

Determinants of Job Satisfaction

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Abstract

This research aims to examine the influence of compensation and organizational climate on job satisfaction in moderating organizational commitment at the Bank Indonesia Representative Office in North Sumatra Province. Human Resource Management (HRM) is an important factor and the heart of every business. This is caused by the vigilant attitude of the human resources management team towards the workforce of each employee in the company. The results of this research are as follows: Compensation has a negative and insignificant effect on Job Satisfaction and is moderated by organizational commitment with a value of -0.019 and a value of 0.455. Organizational climate has a negative and insignificant effect on job satisfaction and is moderated by organizational commitment with a value of -0.074 and a value of 0.296. Organizational climate has a positive and significant effect on job satisfaction with a value of 0.273 and a value of 0.045. Organizational Commitment has a positive and significant effect on Job Satisfaction with an original sample value of 0.496 and ap value of 0.000. Compensation has a positive and significant effect on Job Satisfaction with an original sample value of 0.215 and ap value of 0.006.

Keywords: Compensation, Organizational Climate, Organizational Commitment, Job Satisfaction.

INTRODUCTION

The operational efficiency of a business is greatly influenced by the human element itself. Therefore, this is what shows the need for careful consideration, especially regarding human dignity and worth. Modern businesses today emphasize human resource management through the implementation of human resource management programs. The human resource management initiatives mentioned above will return to employee loyalty, work performance, and employee promotion-related skills that can be utilized by an employee. Human resources play an important role in agency activities, because in any case the progress and success of an agency cannot be separated from the role and ability of good human resources. Employees are people who work in an organization or in a government agency or business entity and receive wages for their services. Compensation is a psychological state that describes the relationship between commitment and work production and has consequences for an individual's decision to stay or leave the company. The psychological state for each type of commitment, however, is very different. This is because the issue of pay equity will be associated with the employee's ability to meet all their daily needs. Furthermore, the issue of pay equity reveals the philosophy of leadership or the organization on how to treat its personnel. Compensation is one way to improve employee performance. Designing an appropriate compensation system in accordance with employee performance reports and achievements that employees have given to the company is the right step to provide welfare for employees. Compensation is not only seen from educational background, length of service, and position but also seen from employee performance reports and achievements. As is known, compensation consists of basic salary and incentives. Organizational climate is the environment faced by the organization in making decisions. According to Berberoglu (2018), organizational climate is an individual's perception of their work environment. Commitment is a person's trust and acceptance of the organization to survive and be loyal to the interests of the organization so as to form high loyalty in maintaining its membership.

This commitment must be possessed by every member of the organization or someone who works in a company to achieve common goals. In many organizations, organizational commitment is one of the absolute requirements in holding certain managerial positions. Organizational commitment is employee loyalty to the organization, which is reflected in their high involvement in achieving organizational goals. Employee loyalty is reflected through the willingness and desire of employees to always try to be part of the organization, as well as their strong desire to survive. Job satisfaction is quite an interesting and important issue, because it has proven to be very beneficial for the interests of individuals, industry and society. The job satisfaction factor is something that is individual about a person's feelings towards their work. Each individual has a different level of satisfaction. If employees are very satisfied with their work and experience positive emotions while working, they can do their jobs better and choose to stay in the organization for a longer period of time. Therefore, employee job satisfaction is very important for the success of an organization because employees who are satisfied with their work will be better at fulfilling their duties, positive feelings that grow because of employee job satisfaction also foster creativity, improve problem-solving skills, and decision-making

Formulation of the problem

1. Does Compensation have a positive and significant effect on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province?
2. Does Organizational Climate Have a Positive and Significant Influence on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province?
3. Organizational Commitment has a positive and significant influence on Job Satisfaction at the Bank Indonesia Representative Office, North Sumatra Province.
4. Can Organizational Commitment moderate Compensation at the Bank Indonesia Representative Office, North Sumatra Province?
5. Can Organizational Commitment Moderate Organizational Climate at the Bank Indonesia Representative Office, North Sumatra Province?

Research purposes

1. To determine and analyze the influence of Compensation on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province.
2. To determine and analyze the influence of Organizational Climate on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province.
3. To determine and analyze the influence of Organizational Commitment on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province.
4. To determine and analyze the influence of organizational commitment in moderating compensation on job satisfaction at the Bank Indonesia Representative Office, North Sumatra Province.
5. To determine and analyze the influence of organizational commitment in moderating organizational climate on job satisfaction at the Bank Indonesia Representative Office, North Sumatra Province.

LITERATURE REVIEW

Job satisfaction

Job satisfaction is an effectiveness or emotional response to various work factors, and employee feelings about whether a job is enjoyable or not. Generally towards a person's work that shows the difference between the amount of appreciation received by workers and

the amount they believe they should receive (Afandi 2021). According to Fattah (2017) job satisfaction can be interpreted to see feelings of pleasure or displeasure with the work being done.

Job Satisfaction Indicators

According to Afandi (2021), job satisfaction indicators are as follows:

- 1) Work, the content of the work that a person does can be a factor in job satisfaction;
- 2) Wages, the amount of payment a person receives as a result of doing his work, whether it is in accordance with the needs that are felt to be fair;
- 3) Supervisor, someone who always gives orders or directions in carrying out their work; And
- 4) Co-workers, someone who constantly interacts in carrying out work can make work enjoyable or unpleasant.

Compensation

According to Hasibuan (2017) Compensation is all income in the form of money, goods directly or indirectly received by employees as compensation for services provided to the company. The provision of compensation can also reflect the status, position or position, and also the length of service of an employee of the company. Sutrisno (2017) stated that compensation is one of the important functions in human resource management (HRM).

Compensation Indicators

According to Hasibuan (2017) compensation indicators are:

1. Salary is money given every month to employees as compensation for their contributions.
2. Wages are rewards given directly to employees based on working hours.
3. Incentives are financial rewards given directly to employees whose performance exceeds specified standards.
4. Allowances are compensation given to certain employees as a reward for their sacrifices.
5. Facilities are supporting facilities provided by the company organization.

Organizational Climate

Understanding Organizational Climate

According to Wirawan (2017) organizational climate describes the state of the internal environment of the organization and is rooted in organizational culture. According to Darodjat (2015) organizational climate is something that can be measured in the work environment, both directly and indirectly, affecting employees and their work where they work.

Organizational Climate Indicators

According to Wirawan (2017), the indicators of Organizational Climate are:

- a. Responsibility is the feeling of being a leader for yourself without always having to double check all the decisions taken, when an employee gets a job, the employee concerned knows that it is his job.
- b. Identity is a feeling of belonging to a company and being accepted in a group within the work environment.
- c. Warmth is a feeling of a friendly work atmosphere and is more emphasized on conditions of friendliness or friendship in informal groups, as well as good relationships between co-workers.

- d. Support is things related to support and relationships between fellow co-workers, namely feelings of mutual help between leaders and employees, with more emphasis on the mutual support between superiors and subordinates.
- e. Conflict is a situation of conflict or difference of opinion between subordinates and superiors and subordinates with subordinates.

Organizational Commitment

Understanding Organizational Commitment

According to Priansa (2016) organizational commitment is employee loyalty to the organization, which is reflected in high involvement in achieving organizational goals. Employee loyalty is reflected in the employee's willingness to always try to be part of the organization and a strong desire to stay in the organization. According to Robbins (2016) organizational commitment is defined as a condition where an employee sides with the organization and its goals and willingness to maintain membership in a particular job of an employee, while high organizational commitment means siding with the organization and recruiting the individual.

Organizational Commitment Indicators

According to Robbins (2016), the indicators of organizational commitment are:

1. Affective commitment, namely an emotional feeling towards the organization and belief in values.
2. Continuance commitment is the perceived value of remaining in the organization compared to leaving the organization.
3. Normative commitment, namely the obligation to remain in an organization for moral and polite reasons.

Conceptual Framework

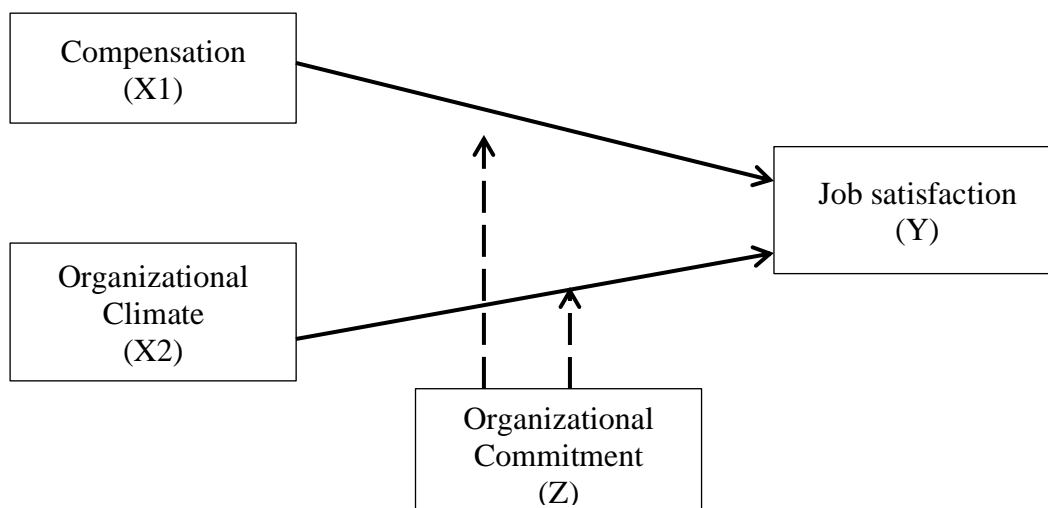


Figure 1. Conceptual Framework

Hypothesis

The hypothesis of this study is as follows:

- H1 Compensation has a positive and significant effect on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province.

- H2 Organizational Climate has a positive and significant influence on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province.
- H3 Organizational Commitment has a positive and significant influence on Job Satisfaction at the Bank Indonesia Representative Office, North Sumatra Province.
- H4 Organizational Commitment can moderate Compensation on Job Satisfaction at the Representative Office of Bank Indonesia, North Sumatra Province.
- H5 Organizational Commitment can moderate Organizational Climate towards Job Satisfaction at the Bank Indonesia Representative Office, North Sumatra Province.

METHOD

Types of research

According to Sugiyono (2018), quantitative data is a research method based on positivity (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being researched to produce a conclusion.

Time and Place of Research

This research was conducted from September to October 2024. This research was conducted at the Bank Indonesia Representative Office, North Sumatra Province, Jalan Balai Kota No. 4 Medan.

Population

According to Sugiyono (2018), population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to study and then draw conclusions.

Sample

The sample of this study was all the population at the Bank Indonesia Representative Office of Sumatra Province, totaling 70 employees using the saturated sampling technique. According to Sugiyono (2018), a sample is the sum of the parts of the number and characteristics possessed by the population.

Data source

The research data source used by researchers is a primary data source, the primary data source is the researcher obtains data directly. Sugiyono (2018) Primary data sources are data sources that directly provide data to data collectors or researchers.

Data collection technique

The data collection technique used is a questionnaire, the researcher will distribute the questionnaire to the respondents who are the sample. According to Sugiyono (2018), a questionnaire is a data collection technique carried out by giving a set of written questions or statements to respondents to answer.

Data Analysis Methods

The statistical test tool used in this study is the variance-based structural equation test or better known as Partial Least Square (PLS) using SmartPLS 3.0 software. According to Imam Ghozali (2006), the Partial Least Square (PLS) method explains that the variance-

based structural equation model (PLS) is able to describe latent variables (not directly measured and measured using indicators (manifest variables)).

Outer model

This model includes testing individual item reliability, internal consistency or construct reliability, Average variance extracted. The three measures are grouped based on convergent validity which measures the degree of correlation between variables and latent variables. In addition to convergent validity, there is also discriminant validity testing. Measurement modeling is carried out to determine the relationship between variables and their indicators. This individual item reliability test describes the correlation between each measurement item (metric) and its structure in the standardized loading factor value. If the ideal load factor value is greater than 0.5, this indicator is valid as an indicator that can measure the structure. Furthermore, internal consistency measurements are carried out which are evaluated with composite reliability with a minimum value of 0.7.

Inner model

Structural model measurement is carried out by researchers to determine the relationship between hypothesized structures. In this model, there are several steps to carry out the evaluation. The first step is to check the significance of the relationship between variables. This can be seen from the path coefficient which describes the strength of the relationship between variables. The size of the path coefficient (β) which has a threshold value greater than 0.2 means that the path has an effect on the model.

The second step is to test the T-test value with the bootstrapping method using a two-tailed test with a significance level of 5% to test the research hypothesis. If the T-test value is greater than then the research hypothesis developed can be accepted.

The third step is to evaluate the value R^2 (coefficient of determinant). This value explains the variance of each target variable with a standard size of around 0.75 is stated as strong, around 0.5 is moderate, and less than 0.25 indicates a low level of variance.

RESULTS AND DISCUSSION

Outer Model Analysis

The measurement model test (outer model) is used to determine the relationship between latent and manifest variables. The test has convergent validity, discriminant validity, and reliability.

Convergent Validity

This test is seen from the loading factor; the limit value is 0.7, and the limit value Average Variance Extracted (AVE) is 0.5; if it exceeds this number then it is said to be valid. This means that the indicator value is considered valid if it describes the build variable with a value greater than 0.7. The structural model used in this study is depicted in the figure below:

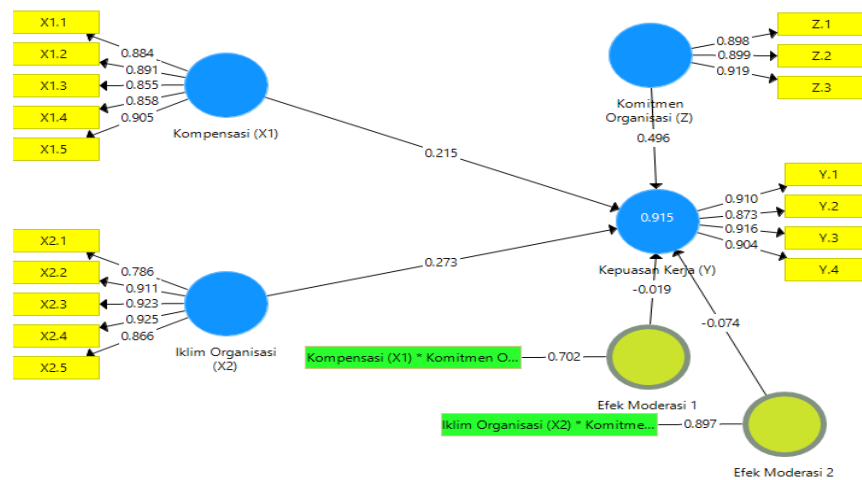


Figure 2. Outer Model
Source: Smart PLS 3.3.3.

Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there are equations and equations consist of two equations.

$$Y = b_1X_1 + b_2Z + b_3X_1Z + e_1$$

$$Y = 0.215 X_1 + 0.496Z - 0.019X_1Z + e_1$$

$$Y = b_2X_2 + b_3Z + b_4X_2Z + e_2$$

$$Y = 0.273X_2 + 0.496 Z - 0.074 X_2Z + e_2$$

Table 1. Outer Loadings

	Organizational Climate (X2)	Job Satisfaction (Y)	Organizational Commitment (Z)	Compensation (X1)
X1.1				0.884
X1.2				0.891
X1.3				0.855
X1.4				0.858
X1.5				0.905
X2.1	0.786			
X2.2	0.911			
X2.3	0.923			
X2.4	0.925			
X2.5	0.866			
Y.1		0.910		
Y.2		0.873		
Y.3		0.916		
Y.4		0.904		
Z.1			0.898	
Z.2			0.899	
Z.3			0.919	

Source: Smart PLS 3.3.3.

Table 1 above shows the value of each variable, and states that the indicator of each variable is greater than 0.7, which means that each indicator item has a value greater than 0.7, which indicates that the data is original and can be subjected to additional research.

Discriminant Validity

Further research will determine the validity of the data using Discriminate Validity, with the aim of finding out whether the cross loading value is greater than other latent variables in order to find out the findings of indicators that have a strong relationship with the concept. The following table shows the findings of cross loading from the validity test, as follows:

Table 2. Discriminant Validity

	Organizational Climate (X2)	Job Satisfaction (Y)	Organizational Commitment (Z)	Compensation (X1)
X1.1	0.710	0.740	0.704	0.884
X1.2	0.729	0.751	0.747	0.891
X1.3	0.765	0.774	0.731	0.855
X1.4	0.794	0.779	0.805	0.858
X1.5	0.825	0.781	0.775	0.905
X2.1	0.786	0.752	0.733	0.830
X2.2	0.911	0.815	0.846	0.731
X2.3	0.923	0.856	0.885	0.776
X2.4	0.925	0.844	0.861	0.769
X2.5	0.866	0.823	0.800	0.752
Y.1	0.844	0.910	0.851	0.775
Y.2	0.804	0.873	0.807	0.731
Y.3	0.847	0.916	0.870	0.832
Y.4	0.844	0.904	0.859	0.800
Z.1	0.785	0.817	0.898	0.775
Z.2	0.868	0.873	0.899	0.767
Z.3	0.884	0.862	0.919	0.787

Source: Smart PLS 3.3.3.

It can be seen in the table above that the cross loading factor value of each variable and its indicators can be explained that the cross loading value of each variable gets a greater value than the cross loading on other latent variables for each variable, meaning that this study is discriminantly valid.

Composite reliability

In composite reliability research, each variable is evaluated using its reliability value; if the variable value is greater than 0.60 then the research is considered reliable; if between 0.60 and 0.7, then it is not reliable. The table below shows the Coranbach alpha, composite reliability, and AVE values, which are used to determine whether the research is reliable and valid.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Moderation Effect 1	1,000	1,000	1,000
Moderation Effect 2	1,000	1,000	1,000
Organizational Climate (X2)	0.929	0.947	0.781
Job Satisfaction (Y)	0.922	0.945	0.812
Organizational Commitment (Z)	0.890	0.932	0.819
Compensation (X1)	0.926	0.944	0.772

Source: Smart PLS 3.3.3.

In table 3 above, the Cronbach alpha column shows the value of each variable is greater than 0.7, indicating that the variable's dependability data is reliable. The composite reliability column has a value greater than 0.6, indicating that each variable is considered reliable because the data exceeds 0.6. The AVE column shows that each variable has a value greater than 0.7, indicating that the data is authentic in terms of AVE. All variables in the Cronbach alpha, reliability, and AVE columns have values above 0.7 and 0.6, indicating reliability and validity.

Inner Model Analysis

Structured model evaluation (inner model) is conducted to ensure that the basic model is accurate and well-built. The stages of examination conducted in the primary model assessment can be seen from several markers, namely:

Coefficient of Determination (R²)

Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as follows:

Table 4. R Square Results

	R Square	Adjusted R Square
Job Satisfaction (Y)	0.915	0.908

Source: Smart PLS 3.3.3.

In table 4, there is an Rsquare value for the Job Satisfaction variable of 0.915 or 91.5%, meaning that the influence of compensation, organizational climate and organizational commitment on job satisfaction is 0.915 or 91.5% and the rest is in other variables.

Hypothesis Testing

After examining the inner model, the next step is to investigate the relationship between idle build, as suggested in this review. In this review, speculative testing is performed using T-Statistics and P-values. Speculation is made whether the T-Insights value is greater than 1.96 and P-Values <0.05. The following are the consequences of the direct impact path coefficients:

Table 5. Hypothesis and Moderation Effect

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Moderation Effect 1 -> Job Satisfaction (Y)	-0.019	0.112	0.455	Rejected
Moderation Effect 2 -> Job Satisfaction (Y)	-0.074	0.538	0.296	Rejected
Organizational Climate (X2) -> Job Satisfaction (Y)	0.273	1,694	0.045	Accepted
Organizational Commitment (Z) -> Job Satisfaction (Y)	0.496	3,326	0,000	Accepted
Compensation (X1) -> Job Satisfaction (Y)	0.215	2,548	0.006	Accepted

Source: Smart PLS 3.3.3.

In table 5 there are the results of the hypothesis, which will be explained as follows:

1. Compensation has a negative and insignificant effect on Job Satisfaction and is moderated by organizational commitment with a value of -0.019 and p values of 0.455, meaning that organizational commitment is not a moderating variable because it is unable to have a significant effect, perhaps in other studies with different titles and different places, organizational commitment can have a significant effect if used as a moderating variable.
2. Organizational Climate has a negative and insignificant effect on Job Satisfaction and is moderated by organizational commitment with a value of -0.074 and p values of 0.296, meaning that organizational commitment is not a moderating variable because it cannot have a significant effect when it becomes a moderating variable, perhaps these results are different from previous researchers.
3. Organizational climate has a positive and significant effect on job satisfaction with a value of 0.273 and p values of 0.045. If a good organizational climate increases, job satisfaction will increase, conversely, if it decreases, job satisfaction will decrease.
4. Organizational Commitment has a positive and significant effect on Job Satisfaction with an original sample value of 0.496 and p values of 0.000. If organizational commitment increases, job satisfaction increases, conversely, if organizational commitment decreases, job satisfaction decreases.
5. Compensation has a positive and significant effect on Job Satisfaction with an original sample value of 0.215 and p values of 0.006. If compensation increases, job satisfaction increases, conversely, if it decreases, job satisfaction decreases.

CLOSING

Conclusion

1. Compensation has a negative and insignificant effect on Job Satisfaction and is moderated by organizational commitment with a value of -0.019 and p values of 0.455.
2. Organizational climate has a negative and insignificant effect on job satisfaction and is moderated by organizational commitment with a value of -0.074 and p values of 0.296.
3. Organizational Climate has a positive and significant effect on Job Satisfaction with a value of 0.273 and p values of 0.045.
4. Organizational Commitment has a positive and significant effect on Job Satisfaction with an original sample value of 0.496 and p values of 0.000.
5. Compensation has a positive and significant effect on Job Satisfaction with an original sample value of 0.215 and p values of 0.006.

Suggestion

1. The organization must provide compensation that is appropriate to the position and work results of the employee to stabilize employee performance.
2. The organization must provide a good climate for employees in the organization.
3. Organizations must increase employee organizational commitment or seek employees who are willing to commit to the organization.
4. The organization must be able to create employee satisfaction with their work for the organization.
5. It is hoped that this research will be used as input for organizational weaknesses and deficiencies so that they can be overcome.
6. It is hoped that this research can be used as reference material for new research with other titles and research models.

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