

The Influence of Compensation and Work Environment on Employee Job Satisfaction at PDAM Luwu Regency

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ABSTRACT

This study aims to determine the effect of compensation and work environment on employee job satisfaction in PDAM Luwu Regency. The population of this study were all employees of the Regional Drinking Water Company (PDAM) in Luwu Regency. The sampling technique used is the questionnaire method. Namely all employees of the Luwu District Drinking Water Company (PDAM) office, totaling 40 respondents. This research lasted for 3 days, starting on Monday, December 26, 2022 by filling in a sample questionnaire until Wednesday, December 29, 2022 at the Luwu District Drinking Water Company (PDAM) office. The results of this study indicate that compensation and work environment simultaneously have a significant effect on employee job satisfaction variables in PDAM Luwu Regency. Based on the calculation results of multiple linear regression analysis, it can be seen that the amount of contribution made by compensation and work environment variables to employee job satisfaction at PDAM Luwu Regency simultaneously (R^2) is 0.558 or 55.8%, this means that employee performance is 55.8% influenced by compensation and work environment and the remaining 44.2% is influenced by other factors not examined or outside the research model. Partial compensation has no effect on job satisfaction of PDAM Luwu Regency employees, while the work environment partially has a significant effect on job satisfaction of PDAM Luwu Regency employees.

Keywords: *Compensation, Work Environment, Job Satisfaction*

INTRODUCTION

Sinambela (2016) explained that job satisfaction is a form of a person's feelings towards his work that are generated by his own company (internal) and which are supported by things outside of him (external) on work conditions, work results, and the work itself. Job satisfaction is a component of life satisfaction, so that if employees find dissatisfaction with work, productivity and morale will decrease and it will be difficult for them to work together in carrying out their duties.

According to research conducted by (Rahmawati, 2014) employee job satisfaction can be directly influenced by a good, fair and adequate compensation system. Employee job satisfaction can be controlled through the compensation system provided by the company to its employees. In carrying out their duties, employees use knowledge, skills, energy and time not only for the sole purpose of devoting themselves to the company, but for other purposes, namely expecting remuneration or rewards in accordance with the contributions that have been made.

Work compensation is an amount of money including various kinds of services and benefits from the company for employees (Robbins & Judge, 2014). In addition to the compensation factor, other factors that can affect job satisfaction, namely how the employee's work environment is when they are doing work. The work environment is everything that is around the employee and can influence him in carrying out his duties.

The creation of a conducive work environment is a must for company management, therefore it is necessary to pay attention to each component of the work environment because through a comfortable work environment, the level of boredom and stress levels of employees can be minimized.

Based on the results of the pre-survey of PDAM Luwu Regency employees, employee job satisfaction is still not well realized because there are several obstacles that greatly influence the employee job satisfaction variable. Some of the obstacles observed were in terms of the work environment, including the impact of the ongoing office renovation work which took quite a long time, impacted on the allocation of rooms for several divisions that were less than optimal so that comfort was reduced because they had to share a small space with many employees. In addition, less variety of facilities provided by the company.

In addition, there are several obstacles in the compensation aspect, among others, in the last 5 years, several bonuses, especially in the operational division, should be received by employees. There is a gap in the provision of indirect financial compensation, employees with permanent employee status have the opportunity to get bonus incentives and others, while employees with contract status are relatively difficult to get indirect financial compensation.

LITERATURE REVIEWS

1. Compensation

Compensation is an important function in Human

Resource Management. Because compensation is one of the most sensitive aspects of work relations, it contains issues of compensation and various related aspects, such as benefits. In practice, there are still many companies that do not properly understand the compensation system. The compensation system helps in providing reinforcement of the organization's key values and facilitates the achievement of organizational goals.

Compensation is something that employees get as a substitute for their service contributions to the company (Rivai, 2014). In such a way that the compensation provided is able to form a cooperative bond between the company and employees, the company must be able to design the right compensation to achieve joint success so that employees feel satisfied and motivated to achieve goals with management. Furthermore, according to Hasibuan (2019) "compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company". Compensation is in the form of money, meaning that compensation is paid in a certain amount of currency to the employee concerned. Compensation in the form of goods means that compensation is paid in kind.

According to Simamora (2015: 445) compensation indicators are as follows:

- a. Wages and Salaries
Wages are the most

frequently used payment for production and maintenance workers. Wages are generally linked to hourly wage rates and wages are usually applied to annual, monthly or weekly pay rates.

- b. Incentive

Incentives are additional compensation above or beyond the salary or wages provided by the company.

- c. Allowances

Allowances are health and life insurance, pension plans, vacations paid by the company and other benefits related to employment.

- d. Facility

Amenities are generally associated with amenities such as a company car or access to a company airplane that employees get.

H1: It is suspected that there is a positive and significant relationship between compensation and job satisfaction.

2. Environment Work

The work environment is everything that is around workers and which can influence them in completing their work, for example, cleanliness, music, lighting and others (Sunnyoto, 2015). The work environment is a variety of situations or circumstances around employees. The thing that needs to be considered is that the situation or circumstances around the employee will affect him in carrying out the tasks he is charged with. According to Sihombing

(2019) work environment are factors outside of humans, both physical and non-physical in an organization. According to Anam (2018: 46), the work environment is something that exists around employees so that it influences a person to get a sense of security, comfort, and satisfaction in carrying out and completing the work given by superiors. These physical factors include work equipment, workplace temperature, congestion and density, noise, work space area. Meanwhile, non-physical factors include work relationships that are formed in agencies between superiors and subordinates and between fellow employees. According to Sunyoto (2015: 43) the work environment is everything that is around the workers and which can affect them in carrying out the tasks assigned to them.

Working environment indicators according to Afandi (2018: 70) are as follows:

- a. Lighting Adequate lighting that emits properly will increase the work efficiency of employees, because they can work faster, make fewer mistakes and their eyes don't get tired quickly.
- b. Color is one of the important factors to increase the work efficiency of employees, especially color will affect their mental state. By using the right color on the walls of the room and other tools, the joy and peace of work of the employees will be maintained.
- c. Air Regarding this air factor, which is often the air

temperature and the amount of water vapor in the air.

- d. Sound To overcome the occurrence of noise, it is necessary to put the equipment that has a loud voice, such as telephone typewriters, motorcycle parking, and others. In a special room, so as not to disturb other workers in carrying out their duties

H2: It is suspected that there is a positive and significant relationship between work environment and job satisfaction.

3. Satisfaction Work

Job satisfaction is in principle something that is individual. Each individual has his own level of satisfaction based on the value system that applies to him. Satisfaction is an individual assessment that describes feelings and attitudes of being happy or not happy, satisfied or dissatisfied at work. (Rivai, 2014). According to Edy Sutrisno (2019: 74) Job satisfaction is an employee's attitude towards work related to work situations, cooperation between employees, rewards received at work, and matters relating to physical and psychological factors. According to Wibowo (2016: 415) Everyone who works expects to get satisfaction from his place of work. Job Satisfaction will affect productivity which is expected by managers. Therefore,

According to (Afandi, 2018: 82), indicators of job satisfaction are as follows:

- a. Occupation The contents of the

work done by a person does it have satisfying elements.

- b. Wages The amount of payment received by a person as a result of carrying out work is in accordance with the needs that are felt to be fair.
- c. Promotion The possibility that a person can develop through a promotion. This relates to whether there is an opportunity to gain career advancement while working.
- d. Supervisor Someone who always gives orders or instructions in the implementation of work.
- e. Colleagues Someone always interacts in the implementation of work. One can find co-workers very pleasant or unpleasant.

H3: It is suspected that there is a positive and significant relationship between compensation and the work environment on job satisfaction

In this study, it is explained about the variables of compensation and work environment that affect job satisfaction, then a framework of thought can be described as follows:

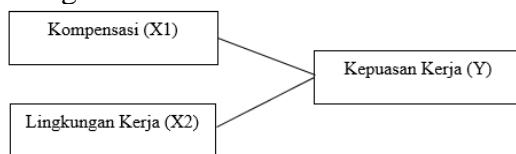


Figure 1. Conceptual Framework

RESEARCH METHODOLOGY

In this study the research method used is quantitative research, this research is included in casual associative research, starting from compiling specific questions, limiting questions, collecting data needed in this research, analyzing numbers

using statistics, conducting investigations that do not side in an objective way. This research was conducted to determine the effect of compensation and work environment on employee job satisfaction at PDAM Luwu Regency.

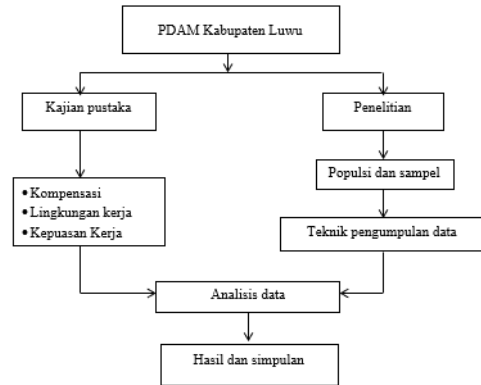


Figure 1. Research Design

The object of research according to Sugiyono (2016: 39) is an attribute or trait or value of a person, object or activity that has certain variations determined by the researcher to be studied and then drawn conclusions. The location of this research is located at PDAM Luwu Regency, this research was carried out in approximately 2 months.

According to Sugiyono (2017) population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. The total population in this study were all employees who worked at PDAM Luwu Regency, totaling 40 employees. Then all employees will be used as respondents, in other words in this study using the census method. The census method is a research method used to retrieve information from respondents, where all members

of the population are sampled (Sugiyono, 2014). The sample in this study were 40 employees of PDAM Luwu Regency.

RESULTS

Respondents in this study were employees in PDAM Luwu Regency. This study used a sample of 40 respondents who were met during the ongoing research.

Table 1. Characteristics of Respondents by Gender

No	Type Sex	Response Respondents	
		Person	Percentage (%)
1	Man	18	45
2	Woman	22	55
TOTAL		40	100

Source: Processed primary data, 2023

Based on the processed primary data regarding the characteristics of respondents based on gender, the largest number of respondents were female respondents, namely 22 people or 55%, and male respondents, namely 18 people or 45%, so that it can be said that the average employee in PDAM Luwu Regency is dominated by female respondents.

Table 2. Characteristics of Respondents by Age

No	Age/Age	Response Respondents	
		Person	Percentage (%)
1	<20 Year	8	20
2	21-30 Year	16	40
3	31-40 Year	10	25
4	> 50 Year	6	15
TOTAL		40	100

Source: Processed primary data, 2023

Based on the processed primary data regarding the characteristics of respondents based on age/age, the largest number of respondents were respondents aged 21-30 years, namely 16 people or 40%, respondents aged <21 years, namely 8 people or 20%, respondents aged 31-

40 years, namely 10 people or 25%, and respondents who are, while respondents aged > 50 years, namely 6 people or 15%. So it can be concluded that the average employee in PDAM Luwu Regency is dominated by those aged 21-30 years.

Table 3. Characteristics of Respondents Based on Length of Service

No	Work	Response Respondents	
		Person	Percentage (%)
1	1-3 Years	20	50
2	4-6 Years	10	25
3	7-10 Years	6	15
4	> 10 Years	4	10
TOTAL		40	100

Source: Primary data processed, 2023

Based on the processed primary data regarding the characteristics of respondents based on length of work, the largest number of respondents are respondents who have worked 1-3 years, namely 20 people or 50%, respondents who have worked 4-6 years, namely 10 people or as much as 25% , respondents who have worked for 7-10 years, namely 6 people or 15%, and respondents who have worked > 10 years, namely 4 people or as much as 10%. So it can be said that the average employee in PDAM Luwu Regency is dominated by employees who have worked one to three years.

Table 4. Reliability Test Results

Reliability Statistics	
Cronbach's Alpha	N of Items
0.899	30

Source: Output.SPSS.which.is processed in 2023

Based on the results of the SPSS results, the results of testing the reliability of the financial literacy, compensation and work environment variables, it can be concluded that of the 30 statement items on

compensation, work environment and job satisfaction in this study, the Cronbach's alpha value was 0.899, which was greater than 0.6. .

Based on the provisions above, in this study the variables of compensation, work environment and job satisfaction are said to be reliable.

Table 5. Simultaneous Test Analysis Results (Test F)

ANOVAa					
Model	Sum of Squares	df	MeanSquare	F	Sig.
Regression	182,866	2	91,433	23,314	.000b
1 residual	145,109	37	3,922		
Total	327,975	39			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Source: Output.SPSS.which.processed

The Fcount for compensation and work environment variables simultaneously is 23.314 > the Ftable value is 3.20 and a significance of 0.000 <0.05, it can be concluded that

compensation and work environment simultaneously have a significant effect on employee job satisfaction variables in PDAM Luwu Regency.

Table 6. Partial Test (t test)

Coefficientsa						
Model	Unstandardized Coefficients			Standardized Coefficients		Sig.
	B	std. Error	Betas	t		
(Constant)	14.149	4,895		2.89	0.01	
1 X1	0.025	0.092	0.032	0.272	0.79	
X2	0.633	0.101	0.735	6,276	0	

a. Dependent Variable: Y

Source: Output.SPSS.which.processed

Based on the coefficients table above, the following results are obtained:

1. The significance result of the Compensation variable (X1) is 0.787 which is greater than the significance level of 0.05 or 0.787 > 0.05 and when viewed from the tcount value of 0.272 it is smaller than the ttable of 2.026 or 0.272 <2.026. So it can be concluded that there is no influence between compensation on employee job satisfaction in PDAM Luwu Regency.
2. The significant result of the work environment variable (X2) is 0.000 which is smaller than the significance level of 0.05 or 0.00 <0.05 and when viewed from the tcount value of 6,276 it is greater than the ttable of 2,026 or 6,276

<2,026. So it can be concluded that there is an influence between the work environment on employee performance in PDAM Luwu Regency.

3. Test.Coefficient.Determination.(Test-R2)

This test is useful for measuring the ability of the independent variables in assembling the dependent variable. In simple regression it is better to use R square or Adjusted R which has been adjusted for the independent variables used in this study.

Table 7. Coefficient of Determination (R2-Test)

Summary models				
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1				

1	.747	0.558	0.534	1.98037
	a			

a. Predictors: (Constant), X2, X1

a. Predictors: (Constant), X2, X1

Source: Processed SPSS output

From the results of the analysis of compensation and work environment on job satisfaction of PDAM Luwu Regency employees. From the table above, it shows that the coefficient of determination (R Square) is 0.558. It can be concluded that the independent variables (compensation and work environment) have a contribution or influence on the related variable (job satisfaction) of 55.8%, while the remaining 44.2% is influenced by other indicators not examined in research.

DISCUSSION

Based on the results of the research conducted, it was found that simultaneously (together) compensation and work environment had a significant effect on job satisfaction of PDAM Luwu Regency employees. This indicates that the compensation and work environment of PDAM Luwu Regency employees greatly affect employee job satisfaction, which means that the hypothesis is accepted. By taking the level of compensation and the work environment of PDAM Luwu Regency employees which increases employee job satisfaction so that employee performance improves, causing customers to feel satisfied with the services provided by employees. Finally, satisfied customers are obtained from the good performance of PDAM employees.

1. Effect of Compensation on job Satisfaction

Based on the results of

multiple linear regression calculations, it is known that the magnitude of the regression coefficient for compensation (X1) is 0.025. In general, the compensation in PDAM Luwu Regency looks good, it can be seen from the 40 respondents studied, 37 of them have worked well, this can be seen from the questionnaire that the researchers gave to the respondents. In addition, PDAM Luwu Regency needs to pay attention to the compensation given to employees, which is based on work performance, work performance and working outside of employee working hours. This is done so that employees have satisfaction at work, thereby increasing employee performance.

2. Influence Work Environment on job Satisfaction

Based on the calculation results of multiple linear regression analysis, it is known that the magnitude of the work environment regression coefficient (X2) is 0.633. The working environment in PDAM Luwu Regency is generally good. Thus it can be concluded that a good work environment will have a significant impact on employee job satisfaction in PDAM Luwu Regency. Based on the calculation results of multiple linear regression analysis with partial testing it is known that the work environment variable (X2) obtained tcount of 6,276 is greater than t table of 2,026 with a significance level of 5% which means that there is a significant influence between the work

environment on employee job satisfaction.

Through the F test obtained Fcount of 23,314 at a significance level of 5% and Ftable of 3.20 at a significance level of 5%. Thus, Fcount (23,314) > Ftable 3.20), means that the multiple linear regression Y for X1 and X2 is real or in other words there is an effect of compensation and work environment on job satisfaction of PDAM Luwu Regency employees. Based on the calculation results of multiple linear regression analysis, it can be seen that the amount of contribution made by compensation and work environment variables to employee job satisfaction at PDAM Luwu Regency simultaneously (R²) is 0.558 or 55.8%, this means employee job satisfaction is 55.8 % is influenced by compensation and work environment and the remaining 44.2% is influenced by other factors not examined or outside the research model

CONCLUSSION

Based on the results of the research that has been done, it can be concluded that: (1) Compensation and work environment simultaneously have a significant effect on employee job satisfaction variables in PDAM Luwu Regency. The Fcount value for the compensation and work environment variables simultaneously is 23.314 > the Ftable value is 3.20 and a significance of 0.000 < 0.05. (2) There is no influence between morale on employee performance

with a value of 0.787 where the result is greater than the significance level of 0.05 or 0.787 > 0.05 and when viewed from the tcount value of 0.272 it is smaller than the ttable of 2.026 or 0.272 < 2,026. (3) There is an influence between work discipline on employee performance with a significance value of 0.

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