Effect of Salary and Work Environment on Productivity (Study of Human Resource Management Literature)

M. Ridho Mahaputra
Student of Economic and Business Faculty, University of Mercu Buana, Jakarta, Indonesia, email: ridhomahaputra26@gmail.com

Corresponding Author: M. Ridho Mahaputra

Abstract: The Literature Review Review of Salaries and Work Environment on Productivity is a scientific article that aims to build a research hypothesis on the influence between variables that will be used in further research, within the scope of Human Resources Management. The method of writing this Literature Review article is the library research method, which is sourced from online media such as Google Scholar, Mendeley and other academic online media. The results of this Literature Review article are that: 1) Wages have an effect on Productivity; and 2) Work Environment has an effect on Productivity. Apart from these 2 exogenous variables that affect the endogenous variables of Productivity, there are still many other factors including the variables of Co-Workers, Leader and Workload.

Keywords: Wages, Work Environment, Productivity

INTRODUCTION

In a company today, they are competing to produce products and become the best company in order to compete globally and achieve competitive advantage. In achieving competitive advantage, the need for the performance of every employee involved in the company. Performance can be measured through their productivity. The productivity they do while working at the company.

Based on the above background, the researchers determined the formulation of the problem as follows:
1. Does Wages affect to Productivity ?
2. Does Work Environment affect to Productivity ?

LITERATURE REVIEW

Productivity

Productivity is a comparison between the results achieved with the overall required resources (Riyanto, 2019). Productivity is the ratio between output and input, or the ratio between product yields and the total resources used (Ervianto, 2004). Productivity is the
presence of more, higher quality, and better results with the same portion of effort (Anoraga, 2009). Productivity indicators include: 1) Ability; 2) Improve the results achieved; 3) Work spirit; 4) Self development; and 5) Quality and efficiency (Edy Sutrisno, 2017).

Productivity have been studied by previous researchers, including: (Ikhsani & Ali, 2017), (F. Saputra & Mahaputra, 2022a), (Mahrani & Saputra, 2021), (Agussalim et al., 2016), (Assagaf & Ali, 2017), (Mansur & Ali, 2017), (Mulyani et al., 2020), (Mahaputra & Saputra, 2021b), (Darwisyah et al., 2021), (Ali, Sastrodiharjo, et al., 2022), (Agussalim et al., 2016), (Sivaram et al., 2020a), (M & Ali, 2017), (Sivaram et al., 2019), (Octavia & Ali, 2017).

Wages

Wages is remuneration in the form of money received by an employee for his contribution in achieving organizational goals (Andrew, 2007). Wages is a financial reward that is paid to an employee on a regular basis, either annually, quarterly, monthly, weekly and even daily (Panggabean). The salary earned by an employee who works in an organization is an important factor in the success of achieving company goals, in addition to other factors. Because the salary obtained by the employee will affect work productivity, stability and employee work. Salary indicators include: 1) Salary; 2) Incentives; 3) Bonuses; 4) Allowances; 5) Facilities; and 6) Insurance (Badriyah, 2015).

Wages has been researched by previous researchers, namely: (F. Saputra & Ali, 2022), (Sudiantini & Saputra, 2022), (Yassir Araffat et al., 2020), (Fardinal et al., 2022), (Octavia et al., 2020), (Hardiansyah et al., 2019), (Rony et al., 2020), (Eprianto et al., 2021).

Work Environment

The work environment is something that is around employees so that it affects a person to get a sense of security, comfort, and satisfaction in doing and completing the work given by superiors (Anam, 2018). The work environment is everything that is around the workers that can affect themselves in carrying out their duties, for example in this case, cleanliness, lighting, music, and others (Sunyoto, D., 2012). The work environment is the entire set of tools and materials faced by the surrounding environment in which a person works, work methods, and work arrangements both as individuals and as groups (Sedarmayanti, 2012). Work environment indicators include: 1) Lighting; 2) Air circulation; 3) Convenience; and 4) Layout (Sedarmayanti, 2012).

Work Environment has been widely studied by previous researchers including: (Setiyaningrum, 2019), (F. Saputra & Mahaputra, 2022b), (Mukhtar, M., Ali, H., & Jannah, 2016), (Arista & Astuti, 2011), (Octavia et al., 2020), (Sulistianto et al., 2022), (Sudiantini et al., 2019).

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<td>1</td>
<td>(Sudiarso, 2022)</td>
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<td>2</td>
<td>(Evitha &amp; Hernawan, 2022)</td>
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### RESEARCH METHODS

In this study, researchers used descriptive qualitative methods and library research. By reviewing previous articles that are relevant to this research. Data collection in this study was through the Google Scholar application by searching for previous scientific articles related to this variable. In this study, theoretical studies must be used consistently and based on methodological assumptions. In the sense that it must be applied inductively so that it does not raise questions that will be asked to the researcher. Researchers conduct qualitative research, namely because of its exploratory nature (Ali, H., & Limakrisna, 2013).

### FINDINGS AND DISCUSSION

1. **The Effect of Wages on Productivity**

   If the salary can be applied and implemented properly according to the indicators, namely: 1) Salary; 2) Incentives; 3) Bonuses; 4) Allowances; 5) Facilities; and 6) Insurance, it will affect productivity. Salary is an obligation that the company must provide to employees or their work. And workers are entitled to their rights as employees for what they do. In addition to salary, workers also have social security covered by the company, such as health and safety insurance, death, and so on. With adequate salaries and guarantees, the level of welfare of workers or employees will increase, thereby increasing their productivity and they are able to work well and maximally.

   Wages affected to Productivity, this is in line with research conducted by: (Darwisyah et al., 2021), (Mulyani et al., 2020), (Sivaram et al., 2020b), (Agussalim et al., 2016), (Sivaram et al., 2019), (Somad et al., 2021), (Ridwan et al., 2020a), (Ridwan et al., 2020b).

2. **The Effect of Work Environment on Productivity**.

   If the work environment can be implemented and implemented properly, in accordance with the indicators, namely: 1) Lighting; 2) Air circulation; 3) Convenience; and 4) Layout, it will affect the productivity of workers and employees. A good work environment will make workers feel comfortable and safe, so that in carrying out their work, workers can work well without any obstacles or other disturbances in their work area.

   Work Environment affected to Productivity, this is in line with research conducted by: (Mahaputra & Saputra, 2021a), (Yassir Arefat et al., 2020), (Fardinal et al., 2022), (Haitao & Ali, 2022), (Gusfa et al., 2017), (Faisal et al., 2021), (Ali et al., 2020), (Thanh Nguyen et al., 2019), (Gusfa et al., 2017), (Subronto et al., 2021), (Pitri et al., 2022).
Conceptual Framework

Based on theoretical studies and discussions that have been discussed by researchers, the conceptual framework is determined as follows:

![Conceptual Framework Diagram]

Figure 1. Conceptual Framework

Based on the relevant theoretical studies and the above discussion, then: The Effect of Wages and Work Environment on Productivity. Apart from the above variables affected to Productivity, there are other variables that affects, namely:


5) Working Time: (F. Saputra, 2022a), (Darwisyah et al., 2021), (Mulyani et al., 2020), (Sivaram et al., 2020b), (Agussalim et al., 2016), (Sivaram et al., 2019), (Somad et al., 2021), (Ridwan et al., 2020a), (Ridwan et al., 2020b), (Rahmayani & Nofrialdi, 2022).

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the discussion above, the researchers determined the following conclusions:

1. Wages is affected to Productivity.
2. Work Environment is affected to Productivity.

Recommendation

Based on the conclusions above, there are other factors that affect to Productivity, namely: Leader, Workload, Co-Workers, Corporate Culture and Working Time.

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