Analysis of Communication and Compensation on Employee Job Satisfaction

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Abstract

The purpose of this study was to analyze the effect of communication and compensation on employee job satisfaction. The research design used in this study used quantitative associative methods. Based on the results of data analysis that has been carried out on the first hypothesis (H1) which states that communication has a positive and significant effect on employee job satisfaction, the value of t count > t table is 13.684 > 1.666, testing the second hypothesis (H2) which states that compensation has a positive effect and significant on employee job satisfaction, the value of t count > t table is 12.665 > 1.666, which means that communication and compensation have a positive and significant effect on employee job satisfaction, while the R-square value obtained is 0.847 which states that the communication and compensation variables effect on employee job satisfaction by 84.70% and the remaining 15.30% influenced by other variables.

Keywords: communication, compensation, employee job satisfaction

1. Introduction

Human resources are one of the company's assets that must be managed properly (Mahendrawan and Ayu, 2015), if there is an inappropriate application of company policies on human resource management, it can reduce employee performance in carrying out every responsibility assigned to them (Arifin et al., 2018), where one of the factors that influence the company's success in achieving the targets set by management is the availability of competent human resources (Sjahruddin et al., 2022) because without competent human resources every company will not be able to develop (Tjutju and Suwanto, 2008) so that every company must be able to manage the quality of its human resources professionally (Sabuhari and Irawanto, 2020).

In addition to the availability of competent human resources, to be able to achieve the targets set by the management, the communication process must run effectively (Wulandari et al., 2018) which includes communication from superiors to subordinates or vice versa as well as communication between employees at the same level (Muhammad, 2005) so that harmonious cooperation will be formed (Nitisemito, 2002), where the existence of an effective communication system will be able to provide job satisfaction for employees (Aprillina and Ismail, 2021).

Employees who have high job satisfaction will always increase work productivity and vice versa employees with low job satisfaction tend not to have enthusiasm at work so that they will experience a decrease in work productivity (Wulandari et al., 2018).

Employee job satisfaction in a company is said to be high if there is a communication relationship from superiors to subordinates or vice versa as well as harmonious communication relationships among co-workers (Putranto et al., 2012), so that all employees will get clear information to carry out their duties and responsibilities (Arianto, 2015). According to (Terry, 2006) communication ranks at the top that affects employee job satisfaction.
Another factor that affects employee job satisfaction is the existence of adequate compensation (Pertiwi et al., 2019), where compensation is one of the important functions in the management of human resource management (Sutrisno, 2014) and compensation given to employees greatly affect the level of employee job satisfaction (Mangkunegara, 2013). Optimal employee work results and in accordance with company standards will certainly provide feedback in the form of appropriate compensation to employees (Sajudinnoor, 2014).

A well-designed compensation system by the company will be able to provide job satisfaction for employees and employees will be motivated in achieving the targets that have been set (Widodo, 2015), on the other hand, if the compensation system is not designed properly, it will result in pay dissatisfaction which will have an impact on decreasing employee productivity (Hanggraeni, 2012).

Satisfaction with the level of compensation received by employees is a conclusion to the comparison of what is received directly by employees based on the results of the work they have done with what is expected by the employee (Seidy et al., 2018).

Job satisfaction is related to the emotional feelings of each employee (Kardam and Rangnekar, 2012) which is reflected in work morale, discipline and work performance (Hasibuan, 2001) so that every company must pay attention to things that can provide job satisfaction to its employees (Meilano and Nugraheni, 2017).

Employee job satisfaction will be the basis for the company in developing employee competencies to face various challenges in the business (Hermingsih and Desti, 2020), where job satisfaction felt by employees will be able to have a positive impact on the employee's work environment (Muvina, 2022) and employee dissatisfaction at work will lead to aggressive behavior (Hasibuan, 2018) as well as the employee's desire to turnover intention (Zhang et al., 2018).

Considering the importance of employee job satisfaction to increase work productivity and to achieve the targets set by management, this study was conducted to analyze the effect of communication and compensation on employee job satisfaction at an injection molding company that produces plastic packaging for the needs of the food industry.

2. Literature Review

2.1 Communication

Communication is the process of delivering messages in the form of meaningful symbols as a combination of thoughts and feelings in the form of ideas, information, beliefs and appeals made by one person to another (Herizal and Muhammad Nur, 2019) so that through the communication process one can be understood by others (Nurrachmah, 2019).

Technically, the communication process can be carried out by involving the sender of the message or communicator, namely the individual or person who sends the message, the message is the information that will be sent to the communicant, the channel is the path traversed by the message from the communicator to the communicant, the recipient of the message or communicant is the individual or person who sends the message analyze and interpret the content of messages received and feedback, namely responses to messages received (Safari et al., 2019).

The communication process in a company can be said to be good if there is an understanding between the communicator and the communicant, so that with a good communication process it will be able to increase the effectiveness of employees' work (Paramita et al., 2016) and can provide job satisfaction for employees (Aprillina and Ismail, 2021).

Based on the results of research conducted by (Alsayed et al., 2012) and (Oso et al., 2017) stated that the communication process had a positive and significant effect on employee job satisfaction, the same thing was also stated by (Fauzia and Harefa, 2016) which states that communication has a positive and significant effect on employee job satisfaction in the Investment and Promotion Agency of North Sumatra Province. Based on the results of some of these studies, the hypotheses in this study are:

Hypothesis 1: Communication has a positive and significant effect on employee job satisfaction.

2.2 Compensation

Compensation is an award or reward given by the company to each employee, either directly or indirectly (Marwansyah, 2012) for the contribution or service that has been given to the achievement of company targets (Yani,
2012) where the purpose of providing this compensation is as a bond of cooperation and employee stability to the company (Akmal and Tamini, 2015). The provision of compensation made by the company to employees is one of the implementations of the human resource management function (Rivai, 2009).

According to (Hartatik, 2014) the compensation received by employees is divided into two types, namely financial compensation which consists of direct compensation in the form of payment of salaries or wages, commissions and bonuses and indirect compensation in the form of health benefits, pension benefits and housing allowances and the second compensation non-financial consists of compensation related to work in the form of promotion opportunities and competency development as well as compensation related to the work environment in the form of a conducive work environment. The amount of financial and non-financial compensation received by employees will greatly affect the level of employee job satisfaction and will become employee motivation to achieve the targets set by the company (Widodo, 2015).

Based on the results of research conducted by (Purnamasari, 2013) stated that compensation has a positive and significant effect on employee job satisfaction at PT. Eliza Parahyangan Garut Sub Branch, the same thing was also stated by (Iroh et al., 2018) which states that compensation has a positive and significant effect on job satisfaction of restaurant employees in Manado. Based on the results of some of these studies, the hypotheses in this study are:

Hypothesis 2: Compensation has a positive and significant effect on employee job satisfaction.

3. Research Methods

3.1 Research Design and Sample

The research design used in this study uses quantitative associative methods, namely research that aims to determine the effect or relationship between communication and compensation variables on employee job satisfaction at an injection molding company that produces plastic packaging for the needs of the food industry.

The sample used in this study were employees of an injection molding company who came from various parts including production, quality control, engineering, planning and inventory control, product research and development and marketing. The number of samples in this study was 75 people while the data collection techniques carried out in this study were through interviews, questionnaires and observations (Sugiyono, 2017).

3.2 Instrument Test

3.2.1 Validity Test

Validity test is one of the procedures used to measure whether the research variables are valid or not. The questionnaire can be said to be valid if the statement on the questionnaire is able to reveal something that is measured by the questionnaire. To be able to find out whether each question item is valid or not by looking at the corrected item total correlation value. If the question item has \( r_{\text{count}} > r_{\text{table}} \), then the question item can be said to be valid (Suharsimi Arikanto, 2006)

3.2.2 Reliability Test

Reliability test is used to determine the consistency of the measuring instrument used and shows the extent to which the measuring instrument can be trusted and relied on in conducting research. Measurement of the level of reliability of a research variable can be seen from the statistical results of Cronbach’s Alpha (\( \alpha \)), a variable is said to be reliable if it gives Cronbach’s Alpha value > 0.60 (Sanjaya and Tarigan, 2018).

3.3 Classic Assumption Test

3.3.1 Normality Test

To find out the independent variable and the dependent variable have a normal distribution or cannot be detected using the Kolmogorov-Smirnov test on the observed value and the predictive value of the independent variable on the
dependent variable. Normality will be fulfilled if the probability of calculating the test results is greater than the level of the research test (Mulyanto and Wulandari, 2010)

3.3.2 Heteroscedasticity Test

Heteroscedasticity test is one of the tests to find out whether in a regression model there is an inequality of variance from the residuals from one observation to another (Priyatno, 2011). The heteroscedasticity test in this study uses the scatter plot method, namely by looking at the pattern of the regression scatter plot points, if the points on the scatter plot spread in an irregular pattern above and below zero on the Y axis, then there is no heteroscedasticity problem (Kalesaran et al, 2014)

3.4 Hypothesis Test

3.4.1 Coefficient of Determination Test ($R^2$)

The coefficient of determination test is carried out to measure the extent to which the ability of the independent variable to explain the dependent variable. The coefficient of determination test is expressed in percentages whose values range from $0 < R^2 < 1$, if the $R^2$ value obtained is close to 1, it shows a stronger influence (Mulyani and Saputri, 2019).

3.4.2 t-Test

t-test is one of the individual partial regression coefficient tests used to determine the independent variables affect the dependent variable (Sujarweni, 2015). To find out the truth of the hypothesis, criteria are used if $t$ count > $t$ table then reject Ho and accept Ha, meaning that there is an influence between the dependent variable on the independent variable (Lussy, 2018)

4. Research Results and Discussion

4.1 Instrument Test Results

4.1.1 Validity Test Results

Validity test is one of the procedures used to measure whether the research variables are valid or not. The questionnaire can be said to be valid if the statement on the questionnaire is able to reveal something that is measured by the questionnaire. To be able to find out whether each question item is valid or not by looking at the corrected item total correlation value. If the question item has $r$ count > $r$ table, then the question item can be said to be valid (Suharsimi Arikanto, 2006).

Based on the table 1, it can be seen that the results of the validity test of 15 statements have an r-count value on each statement item from the research variables used that are greater than the r-table value (0.227) which is between 0.702 to 0.866. Based on these results, all statement items in this research variable can be said to be valid because the value of r-count > r-table, so that all statement items in this research variable can be used. The way to get the value of r table is $df = n-2$, where the number of respondents is 75, so $75-2 = 73$, then the value of r table is 0.227.

4.1.2 Reliability Test Results

Reliability test is used to determine the consistency of the measuring instrument used and shows the extent to which the measuring instrument can be trusted and relied on in conducting research. Measurement of the level of reliability of a research variable can be seen from the statistical results of Cronbach's Alpha ($\alpha$), a variable is said to be reliable if it gives Cronbach's Alpha value > 0.60 (Sanjaya and Tarigan, 2018).

Based on the table 2, it can be seen from the results of the reliability test that the Cronbach's Alpha value for each variable is 0.847 communication, compensation is 0.868 and job satisfaction is 0.819. The Cronbach's Alpha value obtained from each research variable is greater than the comparison Cronbach's Alpha value, so it can be concluded that all variables used in this study are reliable and have good measurement consistency.
Table 1. Validity Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Inquiry Code</th>
<th>Corrected Item-Total Correlation</th>
<th>r Table</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>X₃,1</td>
<td>0.791</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,2</td>
<td>0.766</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,3</td>
<td>0.858</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,4</td>
<td>0.716</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,5</td>
<td>0.858</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td>Compensation</td>
<td>X₃,1</td>
<td>0.808</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,2</td>
<td>0.795</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,3</td>
<td>0.816</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,4</td>
<td>0.774</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X₃,5</td>
<td>0.866</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>Y₃,1</td>
<td>0.747</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y₃,2</td>
<td>0.742</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y₃,3</td>
<td>0.833</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y₃,4</td>
<td>0.702</td>
<td>0.227</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y₃,5</td>
<td>0.837</td>
<td>0.227</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2022.

Table 2. Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha standard</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>0.847</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
<tr>
<td>Compensation</td>
<td>0.868</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.819</td>
<td>0.60</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2022.

4.2 Classic Assumption Test Results

4.2.1 Normality Test Results

To find out the independent variable and the dependent variable have a normal distribution or cannot be detected using the Kolmogorov-Smirnov test on the observed value and the predictive value of the independent variable on the dependent variable. Normality will be fulfilled if the probability of calculating the test results is greater than the level of the research test (Mulyanto and Wulandari, 2010).

Table 3. Normality Test Results

<table>
<thead>
<tr>
<th>N</th>
<th>Communication</th>
<th>Compensation</th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>14.560</td>
<td>14.630</td>
<td>14.600</td>
</tr>
<tr>
<td>75</td>
<td>3.169</td>
<td>3.166</td>
<td>3.196</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2022.
Based on the table 3, it can be seen that the results of the normality test obtained the Asymp Value value. Sig. on each variable, namely communication of 0.198, compensation of 0.200 and job satisfaction of 0.185. Asymp Value. Sig. obtained from each research variable is greater than 0.05, so it can be concluded that all variables used in this study are normally distributed.

4.2.2 Heteroscedasticity Test Results

![Figure 1. Heteroscedasticity Results](image)

Figure 1 shows that the points contained in the scatter plot graph spread randomly or do not form a certain pattern. This shows that there is no heteroscedasticity in the regression model.

4.3 Hypothesis Test Results

4.3.1 Coefficient of Determination Test Results ($R^2$)

The value of the coefficient of determination ($R^2$) ranges from $0 < R^2 < 1$. A small value of $R^2$ means that the ability of the independent variable to explain the variation of the dependent variable is very limited. Conversely, if the value is close to 1, it means that the independent variable provides all the information needed to predict the dependent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R-Square</th>
<th>Adjusted R-Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.920*</td>
<td>0.847</td>
<td>0.843</td>
<td>1.292</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2022.

Based on the table 4, it can be seen that the results of the coefficient of determination test ($R^2$) obtained an R-square value of 0.847 which means that the variability of the independent variable can explain the dependent variable of 84.70% or the value states that the communication and compensation variables affect employee job satisfaction by 84.70% and the remaining 15.30% influenced by other variables.

4.3.2 t-Test Results

Hypothesis testing with t test is used to determine which partial hypothesis is accepted. The first hypothesis ($H_1$) states that communication has a positive and significant effect on employee job satisfaction.

Based on the table 5, it can be seen from the results of the first hypothesis test ($H_1$) that the value of $t$ count $> t$ table is $13,684 > 1.666$. Thus the first hypothesis proposed can be accepted, namely communication has a positive and significant effect on employee job satisfaction. This is in accordance with the results of the coefficient of
determination test ($R^2$) that has been carried out, where 84.70% of employee job satisfaction is influenced by communication and compensation.

Table 5. The Results of the Hypothesis Test of Communication on the Employee Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.059</td>
<td>.711</td>
<td></td>
<td>2.896</td>
</tr>
<tr>
<td>Communication ($X_1$)</td>
<td>.671</td>
<td>.049</td>
<td>.922</td>
<td>13.684</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2022.

The second hypothesis ($H_2$) states that compensation has a positive and significant effect on employee job satisfaction.

Table 6. The Results of the Hypothesis Test of Compensation on the Employee Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.369</td>
<td>.744</td>
<td></td>
<td>3.185</td>
</tr>
<tr>
<td>Compensation ($X_2$)</td>
<td>.651</td>
<td>.051</td>
<td>.911</td>
<td>12.665</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2022.

Based on the table above, it can be seen from the results of the second hypothesis test ($H_2$) that the value of $t_{count} > t_{table}$ is 12.665 > 1.666. Thus the second hypothesis proposed can be accepted, namely compensation has a positive and significant effect on employee job satisfaction. This is in accordance with the results of the coefficient of determination test ($R^2$) that has been carried out, where 84.70% of employee job satisfaction is influenced by communication and compensation.

5. Conclusion

The research that has been conducted aims to analyze the effect of communication and compensation on employee job satisfaction. Based on the results of the research that has been done, the following conclusions can be drawn:

1) Based on the results of data analysis that has been carried out in the first hypothesis ($H_1$), the value of $t_{count} > t_{table}$ is 13.684 > 1.666 and in the second hypothesis ($H_2$), the value of $t_{count} > t_{table}$ is 12.665 > 1.666 which means that communication and compensation positive and significant effect on employee job satisfaction.

2) The R-square value obtained is 0.847 which states that the communication and compensation variables affect employee job satisfaction by 84.70% and the remaining 15.30% is influenced by other variables.

References


