THE IMPACT OF COMPENSATION ON THE JOB SATISFACTION OF PUBLIC SECTOR ENTERPRISES IN SAUDI ARABIA

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OPEN ACCESS

How to cite this paper: Samontaray, D. P., Panda, S., Rabah, M., & Rani, R. S. (2023). The impact of compensation on the job satisfaction of public sector enterprises in Saudi Arabia. *Corporate Ownership & Control, 20*(4), 175–186.
https://doi.org/10.22495/cocv20i4art13

ISSN Online: 1810-3057
ISSN Print: 1727-9232

Received: 02.11.2023
Accepted: 12.01.2024

JEL Classification: M12, M51, M52, M54
DOI: 10.22495/cocv20i4art13

Abstract

This study aims to investigate the impact of compensation on job satisfaction among public sector employees and to pinpoint the effect of financial compensation (salary, incentives, and perks) on job satisfaction. The study was conducted by taking a sample of 105 managers, supervisors, and employees of public/government sector organizations in Saudi Arabia. Questionnaires are employed for data collection purposes and the processing of data SPSS software has been used. The findings of this study demonstrate that salary has a big impact on job satisfaction. Most of the related studies have focused on various internal and external factors related to jobs that influence job satisfaction. In this study compensation, pay, and its impact on job satisfaction are being tried to measure.

Keywords: Salary, Pay, Incentives, Bonus, Benefits, Job Satisfaction

Authors' individual contribution: Conceptualization — D.P.S., S.P., M.R., and S.R.; Methodology — D.P.S., S.P., M.R., and S.R.; Formal Analysis — D.P.S., S.P., M.R., and S.R.; Investigation — D.P.S., S.P., M.R., and S.R.; Data Curation — D.P.S., S.P., M.R., and S.R.; Writing — Original Draft — D.P.S., S.P., M.R., and S.R.; Writing — Review & Editing — D.P.S., S.P., M.R., and S.R.; Visualization — D.P.S., S.P., M.R., and S.R.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

1. INTRODUCTION

A company's ability to succeed has been greatly influenced by its human resource management. Having high-quality goods and services without qualified human resources is impossible. However, many businesses do not recognize the value of human resources. Since businesses are required to cover employees' wages, overtime compensation, health benefits, and other monthly costs, they are solely considered costs.

Employees are essential resources businesses must use to achieve key business goals. Companies may recruit and keep trustworthy, creative, and productive workers with competitive advantages that help them achieve their strategic objectives by developing a reputation as good employers. A few challenges a business must deal with include finding knowledgeable and motivated personnel, training them to perform crucial duties, paying them fairly, giving them significant work responsibilities, and offering them chances to succeed and receive recognition.

The fundamental principle of strategic human resource (HR) management is that every effort to manage people must align with and support the organization's overall strategy. If an organization's people management practices conflict with its vision and goal, it cannot expect to succeed. Many businesses experience the condition where they want specific performance and conduct from their staff members yet their HR management procedures, especially those that deal with performance feedback and remuneration, encourage the opposite.

Understanding the strategic management process is a requirement before learning how to manage HR strategically.

The ability of an employer to attract candidates, keep employees, and guarantee that employees perform at their highest levels in achieving the business's strategic goals are all impacted by compensation, a crucial strategic issue for organizations. Another significant economic issue is compensation.

The success of a corporation is impacted by employees' work actions, which are impacted by their compensation. For the majority of firms, salary makes up a sizeable portion of overall costs and is frequently the single most tremendous operating expense. Because of these two facts, an organization can gain and maintain a competitive advantage with the aid of well-designed compensation schemes. On the other hand, as we have recently shown, poorly planned pay schemes can also significantly contribute to the failure of an organization.

Pay is viewed as a gauge of justice by some people. Benefits provided as a component of overall pay may also be viewed as a reflection of justice or equity in society (Judge et al., 2010), The concept of job happiness is crucial to human resource management. According to Herzberg et al. (1959), accomplishment, recognition, the job itself, responsibility, and advancement are some of the characteristics that lead to pleasure. Another viewpoint holds that an employee's perception of their job determines whether or not they feel satisfied with their job on an emotional level. To attract and keep quality human resources, many firms place a lot of emphasis on compensation as one of the key elements. Because the quality of work output is governed by the competency of human resources as necessary, organizations compete for qualified human resources. According to the research outputs, raising employees' level of job satisfaction results in higher production.

To measure the impact of compensation on job satisfaction among public/government employees 105 managers, supervisors, and employees of public/government sector organizations in Saudi Arabia were considered as a sample. The data was collected through a structured questionnaire for analysis and interpretation. Some of the internal and external factors that influence job satisfaction like pay, benefits, incentives, work culture, etc., are considered as factors for satisfaction apart from compensation.

The remainder of this paper is structured as follows. Section 2 comprises a literature review. Section 3 presents the research framework. Section 4 provides the results and discusses the findings. Finally, Section 5 presents a conclusion and limitations of the study and the scope of future research.

2. LITERATURE REVIEW

Igalens and Roussel (2000), looked at the potential effects of total pay components on job satisfaction and motivation at work showing the cultural context of work in France, the study sample contained two samples of employees: 269 exempt employees and 297 nonexempt employees. According to the study, flexible pay for nonexempt employees does not drive them to work harder or lead to greater job satisfaction. However, remuneration for exempt employees can be a factor in work motivation. Benefits for both exempt and nonexempt workers do not inspire or raise job satisfaction.

Sathyapriya et al.'s (2012) study has explored Bangalore's tech workers in the state of Karnataka. It determines the levels of job satisfaction among information technology personnel about remuneration structure the main goal of this study. The sample group (N = 45) included members from the individual contributor, junior-level management, middle-level management, and senior-level management occupational classes. The Job Descriptive Index (JDI) questionnaire gauges employment happiness based on five aspects of the job: pay, advancement opportunities, workplace settings, coworkers, and work-life balance. Relationship between compensation and employee performance and job satisfaction gender, age, and work history do not seem to have any impact on employee performance or job satisfaction. The impact of income on employee performance and job satisfaction is significant hence concluded that compensation and job satisfaction have a substantial link, compensation can affect, improve, and influence employee performance (EP) and job satisfaction (Sathyapriya et al., 2012).

Another study examines and investigates how leadership and compensation affect job satisfaction and how that affects job performance (Abadi & Renwarin, 2017). The sample and population of this study include 84 managers at Jakarta's Nusantara Bonded Area. The findings of this study demonstrate that, in contrast to leadership, salary, and job satisfaction have a considerable impact on job performance (Abadi & Renwarin, 2017).

A study led by Sudiarditha et al. (2019) was to find the impact of pay and work rules on employee performance using job satisfaction as an intervening factor. In this study, it was found that job satisfaction served as an intervening variable via which salary and work discipline had a favorable and significant impact on employee performance. The results demonstrate that pay and workplace rules have a favorable and considerable impact on job satisfaction, which can further boost worker productivity. Because of a lack of employee confidence, employees have not been able to demonstrate their independence in functioning by their tasks and obligations.

Rasmi et al. (2020), in their research, aim to determine and analyze the impact of compensation, work environment, and organizational commitment toward job satisfaction on the performance of private high school teachers in the city of Makassar. The results of this study indicated that compensation has a positive and significant impact on job satisfaction and the work environment has a positive and significant impact on job satisfaction.

Rinny et al. (2020), in their study, aim to examine and analyze the income of compensation, job promotions, and job satisfaction on the performance of Mercu Buana University's teaching staff. The analytical method used in this study is multiple linear regressions. The results showed that compensation, job promotions, and job satisfaction simultaneously had a significant effect on performance. Partial compensation does not affect performance.

The purpose of Rosalia et al.'s (2020) study was to determine the effect of compensation, motivation, job satisfaction, variables on employee performance, and the effect of job satisfaction variables on the performance of employees of SMK Medika Samarinda. As for the indirect effect, the compensation results did not have a significant negative effect on employee performance through job satisfaction as an intervening variable, and motivation had a significant positive effect on employee performance through job satisfaction as an intervening variable. This shows that the job satisfaction of employees of SMK Medika Samarinda can affect employees at work.

Andry (2018), in his study, analyzed and obtained empirical evidence related to the compensation and job motivation toward the performance of employees of the Directorate General of Taxes through job satisfaction as mediating variables. The findings of this study showed that compensation and job motivation had a significant effect on job satisfaction and employee performance.

The intention of Saban et al. (2020) was to analyze the influence the Islamic work ethic, competencies, compensation, and work culture on the job satisfaction of four-star hotel employees, analyze the influence of the Islamic work ethic, competencies, compensation, and work culture on the four-star hotel employee's performance, analyze the effect of job satisfaction on four-star hotel employee performance. The results of the study found that directly, nine hypotheses had a positive and significant influence, namely, Islamic work ethic, competencies, compensation, and work culture for employees' job satisfaction, furthermore Islamic work ethic, competencies, compensation, and work culture for four-star hotel employee satisfaction and performance.

Paais and Pattiruhu (2020) investigated by empirical methods the effect of motivation, leadership, and organizational culture on job satisfaction, and employee performance at Wahana Resources Ltd. North Seram District, Central Maluku Regency, Indonesia. The results of the data analysis showed that work motivation and organizational culture had a positive and significant effect on performance, but did not significantly influence employee job satisfaction (Paais & Pattiruhu, 2020).

A study undertaken by Sugiono et al. (2020) indicates that each dimension of leadership style and compensation has a direct and significant positive effect on performance. Job satisfaction directly has a positive and significant impact on employee performance. However, another study found that work discipline has no positive and significant effect on job satisfaction and employee performance through job satisfaction (Preeti, 1980).

Misra et al. (2012), in their study, seek to analyze the impact of compensation components in terms of rewards and benefits and organizational justice on turnover intentions and the role of job satisfaction in terms of pay. The research also showed that employees believed in having a clear and transparent compensation system reflective of performance and productivity and they were keen that the management should be willing to address any pay issues. Job satisfaction in terms of pay was seen to be impacted by pay received about different others and the management should be conscious of attempting to maintain parity amongst employees relative to other companies in the retail industry.

Ekhsan et al. (2019), in their research, explored to find out the motivation, job satisfaction, and compensation applied in PT Selatan Selabara, a mining and port services company. The result of the partial t-test indicates that there is a significant influence between motivation, job satisfaction, and compensation for each employee's productivity. In the meanwhile, only job satisfaction and compensation have a strong positive relationship with employee productivity. The result of the determination test shows that the determination coefficient is 0.737, which means that the contribution of motivation, job satisfaction, and compensation to employee performance is 73.7% meanwhile the rest is caused by another factor.

Pepra-Mensah et al.'s (2017) study purpose was to learn how teachers in Ghana perceive their pay and whether it has an impact on their job satisfaction. One hundred basic school teachers were chosen for the study using a convenience sample approach. The findings showed that instructors have a poor opinion of the service's compensation policies and that the aspects of base pay, incentives, and benefits had a strong positive relationship with teachers' work satisfaction. It was advised that management and policymakers implement efficient compensation systems and involve teachers in significant compensation decisions that affect them in light of the findings.

The association between employee remuneration satisfaction and employee turnover intention was significantly mediated, according to the results, by work motivation, work engagement, and job satisfaction. It has been discovered that the relationship between employee work engagement and remuneration satisfaction is mediated by work motivation. Additionally, the association between employee work motivation and employee turnover intention was mediated by work engagement and job satisfaction.

Murtiningsih (2020), in his study, analyzed the effect of compensation, training and development, and organizational culture on job satisfaction and employee retention. The results show that compensation has a positive effect on job satisfaction.

Bustamam et al. (2014) found in their study that finding suitable awards for employees has been always a difficult task for human resource management. Most organizations primarily in the hotel industry are unable to identify the types of rewards that can be best used to boost employees' job satisfaction. Salary and recognition are taken as the factors.

In a study by Mabaso and Dlamini (2017), of the academic staff of a university in South Africa a significant contribution of compensation was observed for job satisfaction ($p = 0.263$), and there is no significant impact of benefits was found for job satisfaction.

Ihinmoyan (2022) tried to establish the relationship between employee compensation, retention, and job satisfaction of small and medium-scale enterprises in Nigeria and it was found that compensation has a positive relation with job

satisfaction but retention of employees in this organization was found to have few challenges and had very low retention.

Employee satisfaction is one of the major factors to determine the health of the organization. Satisfaction of employees depends on tangible and intangible aspects such as compensation, recognition, pay, welfare, leadership, etc. Patel and Pillai (2022) found in their study that compensation keeps employees motivated, boosts morale, and sets new higher goals. The employees in the sample agreed that a few other factors like job security, health care facility, welfare, working conditions, etc., are the few other factors for employees' satisfaction.

Zayed et al. (2022) surveyed 100 employees and found that the compensation system of any organization has a favorable impact on employees' satisfaction by partially mediating motivation and results like reduced turnover can be obtained.

Sutaguna et al. (2023) found that competence, work experience, work environment, and work discipline have no significant effect on employee performance as an independent variable whereas employee performance is directly correlated with employee satisfaction.

A study at PT Bintang Parabola with 75 employees by Sumerli et al. (2022) found that competence and compensation have a significant effect on employee performance and satisfaction.

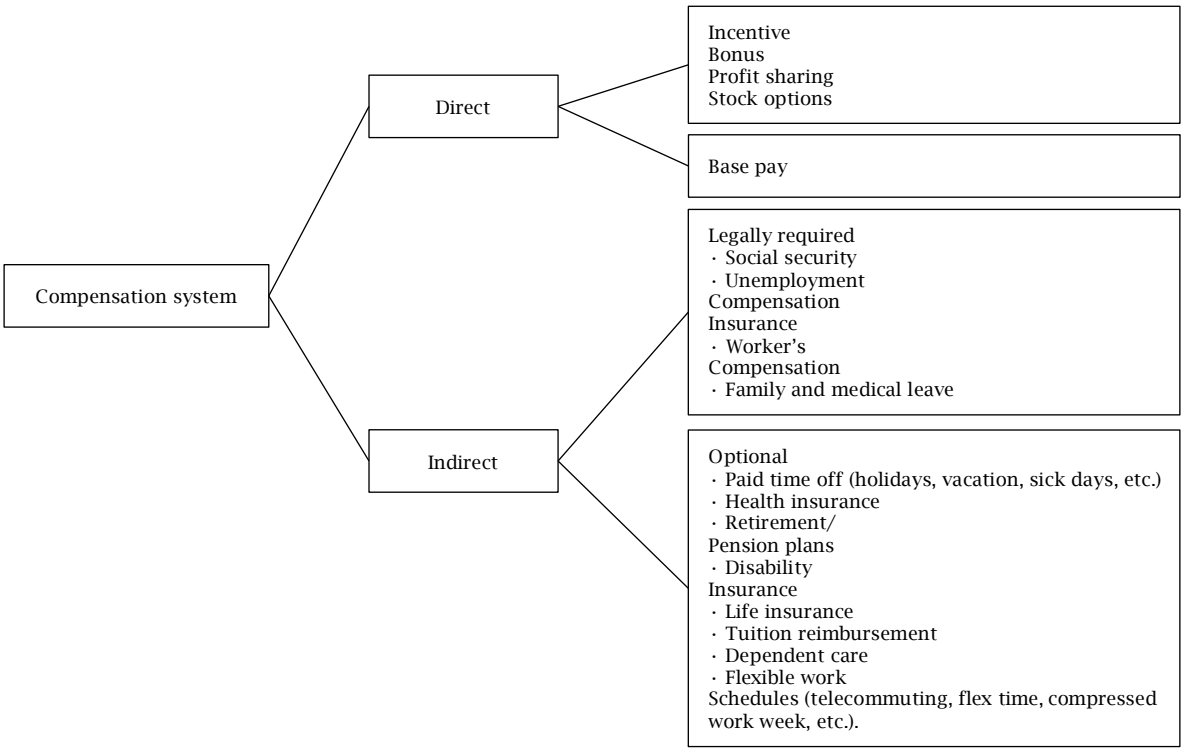
2.1. Theoretical framing

The material incentive system helps to unleash the potential and energy of employees and make the greatest use of them. This results in a decrease in the number of employees needed by the organization or management, which lowers expenses for the organization and opens the door to the option of allocating extra human resources to other organizations, which might have a volume shortage. Due to the incentives given to employees, the workforce as well as the workforce as a whole will be more content.

This will assist departments in dealing with issues like low production capacity, high rates of staff turnover, labor disputes, and other issues like these. If a worker is aware that receiving positive returns (for material incentives) like pay and promotion depends on meeting performance standards, job satisfaction can lead to high performance and acceptance of those rewards. When an employee is dissatisfied with his/her employment, it usually shows in his/her conduct, which weakens both his/her devotion to the work he/she does and his allegiance to the company where he/she works. Due to this, the employee either withdraws psychologically from the work by thinking and daydreaming or physically by arriving late and departing early.

Altering break times, being absent or interfering with work, and the employee's disgruntled behavior may lead to an effort at retaliation against the company. Criticism also worsens issues, and he/she might quit the job or take a lot of vacations. His/her allegiance to the institution might also wane, and this loyalty might even evolve into hatred. The theoretical framework of our research led us to the study model shown was developed.

Figure 1. Compensation system



Source: Compiled by the authors from various literature.

2.2. Hypotheses development

The main hypothesis of our study is the following:

$H1_0$: There is no statistically significant effect of the dimensions of financial compensation on job satisfaction ($\alpha = 0.05$).

The sub-hypotheses of this study are as follows:

$H1a_0$: There is no statistically significant effect of incentives on job satisfaction ($\alpha = 0.05$).

$H1b_0$: There is no statistically significant effect of monetary compensation on job satisfaction ($\alpha = 0.05$).

$H1c_0$: There is no statistically significant effect of pay compensation on job satisfaction ($\alpha = 0.05$).

3. RESEARCH FRAMEWORK

This section outlines the data analysis and findings from the use of Statistical Package for the Social Sciences (SPSS) to determine how compensation levels affect job satisfaction in the public sector. To accomplish these goals, a descriptive method paired with a quantitative approach will be employed.

3.1. Research instruments

Any device used to gather data, measure data, and analyze data pertinent to the research topic is referred to as a research instrument. The development of the study instrument was based on various earlier investigations. There are three sections to the questionnaire.

1. *Part one:* Gather the demographic data (gender, age, position, education, work experience, and status).

2. *Part two:* Assessing the dependent variable, this is government job *satisfaction* (9 statements).

3. *Part three:* This includes 16 statements and measures an independent variable split into three sections.

- 4 statements made up the variable *incentives*;
- *Benefit* variable made up of 6 statements;
- *Pay* variable made up of 6 statements;
- Coefficient for instruments;
- The tool in use measures that has to be measured.

3.2. Test of reliability

All assertions in the tool perfectly correspond to all data. The questionnaire's apparent validity was examined by having it distributed to several professors at King Saud University.

You can examine the characteristics of measuring scales and the components that make up the scales using reliability analysis. In addition to providing data on the correlations between the scale's constituent items, the reliability analysis technique creates a variety of regularly used scale reliability measures.

A reliability test is required to confirm the consistency of the measuring device and whether the results will remain consistent if the measurement is repeated. Using data for calculation of the stability coefficient Cronbach's alpha reference, the following conclusions can be drawn about reliability testing:

- the Cronbach's alpha can be accepted if the coefficient is less than 0.6 (construct reliable);
- if Cronbach's alpha is less than 0.6, then it cannot be accepted (construct unreliable).

Table 1. Cronbach's alpha to measure the reliability of the questionnaire

Study axes	*No. of phrases*	*Cronbach's alpha*
Satisfaction	9	0.926
Incentives	4	0.890
Benefits	6	0.873
Pay	6	0.873
Overall reliability	25	0.956

Source: Produced by the authors through the SPSS.

Based on the table, Cronbach's alpha reliability coefficients were acceptable in all axes and ranging from 0.873 to 0.926, and the value of the reliability coefficient for the axes was 0.956, which are high values indicating the quality of the questionnaire questions, and this indicates that the questionnaire has a high degree of reliance in the field application study and which makes it ready to measure what it was set for.

4. RESEARCH RESULTS

The results of the descriptive field study will be presented through the averages and standard deviations of the answers of the sample members on the dimensions of each compensation variable as shown in the table.

Table 2. Descriptive statistics

Variable	*N*	*Mean*	*Std. deviation*
Satisfaction	105	3.2179	0.98166
Incentives	105	3.6667	1.05707
Benefits	105	3.5508	0.94313
Pay	105	3.0698	0.91193
Valid N (list-wise)	105		

Source: Produced by the authors through the SPSS.

Table 3. Relative importance

Relative importance	*The standard for judging the results*	*Mean*	
		From	*To*
Less than 52%	Very low	< 2.60	2.60
52% to less than 68%	Low	2.61	3.39
68% to less than 84%	Medium	3.40	4.20
84% to more	High	4.20	More

Source: Produced by the authors through the SPSS.

Table 4. The trends and important statements of the study sample about the level of satisfaction

Descriptive statistics (Questions 1–9)				
Question number	*N*	*Mean*	*Std. deviation*	*Importance*
Q1	105	3.0000	1.21687	Low
Q2	105	3.3048	1.20195	Low
Q3	105	3.4667	1.25627	Medium
Q4	105	3.3238	1.23643	Low
Q5	105	3.0000	1.23257	Low
Q6	105	3.4762	1.32357	Medium
Q7	105	2.1524	1.29927	Very Low
Q8	105	3.5048	1.18584	Medium
Q9	105	3.5143	1.20985	Medium
Satisfaction	105	3.2179	0.98166	Low
Valid N (list-wise)	105			

Source: Produced by the authors through the SPSS.

The study sample's trends, which ranged between 2.1 and 3.5 for the items related to job satisfaction, were found to be distributed between very low and medium importance. Reviewing the paragraphs in order reveals that paragraph No. 9, which has an arithmetic mean of 3.51 and falls within the range of importance, is average with the lowest standard deviation and highest arithmetic mean. The findings show that the government sector has a poor degree of job satisfaction, with an arithmetic mean of 3.2.

Table 5. The trends of the study sample regarding the level of incentives

Descriptive statistics (Questions 10–13)				
Question number	*N*	*Mean*	*Std. deviation*	*Importance*
Q10	105	3.5810	1.20720	Medium
Q11	105	3.6762	1.23643	Medium
Q12	105	3.8476	1.17491	Medium
Q13	105	3.5619	1.25517	Medium
Incentives	105	3.6667	1.05707	Medium
Valid N (list-wise)	105			

Source: Produced by the authors through the SPSS.

The study sample's trends, which varied between 3.5 and 3.8 for the items connected to incentives, were found to be of medium importance. Reviewing the paragraphs in order reveals that paragraph No. 12, with an arithmetic mean of 3.8 and a standard deviation of 1.2, is of the utmost relevance.

The findings show that the government sector has average incentives, with a mean level of 3.6.

Table 6. The trends of the study sample about the level of benefits

Descriptive statistics (Questions 14–19)				
Question number	*N*	*Mean*	*Std. deviation*	*Importance*
Q14	105	3.4476	1.26324	Medium
Q15	105	3.7429	1.21709	Medium
Q16	105	3.7714	1.15407	Medium
Q17	105	3.3714	1.12024	Low
Q18	105	3.3619	1.29439	Low
Q19	105	3.6095	1.17256	Medium
Benefits	105	3.5508	0.94313	Medium
Valid N (list-wise)	105			

Source: Produced by the authors through the SPSS.

It was found that the trends of the study sample were distributed between very low and medium importance for the items related to benefits and ranged between 3.3 and 3.7. By reviewing the order of the paragraphs, it becomes clear that paragraph No. 16 with an arithmetic mean of 3.7 falls within the degree of importance, an average with a standard deviation of 1.15.

The results indicate that there is an average level of benefits in the government sector with a mean of 3.5.

Table 7. The trends of the study sample regarding the level of pay

Descriptive statistics (Questions 20–25)				
Question number	***N***	***Mean***	***Std. deviation***	***Importance***
Q20	105	3.3619	1.23354	Low
Q21	105	2.8667	1.21740	Low
Q22	105	2.9333	1.40238	Low
Q23	105	3.1333	1.30138	Low
Q24	105	2.5905	1.38464	Low
Q25	105	3.5333	1.20947	Medium
Pay	105	3.0698	0.91193	Low
Valid N (list-wise)	105			

Source: Produced by the authors through the SPSS.

It was found that the trends of the study sample were distributed low and medium importance for the items related to pay and ranged between 2.5 and 3.5. By reviewing the order of the paragraphs, it becomes clear that paragraph No. 25 with an arithmetic mean of 3.5 and falls within the degree of importance, an average with a standard deviation of 1.2.

The results indicate that there is an average level of pay in the government sector with a mean of 3.

4.1. Content validity

Each sentence of the questionnaire measures the variable to which it belongs. Each sentence was measured using the Kandel coefficient at the level of significance α = 0.05.

Table 8. Correlation between Q1–Q9

			Q1	***Q2***	***Q3***	***Q4***	***Q5***	***Q6***	***Q7***	***Q8***	***Q9***	***Satisfaction***
Kendall's tau-b	***Q1***	Correlation coefficient	1.000	0.640**	0.639**	0.555**	0.553**	0.485**	0.106	0.613**	0.584**	0.679**
		Sig. (2-tailed)	.	0.000	0.000	0.000	0.000	0.000	0.195	0.000	0.000	0.000
	Q2	Correlation coefficient	0.640**	1.000	0.725**	0.537**	0.661**	0.485**	0.162*	0.618**	0.641**	0.716**
		Sig. (2-tailed)	0.000	.	0.000	0.000	0.000	0.000	0.048	0.000	0.000	0.000
	Q3	Correlation coefficient	0.639**	0.725**	1.000	0.525**	0.677**	0.494**	0.111	0.657**	0.655**	0.714**
		Sig. (2-tailed)	0.000	0.000	.	0.000	0.000	0.000	0.176	0.000	0.000	0.000
	Q4	Correlation coefficient	0.555**	0.537**	0.525**	1.000	0.543**	0.554**	0.164*	0.596**	0.602**	0.673**
		Sig. (2-tailed)	0.000	0.000	0.000	.	0.000	0.000	0.046	0.000	0.000	0.000
	Q5	Correlation coefficient	0.553**	0.661**	0.677**	0.543**	1.000	0.427**	0.368**	0.555**	0.559**	0.656**
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	.	0.000	0.000	0.000	0.000	0.000
	Q6	Correlation coefficient	0.485**	0.485**	0.494**	0.554**	0.427**	1.000	0.135	0.626**	0.642**	0.631**
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.	0.099	0.000	0.000	0.000
	Q7	Correlation coefficient	0.106	0.162*	0.111	0.164*	0.368**	0.135	1.000	0.163*	0.148	0.258**
		Sig. (2-tailed)	0.195	0.048	0.176	0.046	0.000	0.099	.	0.047	0.072	0.001
	Q8	Correlation coefficient	0.613**	0.618**	0.657**	0.596**	0.555**	0.626**	0.163*	1.000	0.879**	0.773**
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.047	.	0.000	0.000
	Q9	Correlation coefficient	0.584**	0.641**	0.655**	0.602**	0.559**	0.642**	0.148	.879**	1.000	0.780**
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.072	0.000	.	0.000
	Satisfaction	Correlation coefficient	0.679**	0.716**	0.714**	0.673**	0.656**	0.631**	0.258**	0.773**	0.780**	1.000
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.000	.

*Note: **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed). N = 105 for all the above questions.*
Source: Produced by the authors through the SPSS.

Table 9. Correlations between Q10–Q13

			Q10	***Q11***	***Q12***	***Q13***	***Incentives***
Kendall's tau-b	***Q10***	Pearson correlation	1	0.655**	0.626**	0.639**	0.841**
		Sig. (2-tailed)		0.000	0.000	0.000	0.000
	Q11	Pearson correlation	0.655**	1	0.687**	0.719**	0.884**
		Sig. (2-tailed)	0.000		0.000	0.000	0.000
	Q12	Pearson correlation	0.626**	0.687**	1	0.691**	0.863**
		Sig. (2-tailed)	0.000	0.000		0.000	0.000
	Q13	Pearson correlation	0.639**	0.719**	0.691**	1	0.882**
		Sig. (2-tailed)	0.000	0.000	0.000		0.000
	Incentives	Pearson correlation	0.841**	0.884**	0.863**	0.882**	1
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	

*Note: N = 105 for all the above questions. **. Correlation is significant at the 0.01 level (2-tailed).*
Source: Produced by the authors through the SPSS.

Table 10. Correlation between Q14–Q19

			Q14	Q15	Q16	Q17	Q18	Q19	Benefits
Kendall's tau-b	Q14	Correlation coefficient	1.000	0.316**	0.340**	0.397**	0.308**	0.355**	0.520**
		Sig. (2-tailed)	.	0.000	0.000	0.000	0.000	0.000	0.000
	Q15	Correlation coefficient	0.316**	1.000	0.576**	0.543**	0.404**	0.603**	0.647**
		Sig. (2-tailed)	0.000	.	0.000	0.000	0.000	0.000	0.000
	Q16	Correlation coefficient	0.340**	0.576**	1.000	0.454**	0.492**	0.528**	0.643**
		Sig. (2-tailed)	0.000	0.000	0.	0.000	0.000	0.000	0.000
	Q17	Correlation coefficient	0.397**	0.543**	0.454**	1.000	0.518**	0.713**	0.730**
		Sig. (2-tailed)	0.000	0.000	0.000	0.	0.000	0.000	0.000
	Q18	Correlation coefficient	0.308**	0.404**	0.492**	0.518**	1.000	0.525**	0.670**
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	.	0.000	0.000
	Q19	Correlation coefficient	0.355**	0.603**	0.528**	0.713**	0.525**	1.000	0.730**
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	.	0.000
	Benefits	Correlation coefficient	0.520**	0.647**	0.643**	0.730**	0.670**	0.730**	1.000
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.000

*Note: N = 105 for all the above questions. **. Correlation is significant at the 0.01 level (2-tailed).*
Source: Produced by the authors through the SPSS.

Table 11. Correlation between Q20–Q25

			Q20	Q21	Q22	Q23	Q24	Q25	Pay
Kendall's tau-b	Q20	Correlation coefficient	1.000	0.450**	0.495**	0.577**	-0.162-*	0.661**	0.650**
		Sig. (2-tailed)	.	0.000	0.000	0.000	0.045	0.000	0.000
	Q21	Correlation coefficient	0.450**	1.000	0.405**	0.451**	0.135	0.398**	0.599**
		Sig. (2-tailed)	0.000	0.	0.000	0.000	0.094	0.000	0.000
	Q22	Correlation coefficient	0.495**	0.405**	1.000	0.658**	0.052	0.542**	0.674**
		Sig. (2-tailed)	0.000	0.000	0.	0.000	0.511	0.000	0.000
	Q23	Correlation coefficient	0.577**	0.451**	0.658**	1.000	-0.005	0.658**	0.748**
		Sig. (2-tailed)	0.000	0.000	0.000	0.	0.951	0.000	0.000
	Q24	Correlation coefficient	-0.162*	0.135	0.052	-0.005	1.000	-0.099	0.108
		Sig. (2-tailed)	0.045	0.094	0.511	0.951	.	0.219	0.148
	Q25	Correlation coefficient	0.661**	0.398**	0.542**	0.658**	-0.099	1.000	0.707**
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.219	.	0.000
	Pay	Correlation coefficient	0.650**	0.599**	0.674**	0.748**	0.108	0.707**	1.000
		Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.148	0.000	.

*Note: **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed). N = 105 for all the above questions.*
Source: Produced by the authors through the SPSS.

Table 12. Correlation summary for Q1–Q25

			Incentives	Benefits	Pay	Satisfaction
Kendall's tau-b	Incentives	Correlation coefficient	1.000	0.494**	0.451**	0.606**
		Sig. (2-tailed)	.	0.000	0.000	0.000
		N	105	105	105	105
	Benefits	Correlation coefficient	0.494**	1.000	0.539**	0.508**
		Sig. (2-tailed)	0.000	.	0.000	0.000
		N	105	105	105	105
	Pay	Correlation coefficient	0.451**	0.539**	1.000	0.590**
		Sig. (2-tailed)	0.000	0.000	.	0.000
		N	105	105	105	105
	Satisfaction	Correlation coefficient	0.606**	0.508**	0.590**	1.000
		Sig. (2-tailed)	0.000	0.000	0.000	.
		N	105	105	105	105

*Note: **. Correlation is significant at the 0.01 level (2-tailed).*
Source: Produced by the authors through the SPSS

This table demonstrates that each phrase's values for the correlation coefficient with the overall score of the axis to which it belongs are statistically significant at the level of significance of 0.01 or less, indicating that the phrases are both suitable for the application and have an acceptable level of internal consistency.

The relationship between the independent variables and the dependent variable is positive (direct), and it is statistically significant.

The test results show a positive relation between job satisfaction with pay, incentives and benefits. This result disapproves all the three null hypothesis ($H1a_0$, $H1b_0$, and $H1c_0$).

Table 13. Regression

Model	Variables entered		Variables removed	Method
1	Pay, Incentives, Benefits[a]		.	Enter
Model summary				
Model	R	R-square	Adjusted R-square	Std. error of the estimate
1	0.867	0.752	0.745	0.49577

Note: a. All requested variables entered. Dependent variable: Satisfaction. Predictors: (Constant), Pay, Incentives, Benefits.
Source: Produced by the authors through the SPSS.

The findings of the model summary are shown in the previous table, and the correlation coefficient R = 0.867 indicates that there is a relationship between the independent factors and the dependent variable. The coefficient of determination R-square = 0.752, which indicates that there has been an increase in satisfaction of 75.2%, the study did not examine some variables that have R-squared complements of 100.

Table 14. ANOVA: *Satisfaction* as a dependent variable

Model		*Sum of squares*	*df*	*Mean square*	*F*	*Sig.*
1	Regression	75.395	3	25.132	102.248	0.000[a]
	Residual	24.825	101	0.246		
	Total	100.220	104			

Note: a. Predictors: (Constant), Pay, Incentives, Benefits. Dependent variable: Satisfaction.
Source: Produced by the authors through the SPSS.

The calculated F-value, which is displayed in this table, indicates the suitability of the model to the regression test and that the relationship between the independent and dependent variables follows a linear model. The value of F is 102.248 at the significance level of 0.000, which denotes the existence of a statistically significant effect (0.05).

Table 15. Coefficients

Model		*Unstandardized coefficients*		*Standardized coefficients*	*t*	*Sig.*
		B	*Std. error*	*Beta*		
1	(Constant)	-0.136	0.201		-0.677	0.500
	Incentives	0.426	0.067	0.458	6.393	0.000
	Benefits	0.172	0.086	0.165	2.002	0.048
	Pay	0.386	0.077	0.358	4.995	0.000

Note: Dependent variable: Satisfaction.
Source: Produced by the authors through the SPSS.

The table clearly shows that there is a statistically significant effect on satisfaction at the 5% level of pay, as the level of significance reached 000. This shows that organizations that adhere to compensation policies for their employees experience higher levels of employee satisfaction than those that do not.

The test result shows job satisfaction as a result of age. Though there are statistically significant differences in the responses but result proves a direct and positive relation between job satisfaction and age (Table 16).

Based on Table 16, the Sig. > 0.05, therefore, there is no difference for the variables due to age.

There are statistically significant differences in the responses of the respondents.

The results in Table 18 show the extent of job satisfaction related to position taking the other factors as incentives, benefits, and pay along with position.

There are statistically significant differences found for all the variables with respect to education (Table 21).

According to Table 22, there are statistically significant differences found for all the variables with respect to work experience.

Table 16. Descriptive statistics

Components of compensation		*N*	*Mean*	*Std. deviation*	*Std. error*	*95% confidence interval for mean*		*Minimum*	*Maximum*
						Lower bound	Upper bound		
Satisfaction	20 >	4	3.6875	0.99216	0.49608	2.1088	5.2662	2.75	5.00
	20–30	47	3.2154	0.99377	0.14496	2.9236	3.5072	1.00	5.00
	30–40	40	3.2750	0.97452	0.15408	2.9633	3.5867	1.00	5.00
	40	14	2.9286	0.98512	0.26329	2.3598	3.4974	1.00	4.13
	Total	105	3.2179	0.98166	0.09580	3.0279	3.4078	1.00	5.00
Incentives	20 >	4	4.1875	0.55434	0.27717	3.3054	5.0696	3.75	5.00
	20–30	47	3.5426	1.00585	0.14672	3.2472	3.8379	1.00	5.00
	30–40	40	3.7813	1.13960	0.18019	3.4168	4.1457	1.00	5.00
	40	14	3.6071	1.09945	0.29384	2.9723	4.2419	1.00	5.00
	Total	105	3.6667	1.05707	0.10316	3.4621	3.8712	1.00	5.00
Benefits	20 >	4	3.7500	1.04083	0.52042	2.0938	5.4062	2.50	5.00
	20–30	47	3.5106	0.84012	0.12254	3.2640	3.7573	1.00	5.00
	30–40	40	3.6458	1.00369	0.15870	3.3248	3.9668	1.00	5.00
	40	14	3.3571	1.12253	0.30001	2.7090	4.0053	1.00	5.00
	Total	105	3.5508	0.94313	0.09204	3.3683	3.7333	1.00	5.00
Pay	20 >	4	3.6250	1.14160	0.57080	1.8085	5.4415	2.33	5.00
	20–30	47	3.1170	0.95737	0.13965	2.8359	3.3981	1.00	5.00
	30–40	40	2.9208	0.77990	0.12331	2.6714	3.1703	1.00	4.33
	40	14	3.1786	1.04894	0.28034	2.5729	3.7842	1.50	5.00
	Total	105	3.0698	0.91193	0.08900	2.8934	3.2463	1.00	5.00

Source: Produced by the authors through the SPSS.

Table 17. ANOVA: Variables with different age groups

Components of compensation		*Sum of squares*	*df*	*Mean square*	*F*	*Sig.*
Satisfaction	Between groups	2.185	3	0.728	0.750	0.525
	Within groups	98.035	101	0.971		
	Total	100.220	104			
Incentives	Between groups	2.384	3	0.795	0.705	0.551
	Within groups	113.824	101	1.127		
	Total	116.208	104			
Benefits	Between groups	1.121	3	0.374	0.413	0.744
	Within groups	91.386	101	0.905		
	Total	92.507	104			
Pay	Between groups	2.391	3	0.797	0.957	0.416
	Within groups	84.097	101	0.833		
	Total	86.488	104			

Source: Produced by the authors through the SPSS.

Table 18. ANOVA: Variables with job positions

Components of compensation		*Sum of squares*	*df*	*Mean square*	*F*	*Sig.*
Satisfaction	Between groups	7.003	2	3.502	3.832	0.025
	Within groups	93.216	102	0.914		
	Total	100.220	104			
Incentives	Between groups	2.919	2	1.460	1.314	0.273
	Within groups	113.289	102	1.111		
	Total	116.208	104			
Benefits	Between groups	3.356	2	1.678	1.920	0.152
	Within groups	89.150	102	0.874		
	Total	92.507	104			
Pay	Between groups	1.519	2	0.759	0.911	0.405
	Within groups	84.969	102	0.833		
	Total	86.488	104			

Source: Produced by the authors through the SPSS.
Based on the table, the Sig. < 0.05. There is a difference in satisfaction due to the position.

Table 19. Kruskal–Wallis test

Ranks			
Variable	*Position*	*N*	*Mean rank*
Satisfaction	Managers	5	25.80
	Supervisors	11	37.00
	Employee	89	56.51
	Total	105	

Source: Produced by the authors through the SPSS.

Table 20. Test statistics[a]

Test result	*Satisfaction*
Kruskal–Wallis H	8.226
df	2
Asymp. Sig.	0.016

Note: a. Kruskal–Wallis test. Grouping variable: Position.
Source: Produced by the authors through the SPSS.

Table 21. ANOVA: Variables with educational qualification

Components of compensation		*Sum of squares*	*df*	*Mean square*	*F*	*Sig.*
Satisfaction	Between groups	2.885	3	0.962	0.998	0.397
	Within groups	97.335	101	0.964		
	Total	100.220	104			
Incentives	Between groups	0.918	3	0.306	0.268	0.848
	Within groups	115.290	101	1.141		
	Total	116.208	104			
Benefits	Between groups	1.232	3	0.411	0.455	0.715
	Within groups	91.274	101	0.904		
	Total	92.507	104			
Pay	Between groups	0.954	3	0.318	0.375	0.771
	Within groups	85.534	101	0.847		
	Total	86.488	104			

Source: Produced by the authors through the SPSS.

Table 22. ANOVA: Variables with work experience

Components of compensation		*Sum of squares*	*df*	*Mean square*	*F*	*Sig.*
Satisfaction	Between groups	0.586	3	0.195	0.198	0.898
	Within groups	99.634	101	0.986		
	Total	100.220	104			
Incentives	Between groups	5.280	3	1.760	1.602	0.194
	Within groups	110.929	101	1.098		
	Total	116.208	104			
Benefits	Between groups	3.497	3	1.166	1.323	0.271
	Within groups	89.010	101	0.881		
	Total	92.507	104			
Pay	Between groups	0.764	3	0.255	0.300	0.825
	Within groups	85.724	101	0.849		
	Total	86.488	104			

Source: Produced by the authors through the SPSS.

4.2. Discussion of the results

The variables considered (*Incentives, Benefits,* and *Pay*) have a positive relation with job satisfaction. A few other factors like educational qualification and work experience tested with the variables considered for different age groups were found to have a significant difference.

The proposed null hypothesis ($H1_0$) and null sub-hypotheses ($H1a_0$, $H1b_0$, and $H1c_0$) are rejected seeing the values obtained from the test. Hence, the alternative hypothesis is accepted.

5. CONCLUSION

Government institutions are the first movers and primary supporters of the other sectors, making the government sector one of the most significant sectors that contribute to the process of quick advancement in policy formation, huge tools, and systems to boost leadership in government work. We will contribute to the nation whose economy is dependent on it. The findings of the current study will help decision-makers create fair remuneration rules and regulations to improve job satisfaction for those working in the state's public sector. The researchers are advised to pay more attention to the compensation system.

The study was conducted in Saudi Arabia's public sector and government organizations so may have some limitations like sample size, time constraints, cultural and other types of bias, etc.

The researchers recommend doing more research to determine the factors that affect job satisfaction. Similar research can be carried out for other sectors too.

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