

The Role of Work Relations in Job Satisfaction

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Abstract

This study aims to analyze the effect of employee relations on employee job satisfaction with the working environment as an intervening variable at BPJS Ketenagakerjaan, West Sumatra Region. This research uses a quantitative approach with a survey method. The research sample consists of 100 employees selected using a saturated sampling technique. Data were collected through questionnaires and analyzed using the Partial Least Square (PLS) method. The results show that employee relations have a positive and significant effect on job satisfaction. In addition, employee relations also have a positive and significant effect on the working environment, and the working environment has a positive and significant effect on job satisfaction. The indirect effect test indicates that the working environment mediates the relationship between employee relations and job satisfaction. Therefore, improving the quality of employee relations and creating a conducive working environment are crucial in enhancing employee job satisfaction at BPJS Ketenagakerjaan, West Sumatra Region.

Keywords: Employee Relations, Working Environment, Job Satisfaction.

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2nd International Conference on Islamic Community Studies (ICICS)

Theme: History of Malay Civilisation and Islamic Human Capacity and Halal Hub in the Globalization Era

<https://proceeding.pancabudi.ac.id/index.php/ICIE/index>

Introduction

Human resources are the most important asset that can determine an organization's success. Therefore, organizations need to pay special attention to factors that can increase employee job satisfaction to maximize their productivity and loyalty. One of the main factors influencing job satisfaction is the relationship between employees and management, commonly known as employee relations. Employee relations encompass various forms of interaction and communication between employees and management, including conflict resolution, reward giving, career development, and employee involvement in decision-making. Good work relations are believed to create a positive work atmosphere so that employees feel valued and motivated to contribute their best to the organization. Not all organizations are able to create harmonious relationships between management and employees. This is often due to suboptimal management of employee relations, which then impacts low employee job satisfaction. Furthermore, the work environment (working environment) also becomes an important factor influencing that relationship. A conducive, safe, comfortable, and healthy work environment will support employees in performing their duties well and strengthen the positive effect of employee relations on job satisfaction. A good work environment not only provides physical comfort but also psychological comfort for employees, thereby increasing work spirit and motivation. Working environment often acts as an intervening variable that strengthens or weakens the relationship between employee relations and job satisfaction. This can hinder the creation of maximum performance and impact service delivery. Therefore, it is important to conduct in-depth research on how employee relations influence employee job satisfaction, considering the role of the working environment as an intervening variable. The research results are expected to serve as a basis for management in formulating more effective human resource management strategies, thereby increasing job satisfaction, productivity, and service quality of the organization, as well as improving and optimizing employee relations and creating a conducive work environment.

Problem Formulation

1. Do Employee relations have a positive and significant effect on Job Satisfaction at BPJS Ketenagakerjaan West Sumatra Region?
2. Do Employee relations have a positive and significant effect on the Working environment of employees at BPJS Ketenagakerjaan West Sumatra Region?
3. Does the Working environment have a positive and significant effect on Employee Job Satisfaction at BPJS Ketenagakerjaan West Sumatra Region?
4. Do Employee relations have a positive and significant effect on Job Satisfaction with the Working environment as an intervening variable at BPJS Ketenagakerjaan West Sumatra Region?

Research Objectives

1. To test and analyze the effect of Employee relations on Job Satisfaction at BPJS Ketenagakerjaan West Sumatra Region.
2. To test and analyze the effect of Employee relations on the Working environment of employees at BPJS Ketenagakerjaan West Sumatra Region.
3. To test and analyze the effect of the Working environment on Employee Job Satisfaction at BPJS Ketenagakerjaan West Sumatra Region.
4. To test and analyze the effect of Employee relations on Job Satisfaction with the Working environment as an intervening variable at BPJS Ketenagakerjaan West Sumatra Region.

Job Satisfaction

According to Luthans (2019), job satisfaction is an attitude formed from the sum of various liked and disliked aspects of one's job. According to Paul E. Spector (2019), job

satisfaction is the extent to which a person likes or dislikes their job, covering various aspects such as salary, coworkers, supervision, and promotion opportunities.

Job Satisfaction Indicators

According to Paul E. Spector (2019), job satisfaction indicators are:

1. Pay
2. Promotion
3. Supervision
4. Fringe Benefits
5. Contingent Rewards
6. Operating Conditions
7. Coworkers
8. Nature of Work
9. Communication

Employee Relations

According to Armstrong and Taylor (2018), employee relations are the approaches and methods adopted by an employer to deal with employees either collectively through their trade unions or individually. According to Awan and Tahir (2017), employee relations are the relationship between employer and employee managed through communication, mutual trust, fair treatment, and employee involvement in the decision-making process to create a productive and harmonious work environment.

Employee Relations Indicators

According to Awan and Tahir (2017), employee relations indicators are:

1. Effective Communication
2. Conflict Resolution
3. Employee Involvement
4. Trust and Respect
5. Fair Treatment

Working Environment

According to Oswald (2018), the work environment is "The setting, social characteristics, and physical conditions where employees perform their work, including factors such as lighting, noise, cleanliness, safety, and relationships with coworkers and supervisors." According to Sedarmayanti (2018), the work environment (working environment) is everything surrounding workers that can influence them in carrying out their assigned tasks. That is, the work environment includes all physical and non-physical conditions in the workplace that can affect employee comfort, efficiency, and productivity.

Working Environment Indicators

According to Oswald (2018), Working Environment indicators are:

1. Physical Workplace Conditions Including lighting, noise, ventilation, room temperature, and workspace layout.
2. Work Safety and Security Factors Availability of protection against work accident risks and adequate occupational safety standards.
3. Cleanliness and Tidiness of the Environment A clean and tidy work environment supports comfort and employee health.
4. Social Relationships in the Workplace Positive interactions between employees with coworkers and with supervisors.
5. Work Support Facilities Availability of work facilities and infrastructure such as work equipment, rest areas, toilets, and drinking water access.

Conceptual Framework

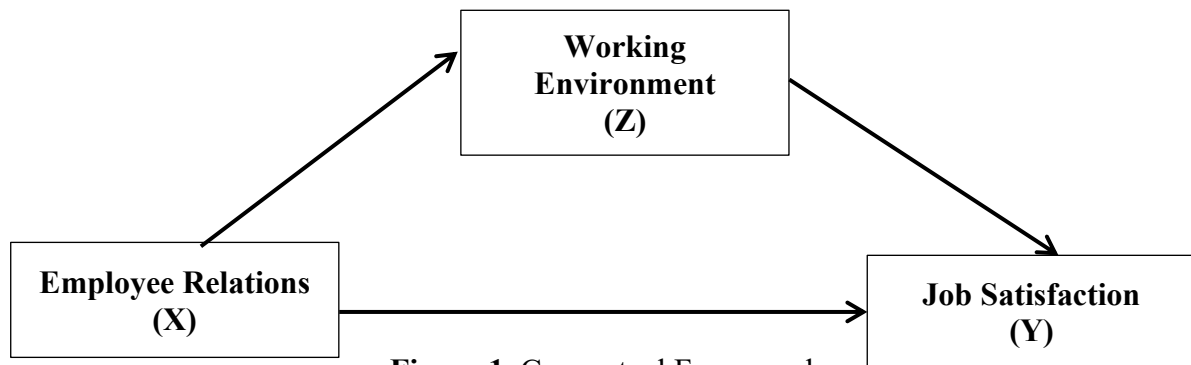


Figure 1. Conceptual Framework

Hypotheses

- H1 Employee relations have a positive and significant effect on Job Satisfaction at BPJS Ketenagakerjaan West Sumatra Region.
- H2 Employee relations have a positive and significant effect on the Working environment of employees at BPJS Ketenagakerjaan West Sumatra Region.
- H3 Working environment has a positive and significant effect on Employee Job Satisfaction at BPJS Ketenagakerjaan West Sumatra Region.
- H4 Employee relations have a positive and significant effect on Job Satisfaction with Working environment as an intervening variable at BPJS Ketenagakerjaan West Sumatra Region.

Type of Research

According to Sugiyono (2019), quantitative research is defined as a research method based on the philosophy of positivism, used to study specific populations or samples, data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing predetermined hypotheses. According to Sugiyono (2019), associative research is a research problem formulation that asks about the relationship between two or more variables.

Research Population

The research population used is 100 employees of BPJS Ketenagakerjaan in West Sumatra (BPJS Ketenagakerjaan Solok, Bukittinggi, Padang). This population is used to obtain respondent answers when the questionnaire is given. According to Sugiyono (2019), a population is a generalization area consisting of: objects/subjects that have specific quantities and characteristics determined by the researcher to be studied and then conclusions are drawn.

Research Sample

According to Sugiyono (2019), a sample is part of the number and characteristics possessed by that population. After the population is known, the researcher takes a sample from that population; the researcher takes the entire existing population at BPJS Ketenagakerjaan in West Sumatra (BPJS Ketenagakerjaan Solok, Bukittinggi, Padang) - 100 employees - as the sample. The sampling technique used is saturated sampling technique; saturated sampling technique is a technique where all populations in the organization are taken as the sample.

Place and Time

This research was conducted at the BPJS Ketenagakerjaan offices in West Sumatra (BPJS Ketenagakerjaan Solok, Bukittinggi, Padang). This research was conducted from November to December 2025.

Data Collection Technique

The data collection technique carried out by the researcher is using a questionnaire distributed to respondents to be filled out honestly in order to find the results of the research, and the data source used is primary data sources.

Data Analysis Method

The SmartPLS (Partial Least Square -- Structural Equation Modeling) software is used in processing the data for this research. PLS is competent in conducting analysis in a single test and can describe relationships between variables. PLS is intended to assist researchers in verifying hypotheses and explaining the presence or absence of relationships between latent variables. According to Ghazali (2016), the PLS method is able to depict latent variables (not directly measurable) measured using indicators. The author uses Partial Least Square because this research involves latent variables that can be measured based on their indicators, allowing the author to analyze with clear and detailed calculations.

Data Presentation Method

To facilitate more methodical understanding, data from this research is presented in the form of tables and figures.

Statistical Data Analysis

Statistical data analysis uses the SEM PLS method. The following are the PLS method analysis techniques:

1. Outer model analysis

- a. Convergent validity
- b. Discriminant validity
- c. Composite reliability
- d. Average Variance Extracted (AVE)
- e. Cronbach alpha

2. Inner model analysis

In analyzing this model, it is to test the relationship between latent constructs. There are several calculations in this analysis:

- a. Examining the R-square value for each dependent variable is the initial step of testing using the structural model, also called the inner model. The goal is to observe the measure of correlation between constructs, indicating the level of influence one variable has on another in the model. In this inner model analysis, if there are no errors in multicollinearity where two or more variables have high correlation causing poor model prediction capability (Ghozali et al., 2015).

Hypothesis Testing

According to Hussein (2015), hypothesis testing can be seen from the t-statistic value and probability value. The hypothesis testing criteria are as follows:

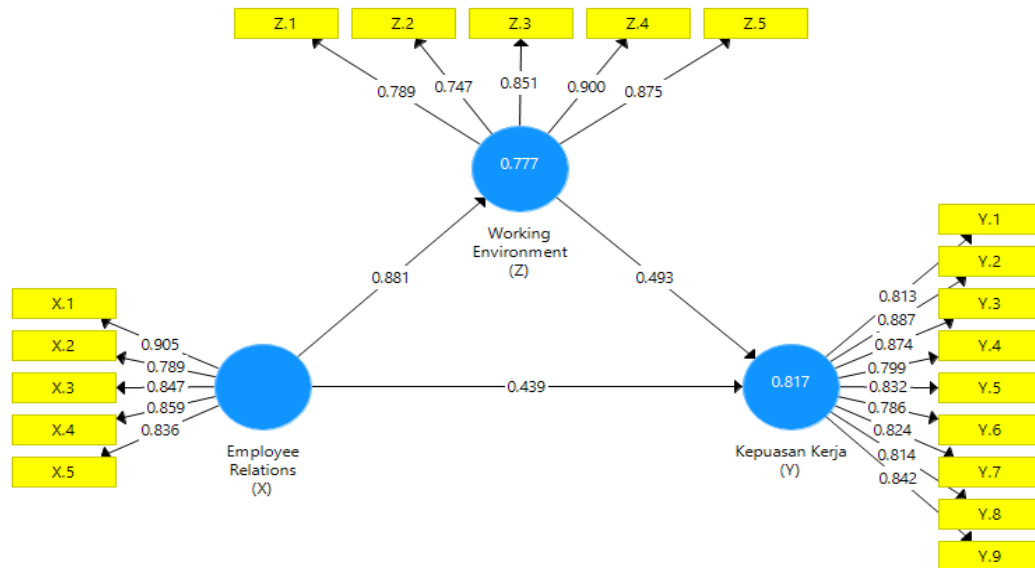
1. Using the statistical value, for an alpha of 5%, the t-statistic value used is 1.96.
2. The criteria for accepting or rejecting the hypothesis can be described as: if the t-statistic result is > 1.96 , the hypothesis is accepted.
3. To reject or accept the hypothesis using probability, it can be assumed that the Hypothesis is accepted if the p-value < 0.05 .

Results and Discussion

Outer Model Analysis

1. Convergent Validity

Convergent validity of the measurement model with reflective indicators can be seen from the correlation between item/indicator scores and construct scores. Indicators with individual correlation values greater than 0.7 are considered valid, but in developmental stage research, indicator values of 0.5 and 0.6 are still acceptable. The structural model in this research is shown in the following Figure:



Source: Smart PLS 3.3.3

Figure 2.Outer Model

Smart PLS output for loading factor provides results in the following table: Outer Loadings
In this research, there is an equation, and that equation consists of two substructures. For substructure 1:

$$Z = b1X1 + e1$$

$$Z = 0,881 + e1$$

For substructure 2

$$Y = b2X1 + b3Z + e2$$

$$Y = 0,439 + 0,493 + e2$$

Table 1.Outer Loadings

	Employee Relations (X)	Job Satisfaction (Y)	Working Environment (Z)
X.1	0,905		
X.2	0,789		
X.3	0,847		
X.4	0,859		
X.5	0,836		
Y.1		0,813	
Y.2		0,887	
Y.3		0,874	
Y.4		0,799	
Y.5		0,832	
Y.6		0,786	
Y.7		0,824	
Y.8		0,814	

Y.9		0,842	
Z.1			0,789
Z.2			0,747
Z.3			0,851
Z.4			0,900
Z.5			0,875

Source: Smart PLS 3.3.3

Based on Table 1, all indicators for the variables Employee Relations, Job Satisfaction, and Working Environment have outer loadings values above 0.70. This indicates that each indicator has met the convergent validity criteria and is able to reflect its construct well, so all indicators are declared suitable for use in the research model.

2.Discriminat Validity

The next test is discriminant validity testing; this test aims to determine whether a reflective indicator is a good measure for its construct based on the principle that indicators correlate highly with their construct. The table shows the cross-loading results from discriminant validity testing as follows:

Table 2. Discriminant Validity

	Employee Relations (X)	Job Satisfaction (Y)	Working Environment (Z)
X.1	0,905	0,806	0,817
X.2	0,789	0,780	0,676
X.3	0,847	0,710	0,714
X.4	0,859	0,666	0,740
X.5	0,836	0,732	0,782
Y.1	0,737	0,813	0,778
Y.2	0,789	0,887	0,804
Y.3	0,770	0,874	0,738
Y.4	0,718	0,799	0,695
Y.5	0,751	0,832	0,767
Y.6	0,656	0,786	0,637
Y.7	0,657	0,824	0,665
Y.8	0,704	0,814	0,745
Y.9	0,730	0,842	0,726
Z.1	0,699	0,692	0,789
Z.2	0,624	0,726	0,747
Z.3	0,747	0,735	0,851
Z.4	0,798	0,780	0,900
Z.5	0,796	0,736	0,875

Source: Smart PLS 3.3.3

Based on Table 2, each indicator has the highest loading value on the construct it measures compared to other constructs. This shows that all constructs Employee Relations, Job Satisfaction, and Working Environment have met the discriminant validity criteria, so each variable can be distinguished empirically in the research model.

3.Composite reliability

The next assessment determines the reliable value with the composite reliability of the indicator block measuring the construct. A construct value is said to be reliable if the composite reliability value is above 0.60. Besides looking at the composite reliability value, reliable value can also be seen from the construct variable value with Cronbach's alpha from the indicator block measuring the construct. A construct is declared reliable if the Cronbach's alpha value is above 0.7. The following table shows the loading values for the research variable constructs generated from running the Smart PLS program in the subsequent table:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Employee Relations_(X)	0,902	0,927	0,719
Job Satisfaction_(Y)	0,944	0,952	0,690
Working Environment_(Z)	0,889	0,919	0,696

Source: Smart PLS 3.3.3

Based on Table 3, all variables have Cronbach's Alpha and composite reliability values above 0.70 and AVE values above 0.50. Thus, the constructs Employee Relations, Job Satisfaction, and Working Environment are declared reliable and have good convergent validity, making them suitable for further analysis.

Inner Model Analysis

The analysis stages carried out in evaluating the structural model are seen from several indicators, namely:

1. Coefficient of Determination (R²)

Based on data processing that has been carried out using the SmartPLS 3.0 program, the R Square values obtained are as follows:

Table 4. R Square Results

	R Square	Adjusted R Square
Job Satisfaction_(Y)	0,817	0,813
Working Environment_(Z)	0,777	0,775

Source: Smart PLS 3.3.3

Based on Table 4, the R Square value shows that the Job Satisfaction variable can be explained by the independent variables in the model by 81.7%, while Working Environment by 77.7%. The relatively high Adjusted R Square value confirms that the model has a strong explanatory ability for the variation of both variables.

2. Hypothesis Testing

The hypothesis is declared accepted if the T-Statistics value > 1.96 and P-Values < 0.05 . The following are the Path Coefficients results of direct effects:

Table 5. Path Coefficients (Direct Effects)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
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Employee Relations_(X) -> Job Satisfaction_(Y)	0,439	5,387	0,000	Accepted
Employee Relations_(X) -> Working Environment_(Z)	0,881	48,390	0,000	Accepted
Working Environment_(Z) -> Job Satisfaction_(Y)	0,493	5,888	0,000	Accepted

Source: Smart PLS 3.3.3

1. The Effect of Employee Relations on Job Satisfaction

The test results show that Employee Relations has a positive and significant effect on Job Satisfaction, with a coefficient value of 0.439, T-statistic 5.387, and P-values 0.000. This means that the better the work relations of employees, the higher the job satisfaction will increase.

2. The Effect of Employee Relations on Working Environment

Employee Relations has a positive and significant effect on Working Environment, indicated by a coefficient of 0.881, T-statistic 48.390, and P-values 0.000. This finding indicates that harmonious work relations are able to create a more conducive work environment.

3. The Effect of Working Environment on Job Satisfaction

Working Environment is proven to have a positive and significant effect on Job Satisfaction, with a coefficient value of 0.493, T-statistic 5.888, and P-values 0.000. This means that a good work environment can increase the level of employee job satisfaction.

Table 6. Path Coefficients (Indirect Effects)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Employee Relations_(X) -> Working Environment_(Z) -> Job Satisfaction_(Y)	0,434	5,980	0,000	Accepted

Source: Smart PLS 3.3.3

4. The Effect of Employee Relations on Job Satisfaction through Working Environment

Employee Relations has a positive and significant effect on Job Satisfaction through Working Environment as a mediating variable. The indirect effect coefficient value is 0.434, T-statistic 5.980 > 1.96, and P-values 0.000 < 0.05, so the hypothesis is accepted.

Conclusion

1. Employee Relations has a positive and significant effect on Job Satisfaction.
2. Employee Relations has a positive and significant effect on Working Environment.
3. Working Environment has a positive and significant effect on Job Satisfaction.
4. Employee Relations has a positive and significant effect on Job Satisfaction through Working Environment as a mediating variable.

Suggestions

1. Practical Suggestions

Management is advised to continuously improve the quality of employee relations through open communication, harmonious cooperation, and fair treatment of employees, as this has

been proven to improve the working environment and employee job satisfaction. In addition, organizations need to create a safe, comfortable, and supportive work environment to optimize employee job satisfaction.

2. Theoretical Suggestions

Further research is suggested to develop the model by adding other variables that potentially influence job satisfaction, such as leadership, compensation, or organizational culture, and to use broader objects and sample sizes so that research results can be generalized better.

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