

IMPACT OF THE STATUS OF INSTITUTION AND FINANCIAL COMPENSATION ON THE DEPOSITION OF AN EMPLOYABLE WITH THE VALUE OF SERVICES 1 MAKASSAR

Muh. Restu Abadi Ruslan

Faculty of Economics and business, Makassar State University
Correspondensi author email: muhrestu291@gmail.com

Tenri Sayu Puspitaningsih Dipoaatmodjo

Faculty of Economics and business, Makassar State University
tenrisayu4g@gmail.com

Muh Ichwan Musa

Faculty of Economics and business, Makassar State University
m.ichwan.musa@unm.ac.id

Abdi Akbar

Faculty of Economics and business, Makassar State University
abdi.akbar@unm.ac.id

Rezky Amalia Hamka

Faculty of Economics and business, Makassar State University
rezky.amalia.hamka@unm.ac.id

Abstract

This research aims to determine the influence of Leadership Style and Financial Compensation on Job Satisfaction of PDAM Service Region 1 Makassar employees. This research variable consists of leadership style and financial compensation as independent variables and job satisfaction as the dependent variable. This type of research is quantitative and associative. The population in this study was 127 employees of PDAM Service Area 1 Makassar. The sampling technique used in this research was the Slovin formula with a sample size of 56 respondents from the entire population. The data collection technique is carried out by distributing questionnaires to employees. The data analysis technique in this research uses simple regression with the help of SPSS version 25 software. The results of this research show that the leadership style variable has a positive and significant effect on job satisfaction. This is proven. Based on the results of the t test, the calculated t value is $5.783 > t\text{-table } 2.0048$ and the significance is $0.000 < 0.05$. The results of research on the financial compensation variable have no effect on job satisfaction for PDAM Service Region 1 Makassar employees. This is proven by the results of the t test which obtained a calculated t value of $0.660 > \text{probability } 0.05$. Meanwhile, based on the research results, it can be concluded that leadership style and financial compensation have a positive and significant influence on the job satisfaction of PDAM Service Region 1 Makassar employees. Based on the results of the simultaneous test, the F-count value was

$187.088 > 3.17$ and the significance was $0.000 < 0.05$.

Keywords: *Leadership Style, Financial Compensation, Job Satisfaction.*

Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh Gaya Kepemimpinan dan Kompensasi Finansial terhadap Kepuasan Kerja karyawan PDAM Wilayah Pelayanan 1 Makassar. Variabel penelitian ini terdiri atas gaya kepemimpinan dan kompensasi finansial sebagai variabel independen dan kepuasan kerja sebagai variabel dependen. Jenis penelitian ini ialah kuantitatif bersifat asosiatif. Populasi dalam penelitian ini berjumlah 127 orang pegawai PDAM Wilayah pelayanan 1 Makassar. Adapun teknik pengambilan sampel yang digunakan dalam penelitian ini ialah menggunakan rumus slovin dengan jumlah sampel sebanyak 56 responden dari keseluruhan populasi. Teknik pengumpulan data dilakukan dengan melakukan penyebaran kuisioner kepada pegawai. Teknik analisis data pada penelitian ini menggunakan regresi sederhana dengan bantuan Software SPSS versi 25. Hasil penelitian ini menunjukkan bahwa menunjukkan bahwa variabel gaya kepemimpinan berpengaruh positif dan signifikan terhadap kepuasan kerja. hal ini dibuktikan Berdasarkan hasil uji t diperoleh nilai t hitung sebesar $5,783 > t\text{-tabel } 2,0048$ dan signifikansi $0,000 < 0,05$. Hasil penelitian pada variabel kompensasi finansial tidak berpengaruh terhadap kepuasan kerja pada karyawan PDAM Wilayah Pelayanan 1 Makassar. Hal ini dibuktikan dengan hasil uji t yang memperoleh nilai t hitung sebesar $0,660 > probabilitas 0,05$. Sementara itu berdasarkan hasil penelitian maka dapat disimpulkan bahwa gaya kepemimpinan dan kompensasi finansial memberikan pengaruh secara positif dan signifikan terhadap kepuasan kerja karyawan PDAM Wilayah Pelayanan 1 Makassar berdasarakan hasil uji simultan diperoleh nilai F-hitung $187,088 > 3,17$ dan signifikansi $0,000 < 0,05$.

Kata Kunci : Gaya Kepemimpinan, Kompensasi Finansial, Kepuasan Kerja.

INTRODUCTION

The leadership style of a leader determines the course of his organization. Various studies of leadership styles conducted by experts are based on the assumption that the behavior of a particular leader in influencing subordinates determines the effectiveness of a leader. According to Esttika Paramita Sani dkk (2021) in his research suggested that transformational leadership has a direct positive impact on employee performance.

Leadership style broadly encompasses the process of influencing in setting organizational goals, motivating employees and affecting in achieving goals. Then supported by other things that can affect job satisfaction is financial compensation. According to Mujanah (2019:19), financial compensation is a form of compensation that a company gives its employees in the form of money that includes wages, salaries, commissions, and other benefits. Every employee in the company has a personal interest and purpose to ensure the achievement of the objective of harmonization between the employee and the company, the leader is obliged to pay attention

through the provision of compensation, because compensation is part of the correlation between the organization and employees.

Employees who have dedicated themselves to work in the company receive remuneration in the form of compensation given financially. The existence of Compensation will have a positive impact on making employees feel motivated and enthusiastic to accomplish tasks. In the Musfirah study in (2019), the results of the compensation research had a significant impact on employee satisfaction at the PT. Bank Perkreditan Rakyat Sulawesi Independent City of Makassar. Meanwhile, in another study conducted by Fatma Maya Pada (2019), stated that the style of leadership and financial compensation have a positive and significant impact on employee satisfaction of PT Hadji Kalla Toyota Cab. Pare-Pare, the presence of incentives from the company in the form of rewards such as compensation makes employees feel appreciated and has an impact on improved performance and employee job satisfaction.

Employment satisfaction is an employee's income that is pleasant or unpleasant in his or her work, which is reflected in the employee's good behavior towards the job and all the things experienced in the work environment. (Handoko, 2019:74). Job satisfaction is crucial to the development of the company. A person who feels satisfied in doing his job will show good performance so will be committed to the organization. Employment satisfaction is formed as a result of the individual's work in a company, considering the important role and key principle of holding human resources in improving the performance of a company. So the company needs to make a series of efforts to increase employee job satisfaction.

PDAM (Company of Drinking Water District) is an enterprise owned by the local government has the scope of business in the field of management of clean water and management of dirty water resources to improve the well-being of the people including social, economic, health, and public services. One of the branches that exists in the city of Makassar is, PDAM Territory Pelayanan 1 Makassar which is located at JL. Andalas No. 105, Bontoala Old, Kec. Wajo. The operations carried out in the 1st Makassar Service District include reading and billing of materials, engineering, and new installations.

As a result, the regional secretaries are responsible for reporting their work progress to the head of the district, as well as the respective heads of sex only emphasis in the division, but, still, there is an overlap in the duties of employees due to the division of work and the less compact work team. Then there are employees who feel less observed by their leaders, and the lack of leadership interaction and supervision over each of their employees can lower the work spirit so that employees delay their work.

A mutually beneficial working relationship between the company and employees is essential in order to encourage the spirit of work of the employees.

Employees provide good work performance for the company's progress, while the company provides appropriate compensation for the work performance that the employee has given to the company. In this way, the employees of the District of Servant 1 Makassar will obtain job satisfaction in their work. From this explanation it is clear that the leadership style and financial compensation given by the company has an impact on employee job satisfaction.

RESEARCH METHOD

According to Sugiyono (2013:13) quantitative research is a type of research whose specification is systematic, planned, and structured based on a positive philosophy for researching populations and samples.

According to Sugiyono (2017:90) gives a sense of population as a generalization region consisting of objects/subjects that have certain qualities that are defined by the researchers studied and then drawn conclusions. In this study, the population was the total number of PDAM employees in the 1st Makassar Service Area of 127 people.

The sample method to be used is Simple Random Sampling, which is a sample withdrawal method in which each member of the population has the same chance to be selected into the sample. Then the samples used are rounded to 56 respondents of employees of PDAM Service District 1 Makassar.

Research design is the steps of a research activity plan starting from the preparation to the writing of the results of the research. The steps are intended to describe the variable to be studied.

RESULT AND DISCUSSION

1. Impact of Leadership Style (X₁) On Job Satisfaction (Y) Employees PDA Service Region 1 Makassar

Based on the results of the t test obtained a t count value of 5,783 > t-table 2,0048 and a significance of 0,000 < 0,05, this indicates that the leadership style variable has a positive and significant impact on job satisfaction. This is in line with a study conducted by Niken Herawati & Asrah T.R. in 2020 that suggests that leadership styles have a significant influence on employee job satisfaction. In addition to the other research carried out by Nabila Princess (2018) also suggested that there is a significant influence between the style of leadership on employee job satisfaction. So from a review of the previous research and the results of the research that has been carried out by Researchers, then it can be concluded that the better the quality of the leadership style of a leader in the company, the higher the level of employee satisfaction in a company.

On the leadership style variable questionnaire there are some statements about leadership styles like telling, selling, participating and delegating. In the leadership style statement telling on the results of the Leadership style questionnaire

indicates that respondents who work in the PDAM Region of Service 1 Makassar average answered quite agree with the leading style telling run by the leader. In the selling leadership Style statement on the result of the Leadership Style Questionnaire showed that the average respondent who works in the company PDAM District of Service 1, Makassar responded agreed with the selling style of leadership run by that leader.

The average respondent of the 1st Makassar Service Region is quite in agreement with the delegating leadership style run by the leader. The results of this study are in line with the research conducted by Yesa & Endang (2018) with the results of its research that shows that there is a significant influence of leadership style on job satisfaction. In another study conducted by KUSDARIANTO, DKK (2022:84) stated that "Leadership style is the ability of a leader to influence others in the form of behavior, both individually and in a group". So from this it can be concluded that a good leadership style has a great influence on job satisfaction because, when a leader applies a good style of leadership to his employees, the employee will feel satisfied in the work and the spirit of work will be higher to be given to the company.

2. Impact of Financial Compensation (X₂) on Job Satisfaction (Y) Employees of PDAM Service Region 1 Makassar.

Based on the results of the analysis that has been carried out, it can be seen that the variable of financial compensation has no influence on employment satisfaction of employees of the PDAM service Region 1 Makassar. This is demonstrated by a t-test result that obtains a counting t value of 0.660 > a probability of 0.05. These results show that there is no influence financial compensation for job satisfaction. Thus, from the results of the study, it can be concluded that the hypothesis (H₂) is the impact of financial compensation on employee satisfaction of PDAM 1 Makassar Service Region was rejected. The results of the determination coefficient test also showed that 87.1% variability in job satisfaction experienced by PDAM employees of 1 Makassar Service Region who were respondents in the study. Thus, it can be explained that the job satisfaction variable in this study is not influenced by the financial compensation variable of 87.1%. The results of the above study are opposite to the results of a study conducted by Intan Arisya (2019) which explains that Financial Compensation can have an impact on employees to feel satisfied. Compensation is something that a company should pay attention to because compensation is one of the reasons employees work in a company. Compensation by the company can help employees to meet their life needs. The better the compensation the company gives, the higher the employee's job satisfaction rate. But if the company's compensation is not in line with the employees' expectations, then employee satisfaction is also lower.

On the financial compensation variable there are some statements about salaries, incentives, and benefits. On the salary statement shows that the average respondent who works in PDAM Service District 1 Makassar felt quite satisfied with the

salary he earned because it was in accordance with their working proportions. In addition to the incentive statement, the incentives given to employees also make the respondents who work in the 1 Makassar Service District PDAM indicate that the average respondent who works in 1 Makasar Service Region PDAM feels sufficiently satisfied with the benefits given to the employees because the employees feel rewarded with benefits in financial or non-financial form.

From the results of the statistical tests and discussions above, it can be concluded that this study compares in reverse with some previous studies, one of which was conducted by ADP Nugraheni (2019) which stated that financial compensation has an influence but is not significant on job satisfaction. According to Salam (2021), compensation is a sensitive thing when associated with qualifying in meeting needs, even more so with the current level of need.

So the salary still feels insufficient. The provision of fair financial compensation is very much needed by every employee because the fair distribution of compensation makes the employee feel appreciated for the effort devoted to the company.

3. Effects of Leadership Style (X₁) and Financial Compensation (X₂) on Job Satisfaction (Y) Employees of PDAM Service Region 1 Makassar.

To test the simultaneous influence between leadership style variables and financial compensation on job satisfaction is based on the results of the simultaneous test obtained a F-count of $187,088 > 3,17$ and a significance of $0,000 < 0,05$ then the style of leadership and economic compensation have a positive and significant impact on the employment satisfaction of employees of the PDAM Services Region 1 makassar. In a study conducted by Fatwa Maya in the year (2019) with the title Impact of Leadership Style and Financial Compensation on Career Satisfaction PT Hadji Kalla Toyota Cab. Pare-Pare. Proclaims that leadership style and financial compensation have a relationship or influence alone or partially and a relationship together or simultaneously with the dependent variable that is job satisfaction. So from the above discussion it can be concluded that the better the leadership style of a leader of a company, the higher the level of employee satisfaction. while it's for compensation The financial indicator is that there are other indicators related to financial compensation that are not studied in this study that influence employment satisfaction. So from the results of this study there is one thing that most influence is the style of leadership while for financial compensations less affect the employee satisfaction of PDAM 1 Makassar Service Region. That is, when the company wants to increase employee job satisfaction then need to pay attention to the amount of compensation received and can show a better leadership style in the company PDAM Service 1 makassar.

CONCLUSION

Based on the results of this study entitled “Effects of Leadership Style and Financial Compensation on Employee Satisfaction of PDAM 1 Makassar Service Region” it can be concluded that:

1. Leadership style has a positive and significant impact on employment satisfaction. So it can be concluded that the better the quality of the leadership style of a leader in the company, the higher the level of employee satisfaction in a company.
2. Based on the results of the analysis that has been carried out, it can be seen that the variable of financial compensation does not affect the job satisfaction of PDAM employees of 1 Makassar Service Region. This can be concluded from the scope of the questionnaire that has been conducted statistical tests showing that as much as 87.1% of the financial compensation variable is influenced by other variables not studied in this study.
3. Leadership styles and financial compensation have a positive and significant influence and have a relationship or influence alone or partially and a relationship jointly or simultaneously with The dependent variable is the job satisfaction of PDAM employees in the 1st Makassar Service Region.

BIBLIOGRAPHY

- Afdal, F.M. (2020). The influence of leadership style on the performance of State Polytechnic Officers. Makassar State University, Faculty of Economics and Business.
- Burhan, Gunawan, and Marzuki. (2009). Applied statistics. Yogyakarta: Gadjah Mada University.
- Djalil, A., & Devi, W. (2020). Impact of Financial Compensation and Work Stress on Employee Job Satisfaction. *Economics: Economics Journal*, Vol. 02 No.2, 86-94.
- Dwipayana, Adinegara, & Primary. (2023). Impact of Participatory Leadership, Physical Work Environment, Financial Compensation on Employee Satisfaction at Hotel Rama Residence. *Journal of Economics, Business, and Humanities (JAKADARA)*, Vol.02, No.01, 47-56.
- Fatma Maya On. (2019). Impact of Leadership Style and Financial Compensation on Employee Satisfaction of PT. Hadji Kala Toyota Cab. Pare-pare. Thesis, Faculty of Economics, Makassar State University, 88.
- Ghozali, priest. (2013). Multivariate Analysis Application with IBM SPSS 21 Update PLS Regression Program. Currently: Diponegoro University Publishing House.
- Gordan, I.G.N. (2006). Human Resource Management. The market: Astabrata Bali.
- Hadi, S.M.S., Wihara, D.S. & Kurniawan, R. (2023). Impact of Compensation, Discipline, and Style of Property on Job Satisfaction of District Liaison Service Officers. *Management and Business Symposium*, Vol. 2, 974-982.

- Hasibuan, Malayu S.P. (2014). Human Resource Management, revised edition, eighteenth print. Jakarta: Earth Aksara.
- Hasibuan, Malayu.S.P. (2016). Human Resource Management. Jakarta: P.T.
- Hasnawati, et al., (2021). Leadership Style and Performance Enhancement. Gowa, South Sulawesi: Almaida Pusaka.
- Hutahaean, W.S. (2021). Malang: Ahlimedia Press.
- Handoko, T.H. (2020). Personnel Management & Human Resources. BPFE. Yogyakarta
- Carton. (2017). Personality, Employee Engagement, Emotional Intelligence, Job Burnout Approaches in Viewing Turnover Intention. Yogyakarta: Deepublish.
- Kreitner, R., & Kinicki, A. (2005). Organizational behavior, translator Suandy Erly. Salemba Four.
- Mangkunegara, A. K. (2000). Human Resource Management. Bandung: PT. Roaja Rosdakarya.
- Mujanah, Siti. (2019). Compensation Management. Surabaya: CV. Son of Media Nusantara (PMN).
- Mukmin, S., & Prasetyo, I. (2021). Impact of Organizational Leadership and Architecture on Employee Performance Through Employment Satisfaction as Intervening Variable. Business Managerial Journal, Vol. 4 No. 2, 123-136.
- Musfirah. (2019). Impact of Leadership Style and Financial Compensation on Employee Job Satisfaction on PT. Thesis of the Faculty of Economics and Business of Muhammadiyah University.
- Nawawi, Hadari. (2008). Human Resource Management: For a competitive business. Yogyakarta: Elephant Mada University.
- Noe, A.R. (2011). Human Resource Management Achieves Competitive Excellence. Jakarta: Salemba Four.
- Rivai, V & Sagala, E.J. (2011). Corporate Human Resource Management From Theory to Practice. Jakarta: Rajawali Press.
- Robbins, S, P & Coulter, M. (2016). Management, the twelfth edition of the second edition.
- Sari, & Sriathi. (2014). Impact of Transformational Leadership, Financial Compensation and Communication on Employee Job Satisfaction at Legian Village Hotel Bali. E-Jurnal Faculty of Economics and Business University of Udayana, 1983-1998.
- I'm looking forward to it. (2017). Planning and development of SDM to improve competence, performance, and work productivity. P.T. Refika Aditama.
- Selvia Br Ginting, Ica. (2022). Impact of Leadership Style and Financial Compensation on Employee Job Satisfaction at Oto Benz Clinic Field. North Sumatera: Faculty of Economics, Islamic University of North Sumatra.
- Simamora, H. (2014). Human Resource Management Edition 3. Yogyakarta: STIE YKPN.