



## Determinants of Employee Work Satisfaction

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### ABSTRACT

Research has been conducted to examine the effect of work motivation, work environment and incentives on employee job satisfaction at the Jakarta Primary Tax Service Office. The population taken for this study were all employees of the Jakarta Primary Tax Service Office, amounting to 78 employees. Of the population of 1178 employees, 300 respondents will be taken for the instrument test and 48 respondents as the research sample. Data analysis using SPSS version 17.0 for Windows shows that: (1) There is a positive and significant influence of work motivation on employee job satisfaction at the Jakarta Primary Tax Service Office, (2) There is a positive and significant influence on the work environment on job satisfaction of Service Officers Tax Jakarta, (3) There is a positive and significant effect of incentives on employee job satisfaction at the Jakarta Primary Tax Service Office, (4) There is a positive and significant influence on work motivation, work environment and incentives together on employee job satisfaction Jakarta Primary Tax Service Office.

**Keywords:** Work Motivation, Work Environment, Incentives and Employee Job Satisfaction

**JEL Classifications:** M12, M54, N75

### 1. INTRODUCTION

Every organization expects the best performance from all its employees. Job satisfaction is believed to be able to encourage and influence employee morale so that employees will strive to work as well as possible and provide maximum contribution to the organization. In other words, high employee job satisfaction is expected to have positive implications both on the productivity of the employees themselves and the organization as a whole (Harwiki, 2016).

Job satisfaction is a pleasant emotional attitude and loves his job. This attitude is reflected by work morale, discipline and work performance. Job satisfaction is enjoyed in work, outside work, and a combination of inside and outside work (Lecturer, 2018). Pleasant conditions can be achieved if the nature and type of work that must be done in accordance with the needs and values of possessed. Job satisfaction is a statement of pleasure and positivity which is the result of an assessment of a work or work experience.

To develop these positive attitudes to employees, leaders should continue to motivate their employees so that employee job satisfaction becomes high, considering job satisfaction is part of life satisfaction that depends on actions where individuals find adequate channels to realize abilities, interests, personal values (Bann, 2009).

In addition, according to Ukil (2016), a comfortable work environment can also increase satisfaction in work. The impact caused by the decline in employee job satisfaction can be in the form of loss of confidence and depression, for organizations in the form of decreased efficiency, reduced responsibility, and reduced ability to work morale. With the arrangement of the work environment in accordance with the existing rules and with the conditions of good social relations between employees and superiors, it is expected that job satisfaction will increase.

According to Joo and Ready (2012), that one of the tools to measure job satisfaction is salary and profit in other financial fields such as incentives. Thus, incentives are an important tool

for employees to try harder when the remuneration received gives satisfaction to what is requested.

The survey which was concerned with the job satisfaction of employees of the Directorate General of Tax was conducted by the Ministry of Finance in 2012. Based on the results of the recapitulation published by the Ministry of Finance in the 2012 Employee Satisfaction Survey Report it was found that there were 17,128 respondents who filled out the questionnaire completely and validly.

The first indicator shows that most employees of the Directorate General of Taxes are satisfied with their status as employees of the Ministry of Finance in general where the percentage that states "satisfied" reaches 68.05%. When observed from the four indicators which state "not satisfied," it is still relatively high, ranging from 6.29% to 25.16%. The largest percentage of those who said that they were "dissatisfied" was related to the indicator "suitability of place of assignment with expectations" and the indicator "the suitability of the current position with expertise, education and period of service passed."

In the survey report also mentioned that there were still relatively large numbers of respondents/employees who were "dissatisfied" indicating that there was a need for systematic improvements within the scope of the Directorate General of Taxes regarding this aspect. The high percentage of dissatisfaction on these indicators is influenced by the dissatisfaction with the patterns of mutation and promotion, where it is felt that the application of mutation and promotion patterns that are considered less clear causes quite a number of positions that do not meet/meet employee expectations. In this thesis research, the author will discuss the job satisfaction of employees of the Jakarta Primary Tax Service Office in 2017.

## 2. LITERATURE REVIEW

### 2.1. Effect of Work Motivation on Employee Job Satisfaction

Humans in this case employee are social beings who are the main wealth for every organization. They become planners, implementers and controllers who always play an active role in realizing organizational goals (Frese and Fay, 2001), classifies motivational factors into two groups that can lead to job satisfaction, namely external factors (organizational characteristics) and internal factors (personal characteristics).

Job satisfaction is a pleasant emotional attitude and loves his job. This attitude is reflected by work morale, discipline and work performance. Job satisfaction is enjoyed in work, outside work, and a combination of inside and outside work (May et al., 2004). Pleasant conditions can be achieved if the nature and type of work that must be done in accordance with the needs and values, possessed. Job satisfaction is a statement of pleasure and positivity which is the result of an assessment of a work or work experience.

To develop these positive attitudes to employees, leaders should continue to motivate their employees so that employee job satisfaction becomes high, considering job satisfaction is part of

life satisfaction that depends on actions where individuals find adequate channels to realize abilities, interests, personal values.

A leader must be able to create a conducive atmosphere, give enough attention, reward work performance, establish good communication with all employees. To create such conditions, efforts are needed to improve quality and job satisfaction for each employee. This is possible if there is an optimal increase in employee work motivation. Because somehow the goals of the organization/company, one of which is to improve employee welfare and job satisfaction.

From the description above, it is suspected that there is an influence between work motivation and employee job satisfaction at the Jakarta Primary Tax Service Office.

### 2.2. The Influence of the Work Environment on Employee Job Satisfaction

A good work environment such as complete social facilities, good air cycle, lighting, small noise levels and good social relations between parties can help employees improve concentration and job satisfaction. According to Thrun (2014), a comfortable work environment can increase satisfaction in work. The impact caused by the decline in employee job satisfaction can be in the form of loss of confidence and depression, for organizations in the form of decreased efficiency, reduced responsibility, and reduced ability to work morale.

By structuring the work environment in accordance with the rules existing rules and with conditions of good social relations between employees and superiors, it is expected that job satisfaction will increase. Thus it can be expected that there is a relationship between the work environment and the job satisfaction of employees of the Jakarta Primary Tax Service Office.

### 2.3. Effect of Incentives on Employee Job Satisfaction

According to Camerer and Hogarth (1999), incentives are an incentive for someone to want to work well and to be able to achieve a higher level of performance so as to arouse the work passion of an employee. Incentives are a form of stimulation that is deliberately given to employees to encourage employee morale so that they are more productive. While (Matsa, 2011), revealed that incentives are something that stimulates interest in working. In addition, the opinion of (Bailey et al., 2016), also revealed that one of the tools to measure job satisfaction is salary and benefits in other financial fields such as incentives.

Thus, incentives are an important tool for employees to try harder when the remuneration received gives satisfaction to what is requested. Based on the description above, it can be assumed that there is an influence between incentives on employee job satisfaction at the Jakarta Primary Tax Service Office.

## 3. METHODOLOGY

Descriptive method in this study takes the form of a causal relationship where the independent variable (free) influences the dependent variable (bound) with the case study criteria (case

studies) which is about the influence of work motivation, work environment and incentives on employee job satisfaction of the Jakarta Primary Tax Service Office. Goltz (2010), explains that the population is a collection of individuals or objects that have the same characteristics that are the focus of research. Based on this understanding, the population in this study is all employees of the Jakarta Primary Tax Service Office totalling 1178 employees. The reason for choosing the population and location is where researchers work, making it easier to collect data. The sample is part of the population that is drawn in a certain way so that the characteristics are the same as the population (Hanif, 2010). First, if the population consists of various rank employees, and employees who work in various work units, the sample must include employees in these units. If employee education consists of various levels of education, it should include all levels of education. Second the number of samples must meet the requirements of science. According to Masakure (2016) for a minimum trial of instruments, there were 30 respondents. Thus from a population of 1178 employees, 300 respondents will be taken for the instrument test and 48 respondents as the research sample.

## 4. RESULTS AND DISCUSSION

### 4.1. First Hypothesis Testing (H1)

#### 4.1.1. Simple regression test

The result of simple regression analysis of work motivation on employee job satisfaction shows the estimation of the model coefficient,  $\hat{\beta}_0 \leq 0$  (intercept) of 1.225 and  $\hat{\beta}_1 \leq 1$  of 0.639. From the value of  $\hat{\beta}_0 \leq 0$  (intercept) and  $\hat{\beta}_1 \leq 1$ , a simple regression equation for work motivation on employee job satisfaction is obtained as follows:

$$\hat{Y} = a + b X$$

$$\hat{Y} = 1.225 + 0.639 X$$

#### 4.1.2. Test significance of simple regression

Statistical tests on t-test and t-table obtained the following data:

- First: Statistical test t-test = 6.063 and t-table = 2.010. Thus t-test > t-table which means rejecting H0 and receiving H1 or there is an effect of Work Motivation on Employee Job Satisfaction.
- Second: For the significance test obtained the value of Sig = 0.000 < 0.05, so it can be concluded that the effect is significant.

Regression equation for the first hypothesis (H1):  $\hat{Y} = 1.225 + 0.639 X$ .

These numbers can be interpreted as follows:

- A constant of 1.225, meaning that if the Work Motivation is 0, then Employee Job Satisfaction is positive 1.225.
- Regression coefficient of Work Motivation variable of 0.639, meaning that if Work Motivation has a one-unit increase, then Employee Job Satisfaction will experience an increase of 0.639 units.
- Positive value coefficient means that the work motivation is increased, the employee satisfaction increases.

#### 4.1.3. Simple correlation test

The results of a simple correlation test work motivation on employee job satisfaction shows that the correlation value (r) is 0.666. This shows a positive or unidirectional correlation between work motivation and employee job satisfaction.

#### 4.1.4. Simple correlation significance test

The results of the significance test of simple correlation work motivation on employee job satisfaction shows that the correlation value (r) is 0.666. This shows that there is a strong correlation between work motivation and employee job satisfaction (Carsrud et al., 2009; Lecturer, 2018; Stello, 2014).

#### 4.1.5. Determination coefficient (R<sup>2</sup>)

The coefficient of determination (R<sup>2</sup>) for the regression model between work motivation and employee job satisfaction shows that the value of R<sup>2</sup> = 0.444. This can mean that the variable Work Motivation has a contribution effect of 44.4% on the variable Employee Job Satisfaction. While the remaining 55.6% is influenced by other factors outside the Work Motivation variable.

### 4.2. Second Hypothesis Testing (H2)

#### 4.2.1. Simple regression test

The results of a simple regression analysis of the Work Environment on Employee Job Satisfaction shows the estimation of the model coefficient,  $\hat{\beta}_0 \leq 0$  (intercept) of 1.182 and  $\hat{\beta}_1 \leq 1$  of 0.652. From the value of  $\hat{\beta}_0 \leq 0$  (intercept) and  $\hat{\beta}_1 \leq 1$ , a simple regression equation for the Work Environment towards Employee Job Satisfaction is as follows:

$$\hat{Y} = a + b X$$

$$\hat{Y} = 1.182 + 0.652 X$$

#### 4.2.2. Test significance of simple regression

Statistical tests on t-test and t-table obtained the following data:

- First: statistical cost t-test = 7.119 and t-table = 2.010. Thus t-test > t-table which means rejecting H0 and receiving H1 or there is an influence of the Work Environment on Employee Job Satisfaction.
- Second: For the significance test obtained the value of Sig = 0.000 < 0.05, so it can be concluded that the effect is significant.

Regression equation for the second hypothesis (H2):

$$\hat{Y} = 1.182 + 0.652 X$$

These numbers can be interpreted as follows:

- Constant is 1.182, meaning that if the Work Environment is 0, then Employee Job Satisfaction is positive 1.182.
- The regression coefficient of the Working Environment variable is 0.652, meaning that if the Work Environment experiences a one-unit increase, then Employee Job Satisfaction will increase by 0.652 units.
- The coefficient of positive value means that the work environment is increasing, so that it increases employee job satisfaction.

**4.2.3. Simple correlation test**

The results of the simple work environment correlation test on employee job satisfaction shows that the correlation value (r) is 0.724. This shows a positive or unidirectional correlation between the Work Environment and Employee Job Satisfaction.

**4.2.4. Simple correlation significance test**

The test results of the significance of the simple correlation of the Work Environment to employee job satisfaction showed that the correlation value (r) was 0.724. This shows a strong correlation between the Work Environment and Employee Job Satisfaction.

**4.2.5. Determination coefficient (R<sup>2</sup>)**

The coefficient of determination (R<sup>2</sup>) for the regression model between the Work Environment and employee job satisfaction shows that the value of R<sup>2</sup> = 0.524. This means that the Work Environment variable has a contribution effect of 52.4% on the variable Employee Job Satisfaction. While the remaining 47.6% is influenced by other factors outside the Work Environment variable (Chung, 2011; Singh, 2013).

**4.3. Third Hypothesis Testing (H3)**

**4.3.1. Simple regression test**

The results of simple regression analysis of incentives on employee job satisfaction shows the estimation of the model coefficient, a ≥ 0 (intercept) of 1.236 and b ≤ 1 of 0.672. From the values of a ≥ 0 (intercept) and b ≤ 1, a simple regression equation for incentives for employee job satisfaction is as follows:

$$\hat{Y} = a + b X$$

$$\hat{Y} = 1.236 + 0.672 X$$

**4.3.2. Test significance of simple regression**

Statistical tests on t-test and t-table obtained the following data:

- First: Statistical score t-test = 5.506 and t-table = 2.010. Thus t-test > t-table which means rejecting H<sub>0</sub> and receiving H<sub>1</sub> or there is an effect of Incentive on Employee Job Satisfaction.
- Second: For the significance test obtained the value of Sig = 0.000 < 0.05, so it can be concluded that the effect is significant.

Regression equation for the third hypothesis (H3):  $\hat{Y} = 1.236 + 0.672 X$

These numbers can be interpreted as follows:

- a. A constant of 1.236, meaning that if the incentive value is 0, then Employee Job Satisfaction is positive 1.236.
- b. The regression coefficient of the Incentive variable is 0.672, meaning that if the Incentive experiences a one-unit increase, then Employee Job Satisfaction will increase by 0.672 units.
- c. A positive value coefficient means that the incentive is increasing, then it increases employee job satisfaction.

**4.3.3. Simple correlation test**

The results of the simple correlation test Incentive for employee job satisfaction shows that the correlation value (r) is equal to 0.630. This shows a positive or unidirectional correlation between incentives for employee job satisfaction.

**4.3.4. Simple correlation significance test**

The test results of the significance of simple correlation Incentives for employee job satisfaction indicate that the correlation value (r) is equal to 0.630. This shows a strong correlation between incentives for employee job satisfaction.

**4.3.5. Determination coefficient (R<sup>2</sup>)**

The coefficient of determination (R<sup>2</sup>) for the regression model between incentives to employee job satisfaction shows that the value of R<sup>2</sup> = 0.397. This can mean that the Incentive variable has a contribution of 39.7% to the variable Employee Job Satisfaction. While the remaining 60.3% is influenced by other factors outside the Incentive variable (Matsa, 2011; Wolter, 2009).

**4.4. Third Hypothesis Testing (H4)**

**4.4.1. Multiple regression test**

The results of multiple regression analysis Work Motivation, Work Environment and Incentives together for Employee Job Satisfaction shows the estimation of the model coefficient, C<sub>0</sub> ≤ 0 (intercept) of 1.236 and C<sub>1</sub> ≤ 1 of 0.260; C<sub>2</sub> ≤ 1 is 0.309; and C<sub>3</sub> ≤ 1 is 0.273.

From the test results obtained multiple regression equation Work Motivation, Work Environment and Incentives together for Employee Job Satisfaction are as follows:

$$\hat{Y} = a + b_1 X_1 + b_2 X_2 + b_3 X_3$$

$$\hat{Y} = 0.524 + 0.260 X_1 + 0.309 X_2 + 0.273 X_3$$

**4.4.2. Significance of multiple regression significance**

Statistical test for F-test and F-table obtained data as follows:

- First: Statistical cost of F-test = 21,173 and F-table (05; 3; 48) = 2.800. Thus F-test > F-table which means rejecting H<sub>0</sub> and receiving H<sub>1</sub> or there is influence of Work Motivation, Work Environment and Incentives together on Employee Job Satisfaction.
- Second: For the significance test obtained the value of Sig = 0.000 < 0.05, so it can be concluded that the effect is significant.

Regression equation for the fourth hypothesis (H4):

$$\hat{Y} = 0.524 + 0.260 X_1 + 0.309 X_2 + 0.273 X_3$$

These numbers can be interpreted as follows:

- a. Constants of 0.524, meaning that if the Work Motivation, Work Environment and Incentives value is 0, then Employee Job Satisfaction is positive 0.524.
- b. Regression coefficient of Work Motivation variable (X<sub>1</sub>) of 0.260 means that if Work Motivation has a one-unit increase, then Employee Job Satisfaction will experience an increase of 0.260 units. Assuming the Working Environment (X<sub>2</sub>) and Incentive (X<sub>3</sub>) variables have a constant value.
- c. The regression coefficient of the Working Environment variable (X<sub>2</sub>) is 0.309 which means that if the Work Environment experiences a one-unit increase, then Employee

Job Satisfaction will increase by 0.309 units. Assuming the variable Work Motivation (X1) and Incentive (X3) has a constant value.

- d. Incentive variable regression coefficient (X3) of 0.273 means that if the Incentive experiences a one-unit increase, then Employee Job Satisfaction will increase by 0.273 units. Assuming the variable Work Motivation (X1) and Work Environment (X2) has a constant value.
- e. Positive value coefficient means that the Work Motivation, Work Environment and Incentive increases, then increasing Employee Job Satisfaction.

#### 4.4.3. Multiple correlation test

The results of multiple correlation test of Work Motivation, Work Environment and Incentives together for employee job satisfaction shows that the correlation value ( $r$ ) is equal to 0.769. This shows a positive or unidirectional correlation between Work Motivation, Work Environment and Incentives together for Employee Job Satisfaction.

#### 4.4.4. Multiple correlation significance test

The significance test results of the multiple correlation of Work Motivation, Work Environment and Incentives together on employee job satisfaction shows that the correlation value ( $r$ ) is equal to 0.769. This shows a strong correlation between Work Motivation, Work Environment and Incentives together for Employee Job Satisfaction (El-Adly and Eid, 2016).

#### 4.4.5. Determination coefficient ( $R^2$ )

The coefficient of determination ( $R^2$ ) for the regression model between Work Motivation, Work Environment and Incentives together for employee job satisfaction shows that the value of  $R^2 = 0.591$ . It can be interpreted that the variables of Work Motivation, Work Environment and Incentives together have a contribution of 59.1% to the variable Employee Job Satisfaction. While the remaining 40.9% is influenced by other factors outside the variables of Work Motivation, Work Environment and Incentives (Halbesleben and Wheeler, 2008).

## 5. CONCLUSIONS

There is a positive and significant influence on work motivation on employee job satisfaction at the Jakarta Primary Tax Office. This is consistent with the theory that motivation is a driving factor in job satisfaction. Thus the job satisfaction of the Jakarta Primary Tax Service Office can be increased by optimally increasing employee motivation.

There is a positive and significant influence on the work environment on employee job satisfaction at the Jakarta Primary Tax Service Office. This is consistent with the theory that with the arrangement of the work environment that is in accordance with the existing rules and with conditions of good social relations between employees and superiors can help improve job satisfaction. Thus the job satisfaction of the Jakarta Primary Tax Service Office can be improved by creating a comfortable work environment both physically and socially the employees.

There is a positive and significant influence of incentives on employee job satisfaction at the Jakarta Primary Tax Office. This is consistent with the theory that one of the tools to measure job satisfaction is incentives, and to keep employees satisfied is to make incentives objective through clear goals. Thus the job satisfaction of the Jakarta Primary Tax Service Office can be improved by improving and clarifying the parameters of giving employees incentives optimally.

There is a positive and significant influence on work motivation, work environment and incentives together on employee job satisfaction at the Jakarta Primary Tax Service Office. Thus the job satisfaction of the Jakarta Primary Tax Service Office can be improved by jointly increasing motivation, optimizing working environment conditions, and increasing the incentives of its employees.

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