

Analysis of the Impact of Compensation and Workload on the Job Satisfaction Level of Shoe Factory Employees

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Abstract

This study aims to analyze the effect of compensation and workload on CV Samodera Shoe Factory's employee job satisfaction. This research uses quantitative methods using Proportionate Random Sampling technique as many as 67 production employees. Data collection through questionnaires distributed to production employees. The variables used in this study are: independent variables, namely Compensation (X1), Workload (X2), and the dependent variable is Job Satisfaction (Y). The analytical tool used in this study is the Partial Least Square (PLS) model to construct a model that can be assumed when there are several factors. The findings indicate that compensation contributes to job satisfaction, but not very strongly, while workload has a strong contribution to job satisfaction.

Keywords: Compensation; Workload; Job satisfaction

INTRODUCTION

In the growth of a business, companies need human resources to continue their activities (Kasmir, 2019). The role of employees in carrying out company operations can also be influenced by a sense of employee job satisfaction. According to (Haris et al., 2023), the level of job satisfaction is considered as one of the measures of how well an employee is doing their job for the company

One of the factors that affect employee job satisfaction is compensation. If the compensation received by employees is proportional to their work, job satisfaction will be formed which has an impact on employee work productivity (Mustikaningsih & Irbayuni, 2022). Besides compensation, what affects job satisfaction is perceived workload. According to Johari et al., 2018 in (Budiasa, 2021) Workload refers to every activities that involve time spent by employees in carrying out tasks and responsibilities.

This study was conducted at CV Samodera, which is one of the companies active in the shoe industry. During the production processes, CV Samodera always managed to meet the target demand. Even the realisation of production had exceeded the target. However, the company has a low level of job satisfaction, characterised by a high level of employee absence at work.

The absences of CV Samodera in 2023 showed a significant variation from one division to another. One of the examples in the assembling division has the highest absence rate of 244 employees in a year. According to (Robbins & Judge, 2015) dissatisfied employees tend to leave their jobs with other factors affecting that satisfaction.

From the compensation point of view, the salary they received was below the Regional Minimum Wage (UMR) for the Jombang area. However, the company still provides a lower salary than this amount. In addition, employees do not receive any allowances and incentives. This condition leads to a low level of employee satisfaction.

Other than compensation, employees' workload is increasing. An above-normal workload is characterised by the time spent to complete a job by an employee is greater than the available working hours (work target) or the volume of work exceeds the employee's ability (Budiasa, 2021). The employees perform an extra working hours or overtime of 8 to 10 hours only to achieve the production target. Based on the aforementioned background, this research covers the influence of compensation variables, and workload on job satisfaction. Researchers consider it necessary to conduct a study on employees at CV Samodera.

LITERATURE REVIEW

Compensation

Compensation is a form of reward given by the organisation to its employees, which can be either financial or non-financial (Kasmir, 2019). According to Mondy and Moe in (Marta et al., 2023) ompensation is the total amount of all rewards that employees receive in return for their work. According to (Hasibuan, 2017) compensation indicators are 1) Salary/Wages, 2) Incentives, 3) Allowances, 4) Facilities.

Workload

Workload is the proportion of the total standard time required to complete tasks and work towards the total standard time (Kasmir, 2019) . According to (Budiasa, 2021) workload is a certain amount of work which is considered beyond the employee's ability to complete the task. A person's capacity to fulfil tasks in accordance with expectations is varied. Harini et al., in (Budiasa, 2021) identified workload indicators, namely: 1) Targets that must be achieved, 2) Work environment, 3) Optimal utilisation of working hours, and 4) Standards for work.

Job Satisfaction

Job satisfaction is defined as a positive attitude of the employees, which includes feelings and behaviour towards their work, which is achieved through an assessment of one of the jobs as a sense of appreciation in achieving one of the essential values of work (Afandi, 2018). Job satisfaction can be defined as a good sentiment that arises from an assessment of the quality of a job (Robbins & Judge, 2015). Indicators of job satisfaction according to (Afandi, 2018)The work itself, 2) Salary / Wages, 3) Promotion, 4) co-workers, and Supervision. According to Rivai in (Widodo & Swasti, 2024) identifies job satisfaction indicators, namely: 1) Job Content, 2) Supervision, 3) Organisational structure and administration, 4) Potential for advancement and promotion and 5) Coworkers.

The Effect of Compensation on Job Satisfaction

(Hendrasti et al., 2022) explains that compensation variables have a positive effect on job satisfaction of PT X employees. Job satisfaction will increase as compensation increases.

H1 : It is assumed that compensation has a positive effect on job satisfaction of CV Samodera employees.

The Effect of Workload on Job Satisfaction

Research from (Saputra, 2021) explains that excessive workload variables have a negative impact on job satisfaction. There is a substantial inverse correlation between workload and job satisfaction.

H2 : It is assumed that workload has a negative effect on job satisfaction of CV Samodera employees.

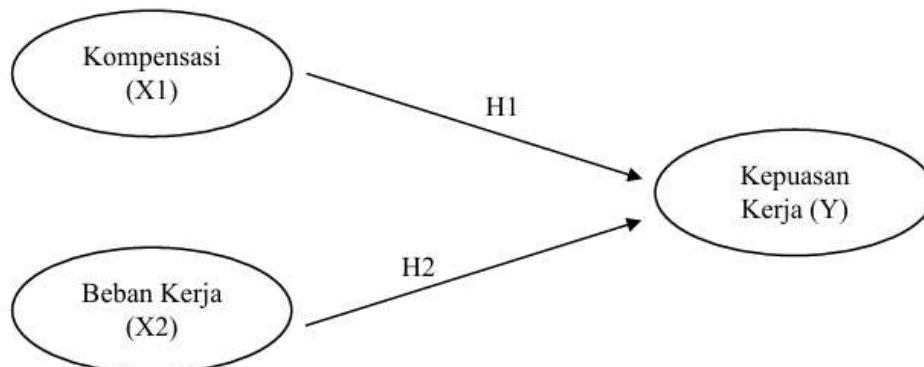


Figure 1. Conceptual Framework

RESEARCH METHOD

This study's type of research is a quantitative research. The total number of samples used was 67 samples. The analytical tool used is Partial Least Square (PLS), which is a variance-based SEM. This study collected data in the form of questionnaires distributed directly to employees and tested the

hypothesis. The questionnaire was designed to collect data on three research variables. Compensation is measured using indicators of salary/wages, overtime incentives and facilities (Hasibuan, 2017). Workload is measured using indicators of targets to be achieved, work environment, optimal use of working hours, and standards for work Harini et al., in (Budiasa, 2021) Job satisfaction is measured using indicators of the job itself, supervision, colleagues and the administrative structure of the organisation (Afandi, 2018) and Rivai in (Widodo & Swasti, 2024). This study uses a Likert scale with constituent items from negative to positive levels ranging from 1 to 5.

RESULTS AND DISCUSSION

Outer Model

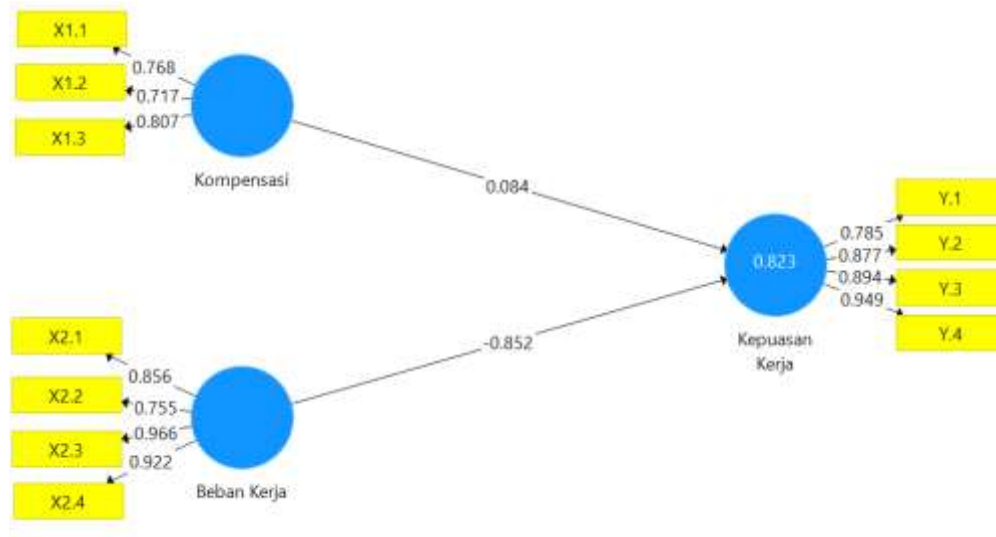


Figure 2. PLS Model

Indicators are said to meet convergent validity if they have a loading factor value of 0.7. The outer loading value of all indicators > 0.7 so that it can be said that all indicators used to measure variables X1, X2, and Y are valid and can be used. All indicators have been said to be valid and meet convergent validation.

The Cronbach's alpha value has a value > 0.7, except for the compensation variable (X1) which has a value of 0.663. However, the composite reliability value for all latent variables has a value > 0.7. The Average Variance Extracted (AVE) value is > 0.5 (Hair et al., 2019), the results show that variable X1 has an AVE value (0.585), X2 (0.771) and Y (0.772). Thus, these results conclude that the variable constructs show a good level of reliability.

Inner Model

R-Square

Table 1. R-Square

| | R-Square |
|----------------------|----------|
| Job Satisfaction (Y) | 0.823 |

(Source: PLS processed data)

Based on the table above, it shows that the job satisfaction variable has an R-square value of 0.823. This means that the job satisfaction variable is influenced by compensation and workload by 82.3%. Meanwhile, the remaining 17.7% is influenced by other variables not examined in this study.

Hypothesis Test

Table 2. Path Coefficients

| | Original Sampel (O) | Sampel Mean (M) | Standard Deviation (STDEV) | T Statistic | P Values |
|----------------------------------|---------------------|-----------------|----------------------------|-------------|--------------|
| Compensation -> Job Satisfaction | 0.084 | 0.087 | 0.059 | 1.431 | 0.153 |
| Workload -> Job Satisfaction | -0.852 | -0.847 | 0.045 | 18.837 | 0.000 |

(Source: PLS processed data)

According to (Hair et al., 2019) hypothesis testing can be seen in the Path Coefficient table in the Original Sample column where this value shows the relationship of a variable either positive or negative, P-Values indicate the significance value of a variable relationship, where if P-Values < 0.05 then it shows significant results. In addition to P-Values, T Statistics or t Test can also be used to see the significance of a path. If the t test value > 1.96 , it can be stated that a path has a significant relationship. Hypothesis testing can be concluded as follows:

H1 : Compensation has a positive and significant effect on job satisfaction cannot be accepted, as evidenced by the path coefficient of 0.084 and T-Statistic 1.431, this value is smaller than 1.96, and the P-Value of 0.153, this value is greater than 0.05 so the results are not significant.

H2 : Workload has a negative effect on job satisfaction can be accepted, as evidenced by the path coefficient -0.852 and T-statistic 18.837 which meets the standard (> 1.96), as well as a P-value of 0.000 or , 0.05 so the results are significant (negative).

Compensation on Job Satisfaction

Testing and data processing conducted shows that compensation has a positive but insignificant effect on job satisfaction. This is not in line with research (Hendrasti et al., 2022) and (Fajrina & Kustini, 2022) which state that compensation has a significant positive effect on job satisfaction. This research is in line with research (Laila et al., 2023) which states that compensation has a positive but insignificant effect. In reality, the compensation received by employees is still below the minimum wage, so it can be said that employee job satisfaction is not measured by receiving salaries and incentives. This is indicated by the highest factor loading on the facility indicator. Employee job satisfaction is more influenced by the provision of adequate facilities, so as to increase production and meet product stock needs. In addition, the majority of employees working in this company are 41 to 50 years old, and for them, the amount of salary is not the main factor, as long as their living needs can be met. Employees prefer the provision of facilities in the form of work equipment, rather than the amount of salary they get.

Workload on Job Satisfaction

The test data processing results show that workload has an influence on job satisfaction. It can be understood that the higher the level of workload felt or experienced by employees, the lower the employee's job satisfaction. This research is in line with research (Saputra, 2021) explaining that excessive workload variables have a negative impact on job satisfaction. There is a substantial inverse correlation between workload and job satisfaction.

The results showed the highest factor loading on the optimal working time utilisation indicator. This shows that the utilization of working time determined by the company is 7 working hours according to Law Number 13 of 2003 concerning Manpower Article 77 paragraph 2 reads '7 (seven) hours 1 (one) day and 40 (forty) hours 1 (one) week for 6 (six) working days in 1 (one) week'. However, in practice employees can work 8 to 10 hours per day. Employees recognise the need to utilise their working time efficiently, in fact the company provides overtime to employees. However, the absence of rewards for overtime worked causes dissatisfaction among CV Samodera employees.

CONCLUSION

This study found that compensation contributes to employee job satisfaction, but not very strongly. This suggests that compensation has the ability to increase job satisfaction, even if salary and incentives are not the main factors that increase job satisfaction. Job satisfaction is strongly influenced by workload. This is due to the fact that workers are less satisfied with their jobs due to high workloads. It is expected that companies will consider the compensation given to employees. Companies should ensure that they provide adequate facilities, including more sophisticated work equipment. It is expected that companies can consider the workload given to their employees, including the optimal utilisation of working time, to streamline the production process and produce more output without requiring employees to work too long. Companies should review their working time arrangements and facilities to speed up production without overtime. If working hours are utilised effectively, employees are more satisfied with their jobs.

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