The Effect of Compensation and Job Promotion on Employee Job Satisfaction at Pt. Permata Jaga Karya, Denpasar

Sapta Rini Widyawati¹*, I Dewa Made Adnyana², I Nyoman Mustika³

¹,²,³ Faculty of Economics and Business, Mahasaraswati University Denpasar

Abstract:

This study aims to determine the effect of compensation and job promotions on employee job satisfaction at PT. Permata Jaga Karya, Denpasar. The number of research samples were 84 employees. Determination of the sample using saturated or census means that all employees are respondents. The analytical tool used is multiple linear regression analysis with the help of SPSS version 23.0.

The results of the analysis showed that compensation had a significant positive and significant effect on employee job satisfaction at PT. Permata Jaga Karya, Denpasar, this is evidenced by the value of the coefficient B for X1 is positive and the significant value of t(X1) < 0.05. Similarly, promotion has a significant positive and significant effect on employee job satisfaction at PT. Permata Jaga Karya, Denpasar, this is evidenced by the value of the coefficient B X2 is positive and the significant value of t(X2) < 0.05.

Keywords: Compensation, Job Promotion, Employee Job Satisfaction

Introduction:

Employees are a very important asset in supporting the progress of the company, because without company employees cannot take advantage of the resources owned by the company in achieving its goals. The interesting thing in managing employees is to make employees feel satisfied. One indicator of employee satisfaction according to Manullang (2010) is personal suitability at work. Personal suitability for the work in question is to compare the work that is desired by employees with work assigned by the company. To get the answer, the researchers conducted a prariset by distributing the initial questionnaire to some employees of PT. Permata Jaga Karya Denpasar to get the phenomenon that occurs regarding the level of employee satisfaction with one indicator of personal suitability at work. The results of the questionnaire were tabulated, so getting an initial picture of personal compatibility at work as shown in Table 1.
Table 1 Personal Compatibility for Work Employees at PT Permata Jaga Karya, Denpasar

| Section/Department | Average Compatibility Level |
|--------------------|-----------------------------|
| Marketing & Sales  | Quite Compatible            |
| Operational        | Quite Compatible            |
| Human Resources &  | Compatible                  |
| General Affair     |                             |
| Accounting & Finance| Very Compatible            |
| Warehouse          | Compatible                  |

Source: PT. Permata Jaga Karya (data processed).

In Table 1 it can be seen that the average level of personal compatibility at work is "compatible", that means most employees feel compatible or there is a personal compatibility at work. And that also means that employee satisfaction is fulfilled, although not in a very compatible state. Increasing employee satisfaction can be done by giving appropriate and fair compensation that will improve performance and is expected to work well. According to Dessler (2009: 125) compensation is any reward given to employees in exchange for their contribution to the organization.

Increasing employee satisfaction can be done by giving appropriate and fair compensation that will improve performance and is expected to work well. According to Dessler (2009: 125) compensation is any reward given to employees in exchange for their contribution to the organization. Hasibuan (2012) states that compensation is what is received by employees in exchange for their contribution to the organization. Nitisemito (2010) states that compensation is compensation for services provided by companies to employees, which can be valued in money and tend to be given on a regular basis.

Heidjrahman (2011) states that compensation is a number of remuneration in the form of money, goods and pleasures that are normally received by employees for the performance donated to the company. Thus, when viewed from the side of the employee itself, compensation is an inherent right because the employee has fulfilled his obligations. From this understanding, it can be said that compensation is an award for compensation given by the company to employees for their enthusiasm for the achievement of organizational goals.

Sedamayanti (2012) states the purpose of a good compensation system is to value work performance; guarantee justice; retain employees; get qualified employees; cost control; meet the regulations. According to Hasibuan (2010) the types of compensation are: wages and salaries; incentive; benefits; amenities. According to Handoko (2010) compensation indicators, namely: salary / wages; incentive; insurance; facilities provided.

Job Promotion:

According to Hasibuan (2012) that promotion of position means a move that increases the authority and responsibility to a higher position in an organization. Manullang (2010) states that promotion means an increase in position, that is, accepting power and responsibility greater than the
power and responsibility greater than the previous powers and responsibilities. According to Nitisemito (2010), promotion is a process of moving an individual from another higher position that is always followed by duties, responsibilities and authority more than the previous position. Sedarmayanti (2012), promotion is moving towards and increasing in an occupied position. Based on this opinion it can be concluded, promotion is a process of moving employees from one position to a higher position followed by increased duties, responsibilities and authority more than the previous position.

Guidelines used to promote employees according to Siagian (2011) guidelines used to promote employees are: employee work experience; employee skills; combination of experience and skills. Moekijat (1999: 1006) states that there are considerations that are used in the performance of positions, namely: promotion is made on the basis of skills; promotions are organized only according to the organization's plan; employees must be informed of the promotion plan; providing information on promotion policies and procedures; broadest possible field of competition.

Job satisfaction:

Job satisfaction is a general attitude towards one's work difference between the many rewards with which a worker receives and the amount they believe they should receive (Siagian, 2011). Job satisfaction is an emotional state where employees occur or does not occur at a meeting point between the value of employee benefits from the company / organization with the service that is desired by the employee concerned (Manullang, 2010). Job satisfaction is a positive emotional state and evaluates one's work experience. Job dissatisfaction arises when these expectations are not met.

According to Hariandja (2002: 291) the factors that influence job satisfaction are: salary ; the work itself; coworkers; superiors; promotion; environment. According to Manullang (2010) indicators of job satisfaction include: work that is mentally challenging; appropriate reward; supportive working conditions; supporting co-workers; personal suitability at work.

Concept Framework and Hypotheses:

Conceptual framework:

A conceptual framework is a systematic picture of the theory's performance in providing solutions to a set of problems that are set. To be able to find out the influence between compensation and promotion of position on employee job satisfaction, questionnaires are first made to the respondent.

Expected compensation and promotion in accordance with employee perceptions, employee job satisfaction will increase. The conceptual framework in this study is in Figure 1.

![Conceptual framework](image)

**Picture 1 Conceptual framework**

**The Effect of Compensation and Job Promotion on Employee Job Satisfaction at PT. Permata Jaga Karya, Denpasar**

**Hypothesis:**

The hypotheses put forward in this study are as follows:

H1: Compensation has a positive and significant effect on employee job satisfaction at PT. Permata Jaga Karya, Denpasar.

H2: Position promotion has a positive and significant effect on employee job satisfaction at PT. Permata Jaga Karya, Denpasar.
Research Methods:

Variable identification:
The variables in this study are: the independent variable is compensation (X1) and promotion (X2); dependent variable: employee job satisfaction (Y).

Population and Sample:
The population in this study amounted to 84 employees. All employees were sampled in this study.

Method of collecting data:
To find out the data needed in this study there are several data collection techniques or methods, namely: observation, interviews, and questionnaires.

Test of instrument:
The test of instrument is done by testing the validity and reliability

1) Test validity:
Validity test can be used by calculating the correlation between the scores of each question item with the total score. If the correlation coefficient is positive and greater than 0.3 with a level of \( \alpha = 0.05 \), then the indicator is said to be valid (Sugiyono, 2010).

2) Reliability Test:
Reliability tests are needed to show the extent to which a measuring instrument or an instrument can be trusted or relied upon. A reliable instrument is an instrument that is used several times to measure the same object. The instrument can be said to be reliable or reliable if Cronbach's alpha coefficient \( \geq 0.6 \) (Sugiyono, 2010).

The classic assumption test:
The classic assumption test must be carried out to test the appropriateness of the regression analysis model used in the study (Ghozali, 2011). This test includes:

1) Normality Test:
Normality test aims to test whether in the residuals of the regression model that are made normally or not. To test whether the data is normally distributed or not, it can be done with the Kolmogorov-Smirnov test, if sig (2-tailed) is greater than \( \alpha = 0.05 \), then the data is normally distributed, whereas if sig (2-tailed) is smaller than \( \alpha = 0.05 \) then the data is not normally distributed.

2) Multicollinearity Test:
Multicollinearity test aims to test whether the regression model found a correlation between independent variables, because a good regression model should not occur correlation between independent variables. The trick is to look at the value of VIF and tolerance. To be free of multicollinearity, the tolerance value must be above 0.1 and the VIF value must be less than 10. If the data contains multicollinearity symptoms, the transformation of variables can be done in the form of natural logarithms.

3) Heteroscedasticity Test:
The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. To detect the presence or absence of heteroscedasticity in this study the Glejser test was used. This method is done by regressing the absolute value of the residual to the independent variable. If there is no independent variable that has a significant effect on absolute residuals, heteroscedasticity does not occur.

Data analysis techniques:
Data analysis techniques used in this study, (Sugiyono, 2010):

1) Multiple Linear Regression Analysis
This analysis is an analysis technique used to determine the effect of the variables X1 (Compensation), X2 (Job Promotion), and Y (Employee Job Satisfaction).

2) Multiple Correlation Analysis
This multiple correlation analysis is used to determine the strength of the degree of relationship between Compensation (X1) and Job Promotion (X2) simultaneously on Employee Job Satisfaction (Y).

3) Determination Analysis
This analysis aims to determine variations in employee job satisfaction relationships that can be explained by compensation variables and
job promotion variables, which are expressed in percentage form.

4) t-test

T-test test aims to prove whether the effect of simultaneously between compensation or promotion for employee job satisfaction.

Results and Discussion:

Instrument Test Results:

1) Validity Test Results

| Statement                  | Correlation Coefficient | Sig. | R Product Moment (r-table) | Exp. |
|----------------------------|--------------------------|------|----------------------------|------|
| Compensation (X1)          |                          |      |                            |      |
| X1.1                       | 0.817                    | 0.000| 0.246                      | Valid|
| X1.2                       | 0.763                    | 0.000| 0.246                      | Valid|
| X1.3                       | 0.942                    | 0.000| 0.246                      | Valid|
| X1.4                       | 0.935                    | 0.000| 0.246                      | Valid|
| Job Promotion (X2)         |                          |      |                            |      |
| X2.1                       | 0.784                    | 0.000| 0.246                      | Valid|
| X2.2                       | 0.776                    | 0.000| 0.246                      | Valid|
| X2.3                       | 0.818                    | 0.000| 0.246                      | Valid|
| X2.4                       | 0.901                    | 0.000| 0.246                      | Valid|
| X2.5                       | 0.829                    | 0.000| 0.246                      | Valid|
| Employee Job Satisfaction (Y) |                        |      |                            |      |
| Y.1                        | 0.812                    | 0.000| 0.246                      | Valid|
| Y.2                        | 0.861                    | 0.000| 0.246                      | Valid|
| Y.3                        | 0.857                    | 0.000| 0.246                      | Valid|
| Y.4                        | 0.793                    | 0.000| 0.246                      | Valid|
| Y.5                        | 0.837                    | 0.000| 0.246                      | Valid|

Source: Data Processing Results

Based on the results of the validity analysis with SPSS V.23 for Windows program, it shows that all instruments are significant and the correlation coefficient is above the R Product Moment value. This means that all instruments used to collect data in the form of questionnaires are valid. Instrument Validity Test Results with Product Moment Correlation can be seen in Table 1 below:
2) Reliability Test Results:
If the Cronbach Alpha value is greater than 0.60, the results obtained can be said to be reliable. Based on the results of the analysis using the SPSS version on 23 for Windows program, the calculation of each variable of the Cronbach Alpha value is greater than 0.60. Then all instruments are reliable and research can be continued. The results of the Reliability Test can be seen in Table 2 below.

| Variable                        | Cronbach's Alpha | Standard | Exp. |
|---------------------------------|------------------|----------|------|
| Compensation (X1)               | 0.891            | 0.60     | Reliable |
| Job Promotion (X2)              | 0.902            | 0.60     | Reliable |
| Employee Job Satisfaction (Y)   | 0.887            | 0.60     | Reliable |

Source: Data Processing Results

Classic Assumption Test Results
1) Normality Test
The normality test uses the Kolmogorov-Smirnov Test. The normality test results are in Table 3.

| One-Sample Kolmogorov-Smirnov Test |
|-----------------------------------|
| Unstandardized Residual           |
| N                                 | 84                |
| Normal Parameters<sup>a,b</sup>   |                   |
| Mean                              | .0000000          |
| Std. Deviation                    | 1.01372614        |
| Most Extreme Differences          |                   |
| Absolute                          | .091              |
| Positive                          | .076              |
| Negative                          | -.092             |
| Test Statistic                    |                   |
| Asymp. Sig. (2-tailed)            | .173<sup>c,d</sup>|

Source: Data Processing Results

From Table 3 it can be seen that the Asymp value. Sig. (2-tailed) is 0.173. This value is greater than 0.05 which means it can be said that the variable is normally distributed.
2) Multicollinearity Test Results:

### Table 4 Multicollinearity Test Results

| Independent Variable | Tolerance | VIF  |
|----------------------|-----------|------|
| Compensation         | 0.256     | 4.437|
| Job Promotion         | 0.256     | 4.437|

Source: Data Processing Results

In Table 4 shows the Tolerance value is greater than 0.1 and the VIF value is smaller than 10. Then it can be concluded that the regression model does not occur multicollinearity.

3) Heteroscedasticity Test Results:

### Table 5 Heteroscedasticity Test Result

| Model         | Unstandardized Coefficients | Standardized Coefficients | T     | Sig.  |
|---------------|-----------------------------|----------------------------|-------|-------|
|               | B                          | Std. Error                 | Beta  |       |
| 1 (Constant)  | 0.305                      | 0.573                      | 0.976 | 0.352 |
|               | Compensation               | -0.057                     | -0.244| -0.838| 0.470 |
|               | Job Promotion              | 0.061                      | 0.326 | 1.130 | 0.326 |

Source: Data Processing Results

From Table 5 it can be seen that the significance value between the independent variable and the absolute residual value (ABS_RES) is greater than 0.05. This means that there are no symptoms of heteroscedasticity in the regression model of the Compensation variable (X1) and Job Promotion (X2), so this regression model is feasible to use.

**Data Analysis Results:**

The results of data analysis using SPSS for Windows Version 23.00 software are made recapitulation, as shown in Table 6.

### Table 6 Recapitulation of Analysis Results with SPSS Program for Windows V.23

| Model         | Unstandardized Coefficients | Standardized Coefficients | T     | Sig.  |
|---------------|-----------------------------|----------------------------|-------|-------|
|               | B                          | Std. Error                 | Beta  |       |
| 1 (Constant)  | 3.657                      | 0.926                      | 3.949 | 0.000 |
|               | Compensation               | 0.418                      | 0.124 | 0.428 | 3.371 | 0.000 |
|               | Job Promotion              | 0.475                      | 0.093 | 0.537 | 5.108 | 0.000 |
| R             | 0.941                      |                            |       |       |
| R² (R Square) | 0.885                      |                            |       |       |

Source: Data Processing Results
1) Results of Multiple Linear Regression Analysis

Based on the values in Table 6, the multiple linear regression equation will be:

\[ Y = 3.657 + 0.418 \times X_1 + 0.475 \times X_2 \]

Based on the multiple linear regression equation explained that:

- \( a = 3.657 \), meaning that if there is no attention to compensation (X1) and promotion (X2), then the amount of employee job satisfaction (Y) is 3.657 units.

- \( b_1 = 0.418 \), meaning that if a promotion (X2) is considered, then an increase in compensation (X1) of one unit will be followed by an increase in employee job satisfaction (Y) of 0.418 units. This means compensation is in line with employee job satisfaction. Thus compensation positively affects employee job satisfaction.

- \( b_2 = 0.475 \), meaning that if compensation (X1) is considered constant, the increase in promotion (X2) by one unit will be followed by an increase in employee job satisfaction (Y) of 0.475. This means that promotion is in line with employee job satisfaction. Thus the promotion of a positive effect on employee job satisfaction.

2) Results of Multiple Correlation Analysis

Based on Table 6 the results obtained are multiple correlation coefficients (R) of 0.941. Based on the guidelines to provide correlation coefficient interpretation that the multiple correlation coefficient of 0.941 is between 0.900 and 1.000 which means the correlation is very strong. Thus compensation and promotion have a strong relationship with employee job satisfaction.

3) Determination Analysis

Based on Table 6 the results obtained determination coefficient (R Square) of 0.885. This means that the magnitude of the variation in the relationship between compensation and promotion for employee job satisfaction is 85.5%, while the remaining 14.5% is explained by other variables beyond compensation and promotion that are not discussed in this study.

4) T-test results

Based on Table 6 above, the following conclusions can be drawn:

a) Effect of Compensation on Employee Job Satisfaction

Based on Table 6, the significance value of t for X1 is 0.000 <0.05. The results also show that compensation has a significant effect on employee job satisfaction.

b) Effect of Job Promotion on Employee Job Satisfaction

Based on Table 6, the significance value of t for X2 is 0.000 <0.05. The results also showed that the promotion had a significant effect on employee job satisfaction.

Discussion:

1) Effect of Compensation on Employee Job Satisfaction at PT. Permata Jaga Karya, Denpasar.

Based on the results of the analysis found that compensation has a positive and significant effect on employee job satisfaction, it is known from the coefficient value B1 (X1) is positive and significant value t (X1) <0.05. Thus the hypothesis (H1) which states that compensation has a positive and significant effect on employee job satisfaction is "accepted". The results of this study support previous research by Netra (2007), Malik et al. (2012), Onsardi et al. (2015) and Susila (2016).

2) The Effect of Job Promotion on Employee Job Satisfaction at PT. Permata Jaga Karya, Denpasar.

Based on the results of the analysis found that the promotion of a positive and significant effect on employee job satisfaction, this is known from the coefficient value B2 (X2) is positive and significant value t (X2) <0.05. Thus the hypothesis (H2) which states that job promotion has a positive and significant effect on employee job satisfaction is "accepted". The results of this study support...
previous research by Netra (2007), Onsardi et al. (2015) and Susila (2016).

Conclusions and Suggestions:

Conclusion:

1) Compensation has a positive and significant effect on Employee Job Satisfaction at PT. Permata Jaga Karya, Denpasar.
2) Job Promotion has a positive and significant effect on Employee Job Satisfaction at PT. Permata Jaga Karya, Denpasar.

Suggestion:

Based on the results of research and conclusions that have been made, the suggestions that can be submitted relating to this research are as follows:
1) Companies through their leaders can pay more attention to the compensation given to employees.
2) Companies through the leadership must hold meetings more regularly and periodically.

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