

Research Article

The Effect of Compensation, Work Environment, and Employee Engagement on Employee Performance at the Office of the Regional Financial and Revenue Management Agency (BPKPD) in Tana Toraja

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Abstract: This study was conducted to analyze the influence of compensation, work environment, and employee engagement on employee performance at the Regional Financial and Revenue Management Agency (BPKPD) of Tana Toraja Regency, both partially and simultaneously. Data collection was carried out through questionnaires and documentation. The analysis method used was a quantitative approach with multiple linear regression techniques processed using the SPSS version 23 program. The results of simultaneous testing through the F test showed that compensation, work environment, and employee engagement together had a significant effect on employee performance. Furthermore, the results of the partial test (t test) showed that the compensation variable had a t-count value of 4.576 which was greater than the t-table of 2.002, so it had a positive and significant effect on employee performance. The work environment variable also showed a positive and significant effect with a t-count value of 2.141 which was greater than the t-table of 2.002. In addition, the employee engagement variable obtained a t-value of 3.187, which is greater than the t-table of 2.002, indicating a positive and significant influence on employee performance. Based on these results, it can be concluded that compensation, work environment, and employee engagement have a significant influence on employee performance.

Keywords: Compensation; Work Environment; Employee Engagement; Employee Performance; Public Sector Organization.

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1. Introduction

Human resources are the most important element in a company, as they are the ones who drive the entire organizational system to achieve company goals. HR has a big influence on the development of the company, both progress and decline, so the success of the company is very dependent on the availability of competent workers in their fields and have optimal performance to support the achievement of company targets, (Prasetya, Utari and Hartati, (2020). Employee performance is a key element in achieving organizational goals. Every organization, both in the public and private sectors, is very dependent on the ability of employees to carry out their duties and responsibilities effectively and efficiently. For this reason, companies need to understand and manage various factors that influence employee performance in order to achieve optimal results (Trisila, (Helmita and Indriyani, 2024). Some factors that can determine good performance are, such as, Employee Engagement, Work Environment, and Compensation. Employee Engagement or employee engagement is very influential on performance, because the company's engagement with employees can create an encouragement to do work and contribute so that employees can provide the best abilities

for the company, so that Employee Engagement has an influence on the Company to develop and achieve goals effectively. (Rika Widianita, (2023). The work environment also influences employee performance. Such as organizations must provide An adequate work environment, both physically and non-physically. Physically, a comfortable, clean work environment with good ventilation and adequate lighting is important. Non-physically, a good work atmosphere, harmonious relationships among employees, and good relationships between employees and management also play a significant role. With facilities that support employee activities, their performance can be effectively improved. (Ulfa Ferliani, Hidayati, and Lastiti, (2022).

Furthermore, fair, appropriate, and competitive compensation can increase employee motivation, loyalty, and productivity. In the Regional Financial and Revenue Management Agency (BPKPD) office, where employees face significant responsibilities in managing public funds and optimizing regional revenue, providing appropriate compensation is crucial. Accuracy, accountability, and high integrity are essential in carrying out tasks related to regional finances. (Apriyadi, Goris Seran, and Sastrawan, (2023). Based on the results of pre-observations conducted by researchers at the Tana Toraja Regency Regional Financial and Revenue Management Agency (BPKPD), through direct observation and initial interviews with several employees, A number of findings related to employee performance were obtained.

From an employee engagement perspective, interviews with the Tana Toraja Regional Development Planning Agency (BPKPD) indicated that employee engagement levels were still considered suboptimal. This was reflected in limited active employee participation in organizational activities, low involvement in the decision-making process, and a tendency for employees to carry out their work limitedly within their assigned core tasks and functions without taking additional initiatives outside of routine work. Consequently, employee active participation in supporting the achievement of organizational goals was suboptimal.

Furthermore, from a work environment perspective, observations revealed that some workspaces at the Tana Toraja Regency BPKPD were occupied by approximately four to five employees per room. The abundance of furniture and files within the rooms created limited and cramped workspaces. This resulted in suboptimal air circulation and restricted employee mobility in carrying out daily work activities. Several employees also reported that the workspaces felt uncomfortable, especially during certain working hours.

Furthermore, from a compensation perspective, based on information obtained during the pre-observation, some employees reported that their compensation was still limited. Tax deductions and certain policies related to adjustments to benefit components, including the implementation of government programs, were assessed to impact the amount of net income received by employees each year. months. This condition has the potential to influence employee perceptions of the adequacy of the compensation received. Based on the above background, the researcher is interested in conducting research at the Tana Toraja Regional Financial and Revenue Management Agency (BPKPD) with the title "The Effect of Compensation, Work Environment, and Employee Engagement on Employee Performance at the Tana Toraja Regional Financial and Revenue Management Agency (BPKPD)."

2. Preliminaries or Related Work or Literature Review

Compensation is the total reward received by employees as a result of carrying out work in an organization in the form of money or other things, which can be in the form of salary, bonuses, incentives, health benefits, holiday allowances, meal allowances, leave money, and so on. (Trisila, Helmita, and Indriyani, (2024). Compensation is also an award given to increase employee motivation to achieve better performance. (Achmad, Rares, and Plangiten, (2023). Continued research shows that compensation is a reward received by an employee from a company, either in the form of money or goods, directly or indirectly, as a reward for contributions or services rendered (Handoko, Susbiyani, and Martini, (2022). From these definitions, it can be concluded that compensation is a reward given to employees for their work. There are several indicators that measure compensation according to (Trisila, Helmita, and Indriyani, (2024), including:

Appropriateness of salary to workload

Describes the extent to which employees feel that their salary is commensurate with the responsibilities and work performed.

Adequacy of salary to meet basic needs

Indicates employees' perceptions of whether their income is sufficient to cover basic daily needs.

Fairness of benefits received

Describes a sense of Employee fairness in receiving benefits compared to other employees.

Appropriateness of incentives to performance

Indicates whether incentives are given based on employee performance achievements.

Timeliness of compensation payments

Indicates the organization's consistency in providing compensation on time.

Work Environment

The work environment is everything surrounding employees that influences or impacts the performance of their tasks, such as lighting, cleanliness, and so on. (Ulfa Ferliani, Hidayati, and Lastiti, (2022).

The work environment is one factor that can influence employee performance because a person can perform their work well if supported by good and comfortable environmental conditions. (Ulfa Ferliani, Hidayati, and Lastiti, (2022). The work environment is a condition surrounding the workplace that will influence employees, both directly and indirectly, and significantly impact employee performance (Sunarno, (2021).

There are several indicators that measure the Work Environment according to (Sofyan, (2015), including:

- 1) Workspace Comfort
Describes the level of comfort in the workspace to support employee work activities.
- 2) Availability of Space to Move
Indicates whether the workspace provides employees with freedom to work.
- 3) Air Circulation and Room Temperature
Describes the physical condition of the work environment that affects employee health and comfort.
- 4) Inter-Employee Working Relationships
Indicates the quality of social relationships and cooperation between employees.
- 5) Working Relationships with Superiors
Describes harmonious communication and coordination between employees and management.
- 6) Availability of Work Facilities
Indicates the completeness and adequacy of work facilities that support employee tasks.

Employee Engagement

Employee engagement is the extent to which an employee is able to fully immerse themselves in their work and commit to achieving organizational goals by delivering their best performance, and expressing themselves physically and emotionally in their work. (Umihastanti and Frianto, (2022).

Employee engagement is also one way to foster high employee loyalty because have a strong sense of connection (Santoso, Mas, and Mas'ud, (2022). Further research indicates that Employee Engagement, or relatedness, is a positive employee attitude accompanied by motivation, both cognitively and emotionally, as well as confidence in one's abilities and a sense of enjoyment while working (Ratu Erlina Gentari, (2023).

According to Umihastanti and Frianto (2022), several indicators measure Employee Engagement, including:

- 1) Work enthusiasm and passion (vigor)
Indicates employee energy and enthusiasm in carrying out work.
- 2) Willingness to exert extra effort
Describes employee willingness to work beyond the minimum job requirements.
- 3) Pride in the organization (dedication)
Indicates employee pride in being part of the organization.
- 4) Involvement in organizational activities
Describes employee active participation in organizational activities.
- 5) Work focus and concentration (absorption)
Indicates the extent to which employees are immersed in their work.
- 6) Resilience in the face of work difficulties

Describes employee ability to continue completing work despite facing challenges.

Employee Performance

Performance is what is achieved or the work achievements that are achieved. visible, a picture of the level of achievement of the implementer

3. Materials and Method

This research is a quantitative research, involving the analysis of survey data in numerical form and processed using SPSS (Statistical Program for the Social Science). Quantitative research is also empirical in nature because the data used is presented in numerical form (Syahrizal and Jailani, 2023). The data for this study were obtained from respondents' responses who completed the research questionnaire.

Type and Source of Data

Type of Data

The type of data used in this study is quantitative research. This research was obtained from calculating data collected from respondents during the research.

Data Source

The data source in this study is primary data. Primary data is obtained from the original source. Primary data is obtained from a field survey, a research method that uses a questionnaire as a data collection tool. A questionnaire is an instrument in the form of a list of questions or written statements that respondents answer or complete according to instructions (Sanjaya, 2015). The questionnaire will then be distributed directly to respondents.

Population and Sample

A population is a subject or object with certain characteristics and the focus of a study. The population in this study were employees working at the Tana Toraja Regional Financial and Revenue Management Agency (BPKPD). The population was 60 employees, all of whom were civil servants (PNS). This study used a saturated sampling method, where all populations were sampled.

Research Instrument

The research instrument used in this study was a questionnaire. The questionnaire was used to measure the variables of compensation (X1), work environment (X2), engagement (X3), and employee performance (Y1). A five-choice Likert scale was used to measure respondents' opinions, with scores based on the number of completed questionnaires. The following details are presented.

4. Results and Discussion

Respondent Characteristics

These various characteristics provide an adequate basis for respondents to understand each item in the questionnaire. According to the findings in this study, respondents provided information on gender, age, education, and length of service. This data can be used to determine the contribution of several factors studied.

Table 1. Respondent Characteristics by Gender.

		Jenis Kelamin	
		Frequency	Percent
Valid	Laki-Laki	26	43,3
	Perempuan	34	56,7
	Total	60	100,0

Based on Table 1 above, 26 respondents were male, representing 43.3%, and 34 respondents were female, representing 56.7%.

Table 2. Respondent Characteristics by Age.

		Age	
		Frequency	Percent
Valid	31-40 thn	32	53,3
	41-50 thn	28	46,7
	Total	60	100,0

Source: Processed data (2025)

Based on Table 2 above, 32 respondents were aged 31-40, representing 53.3%, and 28 respondents were aged 41-50, representing 46.7%.

Table 3. Characteristics by Education.

		Eduaction	
		Frequency	Percent
	SMA/SMK	7	11,7
	D3	7	11,7
	S1	46	76,7
	Total	60	100,0

Source: Processed data (2025)

Based on Table 3 above, there are 7 respondents with a high school/vocational high school education, representing 11.7%, 7 respondents with a diploma (D3) education, representing 11.7%, and 46 respondents with a bachelor's degree (S1) education, representing 76.7%. It can be seen that the majority of respondents have adegree

Table 4. Respondent Characteristics Based on Length of Service.

		Length of Service	
		Frequency	Percent
Valid	1-3 thn	16	26,7
	4-6 thn	27	45,0
	>7 thn	17	28,3
	Total	60	100,0

Source: Processed data (2025)

Table 4. above shows that 16 respondents had worked for 1-3 years, representing 26.7%, 27 respondents had worked for 4-6 years, representing 45.0%, and 17 respondents had worked for more than 7 years, representing 28.3%.

Description of Research Variables

In this study, the author obtained research data using a questionnaire from the respondents who served as the research sample. In the questionnaire, the researcher used statements related to the variables Compensation, Work Environment, Employee Engagement, and Employee Performance. The questionnaire results were used to obtain the average respondent's answers for each research variable, namely:

Table 5. Description of Compensation Variables.

Item soal	SS		S		KS		TS		STS	
	F	%	F	%	F	%	F	%	F	%
X1.1	27	45%	29	48,3%	4	6,7%	-	-	-	-
X1.2	22	36,7%	37	61,7%	1	1,7%	-	-	-	-
X1.3	23	38,3%	35	58,3%	2	3,3%	-	-	-	-
X1.4	25	41,7%	35	58,3%	-	-	-	-	-	-
X1.5	28	46,7%	31	51,7%	1	1,7%	-	-	-	-
X1.6	29	48,3%	29	48,3%	2	3,3%	-	-	-	-

Source: Processed data (2025)

Based on Table 5 above, it shows that respondents' responses to the Compensation variable were highest in the strongly agree category (48.3%), followed by 61.7% in the agree category, 6.7% in the disagree category, and 0% in the strongly disagree category.

Description of the Work Environment Variable

The results of respondents' responses to the Work Environment can be seen in the following table:

Description of the Compensation Variable

The research results related to the responses of all respondents regarding the compensation variable are described as follows:

Table 6. Description of Work Environment Variable.

Item soal	SS		S		KS		TS		STS	
	F	%	F	%	F	%	F	%	F	%
X2.1	28	46,7%	31	51,7%	1	1,7%	-	-	-	-
X2.2	21	35%	25	41,7%	14	23,3%	-	-	-	-
X2.3	24	40%	20	33,3%	16	26,7%	-	-	-	-
X2.4	31	51,7%	27	45%	2	3,3%	-	-	-	-
X2.5	17	28,3%	27	45%	16	26,7%	-	-	-	-
X2.6	21	35%	25	41,7%	14	23,3%	-	-	-	-

Source: Processed data (2025)

Based on Table 6 above, respondents' responses to the work environment variable were highest in the strongly agree category (51.7%), agree (51.7%), disagree (26.7%), disagree (0%), and strongly disagree (0%).

Description of the Employee Engagement Variable

The results of respondents' responses to Employee Engagement are shown in the following table:

Table 7. Description of Employee Engagemnet Variables.

Item soal	SS		S		KS		TS		STS	
	F	%	F	%	F	%	F	%	F	%
X3.1	15	25%	35	58,3%	10	16,7%	-	-	-	-
X3.2	18	30%	19	31,7%	23	38,3%	-	-	-	-
X3.3	13	21,7%	31	51,7%	16	26,7%	-	-	-	-
X3.4	16	26,7%	32	53,3%	12	20%	-	-	-	-
X3.5	15	25%	34	56,7%	11	18,3%	-	-	-	-
X3.6	15	25%	37	61,7%	8	13,3%	-	-	-	-

Source: Processed data (2025)

Based on Table 7 above, it shows that respondents' responses to the Employee Engagement variable with the highest scores were in the strongly agree category (30%), agree (61.7%), disagree (38.3%), disagree (0%), and strongly disagree (0%).

Description of the Employee Performance Variable

The results of respondents' responses to Employee Performance are shown in the following table

Table 8. Description of Employee Performance Variables.

Item soal	SS		S		KS		TS		STS	
	F	%	F	%	F	%	F	%	F	%
Y1	25	41,7%	32	53,3%	3	5%	-	-	-	-
Y2	30	50%	26	43,3%	4	6,7%	-	-	-	-
Y3	24	40%	32	53,3%	4	6,7%	-	-	-	-
Y4	20	33,3%	35	58,3%	5	8,3%	-	-	-	-
Y5	18	30%	41	68,3%	1	1,7%	-	-	-	-
Y6	26	43,3%	33	55%	1	1,7%	-	-	-	-

Source: Processed data (2025)

Based on Table 8 above, it shows that respondents' responses to the Employee Performance variable with the highest scores were in the strongly agree category (50%), agree category (68.3%), disagree category (8.3%), disagree category (0%), and strongly disagree category (0%).

Table 9. Result of Variable Validity Test.

No	Variabel	Item	Pearson Correlation	R _{tabel}	Ket
1	Compensation (X1)				
		X1.1	0,825	0.2542	VALID
		X1.2	0,788	0.2542	VALID
		X1.3	0,863	0.2542	VALID
		X1.4	0,808	0.2542	VALID
		X1.5	0,681	0.2542	VALID
		X1.6	0,748	0.2542	VALID
2	Work Environment(X2)				
		X2.1	0,675	0.2542	VALID
		X2.2	0,487	0.2542	VALID
		X2.3	0,527	0.2542	VALID
		X2.4	0,728	0.2542	VALID
		X2.5	0,551	0.2542	VALID
		X2.6	0,624	0.2542	VALID
3	Engagement (X3)				
		X3.1	0,536	0.2542	VALID
		X3.2	0,680	0.2542	VALID
		X3.3	0,501	0.2542	VALID
		X3.4	0,685	0.2542	VALID
		X3.5	0,640	0.2542	VALID
		X3.6	0,560	0.2542	
4	Employee Performance (Y)				
		Y1	0,784	0.2542	VALID
		Y2	0,767	0.2542	VALID
		Y3	0,866	0.2542	VALID
		Y4	0,861	0.2542	VALID
		Y5	0,782	0.2542	VALID
		Y6	0,808	0.2542	VALID

Source: Processed data (2025)

According to the findings presented in Table 9, the validity test conducted on variables X1, X2, X3, and Y demonstrated that the calculated r value was greater than the table r value, or $df = n-2$ or $60-2$ (0.2542). This indicates that all statements in this research questionnaire are valid and suitable for use in research.

Reliability Test

Reliability testing is used to determine the extent to which measurement results using the same object will yield the same data. Reliability testing uses a calculated value, Cronbach's $\alpha > 0.06$. The following are the results of the reliability test:

Table 10. Reliability Test Result.

Variabel	Cronbach Alpa	Koefisien Reliabilitas	Ket
X1	0,875	>0,60	Relibel
X2	0,671	> 0,60	Relibel
X3	0,646	>0,60	Relibel
Y	0,894	>0,60	Relibel

Source: Processed data (2025)

The test in Table 10 above shows that all variables in this study have reliability coefficients > 0.06 , thus confirming their reliability.

Classical Assumption Test

Table 11. Result of the Columograph- Smirnov Test.

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residual		
N		60
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2,11713235
Most Extreme Differences	Absolute	,089
	Positive	,070
	Negative	-,089
Kolmogorov-Smirnov Z		,687
Asymp. Sig. (2-tailed)		,733
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Processed data (2025)

The results of the normality test, as presented in Table 4.10, revealed a two-tailed significance value of 0.733. This value, greater than the conventional threshold of 0.05, indicates that the tested data follows a normal distribution. The well-distributed research data is also evident in Figure 1 of the Normal P-P Plot Graph. This graphical representation illustrates that the data points stretch and conform to a linear pattern, indicating that the variables under investigation may exhibit a normal distribution.

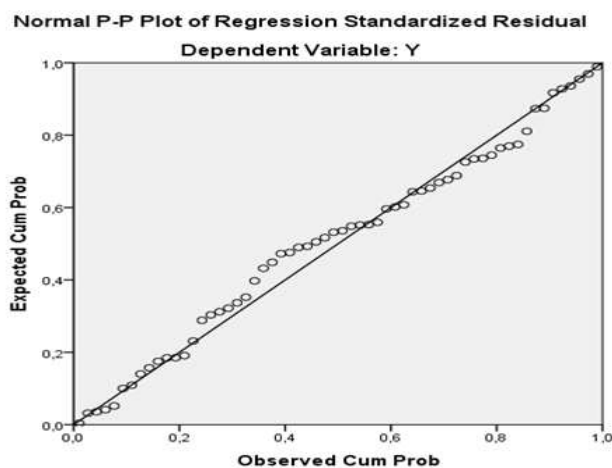


Figure 1. Normal P–P Plot of Regression Standardized Residuals.

Normality Test

Validity Testing

The validity test is used to determine the extent to which a measuring instrument accurately reveals future symptoms. If $R_{hitung} > R_{tabel}$ with a significance value < 0.05 , the validity is considered valid, and the r_{tabel} for this study is 0.2542. The following are the results of the overall variable test:

Table 12. Result of the Multicollinearity Test.

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 Kompensasi	,929	1,076
Lingkungan Kerja	,926	1,080
<i>Employee Engagement</i>	,991	1,009

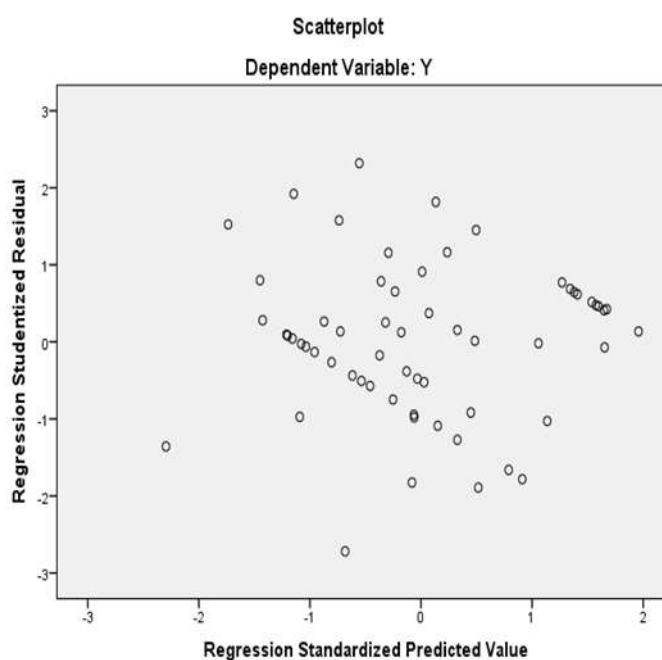
a. Dependent Variable: Kinerja Pegawai

Source: Processed data (2025)

Based on Table 12 above, it can be seen that the Tolerance value for the Compensation variable is $0.929 > 0.10$ and the VIF value is $1.076 < 10$; the Tolerance value for the Work Environment variable is $0.926 > 0.10$ and the VIF value is $1.080 < 10$; and the Tolerance value for the Employee Engagement variable is $0.991 > 0.10$ and the VIF value is $1.009 < 10$.

Heteroscedasticity Test

The heteroscedasticity test is conducted to examine whether there are differences in residuals across observations in the regression model. The presence of heteroscedasticity can be detected by examining a scatterplot diagram, which displays the distribution of data in a way that is not concentrated at a single point.

**Figure 2.** Heteroscedasticity Test Results.

Based on Figure 4.2, which shows the results of the heteroscedasticity test for the research variable data, the points are spread out, thus heteroscedasticity is not present.

Hypothesis Testing

Multiple Linear Analysis

Multiple linear analysis is used to measure the strength of the relationship between two or more variables or the influence of several independent variables on a single dependent variable.

Table 13. Multiple Linear Analysis Test Result.

Coefficients ^a					
Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	8,941	4,996		1,790	,079
Kompensasi	,522	,114	,476	4,576	,000
Lingkungan	,216	,101	,223	2,141	,037
Kerja					
Employee	,363	,114	,321	3,187	,002
Engagement					

a. Dependent Variable: Kinerja Pegawai

Source: Processed data (2025)

The results of the multiple linear regression analysis in this study were used to determine the effect of compensation, work environment, and employee engagement on employee performance. Multiple linear regression can be seen in the following equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = 8.941 + 0.522X_1 + 0.216X_2 + 0.363X_3 + e$$

The interpretation is as follows:

- The constant value (a) is positive at 8.941, which means that if the compensation, work environment, and employee engagement variables are equal to 0, employee performance will remain constant at 8.941.
- For every 1% increase in the Compensation variable (X₁), Employee Performance (Y) will increase by 0.522%. Conversely, if the X₁ variable decreases by 1%, Y will decrease by 0.522%.
- For every 1% increase in the Work Environment variable (X₂), Employee Performance (Y) will increase by 0.216%. Conversely, if the X₂ variable decreases by 1%, Y will decrease by 0.216%.
- d. For every 1% increase in the Employee Engagement variable (X₃), Employee Performance (Y) will increase by 0.363%. Conversely, if the X₃ variable decreases by 1%, Y will decrease by 0.363%.

Partial Test (T)

The T-test, also known as the partial test, is used to assess the impact of independent factors on the dependent variable partially or individually. The T-test is performed by comparing the calculated t-value (t) with the t-table. The partial test uses a significance threshold of 0.05, which is equivalent to 5%. The hypothesis is accepted if the significance level is less than 0.05 and the calculated t-value exceeds the critical t-value. The value of degrees of freedom (df) in this study is 57 with reference to the t-distribution table, where the appropriate t-critical value is 2.002.

Table 14. Partial Test Result (T).

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	8,941	4,996		1,790	,079
Kompensasi	,522	,114	,476	4,576	,000
Lingkungan Kerja	,216	,101	,223	2,141	,037
Employee Engagement	,363	,114	,321	3,187	,002

a. Dependent Variable: Kinerja Pegawai

Source: Processed data (2025)

Based on the test results in Table 4.13 above, it can be seen that the method for calculating Ttable is:

Ttable: $df = n - k$

n = Number of respondents (60)

k = Number of independent variables = 3

Therefore, the df value is:

$df = n - k$

$df = 60 - 3 = (df = 57)$

= 2.002

Based on the df value, the ttable value is 2.002 at a significance level of 0.05. The results of the partial t-test in this study are as follows:

The Effect of Compensation (X1) on Employee Performance (Y)

The results of the partial t-test for the compensation variable are:

The calculated t-value is $4.576 > t\text{-table } 2.002$, and the sig. value is $0.000 < 0.05$, so the hypothesis is accepted.

It can be concluded that Compensation (H1) has a significant effect on employee performance.

The Effect of Work Environment (X2) on Employee Performance (Y)

The results of the partial t-test for the compensation variable are:

The calculated t-value is $2.141 > t\text{-table } 2.002$, and the sig. value is $0.037 < 0.05$, so the hypothesis is accepted.

It can be concluded that Work Environment (H2) has a significant effect on employee performance.

The Effect of Employee Engagement (X3) on Employee Performance (Y)

The results of the partial test of the compensation variable are as follows:

The calculated t value is $3.187 > t\text{ table } 2.002$ and the sig value is $0.002 < 0.05$, so the hypothesis is accepted.

It can be concluded that Employee Engagement (H3) has a significant effect on employee performance.

Simultaneous Test (F)

The F test, or simultaneous test, is used to determine whether the independent variables—compensation, work environment, and employee engagement—have a simultaneous effect on the dependent variable, employee performance. The F test is conducted using a significance level of 0.05 or 5%. Assuming that if the calculated F value is $> F\text{ table}$ and sig value is < 0.05 , then H_a is accepted. If the calculated F value is $< F\text{ table}$ and sig value is > 0.05 , then H_o is rejected. The results of the simultaneous test are as follows:

Table 15. Simultaneous Test Result (F).

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	205,281	3	68,427	14,490
	Residual	264,453	56	4,722	,000 ^b
	Total	469,733	59		
a. Dependent Variable: Kinerja Pegawai					
b. Predictors: (Constant), Kompensasi, Lingkungan Kerja, Employee Engagement					

Source: Processed data (2025)

Comparing F-calculation and F-table

How to determine F-table:

$df1 = k-1$

$df2 = n-k$

$\alpha = 5\%$ or 0.05

Where:

n = number of respondents

k = number of variables

α = significance level

So, $df1 = 4-1 = 3$

$df2 = 60-4 = 56$

then F-table = 2.77

Based on the simultaneous test results in the table above, the F-calculation values for variables X1, X2, and X3 are greater than F-table. The F-calculation is $14.490 > F\text{-table } 2.77$, and the sig. value is $0.000 < 0.05$. This means that the hypothesis is simultaneously accepted or has an effect. Therefore, it can be concluded that variables X1, X2, and X3 simultaneously have a significant effect on (Y).

Coefficient of Determination Test

The coefficient of determination test is used to explain the extent of influence of the dependent variable on the independent variable. The results of the R-square test are as follows

Table 16. Result of the Coefficient of Determination Test.

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,661 ^a	,437	,407	2,17310
a. Predictors: (Constant), Kompensasi, Lingkungan Kerja, Employee Engagement				
b. Dependent Variable: Kinerja Pegawai				

Source: Processed data (2025)

Comparison Based on the coefficient of determination test in the table above, the R-square value is 0.437, indicating that the variables Compensation (X1), Work Environment (X2), and Employee Engagement (X3) collectively influence Employee Performance (Y) by 43.7%, with the remaining 56.3% influenced by other factors not examined in this study.

5. Discussion

Based on the data analysis used to determine the effect of Compensation (X1), Work Environment (X2), and Employee Engagement (X3) on employee performance (Y) at the Tana Toraja Regional Financial and Revenue Management Agency (BPKPD), the hypothesis for each variable is explained as follows:

The Effect of Compensation on Employee Performance

Based on the results of the research conducted through partial tests, the compensation variable showed a calculated t value of $4.576 > t \text{ table } 2.002$ and a significant value of $0.000 < 0.05$. Therefore, it can be concluded that compensation partially influences employee performance, thus H1 is accepted. The regression coefficient for variable X1 is positive at 0.522, indicating that an increase in compensation will also increase employee performance. Variable X1 influences employee performance because it contains six statements with a total of 60 respondents. The test results indicate that compensation influences employee performance at the Tana Toraja BPKPD. This is evident from the respondents' responses to the compensation questionnaire, which generally fell into the high category. For the compensation variable, the statement "the amount of incentives is commensurate with the effort I put in" was the most frequently agreed-upon statement, with 29 respondents choosing the strongly agree category. This finding illustrates that most employees feel the compensation provided is commensurate with their job responsibilities. These results indicate that a fair and appropriate compensation system can foster employee motivation and a sense of responsibility for their duties. Compensation, which includes salary, benefits, and incentives, is not only a form of appreciation for employee contributions but also a factor influencing their job satisfaction and loyalty to the organization. Therefore, adequate compensation plays a crucial role in creating high work morale and improving employee performance. These results align with research showing that compensation and work motivation significantly influence the performance of Bappeda Pandeglang Regency employees. These research findings reinforce evidence that providing adequate compensation can significantly improve employee performance (Rismawati, (2021). The Influence of the Work Environment on Employee Performance

Based on the results of the research conducted through partial tests, the work environment variable showed a t-value of $2.141 > t\text{-table } 2.002$ and a sig. $0.037 < 0.05$. Therefore, it can be concluded that the work environment partially influences employee performance, thus accepting H2. The regression coefficient for variable X1 is positive at 0.216, indicating that if the work environment improves, employee performance will also improve. Variable X2 influences employee performance because it consists of six statements with a total of 60 respondents. The results indicate that the work environment at the Tana Toraja Regional Development Planning Agency (BPKPD) influences employee performance. This is evident from respondents' assessments of the work environment variables, which were generally in the high category. The indicator "I handle my workload correctly and well" was the statement with the highest level of agreement, with 31 respondents choosing the strongly agree category. This finding indicates that employees consider the work environment aspect of this indicator to be the most supportive in supporting their work activities. These results illustrate that the work environment at the Tana Toraja Regional Revenue Agency (BPKPD), particularly indicator X2.4, provides optimal comfort and support for employees. A comfortable, safe, and supportive work environment significantly impacts employee motivation and effectiveness in carrying out their duties. A clean workspace and harmonious working relationships can foster a sense of well-being and boost employee morale.

These results align with research that found the work environment to have a positive and significant impact on employee performance at the South Tangerang City Regional Revenue Agency (Fadlillah and Ellesia, 2025).

The Effect of Employee Engagement on Employee Performance

Based on the results of the research, a partial test showed a t-value of $3.187 > t\text{-table } 2.002$ and a sig. $0.002 < 0.05$. Therefore, it can be concluded that employee engagement partially influences employee performance, thus accepting H3. The regression coefficient for

variable X3 was positive at 0.363, indicating that an increase in employee engagement will also improve employee performance. Variable X3 influences employee performance because it consists of six statements with 60 respondents. The results show that employee engagement influences the performance of Tana Toraja Regional Personnel Agency (BPKPD) employees. This is evident from respondents' assessments of the employee engagement variable, which were generally in the high category. Indicator X3.2, "I feel very excited to start my work every day," was the statement with the highest level of agreement, in the strongly agree category, with 18 respondents choosing this category. This finding indicates that some employees have a strong level of dedication to their work.

These results indicate that Tana Toraja BPKPD employees feel emotionally engaged and have a high commitment to completing their tasks well. Good employee engagement reflects a sense of belonging to their work, enthusiasm for work, and attachment to organizational goals. These conditions contribute to increased employee motivation to achieve optimal performance.

These results align with research showing that organizational support and employee engagement have a positive or significant effect on civil servant performance in regional civil service agencies (Umihastanti and Frianto, 2022).

The Effect of Compensation, Work Environment, and Employee Engagement on Employee Performance

Based on the results of the simultaneous study, the calculated F value for variables X1, X2, and X3 is greater than F table, with an F value of 14.490 exceeding F table 2.77, and a significant value of $0.000 < 0.05$. This indicates that the simultaneous hypothesis is accepted and effective. Therefore, it can be concluded that the variables compensation (X1), work environment (X2), and employee engagement (X3) simultaneously have a significant effect on employee performance (Y).

The results of the simultaneous study indicate that compensation, work environment, and employee engagement influence employee performance. This finding is supported by the F-test, which indicates that all three independent variables contribute significantly to the dependent variable. This result is supported by the coefficient of determination (R Square) of 0.437. This means that 43.7% of the variation in employee performance (Y) can be explained by the variables compensation, work environment, and employee engagement together. Meanwhile, the remaining 56.3% was influenced by factors outside this study. These results align with research showing that compensation and the work environment simultaneously have a significant influence on employee performance (Trisila, Helmita, and Indriyani, 2024). Furthermore, this study also shows that employee engagement has a positive impact on civil servant performance at a Regional Civil Service Agency (Umihastanti and Frianto, 2022).

Therefore, it can be concluded that the combination of adequate compensation, a positive work environment, and high employee engagement are important factors that can simultaneously improve employee performance at the Tana Toraja Regional Personnel Agency (BPKPD).

6. Conclusion

Based on the research analysis and discussion, the following conclusions can be drawn:

- 1) Compensation has a partial and significant effect on employee performance at the Tana Toraja Regional Development Planning Agency (BPKPD). These results indicate that Hypothesis H1 is accepted.
- 2) The work environment has a partial and significant effect on employee performance at the Tana Toraja Regional Development Planning Agency (BPKPD). These results indicate that Hypothesis H2 is accepted.
- 3) Employee engagement has a partial and significant effect on employee performance at the Tana Toraja Regional Development Planning Agency (BPKPD). These results indicate that Hypothesis H3 is accepted.
- 4) Compensation, work environment, and employee engagement simultaneously influence employee performance at the Tana Toraja Regional Development Planning Agency (BPKPD). These results indicate that Hypothesis H4 is accepted.

Research Limitations

Based on the researcher's experience during the study, several limitations were encountered that should be addressed by future researchers to improve future research. This study certainly still has shortcomings that require further improvement and development. The limitations identified in this study include the following:

- 1) This study was limited in terms of time, as well as the researcher's limited manpower and capabilities in data collection and processing.
- 2) The number of respondents involved in this study was only 60, so it is not fully representative of the actual situation.
- 3) During the data collection process, the information provided by respondents via questionnaires did not always reflect their true opinions. This could be due to differences in thinking patterns, perceptions, and levels of understanding among respondents, as well as other factors such as the level of honesty of respondents in completing the questionnaire.

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Data Availability Statement: We encourage all authors of articles published in FAITH journals to share their research data. This section provides details regarding where data supporting reported results can be found, including links to publicly archived datasets analyzed or generated during the study. Where no new data were created or data unavailable due to privacy or ethical restrictions, a statement is still required.

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