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## **Employee Performance at PT. Sinar Mas Sungai Bungur Estate Lahat as a Result of Career Development, Work Environment, and Compensation**

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### **ABSTRACT**

Internally and externally, PT Sinar Mas Sungai Bungur Estate (SM SBE) faces a number of issues. Employee performance is impacted by this issue. The purpose of this study is to investigate the impact of career development, work environment, and compensation on the performance of PT Sinar Mas Sungai Bungur Estate Lahat personnel. This study uses the quantitative methodology and statistical analysis. Questionnaires, discussion focus groups, interviews, and secondary data were used to collect data. Multiple regression analysis, coefficient of determination, and hypothesis testing were applied in the data analysis. Career development variables (X1), work environment variables (X2), and compensation variables (X3) had no significant effect on performance, according to the findings (Y). As a result, the study's hypothesis that there is a significant impact on performance metrics has not been verified (Y).

**Keywords:** Career Development, Work Environment, Compensation

### **INTRODUCTION**

Human resource development is a firm initiative to improve the position and career prospects of employees by encouraging them to work hard and to the best of their abilities. (Cashmere, 2016; Amalih, 2016) PT. Sinar Mas Sungai Bungur Estate (PT SM SBE) Lahat, an oil palm plantation company based in Palembang Kikim Timur, has been in operation since 1906. It is a major corporation with a huge number of

plantations and staff that invest much in human resource development. Human resource development is mostly focused on the recruitment of local personnel in Gumay Talang, South Sumatra. However, the recruitment of local employees who are accepted to work is often done without stringent supervision or selection, which makes human resource development extremely challenging. (Sinambela, 2016; as a result, there are very few employees that have unique abilities in their specialties in the scope of employment).

Due to the enormous area of plantations held, PT. Sinar Mas Sungai Bungur Estate (PT SM SBE) is placed in the working environment. However, the plantation's size isn't matched by adequate road conditions. The rocky soil's condition creates a lot of dust throughout the dry season. The place is difficult to reach during the rainy season since the route is inundated. Furthermore, the office continues to face challenges in terms of amenities and infrastructure, such as clean water, generator-powered lighting, and the difficulties of existing telecommunication signals. Factors from outside Land ownership obtained from the community from land acquisition is causing problems for the firm. Because property ownership is sometimes complicated, firms frequently face community protests during land purchase. A community demo was held in response to this issue. Employees' work is frequently disrupted as a result of these external factors.

Company remuneration is also a concern because the amount paid to each employee does not always correspond to the amount of labor done. Compensation is sometimes determined by how close the leader and the employee are. As a result, salary distribution is frequently chaotic, particularly when it comes to employee incentives or bonuses. Salary payments are frequently delayed and not made on time when the company's harvest fails. Strikes, decreasing staff performance, working merely for the purpose of absenteeism, lower field supervision, relaxation of nursery checks, mistakes in recording harvest areas, and decreased oversight of plantation irrigation have all resulted as a result of this. Employee performance at PT. Sinar Mas Sungai Bungur Estate (PT SM SBE) Lahat appears to be low and below the company's aim, according to the initial survey.

Based on the foregoing, the goal of this research is to find and measure a number of things. Is there an effect of career advancement on the performance of PT Sinar Mas Sungai Bungur Estate Lahat employees. Second, whether the work environment has an impact on the performance of PT Sinar Mas Sungai Bungur Estate Lahat personnel. Third, whether salary has an impact on the performance of PT. Sinar Mas Sungai Bungur Estate Lahat personnel. Fourth, if PT. Sinar Mas Sungai Bungur Estate Lahat's employee performance is influenced by career development, work environment, and compensation.

## RESEARCH METHODS

The research took a quantitative approach, relying on data and statistical analysis. Purposive sampling strategies are used in sampling techniques. 2016 (Sugiyono) From the 581 employees of PT Sinar Mas Sungai Bungur Estate (PT SM SBE), 58 employees were chosen as samples for instrument trials and research data using the Slovin formula. Primary and secondary data are used in research. Questionnaires, discussion focus groups, and interviews are used to collect primary data. Secondary data is gathered through documents, company publications, government reports, articles, and books, among other sources.

This is the first study to use multiple regression analysis to examine the impact of career development characteristics (X1), work environment (X2), and salary (X3) on employee performance (Y).  $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$  is the equation formula. Second, an analysis of the coefficient of determination was utilized to address the second study's purpose, using the formula  $R^2 = r^2 \times 100$  percent. The hypothesis test, t-test, and f-test were used after that. The hypothesis test is used to co-identify the influence of variables because it is bound by the assumption that if P Value is less than 95 percent,  $H_0$  is rejected and  $H_a$  is accepted.

## RESULTS AND DISCUSSION

### Overview of PT. Sinar Mas Sungai Bungur Estate Lahat

Bungur River Garden (SBGE) and Lingsing River Garden (LRG) are part of PT. Sinar Mas Sungai Bungur Estate Lahat's oil palm plantation company (SLGE). In 1994, oil

palm farms were established. PT. Sinar Mas Sungai Bungur Estate Lahat has 3,944.70 hectares of oil palm plantations. Five divisions make up PT. Sinar Mas Sungai Bungur Estate Lahat.

**Multiple Linear Regression Analysis**

At PT. Sinar Mas Sungai Bungur Estate Lahat, multiple regression analysis is utilized to determine the impact of career development, work environment, and salary on employee performance. Table 1 shows the results of statistical computations performed with the SPSS Version 22.0 application.

**Table 1. Multiple Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	36.568	9.240		3.958	.000		
Career Development	.017	.121	.016	.144	.886	.927	1.079
Work Environment	.005	.134	.004	.037	.970	.887	1.127
Compensation	.171	.113	.171	1.522	.132	.951	1.052

Source: Primary data processing, 2021.

The multiple regression equations for estimating bound variables (performance) utilizing all free variables (career development, work environment, and compensation) are as follows, based on table 1 above:

1. The equation  $Y = 36.568 + 0.017 X_1 + 0.005 X_2 + 0.171 X_3 + e$  was calculated using the results from the table above.
2. A Constanta value of 36,568 indicates that the performance variable value (Y) is 36,568 when independent variables are omitted.
3. A value of 0.017 for the Career Development variable (X1) suggests that increasing the Career Development variable (X1) by one unit will raise the Performance variable (Y) by 0.017.
4. A value of 0.005 for the Working Environment variable (X2), which signifies that if the Working Environment variable (X2) is increased by 0.005 one unit, the Performance variable (Y) will be increased by 0.005.

5. A value of 0.171 for the Compensation variable (X3) suggests that if the Compensation variable (X3) is increased by one unit, the Performance variable (Y) will also be increased by one unit.

### Analysis of Termination Coefficients

Based on the adjusted value R Square, the termination coefficient is used to assess the model's capacity to explain independent variable variations. Table 2 shows the findings of the coefficient of determination analysis.

**Table 2. Termination Coefficient**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	Change Statistics df1	Change Statistics df2	Sig. F Change	Durbin-Watson
1	.171 <sup>a</sup>	.029	.007	2.77361	.029	.816	3	81	.489	2.120

Source: Primary data processing, 2021

The coefficient of determination (R<sup>2</sup>) can be calculated using 0.029 or 29 percent of the data in table 2. This suggests that free variables account for 29% of the variables bound (performance), while the remaining 71% is controlled by elements that the author does not investigate.

### Hypothesis Test Analysis

The hypothesis test begins with a partial test (t-test) to demonstrate the impact of each independent variable (free) in explaining the variation of the dependent variable individually (bound). Table 3 serves can be derived based on a partial test (test t).

**Table 3. Partial Test of Career Development (X1) on Performance (Y)**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	36.568	9.240		3.958	.000
Career Development	.017	.121	.016	.144	.886

Source: Primary data processing, 2021

According to table 3, examining the impact of career development on performance yielded a result of Sig = 0.886, indicating that Sig 0.886 > 0.05, indicating that the career development variable has no significant impact on

performance. As a result of Ho's acceptance and Ha's rejection, the hypotheses in this study demonstrated to have no meaningful impact on performance.

**Table 4. Testing the Effect of Work Environment Variables (X2) on Performance (Y)**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	36.568	9.240		3.958	.000
Work Environment	.005	.134	.004	.037	.970

Source: Primary data processing, 2021

According to table 4, assessing the effect of the work environment on performance yielded Sig = 0.970, indicating that Sig 0.970 > 0.05, indicating that the variable work environment has no significant impact on performance. As a result of Ho's acceptance and Ha's rejection, the hypotheses in this study demonstrated to have no meaningful effect on performance.

**Table 5. Testing the Effect of Compensation Variables (X3) on Performance (Y)**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	36.568	9.240		3.958	.000
Compensation	.171	.113	.171	1.522	.132

Source: Primary data processing, 2021.

Based on table 5 above, it can be explained that the test of the effect of compensation on Performance (Y) obtained the value Sig = 0.132 thus Sig 0.132 > 0.05 which means the compensation variable has no significant effect on performance. So Ho was accepted and Ha was rejected, so hypotheses in this study proved to show no significant effect of compensation variables on performance.

After a partial test (t-test), it is followed by a simultaneous test (Test F) aimed at testing whether the variables of career development, work environment, and compensation, together have a significant influence on performance. To test the truth of the hypothesis, the F test was conducted by comparing the F-count > the F-table, whether Ho was rejected and Ha was accepted. Or it can also be seen from the level of significant alpha ( $\alpha$ ) = 0.05, if the significant value is less than 0.05 then Ho is rejected and Ha is accepted. The results of the F hypothesis test can be seen in table 6.

**Table 6. Simultaneous Test ANOVA<sup>b</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	18.827	3	6.276	.816	.489 <sup>a</sup>
Residual	623.126	81	7.693		
Total	641.953	84			

Source: Primary data processing, 2021.

According to table 4, assessing the effect of the work environment on performance yielded Sig = 0.970, indicating that Sig 0.970 > 0.05, indicating that the variable work environment has no significant impact on performance. As a result of Ho's acceptance and Ha's rejection, the hypotheses in this study demonstrated to have no meaningful effect on performance.

The first hypothesis (H1) of career development variables has no significant impact on PT Sinar Mas Sungai Bungur Estate Lahat employees' performance. As a result, the initial hypothesis is rejected, and the data cannot be confirmed. Human resource development, according to Sedarmayanti (2017), is a long-term educational process carried out in a methodical and planned manner, in which managers study conceptual and theoretical information for general objectives. This indicates that the research findings do not match the above-mentioned theoretical notions. This study contradicts the findings of the Nugraha study (2016) and Kaengke (2018), which claim that work discipline and competence have an impact on the productivity of a company's work.

The second hypothesis (H2) in this study is that the working environment variables have no significant impact on PT Sinar Mas Sungai Bungur Estate Lahat employee performance. The findings of this study differ from those of Shobaruddin's (2015) study, which found that the atmosphere, working conditions, and other factors of the workplace had a significant impact on a company's performance. Similarly, in this study's third hypothesis (H3), pay variables have no significant impact on the performance of PT Sinar Mas Sungai Bungur Estate Lahat personnel. The findings of this study differ from those of Sinambela (2019), who looked at the pay, reward of services, or remuneration offered by the organization to

workers who can contribute their energy and thoughts to the company's success in accordance with the attainment of defined goals.

## **CONCLUSION**

According to the findings of a study conducted on the case of PT Sinar Mas Sungai Bungur Estate Lahat, career development, work environment, and salary have almost little impact on employee performance. This quantitative study is backed up by qualitative data from interviews and focus groups, which show that the primary causes are the deployment of less qualified local workers, a multi-problem workplace, and wage payment delays.

Furthermore, because  $\text{Sig } 0.886 > 0.05$ , some career development variables had no significant effect on performance variables. Similarly, because  $\text{Sig } 0.970 > 0.05$ , the work environment variable had no effect on the performance variable. Because  $\text{sig } 0.132 > 0.05$ , the compensating variable had no effect on the performance variable. While the variables of career development, work environment, and remuneration had no significant effect on performance variables (Y) since  $\text{Sig } 0.489 > 0.05$ , the variables of career development, work environment, and compensation had no significant effect on performance variables (Y).

The organization must pay attention to both external and internal factors based on the findings of this study. Because of the company's external and internal conditions, employees are able to work more attentively and enthusiastically as a result of their comfort. PT Sinar Mas Sungai Bungur Estate Lahat can take the necessary steps to increase employee performance through education and training, improve employee work discipline, and motivate all employees.

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