

## **The effect of compensation and work environment on employee work motivation**

**Ilham Husni Ramdani\*, Tri Murwaningsih**

Office Administration Education, Sebelas Maret University, Surakarta, Indonesia

Email: [ilhamhusnir@gmail.com](mailto:ilhamhusnir@gmail.com)

### **Abstrak**

*Penelitian ini bertujuan untuk membuktikan 1) pengaruh kompensasi terhadap motivasi kerja karyawan Matahari Department Store Pakuwon Mall Solo Baru, dan 2) pengaruh lingkungan kerja terhadap motivasi kerja karyawan Matahari Department Store Pakuwon Mall Solo Baru. Penelitian ini menggunakan metode kuantitatif, populasi dalam penelitian ini adalah seluruh karyawan internal Matahari Department Store Pakuwon Mall Solo Baru sebanyak 42 orang. Teknik pengambilan sampel menggunakan sampel jenuh dengan kuesioner sebagai teknik pengambilan data. Pengolahan data menggunakan metode SEM dengan bantuan aplikasi SMARTPLS. Teknik validasi menggunakan pengujian uji validitas konvergen, validitas konvergen, reliabilitas, signifikansi nilai bobot, dan multikolinieritas. Teknik analisis data menggunakan pengujian path koefisien, uji R<sup>2</sup>, uji f<sup>2</sup>, dan uji Q<sup>2</sup>. Hasil penelitian ini adalah: 1) kompensasi tidak berpengaruh terhadap motivasi kerja dibuktikan dengan hasil uji Path Koefisien menunjukkan nilai T-Statistic 1,150 < 1,96 dan p-values sebesar 0,250 > 0,005. 2) Lingkungan kerja berpengaruh terhadap motivasi dibuktikan dengan hasil uji T menunjukkan nilai T-Statistic sebesar 2,116 > 1,96 dan p-values sebesar 0,034 < 0,05.*

*Kata kunci : budaya organisasi; kinerja karyawan; produktivitas kerja*

### **Abstract**

This study aimed to examine (1) the effect of compensation on employee work motivation at Matahari Department Store Pakuwon Mall Solo Baru, and (2) the effect of work environment on employee work motivation at the same location. This quantitative research involved a population of 42 internal employees. Total sampling technique was employed, with data collected through questionnaires. Data analysis was conducted using Structural Equation Modeling (SEM) with SmartPLS software. Validation procedures included convergent validity, discriminant validity, reliability, weight significance, and multicollinearity tests. The data analysis employed path coefficient testing, R<sup>2</sup>, f<sup>2</sup>, and Q<sup>2</sup> tests. The findings revealed that (1) compensation did not significantly influence work motivation, as indicated by a t-statistic of 1.150 (< 1.96) and p-value of .250 (> .05); and (2) work environment had a significant effect on motivation, supported by a t-statistic of 2.116 (> 1.96) and p-value of .034 (< .05).

---

\* Corresponding author

**Citation in APA style:** Ramdani, I.H., & Murwaningsih, T. (2026). The effect of compensation and work environment on employee work motivation. *Jurnal Informasi dan Komunikasi Administrasi Perkantoran*, 10(1), 46-57. <https://dx.doi.org/10.20961/jikap.v10i1.108662>

Keywords: employee performance; organizational culture; work productivity

Received June 25, 2025; Revised October 03, 2025; Accepted October 18, 2025;  
Published Online January 02, 2026

<https://dx.doi.org/10.20961/jikap.v10i1.108662>

## Introduction

As a retail company with sales targets, Matahari Department Store Pakuwon Mall Solo Baru operates 12 hours daily (10:00–22:00 WIB) without holidays, with work schedules divided into morning and afternoon shifts. Employees are expected to maintain high work motivation and strict discipline in accordance with Standard Operating Procedures (SOPs). However, employee motivation has declined, as evidenced by non-compliance with SOPs and disciplinary issues. Observations revealed several instances of employee misconduct: (1) sales promoters frequently absent from their work areas, spending time in the warehouse attaching security tags while listening to YouTube; (2) employees gathering in groups and socializing during working hours; (3) taking unauthorized breaks outside designated rest periods; and (4) inadequate interpersonal communication and mutual respect among certain employees, leading to potential conflicts. If left unaddressed, these behaviors may negatively affect the work motivation of other employees.

According to Maslow's hierarchy of needs theory, motivation fundamentally arises from the desire to fulfill needs, progressing from lower to higher levels (Andjarwati, 2015). Maslow categorized these needs into five levels: physiological, safety, social, esteem, and self-actualization. However, subsequent theoretical refinements suggest that needs should not be viewed as a strict hierarchy; rather, multiple needs can be fulfilled simultaneously (Siagian, 2019). Work motivation is influenced by internal factors—including desires for survival, possession, recognition, acknowledgment, and power—as well as external factors such as work environment conditions, compensation, effective supervision, job security, status and responsibility, and flexible regulations (Sutrisno, 2019).

Compensation represents one factor that influences employee work motivation. Compensation can be defined as remuneration or recognition provided individually by organizations for task completion or achievement of established standards or targets (Mujanah, 2019). Fundamentally, compensation aims to attract, retain, and motivate employees to contribute their best efforts to the organization through both financial and non-financial means (Sinambela, 2018). Compensation may take various forms, including salaries and wages, incentives, allowances, health and welfare benefits, career development opportunities such as skills training, and social compensation in the form of recognition, appreciation, teamwork cohesion, and verbal praise (Ulfatin & Triwiyanto, 2016). Effective compensation practices must consider adequacy in quantity and quality, equity, and appropriateness regarding position, timing, risk, and responsibility (Harras et al., 2020).

Research conducted by Putri (2021) demonstrated that compensation had a positive and significant effect on employee work motivation at PT. Sumber Sarana Agro (IDC). Similarly, Fauzi et al. (2023) found that compensation significantly influenced work motivation among employees at the Regional Personnel and Human Resource Development Agency of Makassar City. However, Butarbutar and Nawangsari (2022) reported that compensation did not significantly affect civil servant motivation at the DKI Jakarta Provincial DPRD Secretariat. This finding was corroborated by Sufiya (2021), who also found no significant relationship between compensation and work motivation.

Employee work motivation is also influenced by work environment conditions. The work environment encompasses not only physical conditions but also psychological and social dimensions. As the setting where employees perform their duties, the work environment affects work productivity, creating optimal conditions that enable task completion in a comfortable, healthy, and efficient manner (Kamal et al., 2023). The work environment comprises two types: physical

work environment, which includes facilities and supporting infrastructure; and non-physical work environment, which encompasses human conditions and interactions, air quality, temperature, lighting, noise levels, colors, and ambient aromas (Sedarmayanti, 2015).

Organizations must cultivate a quality work environment through employee personal qualities such as motivation levels, knowledge, abilities, and commitment; leadership quality in motivating, directing, and supporting managers; team quality characterized by supportive, cohesive, close, solid, and harmonious inter-colleague relationships that minimize conflicts; organizational work systems including organizational culture and compensation systems; and contextual factors that emerge suddenly from pressures and changes (Enny, 2019). Research by Indah and Riana (2020) demonstrated that work environment had a positive and significant effect on employee work motivation at Ibis Styles Denpasar Hotel. Sugiarti (2022) similarly found that work environment influenced employee work motivation at PT. Suryamas Elsindo Primatama.

Both compensation and work environment are hypothesized to influence work motivation; however, previous research has yielded inconsistent findings. Fauzi et al. (2023) found that compensation and work environment, both partially and simultaneously, had significant effects on employee work motivation. Conversely, Ginting et al. (2024) reported that only work environment significantly affected employee work motivation, while compensation showed no significant effect.

**Table 1**  
*Summary of Previous Research Findings*

	Proven Results	Unproven Results
Compensation for Work Motivation	<p>Employees are oriented towards financial compensation supported by a fair, competitive and transparent company compensation policy. (Putri, 2021)</p>	<p>Compensation isn't the only factor that motivates employees, although it does influence job satisfaction. Companies focus less on non-financial compensation: the work environment, career opportunities, recognition, and a sense of belonging. (Sufiya, 2021)</p>
	<p>The work motivation of ASN employees comes from extrinsic sources, where motivation increases driven by financial compensation such as salary and other benefits. (Fauzi, Latief, dan Bahasoan, 2023)</p>	<p>Motivation is more effectively influenced by work discipline factors: strict rule enforcement, transparent work evaluations, and the provision of sanctions or rewards. Compensation in the form of salary and benefits is not a primary factor. (Butarbutar dan Nawangsari, 2022)</p>
	<p>Employees consider that financial compensation is important and can increase work motivation. (Fauzi dkk., 2023)</p>	<p>Salary and benefits are not the primary factors influencing compensation. They are more influenced by the work environment and facilities. (Ginting dkk., 2024)</p>

Source: Data processed by researchers (2025)

Across the aforementioned previous studies, work environment consistently showed significant effects on work motivation. This can be attributed to work environment—encompassing both physical and psychological dimensions—functioning as a hygiene factor in Herzberg's motivation theory, serving to reduce dissatisfaction even though it does not directly increase work motivation. In essence, work environment functions to maintain motivation levels and prevent decline.

Given the observed phenomena and inconsistent findings in previous research, this study aimed to determine (1) whether compensation affects employee work motivation, and (2) whether

work environment affects employee work motivation. This research focused on the variables of compensation, work environment, and work motivation. Compensation can be measured using indicators including wages and salary, incentives, allowances, and facilities (Afandi, 2018).

Compensation itself may include salaries and wages, incentives, allowances, health and welfare benefits, and career compensation such as workplace security, career and skills development, as well as social compensation in the form of recognition and appreciation, praise, and teamwork cohesion (Ulfatin & Triwiyanto, 2016). This study employed combined indicators from Afandi (2018) and Ulfatin and Triwiyanto (2016), encompassing (1) salary, (2) incentives, (3) recognition/appreciation in the form of verbal and symbolic praise, and (4) career opportunities including training and career advancement.

Work environment can be measured across two indicator categories: (1) physical work environment, including adequate lighting, good air circulation, comfortable spatial arrangement, harmonious decoration, low noise levels, and work support facilities; and (2) non-physical work environment, including positive and respectful relationships with supervisors and harmonious relationships among colleagues (Sedarmayanti, 2017). This study employed simplified indicators comprising facilities, work atmosphere, employee-supervisor relationships, and colleague relationships.

Work motivation can be measured through driving force, willingness, voluntariness, skill development, skill formation, responsibility, obligation, and goals (Siagian, 2013). This study simplified these indicators into (1) goals, (2) efforts to achieve goals accompanied by drive and enthusiasm, (3) voluntariness without coercion as part of strategy, and (4) improvement as a follow-up effort, including working more effectively, enhancing discipline and responsibility, and skill and self-development.

The research questions were (1) Does compensation affect employee work motivation? and (2) Does work environment affect employee work motivation? This study aimed to (1) analyze the effect of compensation on employee work motivation at Matahari Department Store Pakuwon Mall Solo Baru, and (2) analyze the effect of work environment on employee work motivation at the same location. The hypotheses were: H1: Compensation affects employee work motivation; and H2: Work environment affects employee work motivation.

## **Research Methods**

This quantitative study employed descriptive analysis techniques. The population comprised 42 employees of Matahari Department Store Pakuwon Mall Solo Baru. Total sampling technique was utilized, with samples drawn from the entire population. Data were collected using closed-ended questionnaires with a 4-point Likert scale (1–4).

As the research variables were latent constructs, they were converted into indicator variables and analyzed using Structural Equation Modeling (SEM). Instrument validity was assessed through outer model evaluation: (1) for reflective indicators, convergent validity, discriminant validity, and reliability tests were conducted; and (2) for formative indicators, weight significance and multicollinearity tests were performed. Subsequently, inner model analysis was conducted through path coefficient testing,  $R^2$  (coefficient of determination),  $f^2$  (effect size), and  $Q^2$  (predictive relevance). Hypothesis testing employed t-tests and F-tests.

## **Result and Discussion**

### **Research Result**

#### **Respondent Characteristics**

Respondents consisted of 42 non-consignment employees of Matahari Department Store Pakuwon Mall Solo Baru. The sample was predominantly female ( $n = 31$ , 73.8%), with males comprising the remainder ( $n = 11$ , 26.2%). Regarding age distribution, employees aged 21–25 years represented the largest group ( $n = 15$ , 35.7%), followed by 26–30 years ( $n = 11$ , 26.2%), with both 31–35 years and  $\geq 36$  years groups each comprising 8 employees (19%). By position, Sales Promoter

Boys/Girls (SPB/SPG) constituted the majority ( $n = 27$ , 64.3%), followed by cashiers ( $n = 7$ , 16.7%), supervisors ( $n = 2$ , 4.8%), and customer service and other positions ( $n = 3$  each, 7.1%). Educational backgrounds showed that most employees held senior high school or equivalent qualifications ( $n = 33$ , 78.6%), followed by bachelor's degrees ( $n = 8$ , 19%), and master's/doctoral degrees ( $n = 1$ , 2.4%).

**Table 2**  
*Respondent Characteristics*

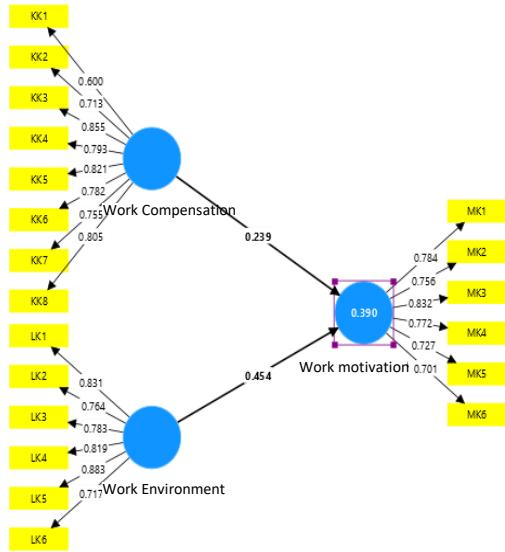
Characteristic	Category	Frequency	Percentage
Gender	Male	11	26,2%
	Female	31	73,8%
Age	21 – 25	15	35,7%
	26 – 30	11	26,2%
	31 – 35	8	19%
	$\geq 36$	8	19%
Position	SPV	2	4,8%
	SPB/ SPG	27	64,3%
	Cashier	7	16,7%
	Customer Service	3	7,1%
	Other	3	7,1%
Education	High School/Equivalent	33	78,6%
	S1	8	19%
	S2/ S3	1	2,4%

Source: Data processed by researchers (2025)

### Convergent Validity

**Figure 1**

*Path Diagram*



The outer loading values from Figure 1 are presented in Table 3. The convergent validity assessment criterion requires outer loading values  $> 0.60$ , which is considered acceptable for explanatory research (Sugiyono, 2015). All items demonstrated outer loading values exceeding 0.60 (ranging from 0.600 to 0.883), indicating that all indicators were valid.

**Table 3**  
*Outer Loading Values*

	Work Compensation	Work Environment	Work Motivation	Status
KK1	0.600			Valid
KK2	0.713			Valid
KK3	0.855			Valid
KK4	0.793			Valid
KK5	0.821			Valid
KK6	0.782			Valid
KK7	0.755			Valid
KK8	0.805			Valid
LK1		0.831		Valid
LK2		0.764		Valid
LK3		0.783		Valid
LK4		0.819		Valid
LK5		0.883		Valid
LK6		0.717		Valid
MK1			0.784	Valid
MK2			0.756	Valid
MK3			0.832	Valid
MK4			0.772	Valid
MK5			0.727	Valid
MK6			0.701	Valid

Source: Data processed by researchers (2025)

#### **Discriminant Validity**

Discriminant validity was assessed using the cross-loading method, which compares the outer loading of each indicator against its own construct with loadings on other constructs, where values should be higher for the intended construct (Ghozali, 2016).

**Table 4**  
*Discriminant Validity (Cross-Loading)*

	Work Compensation	Work Environment	Work Motivation	Status
KK1	0.600	0.360	0.514	Valid
KK2	0.713	0.472	0.333	Valid
KK3	0.855	0.450	0.313	Valid
KK4	0.793	0.430	0.342	Valid
KK5	0.821	0.572	0.348	Valid
KK6	0.782	0.350	0.287	Valid
KK7	0.755	0.436	0.372	Valid
KK8	0.805	0.464	0.434	Valid
LK1	0.523	0.831	0.600	Valid
LK2	0.321	0.764	0.516	Valid
LK3	0.397	0.783	0.319	Valid
LK4	0.518	0.819	0.355	Valid
LK5	0.472	0.883	0.439	Valid
LK6	0.541	0.717	0.494	Valid

MK1	0.476	0.325	0.784	Valid
MK2	0.556	0.368	0.756	Valid
MK3	0.344	0.534	0.832	Valid
MK4	0.422	0.296	0.772	Valid
MK5	0.285	0.634	0.727	Valid
MK6	0.247	0.467	0.701	Valid

Source: Data processed by researchers (2025)

The results confirmed that all indicators exhibited higher loadings on their respective constructs than on other constructs, establishing discriminant validity.

### **Reliability**

Reliability testing was conducted to ensure consistency of individual indicator values relative to their measurements (Haryono, 2016). The acceptable thresholds require composite reliability  $> 0.80$  and average variance extracted (AVE)  $> 0.50$  (Ghozali, 2016). Additionally, Cronbach's alpha values should exceed 0.60 (Sarwono & Narimawati, 2015).

**Table 5**  
*Reliability Test Results*

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)	Status
KK	0.900	0.904	0.920	0.591	Reliable
LK	0.889	0.902	0.915	0.642	Reliable
MK	0.857	0.862	0.893	0.582	Reliable

Source: Data processed by researchers (2025)

All variables demonstrated composite reliability values exceeding 0.80 and AVE values above 0.50. Cronbach's alpha values for all variables also exceeded 0.60. These results indicate that the research instruments possessed adequate reliability.

### **Weight Significance**

Weight significance testing was conducted to compare outer weight values across constructs to determine which indicators contributed most substantially to each construct. Significance was established when  $p < .05$  and  $t$ -statistic  $> 1.96$  (Ghozali, 2016).

**Table 6**  
*Outer Weight Results*

	Original sample	Sample mean	Standard deviation	T statistics ( O/STDEV )	P values	Status
KK1 <- KK	0.231	0.244	0.096	2.402	0.016	Valid
KK2 <- KK	0.150	0.152	0.044	3.436	0.001	Valid
KK3 <- KK	0.141	0.132	0.051	2.740	0.006	Valid
KK4 <- KK	0.154	0.149	0.044	3.500	0.000	Valid
KK5 <- KK	0.156	0.153	0.046	3.374	0.001	Valid
KK6 <- KK	0.129	0.120	0.058	2.239	0.025	Valid
KK7 <- KK	0.167	0.164	0.050	3.353	0.001	Valid
KK8 <- KK	0.195	0.194	0.049	3.941	0.000	Valid
LK1 <- LK	0.276	0.280	0.062	4.446	0.000	Valid
LK2 <- LK	0.237	0.234	0.054	4.394	0.000	Valid

LK3 <- LK	0.147	0.136	0.062	2.351	0.019	Valid
LK4 <- LK	0.163	0.158	0.048	3.425	0.001	Valid
LK5 <- LK	0.202	0.200	0.039	5.194	0.000	Valid
LK6 <- LK	0.227	0.231	0.056	4.019	0.000	Valid
MK1 <- MK	0.196	0.199	0.046	4.280	0.000	Valid
MK2 <- MK	0.225	0.233	0.057	3.931	0.000	Valid
MK3 <- MK	0.244	0.239	0.045	5.425	0.000	Valid
MK4 <- MK	0.177	0.182	0.048	3.688	0.000	Valid
MK5 <- MK	0.267	0.253	0.057	4.653	0.000	Valid
MK6 <- MK	0.203	0.193	0.048	4.228	0.000	Valid

Source: Data processed by researchers (2025)

All indicators demonstrated significant contributions to their respective constructs ( $p < .05$ ;  $t > 1.96$ ), confirming their validity.

### Multicollinearity

Multicollinearity testing was conducted to assess whether multicollinearity existed within the formative block model and its indicators. The absence of multicollinearity is indicated by VIF values  $< 5$  (Utami, 2013).

**Table 7**  
*Multicollinearity Test Results*

Item	VIF	Status
KK1	1.447	Valid
KK2	1.899	Valid
KK3	3.354	Valid
KK4	2.661	Valid
KK5	2.951	Valid
KK6	2.661	Valid
KK7	2.974	Valid
KK8	2.642	Valid
LK1	2.106	Valid
LK2	2.104	Valid
LK3	3.253	Valid
LK4	4.652	Valid
LK5	3.721	Valid
LK6	1.591	Valid
MK1	2.254	Valid
MK2	1.883	Valid
MK3	2.297	Valid
MK4	2.151	Valid
MK5	1.568	Valid
MK6	1.569	Valid

Source: Data processed by researchers (2025)

All indicators demonstrated VIF values below 5 (ranging from 1.447 to 4.652), confirming the absence of multicollinearity.

### **Coefficient of Determination ( $R^2$ )**

The coefficient of determination test was conducted to assess the strength of influence of independent variables on endogenous variables (Haryono, 2016). Interpretation guidelines suggest values of 0.67, 0.33, and 0.19 represent strong, moderate, and weak effects, respectively (Ghozali, 2016).

**Table 8**  
*R<sup>2</sup> Results*

	R-square	R-square adjusted
Work Motivation	0.390	0.359

Source: Data processed by researchers (2025)

The results indicated that  $R^2 = .390$  ( $R^2$  adjusted = .359), indicating that compensation and work environment together explained 39% of the variance in work motivation, representing a moderate effect.

### **Effect Size ( $f^2$ )**

Effect size testing was conducted to assess the strength of exogenous variables on endogenous variables, with interpretation thresholds of 0.02, 0.15, and 0.35 indicating small, medium, and large effects, respectively (Ghozali, 2016).

**Table 9**  
*Effect Size Results*

	KK	LK	MK
KK		0.062	
LK		0.224	
MK			

Source: Data processed by researchers (2025)

Compensation demonstrated a small effect on work motivation ( $f^2 = 0.062$ ), while work environment exhibited a medium effect ( $f^2 = 0.224$ ).

### **Predictive Relevance ( $Q^2$ )**

Predictive relevance was assessed to evaluate the quality of model-generated observation values. This test serves as a goodness-of-fit indicator, where  $Q^2 > 0$  indicates an acceptable model (Ghozali, 2016). Using the formula  $Q^2 = 1 - (1 - R^2)$ , the calculated  $Q^2 = .39$ , indicating that the model possesses strong predictive relevance and explains 39% of the information in the data.

### **Observation and Interview Findings**

Field observations and interviews revealed that compensation did not make a substantial contribution to motivation because (1) employees perceived their salaries as satisfactory, meeting minimum wage standards; (2) fulfilling daily needs served as the primary work motivation; (3) the work environment and colleague relationships were comfortable and supportive; (4) supervisors functioned effectively as mentors, supporting employee needs in fulfilling duties and responsibilities; and (5) company policies were perceived as fair regarding both achievements and violations.

### **Path Coefficient Analysis**

Path coefficient analysis was conducted to examine relationships between variables based on t-statistic significance with a threshold  $> 1.96$  and p-value  $< .05$  using bootstrapping. Hypotheses were accepted when t-statistic  $> 1.96$  and p-value  $< .05$ ; otherwise, they were rejected (Ghozali, 2016).

**Table 10**  
*Path Coefficient Results*

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	Signifikansi
KK -> MK	0.239	0.317	0.208	1.150	0.250	Tidak Signifikan
LK -> MK	0.454	0.412	0.215	2.116	0.034	Signifikan

Source: Data processed by researchers (2025)

The results indicated that not all hypotheses were supported. H1 was rejected: Compensation did not significantly affect work motivation ( $t = 1.150$ ,  $p = .250$ ). Conversely, H2 was supported: Work environment significantly affected work motivation ( $t = 2.116$ ,  $p = .034$ ).

## Discussion

### Effect of Compensation on Work Motivation

The path coefficient analysis revealed that compensation did not significantly affect work motivation ( $t = 1.150 < 1.96$ ;  $p = .250 > .05$ ). The effect size analysis indicated that compensation explained only 6.2% of the variance in work motivation. These findings align with Butarbutar and Nawangsari (2022) and Sufiya (2021), who similarly found no significant relationship between compensation and employee work motivation.

Observational findings indicated that employees were satisfied with their salaries, which may have reduced the incremental motivational effect of additional compensation, consistent with research by Yana et al. (2022). The work environment including colleague and supervisor relationships emerged as a more influential factor than compensation, a finding also corroborated by Ginting et al. (2024). According to Herzberg's Two-Factor Theory, fulfillment of basic needs and company policies represent hygiene factors that do not directly enhance motivation but rather prevent dissatisfaction (Azwanda et al., 2024).

Observations further revealed that recognition and career opportunities were not primary motivators for employees. These aspects constitute motivator factors in Herzberg's framework, which serve to enhance motivation and job satisfaction. Consequently, compensation whether material or non-material provided by the organization has not successfully enhanced employee work motivation in this context.

### Effect of Work Environment on Work Motivation

Work environment demonstrated a significant effect on work motivation ( $t = 2.116 > 1.96$ ;  $p = .034 < .05$ ). Effect size analysis revealed that work environment explained 22.4% of the variance in work motivation. The most influential aspects included work facilities that fulfilled job requirements, followed by a safe work atmosphere, supervisor relationships characterized by role modeling behaviors and attitudes, and colleague relationships marked by helpfulness, comfort, and mutual respect.

These findings are consistent with Riana (2020), who demonstrated that work environment significantly affected employee work motivation. Sugiarti (2022) noted that facilities contributed most substantially to work environment quality, directly impacting comfort, efficiency, and job satisfaction. Wahyuningsih and Kirono (2023) added that a safe, comfortable, and conducive work atmosphere supports smooth work operations free from hazard concerns, thereby enhancing performance. Prakoso et al. (2022) observed that supervisors serving as role models foster employee trust, and clear direction combined with effective communication can stimulate work enthusiasm. Colleague relationships built on mutual assistance and respect also contribute to creating a comfortable and harmonious social atmosphere. These results support the conclusion that improvements in work environment quality correspond to increases in employee work motivation.

## Conclusion

This study examined the effects of compensation and work environment on employee work motivation at Matahari Department Store Pakuwon Mall Solo Baru. The findings indicate that (1) compensation does not significantly affect employee work motivation, as evidenced by the path coefficient analysis ( $t = 1.150 < 1.96$ ;  $p = .250 > .05$ ), suggesting that compensation magnitude does not enhance employee work motivation; and (2) work environment significantly affects employee work motivation ( $t = 2.116 > 1.96$ ;  $p = .034 < .05$ ), indicating that improvements in work environment quality correspond to increased employee work motivation.

These findings corroborate Azmi (2024) and Ginting et al. (2024), demonstrating that compensation does not affect work motivation while work environment serves as the dominant influencing factor. The work environment dimensions examined—including work facilities quality, work support quality, colleague relationships, and employee-supervisor relationships—broadly support Herzberg's Two-Factor Theory, which posits that motivation is influenced by intrinsic or motivator factors that generate job satisfaction, while hygiene factors do not create satisfaction but prevent dissatisfaction.

The practical implications of this research provide insights for organizations in creating safe and comfortable work environments. Organizations should collaborate with employees to maintain physical work environments while fostering competitive yet familial work atmospheres built on supportiveness and mutual respect.

This study is limited to examining the effects of compensation and work environment on employee work motivation at a single store location. Future research would benefit from expanded samples across multiple store locations and consideration of additional variables that may influence work motivation, such as workload, leadership style, company policies, and personal factors including self-esteem and social support. Subsequent researchers should also consider focusing on specific motivation theories such as Herzberg's Two-Factor Theory.

## References

Andjarwati, T. (2015). Motivasi dari sudut pandang teori hirarki kebutuhan Maslow, teori dua faktor Herzberg, teori X Y McGregor, dan teori motivasi prestasi McClelland. *Jurnal Ilmu Ekonomi & Manajemen*, 1(2), 45–54. <https://doi.org/10.30996/jmm17.v2i01.422>

Butarbutar, & Nawangsari. (2022). The effect of compensation and work discipline on employee performance through work motivation (Case study: Secretariat of DPRD DKI Jakarta Province). *Dinasti International Journal of Education Management and Social Science*, 3(4), 468–477. <https://doi.org/10.31933/dijemss.v3i4>

Enny, W. M. (2019). *Manajemen sumber daya manusia*. Ubhara Manajemen Press.

Fauzi, Latief, & Bahason. (2023). Pengaruh kompensasi dan lingkungan kerja terhadap motivasi kerja pegawai pada Badan Kepegawaian dan Pengembangan Sumber Daya Manusia Daerah Kota Makassar. *Jurnal Akuntansi dan Manajemen*, 1(1), 1–14. <https://ejurnal.nobel.ac.id/index.php/manuver/article/view/3626>

Ghozali, I. (2016). *Aplikasi analisis multivariante dengan program IBM SPSS 23* (8th ed.). Badan Penerbit Universitas Diponegoro.

Haryono, S. (2016). *Metode SEM untuk penelitian manajemen dengan AMOS LISREL PLS*. PT. Intermedia Personalia Utama.

Hasibuan, M. (2016). *Manajemen sumber daya manusia*. Bumi Aksara.

Indah D. P., N., & Riana. (2020). The influence of physical work environment and organizational culture on work motivation and employee performance at Ibis Styles Bali Denpasar Hotel. *American Journal of Humanities and Social Sciences Research*, 4(8), 43–51. <https://www.ajhssr.com/wp-content/uploads/2020/08/F20484351.pdf>

Mujanah, S. (2019). *Manajemen kompensasi*. CV. Putra Media.

Sarwono, J., & Narimawati, U. (2015). *Membuat skripsi, tesis, dan disertasi dengan Partial Least Square SEM (PLS-SEM)*. Andi Offset.

Siagian. (2019). *Manajemen sumber daya manusia*. Bumi Aksara.

Sinambela. (2018). *Manajemen sumber daya manusia*. PT Bumi Aksara.

Sugiarti, E. (2022). The influence of training, work environment and career development on work motivation that has an impact on employee performance at PT. Suryamas Elsindo Primatama in West Jakarta. *International Journal of Artificial Intelligence Research*, 6(1). <https://doi.org/10.29099/ijair.v6i1.304>

Sugiyono. (2019). *Metodologi penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.

Sutrisno. (2019). *Manajemen sumber daya manusia*. Kencana.

Ulfatin, & Triwiyanto. (2016). *Manajemen sumber daya manusia bidang pendidikan*. Rajawali Pers.

Wibowo. (2016). *Manajemen kinerja*. Rajawali Pers.