

# THE ROLE OF JOB SATISFACTION IN MEDIATING THE EFFECT OF COMPENSATION AND WORK ENVIRONMENT ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR

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## **Abstract**

***The purpose of this study is to determine the effect of compensation and work environment on organizational citizenship behavior through employee job satisfaction. The type of this study is a qualitative research based on existing theories and previous research journals. The result of this study showed that compensation has an effect on employee job satisfaction. Work environment has an effect on employee job satisfaction. Compensation has an effect on organizational citizenship behavior. Work environment has an effect on organizational citizenship behavior. Job satisfaction has an effect on organizational citizenship behavior. Compensation and work environment affect organizational citizenship behavior through job satisfaction.***

***Keyword: Compensation; Work Environment; Job Satisfaction; Organizational Citizenship Behavior.***

## **1. INTRODUCTION**

The human resources are the most important assets of an organization, because human resources are believed to be one of the performance drivers that will support the successful implementation of the company's strategy (Solihin, 2012: 104). The mission of an organization can be carried out and requires the participation of all resources, especially human resources, which are the main components of an organization who become planners and active actors in every activity of the organization. A human being is a creature who has thoughts, feelings, desires, status and

educational background, age, gender, recognition and certain expectations that are heterogeneous in an organization, so that it is not like machines, money and materials, is passive that can be fully controlled and regulated by others to support the realization of organizational goals. Human resources also need improvements, either in the form of growth efforts or in the form of changes for the sake of improving a better standard of living in all its aspects. According to Hasibuan, (2008: 222), these factors will affect performance, achievement, dedication and loyalty to the organization. The main goal of a person working in an organization is to earn income to meet their daily needs. Organizational appreciation for the time, energy and thoughts of employees is one of them by providing compensation. According to Mondy (2016: 4) compensation is the total compensation received by employees in their effort of the services they have provided. Al-Omari and Okasheh (2017) in their research in Engineering Companies in Jordan stated that the work environment of employees is a major determinant of the quality of their work and their level of productivity. How well the workplace engages employees affects their desire to learn skills and their level of motivation to work. In a world of increasingly global competition between companies and even between countries, a good performance of human resources is required. This is in line with what Gibson (2010: 53) states regarding the work environment where the situation and conditions of the work environment are formed, assessed directly or indirectly by employees and has become a major force in influencing employee behavior in the work environment. Organizational climate and environmental conditions are situations that can

motivate employees to be willing to carry out work with good job satisfaction so that organizational effectiveness is also good. Various factors in the work environment such as wages, working hours, autonomy granted to employees, organizational structure and communication between employees and management can affect job satisfaction.

Job satisfaction is a feeling of joy or positivity that is owned by employees regarding the work itself, the rewards received or feelings related to him. Leaders as managers are required to be more professional in order to be able to cause high job satisfaction in employees and ultimately the performance will increase. Martoyo (2010: 142) states that job satisfaction is the emotional state of labor that occurs or does not occur, the meeting point between the value of remuneration for work and the company or organization with the level of remuneration that is desired by the person concerned. Organ et al (2006: 504), Organizational Citizenship Behavior (OCB) is seen broadly as a factor that contributes to the work of the organization as a whole consisting of five dimensions: (1) altruism, which is behavior to help ease work aimed at individuals in an organization, organization, (2) courtesy, which is to help colleagues prevent problems related to their work by providing consultation and information and respecting their needs, (3) sportsmanship, which is tolerance for less than ideal situations at work without complaining, (4) civic virtue, which is involved in organizational activities and cares for the survival of the organization, (5) conscientiousness, which is doing things that benefit the organization such as complying with the rules in the organization.

Organizational Citizenship Behavior (OCB) is behavior that is not directly and openly related to a formal reward system, voluntary is not a forced action on things that prioritize organizational interests, and is individual behavior as a form of satisfaction based on performance, is not ordered in a manner formal.

## **2. LITERATURE REVIEW**

### **2.1. Compensation**

The definition of compensation according to Arep and Tanjung (2012: 195) is anything that is received by employees as remuneration for the efforts that have been given to the company. Simamora (2013: 442) states

that compensation is something that is received by employees in lieu of contributing their services to the company. Compensation is given by companies to appreciate. According to Nawawi (2005: 315), compensation is anything that employees receive in return for their services. Likewise, Handoko (2009: 155) states that a Personnel Department improves work performance, motivation, and employee job satisfaction by providing compensation. Anthony and Govindarajan (2005: 249) suggest that every organization has a purpose. An important role of the management control system is to motivate members of the organization to achieve these goals. One of the most effective ways to motivate organizational members is by providing compensation or incentives to them. Managers usually put more effort into activities that are valued and less for activities that are not valued. Hasibuan (2008: 120) suggests that the compensation program or remuneration generally aims for the interests of the company, employees, government and society. In order to achieve and provide satisfaction for all parties, the compensation program should be based on fair and fair principles, labor laws and pay attention to internal and external consistency. One of the most effective ways to motivate organizational members is by providing compensation or incentives to them. Managers usually put more effort into activities that are valued and less for activities that are not valued. Hasibuan (2008: 120) suggests that the compensation program or remuneration generally aims for the interests of the company, employees, government and society. In order to achieve and provide satisfaction for all parties, the compensation program should be based on fair and fair principles, labor laws and pay attention to internal and external consistency. One of the most effective ways to motivate organizational members is by providing compensation or incentives to them. Managers usually put more effort into activities that are valued and less for activities that are not valued. Hasibuan (2008: 120) suggests that the compensation program or remuneration generally aims for the interests of the company, employees, government and society. In order to achieve and provide satisfaction for all parties, the compensation program should be based on fair and fair principles, labor laws and pay attention to internal and external consistency. Managers usually put more effort into activities that are valued and less for activities that are not valued. Hasibuan (2008: 120) suggests that the

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### **2.2. Work Environment**

Gibson (2010: 19) states that the work environment is divided into two dimensions, namely the physical environment that is real and the non-physical environment that is not real. The work environment is a variable that has a considerable influence on employee motivation (Wursanto, 2005: 301).

Based on the definition of the opinions of experts above, it can be interpreted that the work environment is everything that is around the workers, both physically and non-physically, which affects the tasks assigned and a conducive work environment that will encourage and increase employee morale so that satisfaction employee work can be obtained. Work environment is a series of conditions or conditions of the work environment of an organization or institution that is the workplace of the employees who work in that environment. Even though the work environment does not carry out the service process, the work environment has a direct effect on the employees who carry out the service process.

### **2.3. Job Satisfaction**

According to Greenberg and Baron (2003: 148), they describe job satisfaction as a positive or negative attitude by individuals towards their work. Meanwhile, George and Jones (2000: 34) define job satisfaction as a collection of feelings and beliefs that employees feel about their current job.

Job satisfaction is a pleasant or unpleasant emotional state with which a person views their job. Job

satisfaction reflects a person's feelings about his job. This can be seen in a positive attitude towards work and everything that is faced in the work environment (Handoko, 2009: 193).

Robbins (2015: 195) states that satisfaction is an individual's general attitude towards his job. Someone with a high level of job satisfaction shows a positive attitude towards the job, someone who is dissatisfied with their job shows a negative attitude towards their job. Based on the theory above, it can be concluded that job satisfaction is a positive attitude concerning employees' adjustment to their work. If an employee is satisfied with his job, then the employee has a positive and proud attitude, and values his job highly, because the working situation and conditions can meet their needs, wants and expectations. Human resources have a very important role in achieving the goals of an organization or institution. It is important for organizations to always pay attention to employee job satisfaction and loyalty. Satisfied and loyal employees will make a major contribution to the achievement of organizational or institutional goals.

### **2.4. Organizational Citizenship Behavior**

Organizational Citizenship Behavior (OCB) is a term for employees who provide added value to their work as well as added value to the company. OCB according to Organ et al (2006: 505) is the behavior of individuals who are free, not directly or explicitly recognized in the reward system and in promoting the effective functioning of the company. OCB is also referred to as extra role behavior because the behavior given by employees exceeds their main duties.

Robbins (2015: 64) argues that "Organizational Citizenship Behavior is a behavior that is not part of formal job requirements but can increase the effectiveness of an organization's functions". Citizenship behavior is discretionary behavior that contributes to the psychological and social environment in the workplace. So a successful organization or company needs workers who are able to do more than just ordinary responsibilities but how to be able to create optimal performance.

### 3. RESEARCH METHODOLOGY

This research is a qualitative research based on existing theories and previous research journals.

### 4. DISCUSSION

#### **4.1. The Effect of Compensation on Employee Job Satisfaction**

Mangkuprawira (2014) states that compensation is something that employees receive in exchange for their service contributions to the company. If the compensation is well managed, it will assist the company in achieving its goals, obtaining, maintaining and maintaining employees properly. But without good compensation, existing employees are very likely to leave the company and to do resettlement is not easy. The existence of dissatisfaction with payment may reduce performance, complaints will increase, can be a cause of strikes and lead to physical and psychological actions, for example an increase in the degree of absenteeism and employee turnover, which in turn will worsen the mental health of employees. If there is an overpayment, this in turn will also cause companies and individuals to reduce their competitiveness and cause anxiety, feelings of guilt, and an uncomfortable atmosphere among employees.

Prawirosentono (2011: 4) states that material or non-material awards (compensation) and expectations (expectations) are what create motivation for an employee to be willing to carry out work with good performance. Similar research was also conducted by Ghifari, MS (2017) that there is a positive effect of financial compensation on employee performance through motivation. The better and fairer the level of financial compensation that is given to upstream employees in Lampung Province based on PMA No. 46 of 2014, it will have a positive effect on increasing the motivation of upstream employees, which results in an increase in the performance of upstream employees in Lampung Province for the better.

#### **4.2. The Effect of Compensation on Employee Organizational Citizenship Behavior**

Compensation can include direct cash payments, indirect payments in the form of employee benefits and

incentives to motivate employees to work hard to achieve higher work effectiveness (Mangkuprawira, 2014). Compensation is one of the main factors in employment. The level of compensation for employees is closely related to the level of education, level of position, and tenure of the employee. Employee compensation is largely determined by performance appraisals, employee conditions, education level, position, and employee tenure (Mangkunegara, 2012). Many facts show that quality human resources (HR) have come out after hard earned money due to an unattractive compensation system. Arep and Tanjung (2012) argue that compensation aims not only to obtain quality human resources, but also to maintain quality human resources (HR) where the final goal is to achieve high job satisfaction. This condition is in line with the theory of compensation where the payment of this compensation is still classified according to the organization Fee Standards and is contained in the work contract agreement. This compensation is felt to be insufficient for work employees and requires seeking additional income outside of working hours. If employees are enthusiastic about working, work performance will also increase. So it should be noted that companies provide rewards not only for providing wages for working wages, but also in providing compensation accordingly and fairly. Fitrianasari, D., U. Nimran and HN Utami (2013) in their research concluded that job satisfaction and Organizational Citizenship Behavior (OCB) of nurses are positively related, which means that the higher the job satisfaction of nurses, the stronger the nurse's Organizational Citizenship Behavior (OCB).

#### **4.3. The Effect of Work Environment on Employee Job Satisfaction**

Work environment is a series of conditions or conditions of the work environment of an organization or institution that is the workplace of employees who work in a certain environment. According to Sedarmayanti (2009: 26) in broad terms, the type of work environment is divided into 2, namely: a physical work environment that affects employees either directly or indirectly, and a non-physical work environment.

The work environment can also be interpreted as everything that is around the workers, both physically and non-physically, which affects the tasks that are

assigned and a conducive work environment that will encourage and increase employee morale so that employee job satisfaction can be obtained. A work environment that is not suitable can create inconvenience for employees in carrying out their duties so that employees work ineffectively and inefficiently. Paripurna (2013) with the research title "The Influence of Leadership, Work Environment and Communication on Employee Satisfaction at Suriwathi Beach Hotel Legian-Kuta Bali, shows that there is a significant influence of leadership, work environment and communication variables on employee job satisfaction at Suriwathi Beach Hotel Legian - Kuta. Bali.

#### **4.4. The Effect of Work Environment on Organizational Citizenship Behavior**

Gibson (2010: 53) defines the work environment as a situation and condition in which the work environment is formed, assessed directly or indirectly by employees and has become a major force in influencing employee behavior in the work environment. A good work environment will be able to create a climate and good work ethic as well and can increase employee motivation and willingness to carry out work with good job satisfaction. The work environment in organization that is not conducive to some work units can be seen from the large number of work employees who provide less than optimal services to stakeholders and less friendly. Prawirosentono (2000: 4) states "The more conducive and comfortable a work environment is, the effect it will be on increasing employee job satisfaction will increase rapidly and the ultimate goal of an organization can be achieved". Waspodo, A. AWS, Lindawati and Sholikhah (2019), the work environment has an influence on the Organizational Citizenship Behavior of employees of Perum DAMRI Headquarters. If employees feel that the work environment is not good, then employees tend to be reluctant to behave in Organizational Citizenship Behavior.

#### **4.5. The Effect of Job Satisfaction on Organizational Citizenship Behavior**

Martoyo (2010: 142) argues that job satisfaction is the emotional state of work contract education personnel that occurs or does not occur, the meeting point between the value of remuneration for employees and the company or organization with the level of

remuneration value that is desired by the person concerned. Job satisfaction can also be defined as the feeling of joy that an employee has about the job itself, the rewards received or feelings related to him. Therefore, job satisfaction involves feelings, but that does not mean that it does not need to be considered because job satisfaction will be reflected in work results. Wahyudin (2015) also found that job satisfaction has an effect on employee performance. With regard to job satisfaction problems, there are several factors that affect job satisfaction. Waspodo, A. AWS, Lindawati and Sholikhah (2019), in their research results also show that job satisfaction has an influence on Organizational Citizenship Behavior of employees of Perum DAMRI Headquarters. If employees feel high job satisfaction, then employees tend to behave OCB. There are several things that are alleged to be the cause of the dissatisfaction of an employee from a job. As can be seen from the performance results that are still considered less than optimal, the close relationship between individual performance and group performance. There are still an employee who do not have the initiative to work so they always need to be notified or instructed in advance by the leadership. How can the set goals be achieved, if the many phenomena in the employees that become problems are not immediately resolved.

## **5. CONCLUSION**

The compensation has an effect on employee job satisfaction. Work environment has an effect on employee job satisfaction. Compensation has an effect on organizational citizenship behavior. Work environment has an effect on organizational citizenship behavior. Job satisfaction has an effect on organizational citizenship behavior. Compensation and work environment affect organizational citizenship behavior through job satisfaction.

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