

BUSINESS REVIEW

THE EFFECT OF COMPENSATION, LABOR INSURANCE, AND OLD AGE GUARANTEE ON EMPLOYEE SATISFACTION IN GOVERNMENT INSTITUTIONS

Sukmo Hadi Nugroho^A, Adi Bandono^B



ARTICLE INFO

Article history:

Received 20 February 2023

Accepted 08 May 2023

Keywords:

Compensation; Labor Insurance; Old Age Guarantee; Job Satisfaction; Government Institutions.



ABSTRACT

Purpose: This study aims to find out how the effect of compensation (X_1) , labor insurance (X_2) , and old-age insurance (X_3) on employee job satisfaction (Y) in a government institution. Nowadays Government Institutions are trying to continuously manage the existence of their employees so that they can work better and can show good work performance so that the organizational goals can be achieved optimally. One of the steps that can be taken is by providing compensation to employees, as well as providing labor insurance and old-age insurance, all of which aim to make employees feel satisfied in working in an organization.

Theoretical framework: This study discusses several theoretical frameworks which include Work Compensation, Labor Insurance, Old Age Guarantee, Job Satisfaction and Government Institutions

Design/methodology/approach: The method used is survey research, which is a research method that takes samples from a population and uses a questionnaire as a means of collecting and processing data. This type of research is explanatory research, which is a study that explains the causal relationship between research variables through reliable hypothesis testing.

Findings: Based on the results of multiple linear regression analysis, the regression model equation $Y = 30.458 + 0.430X_1 + 0.270X_2 + 0.262X_3$, meaning that compensation (X_1) , labor insurance (X_2) , and old-age insurance (X_3) partially and simultaneously have an effect which is significant to employee job satisfaction (Y). The factor that has the most dominant influence on employee job satisfaction (Y) in government institutions is the compensation factor (X_1) , this indicates that the compensation factor (X_1) is a factor of urgent need that must be provided by the government institutions to increase employee job satisfaction.

Research, Practical & Social implications: The results are useful for decision makers in Government Institutions and other organizations on work culture in Indonesia because they show that the proposed practices have an important impact on organizational excellence.

Originality/value: The value of this study stems from its handling of one of the important sectors, namely the Old Age Guarantee on Employee Satisfaction in companies, because this sector is considered the most important and effective in the process of corporate government development.

Doi: https://doi.org/10.26668/businessreview/2023.v8i5.1969

O EFEITO DA COMPENSAÇÃO, DO SEGURO DE TRABALHO E DA GARANTIA DE IDADE NA SATISFAÇÃO DOS FUNCIONÁRIOS EM INSTITUIÇÕES GOVERNAMENTAIS

RESUMO

Objetivo: Este estudo tem como objetivo descobrir como o efeito da remuneração (X1), seguro de trabalho (X2) e seguro de velhice (X3) sobre a satisfação no trabalho do funcionário (Y) em uma instituição governamental.

^B Doctor. Indonesia Naval Technology College. Surabaya, Indonesia. E-mail: <u>adibandonosttal2021@gmail.com</u> Orcid: <u>https://orcid.org/0000-0002-1184-1273</u>



^A Doctor. Esa Unggul University. Jakarta, Indonesia. E-mail: sukmo.hadi@esaunggul.ac.id Orcid: https://orcid.org/0000-0003-4055-0173

The Effect of Compensation, Labor Insurance, and Old Age Guarantee on Employee Satisfaction in Government Institutions

Hoje em dia as Instituições Governamentais procuram continuamente gerir a existência dos seus colaboradores para que estes possam trabalhar melhor e apresentar um bom desempenho laboral para que os objetivos organizacionais possam ser alcançados de forma otimizada. Uma das medidas que podem ser tomadas é a remuneração dos empregados, bem como a concessão de seguro trabalhista e seguro de velhice, que visam a satisfação dos empregados em trabalhar em uma organização.

Enquadramento teórico: Este estudo discute vários enquadramentos teóricos que incluem Remuneração de Trabalho, Seguro de Trabalho, Garantia de Velhice, Satisfação no Trabalho e Instituições Governamentais

Desenho/metodologia/abordagem: O método utilizado é a pesquisa de levantamento, que é um método de pesquisa que coleta amostras de uma população e usa um questionário como meio de coletar e processar dados. Esse tipo de pesquisa é a pesquisa explicativa, que é um estudo que explica a relação causal entre as variáveis de pesquisa por meio de testes de hipóteses confiáveis.

Resultados: Com base nos resultados da análise de regressão linear múltipla, a equação do modelo de regressão Y = 30,458 + 0,430X1 + 0,270X2 + 0,262X3, significando que remuneração (X1), seguro de trabalho (X2) e seguro de velhice (X3) parcial e simultaneamente têm um efeito significativo na satisfação do empregado no trabalho (Y). O fator que tem influência mais dominante na satisfação no trabalho dos funcionários (Y) nas instituições governamentais é o fator de remuneração (X1), isso indica que o fator de remuneração (X1) é um fator de necessidade urgente que deve ser fornecido pelas instituições governamentais para aumentar a satisfação no trabalho dos funcionários.

Implicações de pesquisa, práticas e sociais: Os resultados são úteis para tomadores de decisão em instituições governamentais e outras organizações sobre cultura de trabalho na Indonésia porque mostram que as práticas propostas têm um impacto importante na excelência organizacional.

Originalidade/valor: O valor deste estudo advém do tratamento dado a um dos setores importantes, nomeadamente a Garantia de Velhice na Satisfação dos Trabalhadores nas empresas, por ser este setor considerado o mais importante e eficaz no processo de desenvolvimento da governação empresarial.

Palavras-chave: Remuneração, Seguro de Trabalho, Garantia de Velhice, Satisfação no Trabalho, Instituições Governamentais.

EL EFECTO DE LA INDEMNIZACIÓN, EL SEGURO DE TRABAJO Y LA GARANTÍA DE EDAD EN LA SATISFACCIÓN DE LOS EMPLEADOS EN LAS INSTITUCIONES GUBERNAMENTALES

RESUMEN

Objetivo: Este estudio tiene como objetivo conocer el efecto de la remuneración (X1), el seguro de trabajo (X2) y el seguro de vejez (X3) en la satisfacción laboral de los empleados (Y) en una institución gubernamental. En la actualidad, las Instituciones Gubernamentales buscan continuamente administrar la existencia de sus empleados para que puedan trabajar mejor y presenten un buen desempeño laboral para que los objetivos organizacionales sean alcanzados de manera óptima. Una de las medidas que se pueden tomar es la remuneración de los empleados, así como el otorgamiento de seguros laborales y de vejez, que tienen como objetivo la satisfacción de los empleados en el trabajo en una organización.

Marco teórico: Este estudio discute varios marcos teóricos que incluyen Compensación de Empleo, Seguro de Empleo, Garantía de Vejez, Satisfacción Laboral e Instituciones Gubernamentales.

Diseño/metodología/enfoque: El método utilizado es la investigación por encuesta, que es un método de investigación que recolecta muestras de una población y utiliza un cuestionario como medio de recolección y procesamiento de datos. Este tipo de investigación es la investigación explicativa, que es un estudio que explica la relación causal entre las variables de investigación a través de pruebas de hipótesis confiables.

Resultados: Con base en los resultados del análisis de regresión lineal múltiple, la ecuación del modelo de regresión Y = 30.458 + 0.430X1 + 0.270X2 + 0.262X3, es decir que la remuneración (X1), el seguro de trabajo (X2) y el seguro de vejez (X3) parcialmente y simultáneamente tienen un efecto significativo en la satisfacción laboral de los empleados (Y). El factor que tiene la influencia más dominante en la satisfacción laboral de los empleados (Y) en las instituciones gubernamentales es el factor de remuneración (X1), esto indica que el factor de remuneración (X1) es un factor que se necesita con urgencia y que deben proporcionar las instituciones agencias gubernamentales para aumentar satisfacción laboral de los empleados.

Implicaciones sociales, prácticas y de investigación: Los resultados son útiles para los tomadores de decisiones en instituciones gubernamentales y otras organizaciones sobre la cultura laboral en Indonesia porque muestran que las prácticas propuestas tienen un impacto importante en la excelencia organizacional.

Originalidad/valor: El valor de este estudio proviene del tratamiento dado a uno de los sectores importantes, a saber, la Garantía de Vejez en la Satisfacción del Trabajador en las empresas, por ser considerado este sector como el más importante y eficaz en el proceso de desarrollo de la gobernanza empresarial.

Palabras clave: Compensación, Seguro de Trabajo, Garantía de Vejez, Satisfacción Laboral, Instituciones Gubernamentales.

INTRODUCTION

Avoiding a recession is certainly an impossibility for Indonesia, which is being attacked by an invisible enemy, namely the coronavirus (Coronavirus Disease-2019/Covid 19). However, there is some encouraging news coming from the business world and government, both large-scale businesses and small and medium-sized businesses as well as government operations. Bank Indonesia (BI) through a survey of Business and Government Activities reported that business and government business activities in the second quarter of 2022 tended to improve compared to the previous quarter. This fact is in line with the improving condition of business and government in the period April – July 2022, at least there is hope that the Indonesian economy can be better.

In this regard, government institutions and institutions have tried to continuously manage the existence of their employees so that they can work better and be able to show good work performance so that the goals of the organization can be achieved properly and maximally. One of the steps that can be taken is to provide compensation to its employees to obtain satisfaction in working in an organization (Van Scheers & Botha, 2014). The next factor is labor insurance, which is related to the organization's willingness to provide guarantees at work. This is intended to reduce the burden of employee problems at work because work demands energy and physicality to be able to produce the desired production (Bastari et al, 2021).

Furthermore, the organization's efforts to increase employee job satisfaction are the provision of funds that are specifically given to employees who have entered retirement, namely by providing funds for old age insurance which of course can be coordinated and allocated jointly between government institutions and the employees. This is because the interests of pension insurance are very important for the future of employees. At the same time, it is a form of attention from government institutions to their employees who have finished their work and are living a life of old age or retirement (Igalens & Roussel, 1999).

In making various efforts to achieve the goal, namely the existence of better employee job satisfaction to accelerate the process towards what the organization wants. As an organization that provides various incentives that can make employees work together and ultimately produce maximum work. That way the organization's attention to the existence of its employees must be optimal so that various work activities in the organization run optimally as

they should. This situation makes employees at work get what can satisfy themselves and their families which then in work will be able to produce better and maximum work productivity (Nugroho et al 2022).

The basis that drives why researchers conduct research in a government institution is that there is an attraction from employees who can provide various types of organizations that are fun for the community in particular. Some workers who have been working in Government Institutional Organizations have shown their hard work to provide a good presentation of an Organization in the eyes of the community. Employees who work with enthusiasm and good performance, of course, there is a strong impetus to carry out their duties so well. Thus, researchers are interested in finding out what factors encourage employees to work as well as possible to facilitate the organization in achieving its goals. With the description above, it can be conveyed about the formulation of the problem in this study, namely:

- a. Do factors of compensation, labor insurance, and old-age insurance partially affect employee job satisfaction in a government organization?
- b. Does the factor of compensation, labor insurance, and old-age insurance simultaneously affect employee job satisfaction in a government organization?
- c. Of the three factors, namely the compensation factor, labor insurance, and oldage insurance, which factor has the most dominant influence on employee job satisfaction in a government organization?

MATERIALS AND METHODS

Compensation

Employees who work in an organization need compensation or rewards that are sufficient and fair, even if they can be quite competitive compared to other organizations or institutions (Abdulrahim & Yousif, 2023). A good compensation system greatly affects the morale and productivity of a person. A good compensation system needs to be supported by a rational method that can create a person who is paid or compensated according to the demands of his job.

According to Kabir & Parvin (2011), compensation is everything that employees receive in return for their work. Compensation programs are also important for organizations or companies because they reflect the organization's efforts to retain human resources. Compensation is an award/reward for workers who have contributed to realizing their goals, through activities called work. Compensation, in this case, can be categorized into two major

groups, namely direct compensation, and indirect compensation. Compensation payment systems that are commonly applied include: (1) the time system, (2) the results system, and (3) the wholesale system, that compensation indicators include: (a) salary, (b) intensive, (c) bonus, (d) wages, (e) premiums, (f) medical treatment and (g) insurance.

According to Nugroho et al (2021), compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the organization. The establishment of an effective compensation system is an important part of human resource management because it helps attract and retain talented jobs. In addition, the organization's or company's compensation system has an impact on strategic performance.

The Labor Insurance

In every activity carried out by the community, especially activities related to finance, the risk is something that cannot be avoided. One of the things that can minimize this risk is insurance. Insurance benefits people's lives by reducing the wealth that must be set aside to cover losses due to various risks obtained (Alegre et al, 2016). According to Nursaid et al (2020), insurance is a protection mechanism for the insured party if he experiences a risk in the future where the insured party will pay a premium to get compensation from the insurer. Insurance is an agreement in which there is an insured party who pays a premium to the insurer to get reimbursement because of a desire, damage, or loss of expected profits that are not certain to occur in the future (Ariani, 2023).

The insurance protection mechanism is very much needed by the community, especially for those who carry out business activities that are full of risks in the future. The following are some of the benefits of insurance for the community stated by Suharyo et al (2022): (1) providing a sense of security and protection, (2) insurance policies can be used to guarantee credit, (3) more equitable distribution of costs and benefits, (4) helping to increase business activities, (5) insurance can be useful as a means of spreading the risk.

The following are some of the insurance principles proposed by Rahman et al (2017), namely (1) insurable interest, (2) utmost good faith (3) indemnity, (4) proximate cause, (5) subrogation, (6) contribution. While the indicators in labor insurance include: (1) empowering and utilizing the workforce optimally and humanely, (2) realizing equal distribution of employment opportunities and providing manpower following national and regional development needs, and (3) providing protection for workers in realizing prosperity, (4)

The Effect of Compensation, Labor Insurance, and Old Age Guarantee on Employee Satisfaction in Government **Institutions**

improving the welfare of the workforce and their families, (5) carrying out manpower development to make Indonesian workers the subject of development.

Old Age Guarantee

According to Hameed et al (2014), supervision is a process of observing the implementation of all organizational activities to ensure that all work being carried out is following a predetermined plan. Supervision can be defined as the way an organization achieves an effective and efficient performance, and further supports the realization of the organization's vision and mission. According to Article 1 of the Indonesian Government Regulation Number 46 of 2015, what is meant by old age insurance is a cash benefit that is paid at once when the participant enters retirement age, dies, or experiences permanent total disability? Old Age Security is a protection program that aims to ensure security and certainty against socio-economic risks and a means of guaranteeing for workers and their families as a result of the occurrence of social risks with affordable financing for employers and workers. Determined based on the contributions that have been deposited plus the results of the development.

Payment of old-age benefits can be given in part to a certain extent after membership has reached a minimum of 10 years. If the participant dies, his legal heirs are entitled to receive old-age benefits. The old-age insurance benefit is in the form of cash originating from the accumulation of contributions and the results of its development. Thus the employee or his heirs receive the total contributions collected plus the development. While the indicators regarding old age insurance are: (1) the existence of an old age savings system whose contributions are borne by the organization or company and workers in all groups, both staff and ordinary employees and who have been registered as members of BPJS Employment, (2) provide the benefits of this guarantee. in the amount of the collected contributions plus the results of its development for retirement, (3) the form of receipt of this guarantee which will be paid to employees when they enter retirement, (4) can be given or paid in special situations, such as experiencing permanent total disability so that they cannot work again, died, experienced layoffs after being a participant for at least five years and applying for early retirement, (5) a form of assistance from the Organization for old-age insurance for employees (Badrolhisam et al, 2019).

Job Satisfaction

Job satisfaction is individual, each individual has a different level of satisfaction according to the value system that applies to him. The higher the assessment of the activity felt following the wishes of the individual, the higher the satisfaction with the activity. Job satisfaction affects the level of employee discipline, meaning that if satisfaction is obtained from work, then employee discipline is good. Conversely, if job satisfaction is not achieved at work, then employee discipline is low (Suhartono et al, 2023). According to Berry (2010), job satisfaction is a pleasant psychological condition or employee feels that is very subjective and highly dependent on the individual concerned and his work environment. A job is satisfactory if there is harmony between the nature of the job and the needs of the person. According to Adekola (2012), the factors that determine satisfaction include (1) expectations, (2) self-assessment, (3) social norms, (4) social comparisons, (5) input and output relationships, (6) attachment, (7) rationale. Meanwhile, according to Agustine & Nawangsari (2020) indicators in job satisfaction, namely:

- a. The work itself, each job requires a certain skill following their respective fields.
- b. A good boss is willing to appreciate the work of his subordinates. For subordinates, superiors can be considered as father/mother/friend figures as well as superiors.
- c. Coworkers are factors related to the relationship between employees and their superiors and with other employees, both the same and different types of work.
- d. Promotion is a factor related to the presence or absence of opportunities for career advancement while working.

Research Hypothesis

The relationship between the variables in this study can be described as follows:

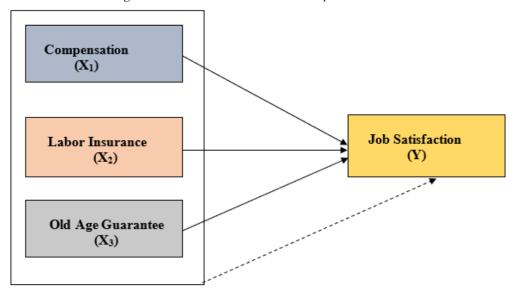


Figure 1 Research Variable Relationship Model

Based on the description above, further presented about the hypothesis in this study are:

H1: The factors of compensation (X_1) , labor insurance (X_2) , and old-age guarantee (X_3) partially affect employee job satisfaction (Y) in a government agency organization.

H2: The factors of compensation (X_1) , labor insurance (X_2) , and old-age guarantee (X_3) simultaneously affect employee job satisfaction (Y) in a government organization.

H3: Of the five factors, namely the compensation factor (X_1) , labor insurance (X_2) , and old-age guarantee (X_3) , then sign the compensation factor has the most dominant influence on employee job satisfaction (Y) in a Government Institution organization.

RESEARCH METHODS

The research method used is a survey research method, which is a study that takes a sample from a population and uses a questionnaire as the main data collection tool. Thus, this type of research is explanatory research, which is a study that explains the causal relationship between research variables through hypothesis testing.

Data Sources, Scales, and Data Collection Techniques

The discussion of data sources in this study can be divided into two types of data, namely: (1) primary data and (2) secondary data. The measurement scale used in this study is the Likert scale, with an interval of assessment for each respondent's answer between 1 to 5, with the intent and purpose of eliminating the occurrence of central tendencies, namely centralized

symptoms due to respondents tending to choose their answers. While the data collection techniques carried out in this study used 2 methods, namely: (1) questionnaire and (2) interview.

Population and Sample

The population in this study is all employees at Government Institutions with a total of 96 employees, who have been working in Government Institutions and have participated in activities to achieve organizational goals. With the total population until the end of 2020, the number of Government Institution employees is + 200 people, then the determination of the sample using Slovin can be calculated as follows:

```
\begin{split} n &= N \, / \, (1 + (N \; x \; e^2)), \, So: \\ n &= 200 \, / \, (1 + (200 \; x \; 0.05^2)) \\ n &= 200 \, / \, (1 + 0.5) \\ n &= 96 \, / \; 1.5 \end{split}
```

n=167 Thus, in this study, the sample of Government Institution employees amounted to 167 employees. The sampling method used the incidental sampling technique, that is, when employees came to the organization, a research questionnaire was submitted to be asked for their responses.

Validity Test

A validity test is used to measure the validity or validity of a questionnaire. A questionnaire is said to be valid if the questions on the questionnaire can reveal something that is measured by the questionnaire. In this study, the validity test was carried out with the help of the SPSS (Statistical Package for Social Sciences) program. To determine the valid and invalid item numbers, it is necessary to consult the r product moment table. The criteria for evaluating the validity test are:

- a. If r count > r table, then the questionnaire item is valid.
- b. If r count < r table, it can be said that the questionnaire item is not valid.

Reliability Test

Reliability is a tool to measure a questionnaire which is an indicator of a variable. A questionnaire is said to be reliable or reliable if a person's answer to a question is consistent or stable over time. The method used to test the reliability of the questionnaire in this study is to use the Cronbach Alpha coefficient formula. To find out whether the questionnaire was reliable, it was tested the reliability of the questionnaire with the help of the SPSS computer program. The reliability test assessment criteria are:

The Effect of Compensation, Labor Insurance, and Old Age Guarantee on Employee Satisfaction in Government Institutions

a. If the result of the alpha coefficient is greater than the significance level of 60%

or 0.6 then the questionnaire is reliable.

b. If the result of the alpha coefficient is less than the significance level of 60%

or 0.6 then the questionnaire is not reliable.

Data Analysis Techniques

The data analysis technique was carried out in several stages, as follows:

a. Classic assumption test

b. Normality Test

c. Multicollinearity Test

d. Heteroscedasticity Test

Multiple Liner Regression Analysis

Is a mathematical model that reflects the causal relationship between the dependent variable and the independent variable. This model is needed to predict changes in the dependent variable caused by changes in the independent variable. The multiple regression

model is formulated as follows:

 $Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$

Y: Job satisfaction,

X₁: Compensation,

X₂: Labor insurance,

X₃: Old age guarantee

e: Confounding variable, a: Constant, b1, b2, b3: Regression coefficient

Hypothesis Testing

a. t-test

To determine the partial effect of the independent variable on the dependent, the t-test was used. Sudjana (2012) formulates as follows:

 $t = \beta n / S\beta n$

t = follow the t function with degrees of freedom (df)

 β n = regression coefficient of each variable

 $S\beta n = standard error of the regression of each variable$

The Effect of Compensation, Labor Insurance, and Old Age Guarantee on Employee Satisfaction in Government Institutions

If the significance value of t is less than 5% or t count t table, then it is declared significant, which means that partially the independent variable affects the dependent variable.

b. F test

To determine the effect of the independent variable simultaneously on the dependent variable, the F test is used. According to Sudjana (2012), it is formulated as follows:

$$F = (R^2/k) / (1-R^2(n-k-1))$$

R2 = regression coefficient n = number of Samples

k = number of independent variables

If the significant value of F is less than 5% or F count F table, then it is declared significant, which means that the independent variable simultaneously affects the dependent.

RESULT AND DISCUSSION

Validity Test

Table 1 Result of Validity Test

Variable	Sub Variable	R _X y	Rtable	Result
Compensation (X1)	X11	0,720	0,238	Valid
	X12	0,846	0,238	Valid
	X13	0,783	0,238	Valid
	X14	0,783	0,238	Valid
	X15	0,783	0,238	Valid
Labor Insurance	X21	0,699	0,238	Valid
(X2)	X22	0,690	0,238	Valid
	X23	0,656	0,238	Valid
	X24	0,658	0,238	Valid
	X25	0,786	0,238	Valid
Old Age Guarantee	X31	0,852	0,238	Valid
(X3)	X32	0,852	0,238	Valid
	X33	0,848	0,238	Valid
	X34	0,837	0,238	Valid
	X35	0,822	0,238	Valid
Job Satisfaction	Y1	0,758	0,238	Valid
(Y)	Y2	0,758	0,238	Valid
	Y3	0,772	0,238	Valid
	Y4	0,779	0,238	Valid
	Y5	0,852	0,238	Valid

From all the questions on each of the variables used in this questionnaire, it shows that the correlation coefficient value is > r table (0.238) so it can be said that all question items are valid

The Effect of Compensation, Labor Insurance, and Old Age Guarantee on Employee Satisfaction in Government Institutions

Reliability Test

The reliability of the instrument was tested using the Cronbach Alpha coefficient formula If the results of the instrument test are obtained, the coefficient value is greater than 0.60, then the instrument used is reliable. Reliability testing is presented in Table 2 as follows:

Tabel 2 Result of Reliability Test

Variable	Alpha	Result
Compensation (X1)	0,806	Reliabel
Labor Insurance (X2)	0,770	Reliabel
Old Age Guarantee (X3)	0,790	Reliabel
Job Satisfaction (Y)	0,829	Reliabel

Classical Assumption Test

Table 3 Classical Assumption Test

No	Classical Assumption Test	Result
1	Normality Test	Fulfilled
2	Multycolinierity Test	Multicollinearity does not occur
3	Heteroscedasticity Test	Heteroscedasticity does not occur

Multiple Linear Regression Analysis

Table 4 Multiple Linear Regression Analysis Results

	Unstandar	d Coefisien	Standardized			
Variable			Coefficients	_t	Sig.	Result
	В	Std. Error	Beta			
(Constant)	30,469	5,579		5,481	0,011	
Compensation	0,441	0,031	0,169	21,511	0,025	Significant
(X1)						
Labor Insurance	0,281	0,056	0,082	6,011	0,012	Significant
(X2)						
Old Age Guarantee	0,273	0,035	0,129	10,928	0,023	Significant
(X3)						
R	=	0,834				
R Square	=	0,688				
Adjusted R Square	=	0,682				
F count	= .	5,932				
F table	= :	2,771				
Sign. F	=	0,022				
α	= !	0,050				

From the calculation results above, it can be stated that the R number of 0.834 indicates that the correlation or relationship between compensation, labor insurance, and old-age insurance or the independent variable is strong because the value is above 0.5. The value or number of R square or the coefficient of determination is 0.688. However, for the number of independent variables that are more than two, it is better to use Adjusted R Square, which is 0.682 (always smaller than R Square). This means that 68.2% of the variation in employee job

satisfaction in government institutions can be explained by variations of the three independent variables. While the rest (100% - 68.2% = 31.8%) is explained by other variables outside the model.

Based on the results of multiple linear regression analysis, the regression model equation is obtained as follows:

$$Y = 30,469 + 0,441X1 + 0,281X2 + 0,273X3$$

Based on the multiple linear regression equation, it can be seen the direction of the relationship of the variable compensation (X_1) , labor insurance (X_2) , and old-age insurance (X_3) which is indicated by the sign of the regression coefficient then for variables from X_1 , variables X_2 and X_3 are positive which indicates that any addition or increase in each of these variables will have a positive effect on job satisfaction of employees in Government Institutions.

Hypothesis Testing Results

Based on the results of multiple linear regression analysis, and to prove which hypothesis is accepted in this study by conducting hypothesis testing analysis, namely:

First Hypothesis Testing With T-Test

Hypothesis testing is used to determine whether the proposed hypothesis is accepted or rejected. If t test > t table, it means that there is a significant relationship, otherwise if t-test < t table, it means that there is no significant relationship. To test this, the t-test can be used as follows:

Table 5 Result of t-Test

No	Hypothesis	Value	Result
1	a significant effect on job satisfaction (Y).	t = 21,511* sig t = 0,024 t-table = 2,000	H1 Accepted
2		t = 6,011* sig $t = 0,012$ t-table = 2,000	H2 Accepted
3	has a significant effect on job satisfaction (Y).	t = 10,928* sig t = 0,023 t-table = 2,000	H3 Accepted

^{*} Significant at the 5% level.

Based on the data contained in Table 5, it can be seen that the sig/significant column shows that the relationship between compensation (0.028), labor insurance (0.033), and oldage insurance (0.030) has a significant number below 0.05, therefore the three independent variables are partially significant effect on employee job satisfaction in Government Institutions.

Second Hypothesis Testing with F. Test

The F test is used to determine whether the independent variable cumulatively (overall) has an influence or not on the dependent variable, then the calculated F formula is used. This hypothesis states that the factors of compensation, labor insurance, and old-age insurance have a simultaneous effect on the job satisfaction of employees in government institutions. To show all the factors included in this discussion model that has a significant effect simultaneously on job satisfaction, the F test is used with the following hypothesis:

Table 6 Result of F-Test

Hypothesis	Value
There is a simultaneous significant effect of the related variables of compensation,	F = 5,932
labor insurance, and old-age insurance on job satisfaction.	Sig F = 0.022
	F-tabel = 2,771

Based on the results of the F test as in Table 6 above, the F-count value is greater than the F-table (5.932 > 2.771) with a significant level of 0.022 < 0.05. This means that simultaneously the factors regarding compensation, labor insurance, and old-age insurance have a significant effect on employee job satisfaction in Government Institutions so the hypothesis says that there is a simultaneous significant effect of the variable relationship between compensation, labor insurance, and old-age guarantees on employee job satisfaction are accepted.

Third Hypothesis Testing

The third hypothesis test, to determine the most dominant variable can be seen through the value of the largest Beta standardized coefficients in the table of multiple linear regression analysis results. From table 6 above, it is known that the variable that has the most dominant influence on employee job satisfaction in Government Institutions is X1, namely compensation which has a standardized coefficients beta value of 0.169. This indicates that the third

hypothesis is proven that compensation is the most dominant variable influencing employee job satisfaction in government institutions.

CONCLUSIONS AND SUGGESTIONS

Conclusion

- a. All independent factors, both compensation factors, labor insurance, and old age guarantee in this study indicate that partially have a significant influence on employee job satisfaction in government organizations.
- b. Independent factors consisting of compensation factors, labor insurance, and old-age guarantee in the study simultaneously also have a significant influence on employee job satisfaction in government organizations.
- c. Of the three factors, namely compensation, labor insurance, and old age guarantee, the most dominant influence on employee job satisfaction in government institutions is the compensation variable which has the largest standardized coefficient beta value of 0.169.

Suggestion

- a. From multiple linear regression analysis, all variables have positive values. Especially for the compensation variable, if there is an improvement or increase in compensation, it will have an impact on increasing job satisfaction. Then for the other two variables which also have positive values, it means that if there is an increase of one point in value, it can increase the value of employee job satisfaction in the organization. Then the lowest value of the three variables is the old-age insurance variable, so in this case, the organization must determine the appropriate old-age insurance policy, so that there is no decrease in job satisfaction for employees in the government institution or institution.
- b. For organizational leaders in government institutions, it is better to pay more attention and concentration to the problem of compensation, labor insurance, and oldage insurance to make or increase employee job satisfaction more enthusiastic and working more optimally.
- c. For future researchers who are interested in developing this study, it is recommended to add other variables that have not been included in the study. More

detailed exploration can be carried out through developing questions using different samples and locations to further strengthen the findings of the study.

DECLARATION OF CONFLICTING INTERESTS

The authors declared no potential conflicts of interest concerning the research, authorship, and/or publication of this article.

ACKNOWLEDGMENT

The authors greatly acknowledge the support from the ESA Unggul University Jakarta and Indonesian Naval Technology College STTAL Surabaya Indonesia for providing the necessary resources to carry out this research work. The authors are also grateful to the anonymous reviewers and journal editorial board for their many insightful comments, which have significantly improved this article.

REFERENCES

Abdulrahim, H., & Yousif, G. (2023). Remote Work Implications on Productivity of Workers in the Saudi Financial Sector. *International Journal of Professional Business Review*, 8(4), e01064-e01064.

Adekola, B. (2012). The impact of organizational commitment on job satisfaction: A study of employees at Nigerian Universities. *International Journal of Human Resource Studies*, 2(2), 1.

Agustine, T. D., & Nawangsari, L. C. (2020). The Effect of Compensation and Work Loads towards Intension of Turnover with Work Satisfaction as a Variable Mediation in Clinic Employees of PT Nayaka Era Husada Branch of Bekasi. *International Journal of Innovative Science and Research Technology*, 5(7), 1304-1312.

Alegre, I., Mas-Machuca, M., & Berbegal-Mirabent, J. (2016). Antecedents of employee job satisfaction: Do they matter? *Journal of Business Research*, 69(4), 1390-1395.

Ariani, D. W. (2023). Exploring Relationship of Job Satisfaction, Organizatonal Culture, and Employee Performance in Small Medium Enterprise. *International Journal of Professional Business Review*, 8(2), e0876-e0876.

Badrolhisam, N. I., Achim, N., & Zulkipli, N. (2019). Employee career decision making: the influence of salary and benefits, work environment and job security. *Journal of Academia*, 7, 41-50.

The Effect of Compensation, Labor Insurance, and Old Age Guarantee on Employee Satisfaction in Government Institutions

- Bastari, A., Bandono, A., & Suharyo, O. S. (2021). The development strategy of smart campus for improving excellent navy human resources. *Global Journal of Engineering and Technology Advances*, 6(2), 033-043.
- Berry, M. L. (2010). Predicting Turnover Intent: Examining the Effects of Employee Engagement, Compensation Fairness, Job Satisfaction, and Age.
- Hameed, A., Ramzan, M., & Zubair, H. M. K. (2014). Impact of compensation on employee performance (empirical evidence from the banking sector of Pakistan). *International journal of business and social science*, 5(2).
- Igalens, J., & Roussel, P. (1999). A study of the relationships between compensation package, work motivation, and job satisfaction. *Journal of organizational behavior*, 20(7), 1003-1025.
- Kabir, M. N., & Parvin, M. M. (2011). Factors affecting employee job satisfaction in the pharmaceutical sector. *Australian journal of business and management research*, *1*(9), 113-123.
- Nugroho, S. H. (2022). The role of human resources management in organizational perspective. *Global Journal of Engineering and Technology Advances*, 10(03), 012-018.
- Nugroho, S., Bandono, A., & Suharyo, O. (2021). Human resources development assessment planning program and bureaucratic reform management on the performance of government organization. *Management Science Letters*, 11(4), 1429-1438.
- Nursaid, N., Qomariah, N., Sanosra, A., Satoto, E. B., & Utomo, A. W. (2020). Improvement of Job Satisfaction Based on Work Motivation, Work Environment, Competence and Compensation for Hospital Employees. *Indonesian Journal of Law and Economics Review*, 7, 10-21070.
- Rahman, K. U., Akhter, W., & Khan, S. U. (2017). Factors affecting employee job satisfaction: A comparative study of conventional and Islamic insurance. *Cogent Business & Management*, 4(1), 1273082.
- Suhartono, S., Sulastiningsih, S., Chasanah, U., Widiastuti, N., & Purwanto, W. (2023). The Relationship of Leadership, Discipline, Satisfaction, and Performance: A Case Study of Steel Manufacture in Indonesia. *International Journal of Professional Business Review*, 8(2), e01146-e01146.
- Suharyo, O., Prabowo, A., & Krisdiono, E. (2022). Decision-making of maritime development scenario on the impact of a naval base for supporting navy ships operations. *Decision Science Letters*, 11(1), 81-90.
- Van Scheers, L., & Botha, J. (2014). Analyzing relationship between employee job satisfaction and motivation. *Journal of Business and Retail Management Research*, 9(1).