

# The Influence of Compensation, Workload and Work Environment on Employees

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**Abstract** – The role of human resources is very important to achieve company goals. This of course does not escape from various supporting factors in increasing employee productivity or work performance such as a supportive work environment, workload stability and also providing rewards that are commensurate with employee performance. The purpose of this study is to analyze the effect of compensation, working environment and workload through work satisfaction on Badan Pengusahaan Batam. The method used is multiple linear regression analysis. The study population of 1782 employees and samples used by 100 respondents. Research shows that the Compensation and Working Environment partially significant effect on the Work Satisfaction. While Workload partially not significant effect on the Work Satisfaction. Simultaneously Compensation, Working Environment and Workload have significant effect on the Work Satisfaction.

**Keywords:** Compensation, Working Environment, Workload, Work Satisfaction

## 1. INTRODUCTION

The vision of the Batam Concession Agency is to contribute to the increase in investment to realize the vision of the President and Vice President, Advanced Indonesia that is Sovereign, Mandir and Personality Based on Gotong Royong. While one of the objectives of the Batam Concession Agency is to improve the quality of human resources in supporting investment in the Batam Free Trade and Free Port Area (KPBPB).

In order to realize the vision and mission of the Batam Concession Agency, it is necessary to improve the quality of a good workforce so that it is able to perform well. In addition to the ability factor and mastery of employee work must be developed by the institution in order to improve employee performance. However, institutions must also pay attention to employee

satisfaction factors. According to Nanulaitta Compensation is a reward for services provided to workers, because these workers have contributed energy and thoughts for the progress of the company in order to achieve predetermined goals [1]. This shows that the institution must be able to compensate employees in accordance with the responsibilities, abilities and expertise of employees in carrying out work. Workload is a set or number of activities that must be completed by an organizational unit or position holder within a certain period of time [2]. The number of tasks or responsibilities given to an employee causes the results achieved to be less than optimal because employees only have a little time to complete their duties. Furthermore, the work environment is defined by many experts, including according to



Yantika et al., the work environment is something that is around the workers who affect him in carrying out the tasks assigned [3]. From this understanding, it can be concluded that the work environment is a series of factors that affect the performance activities of employees from individual to individual as well as the work environment. employees from individuals between individuals and from existing facilities in the company. According to Hakiki & Setiana job satisfaction is a general attitude towards one's job, which shows the difference between the number of awards workers receive and the amount they believe they should receive [4].

Based on Law of the Republic of Indonesia Number 44 of 2007 and Government Regulation Number 46 of 2007, the Batam Area is designated as a Free Trade Area and Free Port for a period of 70 years. The Batam Free Trade and Free Port Area covers Batam Island, Tonton Island, Setokok Island, Nipah Island, Rempang Island, Galang Island and Galang Baru Island. In 2011, another Government Regulation No. 5 Year 2011 was issued where the working area was added with Janda Berhias Island and its cluster. The main activities of the development of the Batam Free Trade and Free Port Area are shown in the economic field which includes the trade, maritime, industrial, transportation, banking and tourism sectors. The provision also stipulates that the Land Management Rights under the authority of BP Batam and Batam City Government in the Free Trade and Free Port Area shall be transferred to the Batam Concession Agency. One of the internal challenges to be faced by the Batam Concession Agency is the management of human resources. With the number of employees totaling more than 2000 people, so that the right attention is needed for the leadership to its employees in order to achieve good work results where it can have an impact on services in the community.

Based on the above introduction, the author is interested in conducting research with the title: "The Effect of Compensation, Workload, and Work Environment on Job Satisfaction in Batam Concession Agency Office Employees".

## 2. METHODS

The type of research conducted in this study is quantitative method. The object of this research is the Batam Concession Agency which is an institution that has the main activity, namely the development of the Batam Free Trade Zone and Free Port, which is shown in the economic field which includes the trade, maritime, industrial, transportation, banking and tourism sectors. The provision also stipulates that the Land Management Rights which are under the authority of BP Batam and Batam City Government in the Free Trade Zone and Free Port are transferred to the Batam Concession Agency. The population in this study are all employees of the Batam Concession Agency Office. With the sample in this study taken by the Slovin formula totaling 100 employees as respondents. In this study using primary and secondary data sources. The data collection technique was carried out by distributing questionnaires with a Likert scale. The data analysis used in this study used multiple linear regression analysis. The data analysis test was also carried out with a normality test. While testing the research instrument using the validity test and reliability test using the SPSS program.

## 3. RESULTS AND DISCUSSION

### Results

#### Research Instrument Test

The validity test results show that all question items provide a value of  $r_{count} > r_{table}$  (0.1946) and a significant value  $< \alpha$  (0.05). Based on these results it can be said that all items for variable compensation (X1), workload (X2), and work environment (X3) and job satisfaction (Y) in this study are valid. The reliability test results show that all variables produce a Cronbach Alpha value  $> 0.60$ . Based on these results, it can be stated that the variables tested, namely the compensation variable (X1), workload (X2), and work environment (X3) and job satisfaction (Y) in this study are reliable. The normality test results show that the significance value  $> 0.05$  is 0.142. Based on these results, it is stated that

the normality assumption in this study is fulfilled. The multicollinearity test results show that there are variables that have multicollinearity because the VIF value exceeds the specified tolerance value limit (not exceeding 4 or 5). With a VIF value on the compensation variable of 1.149, on the workload variable of 1.002, on the work environment variable of 1.146. Also, the results of the heteroscedasticity test show that this study is free from the classic assumption of heteroscedasticity because the data points are not patterned and spread above and below or around the number 0.

### Hypothesis Testing

The t test results (partial) with SPSS obtained for variable X1 (compensation) obtained a t value of 4.929 with a probability value of t (Sig) is 0.000 (Sig.< $\alpha$ 0.05). Thus Ho is rejected and Ha is accepted, so the first hypothesis is accepted. It can be concluded that compensation (X1) partially has a significant influence on job satisfaction (Y) employees of the Batam Concession Agency. The test results with SPSS obtained for variable X2 (workload) obtained a t value of 0.743 with a probability value of t (Sig) is 0.459 (Sig.> $\alpha$ 0.05).

Thus Ho is rejected and Ha is accepted, so the first hypothesis is accepted. Accepted. It can be concluded that workload (X2) partially has an insignificant influence on job satisfaction (Y) of Batam Concession Agency employees. The test results with SPSS obtained for variable X3 (work environment) obtained a t value of 4.256 with a probability value of t (Sig) is 0.000 (Sig.< $\alpha$ 0.05).

Thus Ho is rejected and Ha is accepted, so the first hypothesis is accepted. It can be concluded that the work environment (X3) partially has a significant influence on job satisfaction (Y) of Batam Concession Agency employees. (Y) Employees of the Batam Concession Agency. The results of the F test with SPSS independent variables together obtained the value of F count = 22,000 with the probability value of F (sig) is 0.000 (sig.0.000 < $\alpha$ 0.05).

Thus Ho is rejected and Ha is accepted. It can be concluded that compensation (X1), workload (X2), and work environment (X3) simultaneously have a significant influence on job satisfaction (Y) on employees of the Enterprise Agency. (Y) on Batam Concession Agency employees. The test results of the coefficient of determination (R-Square) .407 or 40.7% shows that about 40.7% of variable Y can be explained by compensation, workload, work environment, or practically it can be said that the contribution of compensation, workload, and work environment to the variable job satisfaction (Y) is 40.7%. While the remaining 59.3% (100% - 40.7%) is explained by variables not proposed in this study.

### Discussions

From the research results, it can be seen that all independent variables (compensation, workload, and work environment) have an influence on variable Y (job satisfaction). For more details on the results of the analysis and testing that has been done, the explanation is as follows:

According to Sutrisno compensation can be defined as a form of appreciation given to employees in return for the contributions they make to the organization [5]. If the compensation given to employees is in accordance with the performance level, job satisfaction will increase, whereas if the compensation is not appropriate, it can have an impact on reducing employee job satisfaction. Based on the t test results, it is known that the compensation coefficient value is positive at 4.929 and the sig value. 0.000 < 0,05. This shows that compensation has a significant effect on employee job satisfaction. If the better compensation employees get, the level of job satisfaction can also increase.

This is in accordance with previous research related to compensation variables, by Ariesta Budi Alfaranti (2011). With the research title "The Effect of Compensation and Work Environment on Job Satisfaction and Organizational Commitment of Spinning II unit

employees of PT Sinar Pantja Djaja PAN Asia Group Semarang". The results of the study state that organizational commitment and job satisfaction will arise by increasing compensation for employees.

According to Cain (2010) Workload is the amount of work that must be carried by a position or organizational unit and is the product of work volume and time norms. Workload is a very important thing to consider. The workload received by employees is one of the factors in creating employee job satisfaction in order to self-actualize. If the employee's workload is too high, it will cause pressure and stress at work which has an impact on reducing employee job satisfaction.

Based on the t test results in the table, it is known that the workload coefficient value is sig.  $0.459 > 0,05$ . This shows that workload does not have a significant effect on employee job satisfaction. If the greater the workload that is delegated, the level of job satisfaction does not necessarily increase but not necessarily if the workload is lighter the level of job satisfaction increases. Too light a workload occurs when labor is excessive. Meanwhile, excess workload can cause physical and psychological fatigue for employees. Finally, employees become less productive and optimal in completing their responsibilities because they are too tired and less focused. Therefore, the workload should be in accordance with the abilities of each employee. This is in accordance with previous research related to workload variables, by Paijan Anugrah Hutamu with the research title "The Effect of Workload and Compensation on Employee Job Satisfaction at the Office of PT Tri Poda Parama". The results of this study state that workload has no significant effect on job satisfaction [6].

According to Hani the work environment is something that is around the workers who affect him in carrying out the tasks assigned [7]. By paying attention to a good work environment or creating working conditions that are able to provide motivation to work, it will have an influence on performance at work.

Based on the t test results in table It is known that the work environment coefficient value is positive at 0.000 and sig value.  $0.000 < 0,05$ . This shows that the work environment has a significant effect on employee job satisfaction. If the level of comfort in the work environment increases, the level of job satisfaction will also increase. A good work environment can have a good impact on employee psychology so that in completing their responsibilities, employees can be maximized.

This is in accordance with previous research related to work environment variables, Ariesta Budi Alfaranti with the research title "The Effect of Compensation and Work Environment on Job Satisfaction and Organizational Commitment of Spinning II unit employees of PT Sinar Pantja Djaja PAN Asia Group Semarang". The results of the study state that the work environment has a significant effect on job satisfaction [8].

Based on the results of the F test above, it is known that the significance value for the simultaneous influence of X1, X2, and X3 on Y is  $0.000 < 0.05$  and the calculated F value is  $22.000 > F$  table 2.70, so it can be concluded that H4 is accepted, which means that there is a simultaneous influence of X1, X2 and X3 on Y. While the R-Square value is .40, the R-Square value is .407 or 40.7%, this result indicates that 40.7% of the job satisfaction variable (Y) is influenced by compensation (X1), workload (X2), and work environment (X4), while the remaining 59.3% (100% - 40.7%) is explained by variables not proposed in this study.

#### 4. CONCLUSION

Based on the research findings and discussions conducted, it can be concluded that compensation (X1) has a significant influence on job satisfaction (Y), while workload (X2) shows an insignificant influence on job satisfaction. Additionally, work environment (X3) significantly impacts job satisfaction. Furthermore, when considering these factors collectively, it can be concluded that compensation (X1), workload (X2), and work

environment (X3) collectively have an effect on job satisfaction (Y) in Batam Concession Agency employees.

Suggestions that can be taken from this research are as follows:

1. For the leadership of the Batam Concession Agency Office, it is advisable to re-evaluate the workload given to employees so that employees get a workload that is in accordance with their responsibilities. Pay attention to the work atmosphere that exists in the employee's work environment so that employees can feel comfortable in working and completing their work, and with a significant influence between compensation on job satisfaction, the compensation provided by the Batam Concession Agency to employees should be maintained in accordance with the principles of fairness and feasibility so that employee job satisfaction can increase better so that it is expected that work results will also follow.
2. For Further Research Further research can develop this research by examining other factors that can affect employee job satisfaction. In addition, future researchers can analyze other factors that contribute to employee job satisfaction. Future researchers can take a larger sample size than the sample in this study so that further research can be better.

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