

The Role of Compensation and Work Environment on Employee Job Satisfaction (A Case Study at Container Terminal)

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Abstract: This research aims to identify and analyze the influence of compensation and work environment on the job satisfaction of Container Terminal partially or simultaneously. It has 61 respondents as the sample. The primary data collection uses observation and questionnaires. The data analysis uses multiple linear regression, correlations, and coefficient of determination. The results show that compensation and work environment strongly influence employee job satisfaction by 77.4%. The compensation variable has a dominant influence on employee job satisfaction, while the remaining 22.6% is influenced by other variables not examined in this research.

Keywords: Job satisfaction; compensation; work environment

I. INTRODUCTION

Measurement of human resources (HR) capacity in globalization relates to the employees' productivity and performance reflected in the job satisfaction of the HR. Job satisfaction means an attitude or feeling towards pleasant or unpleasant job aspects following the assessment of each worker (Badriyah, 2015). Job satisfaction can motivate someone to enjoy his work so that there will be an increasing awareness to complete the job as best as possible. Pleasant feelings supported by strong motivation at work are the capital for creating loyal human resources. They should commit to their jobs to improve their performance (Sujati, 2018).

The industrial sector engaged in logistics is highly dependent on its human resources capacity. One of them is Container Terminal always strives to direct its 600 employees to work effectively and efficiently to maximize job performance. The main focus of this research is job satisfaction. Some factors that can affect job satisfaction are: 1) Individual; 2) Occupation; 3) Bosses; 4) Co-workers; 5) Promotion; 6) Compensation; 7) Placement; 8) Work security; 9) Working conditions; 10) company facilities, and; 11) Company management (Luthans, Sutrisno, Hasibuan & Blum).

There are many agencies theory-based perspectives that deny the importance of instrumental reward alignment, such as through performance-based compensation, which we view as an important component of performance alignment (Colvin & Boswell, 2007). When perceived compensation is high, the positive relationship between distributive justice and job satisfaction and organizational commitment is weaker, able to dampen the negative effects of distributive injustice on job

satisfaction and organizational commitment (Leung et al., 2009). In developing countries, labor payments indirectly affect the country's economic development in general (Sergeevich, 2015). An increase in employee compensation has a positive short-term effect and a negative long-term effect on company revenue growth, where an increase in employee compensation can increase the company's annual revenue growth (Kim & Jang, 2020). Additional evidence regarding the overall impact of implementing minimum wage policies and increases in minimum wages on employee work behavior and perceived quality of life with the strength of work behavior together with perceived quality of life is co-assessed when examining the impact of implementing minimum wage policies; providing changes to the compensation system by company operations (Che Ahmat et al., 2019).

There are other factors besides compensation that can have an impact on the performance of a company, namely the work environment. Studies show that someone who perceives their work environment as more desirable tends to score higher on most scales of intrinsic and extrinsic job satisfaction (Mgaiwa, 2021). During the Covid-19 pandemic, the quality of the unhealthy and unhealthy work environment could have an impact on employee performance (Donley, 2021).

However, the observation results show most dominant factors in job satisfaction are compensation and work environment. Fauzi (2017) stated that compensation is the most dominant and significant influence on job satisfaction. This is also in line with Utomo (2015) that compensation can motivate workers and maintain their job satisfaction. It is because compensation is a way for management to increase employee satisfaction while the work environment positively influences job satisfaction. If the work environment remains pleasant, it will lead to better job satisfaction and work outcomes.

Compensation means the overall reward received by employees for the contributions they make to the organization in the form of financial and non-financial matters (Suparyadi, 2015). The work environment is an organizational element that becomes a social system. It strongly affects the establishment of individual attitudes within the organization and can influence achievement (Rivai, 2013).

II. RESEARCH METHODOLOGY

The research uses a quantitative approach. It aims to examine the existing hypotheses. The quantitative research uses the survey method. It is to solve problems in actual situations, utilize available supporting data sources, and accept or reject a particular theory. There are 600 employees of Container Terminal as the research sample. However, the authors only focus on those working in the head office and have a permanent status based on information and directions from the company's research department. The sampling technique uses Simple Random. It focuses on employees at the central office with permanent status. Based on the sampling method of Isaac and Michael, there are 61 samples taken as the sample.

III. Results and Discussions

1. Results

This research uses Pearson product-moment correlation analysis from Karl Pearson to test the validity of the variables Job Satisfaction (Y), Compensation (X₁), and Work Environment (X₂) at Container Terminal. The decision-making is based on Sig. (2-tailed) with a probability of 0.05 and has a sig value (2-tailed) as the correlation output. Each item statement has a value lower than 0.05, and the Pearson Correlation is positive. The decision-making is based on a comparison of the values of r-count and r-table with 61 respondents. The value of the r-table with a significance of 5% is 0.2521. Some indicators that measure job satisfaction include compensation and work environment. The value of r-count is higher than r-table = 0.2521 (r count > r table). Therefore, all statements on each variable indicator in this research are valid and feasible for the data collection. The further analysis uses the entire testing model. The reliability test uses the Alpha Cronbach technique with a significance level of 5%. If the r-count (r-alpha) is higher than the r-table, the instrument is reliable, and if the r-count (r_{alpha}) is higher than 0.60, the instrument is reliable.

The results of the normality test show the Asymp value. Sig. (2_{tailed}) of 0.200. It means the significance value is higher than 0.05. It shows that the tested data are normally distributed and fulfill the normality assumption. Multicollinearity comes from the Tolerance value of compensation and works environment variables of 0.610. It is higher than 0.10. The VIF value of the compensation and work environment variables is 1.640. It is lower than 10.000. Therefore, there is no multicollinearity in the data. The results of the autocorrelation test show that the Durbin-Watson value is 2.078. This value is compared to the Durbin-Watson table with a significance level of 5%. The number of samples (n) in the data is 61, and the number of independent variables is 2 (k = 2). Thus, the value of dL is 1.52, and dU is 1.65. It is equal to 1.65 < 2.078 < (4-1.65). It means that there is no autocorrelation symptom. The results of the heteroscedasticity test show that the significance value of the compensation variable is 0.934 (>0.05), and the significant value of the work environment is 0.910 (>0.05). Therefore, the data do not contain any heteroscedasticity.

Based on the simultaneous influence of each variable, the Adjusted R square value of the multiple linear analysis table is 0.766. It means that the independent variable simultaneously influences the dependent variable of 76.6%. Thus, there are other influences not included in the research as much as 23.4% (100 - 76.6 = 23.4). Table 1 presents the model summary:

Table 1. Model Summary of Multiple Linear Regressions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880 ^a	.774	.766	2.245
a. Predictors: (Constant), X ₂ , X ₁				
b. Dependent Variable: Y				

The multiple linear regression coefficients explain that a = constant = if there is no attention to compensation (X₁) and work environment (X₂), and job satisfaction has been formed at 3.399. b1 = regression coefficient. X₁ = . Related to one of the indicators of compensation, job satisfaction increases by 0.764. b2 = regression coefficient X₂ = related to one of the indicators from the work environment, job satisfaction increases by 0.194. Next, the figures in table B are to fill in the equations above to become Y=3,399+0,764X₁+0,194 X₂

Table 2 shows that the t-count is 9.557 with a significance value of 0.000. The t-table value in this research is set at 1.670. That is why the t-count is higher than the t-table (9.557 > 1.670) with a significance value of 0.000. It is lower than 0.05 (Sig. 0.000 <0.05). It reflects that the compensation variable (X₁) is accepted, or there is a positive and significant influence on job satisfaction.

Meanwhile, the t-count value is 2.123, with a significance value of 0.038. The t_{table} value is set at 1.670. Thus, the t_{count} is higher than the t_{table} (2.123 > 1.670) with a significance value of 0.038 which is lower than 0.05 (Sig. 0.038 <0.05). It means that the work environment variable (X₂) is accepted, or there is a positive and significant influence on job satisfaction variables. Table 2 below summarizes the complete results:

Table 2 Multiple Linear Regressions Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.399	3.282		1.036	.305
	X ₁	.764	.080	.764	9.557	.000
	X ₂	.194	.091	.170	2.123	.038
a. Dependent Variable: Y						

Based on table 3 ANOVA with guidelines for decision-making, it is known that the value of Sig. 0.000. Because of the value of Sig. 0.000 <0.05, then there is a significant effect simultaneously between the compensation and the work environment on job satisfaction. Next, for

decision-making, the F-value is the same with $99.384 > 3.16$ (F_{table}). It shows there is a simultaneous influence between compensation and work environment on the job satisfaction variables.

Tabel 3 ANOVA of Multiple Linear Regressions

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	1002.238	2	501.119	99.384	.000 ^b
	Residual	292.450	58	5.042		
	Total	1294.689	60			
a. Dependent Variable: Y						
b. Predictors: (Constant), X2, X1						

2. Discussions

This research aims to check whether compensation can influence job satisfaction, whether the Work Environment can influence Job Satisfaction, and whether Compensation and Work Environment can simultaneously affect the Job Satisfaction of Container Terminal. Compensation and work environment have a simultaneous effect on job satisfaction at Container Terminal. This hypothesis supports the findings of Hendro Tamali & Adi Munasip (2019), Afiah, Djaelani & Priyono (2017), Permadi & Suana (2017), Andriany (2019), Juliarti, Agung & Sudja (2018), Permadi, Landra, Kusuma & Sudja (2018), and Rahayuningsih (2017). They concluded that compensation and work environment partially or simultaneously influence job satisfaction. The compensation variable has a stronger influence. The results show that the most influential indicator is the job indicator because the employees feel that the tasks given by the company are to their ability. The indicator that has the second strongest effect is promotion. This is because all employees get an equal opportunity to advance in the promotion provided by the company. The next influential indicator is the leader/superior. The employees will be satisfied with the assistance provided by their ordinates to complete the jobs. The last is the co-worker. Good cooperation among co-workers is going well to achieve the work targets set by the company. Therefore, the employees of Container Terminal has fulfilled its job satisfaction.

This is also supported by the theory that job satisfaction reflects an employee's attitude towards his job and working situations, cooperation among the employees, rewards, and other factors related to physical and psychological aspects (Sutrisno, 2016). Compensation has a partial effect on the job satisfaction of the employees of Container Terminal. This hypothesis supports Rosalia, Mintarti & Heksarini (2020) and Darma & Supriyanto (2017) finding that partial compensation significantly influences job satisfaction. In terms of compensation, the results show that the most influential indicator is allowance. It is because the employees feel that the benefits they receive are following their positions. The next vital indicator is the incentive. The employees feel that their incentives are in line with their expectations. The next influential indicator is wage and salary. The employees think

that their salary is satisfying along with the workloads. The last one is the facility. The employees feel that the facilities they get have met their basic needs according to their positions. Therefore, the employees of Container Terminal has fulfilled its job satisfaction through compensation.

These research findings are also in line with the theory that compensation is remuneration provided by organizations or companies to their employees. It might be financial or non-financial given in a fixed period. A good compensation system can provide satisfaction for the employees and allows companies to acquire, hire, and retain good-performing employees (Elmi, 2017).

The work environment partially affects the job satisfaction of the employees of Container Terminal. This hypothesis can strengthen Agbozo, Owusu, Hoedoafia & Attarokah (2017) stating that the work environment partially and significantly influences employees' job satisfaction. Based on the work environment, the results show that the most influential indicator is the temperature. This is because the employees feel that the temperature in the work environment is normal. The next indicator is safety. The employees think the work environment is safe and has a low possibility of threats or accidents. The next influential indicator is office layout. They feel that the office layout has been good and comfortable. The next is air circulation. The employees think that air circulation in their office is following their wishes. The next affecting indicator is lighting. The employees see that the lighting in the work environment can already support their performance. The next one is the color layout. They feel that the color selection in the work environment is good. The last indicator is noise. This is because the employees feel that there are still disturbing sounds heard from heavy equipment that can distract their concentration from working.

Those findings are under the theory that the work environment means the entire elements located within and outside the organization. It might have a direct or indirect impact on managerial activities to achieve organizational goals (Silalahi, 2013).

IV. CONCLUSIONS AND RECOMMENDATIONS

The findings conclude the following points: Compensation in the form of allowances is a more dominant factor for measuring the satisfaction of a worker, especially at a container terminal at a port. However, the work location, which is also used as a measure to see a work environment, is a factor that has an impact. The location of the container terminal, which is located in a coastal area, has relatively hot temperatures, especially in tropical areas such as Indonesia, so that it has an impact on the level of employee satisfaction at work.

The process that can be carried out by management to increase satisfaction in working at the main container terminal is the trust given to talent who is able to complete work on time, by giving their schedule a lower schedule and the opportunity to rest. By giving sufficient rest time, employees who work in

coastal areas with hot enough temperatures will more healthy. Then the next factor that influences satisfaction at work is consideration of work in the sense of work-life balance. Every leader must realize that the decisions taken not only affect the development of the company, but also the lives of employees.

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