

LITERATURE OF REVIEW THE INFLUENCE OF EMPLOYEE JOB SATISFACTION ON EMPLOYEE COMPENSATION AND JOB CHARACTERISTICS (Production Department of PT. XYZ)

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ABSTRACT

A literature review regarding the impact of job satisfaction on employee pay and job features is examined in this study. The production section is the subject of research carried out at PT XYZ. The influence of two independent factors and one dependent variable will be the main topic of this research. This research uses quantitative methodology and data collection using questionnaires. SPSS 28 for Windows is the application used in this research to analyze research data.

INTRODUCTION

For the business sector to support a nation's development, output must rise to match consumer demand. Therefore, by taking into consideration a number of elements, including human resources, it is crucial to concentrate on increasing organizational performance in order to fulfill goals and progress the firm. Any firm needs human resources since, in addition to other resources like machinery and equipment, they are the primary source of support. Human resources in employee jobs require attention and training in order to manage and integrate a variety of company resources and use them to achieve results that are aligned with company goals and employee job satisfaction.

The degree of job satisfaction affects how someone feels and perceives their work, particularly when it comes to their working conditions and whether or not their employment satisfies their needs, wants, and desires. Consequently, it stands to reason that employee job satisfaction has a significant effect on company success.

The growing importance of the chemical industry in Indonesia and other countries has led to a lot of research on subjects like pay and work characteristics. Good employee performance is the main focus of the chemical industrial sector when it comes to raising the caliber of the items that are produced, according to Faeni, D. (2023) Worker job satisfaction is a reliable gauge of an organization's development stage. Growth of the organization is supported by commitment, totality, and loyalty, all of which are impacted by the degree of satisfaction.

However, it is impossible to isolate inefficiencies brought on by issues with human resources from the advancement of the business as a whole. This happens when employees are not happy with their jobs. This can lead to work stoppages, employee absences, employee protests, and even employee terminations. Naturally, this is detrimental to all parties concerned, and company bankruptcy is the worst case situation. Consequently, enhancing employee satisfaction at work is crucial to the growth of a company. Sopiah (2008) noted that environmental factors can also have an impact on an individual's performance. An environment that is favorable to work, complete with facilities, infrastructure, and assistance from superiors and coworkers, promotes comfort and excellent performance. On the flip side, there will be a lot of disagreements, little assistance from managers, and an uneasy work atmosphere as a result of subpar facilities and infrastructure. This has a detrimental effect and makes a person perform even worse.superiors.

PT. XYZ is a manufacturing business that works in the Indonesian chemical industry in addition to maintaining and creating processed chemicals. Chemical processing products play a crucial role in this nation's development as processed chemicals become more and more necessary. The emergence of new chemical companies in Indonesia has affected PT's competitiveness in the production of processed chemicals, XYZ. Therefore, worker job satisfaction affects PT XYZ's competitiveness in the chemical production sector. Employee work happiness is influenced by a variety of factors, such as salary and job quality. According to Wibowo (2007), salary is an achievement that is in contrast to the energy or service provision of the labor.

By contrast, remuneration is defined by Hasibuan (2009) as the cash benefits – direct and indirect – that staff members get in exchange for their services rendered to the company. In addition, Saydam (2008) noted that compensation is how employers honor the labor, incentives, and time that employees have contributed to the business. Because they can serve as a source of inspiration for hard work, a person's compensation and benefits are significant elements that impact their level of job satisfaction. Thus, scholars. wish to learn more about the connections between

employee job satisfaction, compensation, and job features. We believe this model can be applied and implemented in all service in Indonesia and other emerging economies because it is considered to correspond with the conditions in the field.need to think more strategically and be innovative to enhance their business success and modernize their operations by Faeni (2023).

THEORETICAL REVIEW

Compensation

Because it encourages workers to put in extra effort, the issue of selective compensation has an impact on discipline and employee morale. As such, every company or organization that wants to operate in the market needs to be able to pay wages that are reasonable given the labor expenses that its workers experience. Pay reflects how much their job is appreciated overall by the company, their family, and society at large, making it one of the most important variables for workers, according to Wirawan (2009). According to Martoyo (2009), creating effective and efficient pay can aid in the growth and stability of the country's economy by promoting organizational stability.

Job Characteristics

Because selective compensation incentivizes hard effort, it has an impact on staff morale and discipline. As a result, any company or organization must be able to pay its workers a wage that is appropriate for the labor expenses they incur. According to Wirawan (2009), a worker's salary is one of the most important variables since it demonstrates the entire importance that the company, their families, and society place on their labor. Concurrently, strengthening organizational stability through the development of effective and efficient pay can both directly and indirectly help the growth and stability of the country's economy, according to Martoyo, 2009.

Job Satisfaction

Employee performance, according to Mangkunegara (2009), is the amount and caliber of work that each employee produces in carrying out his or her assigned obligations.

Performance, according to Gomes (2008), is a record of the results of a number of tasks finished in a specific amount of time. According to Sopiah (2008), an individual's surroundings might also have an impact on their performance. Coworkers, supportive managers, and sufficient equipment and amenities can all contribute to the creation of a comfortable work environment that encourages high performance. Employee performance, on the other hand, will suffer in a poor work environment brought on by subpar facilities and infrastructure, a lack of managerial support, and frequent disagreements.

Swietenia (2009) lists the ability to evaluate and promote production efficiency, the ability to pinpoint precise goals or targets, and the ability to communicate information between management and the workforce that impacts connected matters as benefits of employee performance. A person can assist a company in accomplishing its aims and objectives if they continuously produce good work. An employee's

performance is determined by his or her capacity to do activities in a quantity and quality that aligns with the responsibilities assigned to them (Mangkunegara, 2007).

Conceptual Framework

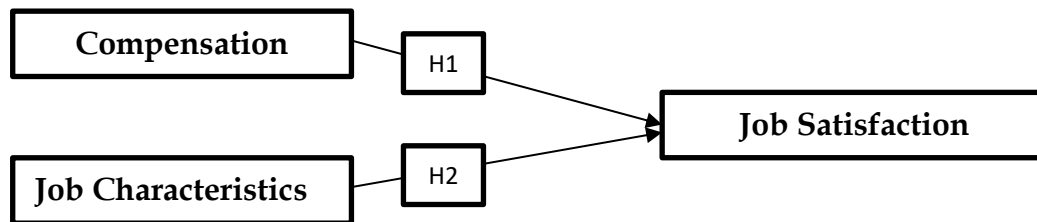


Figure 1. Conceptual Framework

Hypotheses

H1. Compensation has an influence on Job Satisfaction

H2. Job Characteristics has an influence on Job Satisfaction

METHODOLOGY

The research design employed in this study is quantitative research. Real-world theories are examined in quantitative research by analyzing variable relationships. In order to analyze numerical data using statistical methods, these variables are compressed (Creswell, 2012 : 5).

according to Azwar (2011:5). In analytical research, also known as hypothesis research, quantitative research is essentially carried out, and conclusions drawn from the data are predicated on the likelihood that the null hypothesis would be incorrectly rejected. By using quantitative models, the significance of group differences or correlations between the variables under study will be determined. Quantitative research primarily focuses on large-scale sample studies.

Modelmelt was utilized by the researchers to gather data remotely throughout the process. Researchers are able to give research that contains the variables employed in the research by integrating statement indicators that are connected to the identified variables. When completing the questionnaire, the study team selected one of the scales with scale 1 (very not), scale 2 (not very), scale 3 (very much), scale 4 (very low), or scale 5 (very much) (Sugiyono, 2018).

The data analysis portion of this study discusses the information gathered from the finished data processing. When processing data, the study team employed a quantitative methodology. For this study, data from PT. XYZ Production division were used to create three variable indicators: compensation, job characteristic, and job satisfaction. In the end, the three personal variables yield outcomes that are dependent on the incident's conditions and each worker's position within the production division.

The data processing procedure then moves on to the tests for data sufficiency, validity, reliability, multicollinearity, heteroscedasticity (deviation), and normalcy. The gathered data is then tested using multiple linear relationships, or numerous relationships. Ultimately, the factors H1 (compensation), H2 (job characteristic), and Z (work satisfaction) yield their corresponding outcomes. It is established that this factor has a greater influence on the compensation variable since the correlation coefficient for the work characteristics variable is larger than that of the compensation variable (Sugiyono, 2017).

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