

The Effect of Compensation and Motivation on Employee Job Satisfaction Department of Transportation, Subulussalam City

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Abstract

Employee job satisfaction is an employee's emotional condition where there is a match between the expected level and the real value of remuneration paid by the organization. Employee satisfaction will be reflected in the employee's feelings towards the institution in the form of a positive attitude towards his work. However, if there is no job satisfaction, employees tend to take aggressive actions, resigning from the organization.

The population in this study was all employees of the Transportation Agency in Subulussalam which is 103 respondents. Data collection techniques used was questionnaires and literature study. Questionnaire will be tested for validity and reliability aspect. Furthermore, data analysis was carried out using multiple linear regression and coefficient of determination. Hypotheses testing using t test and F test.

The results of this study indicate that there is a significant effect of compensation and motivation on job satisfaction in Transportation Agency in Subulussalam, both partially and simultaneously. The significance of compensation and motivation in job satisfaction is 59%, while the remaining 41% is explained by other variables that are not included in this research model.

Keywords: Competency, Motivation, and Satisfaction

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I. Introduction

Transportation Agency in Subulussalam as a representative of the government to provide direct services to the community, therefore the government expects every employee is engaged in providing excellent services directly or indirectly. Every employee is required to give their best performance in providing services to the community. Job satisfaction is a picture of perceived performance and expectations.

Employee job satisfaction is a match between the expected level and the real value of remuneration paid by the organization. Employee satisfaction will be reflected in the employee's feelings towards the institution in the form of a positive attitude towards his work. However, if there is no job satisfaction, employees tend to take aggressive actions, resigning from the organization. Therefore, it is necessary to conduct an in-depth study to find out problems related to employee job satisfaction in Transportation Agency in Subulussalam. Employee satisfaction with compensation will be able to influence employee behavior to work more enthusiastically and spur high levels of their job satisfaction.

Every employee in an organization has a desire to get compensation in accordance with their expectations. If these expectations are met, then the employee will always be satisfied with their work which will eventually be enthusiastic about working. Handoko (2011) states that if employees view compensation as inadequate, their job satisfaction will also be low, which will ultimately have a negative impact on the organization. To be able to increase employee job satisfaction, it cannot be separated from the motivation carried out by the leadership before doing work.

Steers (1985) stated that one of the factors that can affect employee job satisfaction is employee's work motivation. Work motivation is the provision of motion that creates a person's enthusiasm so that they want to work together, work effectively and be integrated with all efforts to achieve job satisfaction (Hasibuan 2014). Lack of work motivation can affect job satisfaction which in turn will erode organizational performance in achieving its goals.

II. Literature Review

Compensation

Compensation is a cost for the company. The company hopes that the compensation paid will result in greater work performances, so that the company can earn bigger profits and ensure continuity. Performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Hita, et al, 2013). According to Hasibuan (2014) "Compensation is all income in the form of money, goods directly or indirectly received by employees in return for what is given to the company". According to Handoko (2011) "Compensation is everything received by workers as compensation for their work", while Veithzal (2014) suggests that "compensation is something that employees receive as a substitute for their service contribution to the company".

Motivation

Companies put great attention on motivation because it causes and supports employees' behavior of working hard and enthusiastically in order to achieve optimal results. Motivation is increasingly important because managers share work with their subordinates to be done well and integrated into the desired goals. Hasibuan (2014) suggests that motivation is the provision of a driving force that creates work enthusiasm so that they want to work together, work effectively and integrate with all their power and efforts to achieve satisfaction. Meanwhile, according to Manullang (2010) motivation is the work done by a manager in providing inspiration, enthusiasm and support to others, in this case employees to take actions. Giving encouragement aims to activate people/employees so that they are enthusiastic and excited on achieving the desired results. Motivation serves as a driving force or encouragement for employees to work diligently in order to achieve company goals as well. According to Mangkunegara (2012) motivation at work is a condition that has an effect on generating, directing and maintaining behavior related to the work environment. According to Hadari and Nawawi (2010), motivation is a condition that encourages or causes someone to do an act or activity that takes place consciously.

Satisfaction

Job satisfaction is one of the most important factors to get optimal work results. When someone feels satisfied at work, of course he will try his best with all his abilities to complete his task. Someone with a high level of job satisfaction shows a positive attitude towards the job and otherwise. According to Winardi (2004) Job satisfaction is an end state arising from the achievement of certain goals as previously expected. Sopiah states (2008), job satisfaction is a person's emotional response to work situations and conditions, emotional responses can be in the form of feeling satisfied (positive) or dissatisfied (negative). If emotionally satisfied means job satisfaction is achieved and vice versa Job satisfaction is felt by the employee after comparing their expectation and what the employee actually gets from his work.

Theoretical Framework

The theoretical framework is how the researcher translates the perspectives scheme of conducting research. The framework that underlies this research comes from the background of the problem and a theoretical study that aims to discuss and explain the implementation of compensation and motivation on job satisfaction.

The theoretical framework of this research can be seen in Figure 1 as follows:

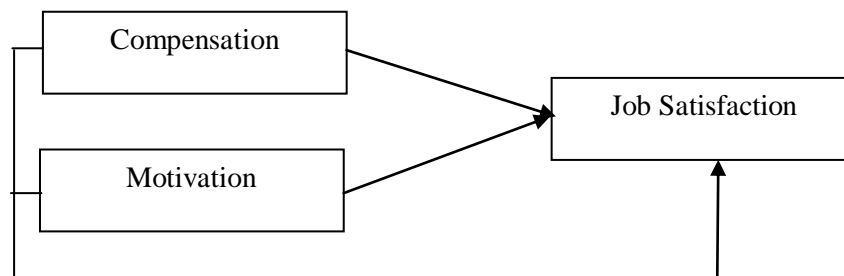


Figure 1: Theoretical Framework

Hypotheses

Based on the research problem and the theoretical framework in this study, the hypotheses in this study can be written as follows:

1. There is an effect of work compensation on employee job satisfaction at the Transportation Agency of Subulussalam City.

2. There is an effect of work motivation on employee job satisfaction at the Transportation Agency of Subulussalam City.
3. There is an effect of work compensation and work motivation on employee job satisfaction at the Transportation Agency Subulussalam.

Research Methods and Materials

Quality of The Data

a. Validity Test

The purpose of the validity test is to measure the accuracy of a research instrument. In other words, validity test is carried out to determine the extent to which the questions used are reflecting the idea. The criteria for this test is done by comparing the value of correlation each question item to the total (r_{count}) with r_{table} , where the question item is said to be valid if r_{count} is greater than r_{table} ($r_{count} > r_{table}$).

b. Reliability Test

Reliability test is carried out to ensure that the instrument used is trustworthy, consistent, stable and dependable, so that produce the same result if it uses repeatedly. High reliability is indicated by a value of 1, reliability is considered satisfactory or high if the value is greater than or equal to 0.60. In this test, the Cronbach Alfa technique was used.

Population and Sample

The sample according to Kuncoro (2009) is part of the total population which is the actual source of data in the study taken using certain methods. Thus, it can be concluded that the sample is a representative number of the population that will be used as research respondents.

Based on the population in this study which is not too large or too small, the number of samples in this study can be determined by using a saturated sample. Saturated sample is considered to be the best method to be implemented. The number of samples in this study were 103 respondents.

Data Collection Technique

The types and sources of data used in this study are:

1. Primary data obtained by conducting interviews (interviews) and distributing a list of questions (questionnaires).
2. Secondary data was obtained through a literature study by collecting official documents issued by the Transportation Agency in Subulussalam such as a brief history, organizational structure, number of administrative employees and other complimentary documents.

Data Analysis Technique

Data processing is carried out with SPSS V.26 The analytical model that will be used in this study is Multiple Linear Regression Analysis (Sugiyono, 2017):

$$Y = a + b_1X_1 + b_2X_2$$

Where:

- Y = Job Satisfaction
- a = Konstanta
- b_1 = Coefficient regression of variabel X_1
- b_2 = Coefficient regression of variabel X_2
- X_1 = Compensation
- X_2 = Motivation

III. Results

Validity Test

Competency (X_1)

Based on the processed data, it is shown that the results of validity test on the Competency variable (X_1) are as follows:

Table 1
Validity Test of Competency (X_2)

Questionnaire Item	r_{test}	r_{table}	Results
Competency 1	0,745	0,195	Valid

Competency 2	0,844	Valid
Competency 3	0,859	Valid
Competency 4	0,818	Valid
Competency 5	0,573	Valid
Competency 6	0,525	Valid

Source: Primary Data Processed, 2020

All indicators on competency variable have met the validity requirements, namely $r_{test} > r_{table}$. Therefore, these indicators can be used to measure the variables of this study.

Motivation (X2)

Based on the processed data, it is shown that the results of validity test on the Motivation variable (X2) are as follows:

Table 2
Validity Test of Variable (X₂)

Questionnaire Item	r_{test}	r_{table}	Results
Motivation 1	0,531	0,195	Valid
Motivation 2	0,701		Valid
Motivation 3	0,850		Valid
Motivation 4	0,538		Valid
Motivation 5	0,827		Valid

Source: Primary Data Processed, 2020

Table 2 shows that all indicators on motivation have met the validity requirements, $r_{test} > r_{table}$. Therefore, these indicators can be used to measure the variable of this study.

Job Satisfaction (Y)

Based on the processed data, it is shown that the results of validity test on the Job Satisfaction variable (Y) are as follows:

Table 3
Validity Test of Job Satisfaction (Y)

Questionnaire Item	r_{test}	r_{table}	Results
Job Satisfaction 1	0,704	0,195	Valid
Job Satisfaction 2	0,729		Valid
Job Satisfaction 3	0,709		Valid
Job Satisfaction 4	0,727		Valid
Job Satisfaction 5	0,679		Valid
Job Satisfaction 6	0,713		Valid
Job Satisfaction 7	0,691		Valid
Job Satisfaction 8	0,309		Valid

Source: Primary Data Processed, 2020

Table 3 shows that all indicators on job satisfaction have met the validity requirements, $r_{test} > r_{table}$. Therefore, these indicators can be used to measure the variable of this study.

Reliability Test

The criteria used to show the reliability of the indicator is to compare the calculated Cronbach Alpha value with the standard calculated Cronbach Alfa value of 0.60. If the calculated Cronbach Alpha value is $>$ Cronbach Alfa Standard (0.600), the indicator is declared reliable. The results of the reliability test can be seen in the following table:

Table 4
Reliability Test Results

Variable	Cronbach Alfa Test	Cronbach Alfa Standard	Results
Competency (X ₁)	0,826	0,600	Reliable

Motivation (X ₂)	0,729	Reliable
Job Satisfaction (Y)	0,811	Reliable

Source: Primary Data Processed, 2020

Table 4 shows that all variables have met the reliability test requirements, where the calculated Cronbach Alfa value is greater than the standard Cronbach Alfa value. Therefore, it can be concluded that the indicators of the variables have a good level of consistency in measuring these variables.

Classical Assumption Tests

Normality Test

This test will be carried out in 2 stages. The first stage will be presented in the form of figures, Histogram and Normal Probability Plot methods. The second stage is the Kolmogorov-Smirnov test. The results of this test are as follows:

Histogram

The data is processed using SPSS. Based on the processed data, the resulting Data Normality Test using P-Plot is as follows:

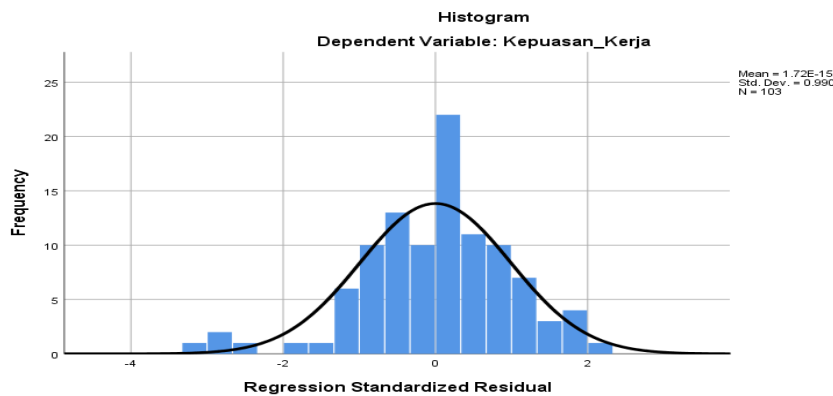


Figure 2
Normality Test Histogram

Figure 2 show that the curve has formed a perfect bell. It means the data is normally distributed. To ensuring the confidence level, normality test will be done using the Normal Probability Plot.

Multicollinearity Test

Multicollinearity can be detected from the Tolerance value in the Collinearity Statistic column. The VIF value must be less than 5. To results are as follow:

Table 5
Multicollinearity Test
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	6.156	2.481		2.481	.015		
Kompensasi	.324	.112	.229	2.895	.005	.654	1.530
Motivasi	.932	.121	.610	7.703	.000	.654	1.530

a. Dependent Variable: Job Satisfaction

In Table 5, it is known that the Compensation (X₁) and Motivation (X₂) variables have a VIF value of 1.530. The VIF value of each independent variable is smaller than 5. This shows that all variables are free from the multicollinearity problem.

Heteroscedasticity Test

Heteroscedasticity testing aims to see whether in the regression model there is a variable inequality of the residual from each observation:

1. Scatterplot Method

In this test, the Scatterplot method is used which can be seen in the following figure:

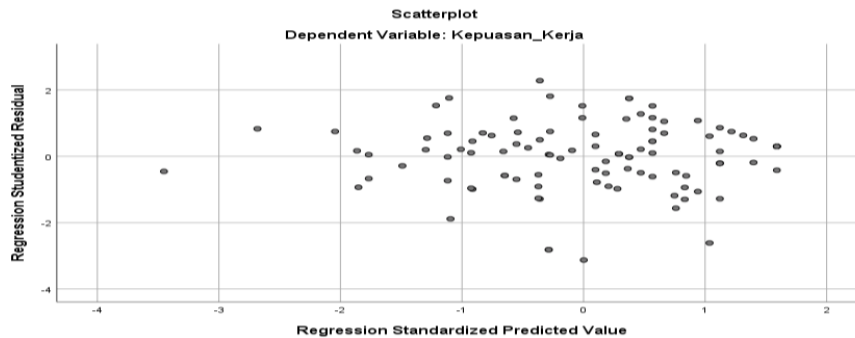


Figure 3
Heteroscedasticity Testing Scatterplot Method

The results are declared free from heteroscedasticity if the points in the image are evenly distributed. The figure showed that the points are spread evenly between points 0. It can be concluded that the data is free from the heteroscedasticity.

Assumption of Multiple Linear Regression Equation

Based on the data processing that has been done, it can be seen that the constructed model of the multiple linear regression analysis is seen from the following table:

Table 6
Multiple Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	6.156	2.481		2.481	.015
Compensation	.324	.112	.229	2.895	.005
Motivation	.932	.121	.610	7.703	.000

Based on Table 6, this research model can be arranged as follows:

$$Y = 6.156 + 0,324X_1 + 0.932X_2$$

Hypothesis testing

Simultaneous Testing (F Test)

To determine the value of df2, the formula $n - k$ can be used, where n is the number of respondents and k is the number of independent variables plus the dependent variable, so it can be determined that the value of df2 is $103 - 3 = 100$. Based on the confidence level of 95% and the level of Alpha is 5% with two-sided research method, it can be determined that the value of F table is 3.09. Simultaneous test was conducted to see the significance level of compensation and motivation on job satisfaction. The results of this test can be seen in the table below:

Table 7
Hypotheses Testing F Test ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1155.525	2	577.763	71.864	.000 ^b
Residual	803.970	100	8.040		

Total	1959.495	102		
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- a. Dependent Variable: Job_Satisfaction
- b. Predictors: (Constant), Motivation, Compensation

Based on the results in Table 7 and the value of F_{table} , it can be seen that the value of $F_{test} > F_{table}$, where the value of F_{test} is 71.864 which is greater than F_{table} of 3.09 ($71.864 > 3.09$) with the probability value in this test is 0.000. The probability value is smaller than the alpha value (0.05). Therefore, it can be concluded that compensation and motivation have a significant effect on job satisfaction at the Transportation Agency in Subulussalam.

Partial Test (t Test)

Based on the confidence level of 95% and the Alpha level of 5% with a two-sided research method, it can be determined that the value of degrees of freedom in this study using the formula $n - k - 1$, where n is the number of respondents and k is the number of independent variables in this research. Based on the amount of data in this study as many as 103 respondents, the value of the degrees of freedom in this study is $103 - 2 - 1 = 100$. With the number of degrees of freedom of 100, it can be determined that the value of t_{table} is 1.983. This test aims to see the level of significance of each independent variable, compensation and motivation on job satisfaction which can be seen in the table below:

Table 8
Hypotheses Testing Partially
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
1 (Constant)	6.156	2.481		2.481	.015		
Compensation	.324	.112	.229	2.895	.005	.654	1.530
Motivation	.932	.121	.610	7.703	.000	.654	1.530

a. Dependent Variable: Job_Satisfaction

Table 8 shows the results of partial hypothesis testing. It is known that the compensation variable has a t_{test} value of 2.895, t_{table} value, the resulting $2.895 > 1.983$ with a significance level of 0.005 is smaller than the research alpha value of 0.05, thus it can be concluded that compensation has a significant effect on job satisfaction at the Transportation Agency in Subulussalam.

The motivation variable has a t_{test} value of 7.703 comparing with the t_{table} value, the result is $7.703 > 1.983$ with a significance level of 0.000 is smaller than the research alpha value of 0.05, thus it can be concluded that motivation has a significant effect on employee job satisfaction at the Transportation Agency in Subulussalam.

Coefficient of Determination

This determination test is to see how much compensation and motivation can explain job satisfaction. To be able to know the magnitude value can be seen in the following table:

Tabel 9
Coefficient of Determination
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768 ^a	.590	.581	2.83544

- a. Predictors: (Constant), Motivation, Compensation
- b. Dependent Variable: Job_Satisfaction

Based on table 9, it is known that the R_{Square} value is 0.590 or equal to 59%. It means that compensation and motivation are able to explain the job satisfaction of employees at the Transportation Agency in Subulussalam with the proportion of 59%, the remaining 41% is explained by other variables that are not included in this research model.

IV. Discussions

The results of this study indicate that the compensation received by employees of the Transportation Agency in Subulussalam has a positive impact on increasing job satisfaction. According to Casco in Kartjantoro (2004) which states that reward is one of the factors needed to assess the performance of an employee which will ultimately create employees' satisfaction. Every employee who receives compensation that is satisfactory and fulfilling the needs of the employee causes an increase in employee job satisfaction. The sense of comfort causes employees to have a good level of job satisfaction. The results of this study are in line with the research conducted by Rozzaid, et al (2015); Paramita, et al (2018); Damayanti and Julinar (2019) which states that compensation has a positive and significant effect on job satisfaction.

Motivation directly affects job satisfaction. Providing incentives can increase employee motivation so as to increase employee job satisfaction. In line with this, as stated by As'ad (2004) that motivation is something that gives rise to enthusiasm or work motivation, it determines the performance level of employee of Transportation Agency in Subulussalam.

V. Conclusions

Based on the previous explanations, the following conclusions can be drawn:

1. There is a significant effect of compensation on employee job satisfaction at the Transportation Agency in Subulussalam. The significance proportion is 0.324. The value illustrates that if the compensation is increased, satisfaction is increased as well which resulted on better work performance.
2. There is a significant effect of motivation on job satisfaction at the Transportation Agency in Subulussalam. The significance proportion is 0.324. This illustrates that increased motivation will increase job satisfaction as well.
3. There is a significant effect of compensation and motivation on job satisfaction at the Transportation Agency in Subulussalam. The amount of compensation and motivation in explaining employee satisfaction at the Transportation Agency of Subulussalam City is 59%, while the remaining 41% is explained by other variables that are not included in this research model.

VI. Suggestions

Based on the explanations that have been concluded, the suggestions that can be given are as follows:

1. Compensation is one of the important factors in changing and increasing employee job satisfaction at work. It is known that compensation has an effect on employee job satisfaction at work. Therefore, to be able to further increase employee job satisfaction, the company's management can provide compensation such as incentive, bonuses for outstanding performance of an employee. Besides, the employee should be warned in the form of reducing their allowances in any form for their poor performance. Furthermore, the provision of compensation is supposed to be based on their workload as well, higher duties higher incentives.
2. It is recommended to the leader of Transportation Agency in Subulussalam to continuously deliver motivational speech in each briefing, provide rewards, as well as punishment.

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