

Analysis of Work Environment, Job Satisfaction and Compensation of Employee Work Quality

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ARTICLE INFO	ABSTRACT
<p>Keywords: <i>Work Environment, Compensation, Job Satisfaction, Work Quality.</i></p>	<p>This study aims to find out and analyze the influence of the work environment, job satisfaction and compensation on employee work quality. This study uses an explanatory approach with a population of 216 permanent employees at the Mojokerto Head Office. The random sampling technique was used to select a sample of 105 respondents. Data was collected through questionnaires given directly to respondents and analyzed using path analysis. Before the analysis, validity tests, reliability, and classical assumption tests such as multicollinearity, heteroscedasticity, and normality are carried out. The hypothesis was tested with a significance level of $\alpha = 5\%$. The results of the analysis showed that: a) the work environment had a significant positive effect on job satisfaction, b) compensation had a significant positive effect on job satisfaction, c) the work environment did not have a significant positive effect on work quality, d) compensation had a significant positive effect on work quality, e) job satisfaction had a significant positive effect on work quality, f) the work environment had a significant positive effect on work quality through job satisfaction, and g) compensation has a significant positive effect on job quality through job satisfaction. The results of this study give the implication that company management needs to pay attention to the work environment and compensation as a factor that can increase employee satisfaction and work quality. Increased job satisfaction can contribute directly or indirectly to improving the quality of work, which in turn can affect the overall performance of the organization.</p>

INTRODUCTION

A company's performance is highly dependent on the performance of the individuals within it. All work in the company is the employees who determine its success. Efforts to improve company performance must start with improving the quality of employee work (Rivaldo, 2022). One way to improve the quality of work is to provide a good work environment and adequate compensation as well as high employee job satisfaction (Mangkunegara & Hasibuan, 2019).

The work environment is around the workers, which can affect them in carrying out the tasks assigned, such as cleanliness, air temperature, work safety, lighting and others (Sunyoto, 2018). Meanwhile, previous research states that compensation is a form of reward companies can give their employees. Compensation means all forms of compensation the company provides for its employees for their work (Veriyani & Prasetyo, 2018). Furthermore, his research (Arifah, 2015) concluded that the work environment significantly positively affects the quality of employee work (Fikri et al., 2018) concluded that compensation significantly positively affects the quality of employee work.

The novelty of this study compared to the two researchers mentioned above is that this study includes job satisfaction variables as mediating variables. Job satisfaction is essential to include as a mediating variable for the effect of compensation and work environment on employee work quality, considering that with high job satisfaction, employees can create more output for the company, which, in turn, helps it progress and develop. In

addition, employees with high job satisfaction usually look for more ways to help their team. Employees will show up when they are satisfied with their jobs (Rachmawati, 2014). They will arrive at work every day on time. Job satisfaction also helps employee retention (Yani & Saputra, 2023). When employees are happy with their jobs, absenteeism rates will decrease. Employees will remain in the organization, thus reducing employee turnover. Professional relationships will strengthen when employees are satisfied with their roles (Fitrianasari et al., 2013). Signs of deviance in the workplace will not appear. Employees will interact well with each other when they feel job satisfaction (Rohayati, 2014). They will feel treated reasonably and will consider coworkers as teammates. So, it positively impacts the quality of employee work (Swofford, 2023). Statement (Swofford, 2023), in line with his research findings (Viantika et al., 2023), concluded that job satisfaction has a significant positive effect on employee work quality.

Based on the explanation above, the purpose of this study is to 1) the effect of work environment on job satisfaction, 2) the effect of compensation on job satisfaction, 3) the effect of work environment on work quality, 4) the effect of compensation on work quality, 5) the effect of job satisfaction on work quality, 6) the effect of work environment on work quality through job satisfaction, 7) the effect of compensation on work quality through job satisfaction. The results of this study are expected to provide practical implications for organizational management in improving working conditions and compensation packages that are tailored to improve employee satisfaction and work quality. By increasing job satisfaction, organizations have the potential to reduce turnover rates, strengthen professional relationships among employees, and reduce negative behaviors in the workplace, thus having a positive impact on overall organizational performance and sustainability.

METHOD

This study uses the chosen explanatory research approach to explain and test the causal relationship between the variables studied, such as work environment, compensation, job satisfaction, and work quality. The data was collected through the use of questionnaires given directly to respondents, designed to explore employee perceptions and responses related to aspects of the work environment, compensation, job satisfaction, and evaluation of their work quality.

Data analysis was carried out using the path analysis method, which allowed researchers to test in detail the relationships between variables in the study. This approach allows researchers to understand the extent of the direct and indirect influence of independent variables (work environment and compensation) on dependent variables (job satisfaction and job quality) through mediators (job satisfaction).

The selection of sampling techniques using random sampling techniques was carried out to ensure the representativeness of the sample to the population of PT NMU's permanent employees at the Mojokerto Head Office. This is important to produce better generalizations of the research results, by reducing the potential for bias in sample selection. Before conducting the path analysis, this study also carried out validity, reliability, and classical assumption tests such as multicollinearity, heteroscedasticity, and normality. These steps are important to ensure the validity of the data used in statistical analysis.

Hypothesis

- Hypothesis 1: Work environment has a significant positive effect on job satisfaction.
- Hypothesis 2: Compensation has a significant positive effect on job satisfaction.
- Hypothesis 3: The work environment significantly positively affects the quality of employee work.
- Hypothesis 4: Compensation has a significant positive effect on employee work quality.
- Hypothesis 5: Job satisfaction has a significant positive effect on employee work quality.
- Hypothesis 6: Job satisfaction mediates the effect of the work environment on employee work quality.
- Hypothesis 7: Job satisfaction mediates the effect of compensation on employee work quality.

RESULTS AND DISCUSSION

The results of the validity and reliability tests, as well as the classical assumption tests, including multicollinearity, heteroscedasticity, and normality, all do not violate them and are summarized in Table 1 below:

Table 1. Summary of Test Results: Validity, Reliability and Classical Assumptions

Test	Test Equipment	Results	Summary
Validity	Pearson Model Correlation	Sig. value < 5%	Valid
Reliability	Cronbach Alpha	The value is > 0.6	Reliable
Classic assumptions:			

Test	Test Equipment	Results	Summary
Multicollinearity	VIF	Value < 10	Not happening
Heteroscedasticity	Scatter Plot	Irregular image	Not happening
Normality	Kolmogorov-Smirnov	Sig. value > 5%	Normal

Source: Primary data processed by researchers in 2023

In Table 1 above, the test results, validity, reliability, and classical assumptions, show that nothing is violated, so the use of path analysis can be used as an analytical tool in this study. Furthermore, the path analysis and Sobel test results are summarized in Table 2 below.

Table 2. Summary of Path Analysis Results

Description	p-value (sig value)	Hypothesis Conclusion
H1: X1 => Y (direct effect)	0.033	Retrieved
H2: X2 => Y (direct effect)	0.010	Retrieved
H3: X1 => Z (direct effect)	0.819	rejected
H4: X2 => Z ((direct effect)	0.041	Retrieved
H5: Y => Z (direct effect)	0.009	Retrieved
H6: X1 => Y => Z (indirect effect)	Sobel test <i>p-value</i> 0.000 < 5%	Retrieved
H7: X2 => Y => Z (indirect effect)	Sobel test <i>p-value</i> 0.000 < 5%	Retrieved

Source: Primary data processed by researchers in 2023

The Sobel test is used to determine whether job satisfaction is a mediator. In Table 2 above, the indirect effect of both X1 => Y => Z and X2 => Y => Z p-value of the Sobel test results is < 5%. This indicates that job satisfaction can mediate/enhance the effect of work environment and compensation on employee work quality.

Efforts to improve employee work quality in highly compensated employees are a combination of strategies to improve employee work quality through improving compensation, work environment and job satisfaction that directly impact employee work quality. This is because the synergy of the three factors is proven to impact improving the quality of employee work directly. Concrete actions that can be taken are 1) Increasing compensation in the form of performance allowances and bonuses by performance achievements assessed with fairness and accountability, 2) Rotating employees for a maximum of 1 year to increase compensation as mandated in Law Number 5 of 2014 (Ayuningtyas, 2022), 3) Leaders in implementing leadership should pay more attention to the employees they lead. The leader's partiality to employees will be perceived well by employees so that employees are encouraged to have high employee work quality with good leadership support. Aspects that must be considered in cultivating good leadership perceptions include fairness and a sense of security and respect. These efforts can be made by strengthening leadership management through education and a leadership work environment oriented towards HR management. 4) Designing work so that it creates interesting challenges for employees.5) Creating a comfortable work situation and environment.6) Designing work patterns to encourage employees to interact with coworkers and superiors so that harmonious and humanist working relationships are established. 7) Place employees in the correct position according to their talents and abilities to encourage them to love their work.

The next effort is a combination of strategies to improve employee work quality through the work environment, compensation, and job satisfaction that impact job satisfaction. This is because the factors of work environment, compensation, and job satisfaction are proven to cause job satisfaction, which significantly impacts improving the quality of employee work. Concrete actions can be taken: 1) Increase the intensity of the technical work environment by the field of work based on the analysis of work environment needs. 2) Employee rolling/rotation in order to increase compensation. 3) Preparation of a clear career path. 4) Provide opportunities for employees to participate in job auctions in the context of promotion. 5) Provide opportunities for employees who have a great interest in a career in functional positions.6) Leaders are expected to implement effective leadership practices that employees perceive nicely.

Efforts to improve employee work quality in employees with medium compensation are a combination of strategies to improve employee work quality through job satisfaction, leadership perceptions and job satisfaction that have a direct impact on employee work quality (Mediaty et al., 2023). This is because the synergy of the three factors is proven to impact improving the quality of employee work directly. Concrete actions can be taken: 1) Organizing Corsa spirit coaching activities to establish harmonious relationships and increase employee cooperation. 2) Strengthen leadership management through education and a leadership work environment oriented towards HR management. 3) Designing work so that it creates challenges that attract employees. 4)

Create a comfortable working situation and environment. 5) Designing work patterns in such a way that encourages employees to interact with coworkers and superiors so that harmonious working relationships are established. 6) Place employees in the correct position according to their talents and abilities to encourage them to love their work.

The next effort is a combination of strategies to improve the quality of employee work through a work environment and compensation that creates job satisfaction and impacts it. This is because the synergy of the two factors is proven to cause job satisfaction, which significantly impacts improving the quality of employee work. Concrete actions can be taken: 1) Adding the intensity of the technical work environment in accordance with the field of work based on the analysis of work environment needs as a form of increasing employee compensation. 2) Rotate employees for a maximum of 1 year to increase compensation.

Priority efforts that can be made on highly compensated employees are to improve the quality of employee work through improving leadership perceptions that employees can well receive. Concrete actions that can be taken are strengthening leadership management through education and a leadership work environment that is oriented towards HR management (Utaminingsih, 2014). Leaders who can implement good leadership management and be accepted/perceived well by their employees will encourage their employees to have high employee work quality. Furthermore, the priority strategy that can be done for employees with medium compensation is to improve employee work quality through job satisfaction. Concrete actions can be taken: 1) Designing work to create challenges that interest employees. 2) Create a comfortable and conducive work situation and environment. 3) Designing work patterns to encourage employees to interact with coworkers, superiors and the work environment so that a harmonious working relationship is established. 4) Place employees in the correct position according to their talents and abilities to encourage them to love their work. 5) Arrange a clear career path that can increase employee job satisfaction.

CONCLUSION

The study results concluded that, first, the work environment significantly positively affects job satisfaction. This shows that the better the work environment, the higher the job satisfaction. Second, compensation has a significant positive effect on job satisfaction. This shows that the better the compensation, the higher the job satisfaction. Third, the work environment has no effect on work quality; this shows that no matter how good the work environment is, it will not affect the quality of work. Fourth, compensation has a significant positive effect on work quality. This shows that the better the compensation, the higher the quality of work. Fifth, job satisfaction has a significant positive effect on job quality. This shows that the higher the job satisfaction, the higher the quality of work. Sixth, job satisfaction is able to increase the influence of the work environment on work quality. This shows that the higher the job satisfaction, the more the work environment affects the quality of work. Seventh, job satisfaction is able to increase the effect of compensation on job quality. This shows that the higher the job satisfaction, the higher the effect of compensation on job quality.

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