

## THE INFLUENCE OF COMPENSATION AND NON-PHYSICAL WORK ENVIRONMENT ON EMPLOYEE'S PRODUCTIVITY THROUGH EXTRINSIC MOTIVATION AT CV SAMUDRA KIAT JAYA

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### ABSTRACT

This study investigates the relationship between compensation, non-physical work environment, extrinsic motivation, and employee productivity at CV Samudra Kiat Jaya, A coconut briquette manufacturer in Sidoarjo, East Java, Indonesia. Analysis of the internal data from August 2023 to February 2024 reveals concerning fluctuations in productivity levels alongside an employee turnover rate of 13.5%, indicating potential performance issues within the workforce. Employing an explanatory qualitative research design, this study uses a partial least Structural Equation Model (PLS-SEM) for data analysis, with an employee sample of 72 collected via Google Forms. Findings demonstrate that both compensation and non-physical work environments positively and significantly influence extrinsic motivation among employees. Furthermore, extrinsic motivation is shown to enhance employee productivity significantly, with both compensations and non-physical work environments exerting a positive impact on productivity indirectly through extrinsic motivation. These results underline the importance of effective compensation strategies and a supportive non-physical work environment in enhancing employee performance and retention, ultimately benefiting the organization's productivity.

**Keywords:** Compensation, Extrinsic Motivation, Non-physical Work Environment, Productivity

### INTRODUCTION

Employee productivity is the product or performance of an employee compared to the time, resources, and effort they put in Awojobi, O.M (2022). Employee productivity has several benefits, including increased efficiency and performance. According to the Japan External Trade Organization (JETRO) survey covered in The Jakarta Post (2020), Indonesia's manufacturing industry exhibits lower productivity than its Southeast Asian peers. The productivity of Indonesia's manufacturing plants, at 74.4, falls below that of the Philippines, Singapore, Thailand, and Vietnam, which recorded scores of 86.3, 82.7, 80.1, and 80.0, respectively. It is also lower than Laos and Malaysia, which stood at 76.7 and 76.2, respectively. Productivity plays a crucial role in the sustainable improvement of workforce efficiency and production effectiveness over time (Kim et al., 2021). Empowering individuals and enhancing productivity are crucial and strategic initiatives for fortifying the foundation of Indonesia's national economy (Hernita et al., 2021).

One of the growing industries in Indonesia comes from the coconut downstream sector. CV Samudra Kiat Jaya is one of the growing coconut briquette manufacturers and export companies in Sidoarjo Regency, Krian District. CV Samudra Kiat Jaya is a business that offers coconut briquette manufacturing and export products. The internal data of CV SKJ shows that from August 2023 to February 2024 indicates a worrying pattern of fluctuating productivity levels, which may indicate issues with staff performance inside the company. It is imperative to address these variables to maximize worker performance and guarantee consistent production in line with the organization's maximal capacity.

The number of employee turnover from August 2023 to January 2024 is 11 people out of a total of 80 employees, or 13,5%. According to (Yunitasari et al., 2023), employee turnover intention is normal if it has a

percentage range of 5-10% per year and relatively high if it is more than 10% per year. The number of employee turnover CV Samudra Kiat Jaya is included in the high category. One important indicator of both

Individual and organizational performance is employee motivation. Adequate compensation and a conducive work environment are important in increasing employee motivation levels, contributing to increased productivity. The higher the work environment, the higher the employee performance (Dingel & Maffett, 2023). This research will determine the influence of compensation and work environment on productivity through work motivation, which has become a significant focus for researchers and management practitioners. The objective of this study is to assess the employee's productivity relationship with the non-physical work environment through motivation, to assess the relationship between employee productivity and extrinsic motivation, to assess the firm compensation relationship with the employee's productivity through motivation, to assess the work environment, motivation, and compensation may interact.

## LITERATURE REVIEW

The grand theory used for this research is Maslow's theory of needs. According to Daft & Noah, motivation is the power that propels, regulates, and upholds conduct both inside and outside of a human is referred to as motivation. Motivation influences arousal, energizes, and maintains conduct, although these actions don't always result in rewards or less behavior at work. (Gifty Naa Boafoa Okine, et al., 2021). Maslow's Hierarchy of Needs theory provides a valuable framework for evaluating employee productivity due to its systematic delineation of human needs and motivations. This theory describes that individuals are driven by a hierarchical progression of needs, beginning with basic physiological requirements and ascending to higher-order needs such as safety and social needs. By recognizing and addressing these levels of needs within the organizational context, employers can devise strategies to effectively enhance employee motivation and productivity (Adnan., et al., 2022).

Eduard Armando Parengkuan (2019) defines productivity as the ratio of output to input of resources used. This fundamental concept underscores the efficiency of resource utilization in achieving desired outcomes. Singh et al. (2022) further elaborates on productivity, describing it as individual employees' measurable yield or outcome about the inputs they contribute, including time, materials, and effort. Employee productivity indicators, according to Kasmir. (2019) are work quality, quantity, effectiveness, independence, and efficiency.

According to Ackerman (2021), in research by (Ndudi et al., 2020), extrinsic motivation is an external force that pushes individuals to act or engage in activities to fulfill their objectives. Behavior driven by advantages from outside sources characterizes this type of motivation, in which external factors persuade people to act in particular ways and benefit from these outside sources. To achieve their goals, people's behavior and decision-making processes are shaped by external influences, including salary raises, job promotions, and disciplinary measures (Ndudi et al., 2020). Extrinsic motivations at workplace indicators based on Sardiman (2013) are based on a research study by Andara, A. M. (2020): monetary compensation, policy administration, and interpersonal relationships with coworkers.

According to Enny (2019), compensation is a form of reciprocal service given to staff members as a thank-you for their services to the company. The compensation system recognizes the various ways employees are paid for their work and includes both direct and indirect cash benefits. Karosa, I. D. G. et al. (2024) states that employees receive benefits and financial returns as part of their working relationship, which is all included in compensation. Veithzal Rivai (2020) describes compensation indicators as salary, bonus, and indirect compensation.

Non-physical work environment refers to all situational aspects related to work, including interactions with superiors, coworkers, and subordinates. This includes interpersonal relationships and team dynamics that are not physical. The importance of the non-physical work environment should not be overlooked, as it significantly impacts well-being and productivity in the workplace. Serdamayanti (2020). Indicators based on Sedarmayanti (2020) are that working relationships between employees are very important at work, especially in teams, and the relationship between employees and leaders is very influential in carrying out their duties.

The previous research related to this research is, firstly, the research conducted by Yulia, Isthafan Najmi, and Irham Iskandar (2023), which examined how compensation and incentives affected workers' performance in the

Nagan Raya District Education Agency. All 50 workers of the agency were the subject of the study. The study's findings indicate that pay and incentives have a noteworthy and favorable impact on workers' output. Employee performance is also greatly enhanced by job motivation. The impact of rewards and pay on worker performance is mediated by the presence of job motivation as an intermediate variable. Full mediation effect (Yulia et al., 2023). This research uses the same variables, compensation, and motivation, which positively impact employees' productivity.

The second previous research research to find out how the influence of Compensation and Work Environment together on Employee Morale at the Commission Secretariat Office Tebing Tinggi City General Election. The results of this research show that Based on data analysis and discussion of research results, researchers conclude that the Compensation Variable (X1) has a negative and insignificant influence on the Spirit Variable Work (Y) while the Work Environment Variable (X2) has an influence positive and significant for the Work Morale Variable (Y). However, together (simultaneously) Compensation Variable (X1) and The Work Environment variable (X2) have a significant positive effect on the Work Morale Variable (Y) based on the coefficient value. The determination shows the Compensation Variable (X1) and Work Environment Variables (Rodi Syafrizal, 2021). This research uses compensation and work environment, positively impacting employees' productivity.

#### Relationship between compensation and extrinsic motivation

EM Mulyani et al. (2019) showed a positive association between worker motivation and compensation. Their research indicates that when employees feel their compensation is fair and competitive, they are more likely to be motivated, raising engagement and performance levels. This emphasizes how important it is to provide employees with adequate compensation to boost motivation and improve organizational performance.

#### Relationship between work environment and extrinsic motivation

According to Researchawati (2022) and Sunyoto (2016) highlights the importance of a pleasant work environment in motivating people. This in turn has an impact, in turn, impacts and excited workers are about their jobs. The relationship between employee motivation and the workplace is well researched and widely acknowledged as being essential success of organizations.

#### Relationship between extrinsic motivation and employee productivity

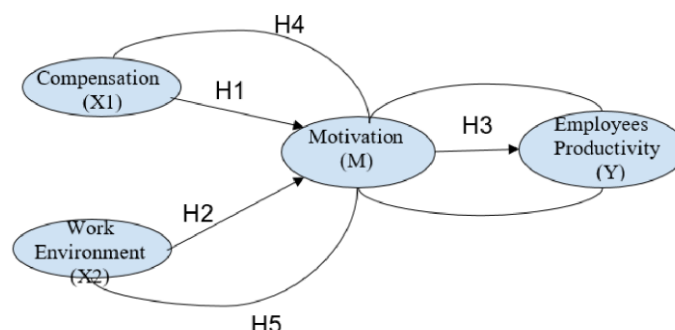
Extrinsic motivation is the term that refers to, such as salary, incentives, promotions, or other awards, that motivate employees to give an extra performance at an extra level. Employees have an impact on their job performance but also on the performance of the entire company and business productivity. Motivation is a determinant that determines (Rson et al., 2021).

#### Relationship between compensation and employee's productivity through motivation

According to Lawler and Cohen, Compensation systems are often used in businesses as crucial management instruments that may enhance organizational success by affecting employee motivation and individual behavior at work. The benefits and pay that employers offer may affect workers' motivation. Pay and benefits are essentially ways employers show their appreciation to their staff Thapa (2023). Worker motivation can be influenced by the benefits and salaries offered by employers. Salaries and benefits are essentially a way for employers to show appreciation for their staff.

#### Relationship between work environment and employees' productivity through motivation

Workers are naturally motivated to match their efforts with the goals that their companies have laid forth, working hard to reach and even beyond predetermined targets (Wang et al., 2022). When they work in an atmosphere that is not just favorable goals but actively supportive of them, their drive is further increased.



**Fig. 1 Research Model**

## RESEARCH METHODS

This research is quantitative research uses square method to conduct a statistical analysis of data collected from interviewees. A quantitative research model is based on positivism and is used for population analysis or sampling. In contrast, statistical analysis tools are used for data collection to test hypotheses that have been established. A quantitative method known as partial least square path modeling is a structural equation modeling with mediator variables that allows researchers to figure out the determine compensation and work environment on employee productivity through mediator variable motivation (Ghozali, 2021).

In this study, researchers collected primary data on employees in CV Samudra Kiat Jaya. The population that is examined study consists of all 72 employees of CV Jaya. This research employees utilized the Saturated sampling technique, a non-probability sampling technique where all individuals in the population are used (Sugiyono, 2022). In this research, the sample size is equivalent to the population size. Since the population size is known, researchers decided to use the population as the subject of this research, where all individuals are used as samples, so the number . Hence, respondents studied in this study was 72 people.

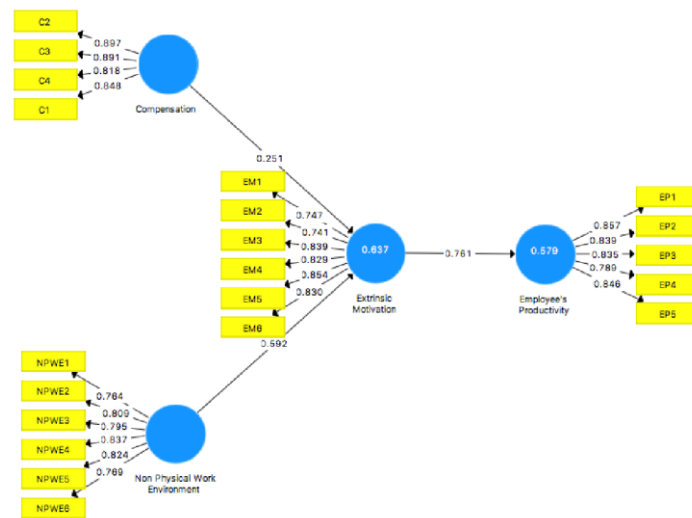
This applies a systematic approach to data collection, using firsthand information obtained from respondents who are CV Samudra Kiat Jaya's employees. Subsequent data analysis will be conducted using the Likert scale. The Likert scale contains the scale from 1 to 5. Scale 1 means strongly disagree and scale 5 means strongly agree. Data collection in this research will be conducted through an online questionnaire using Google Form given by Samudra Kiat Jaya employees.

## RESULT

The first data analysis result is the descriptive statistics. The majority of the respondents have the latest education in bachelor's degree. The highest percentage of the respondent's age group is 17-26. The gender of the respondents is mostly female. The length of employment of the respondents is mostly 1-2 years. Most respondents are in the "oven" position in the company.

### Outer model

Data analysis in this study using SmartPLS is carried out by measuring the outer model by conducting a validity test and a reliabilist. The validity test is divided into two, namely converg:idity and discriminant validity. Convergent validity can be seen by looking at the outer loading value of each indicator and the Average Variance Extracted (AVE) value. Variables meet the convergent validity criteria if they have an outer loading value above 0.7 and an AVE value of at least 0.5.



**Fig. 2 Original Model with All Indicators**

After calculating using the PLS algorithm, the outer loading value for each indicator is obtained. The initial model in this study can be seen in Figure 1. Figure 1 shows that each indicator has an outer loading value above 0.7 and has met the criteria so that all indicators can be said to be meeting the outer loading value that matches the criteria, the validity test is continued by looking at the AVE value. Constructs can be declared good and accepted in the validity test if they have an AVE value above 0.5. From data processing, the AVE value of compensation, non-physical work environment, extrinsic motivation, and employee productivity variables are 0.747, 0.640, 0.653, and 0.695 in sequence. The AVE values exceed 0.5 and indicate good convergent validity, where latent variables can explain more than half of the variance of their indicators.

Discriminant validity in this study is in the form of cross-loading, where the indicator is said to be valid if it has the highest loading factor on its latent variable compared to other latent variables. The data processing shows that all indicators are valid because they have the highest factor loading on their latent variables compared to other latent variables. After getting the highest cross-loading value on the latent variable compared to other latent variables. The discriminant validity test is continued using Heterotrait-Monotrait (HTMT) with values <0.9.

**Table 1. Heterotrait-Monotrait (HTMT)**

Outer loading	Compensation	Employee Productivity	Extrinsic Motivation	Non-Physical Work Environment
Compensation				
Employee's Productivity	0.729			
Extrinsic Motivation	0.773	0.841		
Non-Physical Work Environment	0.849	0.834	0.865	

Table 1 shows that all variables are valid because they have an HTMT value below 0.9. The next test conducted is the reliability test with composite reliability. Composite reliability has a value of 0 to 1. Indicators can be declared reliable if they have a value equal to or greater than 0.6. The data processing shows that the composite reliability value of compensation, non-physical work environment, extrinsic motivation, and employee productivity variables are 0.922, 0.914, 0.918, and 0.919 in sequence. The results of composite reliability are greater than 0., six so that this research questionnaire is declared consistent or reliable.

The Cronbach Alpha test shows an acceptable value if it gets a value above 0.ata processing shows the Cronbach's alpha value of compensation, non-physical work environment, extrinsic motivation, and

employee productThe employee productivity variables8, 0.893, and 0.890 in sequence. The results of CronbCronbach's alpha resultsn 0.6 so that this re, souestionnaire is declared consistent or reliable.

Inner model

The R-Square test shows the value of the overall influence of the structural model. An R-Square value of 0.67 means strong or good, 0.33 means moderate, and 0.19 means weak. The data processing shows the R-square values of employee productivity and extrinsic motivation variables are 0.579 and 0.637. These results show that 57.9% of employees' productivity variables are influenced by compensation, non-physical work environment, and extrinsic motivation variables. Furthermore, 63.7% of extrinsic motivation is influenced by both compensation-physical work environment, and employee productivity variables. However, another 36.3% can be explained by variables outside this research model. Based on the numbers obtained, the R-squared value on the variables used in this study is stated to be suffluence the repurchase intention variable.

The path coefficient value shows the direction and strength of the influence ofvariable X's influencePositive and negative values describe the resulting negative or positive effects. The closer to 1, the stronger the path and the closer ,to 0 the weaker.

**Table 2. Path Coefficient**

Hypothesis	Original Sample (O)
H1	X1 – M 0.251
H2	X2 – M 0.592
H3	M – Y 0.761
H4	X1 – M – Y 0.191
H5	X2 – M – Y 0.450

Based on Table 2, the path coefficient shows a positive value, thus indicating that compensation has a positive effect on employees' extrinsic motivation with a path coefficient value of 0.251. A non-physical working environment has a positive positively affectsinsic motivation with a path coefficient value of 0.592. Extrinsic motivation has a positive positively affectsuctivity, with a path coefficient value of 0.761. Compensation has a positive positively affectsuctivity through extrinsic motivation,n, with a path coefficient value of 0.191. A non-physical working environment has a positive positively affectsuctivity through extrinsic motivation, with a path coefficient value of 0.450.

The Q-Square (Blindfolding) test relates to the lmeasuresdel. If the vamodel's predictive relevancehown is >0, it can be said t study has been reconstructed properly.

**Table 3. Q-Square**

Hypothesis	Q2 (=1-SSE/SSO)
Compensation	0.561
Non-Physical Work Environment	0.488
Extrinsic Motivation	0.509
Employee Productivity	0.536

Table 3 states the results of the Q-Square test in this study, obtained a val. Each variablee >0 in each variabl, whichmodel under study has good predictive relevance. The next test is hypothesis testing. Hypothesis tes, whichto determine the significance of the research hypothesis. The variable is declared good and significant if it has a t-test value above 1.96.



**Table 4. Hypothesis Testing**

Hypothesis		T-Statistics ( $ O/STDEV $ )	P- Values	Hypothesis Testing
H1	X1 – M	2.425	0.016	Accepted
H2	X2 – M	5.864	0.000	Accepted
H3	M– Y	11.414	0.000	Accepted
H4	X1 – M – Y	2.345	0.019	Accepted
H5	X2 – M – Y	4.669	0.000	Accepted

The results of this study indicate that the relationship between the compensation variable and extrinsic motivation has a value of 2.425, which is a significant result because it has a value  $>1.96$ , so it can be concluded that hypothesis 1 is accepted. The relationship between the non-physical work environment variable and extrinsic motivation has a value of 5.864. It is a significant result because it has a value  $> 1.96$ , so it can be concluded that hypothesis 2 is accepted. The relationship between the extrinsic motivation variable and employees' productivity has a value of 11.414 and is a signif. It is result because it has a value  $> 1.96$ , so it can be concluded that hypothesis 3 is accepted. The relationship between compensation variables on employees' productivity through extrinsic motivation as a mediating variable has a value of 2.345 and is a signif. It is result because it has a value  $> 1.96$ , so it can be concluded that hypothesis 4 is accepted. The relationship between the variable non-physical work environment and employees' productivity through extrinsic motivation as a mediating variable has a value of 4.669 and is a significant. It is result because it has a value  $> 1.96$ , so it can be concluded that hypothesis 5 is accepted.

## DISCUSSION

### The effect of compensation on extrinsic motivation

Based on the results of hypothesis testing, the compensation variable has an influence on extrinsic motivation. This is also in accordance with research conducted by Mulyani et al. (2019), where they provided results that compensation has a significant and positive effect on extrinsic motivation. This means that if the company provides compensation that exceeds employee expectations, it can increase extrinsic motivation among employees. The results of this study indicate that the first hypothesis (H1), which states that compensation has a significant effect on extrinsic motivation, is accepted and in accordance with previous research that supports this research.

The results of this study are also supported by previous research conducted by Thapa (2023,) which states that compensation affects extrinsic motivation, where when employees receive compensation such as fair and adequate salaries, it can increase extrinsic motivation by employees. This is consistent and in line with this study, which states that when employees get comparable salaries, bonuses, and incentives based on performance and additional benefits, it can increase extrinsic motivation. In the phenomenon experienced by CV Samudra Kiat Jaya, when CV Samudra Kiat Jaya provides salaries commensurate with employee performance, additional bonuses when achieving targets, bonuses when working overtime, and various benefits such as BPJS, THR, and family allowances, it can increase extrinsic motivation by employees. Employees feel that if the salary received is in accordance with expectations and in accordance with the work that has been done, employees will have a higher motivation to work than usual. Furthermore, if employees feel that the salary received exceeds their expectations, extrinsic motivation in employees will increase. This is related to employees who have the characteristics of 17-26 years old and 37-46 years old who are concerned with salary when doing work, and the salary can affect their motivation.

### The effect of non-physical work environment towards extrinsic motivation

Based on the results of hypothesis testing, the non-physical work environment variable has an influence on extrinsic motivation. This is also in accordance with research conducted by Susilawati (2022), where her research provides results that a non-physical work environment has a significant and positive effect on extrinsic motivation. This means that if a company can provide a good work environment, it can create extrinsic motivation for employees. The results of this study indicate that the second hypothesis (H2), which states that a non-physical work environment has a significant effect on extrinsic motivation, is accepted and in accordance with previous research that supports this research.

The results of this study are also supported by previous research conducted by Rofik (2022), which states that the non-physical work environment influences extrinsic motivation, where when employees have a good relationship with coworkers and a positive company environment can increase employees' extrinsic motivation. This

is consistent and in line with this study, where when employees feel a sense of security at work from superiors, friends, or the environment, it can increase extrinsic motivation by employees. In the phenomenon experienced by CV Samudra Kiat Jaya, when CV Samudra Kiat Jaya provides a good environment with employees, such as good relationships with co-workers and supervisors, and avoids conflicts in the work environment, it can increase extrinsic motivation by employees. Employees feel that if there is a sense of comfort with coworkers and superiors, it can increase employee motivation at work. This is related to employees who have the characteristics of 17-26 years old and 37-46 years old who are concerned with the non-physical work environment when doing work, and the work environment can affect their motivation.

#### The Effect of extrinsic motivation on employee productivity

Based on the results of hypothesis testing, the extrinsic motivation variable has an influence on employee productivity. This is also in accordance with research conducted by Forson et al. (2021), where they provided results that extrinsic motivation has a significant and positive effect on employee productivity. This means that if the company can provide extrinsic motivation, such as adequate and timely salaries, it can increase employee productivity. The results of this study indicate that the third hypothesis (H3), which states that extrinsic motivation has a significant effect on employee productivity, is accepted and in accordance with previous research that supports this research.

The results of this study are also supported by previous research conducted by Susanto et al. (2023), which states that extrinsic motivation affects employee performance, where when companies can provide extrinsic motivation, such as clear company regulations, bonuses, and benefits, it can improve employee performance. This is consistent and in line with this study, where when employees work with clear rules and in line with their personalities, they have good relationships with coworkers, which can improve performance by employees. In the phenomenon experienced by CV Samudra Kiat Jaya, when CV Samudra Kiat Jaya can provide salaries on time, company policies that can make employees work well, good working relationships, clear consequences such as punishment, and pleasant working relationships, it can increase employee productivity. Employees who feel comfortable at work and clear regulations in the workplace can make employees enjoy themselves and have extrinsic motivation, which in turn can encourage employee performance. This is related to employees who have the characteristics of 17-26 years old and 37-46 years old who are concerned with extrinsic motivation when doing work, and this extrinsic motivation can affect employee performance.

#### The effect of compensation on employee productivity through extrinsic motivation

Based on the results of hypothesis testing, the compensation variable has an influence on employee productivity through extrinsic motivation. This is also in accordance with research conducted by Thapa (2023), who found that compensation affects employee productivity through extrinsic motivation. This means that if the company can provide adequate compensation, it can increase extrinsic motivation by employees, which in turn can increase employee performance. The results of this study indicate that the fourth hypothesis (H4), which states that compensation has a significant effect on employee performance through extrinsic motivation, is accepted and in accordance with previous research that supports this research.

The results of this study are also supported by previous research conducted by Ryan and Deci (2020), which states that compensation affects employee productivity through extrinsic motivation; where when employees get adequate benefits and salaries that exceed expectations, it can increase extrinsic motivation, which in turn can increase employee performance. This is consistent and in line with this research, where employees get bonuses according to what is done and bonuses when working overtime, which can lead to extrinsic motivation, which can then increase employee productivity. In the phenomenon experienced by CV Samudra Kiat Jaya when CV Samudra Kiat Jaya provides commensurate salaries, bonuses when employees can achieve targets, bonuses when employees work overtime, and benefits such as BPJS and THR, it can lead to extrinsic motivation, which then increases employee performance. Employees feel that if the salary received is in accordance with expectations and in accordance with the work that has been done, employees will have a higher motivation to work than usual. Furthermore, if employees feel they are highly motivated when working, this can improve employee performance. This is related to employees who have the characteristics of 17-26 years old and 37-46 years old who are concerned with salary when doing work, and the salary can affect their motivation, which can then affect employee performance.



The effect of non-physical work environment on employee productivity through extrinsic motivation

Based on the results of hypothesis testing, the non-physical work environment variable has an influence on employee productivity through extrinsic motivation. This is also in accordance with research conducted by Ferm et al. (2021) where in their research they provided results that the non-physical work environment has an influence on

Employee productivity through extrinsic motivation. This means that if the company can provide a good work environment and a pleasant atmosphere, such as a boss who has a good relationship with employees, it can increase extrinsic motivation by employees, which can then increase employee productivity. The results of this study indicate that the fifth hypothesis (H5), which states that the non-physical work environment has a significant effect on employee productivity through extrinsic motivation, is accepted and in accordance with previous research that supports this research.

The results of this study are also supported by previous research conducted by Song (2022,) which states that a non-physical work environment affects employee productivity through extrinsic motivation, where when employees have a good relationship with coworkers and superiors at work, it can increase extrinsic motivation when working, and this can increase employee productivity. This is consistent and in line with this research, where when employees feel a sense of security at work from superiors, friends, or the environment, it can increase extrinsic motivation, which then influences increasing employee performance. In the phenomenon experienced by CV Samudra Kiat Jaya, when CV Samudra Kiat Jaya provides a good environment with employees, such as good relationships with co-workers and supervisors, and avoids conflicts in the work environment, it can increase extrinsic motivation, which then affects employee performance. Furthermore, if employees feel they are highly motivated when working, this can increase employee performance. This is related to employees who have the characteristics of 17-26 years old and 37-46 years old who are concerned with the non-physical work environment when doing work, and the non-physical work environment can affect their motivation, which can then affect employee performance.

## **CONCLUSIONS AND PRACTICAL IMPLICATION**

Based on the results of research and discussion of the ability to influence compensation, non-physical work environment, and extrinsic motivation on the employees' productivity of CV Samudra Kiat Jaya, the conclusions that can be drawn from this study are compensation has a positive and significant effect on CV Samudra Kiat Jaya employees' extrinsic motivation. A non-physical working environment has a positive and significant effect on CV Samudra Kiat Jaya employees' extrinsic motivation. Extrinsic motivation has a positive and significant effect on CV Samudra Kiat Jaya employees' productivity. Compensation has a positive and significant effect on CV Samudra Kiat Jaya employees' productivity through extrinsic motivation. The non-physical working environment has a positive and significant effect on CV Samudra Kiat Jaya employees' productivity through extrinsic motivation.

The suggestions for CV Samudra Kiat Jaya are as follows: CV Samudra Kiat Jaya can increase compensation by giving bonuses to employees who work overtime. This can be done by providing a decent bonus for employees who work overtime by making clear policies regarding the calculation and provision of overtime bonuses so that employees feel valued. CV. Samudra Kiat Jaya can improve the non-physical work environment by fostering good relationships between co-workers. This can be done by providing training to employees on how to resolve conflicts and encouraging open communication between employees and management. CV Samudra Kiat Jaya can improve extrinsic motivation by providing a good working relationship with supervisors. This can be done by providing training to supervisors so that they can build and help employees understand work and provide mutual support.

Future researchers are expected to distribute questionnaires at a more suitable time without hampering the work and also the valuable time of the respondents so that the results of the questionnaire are more guaranteed and in accordance with the expectations of the researchers. Other researchers are expected to examine other variables besides compensation, non-physical work environment, extrinsic motivation, and employee productivity that can affect employee performance to better understand what things can affect employee performance.

**Table 5. Research Implication**

Variables	Research Finding	Existing Practice	Implication
Compensation	Compensation has a significant and positive effect on extrinsic motivation.	CV. Samudra Kiat Jaya does not yet have policies regarding compensation for bonuses, overtime, and health insurance (BPJS Kesehatan).	In the future, CV. Samudra Kiat Jaya needs to pay attention to the compensation factor by maintaining a timely payroll system, providing bonuses if employees reach targets in work, providing bonuses if employees work overtime, and providing benefits such as BPJS and THR. This is evidenced by the lowest statement, namely "I am satisfied with the amount of bonus when I work overtime" so that in the future CV. Samudra Kiat Jaya must be able to provide appropriate bonuses if employees work overtime. This can be done by evaluating the payroll system by ensuring that the payroll system is fair and competitive and provides decent bonuses for employees.
Non-physical Work Environment	The non-physical work environment has a significant and positive effect on extrinsic motivation.	CV. Samudra Kiat Jaya's Employees have experienced strained relationships with their coworkers, which could have negatively impacted collaboration, communication, and overall team cohesion.	In the future, CV. Samudra Kiat Jaya needs to pay attention to non-physical work environment factors by maintaining good relationships with coworkers good bosses towards employees, avoiding conflict in the work environment, and providing a sense of security to employees. This is evidenced by the lowest statement, namely, "I have good relationships with my co-workers," so that in the future CV. Samudra Kiat Jaya must be able to provide a good relationship with co-workers. This can be done with team-building events by organizing team-building activities such as workshops, outings, or social activities that encourage teamwork.
Extrinsic Motivation	Extrinsic motivation has a significant and positive effect on employee performance	Employees felt demotivated or disengaged due to poor working relationships with their supervisors.	In the future, CV. Samudra Kiat Jaya needs to pay attention to extrinsic motivation factors by maintaining timely salary payments, company policies that can motivate employees, good working relationships between employees, clear consequences such as punishment, and good relationships with superiors. This is evidenced by the lowest statement, namely "Working relationships with the company supervisor affect work motivation" in future CVs. Samudra Kiat Jaya must be able to provide a working relationship with supervisors that can motivate employees. This can be done by providing training for supervisors to develop effective leadership and communication skills.

Researchers face difficulties in conducting this research. The most important difficulty is the small number of respondents and the time of giving questionnaires to respondents is at break time and going home. Where this time is valuable time for respondents, causing researchers to not know from the psychological side of the respondent whether the respondent fills in seriously or is more concerned with the time to rest and go home.

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