

# Linking Compensation Types to Job Satisfaction an Empirical Study at Pt Xyz Branch Office X

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**Abstract:** This study aims to investigate the effects of both monetary and non-monetary remuneration on PT XYZ's job satisfaction at Branch Office X. This research employs a quantitative approach using a survey methodology. Questionnaires were given to 101 branch office personnel in order to gather primary data. The study's findings suggest that both monetary and non-monetary compensation significantly impact worker happiness. The Financial Compensation variable has a regression coefficient value of 0.195, whereas the Non-Financial Compensation variable has a value of 0.475. Based on the findings of this study, it is anticipated that PT XYZ's employees will be more satisfied with their financial and non-financial pay.

**Keywords:** *Compensation, Job Satisfaction, Employees.*

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## I. INTRODUCTION

A company's ability to succeed in an era of fiercer competition is largely dependent on the caliber of its human resources in addition to the sophistication of its technology and marketing tactics. Workers are valuable resources that are essential to accomplishing business objectives. As a result, businesses must give careful consideration to elements that can boost worker motivation and job satisfaction.

A good company is a company that can manage its human resources, well-managed human resources will produce resources that are satisfied with the work they are currently doing.

One of the main determinants of an organization's efficacy and success is job satisfaction. Employee comfort and enjoyment with their jobs are referred to as job satisfaction. Employees with high job satisfaction typically exhibit more positive work behaviors, such as greater productivity, loyalty, and devotion to the company. On the other hand, job discontent can lead to major issues like poor performance, high turnover rates, and conflict in the workplace.

In the present globalization age and technological development, the world of work is experiencing very dynamic changes, including in the banking sector, Banking companies, such as PT XYZ, at Branch Office X, face

challenges in maintaining a balance between achieving business targets and employee welfare, banking employees are required to work professionally in high targets and very high risks, especially in providing services to customers and maintaining the company's reputation.

Job satisfaction does not only depend on financial factors alone, but also includes non- financial aspects that are equally important, Financial compensation, such as salary, allowances, and bonuses, are the main motivators in increasing job satisfaction, but non-financial compensation, such as recognition of achievement, opportunities for development, harmonious working relationships, and a supportive working atmosphere, also play a major role in shaping employee perceptions of their job satisfaction.

PT XYZ, at Branch Office X, managing job satisfaction is very important to maintain optimal employee performance. As a state-owned financial institution with a great reputation. PT XYZ needs to be able to establish a workplace that promotes worker welfare. This is because the Company's success in providing quality services and achieving business targets is highly dependent on employee performance feeling satisfied and motivated.

However, in reality, there are still differences in perception among employees regarding whether the compensation received, both financial and non-financial, is sufficient to support their job satisfaction. This is a challenge for management in managing the compensation

system and creating a work environment that suits the needs of employees.

In relation to what was conveyed previously, this is in line with the results of a pre-survey conducted by

researchers on 34 employees of PT XYZ, at Branch Office X. The following is pre-survey data conducted on 34 employees of PT XYZ, at Branch Office

➤ *Are you satisfied working at PT XYZ, currently?*

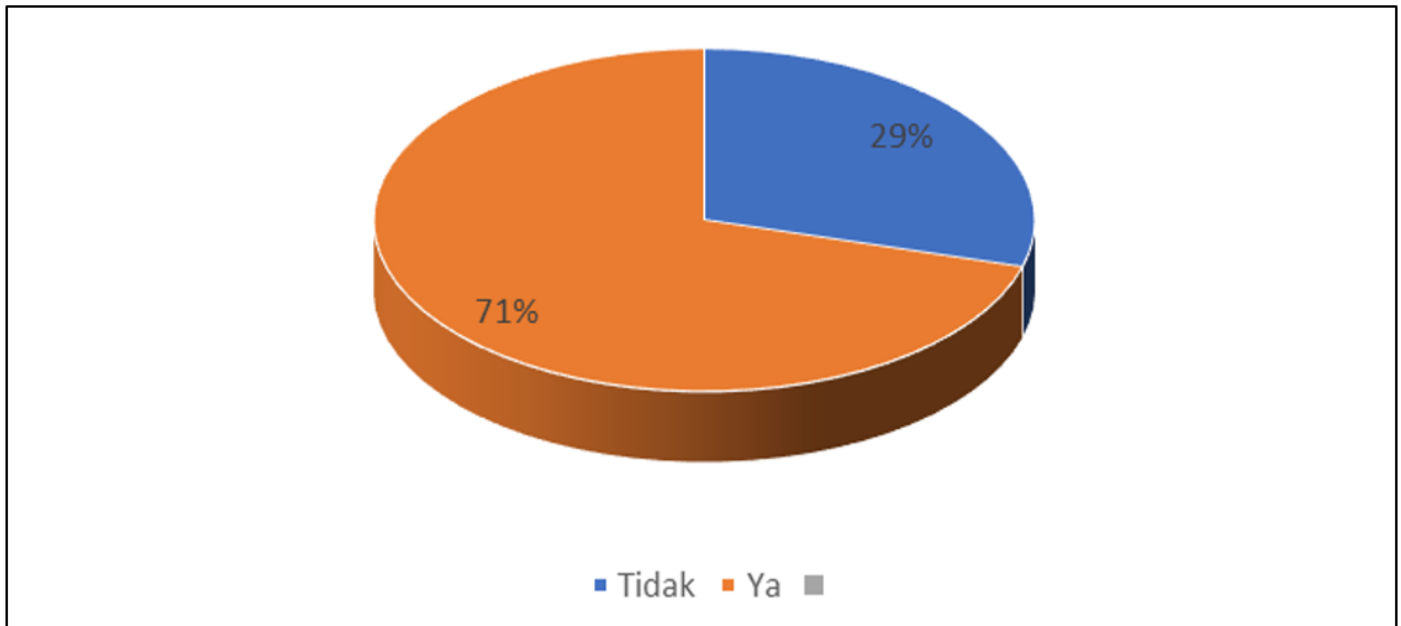


Fig 1 Pre-Survey Data at PT XYZ, Branch Office X

Based on the image above, 71% of respondents (24 people) stated that they were satisfied working at PT XYZ, while 29% of respondents (10 people) stated that they were dissatisfied. The percentage of dissatisfaction that reached almost a third of the total respondents remains an important indicator for management to evaluate and improve aspects

that are still considered lacking by some employees, so that with the right improvements, the level of employee satisfaction has the potential to increase even higher.

➤ *Employee Job Satisfaction Factors at PT XYZ, Branch Office X*

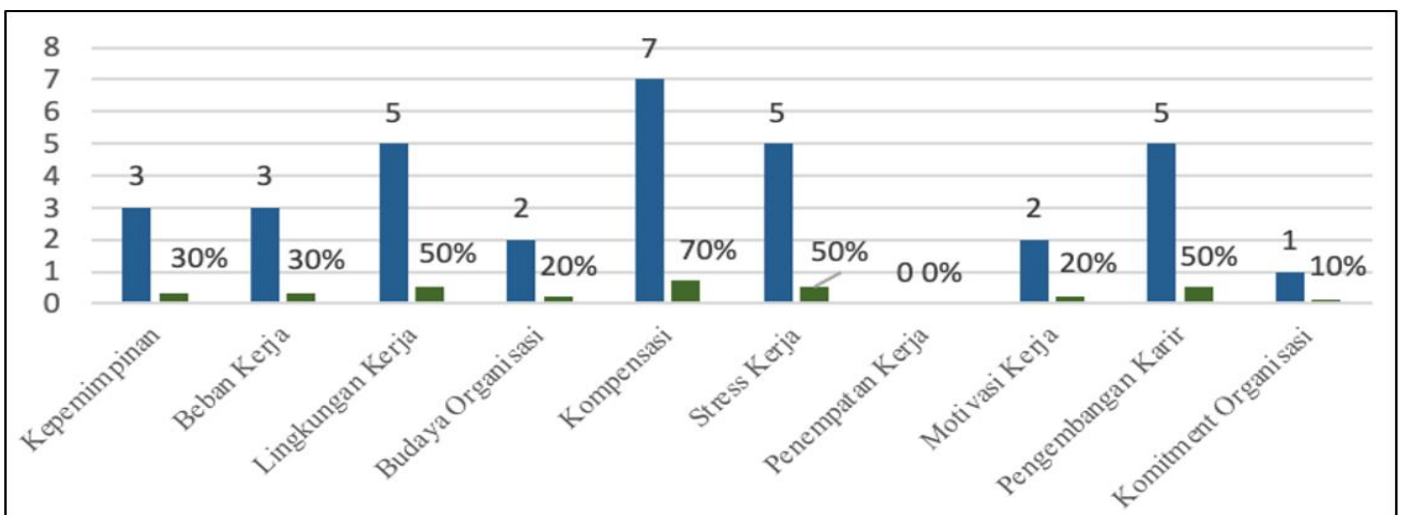


Fig 2 Factors that influence employee job satisfaction at PT XYZ, at Branch Office X

Source: Pre-Survey at PT XYZ, at Branch Office X (2025)

Based on 29% of respondents (10 people) who stated that they were dissatisfied working at PT XYZ, their dissatisfaction was caused by several main factors. The most dominant factor was compensation mentioned by 70% of respondents, followed by high levels of work stress, and the work environment and career development opportunities,

each mentioned by 50% of respondents. This shows that the compensation aspect is a major concern that needs to be addressed by the company, followed by improvements in work stress management, and improving the quality of the work environment and career paths for employees.

Financial compensation is one of the crucial elements that plays a role in increasing employee job satisfaction levels. According to research conducted by Dessler (2022), Salary, incentives, and bonuses are examples of financial remuneration that can boost worker motivation and job satisfaction. Furthermore, Robbins and Judge's (2021) research indicates that competitive and equitable pay has a favourable effect on job satisfaction.

Non-monetary factors also play a role in raising employee work satisfaction in addition to monetary pay. Armstrong (2022) asserts that non-monetary elements including flexible work schedules, professional growth possibilities, non-material incentives, and favorable working circumstances can greatly raise employee job satisfaction. According to a study by Milkovich et al. (2021), non-monetary compensation affects workers' intrinsic pleasure, which in turn affects their performance and loyalty.

Based on the data above, it is important to conduct research on " **Linking Compensation Types to Job Satisfaction: an Empirical Study at PT XYZ, Branch Office X**". This research is expected to provide a deeper understanding of the factors that influence job satisfaction, as well as being a basis for management to formulate appropriate strategies in increasing employee job satisfaction. Thus, a healthy, productive work environment is created, and is able to support the achievement of overall organizational goals.

## II. LITERATURE REVIEW

### ➤ Compensation

Dessler (2017:221) states that compensation includes all forms of payment or rewards given to employees as a result of their work. Meanwhile, Hasibuan (2017:118) . describes compensation as any kind of payment made to employees in exchange for their contributions to the business, whether in the form of cash, products, or direct or indirect facilities. Akbar, et al., (2021:125) further explain that compensation includes various forms of financial returns and benefits received by employees in the context of an employment relationship. It is hoped that providing effective compensation can support the company in improving overall employee performance.

### ➤ Job Satisfaction

Hasibuan (2017:202), defines job satisfaction as a positive emotional response or reflects employee feelings towards their work. This level is influenced by the work environment, rewards received or relationships with coworkers and superiors. According to Mangkunegara (2017:117) job satisfaction is a psychological condition of someone who feels comfortable or happy in their work, which is shown through motivation, loyalty, and high productivity. However, Robbin & Judge (2017:170) describe work as a positive reaction to an individual's work that arises as a result of evaluation of work characteristics. This kepuasan explains how individual needs and harapan are affected in the workplace.

## III. RESEARCH FRAMEWORK

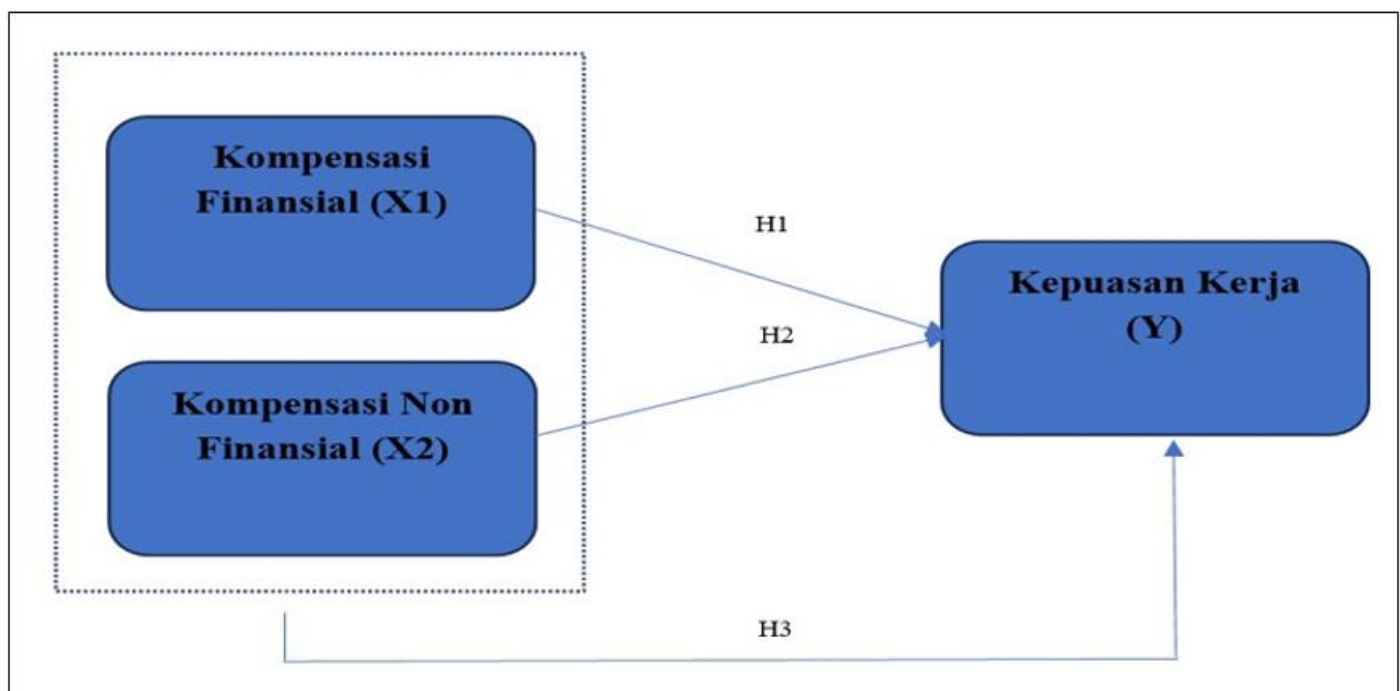


Fig3 Research Framework

- H1: Job satisfaction among employees at PT XYZ, Branch Office X, is impacted by financial compensation.
- H2: Job satisfaction among employees at PT XYZ, Branch Office X, is impacted by nonfinancial compensation.
- H3: Job satisfaction among employees at PT XYZ, Branch Office X, is impacted by both financial and nonfinancial compensation.

#### IV. RESEARCH OBJECT AND METHODS

##### ➤ Research Object

This study's main goal is to find out how employee work satisfaction at PT XYZ, Branch Office X, is affected by pay. The purpose of this study is to investigate the degree to which the company's pay plan affects workers' job satisfaction.

##### ➤ Research Place

This research was conducted at PT XYZ, at Branch Office X which was the main location for data collection. The selection of this location was based on the relevance of the research object, namely employees working at the bank, in order to find out how compensation affects their job satisfaction. at PT XYZ, at Branch Office X as one of the largest state-owned banks in Indonesia that has a compensation system designed to increase employee motivation and job satisfaction.

##### ➤ The population and the sample

The population of all PT XYZ employees working at Branch Office X which was the object of the research was 136. With the Slovin formula, 5% tolerance, a sample of 101 Respondents was obtained, as follows:

$$n = \frac{136}{1 + 136 (0.05)^2}$$

$$= 101 \text{ Responden}$$

#### V. RESEARCH RESULTS AND DISCUSSION

##### ➤ Results of the Hypothesis Test Analysis

This analysis aims to determine if the independent and dependent variables have a positive or negative connection, as well as to predict the value of the dependent variable in the event that the value of the independent variable increases or decreases.

##### ➤ Results of the F Statistic Test

Table 1 Results of F Statistical Test Analysis (Simultaneous)

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8927.104	2	4463.552	176.173	<.001 <sup>b</sup>
	Residual	2584.286	102	25.336		
	Total	11511.390	104			
a. Dependent Variable: Y						
b. Predictors: (Constant), X2, X1						

Source: Data Processing Results with SPSS (2025)

The F-test's basis for decision-making leads to the conclusion that employee satisfaction is significantly impacted by both the financial and non-financial compensation variables at the same time. With a significance value of 0.001 and an F-count value of 176.173, the ANOVA test findings in table 4.11 above corroborate this. This is as a result of the significance value being below the 5% alpha value.

##### ➤ T Statistic Test Results

Table 2 Results of T-Statistical Test Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23.409	2.605		8.986	<.001
	X1	.195	.082	.259	2.368	.020
	X2	.475	.081	.639	5.838	<.001
a. Dependent Variable: Y						

Source: Data Processing Results with SPSS (2025)

The financial compensation variable's (X1) t-value is **2.368**. As can be seen from this data, the significant value is much less than the value of 0.05%, and the t-value is larger than the t-table value (1.983). This suggests that satisfaction is highly impacted by the financial compensation variable (X1).

The non-financial compensation variable (X2) has a t-value of **5.838**. As can be seen from these data, the significant value is far lower than the value of 0.05%, and the t-value is higher than the t-table value (1.983). This suggests that satisfaction is highly impacted by the financial non-compensation component (X2).

#### ➤ Multiple Linear Regression Test Results

$$Y = 23.409 + 0.195 (X1) + 0.475 (X2) + e$$

#### ➤ Through the Equation Above, it can be Explained that:

- The Constants a value equals 23.409, indicating that satisfaction (Y) is worth 23.409 if both Financial Compensation and Non-Financial Compensation are worth 0.
- If other independent variables stay the same as X1 increases, satisfaction will increase by 19.5% because the independent variable Financial Compensation (X1) has a value of 0.195.
- If other independent variables stay the same as X2 increases, satisfaction will increase by 47.5% because the independent variable Non-Financial Compensation (X2) has a value of 0.475.

#### ➤ The Determination Coefficient Test Results (R2)

Table 4 Outcomes of the Determination Coefficient Test Analysis (R2)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	23.409	2.605	8.986	<.001
	X1	.195	.082	.259	.020
	X2	.475	.081	.639	<.001

**a. Dependent Variable: Y**

Source: Data Processing Results with SPSS (2025)

Based on the aforementioned findings, the calculated coefficient of determination (R- Square) value is 0.776. These findings show that Satisfaction (Y) is explained by Financial Compensation (X1) and Non-Financial Compensation (X2) by 77.6%, with other factors accounting for the remaining 22.4%.

The results of the study indicate that both monetary and non-monetary compensation have an effect on employee satisfaction simultaneously. Thus, it can be concluded that at PT XYZ, Branch Office X, employee happiness is significantly impacted by both monetary and non-monetary pay.

## VI. CONCLUSION

The Financial Compensation Variable (X1) has a major effect on satisfaction. This study demonstrates that employee job satisfaction increases with the quality of financial remuneration received, including pay, bonuses, allowances, and other incentives. It has been demonstrated that one of the key elements that inspires workers and raises job satisfaction is monetary compensation.

Satisfaction is significantly impacted by the Financial Non Compensation Variable (X2). It can be concluded that non-financial compensation (X2) plays an important role in increasing employee job satisfaction. Factors such as recognition, appreciation, career development opportunities, a conducive work environment, and harmonious working relationships contribute significantly to feelings of satisfaction and comfort at work. Therefore, organizations need to pay attention to and optimize the provision of non-financial compensation as part of a strategy to increase employee satisfaction and retention.

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