

Original Article

The Effect of Work Environment, Compensation, and Work Motivation on Job Satisfaction

^{1*}Joyce A Turangan, ²Christian

^{1,2} Faculty of Economics and Business, Universitas Tarumanagara, Jakarta Barat, Indonesia.

Received Date: 18 March 2023

Revised Date: 28 March 2023

Accepted Date: 08 April 2023

Abstract: Human Resources is one of the things that must be considered and supported by the company, it is considered one of the important factors in the company that can be the driving force and determinant of the company to achieve the goals set by the company. The purpose of this study is to ascertain the impact of the workplace, pay, and work motivation on employees of Company X's job satisfaction. The sample for this study was drawn using a convenience sampling technique and non-probability sampling. Employees of Company X made up the sample for this study, which included 50 respondents in total. By distributing questionnaires via a google form, data is gathered. The data obtained were processed using the SmartPLS application with the PLS Alogarithm procedure. The data is tested for validity and reliability by looking at the amount of AVE, cross-loading, and outer loading. Hypothesis testing is done by looking at the coefficient of determination (R^2), predictive relevance (Q^2), and Goodness of fit test (GoF), and testing the hypothesis by looking at the path coefficient, t-statistics, and p-values. The study's findings show that the work motivation variable has a positive and significant impact on job satisfaction, whereas the work environment and salary variables have little bearing on employee happiness at Business X.

Keywords: Working environment, Compensation, Motivation, Job satisfaction.

I. INTRODUCTION

In this era of globalization, competition between companies is increasing to acquire what is needed and desired by consumers so that many consumers choose them and the company can continue to grow and survive in the face of the onslaught of other companies that continue to grow and emerge. In this case, Human Resources (HR) is one of the things that must be considered and supported by the company, because HR is an important factor in the company that can be the driver and determinant of the company to achieve the goals set by the company. Moreover, with the Covid-19 post-pandemic currently being experienced by the whole world, it is a new threat and problem that companies must face, many companies must think more about how they can survive in this pandemic that requires companies to allow and request employees who usually work in the office to work from home. This also has an impact on the company, where the head of HR in the company revealed that during the Covid-19 post-pandemic, there has been a decrease in employee job satisfaction, where employees are assessed to have experienced a decline such as laziness and also making mistakes carrying out their work. The rapid and rapid growth of previous Covid-19 has become a problem in various sectors and one of them is the garment company sector, with this phenomenon, companies must be able to use human resources properly, because HR is an important factor that can move the company back and can make the company survive in the problems faced by the company. Because the company's effective utilisation of human resources will directly affect how satisfied its employees are with their jobs. According to Kreitner and Kinicki (2008), job satisfaction refers to an employee's effective or emotional reaction to numerous work-related characteristics. In this case, the company should always do its best for employees working in the company so that they can create and make employees who work feel job satisfaction so that the employees can give good and correct results that will have a positive impact on the company.

The workplace atmosphere is a significant element that can promote employee job satisfaction. The work environment is an essential aspect of a company, where the company should be able to create a positive work environment for its employees so that they can work comfortably and complete their work within the given time frame. The work environment is considered important because it contains Human Resources (HR), which is an essential element in a company to achieve what is desired by the company. The physical setting of the workplace has an impact on the competence and quality of personnel. A good work environment can make employees work more optimally, and this can have a positive influence on other employees. If an employee can enjoy and feel comfortable in their work environment, then they will be able to enjoy their time working more effectively and efficiently [3]. Moreover, a supportive work environment can help employees work more effectively [4] also it is revealed that the work environment has a positive and significant impact on employee job satisfaction. This is because if a company can provide and create a comfortable work environment for employees, then employees will be able to complete their work with more focus and provide maximum work for the company.

The next important factor in creating employee job satisfaction is compensation. This is one of the crucial elements that affects whether or not workers are happy in their jobs. The amount of compensation received by an employee will be an important factor. The company should provide compensation that is appropriate to what the employee has done. Compensation given fairly by the company can also affect changes in the attitudes and behavior of employees towards the company, such as providing better work productivity and increased responsibility. In addition, if the company can provide bonuses and awards for employees who can complete their work according to the time set by the company, it will provide a sense of satisfaction for employees because the work done by the employee is valued by the company. Employees who have worked hard and successfully finished the tasks assigned to them are awarded compensation by their employers as a token of appreciation [1]. Employee job satisfaction is positively and significantly impacted by compensation. Because the greater the compensation or bonus given by the company to employees who work can increase and provide satisfaction after completing the work given by the company [6].

Job satisfaction can also effect by motivation, where motivation is one of the important things that must be instilled and created within employees who work in the company. In every employee, there must be different work motivations, depending on the needs, desires, or ambitions that the employee has, so this is a driving factor to meet the physical and material/non-material needs of an employee. Work motivation is a desire or willingness possessed by an employee that can make an employee perform and complete their work [7], moreover, Employee job satisfaction is positively and significantly influenced by work motivation [8]. Because if an employee has high work motivation in performing their job, then when the employee completes the job or responsibility according to what has been determined by the company, it will give a satisfaction effect for the employee who can complete their work. However, if an employee no longer has the motivation in doing a job, then that behavior will be seen from the attitude shown by the employee, where the job will be done in a lazy manner and always delaying the work given by the company.

II. MATERIALS AND METHODS

The sample was gathered using a convenience sampling approach and a non-probability sampling strategy as part of the study's quantitative research design. The sampling criteria were active working staff, resulting in a total of 50 respondents from Company X, a company that operates in the fashion garment industry.

Distribution of questionnaires with statements on indicators to measure the key variables work environment, pay, motivation at work, and job satisfaction was utilised to gather data. The questionnaire was distributed online via Google Forms, with the link sent through a WhatsApp group by one of the company managers. Furthermore, the data obtained were analyzed using the SmartPLS version 3.0 application with the PLS Algorithm procedure.

In this study, a five-scale Likert scale was used, with 1 denoting strongly disagree and 5 denoting strongly agree. Each variable is operationalized as follows:

Table 1: Operationalization of Variables

Variable	Indicator	Reference
Work Environment	<ol style="list-style-type: none"> 1. Illumination 2. Room temperature 3. Noise level 4. Job Security 5. Equipment layout 6. Co-workers relationship 	[6]
Compensation	<ol style="list-style-type: none"> 1. Salary 2. Allowances 3. Finacial bonus 4. Non-financial compensation 	[6]
Work Motivation	<ol style="list-style-type: none"> 1. Physical needs 2. Security needs 3. Social needs 4. Self-reward 5. Self-actualization 	[9]
Job satisfaction	<ol style="list-style-type: none"> 1. Salary 2. The work itself 3. Promotion 4. Supervision 5. Co-workers 	[6]

Three hypotheses were developed in this study, namely: (H₁) Work environment has a positive effect on employee job satisfaction, (H₂) Compensation has a positive effect on employee job satisfaction, and (H₃) Work motivation has a positive effect on employee job satisfaction.

III. RESULTS AND DISCUSSION

By examining the values of the outer loadings, cross loadings, and AVE, the validity of the data was evaluated. The analysis's findings demonstrated that the input data had outer loadings > than 0.5, cross-loadings on every variable greater than the other variables, and an AVE value greater than 0.5. As a result, it can be said that the validity test has been passed by the data used. It may be said that the data passed the reliability test because the composite reliability and Cronbach Alpha values utilised for the reliability test both revealed values above 0.7.

After the outer model testing (validity and reliability), further testing was conducted on the inner model, which includes determination coefficients (R²), predictive relevance (Q²), the goodness of fit (GoF), and hypothesis testing by examining path coefficients, t-statistics, and p-values. The majority of respondents agreed with the statements in the questionnaire, according to the data gathering results. Also, it was discovered from the test findings that the determination coefficient was 0.690, or 69%, and that the work environment, pay, and work motivation had a significant and moderate influence on 69% of the job satisfaction variables, while other variables can explain the remaining 31%.

Table 1: Coefficient of Determination (R²)

	<i>R-Square</i>	Conclusion
Job Satisfaction	0.69	Moderate

Based on the predictive relevance value, it was discovered that this research model's predictive relevance value is 0.388 > 0, indicating that it can be utilised to make accurate predictions. Also, the predictive relevance value's magnitude is > 0.35, indicating that the research model has a significant effect size. Additionally, the results of the effect of size analysis indicate that the work environment and compensation variables have an f² value below 0.02, while the work motivation variable has the largest f² value of 1.292 towards the job satisfaction variable. The research data also has a GoF of 0.6586, which means that it belongs to the large GoF, indicating that the research model has a good level of suitability and fit.

Table 2 and Figure 1 show the outcomes of the bootstrap analysis and hypothesis testing, respectively:

Table 2: Hypotheses Testing Result

Hypotheses	<i>t-statistics</i>	<i>p-values</i>	Conclusion
Work Environment → Job Satisfaction	0,528	0,299	Not Rejected
Compensation → Job Satisfaction	0,030	0,488	Rejected
Work Motivation → Job Satisfaction	3,195	0,001	Not Rejected

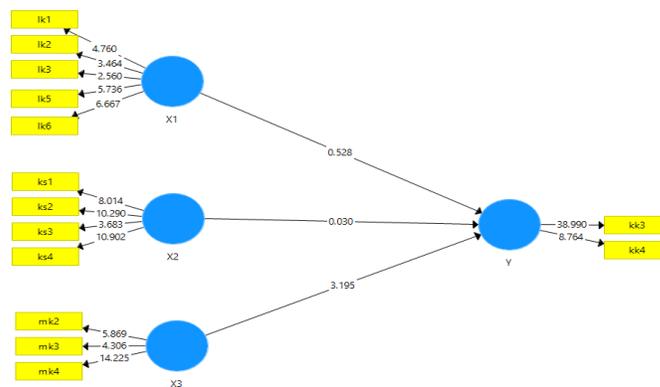


Fig. 1: Bootstrapping Result

The work environment variable has a t-statistic value of 0.528 (<1.96) and a p-value of 0.299 (>0.05), according to the findings of the first hypothesis test, which found that "the work environment has a positive effect on employee job satisfaction at Company X." These findings suggest that the work environment variable does not significantly and positively influence the

job satisfaction variable. As a result, the study's initial hypothesis is disproved. These results support the earlier study's explanation that the work environment variable has no bearing on employees' job satisfaction. Companies should pay more attention to the work environment in order to create a comfortable and safe working environment for employees working for the company [2].

Also, the second hypothesis test found that "compensation has a positive effect on employee work satisfaction at Company X," with a p-value of 0.488 (>0.05) and a t-statistic value of 0.030 (<1.96). These findings indicate that the salary variable has no bearing on the job satisfaction variable. As a result, the study's second hypothesis is disproved. These results are in line with the research by Seidy and Adolfini (2018), which indicates that employee work satisfaction is unaffected by salary. Companies should pay more attention to compensation in order to create employee job satisfaction in the company.

The third test, which asserts that "work motivation has a positive effect on employee job satisfaction at Company X," comes to the conclusion that work motivation has a t-statistic value of 3.195 (>1.96) and a p-value of 0.001 (<0.05). This test results suggest that the work motivation variable significantly and positively influences the job satisfaction variable. The third hypothesis in this investigation is therefore not disproved. These results support the findings of a study by Parimita and Handaru (2018), who found that the work motivation variable had a positive and significant impact on employee job satisfaction.

IV. CONCLUSION

The conclusion that can be drawn from this study is: (1) Work environment has a positive but not significant effect on job satisfaction of employees of Company X, (2) Compensation has a positive but not significant effect on the job satisfaction of employees of Company X, and (3) Work motivation has a positive and significant effect on the job satisfaction of employees of Company X.

Based on the research's findings, it can be said that Company X employees' job happiness is primarily influenced by their work motivation. In order to increase job happiness and staff performance, the organisation should focus more on employee motivation.

Meanwhile, the company also needs to improve the work environment and compensation to create a more comfortable and conducive working environment for employees. Although the work environment and pay did not significantly affect job satisfaction in this study, efforts to improve both are still required to raise the standard of work and boost employee productivity.

It is advised to perform more study taking into account additional elements including leadership, career advancement, and organisational culture that may have an impact on employee job satisfaction at Business X. This can assist the business in developing policies and initiatives that can raise work satisfaction among employees.

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