

## The Influence of Compensation on The Level of Job Satisfaction in The Department of Women's Empowerment, Child Protection and Binjai City Communities

Endah Rahayu<sup>1</sup>, Abdi Sugiarto<sup>2</sup>

Magister Manajemen, Universitas Pembangunan Panca Budi, Indonesia

\*E-mail Correspondence: [sugiarto@dosen.pancabudi.ac.id](mailto:sugiarto@dosen.pancabudi.ac.id)

### Abstract

The purpose of this research is to determine and analyze the influence of compensation on job satisfaction at the Department of Women's Empowerment, Child Protection and Community Services in Binjai City. This research was conducted using a causal associative quantitative approach. The sample used was all employees with a total of 61 people taken using proportional sampling. The research results show that compensation has a positive and significant effect on job satisfaction. This is shown by the T-count value of T-count of 13.204 > t table 1.67109, with a significance value of  $0.000 < 0.05$ . The regression coefficient shows that if compensation is increased by 1 unit, then job satisfaction will increase by 0.826 units assuming other variables remain constant. Apart from that, the results of the determination test show an Adjusted R Square value of 0.743 or 74.30%, which indicates that compensation has a high influence on job satisfaction, while the remaining 25.70% is influenced by other factors that have not been studied. Thus, partially, compensation has a positive and significant effect on job satisfaction in the Women's Empowerment, Child Protection and Community Services of Binjai City. This identifies that improvements in Compensation can contribute to increased job satisfaction.

**Keywords:** Compensation; Job satisfaction

### INTRODUCTION

Optimal organizational conditions are an important prerequisite for achieving goals, especially for government institutions such as the Women's Empowerment, Child Protection and Binjai City Community Services. Organizations that operate optimally have a supportive work environment, efficient work processes, and employees who feel involved and satisfied with their work. A conducive work environment and efficient processes ensure that all members of the organization can work optimally, while employee engagement and satisfaction contribute to their motivation and productivity. This combination is critical to an organization's success in fulfilling its duties and responsibilities effectively (Falentiyo & Nasikah, 2022).

One of the key factors in creating optimal working conditions is the level of employee job satisfaction. Job satisfaction refers to an individual's positive evaluation of various aspects of their job, including the work environment, job responsibilities, career development opportunities, and interpersonal relationships in the workplace. When employees are satisfied with their work, they tend to be more motivated, productive, and contribute positively to organizational goals.

High job satisfaction also reduces turnover rates and increases employee loyalty, which overall strengthens organizational stability and performance (Simanjuntak, 2020). A high level of job satisfaction also has a positive impact on various aspects of the organization.

Satisfied employees tend to have lower absenteeism, lower turnover, and better performance. They are more likely to remain with the organization, which reduces costs associated with recruiting and training new employees. In addition, satisfied employees tend to be more productive and motivated to achieve organizational goals, which ultimately increases operational efficiency and effectiveness. High job satisfaction also contributes to positive Compensation, creating a supportive and collaborative work environment (Ning Tyas et al., 2020).

In addition, job satisfaction also contributes to the organization's image and reputation as a good place to work, which in turn can increase the organization's attractiveness in recruiting and retaining the best talent (Sumartik et al., 2023). Even though a lot of research has been conducted on the relationship between compensation and job satisfaction, there are still limitations in the context of public sector organizations, especially in government institutions such as the Women's Empowerment, Child Protection, and Binjai City Community Services. What is different about this research is that it focuses more on the role of employee engagement as an intervening variable in government institutions such as the Women's Empowerment, Child Protection and Community Services Department of Binjai City.

Based on the results of the researcher's initial observations through interviews with leaders and several employees, several problems can be identified, such as the complexity and variety of work demands which cause stress and fatigue. Additionally, resource limitations, including budget, personnel, and infrastructure, affect an institution's ability to provide a supportive work environment. Lack of career development opportunities, recognition of employee contributions, as well as communication and participation in organizational decision making also reduces employee motivation and job satisfaction. Interpersonal conflicts, both between employees and between employees and superiors, also disrupt productivity and job satisfaction at the Binjai City Women's Empowerment, Child Protection and Community Services Office.

According to Hasibuan (2017) explains that job satisfaction is an emotional attitude that is pleasant and loves one's job. This attitude is reflected in work morale, discipline and work performance. Job satisfaction is enjoyed at work, outside work, and a combination of inside and outside work. In line with (Mangkunegara. AA P, 2020) which says: "Job satisfaction is a feeling that supports or does not support an employee's self in relation to his or her work or personal condition." A mutually supportive relationship between employees' personal needs and job demands will provide harmony in fulfilling job satisfaction. In this research, the definition of job satisfaction refers to income (Afandi, 2018) namely a positive attitude from the workforce including feelings and behavior towards their work through evaluating one's work as a sense of appreciation in achieving one of the important work values.

To measure job satisfaction in this research the author refers to theory (Afandi, 2018) including:

- 1) Work;
- 2) Wages;

- 3) Promotion;
- 4) Supervisor;
- 5) Work colleague.

Many factors can influence the level of job satisfaction. In this study, the researcher limited it to compensation variables. According to (Hasibuan, Malayu SP, 2017) Compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company. This compensation can be direct or indirect financial, and the award can also be indirect. Further (Akbar, Mada Faisal, et al, 2021) states that compensation is all forms of financial returns and benefits obtained by employees as part of an employment relationship.

Furthermore (Sutrisno, E, 2017) stated "compensation is an important function in human resource management (HRM)". In this research, the meaning of compensation refers to the opinion of Hasibuan (2017) which states that all income in the form of money, direct or indirect goods received by employees is a reward for services provided to the company. To measure compensation variables in this research the author refers to theory (Hasibuan, Malayu SP, 2017) who stated, in general there are several indicators of compensation, namely:

- 1) Salary;
- 2) Wages;
- 3) Incentive wages;
- 4) Office facilities;
- 5) Allowance

The aim of this research is to analyze and identify the influence of compensation and job satisfaction in the Women's Empowerment, Child Protection and Community Services of Binjai City. The concept of this research is as depicted in the following conceptual framework image:



**Figure 1. Conceptual Framework**

## **METHOD**

This type of research is casual associative quantitative research with the aim of analyzing the pattern of relationships between variables with the aim of finding out the influence between two independent variables (exogenous) on the dependent variable (endogenous) (Kuncooro, Munajad, 2013). This research was carried out at the Women's Empowerment, Child Protection and Community Service of Binjai City. The time this research was carried out was from March to May 2024. According to (Sugiyono, 2018) Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. In this

study, the population used was the entire number of employees in the Women's Empowerment, Child Protection and Community Services of Binjai City, totaling 61 people with the following details:

**Table 1. Population Details**

No.	Status	Number of people)
1.	ASN	23
2.	Honorary	28
3.	Task Force	10
<b>Amount</b>		<b>61</b>

Source: Binjai City Women's Empowerment, Child Protection and Community Service

The sampling technique used in this research was a saturated sample. According to Sugiyono (2019) Saturated sampling is a sample selection technique when all members of the population are sampled, where the entire population in this study is sampled, namely 61 employees. The data that will be used from this research is the data from the questionnaire distributed to respondents consisting of all employees in all divisions. The data analysis technique used in this research is a quantitative data analysis method using SPSS version 25.0.

Validity and reliability tests were carried out in order to test the quality of the research data. The validity test decision making criteria are as follows: If  $r_{count} > r_{table}$ , then the question item is valid. If  $r_{count} < r_{table}$ , then the question item is invalid. Meanwhile, the reliability test criteria are formulated if  $r_{alpha} > r_{table}$  then the statement is reliable and if  $r_{alpha} < r_{table}$  then the statement is not reliable. The linear regression model was formulated in this research with the following formula:

$$Y = a + bX$$

Where :

Y = Job satisfaction

X = Compensation

a = Constant

b = Regression coefficient

The t-test in this research was carried out to determine the significance of the influence of the independent variable on the dependent variable (Kuncooro, Munajad, 2013). According to (Kuncooro, Munajad, 2013). The determination test ( $R^2$ ) is used to measure how much influence the independent variable has on the dependent variable. In other words, the coefficient of determination is used to assess the magnitude of the influence of the independent variable studied, namely Compensation (X), on the dependent variable, namely Job Satisfaction (Y). The coefficient of determination ( $R^2$ ) value ranges from zero to one ( $0 < R^2 < 1$ ) which means, if  $R^2 = 0$ , then there is no influence between variable (X) and variable (Y). Conversely, if  $R^2$  approaches 1, then the influence between variable (X) and variable (Y) becomes stronger. Testing of the coefficient of determination was carried out using SPSS version 25.0 software.

## RESULTS AND DISCUSSION

### Research results

#### Descriptive Analysis

Descriptive Analysis This test is used to determine the minimum and maximum scores, the highest score, the rating score and the standard deviation of each variable. The results are as follows:

**Table 2. Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Compensation	61	3.60	5.00	4.3770	.46918
Job satisfaction	61	3.20	5.00	4.3344	.44829
Valid N (listwise)	61				

From the table above, it shows that the measurement results show that respondents rated Compensation and Job Satisfaction in the Women's Empowerment, Child Protection and Community Services of Binjai City as above average, with mean values of 4.3770 and 4.3344 respectively on a scale of 1-5 . The variation in respondents' assessments of these two variables is high, with almost the same standard deviation (0.4691 for Compensation and 0.4482 for Job Satisfaction), indicating that although there are individual differences in perception, the majority of respondents have a fairly positive view of these two variables.

#### Validity and Reliability Test Results

##### Validity Test Results

The validity test is used to measure whether a questionnaire is valid or not. Validity testing carried out in this research was through the Corrected Item-Total Correlation test or better known as Person Correlation.

**Table 3. Compensation Variable Validity Test Results (X)**

Variable	Correlation Value	Probability	Information
X1	0.850 > 0.2521	0.000 < 0.050	Valid
X2	0.934 > 0.2521	0.000 < 0.050	Valid
X3	0.874 > 0.2521	0.000 < 0.050	Valid
X4	0.880 > 0.2521	0.000 < 0.050	Valid
X5	0.920 > 0.2521	0.000 < 0.050	Valid

Source: Processed with SPSS version 25

From the data above it can be stated that the indicators on the Compensation variable have a correlation coefficient value of > 0.2521 with a significance value of 0.000 < 0.05 so it can be concluded that the Compensation variable indicators are valid(Sugiyono, 2017).

**Table 4. Validity Test Results of the Job Satisfaction Variable (Y)**

Variable	Correlation Value	Probability	Information
Y.1	0.811 > 0.2521	0.000 < 0.050	Valid
Y.2	0.820 > 0.2521	0.000 < 0.050	Valid
Y.3	0.893 > 0.2521	0.000 < 0.050	Valid

Y.4	0.894 > 0.2521	0.000 < 0.050	Valid
Y.5	0.768 > 0.2521	0.000 < 0.050	Valid

Source: Processed with SPSS version 25

From the data above it can be stated that all indicators on the Job Satisfaction variable have a correlation coefficient value greater than 0.2521 with a significance value of  $0.000 < 0.05$  so it can be concluded that the statements for the Job Satisfaction variable are valid (Sugiyono, 2016).

### Reliability Test Results

According to (Ghozali, 2016) Reliability testing aims to measure how reliable or trustworthy the questionnaire distributed to respondents is, which is useful as an instrument in this research. The reliability measurement method used in this research is by looking at the Cronbach Alpha ( $\alpha$ ) value. The questionnaire is declared reliable if the Cronbach Alpha ( $\alpha$ ) value is  $> 0.61$ .

**Table 5. Reliability Test Results**

Variable	Cronbach's Alpha	N of Items
Compensation	0.836	5
Job satisfaction	0.891	5

Source: Processed with SPSS version 25.0

Based on table 5, it is known that the Cronbach Alpha ( $\alpha$ ) value of the Compensation and Job Satisfaction variables is greater than 0.60. So, it can be concluded that all indicators in the variable instrument are declared reliable or reliable so that they can proceed to research hypothesis testing

### Quantitative Analysis

This analysis is intended to determine the influence of the independent variable on the dependent variable. The test results are as follows:

### Simple Linear Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable experiences changes. The test results are as follows:

**Table 6. Simple Linear Regression Test Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,597	1,377		2,613	.011
	Compensation	,826	,063	,864	13,204	,000

a. Dependent Variable: Job satisfaction



Based on the test results in table 8, the regression equation  $Y = 3.597 + 0.826X$  is obtained. This equation is explained as follows: 1) A constant of 3.597 means that if there is no compensation, then there is job satisfaction of 3.597 points. The Compensation regression coefficient is 0.826, meaning that compensation influences an increase in job satisfaction of 0.826 for every 1 point increase

### Analysis of the Coefficient of Determination

To determine the magnitude of the influence of the independent variable on the dependent variable, a coefficient of determination analysis was carried out. The test results are as follows:

**Table 7. Coefficient of Determination Test Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.864a	.747	.743	1.13660

a. Predictors: (Constant), Compensation

The test results in table 7 show that the Adjusted R Square value is 0.743 or 74.30%, which means that compensation has a high influence on job satisfaction, while the remaining 25.70% is influenced by other factors that have not been studied.

### t Test Results (Hypothesis Test)

Hypothesis testing with the t test is used to determine whether or not there is an influence of the dependent variable on the independent variable with the following hypothesis formulation:

Ho: There is no influence of compensation on job satisfaction at the Department of Women's Empowerment, Child Protection and Community Services in Binjai City

Ha: There is an influence of compensation on job satisfaction at the Department of Women's Empowerment, Child Protection and Community Services in Binjai City

The following are the results of the hypothesis test as shown in the following table:

**Table 8. Hypothesis Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	3,597	1,377		2,613	.011
Compensation	,826	,063	,864	13,204	,000

a. Dependent Variable: Job satisfaction

Based on the test results in table 8, the calculated t value is 13.204 > t table 1.67109, with a significance value of 0.000 < 0.05, thus it can be stated that Ho is rejected and Ha is accepted or there is a positive and significant influence between compensation and job satisfaction at the Women's Empowerment Service. Child Protection and the Community of Binjai City.

## Discussion

The findings in this research can be strengthened by referring to relevant previous research findings. In the context of the influence of compensation on job satisfaction, these findings are in line with the results of research from (Fatimah & Ratnasari, 2017) and (Sugiono et al., 2021) which shows that compensation has a positive and significant effect on job satisfaction. The implications of these findings indicate that organizations need to pay more attention to compensation structures to increase employee job satisfaction. Providing fair and competitive compensation can increase employee motivation and loyalty, which ultimately has a positive impact on productivity and overall organizational performance.

In addition, companies need to consider other factors such as career development, a conducive work environment, and opportunities for development as an integral part of their human resource management strategy to achieve optimal job satisfaction (Fauzi & Manao, 2023). Apart from compensation, organizations also need to consider other factors such as career development. Opportunities for clear and structured career development provide employees with a long-term view within the organization, encouraging them to develop their skills and competencies. Training and development programs, mentoring, and transparent promotion pathways are some ways to improve organizational performance.

## CLOSING

### Conclusion

From the results of the research data analysis and discussion described above, it can be concluded that:

1. The results of the hypothesis test show that compensation has a positive and significant effect on job satisfaction. This can be seen from the T-count value of  $13.204 > t$  table  $1.67109$ , with a significance value of  $0.000 < 0.05$ . This regression coefficient shows that if compensation is increased by 1 unit, then the change in job satisfaction as seen from the Y value will increase by 0.826 units assuming other variables are considered constant. Thus, partially compensation has a positive and significant effect on employee job satisfaction at the Women's Empowerment, Child Protection and Community Services Office of Binjai City
2. Based on the results of the termination test, it shows that the Adjusted R Square value is 0.743 or 74.30%, which means that compensation has a high influence on job satisfaction, while the remaining 25.70% is influenced by other factors that have not been studied.

### Suggestions

Based on the research results, discussions and conclusions that have been explained, here are several suggestions that can be given to institutions, especially to the Women's Empowerment, Child Protection and Community Services Office of Binjai City:

1. Pay more attention to the employee compensation structure by ensuring fair, competitive and transparent compensation. This includes salary increases, financial incentives, additional benefits, as well as non-financial awards to recognize employee contributions.



2. Develop effective programs to increase employee engagement. This can include training and skills development, opportunities to contribute to decision making, and creating a work environment that supports collaboration and open communication, to increase job satisfaction and productivity.

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