

## The Effect of Physical Work Environment, Work Discipline, and Work Experience on Employee Satisfaction at PT Valdo Sumber Daya Mandiri Palembang

Rika Wulandari<sup>1\*</sup>, Shafiera Lazuardi<sup>2</sup>, & Mohammad Kurniawan<sup>3</sup>

<sup>1, 2, 3</sup> Fakultas Ekonomi Manajemen, Universitas Indo Global Mandiri

Email: rik.wldr@gmail.com; Shafieralazuarni@uigm.ac.id; kurniawan@uigm.ac.id

\* Corresponding Author: rik.wldr@gmail.com

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### ABSTRACT

This study aims to analyze the influence of work flexibility, financial compensation, and employee empowerment on job satisfaction at PT Propan Raya ICC Palembang. The background of this research is based on the phenomenon occurring within the company, where employees are beginning to demand more than just competitive salaries they also seek flexible working arrangements, fair compensation, and opportunities to be empowered in their roles. Based on interviews with several employees, it was found that rigid working systems, perceived unfair compensation, and limited autonomy negatively impact job satisfaction. This research adopts a quantitative approach using a survey method, with questionnaires distributed to 85 respondents, representing the total population used as the study sample. The results of multiple linear regression analysis show that both partially and simultaneously, the three independent variables work flexibility, financial compensation, and employee empowerment have a positive and significant effect on job satisfaction. These findings support Maslow's hierarchy of needs theory, which states that job satisfaction is achieved when employees' needs from basic to self-actualization are fulfilled. This research is expected to serve as a reference for PT Propan Raya ICC Palembang in formulating more adaptive, fair, and empowering work policies to enhance employee satisfaction and loyalty.

**Keywords:** Work Flexibility, Financial Compensation, Employee Empowerment, Job Satisfaction.



## INTRODUCTION

In the era of globalization and rapid technological advancement, human resource management (HRM) plays an increasingly strategic role in creating a competitive advantage for organizations. HRM is not limited to managing the workforce but also encompasses efforts to develop, motivate, and empower employees so that organizational goals can be achieved effectively and efficiently (Busro, 2019). Human resources are a key asset capable of generating sustainable competitive advantage if managed properly. Therefore, the implementation of adaptive HRM becomes a critical factor for organizational success in the midst of dynamic global competition.

One of the main indicators in HRM is job satisfaction, which reflects the extent to which employees feel content with their work. Job satisfaction directly affects loyalty, productivity, and overall organizational performance (Asbari et al., 2023). Previous studies have shown that job satisfaction can be enhanced through work flexibility, fair financial compensation, and employee empowerment programs (Sihite et al., 2024). In the post-pandemic context, work flexibility has become increasingly relevant as employees demand a balance between personal life and work (Yawson et al., 2021). Such flexibility has been proven to positively impact mental well-being and employee engagement (Kim et al., 2020). However, some studies report different findings. Permatasari (2022) revealed that work flexibility does not always have a significant effect on job satisfaction because some employees place greater emphasis on compensation aspects.

In addition to flexibility, financial compensation is also a crucial determinant in shaping job satisfaction. Fair and competitive compensation can improve motivation, loyalty, and employee performance (Saban et al., 2020; Harahap & Latifah, 2023). However, Maulida (2021) found that financial compensation only has a partial effect, as non-financial factors such as recognition and career development also play an important role. These findings indicate varying research outcomes that warrant further exploration across different industry contexts.

Another factor influencing job satisfaction is employee empowerment. Empowerment provides autonomy in decision-making, making employees feel valued, motivated, and encouraged to innovate (Sihite et al., 2024). Studies by Prasetya & Santoso (2021) and Firdaus & Hamzah (2023) support the notion that empowerment increases motivation and job satisfaction. Nevertheless, Lestari (2022) found that empowerment could have a negative impact, showing that research results remain inconsistent and are influenced by organizational characteristics and workplace culture.

The phenomenon occurring at PT Propan Raya ICC Palembang indicates a misalignment between employee expectations and company policies. Based on interviews with several employees, it was found

that the rigid working hours system often hinders them from balancing personal life and work. Many employees desire flexibility in work schedules, yet current policies remain limited, causing frustration and reducing work motivation. This affects job satisfaction, particularly for employees with family responsibilities or ongoing education. If this condition persists, the potential for turnover will increase as younger employees tend to seek companies more adaptive to their needs.

Besides flexibility issues, compensation and employee empowerment also remain important concerns. Most employees feel that the financial compensation they receive is not proportional to the workload and responsibilities they undertake. Limited incentives and infrequent opportunities for salary increases lead to feelings of being undervalued. Moreover, employee empowerment in decision-making is still limited, restricting creativity and individual initiative. This situation risks decreasing overall loyalty, satisfaction, and performance. If the company does not make improvements promptly, it could affect team stability, productivity, and organizational competitiveness in an increasingly competitive market.

The differences in these findings indicate a research gap that can be further explored, especially in the context of the manufacturing industry in Indonesia. Most previous studies were conducted in the service and banking sectors (Septiani & Utami, 2021; Wulandari & Prasetya, 2022). Therefore, this study aims to simultaneously examine the influence of work flexibility, financial compensation, and employee empowerment on employee job satisfaction at PT Propan Raya ICC Palembang, a manufacturer of paints and building chemicals. The findings of this research are expected to enrich HRM literature while providing practical contributions for companies in designing work policies that are adaptive, fair, and empowering.

## **LITERATURE REVIEW**

### **Work Flexibility and Job Satisfaction**

Work flexibility refers to employees' ability to manage their work time, location, and methods according to individual and organizational needs (Siregar et al., 2021). In the context of modern HRM, work flexibility is considered a strategy to enhance work-life balance and reduce employee stress (Aisyah & Nugroho, 2021). Kim et al. (2020) found that work flexibility positively contributes to psychological well-being and job satisfaction. Similarly, Arifin & Widya (2021) and Fauziah & Ramadhan (2023) reported that work flexibility significantly affects job satisfaction, particularly among millennial employees. However, Permatasari (2022) found a different result, indicating that work flexibility does not affect job satisfaction because employees focus more on compensation. Therefore, there is an opportunity to re-examine the relationship between work flexibility and job satisfaction in the manufacturing industry context.

H<sub>1</sub>: Work flexibility has a positive and significant effect on job satisfaction.

### **Financial Compensation and Job Satisfaction**

Financial compensation is a form of reward in the form of salary, incentives, allowances, or facilities provided by the organization to employees (Putra, 2023). Fair and competitive compensation is believed to increase motivation, loyalty, and job satisfaction (Dessler, 2020). Research by Saban et al. (2020) and Harahap & Latifah (2023) confirms that financial compensation has a strong influence on job satisfaction, even among contract employees. Conversely, Maulida (2021) found that financial compensation only has a partial effect, as non-financial factors such as recognition and career development are also important. This shows that the impact of compensation on job satisfaction may vary depending on organizational and employee characteristics.

H<sub>2</sub>: Financial compensation has a positive and significant effect on job satisfaction.

### **Employee Empowerment and Job Satisfaction**

Employee empowerment refers to granting autonomy, trust, and responsibility in decision-making related to work (Priansa, 2019). Empowerment enhances employees' sense of ownership, motivation, and encourages individual innovation (Sedarmayanti, 2019). Studies by Prasetya & Santoso (2021) and Firdaus & Hamzah (2023) indicate that employee empowerment can increase job satisfaction, especially when supported by effective training and communication. However, Lestari (2022) found that empowerment can have negative effects, for example, when employees are not ready to handle greater responsibilities. These differing findings emphasize the need to re-examine the relationship between empowerment and job satisfaction across various sectors.

H<sub>3</sub>: Employee empowerment has a positive and significant effect on job satisfaction.

### **Work Flexibility, Financial Compensation, and Employee Empowerment on Job Satisfaction**

Previous studies have shown that a combination of HRM factors, including work flexibility, financial compensation, and employee empowerment, can significantly enhance job satisfaction (Sihite et al., 2024). These factors not only work individually but also complement each other in creating a conducive work environment. If these three factors are managed effectively, employee job satisfaction can increase, which in turn positively impacts performance and loyalty to the organization (Asbari et al., 2023).

H<sub>4</sub>: Work flexibility, financial compensation, and employee empowerment simultaneously have a positive and significant effect on job satisfaction.

## **RESEARCH METHODS**

### **Research Design**

This study employs a quantitative approach using the survey method. The research is designed to examine the influence of work flexibility, financial compensation, and employee empowerment on job satisfaction at PT Propan Raya ICC Palembang.

### **Research Limits**

The scope of this study is limited to examining the relationship between work flexibility, financial compensation, employee empowerment, and employee job satisfaction. The research focuses only on the employees of PT Propan Raya ICC Palembang and does not extend to other companies or industries.

### **Variable Identification**

The variables in this study consist of three independent variables and one dependent variable. The independent variables include work flexibility, financial compensation, and employee empowerment, while the dependent variable is employee job satisfaction. Each variable is measured using specific indicators adapted from previous studies to ensure accuracy and relevance. Work flexibility reflects employees' ability to manage work time, location, and methods; financial compensation includes salary, incentives, and benefits; and employee empowerment represents the autonomy, trust, and responsibility given to employees in decision-making. Job satisfaction is assessed based on employees' overall contentment and fulfillment with their work.

### **Participants and Setting**

The participants of this study consist of all employees at PT Propan Raya ICC Palembang, totaling 85 individuals. Since the entire population was included as the sample, the study uses a census method. The research was conducted directly at the company's office, ensuring accessibility to all employees.

### **Measurement**

#### *Data Collection*

Primary data were obtained directly through the distribution of questionnaires to all employees. Secondary data were also utilized, including company documents and supporting literature, to provide context and strengthen the research findings. Data collection was conducted in person to ensure a high response rate and accurate completion of questionnaires.

### Data Analysis

The collected data were analyzed using multiple linear regression with the assistance of SPSS software. Before conducting the regression analysis, validity and reliability tests were performed on the questionnaire instruments to ensure data quality, followed by classical assumption tests, including normality, multicollinearity, and heteroscedasticity. Hypothesis testing was then carried out using t-tests to evaluate the partial effect of each independent variable on job satisfaction, F-tests to examine their simultaneous effect, and the coefficient of determination ( $R^2$ ) to measure the contribution of the independent variables to the dependent variable. This approach ensures that the analysis provides objective and scientifically reliable results.

## RESULTS

### Partial Test (t-Test) Results

The t-test is used to examine the significance of the relationship between the independent variables (X) and the dependent variable (Y) partially, or in other words, it shows the extent to which each independent variable individually explains variations in the dependent variable. Before drawing conclusions about whether the hypothesis is accepted or rejected, the t-table value is determined at a significance level of 0.05 with degrees of freedom ( $df$ ) =  $n - k - 1 = 85 - 3 - 1 = 81$ . Thus, the t-table value obtained is 1.663.

**Table 1. Partial Test Results (t-test)**

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	22.603	6.560		3.446	.001
<u>Work Flexibility</u>	.413	.323	.193	2.918	.000
<u>Financial Compensation</u>	.382	.188	.195	3.933	.000
<u>Employee Empowerment</u>	.525	.123	.436	4.269	.000

a. Dependent Variable: Job Satisfaction

Source: Processed by the researcher, 2025

Based on the partial test results, all three independent variables work flexibility, financial compensation, and employee empowerment have a significant effect on employee job satisfaction. Work flexibility shows a t-value of  $2.918 > t\text{-table } 1.663$  (sig. 0.000), indicating that better flexibility leads to higher job satisfaction. Financial compensation also has a strong effect with a t-value of  $3.933 > t\text{-table } 1.663$  (sig. 0.000), confirming that adequate compensation increases job satisfaction. Meanwhile,

employee empowerment with a t-value of  $4.269 > t\text{-table } 1.663$  (sig. 0.000) indicates that involving employees in decision-making and providing responsibilities positively contributes to job satisfaction. Therefore, each of these variables partially has a positive and significant effect on improving employee job satisfaction in the company.

### Simultaneous Test (F-Test) Results

The F-test is used to examine the significance of the regression equation to determine the extent to which the independent variables jointly affect the dependent variable. Before drawing conclusions, the F-table value is determined using  $df = n - k - 1$ , where  $n$  = sample size,  $k$  = number of independent variables, and  $1$  = constant. Thus,  $df = 85 - 3 - 1 = 82$ , and the F-table value is 2.48.

**Table 2. Simultaneous Test (F-Test) Results**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	227.988	3	75.996	6.202	.001 <sup>b</sup>
	Residual	992.601	81	12.254		
	Total	1220.588	84			

Source: Processed by the researcher, 2025

The simultaneous test results using the F-test show an F-value of 6.202 with a significance level (Sig.) of 0.001, which is less than 0.05. This indicates that together, work flexibility, financial compensation, and employee empowerment have a significant effect on job satisfaction. In other words, the three independent variables simultaneously explain variations or changes in the dependent variable, making the regression model suitable for predicting employee job satisfaction.

### Multiple Linear Regression Analysis Results

**Table 3. Multiple Linear Regression Results**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	22.603	6.560		3.446	.001
Work Flexibility	.413	.323	.193	2.918	.000
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Employee Empowerment	.525	.123	.436	4.269	.000

a. Dependent Variable: Job Satisfaction

Source: Processed by the researcher, 2025



Multiple linear regression analysis was used to determine the magnitude of the influence of work flexibility, financial compensation, and employee empowerment on employee job satisfaction. The multiple linear regression equation obtained is:

$$Y = 22.603 + 0.413X_1 + 0.382X_2 + 0.525X_3 + e$$

The constant value of 22.603 indicates the job satisfaction level when work flexibility, financial compensation, and employee empowerment are zero. The regression coefficients for work flexibility (0.413), financial compensation (0.382), and employee empowerment (0.525) are all positive, indicating that these variables contribute to increasing job satisfaction. Therefore, the higher the level of work flexibility, financial compensation, and employee empowerment provided by the company, the higher the employees' job satisfaction.

### Correlation and Determination Coefficient Results

The correlation coefficient and coefficient of determination analysis were conducted to determine the strength of the relationship between the independent variables (work flexibility, financial compensation, and employee empowerment) and the dependent variable (job satisfaction), as well as to assess the contribution of the independent variables in explaining the dependent variable.

**Table 4. Correlation and Determination Coefficient Results**

<b>Model Summary<sup>b</sup></b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.732 <sup>a</sup>	.587	.457	4.50062

Source: Processed by the researcher, 2025

Based on the table, the correlation coefficient (R) is 0.732, indicating a strong and positive relationship between work flexibility, financial compensation, and employee empowerment with job satisfaction. The coefficient of determination ( $R^2$ ) is 0.587, which means that 58.7% of the variation in job satisfaction can be explained by the three independent variables, while the remaining 41.3% is influenced by other factors outside this research model.

## DISCUSSION

### The Effect of Work Flexibility on Job Satisfaction

The results of the study indicate that work flexibility has a positive and significant effect on the job satisfaction of employees at PT Propan Raya ICC Palembang. This suggests that the higher the flexibility provided by the company in managing work time and methods, the higher the employees' job



satisfaction. These findings are in line with Kim et al. (2020), who stated that work flexibility can enhance psychological well-being and work motivation. Furthermore, Arifin & Widya (2021) and Fauziah & Ramadhan (2023) also confirmed that work flexibility is an important factor for millennial employees in increasing job satisfaction. However, this finding differs from Permatasari (2022), who found that flexibility did not affect job satisfaction because employees focused more on compensation. Thus, this study strengthens the view that work flexibility plays a crucial role in creating work life balance and fostering employee loyalty.

### **The Effect of Financial Compensation on Job Satisfaction**

Financial compensation was found to have a positive and significant effect on job satisfaction. This indicates that employees feel more satisfied when the company provides compensation that is fair and proportional to their workload and responsibilities. This finding aligns with Saban et al. (2020) and Harahap & Latifah (2023), who stated that financial compensation is a dominant factor determining employee job satisfaction. The results also support Maslow's hierarchy of needs theory, where compensation fulfills basic and safety needs. However, this finding differs from Maulida (2021), who emphasized that job satisfaction is influenced not only by financial compensation but also by non-financial factors such as recognition and career development. Therefore, this study reinforces the evidence that financial compensation remains an important factor in creating job satisfaction, particularly in the manufacturing sector.

### **The Effect of Employee Empowerment on Job Satisfaction**

The study also found that employee empowerment has a positive and significant effect on job satisfaction. Empowering employees through involvement in decision-making, providing autonomy, and management trust can enhance employees' sense of ownership and work motivation. These findings are consistent with Prasetya & Santoso (2021) and Firdaus & Hamzah (2023), who reported that employee empowerment promotes job satisfaction and innovation. However, this finding differs from Lestari (2022), who found a negative effect of empowerment on job satisfaction, possibly due to responsibilities being increased without adequate organizational support. Therefore, this study emphasizes that when empowerment is implemented properly with management support, employee job satisfaction will increase significantly.

### **The Simultaneous Effect of Work Flexibility, Financial Compensation, and Employee Empowerment on Job Satisfaction**

Simultaneously, work flexibility, financial compensation, and employee empowerment have a positive and significant effect on the job satisfaction of employees at PT Propan Raya ICC Palembang.

These results indicate that employee job satisfaction is influenced not only by a single factor but by a combination of flexible work policies, fair compensation systems, and empowerment in the workplace. This finding supports Sihite et al. (2024), who stated that a combination of HRM factors contributes greatly to job satisfaction, loyalty, and organizational performance. Additionally, it reinforces Maslow's hierarchy of needs theory, which suggests that job satisfaction is achieved when employees' basic needs up to self-actualization are fulfilled through compensation, flexibility, and empowerment. Therefore, companies need to implement these three strategies in an integrated manner to maintain employee satisfaction and loyalty in the long term.

## **CONCLUSION**

This study proves that work flexibility, financial compensation, and employee empowerment have a positive and significant effect on employee job satisfaction at PT Propan Raya ICC Palembang, both partially and simultaneously. In other words, job satisfaction is shaped through a combination of flexible work policies, a fair compensation system, and effective employee empowerment.

## **SUGGESTION**

Based on the findings of this study, it is recommended that PT Propan Raya ICC Palembang continue to enhance employee job satisfaction by implementing flexible work arrangements, providing fair and competitive financial compensation, and strengthening employee empowerment programs. Future research could explore additional factors affecting job satisfaction, such as organizational culture, leadership style, and work life balance, to provide a more comprehensive understanding in the manufacturing industry context.

## **CREDIT AUTHORSHIP CONTRIBUTION STATEMENT**

Rika Wulandari contributed to the conceptualization, methodology, data collection, analysis, and writing of the manuscript. All authors have read and approved the final version of the manuscript.

## **DECLARATION OF COMPETING INTEREST**

The authors declare that there is no conflict of interest regarding the publication of this research.

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## DATA AVAILABILITY

The datasets generated and analyzed during the current study are available from the corresponding author upon reasonable request.

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## ETHICAL APPROVAL

This study was conducted following ethical standards for research involving human participants. Informed consent was obtained from all participants, and their anonymity and confidentiality were strictly maintained.

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