

## The Influence of Work System, Compensation, and Well-Being on Employee Performance at PT Haleyora Powerindo East Java Branch

Fitri Eka Vayuni<sup>1</sup>, Acep Samsudin<sup>2\*</sup>

<sup>1,2</sup> Universitas Pembangunan Nasional "Veteran" Jawa Timur

\*Correspondence Author: [acep.samsudin.adbis@upnjatim.ac.id](mailto:acep.samsudin.adbis@upnjatim.ac.id)

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### **Abstract**

#### **Keywords:**

Work System, Compensation, Well-being, Employee Performance

*This study aims to analyze the influence of work systems, compensation, and well-being on the performance of office employees at PT Haleyora Powerindo, East Java Branch. This research employs a quantitative approach utilizing SPSS version 31 for analysis. The research sample consists of 35 respondents, determined through a saturated sampling technique. Data were collected via questionnaires developed based on the indicators of each research variable. Data analysis was conducted using validity and reliability tests, classical assumption tests, and multiple linear regression analysis, with hypothesis testing performed through t-tests and F-tests. The results indicate that work systems and well-being have a positive and significant effect on employee performance, whereas compensation does not have a partially significant effect. However, work systems, compensation, and well-being simultaneously exert a significant influence on employee performance. These findings emphasize that the effectiveness of work systems and the fulfillment of employee well-being play a crucial role in enhancing performance. This research provides practical contributions for management in formulating human resource management policies oriented toward improving employee performance.*

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## INTRODUCTION

Employee performance is a primary indicator of organizational success in achieving goals and maintaining business sustainability. From a human resource management perspective, employee performance reflects an individual's level of success in executing duties and responsibilities in accordance with established corporate. Optimal performance not only impacts organizational productivity but also contributes to service quality, operational efficiency, and corporate competitiveness amidst increasingly intense competition (Mangkunegara, 2019).

In practice, employee performance is not solely determined by individual competence but is also influenced by organizational factors such as work systems, compensation, and employee well-being. A clear and structured work system plays a vital role in directing employees to understand their roles, responsibilities, and work targets (Afandi, 2021; Sutrisno & Wibowo, 2021). Meanwhile, compensation is viewed as a form of corporate appreciation for employee contributions, which is expected to enhance motivation and job performance. On the other hand, employee well-being encompasses physical, psychological, and social aspects that function to create a sense of security and comfort in the workplace (Khaeruman et al., 2021).

PT Haleyora Powerindo, as a company operating in the electrical power services sector, possesses job characteristics with high demands for punctuality, discipline, and work coordination. Office employees play a vital role in supporting the company's operational continuity through administrative, planning, and control functions. In such conditions, the implementation of effective work systems, appropriate compensation policies, and attention to employee well-being

become critical factors in maintaining and enhancing employee performance. Nevertheless, differing employee perceptions regarding the work systems and the compensation received can influence the resulting level of performance.

The conceptual framework in this study describes the causal relationship between the independent variables, namely work systems (X1), compensation (X2), and well-being (X3), and the dependent variable, employee performance (Y) among office employees at PT Haleyora Powerindo, East Java Branch. Based on the review of human resource management theory and previous research, these three independent variables are hypothesized to have both partial and simultaneous effects on employee performance.

The first hypothesis (H1) states that work systems have a positive and significant effect on employee performance, as clear and structured work systems enhance effectiveness, coordination, and the achievement of work targets. The second hypothesis (H2) assumes that compensation influences employee performance, considering that compensation is a form of appreciation for work contributions that can affect motivation and morale. The third hypothesis (H3) posits that employee well-being has a positive and significant effect on performance, as favorable well-being conditions create a sense of security and comfort at work. Furthermore, the fourth hypothesis (H4) assumes that work systems, compensation, and well-being simultaneously influence employee performance.

Various prior studies have examined the influence of work systems, compensation, and well-being on employee performance. Rosanti and Marlius (2023) found that work systems and well-being significantly affect the performance of outsourced labor, while compensation showed inconsistent effects. Research by Prasetyo and Handayani (2022) also indicates that employee well-being plays a crucial role in enhancing performance, primarily through increased job satisfaction. Similar findings were presented by Maula et al. (2020) and Muhammad (2023), stating that employee well-being positively influences performance by improving work comfort and stability.

However, some studies indicate that compensation does not always have a significant effect on employee performance. Febriani and Setia (2023) found that compensation does not have a dominant influence on millennial employee performance when work environment and job satisfaction factors play a larger role. Ramandani and Dwiridotjahjono (2024) also suggested that the influence of compensation on performance may weaken when employees experience burnout or high work pressure. These differing findings indicate that the effect of compensation on performance is contextual and influenced by organizational conditions and employee characteristics.

The inconsistency of prior research findings indicates an empirical gap that requires further investigation, particularly within the context of service companies with specific job characteristics. Previous studies have predominantly focused on the manufacturing, banking, or outsourcing sectors; thus, their results may not fully reflect the conditions within the electrical power services sector. Consequently, there is a need for research that specifically examines the influence of work systems, compensation, and well-being on the performance of office employees at PT Haleyora Powerindo, East Java Branch.

Conceptually, this study is built upon the assumption that a structured work system provides clarity of roles and responsibilities, thereby driving improvements in employee performance. Compensation is positioned as a form of appreciation that can influence work motivation, yet its effectiveness depends on the perceived fairness and adequacy felt by employees.

Meanwhile, employee well-being plays a role in creating a sense of security, comfort, and work stability, which ultimately impacts performance enhancement. Thus, work systems, compensation, and well-being are hypothesized to influence employee performance, both partially and simultaneously.

Based on the aforementioned description, this study aims to analyze the influence of work systems, compensation, and well-being on office employee performance, both partially and simultaneously. This research is expected to provide an empirical contribution by enriching the study of human resource management, particularly regarding factors that influence employee performance. The novelty of this research lies in the finding that compensation does not always have a significant effect on employee performance, thereby emphasizing the strategic importance of work systems and well-being in managerial decision-making.

## **METHODS**

### **Types and Approaches to Research**

This study employs a quantitative approach with a causal research design, which aims to examine the cause-and-effect relationship between independent variables and the dependent variable. The quantitative approach was chosen because this study focuses on testing hypotheses using numerical data that can be analyzed statistically to objectively determine the relationships and influences between variables.

### **Data Types and Source**

The data used in this study are primary data obtained directly from respondents through questionnaires. These data reflect employee perceptions of work systems, compensation, well-being, and employee performance. In addition to primary data, this study is supported by secondary data in the form of relevant documents and literature to strengthen the analysis and discussion.

### **Research Object**

The objects of this study are work systems, compensation, well-being, and employee performance at PT Haleyora Powerindo East Java Branch. The company serves as the research setting, while the focus of the study is on analyzing the influence between the variables.

### **Population and Sampling Techniques**

The population in this study consists of all office employees at PT Haleyora Powerindo East Java Branch. The sampling technique used is saturated sampling (census), where all members of the population are included as research samples. The total number of respondents in this study is 35 employees. This technique was selected due to the relatively small population size, allowing for a comprehensive representation of the respondents.

## Data Collection Technique

Data collection was conducted through the distribution of questionnaires to respondents. The questionnaires were developed based on indicators for each research variable, namely work systems, compensation, well-being, and employee performance. A five-point Likert scale was used to measure respondents' levels of agreement with each statement.

## Data Analysis Technique

The data analysis techniques used in this study include descriptive and inferential analysis. Inferential analysis was conducted using multiple linear regression analysis to examine the influence of work systems, compensation, and well-being on employee performance. Prior to regression analysis, classical assumption tests were performed, including normality, multicollinearity, and heteroscedasticity tests, to ensure that the model meets the required assumptions.

Furthermore, the coefficient of determination ( $R^2$ ) was used to measure the extent to which the independent variables explain the variation in employee performance. Hypothesis testing was conducted using t-tests to determine partial effects and F-tests to determine simultaneous effects. The entire data analysis process was carried out using statistical software.

## RESULTS AND DISCUSSION

### Results

#### Validity Test

The validity test was conducted to determine the ability of each statement item to measure the research variables. The testing used the Pearson Product Moment correlation with a significance level of 5% ( $\alpha = 0.05$ ). An item is considered valid if the calculated  $r_{\text{value}}$  is greater than the  $r_{\text{table}}$  value and the significance value (Sig.) is less than 0.05. Items that do not meet these criteria are considered invalid and excluded from further analysis.

**Table 1. Validity Test**

Variable	$R_{\text{value}}$	$r_{\text{table}}$	Sig.	Description
Work System (X1)	0,527	0,344	< 0.01	Valid
	0,697	0,344	< 0.01	Valid
	0,736	0,344	< 0.01	Valid
	0,639	0,344	< 0.01	Valid
	0,469	0,344	< 0.01	Valid
	0,731	0,344	< 0.04	Valid
	0,527	0,344	< 0.01	Valid
Compensation (X2)	0,798	0,344	< 0.01	Valid
	0,644	0,344	< 0.01	Valid
	0,738	0,344	< 0.01	Valid
	0,658	0,344	< 0.01	Valid
	0,713	0,344	< 0.01	Valid

	0,762	0,344	< 0.01	Valid
	0,796	0,344	< 0.01	Valid
<b>Well-Being (X3)</b>	0,842	0,344	< 0.01	Valid
	0,779	0,344	< 0.01	Valid
	0,795	0,344	< 0.01	Valid
	0,759	0,344	< 0.01	Valid
	0,849	0,344	< 0.01	Valid
	0,699	0,344	< 0.01	Valid
<b>Employee Performance (Y)</b>	0,563	0,344	< 0.01	Valid
	0,797	0,344	< 0.01	Valid
	0,701	0,344	< 0.01	Valid
	0,668	0,344	< 0.01	Valid
	0,649	0,344	< 0.01	Valid
	0,636	0,344	< 0.01	Valid

*Source: Processed Data by the Author, 2026*

Based on Table 1, all statement items for the variables of Work Systems (X1), Compensation (X2), Well-Being (X3), and Employee Performance (Y) have  $r_{\text{values}}$  greater than the  $r_{\text{table}}$  (0.196) and significance values < 0.05. Therefore, all research instrument items are declared valid and appropriate for further analysis.

### Reliability Test

The reliability test was conducted to determine the consistency level of the research instrument in measuring the variables. The test used Cronbach's Alpha coefficient, where a variable is considered reliable if it has a value  $\geq 0.60$ .

**Table 2. Reliability Test**

Variables	Cronbach's Alpha	Criteria ( $\geq 0,60$ )
Work System (X1)	0,690	$\geq 0,60$
Compensation (X2)	0,850	$\geq 0,60$
Well-being (X3)	0,870	$\geq 0,60$
Employee Performance (Y)	0,871	$\geq 0,60$

*Source: Processed Data by the Author, 2026*

Based on table 2, the reliability test shows that the Cronbach's Alpha values for the three variables are above the minimum limit of 0.60, indicating that the research instrument possesses good internal consistency and is reliable.

### Classical Assumption Tests

**Table 3. Results of Classical Assumption Tests**

Type Test	Variables	Statistics	Mark	Limit	Information
<b>Normality</b>	Residual	KS	0.200	> 0.05	Data are normal

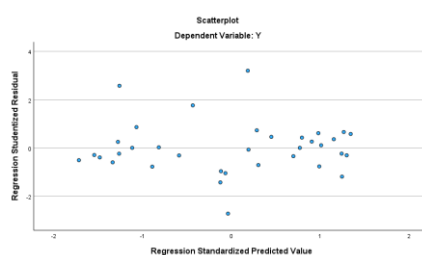
		Sig.	0.200		
<b>Multicollinearity</b>	Work System (X1)	Tolerance	0.476	> 0.10	No multicollinearity occurs
		VIF	2.103	< 10	
	Compensation (X2)	Tolerance	0.512	> 0.10	No multicollinearity occurs
		VIF	1.954	< 10	
	Well-being (X3)	Tolerance	0.489	> 0.10	No multicollinearity occurs
		VIF	2.045	< 10	

**Source: Questionnaire Results (Processed by the Researcher, 2026)**

The results of the normality test show a significance value of 0.200 ( $> 0.05$ ), indicating that the data are normally distributed. Furthermore, the multicollinearity test demonstrates that all independent variables have a tolerance value  $> 0.10$  and a VIF  $< 10$ , which means that multicollinearity does not occur in the regression model.

### Heteroscedasticity Test

**Picture 1. Heteroscedasticity Test**



**Source: Questionnaire Results (Processed by the Researcher, 2026)**

Based on the results of the heteroscedasticity test using the scatterplot method, it can be observed that the data points are scattered randomly above and below the 0 mark on the Y-axis and do not form any specific or discernible pattern. Thus, it can be concluded that heteroscedasticity does not occur within the regression model.

### Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the effect of two or more independent variables on one dependent variable. In this study, multiple linear regression analysis was employed to examine the effect of work system (X1), compensation (X2), and well-being (X3) on employee performance (Y).

**Table 4. Multiple Linear Regression Analysis**

Variables	Coefficient (B)	t Count	Sig.	Information
Constant	3.518	1.157	0.256	–
Work System (X1)	0.298	2.484	0.019	Significant
Compensation (X2)	0.033	0.312	0.757	Not Significant
Well-being (X3)	0.491	4.612	0.000	Significant

*Source: Questionnaire Results (Processed by the Researcher, 2026)*

Based on the analysis results, the regression equation is:

$$Y = 3.518 + 0.298X_1 + 0.033X_2 + 0.491X_3$$

The regression equation indicates that:

1. Every one-unit increase in the Work System (X1) will increase Employee Performance (Y) by 0.298, assuming other variables remain constant.
2. Compensation (X2) has a coefficient of 0.033; however, it is not statistically significant (Sig. 0.757 > 0.05).
3. Every one-unit increase in Well-being (X3) will increase performance by 0.491, and this effect is statistically significant.

**Table 5. Results of the Coefficient of Determination (R<sup>2</sup>) Test**

R	R Square	Adjusted R Square	Interpretation
0.824	0.678	0.647	67.8% of the variation in Y is explained by X1, X2, and X3; the remaining 32.2% is explained by other variables outside the model

*Source: Questionnaire Results (Processed by the Researcher, 2026)*

The coefficient of determination (R Square) of 0.678 indicates that 67.8% of the variation in the dependent variable (Y) can be explained by the three independent variables in this research model. Meanwhile, the remaining 32.2% is explained by other factors outside the research model that were not examined in this study.

**Table 6. Results of Hypothesis Test**

Hypothesis	Variables	Beta	Test	Value	Sig.	Decision
H1	X1 → Y	0.306	t	2.484	0.019	Accepted
H2	X2 → Y	0.035	t	0.312	0.757	Rejected
H3	X3 → Y	0.596	t	4.612	0.000	Accepted
H4	X1, X2, X3 → Y (Simultaneous)	–	F	21.783	0.000	Accepted

*Source: Questionnaire Results (Processed by the Researcher, 2026)*

The partial test (t-test) results show that work systems have a positive and significant influence on employee performance, with a t-value of 2.484 and a significance level of 0.019. Conversely, compensation does not have a significant influence on employee performance, with a t-value of 0.312 and a significance level of 0.757. On the other hand, well-being demonstrates a positive and significant influence on employee performance, with a t-value of 4.612 and a significance level of 0.000. These results indicate that individually, work systems and well-being play a crucial role in enhancing employee performance, whereas compensation does not provide a significant influence within this research model.

The simultaneous test (F-test) shows a calculated F-value of 21.783 with a significance level of 0.000, meaning that variables X1, X2, and X3 collectively exert a significant influence on variable Y. This demonstrates that the regression model used in this study is feasible and capable of statistically explaining the relationships between the variables.

## DISCUSSION

### **The Simultaneous Influence of Work System, Compensation, and Well-being on Employee Performance**

The results of the fourth hypothesis testing prove that work systems, compensation, and well-being simultaneously exert a significant influence on the performance of office employees at PT Haleyora Powerindo, East Java Branch. This is evidenced by an F-value of 21.783 with a significance level of 0.000 ( $p < 0.05$ ), leading to the rejection of the null hypothesis (H0) and the acceptance of the alternative hypothesis (H4). This finding indicates that employee performance is not merely influenced by a single variable in isolation but is the result of interaction and integration between a structured work system, corporate compensation, and the level of employee well-being.

The multiple linear regression analysis yielded a constant value of 3.518, representing the baseline level of employee performance when all independent variables are held constant. Furthermore, the coefficient of determination ( $R^2$ ) of 0.678 shows that 67.8% of the variation in employee performance can be explained by the model, while the remaining 32.2% is influenced by factors outside this study. Although compensation does not have a partially significant effect, it still contributes alongside work systems and well-being in the simultaneous model. This suggests that the effectiveness of compensation cannot stand alone and requires the support of clear work systems and adequate well-being. These findings align with Rosanti and Marlius (2023), reinforcing the argument that integrated management of work systems and well-being is a vital strategy for driving performance.

### **The Influence of Work System on Employee Performance**

The first hypothesis testing proves that work systems have a positive and significant influence on employee performance, with a regression coefficient of 0.298 and a significance level of 0.019 ( $p < 0.05$ ). Every one-unit increase in the work system will enhance employee performance by 0.298 units, assuming other variables remain constant. The t-value of 2.484, which is greater than the t-table of 1.993, further confirms the statistical significance. This indicates that clarity in procedures, structured task distribution, and effective coordination significantly drive actual performance. This study is consistent with Rosanti and Marlius (2023), highlighting that a

structured work system is a strategic managerial instrument that enhances efficiency and ensures work targets are met optimally.

### **The Influence of Compensation on Employee Performance**

The partial influence of compensation was analyzed using a t-test, yielding a t-value of 0.312, which is smaller than the t-table of 1.993, with a significance level of 0.757 ( $> 0.05$ ). Consequently, H0 is accepted and H2 is rejected, meaning that compensation does not partially influence employee performance. This suggests that changes in compensation levels are not directly followed by changes in performance. The lack of significance implies that other factors, such as work systems and well-being, are more dominant in this context. These findings align with Febriani and Setia (2023) but differ from Irawan et al. (2021), indicating that the impact of compensation is contextual and depends on organizational characteristics and employee perceptions.

### **The Influence of Well-being on Employee Performance**

The third hypothesis proves that well-being has a positive and significant influence on employee performance, with a regression coefficient of 0.491 and a t-value of 4.612 ( $> 1.993$ ) at a significance level of  $< 0.001$ . Every one-unit increase in well-being improves performance by 0.491 units. This relatively large coefficient confirms that well-being is the most dominant variable. Conceptually, well-being encompasses financial, social, physical, and psychological aspects that create a sense of security and job satisfaction. This results in higher motivation and commitment. While these findings align with Putra et al. (2024), they differ from Muhammad (2023), suggesting that the role of well-being varies depending on the specific needs and conditions of the institution.

## **CONCLUSION**

This study demonstrates that work systems, compensation, and well-being simultaneously exert a significant influence on the performance of office employees at PT Haleyora Powerindo, East Java Branch. However, partially, only work systems and well-being are proven to have a positive and significant effect, while compensation does not show a significant influence on performance. These findings indicate that performance enhancement in the context of this study is more heavily influenced by the effectiveness of work systems and perceived levels of well-being than by financial compensation alone.

The results of this research enrich the field of human resource management, particularly in understanding that non-financial factors play a strategic role in driving employee performance. Nevertheless, the generalization of these findings should be approached with caution, as the study was conducted at only one company branch with a relatively limited number of respondents. Furthermore, there are other variables outside the research model that potentially influence employee performance.

In practical terms, it is recommended that the company evaluate and refine its work systems to be more structured and adaptive to operational needs. Enhancing employee well-being-across aspects of work facilities, health, and career development-should also become a strategic priority, as it has been proven to contribute significantly to performance.

For future research development, it is suggested to expand the research scope and increase the number of respondents to enhance the external validity of the findings. Incorporating additional variables, such as work motivation, leadership, or organizational culture, could provide a more comprehensive overview of the determinants of employee performance. Additionally,

utilizing different methodological approaches, such as qualitative or mixed methods, could help explore contextual factors that remained uncovered in this quantitative study.

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