

THE INFLUENCE OF COMPENSATION AND JOB CHARACTERISTICS ON EMPLOYEE JOB SATISFACTION PRODUCTION UNIT

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ABSTRACT

This research was conducted to know the influence of variables compensation and job characteristics on the work satisfaction of Production Unit employees at PT. Cemerlang. This research is causality research and the method used in this research is survey. The number of samples are 93 respondents and data collecting is conducted by filling out some questionnaires. There are two groups of variables in this research. Those are independent variables which are compensation and job characteristics, and the other is dependent variable which is work satisfaction of Production Unit employees at PT. Cemerlang.

Multiple linear regression is used to analyze the influence of variables compensation and job characteristics on the work satisfaction. According to the results of regression analysis, find that simultaneously variables of compensation and job characteristics have significant effects on work satisfaction of production unit employees at PT. Cemerlang . Partially, the variable of job characteristic which is autonomy of job (X3) has the most dominant effect on work satisfaction of production unit employees at PT. Cemerlang.

Keywords: *Compensation, Job Characteristics, Employee Job Satisfaction Production*

A. INTRODUCTION

Human resources are one of the resources in an organizational company besides other resources, such as capital, materials, machines in the company, so that they are useful and without human resources and technology. This is because humans are the ones who manage other resources in the company, so that they are useful and without human resources, other resources become very important. Important things to note in maintaining these relationships include employee job satisfaction. Working in a company/organization with compensation is also usually based on the belief that by working in the company/organization a person will be able to satisfy his/ her various needs, not only in the material field, such as clothing, food, shelter and other material needs, but also various other needs that are social, prestige, psychological and intellectual needs (Siagian, 2000). Job satisfaction is considered important and needs to be considered by every organization, because humans are the main factor and actor in the work process, regardless of whether the work is technology-laden or not, but in the end it is humans who will make the work effective or not (Allen in As'ad, 1998). Low job satisfaction of employees in an organization or company is a symptom of the lack of stability of the organization or company, the most extreme form of dissatisfaction is work strikes, absenteeism, and high employee turnover rates from the company. In terms of employee welfare, PT Cemerlang has made various efforts to increase the prosperity of its employees, for example by paying attention to the competencies possessed by employees, and by implementing a rotation and mutation system good between sections, services, departments, and directorates. However, in reality there is still dissatisfaction reflected in the demonstration of employees with one of the demands being the improvement of the teaching system based on this thinking, the author is interested in conducting research to determine the effect of compensation and job characteristics on job satisfaction of employees of PT Cemerlang in Surabaya.

Compensation

Garry Dessler Defines compensation as follows: Employee compensation is all forms of pay rewards going to employees and arising from their employment. Compensation is all forms of payment or reward given to employees by the company as a reward for their contribution to the company. According to Mondy and Neo, the types of compensation given to employees can be in the form of financial and non- financial compensation (Mondy & Neo, 1993). Financial compensation is compensation received by employees in financial form, such as salary, wages, bonuses and allowances. While non-financial compensation is compensation received by employees in non-financial form, such as job promotion. And awards. In order for the implementation of the compensation program to run effectively, the compensation program must apply the principles of compensation (Hasibuan 2001), namely: The principle of fairness; meaning that the amount of compensation given to employees must be adjusted to work performance, type of work, job risk, responsibility, job title and meet internal consistency requirements. The principle of fairness and just; This means that the compensation given to employees must be able to meet their needs at an ideal normative level.

In addition, several things that need to be done in an effort to develop a compensation system include: Conduct job analysis Conducting job assessments related to internal justice Conducting a survey of various reward systems in force in other organizations, in order to obtain material relating to external justice. Determine the price of each job in relation to the price of similar jobs. at another place. Job Characteristics Discussing the problem of job characteristics cannot be separated from discussing job design. A good job must be better than just a collection of tasks to be done as produced by analysis information. In designing a work structure there are three important things that must be considered. First, in designing the construction of work must reflect the effort to fulfill the demands of the environment, organization and behavior of the work being designed, Second, considering the three demands means efforts are directed at productive work and provide satisfaction in its behavior, although it is certain that the level of productivity and satisfaction will not be the same for each person. Third, the level of productivity and satisfaction of the workers must be able to act as feedback. tend towards a mechanistic, procedural and ergonomic approach. The mechanistic approach is an approach that emphasizes high specialization as with the scientific management approach, namely providing a low scope of work to a person with the hope that the executor will become very expert in its implementation and can be very effective and efficient in its implementation. The next approach is to determine the procedure or work flow, namely the regulation and determination of behavioral standards in carrying out tasks as an effort to increase the certainty of the results of his work. Furthermore, the ergonomic approach, namely creating a physically comfortable work environment and can facilitate the implementation of efficient tasks or can help effective movements in carrying out work. (Arifin & Utomo, 2022)

Environmental Elements

Environmental considerations relate to considerations of employee capability, willingness and societal expectations. Employee capability will determine the appropriate level of job specialization. An employee with low capability is more effective with higher specialization than an employee with higher capability. The availability of staff will also determine the level of specialization that will be applied.

Behavioral elements

Job design should not be solely associated with work efficiency, although it cannot be denied that efficiency, effectiveness and productivity orientation are very important in an organization. Behavioral elements are related to the provision of several characteristics and jobs that can fulfill a person's desires or motives in carrying out a job (Fristya et al., 2024)

- a. Autonomy in carrying out work.
- b. Task variations.

- c. Task identity.
- d. Significance of the task.

Job Satisfaction

Various definitions of job satisfaction have been made by experts.

Among them are Wexley and Yukl in As'ad (1987), who define job satisfaction as follows: "Job satisfaction is the way an employee feels about his job". Job satisfaction is the employee's feelings towards his job. Siagian wrote that "job satisfaction is a person's perspective, either positive or negative, about his job" (Siagian, 2000). From this definition, it can be concluded that job satisfaction is a person's positive feelings towards his job. Job satisfaction is one of the quite important elements in an organization. This is because job satisfaction can affect a person's work behavior such as lazy, diligent, productive, apathetic, and others. employee satisfaction or dissatisfaction can be measured by the extent to which the company or organization can meet employee needs. If there is harmony between employee needs and what the company provides, then the level of satisfaction felt by employees will be high, and should be. Job dissatisfaction is often reflected in low work performance, high absenteeism, frequent work accidents, and even work strikes which will ultimately be very detrimental to the company. (Anggraini & Arifin, 2023)

B. RESEARCH METHODS

Research Design

The research design used is causality research, where the research is conducted to determine the effect of compensation provided by the company and the characteristics set on the level of employee job satisfaction in the Production Unit of PT Cemerlang Surabaya. While the research method used is the survey method. (Arifin et al., 2023)

Population and Sample

The population in this study were all employees at the Production Unit of PT. Cemerlang Surabaya, both those occupying structural and functional positions and at the leadership/staff level up to the executive/non-staff level

Research Variables.

Based on the explanations above, there are 2 variables included in this study, namely independent variables and dependent variables. Independent variables include. Compensation consists of: Financial compensation (X^1) namely compensation received by employees in the form of financial, with indicators of employee perceptions of salary, wages, bonuses and benefits. Non-financial compensation (X^2) namely compensation received by employees in non-financial form, with indicators of employee perceptions regarding job promotions and awards. Job Characteristics, consisting Autonomy (X^3), namely the freedom to control the implementation of one's own duties based on the description and specifications of the work assigned to him, with indicators of freedom in planning work and freedom in carry out tasks. job variation (X^4), namely the skills/methods/ways needed to completing tasks, skills and variety of tasks. Task identity (X^5), namely the activities carried out by employees in planning and carrying out tasks, with indicators of the level of understanding of work procedures and level of work involvement. Task significance (X^6), namely the importance of the work done by employees, with indicators of the impact of the work on other employees in one department and other departments. Feedback (X^7), namely information or responses regarding the results of work implementation. employees, with indicators of receiving information about the success that has been achieved and receiving information about the suitability of work implementation with the wishes of superiors, while the dependent variable is Job Satisfaction (Y), which is the feeling felt by employees based on the compensation received and the characteristics of their work, with indicators of employee satisfaction with employee characteristics towards job characteristics. To measure the existing variables, a scale and scale making technique used is the Likert scale, with a scale of 1 to 5. The number 5 indicates very satisfied or and a scale of 3 indicates neutral, while a scale of 1 indicates very dissatisfied or disagree.

Research Instruments

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The data collection instrument used in this study is a questionnaire containing questions related to the indicators in the variables. In addition, document studies, reports and other written data were also conducted.

Data Collection Methods

The data that will be used in the research is mostly primary data and some secondary data. Primary data, which is the main data that will be used for analysis, is obtained directly by distributing questionnaires to filled by the targeted respondents (target subjects). While other secondary data will be in the Production unit of PT. Cemerlang Surabaya.

Data Analysis Techniques

To find out whether there is a relationship between the dependent variable and the independent variable either partially or simultaneously, the statistical analysis method is used, namely the multiple linear regression analysis technique and the F and t tests

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C. DATA ANALYSIS AND DISCUSSION

Multiple Linear Regression Test between Compensation Variables and Job Characteristics Variables on Job Satisfaction..

independent variables Based on table 4.2. it can be seen that the value of $p(\text{sig.F}) = 0.000 < 0.05$, this means that based on the results of the study, financial compensation, non- financial compensation, autonomy, job variety, task identity, task significance and feedback simultaneously have, a significant influence on employee job satisfaction, thus the first hypothesis can be accepted. The variation in changes in the value of the dependent variable (Y) that can be explained by all independent variables simultaneously is 32.2% (Adjusted R Square = 0.322) and the remaining 67.8% by other variables outside the variables studied.

The regression coefficient value (R) obtained is positive, namely 0.611, which can be interpreted that the higher the financial compensation, non-financial compensation, autonomy, job variety, task identity, task significance and feedback, the higher the employee's job satisfaction, assuming that other independent variables are constant From the objectives of the independent variables, all have a positive relationship with the dependent variable. The positive (+) influence shows that employee job satisfaction at the PT Cemerlang Production Unit will change or be in line with changes in financial compensation, task compensation and feedback variables. it is obtained that the overall F value is 7.230, meaning that the overall F count is 7.230 and it can be ascertained that the F count is $>$ from the F table value (2.703). This means that all independent variables that are studied together have an effect on the dependent variable (job satisfaction). In addition, it is also seen that all independent variables studied are indeed able to explain the dependent variable meaningfully.

Based on the results of the study, financial compensation and non-financial compensation simultaneously have a significant influence on employee job satisfaction, thus the second hypothesis can be accepted. Variations in changes in the value of the dependent variable (Y) that can be explained by all variables simultaneously by 10.5% (Adjusted R Square = 0.105) and the remaining 89.5% by other variables outside the variables studied. The regression coefficient value $\textcircled{R}$ obtained is positive, namely 0.352, which can be interpreted that the higher the financial compensation and non-financial compensation, the higher the employee's job satisfaction, assuming that other independent variables are constant. From the multiple regression equation in table 4.4 above, it can be seen that the effect of the compensation variable on the job satisfaction variable has a positive relationship with the dependent variable of job satisfaction. From table; 4.4, the overall F value is also obtained at 6.372, meaning that the overall F count is 6.372 and it can be ascertained that the F count $>$ from the F table value (2.703). This means that the independent

variables studied together have an effect on the dependent variable (job satisfaction). The level significance value of 0.003 means that all independent variables also explain the dependent variable meaningfully. 4.4. Multiple Regression Test between Variables in Job Characteristics and Job Satisfaction. The data obtained from 93 respondents who had filled out the questionnaire completely, were analyzed with the results as in table 4.5 below. Table 4.5 Results of multiple linear tests between variables in job characteristics and job satisfaction.

From table 4.5 it can be seen that the p value (sig.F) is 0.000, 0.05, this means that based on the research results, the job characteristic variables which include: autonomy, job variety, task identity, task significance and feedback, simultaneously have a significant influence on employee job satisfaction, thus the third hypothesis can be accepted. Variation in changes in the value of the dependent variable (Y) that can be explained by all independent variables simultaneously amounted to 30.6% (Adjusted R square = 0.306) and the remainder 69.4% by other variables outside the variables examined such as job placement, structure educational company, age, health condition, ability and organization (Mangkunegara; 2000). The policies and procedures for the application of work group conditions are also aspects that can influence job satisfaction (Gibson, et.al in Adiarni 1996). The regression coefficient value (R) obtained is positive, namely 0.586, which can be interpreted that the higher the values of the independent variables, the higher the employee's job satisfaction, assuming that other independent variables are constant. Of the five independent variables above, one variable has a negative relationship with the dependent variable. A positive (+) influence indicates that the job satisfaction of the employees of the unit PT Cemerlang's production will change or be in line with changes in the variables of autonomy, task identity, task significance and feedback, while those with a negative (-) influence indicate that the job satisfaction of PT Cemerlang Production Unit Employees is not in line with changes in the job variation variables. (Arifin et al., 2020)

From the results, it is known that the overall F value is 9.116, meaning that the overall F count is 9.116, this means that all independent variables in the job characteristics studied together have an effect on the dependent variable (job satisfaction). The level of significance with a value of $p = 0.000$ or $p < 0.05$ means that all independent variables studied are indeed able to explain the dependent variable meaningfully.

D. CONCLUSION

Based on the results of the analysis and discussion, the following conclusions can be the variables of financial compensation, non-financial compensation, autonomy, job variety, task identity, task significance and feedback, together/simultaneously have a significant influence on job satisfaction. This conclusion is based on the results of the analysis of research data using a multiple linear regression model at a significance level of $p = 0.000$ ($p < 0.05$), F count = 7.230 which is greater than F table (2.703) and the overall correlation coefficient value (R) of 0.611 or 61.1%, which indicates that compensation and worker characteristics have a significant effect on job satisfaction. The coefficient of determination (Adj R2) = 0.322, indicating that the compensation and job characteristics variables are only able to explain the dependent variable of employee job satisfaction by 32.2%. This means that other factors that affect employee job satisfaction at PT. Cemerlang Production Unit are 67.8%.

The variables in compensation, namely financial compensation and non-financial compensation, together have a significant influence on job satisfaction. This conclusion is based on the results of the analysis of research data using a multiple linear regression model at a significance level of $p = 0.003$ ($p < 0.05$), F count = 6.372 which is greater than F Table (2.703) and the overall Correlation Coefficient value (R) of 0.352 or 35.2%, indicating that the variables in compensation have a significant effect on job satisfaction

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