

ABSTRACT

In an increasingly competitive world, companies must ensure that their employees feel valued and work in conditions that support productivity. Fair compensation and a comfortable physical work environment are two important factors that are believed to improve employee performance. Therefore, this research focuses on how these two variables influence performance at XYZ University, which is one of the leading private universities in Bandung.

The research method used is quantitative with data collection techniques through questionnaires. This questionnaire was distributed to XYZ University employees to obtain relevant data regarding their perceptions of the compensation they receive and the conditions of their physical work environment. The collected data was then analyzed using multiple regression analysis to determine the significant influence of compensation variables and the physical work environment on employee performance. This approach allows researchers to understand the relationship between these variables statistically.

The research results show that compensation has no positive and irrelevant effect on employee performance variables. However, the physical work environment has a positive and significant influence on employee performance. These findings indicate that increases in compensation and improvements in physical work environment conditions can directly improve employee performance at XYZ University. Thus, universities are advised to continue to improve compensation policies and pay attention to the conditions of the physical work environment in an effort to increase overall organizational productivity and effectiveness.

Keywords: Multiple regression analysis, compensation, employee performance, physical work environment, Bandung.