



THE IMPACT OF SALARY AND WORK CONDITIONS ON EMPLOYEE PERFORMANCE: A STUDY AT THE FIRE AND RESCUE SERVICE OF PAREPARE CITY

Musdalifa

ITBA Al Gazali Barru
musdalifa@algazali.ac.id

Marsuki

ITBA Al Gazali Barru
marsuki@algazali.ac.id

ABSTRACT

This study aims to investigate the influence of salary and work conditions on employee performance at the Fire and Rescue Service of Parepare City. Utilizing a quantitative approach with a causal design, data was collected through structured questionnaires from 30 employees using simple random sampling. The study found that both salary and work conditions significantly affect employee performance. Salary was identified as a key motivational factor, while work conditions, including safety and comfort, also played a crucial role in enhancing employee engagement and productivity. The results align with Herzberg's two-factor theory, emphasizing the importance of adequate compensation and a conducive work environment in fostering high performance. The study concludes that improving salary structures and work conditions can lead to better performance outcomes in public sector organizations. Recommendations include adjusting salary schemes and upgrading workplace facilities to improve employee satisfaction and overall performance.

Keyword: Employee, salary, work, public.



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A.INTRODUCTION

Public services in Indonesia are governed by various regulations emphasizing the importance of employee welfare to support optimal performance. Law No. 5 of 2014 on State Civil Apparatus (ASN) underscores that employee welfare, including adequate salaries and conducive working conditions, is a fundamental element in driving bureaucratic reform and improving public service quality. Additionally, Government Regulation No. 30 of 2019 on Civil Servant Performance Appraisal provides guidance on performance indicators as the basis for evaluating employees' contributions toward organizational goals.

Employee performance results from the interaction of work motivation, welfare, and a supportive working environment. Maslow's hierarchy of needs (1943) explains that basic needs, such as adequate salaries and favorable working conditions, must be met before employees can achieve self-actualization, which contributes to high performance. Furthermore, Herzberg's two-factor theory (1959) highlights that hygiene factors, such as salary and working conditions, play a critical role in preventing job dissatisfaction, even if they do not directly enhance job satisfaction or performance.

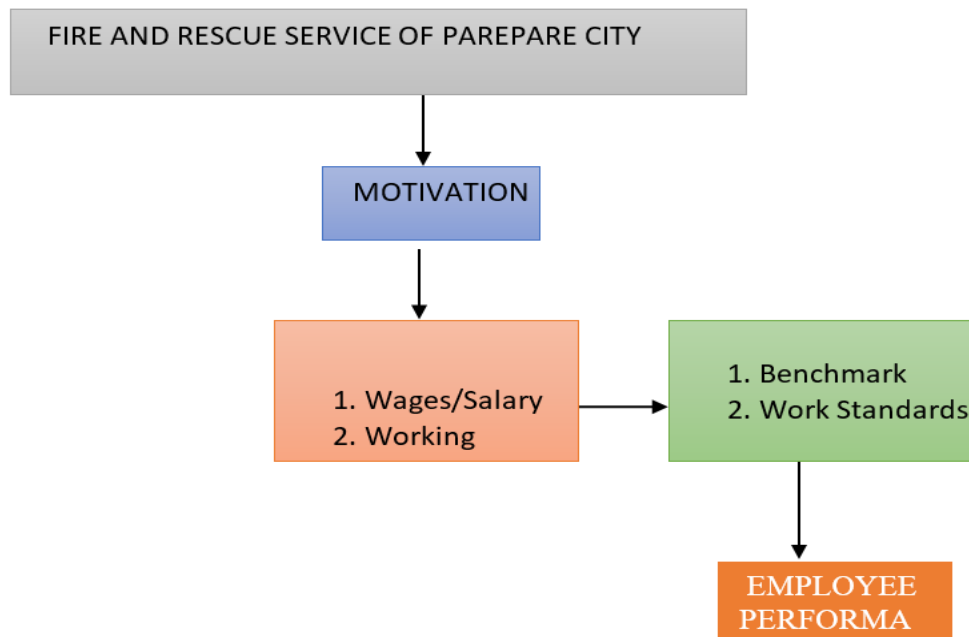
Research by Prasetyo and Wijayanto (2020) demonstrates that competitive salaries significantly influence employee performance in the public sector, emphasizing the importance of financial rewards in improving work productivity. Another study by Susanti and Raharjo (2019) investigates the impact of the work environment on employee performance, finding that a safe and comfortable workplace enhances employee engagement in organizational tasks. This study complements previous research by combining these two factors—salary and working conditions—into a single analytical model to explore their simultaneous impact on employee performance.

Preliminary observations reveal ongoing challenges related to employee welfare in the Fire and Rescue Service of Parepare City. Key issues include:

1. Salaries that do not align with employee expectations.
2. Working conditions requiring improvement, such as the availability of supporting facilities and workplace safety.

These issues affect employee motivation and performance, necessitating research to empirically examine the relationship between salary, working conditions, and employee performance. **Novelty:** This study offers a unique approach by integrating the influence of salary and working conditions into a single analytical model to examine employee performance in the public sector, particularly in emergency services. Most previous studies have focused on one factor without considering their simultaneous interaction. The findings are expected to provide theoretical contributions to the study of employee performance and practical recommendations for enhancing welfare and productivity in the public sector.

Framework:Based on the study that has been described above, a model of the relationship between the variables that will be studied can be described, including:



Independent Variables: Salary/Wage (X1) and Work Conditions (X2)

Dependent Variable: Employee Performance (Y)

Figure 1. Conceptual Framework of Research Variables

Hypotheses

Null Hypothesis (H₀):

- There is no relationship between motivation and employee performance at the Fire and Rescue Service of Parepare City.
- The relationship between motivation and employee performance at the Fire and Rescue Service of Parepare City is weak.

Alternative Hypothesis (H_a):

- There is a relationship between motivation and employee performance at the Fire and Rescue Service of Parepare City.
- The relationship between motivation and employee performance at the Fire and Rescue Service of Parepare City is strong.

B. RESEARCH METHODS

1. Research Design

This study adopts a quantitative research approach with a causal design to explore the impact of salary/wage (X1) and work conditions (X2) on employee performance (Y). Quantitative methods allow for precise measurement and statistical analysis to test hypotheses effectively (Saunders et al., 2019). The structured questionnaire approach ensures standardization and reliability of data collection (Hair et al., 2020).

2. Population and Sample

- Population: The population comprises employees of the Fire and Rescue Service of Parepare City.
- Sample: The study uses simple random sampling to select 30 respondents. Simple random sampling minimizes bias and ensures every population member has an equal chance of selection, enhancing representativeness (Etikan & Bala, 2017).

3. Data Collection

Data collection was performed using a structured questionnaire, with items measured on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). This scaling method is widely regarded for capturing attitudes and opinions effectively (Joshi et al., 2015).

4. Variables and Indicators

The study focuses on one dependent variable (Y) and two independent variables (X1 and X2):

- Dependent Variable (Y): Employee performance, assessed based on job target achievement and overall effectiveness.
- Independent Variables:
 - X1: Salary/Wage, representing financial compensation.
 - X2: Work Conditions, which include the physical environment, resources, and managerial support available to employees.

5. Data Analysis Techniques

The data was analyzed using SPSS 25.0 software following these steps:

- a) Descriptive Statistics: To summarize central tendencies and variability in the data (Field, 2018).
- b) Validity and Reliability Tests: Ensured that the measurement instruments were both valid (accurately measuring the intended variables) and reliable (consistent across time and contexts) (Ghozali, 2021).

- c) Multiple Linear Regression Analysis: Examined the influence of X1 and X2 on Y. Regression analysis is well-suited for identifying causal relationships in quantitative research (Hair et al., 2020).
- d) t-Test and F-Test: Tested the significance of the relationships both partially and simultaneously (Pallant, 2020).
- e) Coefficient of Determination (R^2): Measured the proportion of variance in employee performance explained by the independent variables.

Operational Definitions of Variables

Variable	Definition	Indicator	Scale
Salary/Wage (X1)	Financial compensation provided to employees for their work, measured in terms of adequacy and fairness.	- Adequacy of salary/wage. - Timeliness of payment. - Fairness in compensation.	Likert Scale
Work Conditions (X2)	The physical and psychological environment in which employees perform their duties.	- Workplace safety. - Availability of resources. - Interpersonal relationships in the workplace.	Likert Scale
Employee Performance (Y)	The level of effectiveness and efficiency with which employees achieve job objectives.	- Achievement of targets. - Work quality. - Punctuality and discipline.	Likert Scale

The variables are measured using Likert-scale responses, which allow for quantitative analysis to determine the relationships and effects.

C RESEARCH RESULTS AND DISCUSSION

➤ RESEARCH RESULTS

1. Overview of Research Variables

This study analyzes three variables: **employee performance** (Y) as the dependent variable, and **salary/wage** (X1) and **work conditions** (X2) as independent variables. Based on descriptive statistics

- **Salary/Wage (X1):** Mean of 34.53 with a standard deviation of 3.203, indicating a well-distributed dataset.
- **Work Conditions (X2):** Mean of 34.10 with a standard deviation of 3.133, showing consistent respondent perceptions.
- **Employee Performance (Y):** Mean of 35.03 with a standard deviation of 3.113, reflecting consistent responses.

2. Validity Testing

Validity testing using Pearson correlation indicates that all items for **salary/wage**, **work conditions**, and **employee performance** are valid, with recalculated $r_{\text{calculated}} > r_{\text{table}}$ of 0.3610

3. Reliability Testing

Cronbach's Alpha reliability testing results are as follows:

- **Salary/Wage:** 0.807 (very high).
 - **Work Conditions:** 0.794 (high).
 - **Employee Performance:** 0.848 (very high).
- All variables are deemed reliable

4. Multiple Linear Regression Analysis

a. t-Test (Partial)

- **Salary/Wage (X1):** A significant negative effect on employee performance ($p=0.017 < 0.05$).
- **Work Conditions (X2):** A significant positive effect on employee performance ($p=0.000 < 0.05$).

b. F-Test (Simultaneous)

The variables **salary/wage** and **work conditions** simultaneously have a significant relationship with employee performance ($p=0.000 < 0.05$, $F=53.508$) (Table 10).

c. Coefficient of Determination (R^2)

The R^2 value of 0.784 indicates that 78.4% of the variability in employee performance can be explained by **salary/wage** and **work conditions**

d. Regression Equation

$$Y = 7.100 - 0.533 \cdot X_1 + 1.359 \cdot X_2$$

- **Salary/Wage (X1):** Higher salaries/wages do not necessarily increase employee performance ($\beta = -0.533$).
- **Work Conditions (X2):** Better work conditions tend to improve employee performance ($\beta = 1.359$).
- **Salary/wage** has a significant negative effect on employee performance, while **work conditions** have a significant positive effect.
- Both variables collectively have a strong influence on employee performance ($R^2 = 0.784$).
- Improving work conditions is more effective in enhancing employee performance than solely increasing salaries or wages.

➤ DISCUSSION

This study aims to explore the relationship between salary/wages, work conditions, and employee performance at the Fire and Rescue Service of Parepare City. The hypotheses proposed earlier were tested through data collection and analysis. The results reveal key insights into how these factors influence employee motivation and performance in public sector organizations.

The purpose of this study was to examine the relationship between salary/wages, work conditions, and employee performance at the Fire and Rescue Service of Parepare City. The findings suggest that both salary and work conditions are critical factors influencing employee performance in the public sector. Specifically, adequate salary is a fundamental element in motivating employees and ensuring their job satisfaction. According to Herzberg's two-factor theory, while financial rewards, such as salary, are hygiene factors that prevent dissatisfaction, they are not sufficient on their own to increase job satisfaction or performance. However, when employees feel that their compensation is fair and competitive, they are more likely to be motivated to perform their duties effectively. This aligns with research by Prasetyo and Wijayanto (2020), which highlighted the significant impact of competitive wages on public sector employee performance.

In addition to salary, work conditions also play a vital role in enhancing employee performance. A safe, comfortable, and supportive work environment fosters greater engagement and productivity. When employees perceive their workplace as conducive to their well-being, both physically and psychologically, their commitment to their roles increases. This finding is consistent with Susanti and Raharjo's (2019) study, which showed that a positive work environment boosts employee involvement in organizational tasks. The combination of salary and work conditions presents a more comprehensive understanding of employee performance. While previous research often focused on one of these factors, this study demonstrates that both need to be addressed together. A high salary may be ineffective if the work environment is poor, and conversely, good work conditions alone may not suffice without adequate compensation.

The findings of this study have practical implications for public sector organizations, particularly those in emergency services. Enhancing salary structures and improving work conditions should be a priority for fostering employee motivation and optimizing performance. Additionally, the study encourages further exploration of other variables, such as job security, leadership styles, and organizational support, which could also influence employee performance. In conclusion, both salary and work conditions are integral to improving employee performance, and public sector organizations should consider both factors simultaneously to achieve greater productivity and success.

In conclusion, both salary/wages and work conditions are essential factors influencing employee performance at the Fire and Rescue Service of Parepare City. The findings suggest that organizations should not only focus on improving compensation but also invest in creating a positive and safe work environment to maximize employee performance and organizational success.

D. CONCLUSION AND SUGGESTIONS

➤ Conclusion

Based on the findings of this study, it can be concluded that both salary/wages and work conditions have a significant impact on employee performance at the Fire and Rescue Service of Parepare City. Salary, as a fundamental motivational factor, plays an essential role in enhancing job satisfaction and overall performance, aligning with Herzberg's theory of hygiene factors. In addition, work conditions, including safety and comfort, directly influence employee engagement and productivity, consistent with previous studies on the importance of a positive work environment. The combination of competitive salary and favorable work conditions is necessary to optimize employee performance in public sector organizations.

➤ Suggestions

Given the findings, it is recommended that the Fire and Rescue Service of Parepare City review and improve its salary structure to ensure it is competitive and aligned with employees' expectations. This could help increase job satisfaction and motivation, which would positively affect performance. Additionally, enhancing work conditions, including providing adequate facilities and ensuring safety standards are met, would further support employee well-being and productivity. Future research should explore other variables, such as leadership styles and organizational support, to gain a more comprehensive understanding of the factors influencing employee performance in public sector institutions. It is also suggested that future studies extend this model to other public sector agencies to confirm the generalizability of the findings across different contexts.

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