

ANALYSIS COMPENSATION AND SUPERVISION OF EMPLOYEES JOB SATISFACTION AT PT. OLAM INDONESIA UNIT MEDAN

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Abstract

The purpose of this study is to gain an understanding of the benefits and disadvantages of the compensation and benefits package for employees working at the PT. Olam Indonesia Unit in Medan. The type of research being conducted here is known as associative research, which takes a quantitative approach. For the purpose of data analysis, the technique employs linear regression analysis with the SPSS version 25 statistical software. One hundred and eighty employees from the PT. Olam Indonesia Unit in Medan are the sample size for this study. In this particular research project, the method of data collection that is being utilized is known as questionnaire. The results of the research indicate that there is a positive correlation between the amount of compensation received and the amount of work performed, as well as the benefits received from the work performed. Last but not least, compensation and benefits are beneficial in relation to the performance of work.

Keywords : *Compensation, Supervision, Job Satisfaction.*

1. INTRODUCTION

To achieve a balance between needs and requirements, as well as to ensure that the company is able to determine the work schedules of its employees, the human resources of a particular company need to be managed in a professional manner. Utilizing human resources in a productive manner is a process that occurs during the transformation of raw materials and materials into finished goods. One of the most valuable assets that the business world can possess in order to accomplish its objectives is human resources. In order to effectively organize the resources available to a business, human resource management is of utmost significance. In this context, the term "human resource management" refers to the utilization of human resources in a manner that is both efficient and effective in order to carry out the functions of planning, managing, directing, and supervising human resources within a specific organization. This is done in order to accomplish specific managerial objectives.

Human resources are the most important type of capital that is involved in the process of revenue generation for any business, according to the information that has been presented. This has the potential to help increase employee motivation, which is a significant factor when it comes to the importance of compensation and supervision. Steps that need to be taken in order to determine work schedules that are convenient for employees include increasing the number of jobs that are suitable, developing the potential of employees, establishing goals for the company, and providing positive feedback regarding the growth of the company. To achieve a balance between needs and requirements, as well as to ensure that the company is able to determine the work schedules of its employees, the human resources of a particular company need to be managed in a professional manner.

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3. LITERATUR REVIEW

Job Satisfaction

As stated by Sutrisno (2017), "Job satisfaction" refers to the attitude that an employee has towards their work, which is connected to the working environment, the level of cooperation that exists between employees, the rewards that are received at work, and issues that involve both physical and psychological factors. Additionally, compensation and supervision are two additional factors that can have an impact on job satisfaction. Sutrisno (2011) asserts that supervision is the most important factor. According to the viewpoint expressed by Sutrisno (2011), one of the elements that can have an effect on the level of job satisfaction individuals experience is the amount of compensation they receive. Providing employees with compensation that is in accordance with the employee's wishes will increase the likelihood that the employee will be satisfied with their work. This attitude toward work is the result of a number of individual specific attitudes toward factors in the work, individual adjustment, and the individual's social relationships outside of work, which ultimately gives rise to the individual's general attitude on the work that they are confronted with. In accordance with Sutrisno (2011), the following are the factors that have an impact on job satisfaction:

1. Opportunity to Advance
2. Willingness to Work
3. Compensation or salary
4. Company and Management
5. Supervision
6. Intrinsic Factors of Work
7. Working Conditions
8. Social Aspects of Work
9. Communication
10. Facilities

The Job Satisfaction Indicators According to Hasibuan (2017) are as follows:

1. Feelings of joy
2. Love work

Compensation

According to Sutrisno (2017), compensation encompasses all of the remuneration that workers receive in exchange for their work activities. When it comes to the dynamics of work relationships, compensation is one of the most delicate aspects. As stated by Sutrisno (2012), compensation systems have the potential to assist in the accomplishment of organizational objectives. In accordance with Sutrisno (2017), the following are the factors that have an impact on compensation:

1. Cost of living level
2. Compensation levels that apply in other companies
3. The level of company capabilities

The Compensation Indicators According to Nurmansyah (2016) are:

1. Salary
Income that a person receives in return for services provided to him.

2. Incentives
Additional income obtained due to differences in work performance.
3. Allowance
Additional income other than the salary a person receives, such as position, vehicle allowance, meal allowance, health allowance, telephone allowance, wife allowance, child allowance, and so on.

Supervision

It is possible to define supervision as the process of following the development of activities in order to ensure that work is progressing, as stated by Inu Kencana Syafiie (2019). In the operations of the company, supervision activities need to be carried out on a regular basis in order to accomplish the objectives that the company has set for itself. According to Handoko (2016), there are a number of factors that have an impact on supervision, including the following:

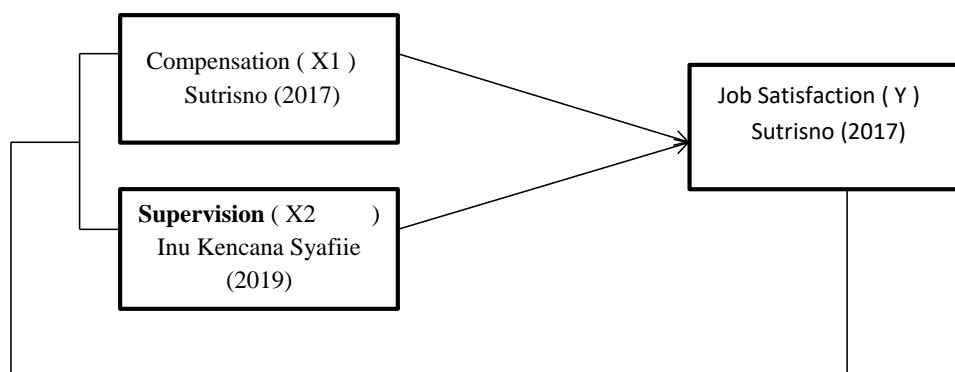
1. Changes in the organizational environment.
2. Increased organizational complexity.
3. Error - error.
4. The need for managers to delegate authority.

For the monitoring variables in this research, there are several indicators used. According to Handoko (2016), supervision indicators are as follows:

1. Determination of implementation standards
2. Performance assessment
3. Corrective action

Based on the explanation above, the author created the research framework as follows:

Gambar 1. Kerangka Konsep



Hypothesis can be interpreted as a statement that must be tested or researched for its truth. Based on the theories put forward previously, 3 hypotheses can be formulated as below:

- H1: Compensation has a positive and significant effect on employee job satisfaction at PT. Olam Unit Medan.
- H2: Supervision has a positive and significant effect on employee job satisfaction at PT Olam Unit Medan.
- H3: Compensation and supervision have a positive and significant effect on employee job satisfaction at PT Olam Unit Medan.

4. IMPLEMENTATION METHOD

An approach that is quantitative is utilized in this kind of research. Sugiyono (2019) asserts that quantitative methods are methods that are founded on the philosophy of positivism and that have the objective of describing and testing hypotheses that have been developed by researchers. The PT. Olam Indonesia Medan Unit was the location where this research was carried out. As per the findings of Hair et al. (2010), it is recommended that the sample size be at least five to ten times the number of statement items. There were a total of sixteen statements included in this study;

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therefore, the sample size for this study was sixteen times five, which equaled eighty respondents. In this research, data validity and reliability tests were carried out. Apart from that, the t test (partial), F test, and coefficient of determination (R2) test were also carried out using IBM SPSS version 25. In this study, the validity test was carried out using the Pearson formula as follows:

$$r = \frac{n \sum XY - (\sum X)(\sum Y)}{\sqrt{(n \sum (X)^2 - (\sum X)^2)(n \sum (Y)^2 - (\sum Y)^2)}}$$

Information:

r = Correlation Coefficient

n = Number of trial respondents

X= Score for each item

Y= Score of all test respondents' items

The reliability test was conducted utilizing the Cronbach Alpha (α) measure. In order for a variable to be considered reliable, it must satisfy the criterion that the value of Cronbach Alpha is greater than 0.60. Sugiharto and Situnjak (2006) define reliability as the assurance that the research instruments employed for data collection are dependable and capable of accurately reflecting the actual information obtained in the field. The t test is employed to ascertain the statistical significance of the partial impact of the independent variable on the dependent variable, assuming that the remaining independent variables are held constant. The t-test is employed to assess the degree to which the independent variables included in the study exert partial influence on the dependent variable (Ghozali, 2012). The t-test, as described by Sugiyono (2014), can be computed using the following formula:

$$t = r \sqrt{\frac{n-2}{1-r^2}}$$

Information:

t = t test value

r = Correlation coefficient

n = Number of data

r2 = Coefficient of determination

The outcomes of these computations will be contrasted with the t table employing a significance level of 0.05.

The coefficient of determination is a statistical measure that evaluates the collective impact of the independent variables on the dependent variable (Gujarati, 2012). According to Sugiyono (2011), the estimation of the coefficient of determination can be achieved by utilizing the formula provided as follows:

$$K_d = R^2 \times 100\%$$

Information:

Kd = Coefficient of determination

R2 = Correlation Coefficient

The F test is conducted to assess the collective impact of all independent variables in the simultaneous model on the dependent variable. The purpose of the F test is to determine whether the inclusion of multiple independent variables in a model collectively impacts the dependent variable (Ghozali, 2012, p. 98). According to Sugiyono (2014), the F test can be computed utilizing the following formula:

$$F = \frac{\frac{R^2}{k}}{\frac{(1-R^2)}{(n-k-1)}}$$

Information :

R² = Coefficient of determination

k = Number of independent variables

n = Number of sample members

5. RESULTS AND DISCUSSION

Table 4.1 Characteristics of Respondents by Gender

Characteristic		Total	%
Gender	Men	35	43,8
	Women	45	56,2
Total		80	100

Source: Processed by Researchers, 2023

Based on the results presented in Table 4.1, it is evident that the male respondents comprised a total of 35 individuals, accounting for 43.8% of the sample. In contrast, the female respondents constituted 45 individuals, representing 56.2% of the sample. Therefore, the proportion of female respondents surpasses that of male respondents.

Table 4.2 Characteristics of Respondents Based on Age

Characteristic		jumlah	%
Age	< 20 year	5	6,3
	21 – 30 year	38	47,5
	31 – 40 year	27	33,7
	41 – 50 year	10	12,5
Total		80	100

Source: Processed by Researchers, 2023

Based on the results presented in Table 4.2, it is evident that the respondents aged less than 20 years constitute a total of 5 individuals, accounting for 6.3% of the sample. Furthermore, respondents falling within the age range of 21-30 years amount to 38 individuals, representing 47.5% of the sample. Similarly, respondents aged 31-40 years comprise 27 individuals, constituting 33.7% of the sample. Lastly, respondents aged 41-50 years account for 10 individuals, corresponding to 12.5% of the sample. The age demographic of the majority of PT.Olam employees falls within the range of 21 to 30 years.

Tabel 4.3 Karakteristik Responden Berdasarkan Lama Bekerja

Characteristic		jumlah	%
Long Working	< 6 Mounth	7	8,7
	1 Year	29	36,3
	3 Year	23	28,8
	5 Year	21	26,2
Total		80	100

Source: Processed by Researchers, 2023

Based on the results presented in Table 4.3, it is evident that the characteristics of the respondents vary according to their length of service. Specifically, individuals with a length of service of less than 6 months accounted for 7 individuals or 8.7% of the total sample. Respondents with a length of service of 1 year constituted 29 individuals or 36.3% of the sample. Similarly,

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respondents with a length of service of 3 years comprised 23 individuals or 28.8% of the sample. Lastly, individuals with a length of service of 5 years were represented by 21 individuals or 26.2% of the sample.

Table 4.4 Results of Multiple Linear Regression Analysis ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	471.364	2	235.682	1199.967	.000 ^b
Residual	15.123	77	.196		
Total	486.487	79			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), Compensation, Supervision,

Source: Processed by Researchers, 2023

Based on table 4.4 above, the calculated F is obtained at 1199.967. The F distribution table is searched at the confidence level $\alpha = 10\%$, $df_1 (k-1)$ or $(2-1) = 1$ and $df_2 (n-k)$ or $38-2 = 36$, then it is obtained The F table value is 4.40. $F_{count} > F_{table}$, namely $1199.967 > 4.40$, so H_0 is rejected and H_a is accepted, so it can be concluded that the compensation and supervision variables simultaneously have a positive and significant effect on employee job satisfaction. If we look at the probability value (Sig), it is known that the significance value is smaller than 0.05, namely $0.000 < 0.05$, so we have the same conclusion that the compensation and supervision variables simultaneously have a positive and significant effect on employee job satisfaction.

Tabel 4.5 T-Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	632	34		891	.000
Compensation	0.475	.033	.721	14.535	.000
Supervision	0.171	.030	.81	660	.000

a. Dependent Variable: Job Satisfaction

Source: Processed by Researchers, 2023

Based on table 4.4, the results of the multiple linear regression analysis above, the regression equation in this study is:

$$\text{job satisfaction} = 0.632 + 0.475 \text{ Compensation} + 0.171 \text{ Supervision}$$

From the regression formula above, the regression coefficient value can be stated as follows:

1. The constant value of 632 states that if there is no compensation and supervision value, then the amount of job satisfaction is 1.278 (unit).
2. If the compensation value increases by 1 (unit), the job satisfaction value will increase by 0.475 (unit).
3. If the supervision value increases by 1 (unit), the job satisfaction value will increase by 0.171 (unit).

Table 4.6 R-Square

Model	R	<i>R Square</i>	<i>Adjusted R Square</i>
1	.984 ^a	.969	.968

a. Predictors: (Constant), Compensation and Supervision

b. Dependent Variable: Job Satisfaction

Source: Processed by Researchers, 2023

The results provided by the examiner indicate the magnitude of the multiple correlation coefficient (R) and the coefficient of determination (R Square). The adjusted coefficient of determination, also known as the adjusted R Square, is of interest in this context. According to the data presented in Table 4.6, the multiple correlation coefficient (R) is determined to be 0.969. The findings indicate that there exists a limited correlation between the variables of compensation and supervision with regards to job satisfaction. The aforementioned table presents the findings indicating that the coefficient of determination (R Square) is 0.969. This finding indicates that a substantial proportion of the variance in job satisfaction, specifically 96.9%, can be accounted for by fluctuations in the independent variables, namely compensation and supervision. In contrast, the residual portion of the total variance (3.1%) can be attributed to factors that were not incorporated within the framework of this particular research model. There exist numerous variables that have the potential to exert an influence on the level of job satisfaction experienced by part-time employees. The subject of discussion is the Olam Indonesia Medan Unit.

6. DISCUSSION

The Effect of Compensation on Employee Job Satisfaction

Mangkunegara (2016) posits that the remuneration provided to employees significantly impacts the degree of job satisfaction experienced by employees. This statement posits the existence of two distinct forms of compensation: financial compensation and non-financial compensation. Hence, the provision of equitable remuneration to employees has the potential to foster enthusiasm and job satisfaction. According to the findings of the study, it has been determined that compensation exerts a positive and statistically significant impact on the level of job satisfaction experienced by employees. The findings indicate that the level of compensation received aligns with the level of employee satisfaction. The provision of compensation has the potential to foster employee enthusiasm and enhance job satisfaction.

The Effect of Supervision on Employee Job Satisfaction

In Sutikno (2012) study, the author defines supervision as the systematic practice of monitoring the execution of various organizational activities with the purpose of gathering data to assess the extent to which goals have been accomplished and to identify any challenges encountered during the implementation process. The primary objective of supervision is to assess the extent to which the execution of tasks or work aligns with a pre-established plan. Under appropriate supervision, the level of employee job satisfaction can be enhanced. Supervision is a critical stage in evaluating the extent to which predetermined objectives have been successfully attained. According to the findings of the study, it has been determined that supervision exerts a favorable and substantial impact on the level of job satisfaction experienced by employees. The significance of workplace supervision cannot be understated as it plays a crucial role in enabling companies to gauge the varying degrees of employee job satisfaction. The absence of employee supervision and collaboration hinders the attainment of established organizational objectives. According to Sutrisno (2014) the act of supervising employees has a notable impact on their level of job satisfaction. Ensuring a high level of employee supervision is a crucial factor in guaranteeing the attainment of a company's objectives.

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The Effect of Compensation and Supervision on Employee Job Satisfaction

The research findings demonstrate a significant influence between Supervision and Compensation on employee job satisfaction at PT. Olam Indonesia Medan Unit. The results indicate that both Supervision and Compensation have a positive impact on employee job satisfaction. Specifically, higher levels of compensation and effective supervision contribute to increased job satisfaction among employees within the company. The significance of supervision and compensation in relation to employee productivity is highly pertinent to the viewpoints articulated by research experts. According to the study conducted by Wibowo (2014), job satisfaction refers to the state in which an individual exhibits a favorable disposition towards their occupation, while job dissatisfaction is characterized by a negative outlook towards one's job. Job satisfaction is contingent upon the fulfillment of various job-related factors, encompassing both intrinsic and extrinsic elements. The findings of the study indicate that both compensation and supervision exert a notable and favorable impact on employee job satisfaction.

7. CONCLUSION

The present study establishes that both compensation and supervision exert a positive and statistically significant impact on employee job satisfaction. The aforementioned findings indicate a notable correlation between compensation and supervision in relation to job satisfaction. This finding demonstrates that the factors of compensation and supervision are significant contributors to the enhancement of job satisfaction among physical therapists. The subject of discussion is the Olam Unit Medan. Hence, PT. Olam Indonesia can enhance employee job satisfaction through the implementation of robust supervision mechanisms to ensure diligent work and equitable remuneration for employees.

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