

## ARTICLE

# The Influence of Work Compensation and Flexibility on Job Satisfaction (Case Study on Online Ojek Drivers in Bandar Lampung)

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**Abstract:** In the current era of technological development, several technological developments have emerged in the field of transportation, such as online transportation. It is not surprising that there are many start-ups or companies engaged in online transportation. This development creates an application model that can be accessed via mobile phones. The large number of online-based transportation service provider companies makes competition even tougher, so companies must improve the performance of online partners or drivers. For this reason, the performance of online drivers is an important concern for every online transportation company to be able to win the competition.

This study aims to determine the effect of compensation and flexibility on job satisfaction of online motorcycle taxi drivers in Bandar Lampung. The research method used is quantitative, namely a process of finding knowledge that uses data in the form of numbers as a tool to analyze information about what you want to know. In this study using a questionnaire with a Likert scale. The population of this study were online motorcycle taxi drivers in Bandar Lampung and 189 people were taken as a sample. Data analysis used multiple linear regression analysis with the IBM SPSS 26 analysis tool.

The results showed that compensation and flexibility have a positive effect on job satisfaction. Companies that provide online transportation services are expected to be able to increase compensation such as salaries, benefits, incentives or performance bonuses and provide flexibility in time and place of work that can be adjusted by online motorcycle taxi drivers. So that with that the job satisfaction of online motorcycle taxi drivers will increase.

**Keywords:** Compensation, Flexibility, Motivation, and Job Satisfaction.

## 1. Preliminary

Human resources are an important element in an organization (Lusiana, 2020). All processes in the organization will not be able to run properly if the organization does not have or lack human resources. Therefore, it is important for organizations to have a good strategy regarding obtaining and maintaining the availability of human resources within the organization. One of the things that should be of concern to the organization is the job satisfaction of employees. Employees who do not feel satisfied at work will result in these employees not working optimally, and this can affect organizational performance. Job satisfaction itself is a pleasant emotional state for employees towards the work they do (Baltes, 2019).

In the current era of technological development, several technological developments have emerged in the field of transportation, such as online transportation. It is not surprising that there are many start-ups or companies engaged in online transportation. This development creates an application model that can be accessed via mobile phones. The large number of online-based transportation service provider companies makes competition even tougher, so companies must improve the performance of online partners or drivers. For this reason, the performance of online drivers is an important concern for every online transportation company to be able to win the competition.

Job satisfaction reflects a person's feelings towards his work which can be seen from the attitude of employees towards work and everything in the work environment. There are many factors that can affect employee job satisfaction. According to Sun, F., et al (2018), the compensation given to employees greatly influences the level of job satisfaction and work motivation, as well as work results. Compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company. Providing compensation in accordance with the work performed by human resources will provide job satisfaction to these human resources (Obisi, C. et al. 2017). Apart from compensation, Flexible working hours are also one of the most important factors that can increase employee job satisfaction. Mathis & Jackson (2021) say that flexible working hours can increase job satisfaction and increase strong employees to stay in an organization. Job flexibility usually provides more flexible working time and can encourage employees to have work initiatives or come up with creative ideas in carrying out an activity and be responsible for work and not depend on orders from superiors.

Transportation is the activity of moving passengers and goods from one place to another. So, transportation is an activity process that carries passengers and goods with movements that move from one place to another by using a vehicle based on a certain purpose. Online transportation is one of the company services whose job is to take someone to move places, order food, shop in small to moderate quantities, or move from one place to another. The increasing needs of the community in the field of services today, encourage the emergence of thousands of companies engaged in this service. So many companies provide the same service so that each

company tries to provide the best service (Munawar, 2015). That is what requires online transportation service provider companies in Bandar Lampung to continue to strive to improve the best driver services. The list of online transportation service provider companies in Bandar Lampung is distributed in the table below:

No	Company name	Brand Name
1	PT Goto Gojek Tokopedia Tbk (GOTO)	Gojek
2	PT Grab Technology Indonesia	Grab
3	PT. Prime Technology Indonesia	Maxim

Source : *Online Transportation Service Provider Company in Bandar Lampung, 2022.*

The number of companies providing online transportation services in Bandar Lampung has made competition between companies increasingly competitive. The policies and regulations that apply to each company are different, the community's need for online drivers who serve well is urgently needed in the current era of globalization. Online drivers in good services can be done by applying aspects of emotional intelligence, aspects of self-regulation, namely the ability of a person (online driver) to control and feel a pleasant or unpleasant emotion. Examples of customers who cannot be silent when traveling and always talk make online drivers emotional. Managing emotions does not mean denying or suppressing the emotions you feel, but expressing emotions in the right way.

To increase the comfort of employees working, online transportation service providers implement work flexibility. According to Hill et al. (in Maria Byden 2016), flexibility can be described as "the ability of workers to make choices that affect when (timing flexibility), where (place flexibility), and how long (time flexibility) they engage in work- related tasks". With this flexible work, we get two kinds of job flexibility. The physical location where employees engage in work is one of the main things covered by this definition. Another key point referenced by Hill et al. (in Maria Byden 2016), is when and for how long the tasks related to this work are carried out.

According to a survey conducted by Bentley University, 77% of millennials say flexible working hours will make them more productive, 89% admit they regularly check email "curfew." This generation prefers to work when their minds are at their best and sharpest. Some people think the best time is 10.00 am, but some people think it's 2.00 am. Changes in people's behavior have resulted in an increase in work flexibility policies,

such as an increase in the number of women in the workforce, households with multiple careers, and expectations of work-time leisure. This change has increased the demands of online motorcycle taxi drivers for flexibility in their work schedules so that they can better adjust to and master life outside the workplace. The positive benefits of alternative work schedules for employees' quality of life outside of work are well documented. Giving work flexibility has advantages for the organization and members of the organization. For organizations, providing work flexibility can attract, acquire, and retain good quality organizational members within their organizations. In addition to the factor of work flexibility, compensation is also something that is taken into account

Providing work flexibility can attract, obtain, and retain good quality organizational members within their organizations (Casper and Harris, 2018). In addition to the factor of work flexibility, compensation is also something that is taken into account. Compensation is a form of return, service and financial benefits that workers receive as part of an employment relationship (Milkovich et al., 2021).

Compensation relates to the rights that employees receive from sacrifices made to a company. Companies that provide online transportation services must pay attention to the survival of their employees, one of which is by providing compensation according to the results of an employee's work to meet their needs and welfare. Because employees themselves are the main asset of a company, they must be given proper attention. One of the reasons why online transportation service providers are growing rapidly in the Indonesian business scene is because online transportation is able to provide an attractive bargaining power for online motorcycle taxi drivers and passengers.

For drivers, the more passengers they successfully serve, the more points they will get to convert into money. As for consumers, there will be more discount offers when using online motorcycle taxi services.

## Literature Review

### Compensation

According to Mondy and Noe (2016: 359-360), compensation is something employees receive in exchange for their contribution to the company. On the other hand, Sedarmayanti (2013) argues that compensation is everything received by workers as remuneration for their work. Compensation is the

provision of remuneration, either directly in the form of money (financial) or indirectly in the form of awards (non-financial). Compensation can have a significant positive impact on employee satisfaction in a company as a whole, and vice versa if management provides compensation that is felt to be inconsistent with the employee's contribution to the company. According to Sutrisno (in Erdiansyah, 2020) compensation can be divided into two types, namely:

#### A. Financial Compensation

Financial compensation is divided into two, namely direct financial compensation consisting of basic payments, namely salaries and wages, and incentive payments, namely bonuses, commissions and deferred compensation and indirect financial compensation (allowances) covering all financial rewards that are not included in direct financial compensation. . This type of compensation includes a variety of benefits that are usually received indirectly by employees.

#### B. Non-Financial Compensation

Non-financial compensation includes the satisfaction a person receives from the work itself or the psychological or physical environment in which the person works. The non-financial compensation aspect includes psychological and physical factors in the work environment.

### Work Flexibility

According to Hill et al. (in Maria Byden, 2016) flexibility can be described as "the ability of workers to make choices that affect when (timing flexibility), where (place flexibility), and how long (time flexibility) they engage in work-related tasks". Another key point referenced by Hill et al. (in Maria Byden, 2016) is when and for how long the tasks related to this work are carried out. In this study, two things are the focus, namely the research aims to investigate the extent to which workers themselves can influence the time they spend at work, as well as when work tasks are completed.

### Job satisfaction

Robbins and Judge (2018) provide a definition of job satisfaction as a positive feeling about a job as a result of an evaluation of its characteristics. Jobs involve interacting with co-workers and superiors, following organizational rules and policies, meeting performance standards, living with less-than-ideal working conditions, and the like. According to Herzberg in Philip Maude et al (2017) states that factors that can affect

job satisfaction are classified into three aspects, namely:

- 1) The work itself (work itself). The actual content of job duties and assignments has a positive or negative effect on employees. Whether the job is too easy or too difficult, interesting or boring, can influence employee satisfaction or dissatisfaction at work.
- 2) Interpersonal relations (Interpersonal relations). These relationships are limited to personal and work relationships between workers and their superiors, subordinates and co-workers. This includes work-related interactions and social discussions in the work environment and during work time.
- 3) Wages. This includes all forms of compensation at a person's workplace, such as an increase or decrease in wages or salary, or unfulfilled expectations of an increase or decrease in wages or salary. Hospital policies should be clear regarding salary increases and workplace bonuses.

### Hypothesis Development

Cooperation between companies and workers is important in creating a conducive working environment. Workers contribute services to the company, and in return, the company provides compensation. The amount and type of compensation varies depending on company regulations. Compensation aims to increase employee morale and satisfaction, so that it has an impact on achieving company goals and employee retention. Compensation indicators include online ojek drivers' salaries, bonuses and commissions in Bandar Lampung, where driver salaries are given daily through various forms such as cash, application balances, daily bonuses and points that can be converted.

Job satisfaction is the feeling of liking or disliking employees towards their work, measured by indicators such as job content, supervision, career opportunities, co-workers, and working conditions. Previous research (Retnoningsih et al., 2016; Hamzah, 2013) concluded that compensation has a positive effect on employee job satisfaction.

### H1: compensation has a positive and significant effect on online motorcycle taxi driver job satisfaction in Bandar Lampung City.

Providing a flexible work system can increase the sense of responsibility of organizational members. According to Humbert (2020) a flexible work system has a positive impact on the mental health of organizational members by reducing stress levels. In

addition to redesigning the actual job and using employee engagement, many organizations are currently experimenting with flexible work arrangements. This arrangement is generally intended to improve the performance of online motorcycle taxi drivers in Bandar Lampung. Meanwhile, according to Kinicki and Kreitner (2017) the mental health of organizational members has a positive influence on job satisfaction so that it has an impact on enthusiasm for work which causes work performance which will affect worker performance. Previous research by Devidescu and Paul (2020) found that work flexibility has a positive and significant effect on job satisfaction. So the conclusion of the hypothesis in this study is drawn as follows:

### H2: Work flexibility has a positive and significant effect on job satisfaction of online motorcycle taxi drivers in Bandar Lampung City.

No	Variable	tcount	ttable	Sig.	Information
1	H1 : compensation positive effect on job satisfaction.	2,339	1,972	0.001	Ha Accepted H0 Rejected
2	H2 : flexibility has a positive effect on job satisfaction.	2,854	1,972	0.022	Ha Accepted H0 Rejected

## 2. Research Methods

This research was completed using quantitative data by distributing questionnaires to respondents, namely online motorcycle taxi drivers in Bandar Lampung. The results of the data obtained are primary data by getting answers directly from respondents through filling out online questionnaires. Meanwhile, secondary data comes from journals and other information that helps this research. The population of this study are online motorcycle taxi drivers as online-based transportation service providers who interact directly in serving consumers (passengers) in the city of Bandar Lampung. This study uses a representative sample that depends on the number of indicators multiplied by 5 to 10 (Hair et al., 2018) so that 189 drivers are obtained as respondents. The analytical method used is descriptive analysis.

## 3. Results and Discussion

Based on the questionnaire that was distributed in this study, out of 189 respondents it was shown that the majority of respondents were respondents with the Gojek driver type of 46.7%, the remaining 31.9% and

21.5% were Maxim and Grab drivers respectively. It can be identified that more Gojek drivers work as online motorcycle taxis in this study. Then the respondents with male sex were 91.1% and the rest were female by 8.9%. This indicates that more male employees work as online motorcycle taxi drivers. In addition, the results of the study showed that the majority of respondents were in the age range of 20-25 years at 41.5% with a working period of 1-3 years around 54.8% and the majority had high school/vocational high school education at 71.1%.

### 3.1. Effect of compensation on job satisfaction

The results of the tcount test for the compensation variable are 2.339 ( $t_{count} = 2.339 > t_{table} = 1.972$ ) and  $sig = 0.001 < 0.05$  which means that there is a positive and significant effect on compensation on job satisfaction of online motorcycle taxi drivers in Bandar Lampung. Thus, the first hypothesis (H1) is accepted, because the level of significance possessed by the compensation variable on job satisfaction is  $< 0.05$  and has a positive direction.

Positive influence means that the higher the compensation at the company, the higher the job satisfaction, and vice versa. The results of this study support research conducted by Retnoningsih et al (2016) and Hamzah (2013) which shows that compensation has a positive effect on employee job satisfaction. While job satisfaction is the feeling of whether employees like or dislike doing their jobs, the level of job satisfaction itself can be measured using satisfaction indicators, namely the content of the work itself, supervision, opportunities for advancement, co-workers and working conditions.

The conclusion of this study shows that compensation has a positive and significant effect on the job satisfaction of online motorcycle taxi drivers in Bandar Lampung. This supports the first hypothesis that there is a positive effect of compensation on job satisfaction. The amount of this compensation reflects the status, recognition, and level of fulfillment enjoyed by employees. If the compensation received by employees is getting better, and fulfilling the needs they enjoy more and more. Thus, employee job satisfaction will also be better.

### 3.2. Influence flexibility on job satisfaction

The tcount test results for the flexibility variable are 2.854 ( $t_{count} = 2.854 > t_{table} = 1.972$ ) and  $sig = 0.022 < 0.05$  which means that there is a positive and significant effect on flexibility on job satisfaction of

online motorcycle taxi drivers in Bandar Lampung. Thus, the second hypothesis (H2) is accepted, because the level of significance possessed by the flexibility variable on job satisfaction is  $< 0.05$  and has a positive direction.

Providing a flexible work system can increase the sense of responsibility of organizational members. According to Humbert (2020) a flexible work system has a positive impact on the mental health of organizational members by reducing stress levels. In addition to redesigning the actual job and using employee engagement, many organizations are currently experimenting with flexible work arrangements. This arrangement is generally intended to improve the performance of online motorcycle taxi drivers in Bandar Lampung. Meanwhile, according to Kinicki and Kreitner (2017) the mental health of organizational members has a positive influence on job satisfaction so that it has an impact on enthusiasm for work which causes work performance which will affect worker performance.

## 4. Conclusion

Based on the results of research and discussion it can be concluded that:

- 1) There is a positive and significant influence between compensation and job satisfaction of online motorcycle taxi drivers in Bandar Lampung. The higher the compensation of an employee, the higher the job satisfaction and vice versa.
- 2) There is a positive and significant influence between flexibility and job satisfaction of online motorcycle taxi drivers in Bandar Lampung. The higher the flexibility of an employee, the higher the job satisfaction and vice versa.

## Suggestion

The researcher is fully aware that this research is far from perfect and there are still many limitations in the researcher's knowledge, observations and experience both practically and theoretically. Therefore, here are some suggestions that researchers convey in the hope that future research can be more comprehensive and can improve this research, including:

- 1) The compensation given to online motorcycle taxi drivers is very important to increase job satisfaction. In this case, companies providing online transportation services can increase compensation by increasing or adding compensation such as salary, bonuses, incentives and other benefits that

- can improve the welfare of online motorcycle taxi drivers.
- 2) Flexibility assists employees in managing the work routine of an online motorcycle taxi driver while operating on the streets without having to follow working hours and having to come to work locations in general at other companies. Companies that provide online transportation services can increase work flexibility by freeing online motorcycle taxi drivers to be able to work anywhere and at flexible times without having to follow the rules of working hours.
  - 3) Job satisfaction will be more optimal if the company is able to provide comfort in the job itself, good interpersonal relationships between fellow online motorcycle taxi drivers, as well as sufficient salary plus incentives and performance bonuses every day.

For future research, it is recommended to choose a topic that is similar to this research, preferably looking for or adding variables related to factors that can affect job satisfaction. If choosing the same variable the researcher can also look for different objects in order to find out comparisons from previous studies, so that the research results can be even better.

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