.

d. Significant F test with Sig <0.05, meaning that the model built describes the conditions at the research site or the results of this study can be generalized to the Makassar City Ministry of Religion office.

e. R Square produces a value of 0.516, meaning that the model built describes the conditions in the research site by 51.6% and the remaining 48.4% is the limitation of the research instrument in revealing facts and the existence of researcher errors.

Classical Assumption Testing

To obtain an unbiased and efficient estimate of a multiple regression equation, the data must fulfill the following classical assumption criteria:

1. Multicollinearity

   Multicollinearity is a condition where there is a very high correlation between the independent variables in the regression equation. To detect the presence or absence of multicollinearity, it is done by looking at the VIF (Variance Inflating Factor), if the VIF value is less than 5, then there is no multicollinearity in the model.

**Table 3. Multicollinearity Test**

Independent variable	Tolerance	VIF	Description
Work environment	0,443	2,259	Non Multicollinearity
Leadership	0,510	1,960	Non Multicollinearity
Motivation	0,295	3,393	Non Multicollinearity

Source: Appendix 5

Based on Table 3, it is known that the VIF value does not exceed the value of 5, thus it can be concluded that there is no multicollinearity.

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2. Heteroscedasticity

Heteroscedasticity will make the estimation of regression coefficients inefficient. The results of the estimation will be less than they should be. Heteroscedasticity is contrary to one of the basic assumptions of linear regression. Diagnosis of heteroscedasticity can be done by looking at the residuals (*ZRESID) and the predicted variable (*ZPRED). If the distribution of points in the plot is scattered around zero (0 on the Y-axis) and does not form a certain line pattern or trend, it can be said that the model does not meet the assumptions of Heteroscedasticity or the regression model is said to be qualified to predict. Heteroscedasticity is tested using the *Scatterplot* graph.
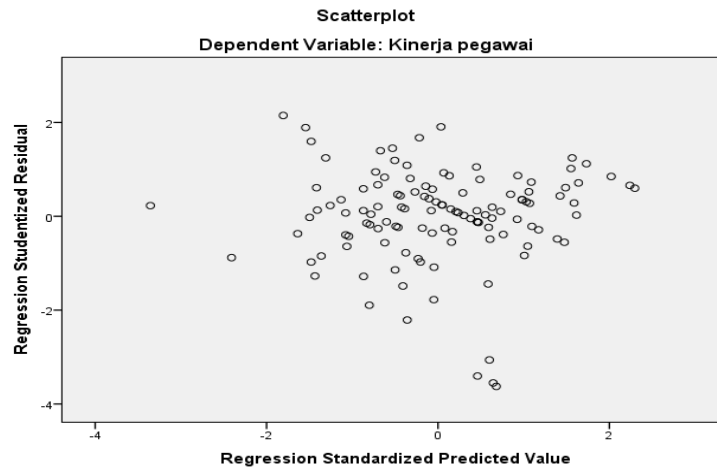

Heteroscedasticity Test Results

Based on this picture, it can be seen that there is no heteroscedasticity because there is no clear pattern and the points spread out. The basis for making this decision is:
- If there is a certain pattern that forms a regular pattern, then heteroscedasticity occurs.
- If there is no clear pattern and the dots spread out then there is no heteroscedasticity.

3. Normality

The normality test is used to detect whether the data distribution of the independent variable and the dependent variable is normal. The normality test is intended to see whether the data being analyzed has a residual value that is around zero (normal data) or not. If it is around zero, then the normality assumption is met, and vice versa. A good regression model is to have a normal or near normal data distribution. To test or detect

this normality, it is known from the *normal probability plot* display. If the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model fulfills the assumption of normality. If the data spreads far from the diagonal line, the regression model fulfills the assumption of normality. If the data spreads far from the diagonal line and/or does not follow the direction of the diagonal line, then the regression model does not fulfill the assumption of normality.
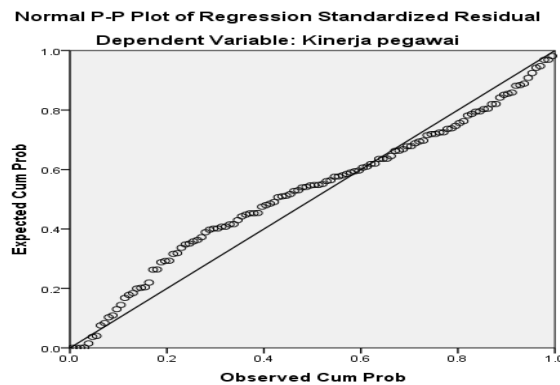
Normal Probability Plot Test

It can be seen that the points spread around the diagonal line, and the distribution follows the direction of the diagonal line. So the regression model deserves further analysis.

Discussion

The Effect of Work Environment on Productivity

To answer the formulation of the problem and the first hypothesis can be observed from the results of the regression analysis in Table 2. The table shows that the work environment has a positive and insignificant effect on employee performance. This finding shows that the work environment is felt not to affect employee performance at the Makassar City Ministry of Religion Office. This finding is in accordance with the results of research conducted by Rahayu & Rushadiyati (2021) which shows that the Work Environment has a positive but insignificant effect on Employee Performance. However, it is not in line with the results of Sembiring's research (2020), the test results show that the work environment variable has a positive and significant effect on employee performance.

The results of descriptive statistics show that the Lighting and Noise Indicators are indicators that have the highest mean value of the work environment variable. This proves that the work environment is not only seen from the physical conditions of the agency, but it is also necessary to pay attention to the non-physical work environment.

Based on the results of the research through interviews, the informant explained that it is possible that because in early 2024 renovations were carried out in the agency, communication between employees could also be disrupted due to noise. Visual

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disturbances can also interfere with creativity and inspiration in work with the sight of construction equipment, building materials lying around and damaged walls can disturb the aesthetics of the work environment and affect the mood of employees. Dust and dirt from the renovation process can spread throughout the space, creating an uncomfortable and unhealthy environment to work in. Employees may feel distracted by the chaos around them and find it difficult to focus on their work. Meanwhile, related to the social aspect of the work environment that refers to the inter-team relationship among coworkers, for example, the lack of communication and teamwork carried out, where there are team members who do not share information openly so that it is not uncommon for a misunderstanding to occur when carrying out the assigned tasks.

The Effect of Leadership on Employee Performance

To answer the formulation of the problem and the second hypothesis can be observed from the results of the regression analysis in Table 2. The table shows that leadership has a significant positive effect on performance. This finding shows that the more effective the leader in carrying out his duties, the performance of employees at the Makassar City Ministry of Religion office will also increase. This finding is in accordance with the results of research conducted by (Depitra & Soegoto, 2018) which shows that leadership has a positive and significant effect on employee performance.

The results of descriptive statistics show that the Leadership variable with the Communication ability indicator has the highest mean value of the leadership variable. This proves that strong communication skills are key in building good relationships between leaders and team members, as well as in achieving organizational goals effectively. Based on the results of the researcher's observations, the facts at the research site show that the leadership at the Makassar City Ministry of Religion Office has good leadership values. This can be seen, the ability to communicate with employees, as well as provide clear direction and guidance to employees in increasing their contribution or involvement in doing work. A good leader must be able to pay full attention to what team members say and pay attention to issues that may arise. The ability to understand others' points of view and respond with empathy is essential to building strong relationships and mutual understanding within the team.

Effect of Compensation on Employee Performance

To answer the formulation of the problem and the third hypothesis can be observed from the results of regression analysis in Table 2. The table shows that compensation has a significant positive effect on employee performance. This finding shows that the better employee work compensation, the better employee performance will be. This finding is in accordance with the results of research conducted by Susilo et al. (2019) which shows that there is a positive and significant relationship between compensation and employee performance. The results of descriptive statistics show that the Compensation Variable is a Facility indicator that has the highest mean value of the compensation variable, this proves that employees feel that the available

facilities add overall value and well-being to do the work they carry. Through the provision of quality and relevant facilities, companies can increase their attractiveness as a place to work and strengthen the relationship between employees and the organization. Based on the results of the researcher's observations, the facts at the research site show that compensation at the Makassar City Ministry of Religion Office is given fairly and proportional to the work they have completed. That way, employees feel valued and tend to be more motivated to provide the best work results. By paying attention to various aspects of compensation, organizations can build competitive and balanced compensation packages that meet employee needs and support the achievement of organizational goals.

CONCLUSION

Based on the results of research and data analysis, it can be concluded as follows:1. The work environment has a positive but insignificant effect on employee performance, this coefficient shows that the work environment is felt to be unable to influence employee performance. 2. Leadership has a positive and significant effect on employee performance, this coefficient shows that the more effective the leader is in carrying out his duties, the employee performance will also increase. 3. compensation has a significant positive effect on employee performance. This coefficient indicates that the better the employee's work compensation, the better the employee's performance will be.

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