

Contribution of Training and Compensation to Employee Job Satisfaction

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ABSTRACT

Effective training and fair compensation can improve employee performance and motivation, which will ultimately contribute to their job satisfaction. However, there are still many companies that do not realize the importance of these two factors and their impact on employee job satisfaction. The purpose of this study is to analyze the contribution of training and compensation to employee job satisfaction. This study aims to identify the extent to which training and compensation affect the level of employee job satisfaction in the studied companies. The method used in this study is a quantitative method with a survey approach. Data is collected through questionnaires distributed to employees from various departments in the company. The data analysis technique used is multiple linear regression to test the relationship between training, compensation, and employee job satisfaction. The results of the study show that training and compensation have a positive and significant contribution to employee job satisfaction. Quality training and adequate compensation are proven to significantly increase employee job satisfaction levels. These results indicate that companies need to pay more attention to training programs and compensation systems to improve employee job satisfaction.

Keywords: Training, Compensation, Job Satisfaction, Employees, Human Resource Management

INTRODUCTION

In an increasingly competitive world of work, employee job satisfaction is a key element in ensuring the success of an organization. When employees are satisfied with their jobs, they tend to be more productive and contribute positively to the overall performance of the organization. Satisfied employees typically show higher levels of motivation, work more efficiently, and have a better quality of work. Job satisfaction is also closely related to creativity and innovation, because employees who feel valued and motivated tend to be more courageous in coming up with new ideas and taking the initiative in solving problems (Wibowo, et, al., 2022). Thus, organizations that focus on improving employee job satisfaction can create a dynamic and productive work

environment, which ultimately improves the organization's competitiveness and sustainability in a competitive market.

In addition, employee job satisfaction also has a significant impact on employee loyalty and retention. Employees who are satisfied with their jobs tend to have a stronger relationship with the organization and show a higher commitment to the company's goals and values. They are more likely to stay in the organization for longer periods of time, reducing employee turnover rates that often negatively impact the organization's operations and costs. Low turnover rates mean that organizations can retain valuable employee knowledge and skills, as well as save on costs associated with recruiting and training new employees. By creating a supportive and motivating work environment, organizations not only increase employee job satisfaction but also build a strong foundation for long-term growth and success (Prasetya, et, al., 2020).

Employee training is an important investment made by companies to ensure that employees have the necessary abilities to achieve organizational goals. This training process usually involves various methods, such as on-the-job training, out-of-the-job training, seminars, workshops, and online courses. Each training method is designed to meet the specific needs of employees and organizations (Simanjuntak, et, al., 2021). By updating and improving employees' skills and knowledge, training helps them to stay relevant to industry developments, technology, and best practices in their fields. This not only increases productivity but also reduces errors and improves the quality of work.

Effective training also has a significant impact on the psychological aspects of employees. When employees feel that the company is invested in their development, it increases their confidence and motivation. Confident employees are more likely to take initiative, innovate, and contribute to their work to the fullest. Additionally, training can increase job satisfaction by providing career development opportunities and a sense of personal accomplishment. Motivated and confident employees tend to have better relationships with colleagues and superiors, which ultimately creates a more harmonious and productive work environment.

Fair and competitive compensation plays an important role in determining employee job satisfaction as it is a form of recognition and appreciation for their contributions to the organization. Compensation includes various elements such as basic salary, health benefits, performance bonuses, and other incentives provided to employees.

When employees feel that the compensation they receive is proportional to the effort and contribution they provide, they are more likely to feel valued and motivated to continue to do a good job. This sense of appreciation can increase employee morale and commitment to the organization, creating a more positive and productive work environment (Salim, et, al., 2022).

Furthermore, good compensation not only affects employee motivation and performance, but also plays a role in increasing loyalty and reducing turnover rates. Employees who are satisfied with the compensation they receive are more likely to stay at the company and develop their careers there. This can reduce the costs associated with recruiting and training new employees, as well as help companies retain existing knowledge and skills (Elshifa, et, al., 2023). Thus, ensuring that the compensation system is fair and competitive is an important strategy for organizations to maintain employee satisfaction and retention, which will ultimately contribute to the company's long-term success.

Although many studies have been conducted to examine the effects of training and compensation on employee job satisfaction, there is still a gap in understanding how these two factors contribute together in a given organizational context. Therefore, this study aims to analyze the contribution of training and compensation to employee job satisfaction, with the hope of providing deeper insights for management in designing effective strategies to improve employee job satisfaction.

THEORETICAL BASIS

Job Satisfaction

Maslow's Theory of Needs which classifies human needs into five levels of hierarchy, physiological needs, security, social, appreciation, and self-actualization (Widyaningtyas, et, al., 2023). In the context of job satisfaction, this theory suggests that in order to achieve high job satisfaction, organizations need to meet the basic needs of employees first before they can motivate them through the fulfillment of higher needs such as rewards and self-actualization. By understanding these theories, managers can design better work environments and policies to improve employee job satisfaction, which in turn can improve employee productivity and retention in the long run.

Job satisfaction is a concept that includes employees' feelings and attitudes towards their work. In general, job satisfaction is defined as the extent to which individuals feel positive or satisfied with aspects of their work, including the tasks they perform, the work environment, co-workers, and the compensation received (Pramono & Handini, 2020). Job satisfaction is the result of employees' perceptions of the extent to which their work meets their expectations, needs, and personal values. Employees who are satisfied with their work tend to show a more positive attitude, have a high morale, and are more committed to the organization. The factors that affect job satisfaction are very diverse, ranging from physical working conditions, relationships with employers and co-workers, opportunities for career development, to work-life balance.

In addition, fair and transparent management policies and practices also play an important role in determining the level of employee job satisfaction. For example, employees who feel that they are treated fairly and valued by management tend to have higher levels of job satisfaction. On the other hand, dissatisfaction can arise as a result of injustice, excessive workload, or a lack of recognition and appreciation. The impact of job satisfaction is not only felt by individual employees, but also by the organization as a whole (Saputra & Mulia, 2020). Satisfied employees tend to be more productive, creative, and have a higher commitment to organizational goals. They are also more likely to participate in organizational activities and contribute to improving the quality of work. Conversely, job dissatisfaction can result in high levels of absenteeism and turnover, as well as lower productivity and work morale.

Training

Andragogi Learning Theory from Malcolm Knowles, which specifically studies adult learning, argues that adults learn in a different way than children and have special needs in the learning process. According to this theory, training for adults should be more participant-centered, relevant to their experience, and problem-solving-oriented. Adults tend to learn better when they are actively involved in the training process, can relate the training material to their own life experiences, and see firsthand the benefits of what they learn in their work (Agustino, et, al., 2021). By understanding the principles of andragogy, trainers can design training programs that are more effective and tailored to the needs of employees.

Training is a systematic process designed to improve employees' skills, knowledge, and competencies so that they can carry out their duties and responsibilities more effectively (Khasanah & Nurbaiti, 2023). This process involves a variety of activities designed to develop employees' abilities in various aspects of their work, from technical skills to interpersonal skills. Training can be conducted through various methods such as courses, seminars, workshops, on-the-job training, or e-learning. The main goal of training is to improve employee performance and ensure that they have the necessary abilities to achieve organizational goals. In addition to improving technical skills, the training also aims to develop employees' soft skills, such as communication skills, teamwork, and time management. These soft skills are very important in creating a harmonious and productive work environment (Wirawan, et, al., 2022).

With the right training, employees can learn how to interact with colleagues and superiors more effectively, manage stress, and solve problems better. This not only helps employees in carrying out their daily tasks, but also increases their job satisfaction and motivation. Training also serves as a strategic tool for organizational adaptation and change. In the ever-evolving and change-filled business world, training helps employees to stay relevant and competitive (Wibowo, 2021). By constantly updating their knowledge and skills, employees can take on new challenges and take advantage of emerging opportunities. It also assists organizations in retaining and developing their internal talents, which in turn improves the overall performance of the organization.

Compensation

Skinner's Reinforcement Theory, which can be applied in the context of compensation as a form of positive reinforcement. Reinforcement in this case refers to the reward given to employees in response to the behavior or performance desired by the organization. In the context of compensation, positive reinforcement is in the form of salaries, bonuses, or other incentives given to employees in exchange for achieving targets or significant contributions (Gautama, et, al., 2023). By applying this theory, organizations can increase employees' intrinsic motivation to work harder and achieve organizational goals, as well as strengthen the bond between performance and rewards.

Compensation is a reward given by an organization to employees in recognition of their contribution and performance in achieving organizational goals. Compensation includes not only salaries or wages received on a regular basis, but also various other

forms of awards such as allowances, bonuses, incentives, and additional facilities (Munir, et, al., 2022). Fair and competitive compensation is an important factor in attracting, retaining and motivating employees to work optimally. By providing appropriate compensation, organizations can increase employee job satisfaction and loyalty. In addition to the financial aspect, compensation can also be non-financial such as recognition, awards, career development opportunities, and a positive work environment.

Effective compensation should be designed with several factors in mind, such as the organization's financial capabilities, industry standards, and employee needs and expectations. A good compensation system must be transparent, fair, and consistent. This means that employees must understand how their compensation is determined and feel that they are being treated fairly compared to their coworkers. Transparency in compensation policies can help build trust and prevent dissatisfaction (Putri & Supriadi, 2022). As such, an effective compensation strategy is key to creating a productive and harmonious work environment, which in turn supports the achievement of organizational goals.

METHOD

This study uses a quantitative approach to collect data that can be measured numerically. This approach is suitable because the research aims to identify the relationship between the variables of training, compensation, and job satisfaction in a way that can be directly measured. The population in this study is employees of PT. Trias Indra Saputra has 147 employees. Sampling was carried out randomly to ensure adequate representation of the population, so the sample used in the study amounted to 100 employees. The main instrument used is a specially designed questionnaire. This questionnaire will include structured questions that measure employees' perceptions of the level of training they receive, their level of satisfaction with the compensation they receive, and their general level of job satisfaction.

The collected data will be analyzed using statistical methods such as regression analysis to identify the relationship between independent variables (training and compensation) and dependent variables (job satisfaction). This statistical analysis will help measure how significant the contribution of training and compensation to job satisfaction is, as well as explain how much variability in job satisfaction can be explained

by these variables. This research method will provide a deeper understanding of how training and compensation affect employee job satisfaction empirically, and provide a solid basis for policy recommendations and managerial practices in organizations.

RESULT

The Effect of Training on Employee Job Satisfaction

The results of regression analysis show that training variables have a significant influence on employee job satisfaction. The value of t-count (1.937) is greater than the t-table (1.670) with a significance level of 0.000 which is less than 0.05 ($\alpha = 0.05$), so the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. This means that there is strong statistical evidence that training directly and positively affects employee job satisfaction levels. The determination coefficient (R Square) of 0.253 indicates that the training variable explains 25.3% of the variability or variation in employee job satisfaction. This means that about a quarter of the variation in job satisfaction can be explained by the training variables incorporated into the regression model. The rest, 74.7%, was influenced by other factors that were not included in the model, such as compensation, work environment, leadership, and other personal factors.

These findings show the importance of investing in effective training programs to improve employee job satisfaction. Organizations can take steps to improve the design, implementation, and evaluation of their training programs to match the needs and expectations of employees. Not only can this increase job satisfaction, but it also has the potential to increase employee productivity, loyalty, and retention in the long run. While these findings are significant, it is important to consider the limitations of the study such as sample size that may affect the generalization of results, as well as other variables that are not included in the regression model that may affect employee job satisfaction. The use of a quantitative approach with regression also has a potential weakness in describing the complexity of relationships between broader variables.

Effect of Compensation on Employee Job Satisfaction

The results of regression analysis show that the compensation variable has a significant influence on employee job satisfaction. The value of t-count (3.376) is greater than the t-table (1.670) with a significance level of 0.000 which is less than 0.05 ($\alpha = 0.05$), so the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is

accepted. This means that there is strong statistical evidence that compensation directly, positively and significantly affects employee job satisfaction levels. The determination coefficient (R Square) of 0.513 shows that the compensation variable explains 51.3% of the variability or variation in employee job satisfaction. This means that more than half of the variation in job satisfaction can be explained by the compensation variables incorporated into the regression model. The rest, 48.7%, was influenced by other factors that were not included in the model, such as training, work environment, and employee personal factors.

These findings highlight the importance of effective compensation management strategies in improving employee job satisfaction. HR managers and decision-makers need to consider the design of a fair, transparent, and competitive compensation system to ensure that the rewards provided to employees reflect their contributions as well as be able to motivate them to achieve organizational goals. Good compensation not only increases job satisfaction but can also increase retention of high-performing employees. While these findings are robust, it is important to acknowledge the limitations of the study, such as the use of quantitative approaches with regression that may not be able to describe the full complexity of the relationships between the variables involved. In addition, the use of samples that may not be representative of the entire population or other factors not included in the regression model may also affect the generalization of results.

The Effect of Training and Compensation on Employee Job Satisfaction

The results of the analysis show that both training and compensation variables simultaneously have a significant influence on employee job satisfaction. The F value of the calculation (32.589) is greater than the F value of the table (3.10) with a significance level of 0.000 which is less than 0.05 ($\alpha = 0.05$). This indicates that together, training and compensation have a positive and significant influence on employee job satisfaction. The determination coefficient (R Square) of 0.495 shows that the training and compensation variables together are able to explain 49.5% of the variability or variation in employee job satisfaction. This means that almost half of the variation in job satisfaction can be explained by the training and compensation variables incorporated into the regression model. The rest, 50.5%, was influenced by other factors that were not included in this

study, such as the work environment, organizational policies, and personal factors of employees.

These findings underscore the importance of human resource management in managing and improving job satisfaction through appropriate investment in training and a fair compensation system. Organizations need to ensure that the training programs provided are not only relevant to the current job needs but also provide added value that can improve employee competence and motivation. Additionally, a transparent and competitive compensation system design can help ensure that the rewards provided to employees are proportional to their contributions, which can increase employee loyalty and retention. While these findings provide valuable insights, there are some limitations to be aware of, such as data collection methods and sample sizes that may limit the generalization of results. In addition, the presence of other variables that are not included in the analysis model can also affect the interpretation and application of these findings in different organizational contexts.

CONCLUSION

Based on the results of the research that has been discussed, several important conclusions can be drawn related to the influence of training, compensation, and related factors on employee job satisfaction. First, the finding that both training and compensation individually and simultaneously have a significant influence on job satisfaction indicates that investment in employee development and fair compensation management can directly affect their satisfaction and motivation levels. This is in line with management theories that emphasize the importance of paying attention to the needs and appreciating employees' contributions in achieving organizational goals.

Second, the coefficient of determination (R Square) which reflects how much variation in job satisfaction can be explained by training and compensation (together at 49.5%) shows that these two factors have a significant impact, although there is still some variation influenced by other factors outside the research model. This requires a holistic approach to human resource management, which not only focuses on training and compensation but also integrates aspects such as organizational culture, leadership, and employee development policies.

Third, the managerial implications of these findings are very relevant for HR practitioners in designing strategies to improve employee well-being and overall organizational performance. By understanding that job satisfaction is the result of a variety of interrelated factors, organizations can take concrete steps such as increasing transparency in compensation, providing ongoing and relevant training, and creating a work environment that supports employee growth and development. These measures can not only improve employee retention but also optimize their contribution in achieving long-term organizational goals.

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