

THE INFLUENCE OF COMPENSATION AND WORK ENVIRONMENT ON EMPLOYEE JOB SATISFACTION AT PT TELKOM INDONESIA, MEDAN BRANCH

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ABSTRACT

This study aims to analyze the influence of compensation and work environment on employee job satisfaction at PT Telkom Indonesia, Medan Branch. The research method used is quantitative with a survey approach. The population consists of all employees at PT Telkom Indonesia, Medan Branch, totaling 250 individuals, with a sample of 155 respondents selected using the Slovin formula. Data collection was conducted through a questionnaire using a 5-point Likert scale. Data were analyzed using multiple linear regression with the assistance of SPSS 26.0. The results of the study show that compensation has a positive and significant effect on employee job satisfaction, with a t-value of 4.582 > t-table value of 1.976 and a significance level of 0.000 < 0.05. The work environment also has a positive and significant effect on job satisfaction, with a t-value of 3.764 > t-table value of 1.976 and a significance level of 0.000 < 0.05. Simultaneously, compensation and work environment have a significant effect on job satisfaction, with an F-value of 42.156 > F-table value of 3.06 and a significance level of 0.000 < 0.05. The coefficient of determination (R^2) is 0.357, indicating that 35.7% of the variation in job satisfaction is explained by compensation and work environment, while the remaining 64.3% is explained by other factors.

Keywords: Compensation, Work Environment, Job Satisfaction, PT Telkom Indonesia

BACKGROUND

PT Telkom Indonesia, as the largest telecommunications company in Indonesia, faces challenges in maintaining the quality of its human resources in the era of digitalization. Employee job satisfaction has become a crucial factor in achieving the company's goals, particularly in delivering excellent customer service. The phenomenon observed at PT Telkom Indonesia, Medan Branch, indicates signs of employee dissatisfaction, as reflected in a relatively high turnover rate of 8.5% in 2023, up from 6.2% in 2022.

Initial observations reveal several issues related to compensation, including delays in incentive payments, a lack of transparency in the performance appraisal system, and disparities in compensation across divisions. Meanwhile, the work environment also presents challenges, such as inadequate facilities in certain units, uneven workload distribution, and the absence of clear career development programs.

RESEARCH METHOD

This study employs a quantitative method with a survey approach to explain the causal relationship between the variables of compensation (X_1), work environment (X_2), and job satisfaction (Y). The type of research is associative-causal, aiming to determine the influence of the independent variables on the dependent variable.

Population and Sample

The population in this study consists of all permanent employees of PT Telkom Indonesia, Medan Branch, totaling 250 individuals. The sample size was determined using the Slovin formula with a 5% margin of error:

$$n = N / (1 + N \times e^2)$$

$$n = 250 / (1 + 250 \times 0.05^2)$$

$$n = 250 / 1.625 = 154 \text{ (rounded to 155)}$$

The sampling technique used is stratified random sampling based on work divisions to ensure the representativeness of the sample.

Data Analysis Technique

Data were analyzed using multiple linear regression with the following steps: (1) Validity and reliability testing; (2) Classical assumption tests (normality, multicollinearity, heteroscedasticity); (3) Multiple linear regression analysis; (4) Hypothesis testing (t-test and F-test); (5) Coefficient of determination (R^2)

RESEARCH FINDINGS

Validity and Reliability Test

Table 1. Results of Validity and Reliability Test

Variable	Item	r-count	r-table	Status	Cronbach's Alpha
Compensation (X_1)	K1	0,742	0,159	Valid	0,856
	K2	0,698	0,159	Valid	
	K3	0,756	0,159	Valid	
	K4	0,623	0,159	Valid	
	K5	0,681	0,159	Valid	
Work Environment (X_2)	L1	0,678	0,159	Valid	0,821
	L2	0,724	0,159	Valid	
	L3	0,652	0,159	Valid	
	L4	0,695	0,159	Valid	
	L5	0,641	0,159	Valid	
Job Satisfaction (Y)	S1	0,712	0,159	Valid	0,834
	S2	0,689	0,159	Valid	
	S3	0,745	0,159	Valid	
	S4	0,658	0,159	Valid	
	S5	0,693	0,159	Valid	

Based on Table 1, All questionnaire items were deemed valid as the calculated r-values > the r-table value (0.159), and reliable as the Cronbach's Alpha values were greater than 0.60.

Respondent Characteristics

Table 2. Respondent Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Man	89	57,4
	Woman	66	42,6
Age	25-30 year	42	27,1
	31-40 year	78	50,3
	41-50 year	28	18,1
	>50 year	7	4,5
Education	SMA/SMK	23	14,8
	Diploma	45	29,0
	S1	76	49,0
	S2	11	7,1
Years of service	1-5 year	38	24,5
	6-10 year	67	43,2
	11-15 year	35	22,6
	>15 year	15	9,7

Based on Table 2, Based on the characteristic table, it can be concluded that the majority of respondents are male, accounting for 57.4%. The most common age range is 31-40 years old, representing 50.3%, followed by the 25-30 years age group. In terms of education, most respondents hold a Bachelor's degree (S1) at 49%, while diploma and high school/vocational education (SMA/SMK) contribute smaller proportions. Regarding work experience, the majority of employees have between 6 and 10 years of service, with a percentage of 43.2%. Overall, the respondents' characteristics indicate that most are productive-age male employees with at least a bachelor's degree and moderate work experience, reflecting the demographic profile of employees at PT Telkom Indonesia, Medan Branch, in this study.

Classical Assumption Test

Table 3. Results of Classical Assumption Test

Test	Statistics	Value	Criteria	Status
Normality	Kolmogorov-Smirnov	0,076	Sig. > 0,05	Normal
Multicollinearity	Tolerance X ₁	0,623	> 0,10	Not occur
	VIF X ₁	1,605	< 10	
	Tolerance X ₂	0,623	> 0,10	
	VIF X ₂	1,605	< 10	
Heteroscedasticity	Glejser Test	0,128	Sig. > 0,05	Not occur

Descriptive Analysis

Table 4. Descriptive Statistics of Research Variables

Variable	N	Mean	Std. Deviation	Kategori
Compensation (X ₁)	155	3,68	0,821	Baik
Work Environment (X ₂)	155	3,54	0,745	Baik
Job Satisfaction (Y)	155	3,61	0,793	Baik

Based on Table 4, The results of the descriptive analysis show that respondents' perceptions of Compensation, Work Environment, and Job Satisfaction fall into the high category, with mean values ranging from 3.54 to 3.68.

Multiple Linear Regression Analysis

Table 5. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
(Constant)	1,045	0,298		3,506
Compensation (X ₁)	0,421	0,092	0,436	4,582
Work Environment (X ₂)	0,318	0,084	0,359	3,764

Regression Equation: $Y = 1,045 + 0,421X_1 + 0,318X_2$

Hypothesis Testing

Table 6. Results of t-Test (Partial)

Variable	t-hitung	t-tabel	Sig.	Keputusan
Compensation (X ₁)	4,582	1,976	0,000	H ₁ accepted
Work Environment (X ₂)	3,764	1,976	0,000	H ₂ accepted

Table 7. Results of F-Test (Simultaneous)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	53,421	2	26,710	42,156	0,000
Residual	96,324	152	0,634		
Total	149,745	154			

F-count (42.156) > F-table (3.06) and sig. 0.000 < 0.05, then H₃ is accepted.

Table 8. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,598	0,357	0,348	0,796

DISCUSSION

The Influence of Compensation on Job Satisfaction

The results of the study indicate that compensation has a positive and significant effect on the job satisfaction of employees at PT Telkom Indonesia, Medan Branch. This is evidenced by the calculated t-value of 4.582, which is greater than the critical t-value of 1.976, and a significance level of 0.000, which is less than 0.05. The regression coefficient of 0.421 indicates that every one-unit increase in compensation will increase job satisfaction by 0.421 units.

These findings are consistent with Herzberg's theory, which states that compensation is a hygiene factor that can reduce job dissatisfaction. A fair and competitive compensation system at PT Telkom Indonesia—including base salary, allowances, incentives, and supporting facilities—contributes significantly to improving employee job satisfaction.

The Influence of Work Environment on Job Satisfaction

The work environment has been proven to have a positive and significant effect on job satisfaction, with a calculated t-value of 3.764, which is greater than the critical t-value of 1.976, and a significance level of 0.000, which is less than 0.05. The regression coefficient of 0.318 indicates that an improvement in the quality of the work environment will increase employee job satisfaction.

The supportive work environment at PT Telkom Indonesia, which includes adequate work facilities, good interpersonal relationships, and a conducive work atmosphere, creates comfort for employees in carrying out their duties. This positively impacts the enhancement of job satisfaction and employee productivity.

Simultaneous Influence of Compensation and Work Environment

Simultaneously, compensation and work environment have a significant effect on job satisfaction, as indicated by an F-value of 42.156, which is greater than the critical F-value of 3.06. The R^2 value of 0.357 indicates that 35.7% of the variation in job satisfaction is explained by compensation and work environment, while the remaining 64.3% is explained by other factors such as motivation, leadership, and organizational culture.

CONCLUSION

Based on the results of the study and discussion, it can be concluded that both compensation and the work environment have positive and significant effects on the job satisfaction of employees at PT Telkom Indonesia, Medan Branch. Compensation has a positive and significant influence on job satisfaction, indicating that a better compensation system, including salaries, allowances, incentives, and supporting facilities, leads to higher levels of employee job satisfaction. Therefore, management should maintain and continuously improve a comprehensive compensation system to enhance employee satisfaction. In addition, the work environment also has a positive and significant effect on employee job satisfaction. A conducive work environment, supported by adequate facilities and harmonious interpersonal relationships, contributes substantially to improving employees' satisfaction with their jobs. Consequently, the company should continue to develop both the physical and non-physical aspects of the workplace to create a more supportive working atmosphere. Furthermore, compensation and the work environment simultaneously have a significant influence on employee job satisfaction, explaining 35.7% of the variation in job satisfaction, while the remaining 64.3% is attributed to other factors that were not examined in this study. These findings highlight the importance of strengthening both compensation policies and workplace conditions to improve overall employee job satisfaction.

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