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REMUNERATION FUNCTION IN IMPROVING WORK SATISFACTION AND PRODUCTIVITY AT STATE OWNED INDONESIAN HARBOUR III

Tri Cicik Wijayanti

tricicik@umg.ac.id

Universitas Muhammadiyah Gresik, East Java, Indonesia

Corresponding Author : tricicik@umg.ac.id

ABSTRACT

The objective of this study was to analyze the function of remuneration in improving job satisfaction and its impact on work productivity at State owned Indonesian Harbour III. Research type is a causal research using a quantitative approach. Sampling of the study were 187 respondents, employees of State owned Indonesian Harbour III using purposive sampling technique. Data collection techniques in this study using a questionnaire. Data analysis in this study used Partial Least Square (PLS) analysis. The findings of study support that remuneration has a significant and positive effect on job satisfaction and work productivity. The analysis results also attest that job satisfaction has a significant and positive effect on work productivity.

Keywords: Remuneration, Job Satisfaction, Work Productivity

INTRODUCTION

Human resources have a central role in an organization, because with the support of competitive employees, the organization can carry out its activities optimally. Seeing the very imperative role of the workforce as a human resource, it is hoped that employees will be able to work more productively and professionally. Work productivity is a measurement that shows the consideration between the input and output issued by the company and the role of labor that is owned by the time union. Work productivity of an organization can be seen from

how effective the products and services are, as well as how services are delivered to customers. Work productivity can be used as an indicator of the success of a company or individual so that it can be used as a benchmark for improving future performance (Sutrisno, 2017).

To realize high productivity in the company, the workforce needs to be given satisfactory remuneration. Remuneration is a reward or stipend provided by the company to its workers as a result of the achievements it has given in order to achieve company goals (Moeheriono, 2012). Application of remuneration within the company cannot be ignored because remuneration is directly related to the achievement of company goals. Implementation of good remuneration will certainly create job satisfaction which of course will greatly affect performance which in turn will have a very positive impact on work productivity. The results of research conducted by Mukhlis et al. (2008) found that remuneration has a direct effect on employee productivity. The research findings of Jawad and Iqbal (2018) prove that remuneration has a positive and significant effect on work productivity.

In addition, remuneration is one of the aspects that affect job satisfaction besides promotion, supervision, colleagues / work environment and the job itself (Robbins and Judge, 2014). In line with Madura (2001) which states that one of the factors that affect job satisfaction is remuneration. According to Sopiah (2008), job satisfaction is a person's emotional response to work situations and conditions, emotional responses can be feelings of satisfaction (positive) or dissatisfaction (negative). If emotionally satisfied means that job satisfaction is achieved and vice versa if not, it means the employee is not satisfied. Job satisfaction is felt by the employee after the employee compares what he hopes will be obtained from his work with what is actually obtained from his work. The results of research conducted by Mukhlis et al (2008) found that remuneration has a direct effect on employee job satisfaction. Surahman (2019) proves that there is an effect of remuneration on job satisfaction. The research findings of Mukhlis et al. (2008) also found that remuneration has a direct effect on employee job satisfaction.

Employee satisfaction affects the efficiency and effectiveness as well as the work productivity of the employees themselves. Therefore, awareness is needed to work together at all levels in order to create conducive working atmosphere. Employee satisfaction is related to

how the company or company leadership manages and utilizes these human resources and provides feedback that can encourage morale. High job satisfaction will also affect employee work productivity, such as the findings of Mukhlis et al. (2008) which prove that job satisfaction has a direct effect on employee work productivity. Likewise, Saprudin and Koeswardhana (2018) found that job satisfaction has a direct, positive and significant effect on work productivity.

Based on theoretical and empirical literature reviews, this study was conducted with the aim of analyzing the effect of remuneration and job satisfaction on work productivity.

LITERATURE REVIEW

Remuneration

According to Surya (2004) remuneration is something that an employee receives as a reward for the contribution he has made to the workplace organization. Remuneration includes all rewards, both in the form of cash and in-kind, both routine and non-routine, and whether they are given directly or indirectly. For example, direct benefits, salary / wages, job allowances, special allowances, bonuses, and various types of assistance provided on a regular basis. Indirect benefits consist of facilities, health, pension funds, disaster compensation.

Sofyandi (2008) states that remuneration is a form of expense that must be incurred by a company in the hope that the company will receive rewards in the form of work performance from its employees. Meanwhile, Sastrohadiwiryono (2002) states that remuneration is a reward or remuneration provided by the company to its workers, because these workers have contributed energy and thoughts for the progress of the company in order to achieve predetermined goals. Another definition of remuneration put forward by Poels (2003) is "Remuneration is the process which takes place after functions have been ranked and through which a salary structure will be established". In the context of bureaucratic reform, remuneration is defined as the restructuring of the payroll system.

Job Satisfaction

According to Robbins and Judge (2014), job satisfaction is a positive feeling about one's job which is the result of an evaluation of the characteristics of the job. This is in accordance with the opinion of

Sutrisno (2017), someone who has a high level of job satisfaction shows a positive attitude to his job. A similar definition is put forward by Kreitner and Kinicki (2014) which defines job satisfaction as an affective or emotional response to various aspects of a person's job. Job satisfaction is a feeling that supports or does not support an employee in relation to his job or with his condition (Sinambela, 2012). Meanwhile, according to Rivai (2014) job satisfaction is an evaluation that describes someone's feelings of attitude, happy or not happy, satisfied, or disappointed at work.

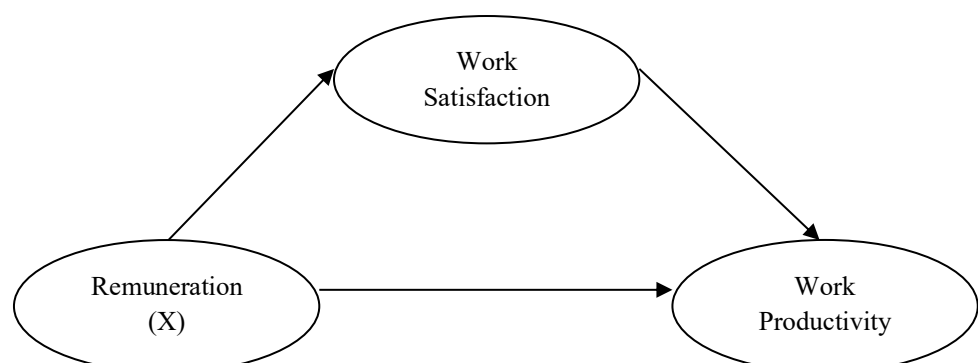
According to Mathis and Jackson (2006) job satisfaction is a positive emotional state which is the result of evaluating one's work experience. Wagner and Hollenbeck (2009) suggest that job satisfaction is a feeling of pleasure or a positive emotional statement from the results of the fulfillment of a job or work experiences. Meanwhile, Wilsom (2012) states that with job satisfaction an employee can feel his job whether it is fun or not fun to do.

Work productivity

Siagian (2015) defines work productivity as the ability to get the maximum benefit from the available facilities and infrastructure by producing optimal output, if possible the maximum. Tohardi in Sutrisno (2017) express that work productivity is a mental attitude. A mental attitude that is always looking for improvements to what already exists. A belief that a person can do a better job today than yesterday and tomorrow is better than today.

Sutrisno (2017) asserts productivity is a measure of productive efficiency. A comparison between output and input results. Input is often constrained by labor, while output is measured in physical units, the form of value. According to Hasibuan (2010), it is stated that in a simpler way, the meaning of productivity is the arithmetic comparison between the amount produced and the amount of each source used during production.

Conceptual Framework



Hypothesis

H1: Remuneration has a significant and positive effect on Job Satisfaction at State owned Indonesian Harbour III

H2: Remuneration has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III

H3: Job Satisfaction has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III

RESEARCH METHODS

Types of research

In this research design using quantitative data analysis and using questionnaire data collection methods. This research is included in the type of causal research because one variable with another variable is interconnected, namely the independent variable and the dependent variable. According to Sugiyono (2016), a causal relationship is a causal relationship, namely there are independent variables (variables that affect) and dependent variables (influenced). The research design is a plan to determine the resources and data that will be used to be processed in order to answer research questions. Research conducted based on data collection methods, this study uses a questionnaire to fill out.

Population and Sample

Population is a generalization area consisting of objects or subjects that have the qualities and characteristics set by the researcher to study and then draw conclusions (Sugiyono, 2016). The population in this study were all employees of State owned Indonesian Harbour III as many as 351 employees.

Sample is part of the number and characteristics of the population (Sugiyono, 2016). The sampling technique is a technique to take samples and then to determine that it will be used in the study (Sugiyono, 2016). The determination of the number of respondents (samples) was carried out through purposive sampling technique, namely the technique of determining the sample with certain considerations (Sugiyono, 2016). To calculate the number of samples

to be used, the Slovin equation formula will be used according to Sekaran (2016), namely:

$$n = \frac{N}{1 + Ne^2}$$

Description :

N = total population

n = number of Samples

e = 5% percent allowance for inaccuracy

$$n = \frac{351}{1 + (351(0,05^2))}$$

n = 186.9 ~ 187 people

So the sample used in this study were 187 respondents of employees of State owned Indonesian Harbour III.

Operational Definition of Variables

The operational definition is a concept or something that can be measured and can be seen in the dimensions of behavior, aspects or characteristics that the concept shows.

1. Remuneration (X)

Remuneration is a form of cooperation, job satisfaction, effective procurement, motivation, employee stability, discipline, influence from labor unions and the influence of government regulations. Measurement of the remuneration variable in this study refers to Teja's (2017) research, namely:

- a. Reward dimensions with indicators: salary, incentives and bonuses
- b. Dimensions of remuneration with indicators: provision of leave, medical allowances, credit facilities, recreation and educational scholarships
- c. Respect dimension with indicators: special promotion and career promotion.

2. Job Satisfaction (Z)

Job satisfaction is a positive and pleasant emotional state of a person resulting from an assessment of a job or someone's work experience. The measurement of job satisfaction in this study refers to the theory of Luthans (2014) which states that there are 5 dimensions of job satisfaction, namely:

- a. The work itself
- b. Supervision
- c. Coworkers
- d. Pay
- e. Opportunity of promotion

3. Work Productivity (Y)

To measure work productivity, an indicator is required, as follows in Sutrisno's (2017) book, it is explained that productivity indicators are:

- a. Ability
- b. Increase the results achieved
- c. Spirit at work
- d. Self-development
- e. Quality
- f. Efficiency

Data collection technique

Method used by researcher in this study is a survey method, using a questionnaire. Sugiyono (2016) said that a questionnaire is a data collection technique that is carried out by giving a set of written statements to respondents to answer. The method of making the scale uses a Likert scale. The variables measured on the Likert scale are translated back into the form of sub-variables, where these sub-variables are translated back into components that can be measured.

Data analysis technique

Data analysis is the process of simplifying data into a form that is easier to read and implement. Analysis technique chosen to analyze the data and test the hypothesis in this study is The Structural Equation Model (SEM). Partial Least Square (PLS) is used to answer the hypothesis. According to Ghazali (2012: 41) calculations are carried out using the Smart Partial Least Square (PLS) tool, because it is in the form of multiple paths and the model used is in the form of a reflective. Calculation model is carried out using the Smart PLS tool because in this study it has a multi-path relationship and is formative and reflective. The sample in this study has been fulfilled as many as 50 respondents. The formative model is a model that shows direction of relationship from indicators to latent variables. Reflective model is

a model that shows relationship among latent variables to the indicators.

ANALYSIS AND DISCUSSION

Outer Model

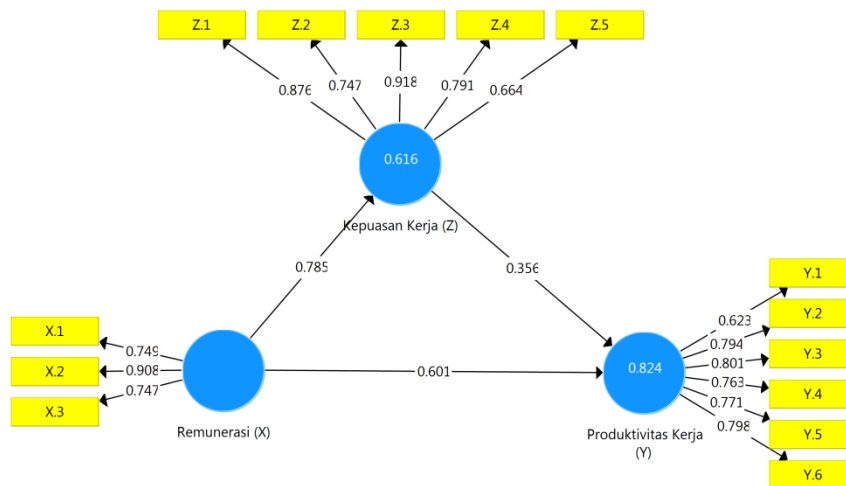


Figure 2. Structural Model of Partial Least Squares

Based on the above figure 2, then acquired by structural equation as follows :

$$Z = 0.785 X$$

$$Y = 0.601 X + 0.356 Z$$

R-Square

In assessing the model with PLS, we start by looking at the R-Square for each dependent latent variable. Changes in the R-Square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect. For the endogenous latent variables in the structural model which has R2 of 0.75 indicates that the model is "strong", R2 is 0.50 indicating that the model is "moderate", R2 is 0.25 indicating that the model is "weak" (Ghozali, 2014). The PLS output is as explained below:

Table 1. R-Square value

Variables	R Square
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Variables	R Square
Remuneration (X)	-
Work Satisfaction (Z)	0.616
Work Productivity (Y)	0.824

Based on Table 1, the Remuneration variable that affects the Job Satisfaction variable in the structural model has a R2 value of 0.616 which indicates that the model is moderate. While the Remuneration and Job Satisfaction variables that affect the Work Productivity variable in the structural model have a R2 value of 0.824 which indicates that the model is strong.

Q-Square

In the PLS model, the assessment of goodness of fit is known from the value of Q2. The value of Q2 has the same meaning as the coefficient of determination (R-Square) in regression analysis, where the higher the R-Square, the model can be said to be more fit with the data. The suitability of the structural model can be seen from Q2, as follows:

$$\begin{aligned}
 Q2 &= 1 - [(1 - R_1) (1 - R_2)] \\
 &= 1 - [(1 - 0.616) (1 - 0.824)] \\
 &= 1 - [(0.384) (0.176)] \\
 &= 1 - [0.068] \\
 &= 0.932
 \end{aligned}$$

The Q² result achieved is 0.932, meaning that the Q² value is above 0.932 which provides evidence that the model is "strong". This shows that the model of 93.2% is of interest to the formation of exogenous to endogenous latent.

Hypothesis testing

The next stage, doing Bootstrapping and the following results were obtained

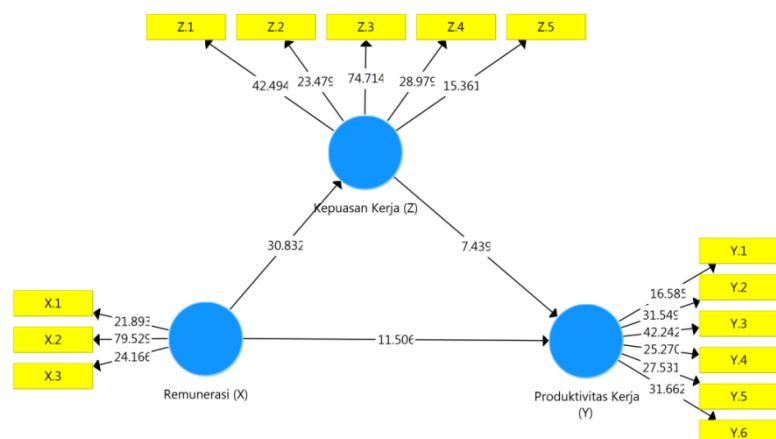


Figure 3. Bootstrapping

To answer the research hypothesis, see the t-statistic in Table 3 below:

Table 3. Relationship Among Constructs

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEVI)	P Values
Remuneration (X) → Work Satisfaction (Z)	0.785	0.787	0.025	30.832	0.000
Remuneration (X) → Work Satisfaction (Y)	0.601	0.602	0.052	11.506	0.000
Work Satisfaction (Z) → Work Productivity (Y)	0.356	0.355	0.048	7.439	0.000

Based on Table 3 above regarding hypothesis testing, it can be explained that:

a. Effect of Remuneration on Job Satisfaction

Remuneration has a significant effect on Job Satisfaction, because the T-statistic value is 30,832, which means it is greater than 1.96. Thus, the hypothesis H₁ which reads "Remuneration has a significant and positive effect on Job Satisfaction at State owned Indonesian Harbour III" can be stated as accepted.

b. Effect of Remuneration on Work Productivity

Remuneration has a significant effect on Work Productivity, because the T-statistic value is 11,506, which means it is greater than 1.96. Thus, the H₂ hypothesis which reads "Remuneration has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III", can be stated as accepted.

c. Effect of Job Satisfaction on Work Productivity

Job Satisfaction has a significant effect on Work Productivity, because the T-statistic value is 7,439 which means it is greater than 1.96. Thus, the hypothesis H₃ which reads "Job Satisfaction has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III", can be stated as accepted.

DISCUSSION

Effect of Remuneration on Job Satisfaction

Based on the research results, it is found that Remuneration has an effect on Job Satisfaction, because the T statistical value is 30,832, which means it is greater than 1.96, this means that the hypothesis that says "Remuneration has a significant and positive effect on Job Satisfaction at State owned Indonesian Harbour III. ", stated can be accepted.

From the results of hypothesis testing, it is proven that remuneration has a significant effect on job satisfaction. This means that job satisfaction can be affected by remuneration. The direction of the influence that occurs is positive, which is obtained from the original sample value of 0.785. So that each time there is an increase in remuneration, it will also increase employee job satisfaction at work.

Suharman (2018) suggest this remuneration is able to increase one's job satisfaction, if someone has ideal remuneration then it can increase job satisfaction. Furthermore, Suharman (2018) proves in his research that there is a positive relationship between remuneration and job satisfaction.

Effect of Remuneration on Work Productivity

Based on the research results, it is found that Remuneration has an effect on Work Productivity, because the T statistical value is 11,506, which means it is greater than 1.96, this means that the hypothesis that says "Remuneration has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III. ", stated can be accepted.

In testing the hypothesis that has been done, the outcomes show that remuneration has a significant and positive effect on work productivity. The positive influence referred to in this case is the presence of a unidirectional influence so that it means that the higher the remuneration given to employees, the more work productivity of employees in the company will increase. So that for State owned Indonesian Harbour III which wants to increase employee productivity, it is important to pay attention to the level of remuneration for each employee.

This study result are in line with the findings of Jawad and Iqbal (2018) which confirmed in their research that there is a significant influence between the effect of remuneration on work productivity.

Effect of Job Satisfaction on Work Productivity

Based on the research results, it is found that Job Satisfaction has an effect on Work Productivity because the T statistical value is 7,439, which means greater than 1.96, this means that the hypothesis that says "Job Satisfaction has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III", stated can be accepted.

Based on the results of hypothesis testing that has been done, it is proven that job satisfaction has a significant effect on work productivity with a positive direction of influence. This positive effect is evidenced by the original sample value of 0.356. This means that the higher the feeling of satisfaction for employees, the more they will be able to increase employee productivity at work.

The fallouts in this study are in line with Mukhlis et al. (2018) findings which support that Job Satisfaction has a direct effect on Employee Work Productivity. These results also sustain the findings of Saprudin and Koeswardhana (2018) which prove that job satisfaction has a significant effect on work productivity.

CONCLUSION

1. Remuneration has a significant and positive effect on Job Satisfaction at State owned Indonesian Harbour III.
2. Remuneration has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III.
3. Job Satisfaction has a significant and positive effect on Work Productivity at State owned Indonesian Harbour III.

SUGGESTION

1. Expectantly State owned Indonesian Harbour III anticipate it and will optimize the provision of supportive remuneration to employees so that it will increase employee satisfaction.
2. Expectantly for further research that wants to examine the same topic to add other variables that are thought to affect work productivity.

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