

The Role of Compensatory Justice and Physical Work Environment in Influencing Employee Job Satisfaction

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Abstract

This study aims to determine the effect of compensation justice and physical work environment on the job satisfaction of employees of the Agriculture and Plantation Service of Central Java Province, Indonesia. This study uses a quantitative research approach. The population in this study amounted to 594 people and the sample studied was 86 respondents using a simple random sampling technique. The analysis tool uses statistical software with SPSS version 22. Data analysis uses multiple linear regression analysis. Partially, the compensation fairness variable has a significant effect on employee job satisfaction, as well as the physical work environment has a significant effect on employee job satisfaction. This shows that compensation fairness and physical work environment provide a positive contribution to employee job satisfaction. Further findings show that compensation fairness and physical work environment provide a high contribution to job satisfaction.

Keyword: compensatory justice; physical work environment; job satisfaction

INTRODUCTION

In the modern era, every business must strive to improve operational efficiency and its existence to achieve its goals (Agustin et al., 2024). Human resource management is a crucial factor in achieving these goals because it affects employee productivity quickly and efficiently (Agustin et al., 2024). Job satisfaction is considered important for the success of a company because it affects the overall performance of the company (Hakim, 2023). (Kenelak et al., 2016) said that employee performance is very important for company goals because employee performance will affect employee productivity both gradually and quickly. Job satisfaction is a form of emotional attitude that is pleasant or unpleasant (Kenelak et al., 2016; Rohim et al., 2023). Job satisfaction is also influenced by the work environment, factors such as job satisfaction, workload, and compensation can be used to determine job satisfaction (Rohmah et al., 2023; Silalahi, 2022). A positive work environment can produce positive employee behavior, while negative factors can result from a bad work environment (Uma & Swasti, 2024).

Compensation is another factor that influences job satisfaction (Rozzaid et al., 2015). Compensation is a financial reward given to employees as a form of service that they are entitled to receive from the company (Rozzaid et al., 2015). If employees receive adequate compensation, they will feel that they are valued and appreciated by the company (Urbani et al., 2023). Meanwhile, when employees do not receive adequate compensation, they may feel that they are treated well by the company (Urbani et al., 2023). Companies need to create a conducive work environment that meets employee needs (Tambunan, 2018). A conducive work environment can increase employee productivity and satisfaction. This can ultimately lead to better job satisfaction and company success (Tambunan, 2018). Dissatisfaction with compensation that is considered unfair will reduce performance, cause complaints, strikes, and increase employee turnover (Rozzaid et al., 2015). On the other hand, the benefits of compensation will reduce competitiveness in the Agriculture and Plantation Service of Central Java Province and individuals, resulting in confusion, guilt, and an uncomfortable

work environment. Employees tend to consider their salary what they receive from other similar companies, compensation must be given fairly and evenly (Saputra & Mulia, 2020). Employee turnover has a significant impact on job satisfaction within an organization or company (Setiyanto & Hidayati, 2017). A high turnover rate can indicate problems in the work environment or company policies that need to be fixed (Setiyanto & Hidayati, 2017). Based on data from the number of employee turnover figures for the Agriculture and Plantation Service of Central Java Province in recent years, among others, according to Table 1.

Table 1 shows the total number of employees in each year from 2021 to 2023. The table above shows the percentage of employees who retired from the total employees at the Agriculture and Plantation Service of Central Java Province per year. During the 3 years in the table above, there were a total of 61 employees who retired from the Agriculture and Plantation Service of Central Java Province, with an overall percentage of 9.3%. According to Gilies (in Solehah and Ratnasari, 2019), the normal turnover rate ranges from 5-10% per year and is said to be high if the turnover rate is more than 10% per year. Based on the turnover data table above, it shows that the total percentage overall in the period 2021-2023 is 9.3%, so the turnover rate at the Agriculture and Plantation Service of Central Java Province can be said to be low. The work environment is everything around workers that can affect their work, including lighting arrangements, noise control, workplace cleanliness arrangements, and workplace security arrangements (Sukanto and Indriyo in Khoiriyah, 2009). The Central Java Provincial Agriculture and Plantation Service is an organization that plays an important role in the development and management of the employment sector and the province.

Previous studies have highlighted that compensation justice plays a role in building positive perceptions of the organization, which leads to increased employee motivation and retention (Banjarnahor, 2024; Kharisma, 2019; Makarim, 2021). In addition, a good physical work environment can create a supportive work atmosphere, thereby increasing satisfaction and performance. However, research that focuses on the public sector in Indonesia, especially at the local government level, is still very limited. Therefore, this study tries to fill this gap by focusing the analysis on the Central Java Provincial Agriculture and Plantation Service.

This study aims to analyze the effect of compensatory justice and physical work environment on employee job satisfaction, both partially and simultaneously, at the Agriculture and Plantation Service of Central Java Province. This study was conducted because turnover data for the past three years showed a decrease in the number of employees which could reflect potential job dissatisfaction, while studies related to this variable in the Indonesian public sector are still limited. The novelty of the study lies in the integration of compensatory justice and physical work environment variables in the context of the public sector in Indonesia, as well as the use of longitudinal data to analyze the effect of both on job satisfaction. By focusing on the agricultural sector and the unique characteristics of local government organizations, this study provides new insights that are rarely explored in previous literature. Theoretically, this study contributes to the development of human resource management science in the public sector, while practically it provides evidence-based policy recommendations to improve employee retention and job satisfaction through fair compensation and a conducive work environment. The results of the study are expected to encourage improvements in human resource governance in local government organizations to achieve better efficiency and productivity.

LITERATURE REVIEW

Equity Theory

Equity theory introduced by John Stacey Adams in 1963, is one of the motivational theories that explains how perceptions of fairness affect employee behavior in the workplace (Ismail et al., 2012). This theory focuses on how individuals compare the ratio between their contributions (input) and the rewards received (output) with others in the work environment.

Compensatory Justice

Compensation justice is a concept of fairness in an organization that focuses on the distribution or reward of individuals based on their contributions, efforts, and work results (swandewi, 2023). This term reflects the principle of fairness where each employee receives an imbalance that is proportional to what they give to the organization (Swari & Permadi, 2019). This concept is often used in human resource management to ensure that the system provided in the organization is perceived as fair by employees.

Physical Work Environment

The physical work environment is all physical aspects of the workplace that can affect the comfort, productivity, and well-being of employees while carrying it out (Meilani & Muttaqin, 2024). This environment includes elements such as layout, lighting, temperature, cleanliness, and work facilities that directly affect how employees interact with their workplace (Handayani & Hati, 2018).

Job Satisfaction

Job Satisfaction is a positive feeling or attitude that employees have towards their jobs, reflecting the extent to which their expectations, needs, and desires are met at work (Manurung & Ratnawati, 2012). This concept includes employees' subjective evaluations of various aspects of their jobs, including working conditions, relationships with coworkers, rewards, development opportunities, and job security (Sudiarditha et al., 2016).

RESEARCH METHOD

This study uses a quantitative approach and the results are described descriptively to determine the relationship between two or more variables. The population in this study were employees of the Agriculture and Plantation Service of Central Java Province, Indonesia, that using purposive random sampling as a sampling method. Because the size of the population has components or members that are not homogeneous and are stratified proportionally. (Sugiyono, 2005). In this study, the author uses two independent variables, namely compensatory justice and physical work environment, while the dependent variable that the employee job satisfaction.

RESULT

Multiple Linear Regression Analysis Test Results

This study examines the influence of two independent variables, including compensatory justice and physical work environment on the dependent variable of job satisfaction. The calculation results using multiple linear regression analysis using the SPSS program are shown in Table 2. Based on Tabel 2, the following linear regression equation reflects the relationship between the variables of this study, as shown:

$$Y = 12,827 + 0.332 X1 + 0.422 X2 + 3,282 \quad (1)$$

Note: Y=Job Satisfaction, X1= Compensatory Justice, X2= Physical Work Environment

The multiple linear regression equation mentioned earlier shows that, *first*, the value of the compensatory justice regression coefficient (X1) of 0.332 shows a positive value. This indicates that job satisfaction will increase along with increased compensatory justice. *Second*, the value of the Physical Work Environment regression coefficient (X2) of 0.422 is positive. This means that the better the physical work environment, the higher the job satisfaction.

Determination Coefficient Results

The influence the independent variable has on the dependent variable is determined using the determination coefficient test (R^2). The following results are generated from data processing using the SPSS program with results such as Table 3. Based on Table 3, the determination results show the value of Adjusted R Square obtained is 0.401, which means that 40.1% of job satisfaction at the Agriculture and Plantation Service of Central Java Province is influenced by the compensatory justice variable and the physical work environment.

DISCUSSION

The Effect of Compensatory Justice on Job Satisfaction

The results of the linear regression analysis show that the compensatory justice (X1) has a positive effect on job satisfaction (Y) at the Agriculture and Plantation Service of Central Java Province. This shows that the higher the employee's perception of the compensation fairness provided by the organization, the higher the level of job satisfaction felt. The existence of justice in compensation reflects appreciation for employee contributions, which not only increases motivation but also creates a feeling of being appreciated in the organization (Suryadi et al., 2019). In the context of the public sector, compensation justice is an important aspect because compensation management in government institutions often faces budget constraints and strict regulations (Lestari & Pratama, 2020).

This study is in line with previous research showing that compensation justice contributes significantly to increased job satisfaction, especially when employees feel that the rewards received are equivalent to the efforts they make (Wijaya et al., 2017). In addition, justice in compensation also creates a positive work atmosphere, where employees tend to show productive behavior and higher commitment to the organization (Putra & Handayani, 2021). In the context of the Department of Agriculture and Plantation, compensation fairness has a significant influence on employee retention, because satisfied employees tend to be more committed to remaining with the same organization (Rahmawati et al., 2018).

This positive influence can be explained through equity theory, where employees tend to compare the rewards they receive with the efforts they put in and the rewards received by their coworkers. When perceptions of fairness are high, employees feel satisfied and motivated to continue improving their performance (Hidayat & Sari, 2020). Conversely, unfairness in compensation can lead to dissatisfaction, leading to conflict, low motivation, and increased turnover (Nugraha et al., 2022). Therefore, organizations need to ensure transparent and equitable compensation policies to maximize employee job satisfaction and productivity (Santoso & Dewi, 2015).

The Influence of Physical Work Environment on Job Satisfaction

The results of the linear regression analysis show that the physical work environment has a positive influence on employee job satisfaction at the Agriculture and Plantation Service of Central Java Province. A conducive physical work environment includes aspects such as good lighting, adequate ventilation, cleanliness, and comfortable spatial arrangements. These factors can increase employee work comfort, which ultimately has an impact on higher levels

of job satisfaction (Santoso & Wulandari, 2019). A well-managed physical work environment creates a work atmosphere that supports productivity, which is an important element especially in public organizations (Prasetyo & Lestari, 2020).

This study is consistent with previous findings showing that a positive physical work environment increases employee motivation and performance. When employees feel that their work environment meets their physical and comfort needs, they tend to have higher job satisfaction and show greater commitment to the organization (Hidayat & Sari, 2021). On the other hand, a poor work environment, such as noise, uncomfortable room temperature, or inadequate facilities, can cause stress, dissatisfaction, and even reduce productivity (Rahmawati et al., 2018). In the context of the Agriculture and Plantation Service, improving the physical work environment can be a strategic step to increase employee job satisfaction and encourage operational efficiency.

The positive influence of the physical work environment on job satisfaction can also be explained through an ergonomic approach, where a work environment designed according to human needs supports the physical and psychological health of employees (Putri & Handayani, 2022). This study emphasizes the importance of managing a good physical work environment to support organizational goals, including in the public sector. With a conducive physical work environment, employees can work more comfortably and productively, which ultimately improves the quality of services provided by the organization (Setiawan & Anggraeni, 2017).

CONCLUSION

Based on the results of the research that has been conducted on the influence of Compensatory Justice and physical work environment on job satisfaction at the Department of Agriculture and Plantation of Central Java Province. By looking at the results of the research that have been discussed, it can be concluded that the Compensatory Justice variable has a significant positive influence on Job Satisfaction (Y). The results of the hypothesis test show t count $(3.531) > t\text{-table}(1.989)$ and a significance of $0.001 < 0.05$, which means that the increasing Compensatory Justice can affect job satisfaction at the Department of Agriculture and Plantation of Central Java Province. The next conclusion can be stated that the Physical Work Environment variable (has a positive and significant influence on Job Satisfaction. The results of the hypothesis test show $t\text{-count}(4.486) > t\text{-table}(1.989)$ and a significance of $0.000 < 0.05$, which means that if the work environment of the Central Java Provincial Agriculture and Plantation Service is better, this can have an impact on employee satisfaction.

Recommendation

Based on the findings and results of previous studies, the researcher makes recommendations that are expected based on the findings and results of the study, namely *first*, the Central Java Provincial Agriculture and Plantation Service regarding compensatory justice is to increase transparency in the process of determining salaries and benefits. Employees must clearly understand how their salaries are determined, including factors that influence salary increases and bonuses, by creating written guidelines that explain performance criteria and compensation, and ensure that the guidelines are easily accessible to employees. *Second*, the Central Java Provincial Agriculture and Plantation Service regarding the physical work environment is to maintain cleanliness and sanitation in the workplace to create a healthy and comfortable environment for employees.

Suggestions for further researchers can expand the scope of the study by adding other variables such as relationships with coworkers, career development opportunities and work-life balance can also affect job satisfaction. In addition, research should be conducted in

various different locations to increase external validity and generalization of research results. By taking samples of various places and considering diverse contexts.

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