



# The Effect of Wages on Employee Satisfaction of Juan Racing Gear in Garut District

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## ABSTRACT

This study aims to determine that there is an effect of wages on employee job satisfaction. the purpose of this study is to determine the effect of wages on employees Juan Racing Gear Satisfaction in Garut Regency The object of this research is Juan Racing Gear in Garut Regency. Juan Racing is a Micro, Small and Medium Enterprise (MSME) which was founded in 2013, and is engaged in fashion. This study uses two variables, namely wages as the X variable or the independent variable and job satisfaction as the Y variable or the dependent variable. This research was conducted with quantitative methods. The result of this study is that wages have a positive effect on employee job satisfaction at Juan Racing Gear SMEs.

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## 1. INTRODUCTION

A person who is proficient in doing a business is called an entrepreneur or entrepreneur. An entrepreneur must be able to create something new and valuable for himself and others (Danang Sunyoto, 2013). The existence of the business world

engaged in the field of entrepreneurship is an important part in increasing the economic growth of a country in a better direction. At present the development of entrepreneurship is experiencing dynamics of change in a better direction with the support of government policies that have

begun to pay attention to the needs of an entrepreneur in entrepreneurship. Entrepreneurial principles have led to more crucial aspects of predicting entrepreneurial activity by characterizing conditions that tend to lead to the creation of value or social opportunities and the formation of new companies or provide normative guidance i.e., providing appropriate actions in certain circumstances (Connelly et al., 2010).

Someone who is able to see an opportunity then creates an organization to take advantage of this opportunity to start a new business. Or Everyone's ability to seize every business opportunity, and use it as a business area, or business and devote all their time to finding business opportunities. Entrepreneur in Indonesian is called Entrepreneurship, according to Indonesian spelling, entrepreneurship consists of several syllables, namely Entrepreneurship, according to Entrepreneurship, the term Entrepreneur is Entrepreneurship means business movement efforts carried out independently by both individuals and groups (as long as they have the same goals and perceptions); by finding ideas and creativity for the same perception); by finding ideas and creativity to create or obtain goods or services which are then utilized in order to achieve goals (profits) both commercial and social. The level of success of an entrepreneur certainly does not escape the performance of his employees. This performance is an employee's motivation and ability to complete a task or job. In order for the performance of the existing workforce to work optimally, an entrepreneur should observe all the needs related to employees. If all the needs are met, the employee will feel satisfied with his job. There are many things that can affect job satisfaction, but wages are one thing that has a big influence on employee job satisfaction,

because this satisfaction will generate motivation and employee expectations to work optimally to achieve maximum employee performance.

Researchers are interested in analyzing the Juan Racing Gear Micro, Small and Medium Enterprises (MSMEs), because there are problems regarding the provision of wages that affect employee job satisfaction.

## **2. METHOD**

The method in this study uses quantitative methods with descriptive and verification approaches. The object of this research is an MSME engaged in fashion, namely Juan Racing Gear. The location of Juan Racing Gear is in Garut Regency, precisely in Banyuresmi District.

### **2.1 Job Satisfaction**

Job satisfaction is a feeling towards the work situation, so that job satisfaction cannot be seen but can be felt and attitudes will appear such as increasing performance, being loyal to the company, and complying with the regulations made within the company (Luthans, 2006). There are six indicators that affect job satisfaction (Luthans, 2006), including:

1. Work, the extent to which the work is loved and considered interesting by employees and provides opportunities for growth, can gain experience, develop skills, and be responsible during work.
2. Wages or Salaries, namely the amount of money given in accordance with the performance that has been done.
3. Supervision, namely the extent to which the company pays attention to its employees.
4. Colleagues, namely matters relating to the relationship between co-workers such as co-workers can be

invited to work together, and co-workers can communicate well.

5. Work environment, namely the situation or atmosphere at work. If the working conditions are clean, spacious, and comfortable, employees will feel happy in doing their jobs.

Each individual must have a different level or sense of satisfaction. The more things that are expected and as desired in a job, the higher the level of perceived satisfaction and the less things that are expected and as desired in the job, the lower the sense of satisfaction. the purpose of this study is to determine the effect of wages on employees Juan Racing Gear Satisfaction in Garut Regency

## 2.2 Wages

Wages are remuneration for workers from the work they do to meet the needs of daily life (Ivancevich,et,al. 2002). Wage indicators according to Ivancevich (2002) are:

1. Adequate/Qualified (Addequante). Meet the requirements set by the government.
2. Balanced (Balance Pay). Balanced between imagined expectations with the reality of wages received by employees.
3. Guaranteed (Secure). Must be able to help employees meet their basic needs / daily needs.
4. Justice (Equitable). Every employee must be paid fairly according to the performance he has done.

By giving wages, it is expected that an employee can improve his performance to be more productive and have a responsible attitude towards his work or duties, so that the company's goals can be achieved. In addition, with wages, the relationship between employees and the company will be well established, so that all employees will try their best to improve their performance because they feel valued by the company.

The following is the paradigm of the research conducted at Juan Racing Gear SMEs:

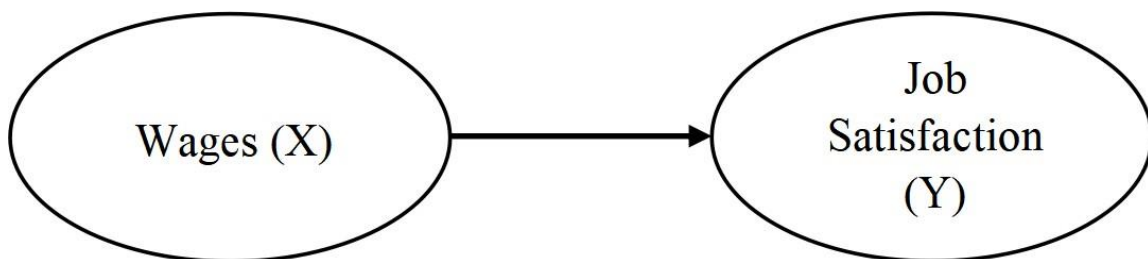


Figure 1. Research Paradigm

## 3. RESULT AND DISCUSSION

### 3.1 General Description

Wage variables in this study were measured using 5 indicators, namely Eligible (Addequante), Fairness (Equitabel), Balanced (Balance Pay), Guaranteed

(Secure), and Job Incentive (Incentive Providing). Of the five indicators, 15 question items will be used as a measure of the wage variable, based on calculations from 50 respondents. Based on the calculations of 50 respondents obtained the following results:

Score maximum	: 5 x 15 = 75
Score minimum	: 1 x 15 = 15

Interval :  
 $(\text{Score}_{\text{max}} - \text{Score}_{\text{min}}) / n = (75 - 15) / 4 = 15$

**(Look Table 1)**

**Table 1.** Criteria and Results of Respondents Responses to Wages

Criteria	Interval	F	Percentage (%)
Effective	61-75	1	2%
Effective Enough	46-60	17	34%
Less Effective	31-45	26	52%
Ineffective	15-30	6	12%
Amount		50	100%

Respondents' perception of wages based on the table above shows that the answers from most of the respondents as many as 52% or 26 people stated that they were less effective. Thus it is known that wages are running less effectively.

Job satisfaction is obtained by calculating the percentage of the average score of the answers given by the respondents. The measurement of job satisfaction was

carried out using a questionnaire containing 17 questions regarding indicators of job satisfaction. Based on the calculation of 50 respondents, the results are as outlined in the following table:

Score maximum :  $5 \times 17 = 85$

Score minimum :  $1 \times 17 = 17$

Interval :

$(\text{Score}_{\text{max}} - \text{Score}_{\text{min}}) / n = (85 - 17) / 3 = 23$

**(Look Table 2)**

**Table 2.** Criteria and Results of Respondents Responses to Wages

Criteria	Interval	F	Percentage (%)
High	64-86	10	20%
Medium	41-63	35	70%
Low	17-40	5	10%
Amount			100%

The results of the answers from the questionnaire to respondents regarding job satisfaction in the table above show that

70% of all respondents studied stated that they were moderate. Then it can be seen

that the job satisfaction of the Juan Racing production team employees is in the medium category.

### **3.2 The Effect of Wages on Job Satisfaction**

Based on the results of this study, it was found that wages have an influence on employee job satisfaction at Juan Racing Gear SMEs. According to Luthans (2006) Job Satisfaction is a reflection of employees' feelings towards their work. When an employee is satisfied, the employee will try as much as possible with all his abilities to complete the work given. Therefore, job satisfaction must be created as well as possible so that the work ethic, performance, love, and discipline of employees increase. One way to increase employee job satisfaction is through wages. If the wages given are appropriate, employees will feel satisfied and more motivated to achieve the company's targets and goals in addition to avoiding the occurrence of Labor Turn Over.

Based on the existing phenomena regarding wages that affect job satisfaction, every company must be able to produce human resources who have optimal performance by maintaining a sense of job satisfaction from their employees. Employees who are satisfied with their work will show an attitude of loyalty to the company and provide more performance on their work which will ultimately benefit the company (Luthans, 2006). With this, the company must provide remuneration in the form of wages given to employees so that employees can meet their egoistic, physical, and social status needs so that employees will feel job satisfaction from their work (Ivancevich, et al., 2002).

#### 4. CONCLUSION

In general, regarding wages, employees consider that wages are in the less effective category. Then the general description of job satisfaction is categorized as moderate. This certainly affects employee performance. If the wages given are effective, the motivation for employees to be more productive will be higher. This

tendency to improve performance arises because employees are satisfied with the wages they receive from their work at Juan Racing Gear SMEs.

Based on this research, it is known that many employees are dissatisfied with the wages given by Juan Racing Gear. So Juan Racing Gear must be able to discuss directly with employees regarding the distribution of wages so that all employees can feel satisfied while working at Juan Racing Gear.

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