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Analysis of organizational culture, promotion, and compensation and its influence on job satisfaction

Section:
HR management

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Abstract

This study aims to examine the influence of organizational culture and compensation on job satisfaction, and the mediating role of job promotion in these relationships. An associative research design was employed, and data were collected through a questionnaire distributed to 89 respondents. Path analysis using SmartPLS 3.0 was conducted to test the proposed hypotheses. The findings reveal that leadership, performance perception, and loyalty significantly and directly influence job promotion. Furthermore, both organizational culture and compensation have direct positive effects on job satisfaction. However, job promotion does not significantly affect job satisfaction, indicating that promotion does not mediate the relationships between leadership, performance perception, loyalty, and job satisfaction. These findings suggest that while organizational culture and compensation are critical drivers of employee satisfaction, promotion practices may not inherently enhance satisfaction, possibly due to unmet expectations or increased responsibilities associated with advancement. Since promotions don't always increase satisfaction, companies must manage these processes thoughtfully by ensuring clarity in roles, providing support for new leaders, and aligning promotion criteria with employee expectations.

Received: 10/13/2025
Revised: 11/19/2025
Accepted: 12/3/2025
Online: 12/30/2025

Keywords:

Organizational culture, compensation, job promotion, job satisfaction, path analysis

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DOI: <https://doi.org/10.36407/jrmb.v10i2.1212>



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JRMB
Jurnal Riset
Manajemen dan Bisnis
Vol. 10, No. 2, 2025
pp. 79-94

Abstrak

Penelitian ini bertujuan untuk menguji pengaruh budaya organisasi dan kompensasi terhadap kepuasan kerja, serta peran mediasi promosi jabatan dalam hubungan tersebut. Desain penelitian asosiatif digunakan, dan data dikumpulkan melalui kuesioner yang dibagikan kepada 89 responden. Analisis jalur menggunakan SmartPLS 3.0 dilakukan untuk menguji hipotesis yang diajukan. Temuan menunjukkan bahwa kepemimpinan, persepsi kinerja, dan loyalitas secara signifikan dan langsung memengaruhi promosi jabatan. Lebih lanjut, baik budaya organisasi maupun kompensasi memiliki pengaruh positif langsung terhadap kepuasan kerja. Namun, promosi jabatan tidak secara signifikan memengaruhi kepuasan kerja, menunjukkan bahwa promosi tidak memediasi hubungan antara kepemimpinan, persepsi kinerja, loyalitas, dan kepuasan kerja. Temuan ini menunjukkan bahwa meskipun budaya organisasi dan kompensasi merupakan pendorong penting kepuasan karyawan, praktik promosi mungkin tidak secara inheren meningkatkan kepuasan, mungkin karena harapan yang tidak terpenuhi atau peningkatan tanggung jawab yang terkait dengan kemajuan. Karena promosi tidak selalu meningkatkan kepuasan, perusahaan harus mengelola proses ini dengan bijaksana dengan memastikan kejelasan peran, memberikan dukungan bagi pemimpin baru, dan menelaraskan kriteria promosi dengan harapan karyawan.

Kata kunci: Budaya organisasi, kompensasi, promosi jabatan, kepuasan kerja, analisis jalur

INTRODUCTION

Human Resources (HR) constitutes one of the most critical assets for any organization, playing a pivotal role in both long-term sustainability and day-to-day operations. In an era characterized by intensifying competition, company leaders must prioritize effective HR management to maintain workforce quality and support organizational continuity. Organizations should attend to their employees' needs to foster motivation and dedication toward achieving company goals. Employee dissatisfaction manifests in various behavioral outcomes. According to Robbins and Judge (2017), dissatisfied employees may exhibit exit behaviors (leaving the organization), voice limitations (inability to express concerns constructively), reduced loyalty (passive attention to organizational conditions), or neglect (increased absenteeism and error rates) (Robbins and Judge, 2017).

Job satisfaction refers to the degree to which employees feel content and fulfilled with their job roles, work environment, and organizational conditions. It is influenced by factors such as recognition, development opportunities, work-life balance, and alignment between personal values and organizational culture (Janićijević et al., 2018; León-García & Auccacusi-Kañahuire, 2025). Job satisfaction is critical for employee motivation, engagement, productivity, and organizational success (Situmorang & Toni, 2025). Consequently, organizations must implement strategies to mitigate dissatisfaction and enhance job satisfaction (Robbins & Judge, 2017).

Several factors influence employee job satisfaction, among which organizational culture, career promotion, and compensation are particularly prominent. Organizational culture encompasses the shared values, beliefs, and norms that shape employee behavior and organizational identity. Research indicates that different types of organizational cultures produce varying levels of job satisfaction. For instance, task-oriented cultures tend to yield higher job satisfaction compared to role-oriented cultures, suggesting that the content of cultural values—such as teamwork, flexibility, and innovation—plays a crucial role in shaping employee satisfaction (Adewojo et al., 2025; Hendryadi, Suratna, et al., 2019; Janićijević et al., 2018). However, findings regarding the culture-satisfaction relationship remain inconsistent. While collaborative and innovative cultures positively influence satisfaction, results-oriented cultures that emphasize overwork may negatively affect it (Lee & Choi, 2024). These inconsistencies suggest a need for deeper exploration of specific cultural dimensions and their nuanced effects across organizational contexts.

Career promotion, defined as advancement to positions with higher status, authority, or responsibility, represents another critical determinant of job satisfaction. Leaders typically promote employees who demonstrate deserving performance and potential for greater responsibilities. Career advancement opportunities serve as powerful motivators, often surpassing financial rewards like salary and bonuses in driving work engagement and motivation (Haryono et al., 2020; Nguyen et al., 2023; Takahashi, 2006). Furthermore, perceptions of promotion opportunities directly influence both task and contextual performance, with job engagement acting as a mediating mechanism (García-Izquierdo et al., 2012; Xie & Yang, 2021). Employees who perceive fair and transparent promotion systems report higher motivation and performance levels. Despite extensive research, studies have predominantly focused on specific sectors such as public administration, information technology, and education (Alshammari, 2024; Feng et al., 2025; Kitole & Mwita, 2025; Singh, 2024), limiting the generalizability of findings across industries. Moreover, cultural and regional variations in how promotional practices influence job satisfaction remain underexplored, particularly in non-Western contexts, where hierarchical structures and career expectations may differ substantially from those in Western settings.

Compensation, encompassing all direct and indirect financial rewards employees receive in exchange for their contributions, is a fundamental element of the employment relationship. Beyond basic salary, compensation includes various allowances, bonuses, incentives, and benefits that collectively shape employees' perceptions of organizational fairness and recognition. Adequate compensation enables employees to meet their needs and maintain their desired social status, thereby enhancing job satisfaction (Simamora & Hasibuan, 2016). Compensation is a crucial HRM tool for motivating employees and improving performance and satisfaction. However, research on compensation's relationship with job satisfaction has yielded mixed findings, with some studies emphasizing its primary importance while others suggest that non-financial factors may exert stronger influences. These inconsistencies warrant further investigation, particularly regarding how different compensation components interact with other organizational factors to shape satisfaction outcomes.

Despite substantial research examining organizational culture, career promotion, and compensation as antecedents of job satisfaction, several gaps remain unaddressed. First, existing studies have produced inconsistent findings regarding the direction and magnitude of these relationships, suggesting the presence of contextual moderators that have not been adequately identified or tested. Second, much of the extant research has been conducted in Western organizational contexts, limiting understanding of how these relationships manifest in non-Western settings characterized by different cultural values, employment practices, and employee expectations. Third, previous studies have typically examined these factors in isolation rather than simultaneously, potentially overlooking their interconnections and joint effects. Fourth, the specific context of state-owned enterprises in developing economies remains underexplored, despite these organizations employing substantial workforces and operating under unique institutional constraints and expectations.

This study addresses these gaps by simultaneously examining the relationships between organizational culture, career promotion, compensation, and job satisfaction within the context of a large state-owned enterprise in Indonesia. The Indonesian context offers unique characteristics—including collectivist cultural values, evolving employment practices, and rapid economic development—that may shape employee satisfaction differently than in previously studied contexts. By investigating these relationships holistically, this study provides a more comprehensive

understanding of how multiple organizational factors jointly influence employee satisfaction. Furthermore, this research responds to calls for greater attention to contextual factors in organizational behavior research, contributing to theory development by identifying potential boundary conditions and cultural contingencies in the determinants of job satisfaction.

This study examines the relationships among organizational culture, career advancement, compensation, and job satisfaction among employees in the Human Capital division of a state-owned enterprise in Jakarta, Indonesia. Specifically, it examines: (1) the direct effects of organizational culture, career promotion, and compensation on job satisfaction; and (2) the relative strength of these factors in explaining employee satisfaction variance. The goal is to offer theoretical insights into job satisfaction and practical recommendations for enhancing employee satisfaction through strategic HRM practices.

THEORETICAL BACKGROUND

Organizational culture and job satisfaction

Organizational culture (OC) plays a significant role in shaping job satisfaction by defining the values, norms, beliefs, and behaviors that characterize the work environment. The relationship between OC and job satisfaction is well documented, with several studies identifying key mechanisms through which culture influences job satisfaction. First, cultures that align with employees' personal expectations and values foster higher satisfaction levels. For instance, clan cultures characterized by collaboration, teamwork, and mutual support are consistently associated with higher job satisfaction compared to hierarchical cultures that emphasize formal structures and rigid procedures (Mesfin et al., 2020; Vlahović & Janićijević, 2025).

Second, organizational cultures that emphasize recognition, performance acknowledgment, and professional development opportunities positively impact employee satisfaction (Hendryadi, Suratna, et al., 2019; León-García & Auccacusi-Kañahuire, 2025; Platonova et al., 2006). When employees feel valued and perceive that their contributions are acknowledged, their affective commitment to the organization strengthens, enhancing overall satisfaction. Similarly, cultures that promote knowledge sharing foster collaboration and intellectual growth, which contribute to a more engaging and satisfying work experience (Islamy et al., 2020). Transparent communication, adaptability, and teamwork within the organizational culture further contribute to a positive work environment, thereby boosting satisfaction (Adewojo et al., 2025; Wahyudi et al., 2022).

Conversely, when organizational culture shifts from collaborative and flexible (e.g., clan culture) to rigid and formalized (e.g., hierarchical culture), job satisfaction tends to decrease significantly (Vlahović & Janićijević, 2025). This suggests that cultural transitions should be carefully managed to avoid negative impacts on employee satisfaction, particularly when organizations move toward more structured or bureaucratic forms. In public sector organizations, rigid and centralized cultures often fail to positively influence job satisfaction due to inflexibility and limited employee empowerment (Abu Tayeh et al., 2024; Hendryadi, Suratna, et al., 2019). These findings underscore the importance of cultural adaptability and employee-centered values in fostering satisfaction.

In summary, organizational culture is a powerful determinant of job satisfaction. By fostering a supportive, collaborative, and employee-focused culture, organizations can significantly enhance satisfaction levels, leading to improved performance, lower turnover intentions, and greater employee well-being ((Hendryadi, Suratna, et al., 2019; Janićijević et al., 2018; León-García & Auccacusi-Kañahuire, 2025; Situmorang & Toni, 2025; Vlahović & Janićijević, 2025). Based on the theoretical and empirical evidence presented, the following hypothesis is proposed:

H1: Organizational culture is positively related to job satisfaction.

Career promotion and job satisfaction

Career advancement opportunities represent a powerful motivational force for employees, often surpassing financial rewards such as salary and bonuses in driving work engagement and motivation (Haryono et al., 2020; Nguyen et al., 2023; Takahashi, 2006). The prospect of professional growth and upward mobility taps into employees' intrinsic needs for achievement, recognition, and self-actualization, making promotion a central element of career development and job satisfaction.

Research consistently demonstrates that employees' perceptions of promotion opportunities directly influence both task performance and contextual performance, with job engagement serving as a mediating mechanism (García-Izquierdo et al., 2012; Xie & Yang, 2021). When employees believe their efforts can lead to career advancement, they invest more cognitive and emotional resources in their work, resulting in better performance outcomes. This relationship underscores the importance not only of the existence of promotion opportunities but also of employees' awareness and perceptions of them. The structure of promotion systems significantly influences their motivational impact. Promotion tournaments—competitive systems in which promotions are awarded based on relative performance—have been shown to effectively motivate employees to exert greater effort and achieve higher levels of performance (DeVaro, 2006). The presence of larger wage spreads associated with promotions further enhances motivation, as employees perceive greater tangible rewards for their advancement efforts. These structural elements shape how employees interpret and respond to promotion opportunities within their organizations.

The relationship between promotion and job satisfaction exhibits temporal dynamics that warrant attention. Receiving a promotion significantly increases job satisfaction in the short term. However, this effect tends to diminish over time due to the homeostatic principle of satisfaction, whereby individuals adapt to improved circumstances and return to baseline satisfaction levels (Johnston & Lee, 2013; Otto et al., 2022). Importantly, employees who anticipate future promotions also report higher job satisfaction, indicating that expectations of career growth can be as impactful as actual promotions (Kosteas, 2011). This finding suggests that organizations benefit not only from providing promotion opportunities but also from effectively communicating career pathways and fostering realistic advancement expectations.

Fairness and transparency in promotion systems emerge as critical factors for enhancing job satisfaction. Employees who perceive promotion methods as fair and equitable experience higher levels of organizational justice, which translates into greater job satisfaction (García-Izquierdo et al., 2012; Kitole & Mwita, 2025). Perceptions of procedural justice in promotion decisions signal organizational respect for employees and reinforce their sense of value within the organization. Furthermore, gender equality in promotion opportunities positively influences job satisfaction, particularly among younger female workers, as it signals improved career prospects and reduces perceived barriers such as the "glass ceiling" (Semykina & Linz, 2013). When organizations demonstrate commitment to equitable advancement practices, they foster inclusive environments that enhance satisfaction across demographic groups. In summary, career promotion functions as a critical determinant of job satisfaction through multiple mechanisms: motivating effort and engagement, fulfilling achievement needs, signaling organizational recognition, and demonstrating procedural justice. The anticipation of future promotions, the fairness of promotion processes, and the structural characteristics of promotion systems all contribute to shaping employees' satisfaction with their careers and organizations. Based on the theoretical and empirical evidence presented, the following hypothesis is proposed:

H2: Career promotion is positively related to job satisfaction.

Compensation and Job Satisfaction

Compensation represents a fundamental element of the employment relationship, encompassing all direct and indirect financial rewards that employees receive in exchange for their contributions to the organization. Theoretical frameworks provide robust foundations for understanding how compensation influences job satisfaction. Self-Determination Theory (SDT) posits that financial compensation can affect job satisfaction by satisfying basic psychological needs—autonomy, competence, and relatedness. However, the effectiveness of pay as a motivator depends critically on the perceived fairness of compensation and the support employees receive from management. Research indicates that while base pay alone may not consistently predict job satisfaction, the fairness of pay significantly affects employees' psychological need fulfillment, which, in turn, affects their well-being and overall job satisfaction (Olafsen et al., 2024; Peretz et al., 2025).

Social Exchange Theory offers a complementary perspective, suggesting that when employees perceive they are treated well—including through adequate and equitable compensation—they are more likely to reciprocate with higher performance, commitment, and job satisfaction. The quality of the employer-employee relationship is crucial in this dynamic, with compensation serving as a tangible signal of organizational investment in employees and recognition of their contributions (Peng, 2025). This reciprocal relationship underscores compensation's role not merely as economic exchange but as a symbol of organizational appreciation and respect.

Empirical evidence supports the positive relationship between compensation and job satisfaction across various contexts. Financial compensation, including both direct forms (salary, wages, bonuses) and indirect forms (benefits, allowances, incentives), positively influences job satisfaction in specific sectors such as tourism employment (Sobaih et al., 2023). Similarly, pay satisfaction—employees' subjective evaluations of the adequacy and fairness of their compensation—is positively associated with overall job satisfaction, particularly among employees who value financial security and stability (Hofmans et al., 2013). These findings suggest that the subjective experience of compensation may be as important as its objective amount.

Perceptions of fairness and justice in compensation practices are a critical determinant of job satisfaction. Compensation satisfaction encompasses not only satisfaction with pay level but also satisfaction with pay structure, pay raises, and the procedures used to determine compensation (Gelard & Rezaei, 2016; Rukh et al., 2015). When employees perceive that compensation decisions are made fairly, transparently, and consistently, they experience greater organizational justice, which enhances their overall job satisfaction. Conversely, perceptions of inequity or unfairness in compensation can undermine satisfaction even when absolute pay levels are adequate.

Furthermore, compensation interacts with other organizational factors to shape satisfaction outcomes. For instance, the motivational impact of compensation may be amplified when combined with supportive leadership, positive organizational culture, and meaningful work. Employees who perceive their compensation as fair and adequate are more likely to experience positive affect toward their organization, greater engagement with their work, and enhanced commitment to organizational goals. These positive attitudes and behaviors, in turn, reinforce job satisfaction and contribute to overall employee well-being.

In summary, compensation influences job satisfaction through multiple mechanisms: satisfying basic psychological needs, signaling organizational recognition and appreciation, fulfilling expectations of fairness and justice, and providing financial security that enables employees to focus on their work without distraction. The relationship is strengthened when compensation practices are perceived as fair, transparent, and equitable, and when they align with employees' values and expectations. Based on the theoretical and empirical evidence presented, the following hypothesis is proposed:

H3: Financial compensation is positively related to job satisfaction.

METHODS

Population and Sample

Population refers to the entire set of subjects to be studied within a defined area. The population encompasses all subjects and objects that share specific quantities and characteristics determined by the researcher for investigation, from which conclusions are drawn (Hendryadi et al., 2025; Hendryadi, Tricahyadinata, et al., 2019). In this research, the population comprises all employees of the Human Capital division at PT PHO, Jakarta, totaling 222 employees. This research employs purposive sampling technique to determine the sample. Purposive sampling involves selecting participants based on specific predetermined criteria (Sugiyono, 2018, p. 138). The sample criteria for this research include: (1) employees of the Human Capital division at PT Pegadaian Head Office, Jakarta; (2) minimum work tenure of one year; and (3) having received at least one promotion during their employment. However, the researchers could not obtain precise information regarding the number of employees who had received promotions within the division. Consequently, the exact population size meeting all criteria remains unknown. To determine an appropriate sample size, the researchers refer to Hair et al. (2019), who recommends that for PLS analysis aimed at confirming theory or explaining relationships between latent variables with substantial effects, a sample size ranging from 30 to 100 respondents is sufficient. Accordingly, this study targets a sample within this recommended range.

Measurement

Primary data sources provide information directly to researchers from original sources (Sugiyono, 2018, p. 213). The primary data source in this research was obtained through questionnaires distributed electronically using Google Forms. A questionnaire is a data collection technique whereby researchers provide respondents with a set of written statements to answer (Sugiyono, 2018, p. 219). The collected questionnaire data were measured using a five-point Likert scale, which functions to assess respondents' opinions or perceptions regarding the phenomena under study. The questionnaire items were developed based on theoretical indicators for each construct.

Data Analysis Method

The data analysis technique in this research employs quantitative analysis methods. Specifically, this study utilizes component-based Structural Equation Modeling (SEM) analyzed using Partial Least Squares (PLS). PLS is a multivariate statistical technique designed to examine relationships between dependent and independent variables. The purpose of PLS is to assist researchers in estimating latent variable values for predictive purposes. SmartPLS software was employed to conduct the PLS analysis. PLS encompasses two primary components within the causal model: the measurement model (outer model) and the structural model (inner model). The measurement model assesses the relationships between latent constructs and their observed indicators, evaluating reliability and validity. The structural model examines the hypothesized relationships among latent constructs, testing the significance and strength of path coefficients. The analysis procedure includes several stages: (1) assessing the measurement model through factor loadings, composite reliability, and average variance extracted; (2) evaluating discriminant validity using the Fornell-Larcker criterion and cross-loadings; (3) examining the structural model through path coefficients, t-statistics, and R-squared values; and (4) testing the research hypotheses based on the significance of path coefficients.

RESULTS AND DISCUSSION

Descriptive statistics

This section describes the demographic profile of the 89 respondents who participated in this study. The characteristics include age, gender, educational background, years of service, year of most recent promotion, and work unit. Table 1 presents a comprehensive summary of all respondent characteristics.

Table 1. Characteristics of Respondents

Characteristic	Category	Frequency	Percentage
Age	25-30 years	72	80.90%
	31-35 years	13	14.61%
	36-40 years	3	3.37%
	>40 years	1	1.12%
Gender	Male	45	50.56%
	Female	44	49.44%
Education	Diploma	16	17.98%
	Bachelor's Degree	69	77.53%
	Master's Degree	4	4.49%
Years of Service	1-5 years	83	93.26%
	6-10 years	4	4.49%
	>10 years	2	2.25%
Year of Last Promotion	2022	32	35.96%
	2023	56	63.04%
	Not specified	1	1.12%
Work Unit	Corporate University	39	43.82%
	Human Capital Operations	27	30.34%
	Human Capital Strategy	23	25.84%

Source: Primary data processed (2024)

The age profile of respondents shows that the majority of employees in the Human Capital division are young professionals aged 25-30 years, accounting for 80.90% of the sample. This is followed by employees aged 31-35 (14.61%), 36-40 (3.37%), and those aged 40+ (1.12%). The predominance of younger employees is particularly relevant to this study, as this demographic generally has greater familiarity with digital environments and may have distinct expectations regarding organizational culture, career advancement, and compensation compared to older generations.

The gender composition of respondents is notably balanced, with male employees comprising 50.56% and female employees representing 49.44% of the sample. This near-equal distribution reduces gender-related bias in the findings and enhances the generalizability of results across both male and female employees. It also reflects the organization's commitment to gender diversity within the Human Capital division. In terms of educational attainment, the vast majority of respondents hold a Bachelor's degree (77.53%), followed by Diploma graduates (17.98%) and Master's degree holders (4.49%). The high proportion of university-educated employees (82.02% with at least a Bachelor's degree) aligns with the knowledge-intensive nature of human capital functions. This educational profile suggests that respondents possess the cognitive skills required to understand and assess organizational practices related to culture, promotion, and compensation, lending credibility to their survey responses.

The tenure distribution reveals that a significant majority of respondents (93.26%) have 1-5 years of service with the organization. Employees with 6-10 years of service account for 4.49%, while those with more than 10 years of service account for only 2.25%. The predominance of relatively new employees may indicate recent organizational growth or workforce restructuring within the Human Capital division. This tenure profile could influence perceptions of

organizational culture and promotion opportunities, as newer employees may have different perspectives and expectations compared to long-serving staff.

Regarding recent career advancement, 63.04% of respondents received their most recent promotion in 2023, while 35.96% were promoted in 2022. This distribution indicates that most employees have experienced recent career progression, positioning them well to evaluate the relationship between promotion practices and job satisfaction. The concentration of promotions in recent years may reflect the organization's efforts to develop internal talent or respond to changing business needs. Respondents are distributed across three work units within the Human Capital division: Corporate University (43.82%), Human Capital Operations (30.34%), and Human Capital Strategy (25.84%). This distribution ensures representation from diverse functional areas, enabling insights that reflect the division's roles and responsibilities. The larger representation of the Corporate University may influence perspectives on organizational culture and development opportunities.

Hyphoteses testing

The SRMR value of 0.100 meets the acceptable threshold of 0.10 or lower, indicating that the model fits the data adequately. This suggests that the proposed theoretical framework is consistent with the empirical data collected from respondents. The R² value of 0.820 demonstrates that organizational culture, job promotion, and compensation collectively explain 82% of the variance in job satisfaction. According to established criteria, this demonstrates strong explanatory power, indicating that the three independent variables are substantial predictors of job satisfaction among employees in the Human Capital division.

Table 2. Model Fit and Hypothesis Testing Results

Type	Index/Relationship	Coefficient	P-Value	Result
Model Fit	SRMR	0.100	-	Acceptable
R-Square	Job Satisfaction	0.820	-	Strong
Hypothesis Testing				
H1	Organizational Culture → Job Satisfaction	0.579	0.000	Accepted
H2	Job Promotion → Job Satisfaction	-0.061	0.634	Rejected
H3	Compensation → Job Satisfaction	0.437	0.000	Accepted

Note: SRMR value < 0.10 indicates acceptable model fit; R-square of 0.820 indicates that 82% of the variance in job satisfaction is explained by the independent variables; p-value < 0.05 indicates statistical significance.

Source: SmartPLS 3 output, processed (2024)

The path coefficient of 0.579 and p-value of 0.000 (< 0.05) indicate that organizational culture has a significant positive effect on job satisfaction. Therefore, H1 is accepted. This finding demonstrates that when organizational culture is strong and positive, employee job satisfaction increases significantly. Cultural values that guide employee behavior create a supportive work environment, fostering greater satisfaction. This result aligns with previous research by Purnawati et al. (2021) and Fajriyanti et al. (2019), confirming that organizational culture is a critical determinant of employee satisfaction.

The path coefficient of -0.061 with a p-value of 0.634 (> 0.05) indicates that job promotion does not have a significant effect on job satisfaction. Therefore, H2 is rejected. This finding suggests that in this organizational context, promotions do not necessarily lead to increased satisfaction. Several factors may explain this result: uneven promotion practices, lack of transparency in promotion processes, insufficient selectivity, or the possibility that promotions bring increased responsibilities and stress that offset potential gains in satisfaction.

The path coefficient of 0.437 and p-value of 0.000 (< 0.05) indicate that compensation has a significant positive effect on job satisfaction. Therefore, H3 is accepted. This finding demonstrates that fair and adequate compensation enhances employee job satisfaction. When employees perceive that their compensation is equitable relative to their workload and contributions, they experience greater satisfaction.

Discussion

This study aimed to examine the relationships between organizational culture, career promotion, compensation, and job satisfaction among employees in the Human Capital division at PT Pegadaian Head Office in Jakarta. The findings offer valuable insights into how these three organizational factors influence employee satisfaction. The results indicate that organizational culture and compensation significantly predict job satisfaction, while career promotion does not. This chapter discusses these findings in relation to the theoretical framework and previous research presented in the literature review.

The first major finding of this study is that organizational culture has a significant positive effect on job satisfaction ($\beta = 0.579$, $p < 0.001$), thereby supporting Hypothesis 1. This result aligns with and reinforces a substantial body of literature documenting the critical role of organizational culture in shaping employee satisfaction. As outlined in the theoretical framework, organizational culture encompasses the values, norms, beliefs, and behaviors that characterize the work environment. The significant positive relationship identified in this study confirms that when organizational culture aligns with employees' expectations and values, satisfaction levels rise. This finding is consistent with the research by Mesfin et al. (2020) and Vlahović and Janićijević (2025), which demonstrated that cultures characterized by collaboration, teamwork, and mutual support are associated with higher job satisfaction than rigid, hierarchical cultures.

The "AKHLAK" organizational culture implemented at PT Pegadaian embodies many of the positive characteristics identified in the literature. This culture emphasizes values that serve as guiding principles for employee behavior, creating a supportive work environment that fosters satisfaction. The findings specifically support the proposition that organizational cultures emphasizing recognition, performance acknowledgment, and development opportunities positively impact employee satisfaction (Hendryadi et al., 2019; León-García & Auccacusi-Kañahuire, 2025; Platonova et al., 2006). When employees feel valued and perceive that their contributions are recognized, their emotional commitment strengthens, enhancing overall satisfaction.

Furthermore, this result corroborates the research by Islamy et al. (2020) on the importance of knowledge-sharing cultures, as well as the studies by Adewojo et al. (2025) and Wahyudi et al. (2022) on the significance of transparent communication and teamwork. The significant positive effect suggests that the Human Capital division's organizational culture effectively incorporates these elements, fostering a positive work environment that boosts employee satisfaction.

This finding also indirectly supports the converse proposition in the literature, which suggests that rigid and centralized cultures often fail to positively influence job satisfaction (Abu Tayeh et al., 2024; Hendryadi et al., 2019). By demonstrating a strong positive effect, this study implies that the organizational culture at PT Pegadaian is likely more collaborative and employee-centered than rigid and bureaucratic, aligning with the characteristics of clan or task-oriented cultures described by Vlahović and Janićijević (2025). In summary, this finding confirms that organizational culture is indeed a powerful determinant of job satisfaction, as discussed by Janićijević et al. (2018), Situmorang and Toni (2025), and others. Organizations that foster supportive, collaborative, and employee-focused cultures can significantly enhance satisfaction levels, leading to improved performance and greater employee well-being.

The second major finding indicates that career promotion does not significantly affect job satisfaction ($\beta = -0.061$, $p = 0.634$), thereby rejecting Hypothesis 2. This result contradicts the existing literature, which identifies career advancement as a key driver of job satisfaction, often seen as a strong motivational force surpassing financial rewards (Haryono et al., 2020; Nguyen et al., 2023; Takahashi, 2006). Several explanations may account for this unexpected result. First, the short-term boost in satisfaction from promotions may diminish over time, as shown in studies by Johnston and Lee (2013) and Otto et al. (2022). Since 63.04% of respondents received their promotions in 2023, the initial satisfaction increase may have faded by 2024.

Additionally, perceptions of fairness and transparency in promotion systems significantly impact job satisfaction (García-Izquierdo et al., 2012; Kitole & Mwita, 2025). Many employees reported insufficient information on promotion processes, which could lead to a perceived lack of fairness and undermine the motivational impact of promotions. Furthermore, promotions can lead to increased responsibilities and stress, offsetting satisfaction gains. This aligns with research suggesting a complex relationship between promotion and satisfaction, mediated by role clarity and organizational support. Lastly, the findings are consistent with Maulana (2018), who also found no link between promotions and job satisfaction, while differing from studies by Hasibuan (2019) and Nurpratama and Nurhayati (2019), indicating context-dependency in the promotion-satisfaction relationship. In a state-owned enterprise, promotions may be perceived as less merit-based, thereby diminishing their motivational impact. Moreover, low expectations for future promotions may weaken the satisfaction-enhancing effect, as noted by Kosteas (2011).

The third major finding demonstrates that compensation has a significant positive effect on job satisfaction ($\beta = 0.437$, $p < 0.001$), thereby supporting Hypothesis 3. This result strongly aligns with the theoretical frameworks and empirical evidence presented in the literature review. As discussed in the theoretical framework, Self-Determination Theory posits that financial compensation can influence job satisfaction by satisfying basic psychological needs. The significant positive finding confirms that when employees perceive their compensation as adequate and fair, it contributes to their overall sense of well-being and satisfaction. This supports the research by Olafsen et al. (2024) and Peretz et al. (2025), who emphasized that the fairness of pay significantly affects the fulfillment of employees' psychological needs, thereby influencing their job satisfaction. Additionally, this finding aligns with Social Exchange Theory, which suggests that when employees feel they are treated well—especially through adequate and equitable compensation—they are more likely to reciprocate with positive attitudes and behaviors (Peng, 2025). The significant positive relationship indicates that compensation serves as a tangible signal of organizational investment in employees and recognition of their contributions, reinforcing the employer-employee relationship and enhancing overall satisfaction.

Moreover, this result corroborates empirical evidence from various contexts demonstrating the positive relationship between compensation and job satisfaction. Studies by Sobaih et al. (2023) in the tourism sector and Hofmans et al. (2013) regarding pay satisfaction both found positive associations with overall job satisfaction. The consistency of these findings across different sectors, including the current study in a state-owned enterprise, suggests that compensation is a robust predictor of job satisfaction.

This finding specifically highlights the importance of compensation satisfaction, which encompasses not only satisfaction with pay level but also with pay structure, pay raises, and the procedures used to determine compensation (Gelard & Rezaei, 2016; Rukh et al., 2015). When employees perceive that compensation decisions are made fairly, transparently, and consistently, they experience greater organizational justice, which enhances their overall job satisfaction. The significant positive effect observed in this study suggests that employees in the Human Capital division view their compensation practices positively. Furthermore, this finding aligns with research by Hasibuan (2019) and Chandra et al. (2023), indicating that compensation positively and significantly affects job satisfaction. The consistency of this result across different

organizational contexts in Indonesia reinforces the importance of compensation as a fundamental driver of employee satisfaction in the Indonesian workplace.

Implications

The study's findings yield important theoretical insights into job satisfaction within organizations. Firstly, the positive impact of organizational culture highlights its role as a key element of employee satisfaction. This research applies cultural theory to Indonesian state-owned enterprises, showing that values from the "AKHLAK" framework enhance satisfaction through mechanisms such as alignment with personal values, recognition, collaboration, and transparent communication, which are applicable across contexts. Secondly, the non-significant relationship between career promotion and satisfaction suggests that existing promotion-satisfaction theories may not be universally applicable. This implies the need for context-sensitive models that account for factors such as transparency and fairness in promotion processes. Lastly, the significant effect of compensation supports both Self-Determination and Social Exchange Theories, indicating that compensation serves as a psychological acknowledgment of employee value and fosters positive reciprocal attitudes. This emphasizes that compensation fulfills not just material but also psychological needs for recognition and fairness.

This study highlights several key strategies for enhancing employee job satisfaction. First, organizations should prioritize a strong, employee-centered culture, as it has a significant positive impact on satisfaction. Regular assessments of cultural values and the promotion of collaboration, recognition, and transparent communication are essential. Second, compensation packages must be perceived as fair and transparent. Clear communication about compensation structures and consistent decision-making will improve employee satisfaction. Third, organizations should critically assess their promotion practices. Transparent and fair promotion processes are crucial, along with clear communication about criteria and timelines to avoid perceptions of unfairness. Lastly, managers should recognize that satisfaction factors can vary among employee groups. Tailoring approaches based on individual expectations and contexts may lead to better outcomes than applying uniform policies.

Limitations

Despite its contributions, this study has several limitations that suggest directions for future research. First, the sample was limited to employees in the Human Capital division of a single state-owned enterprise in Indonesia. While this provides valuable context-specific insights, it limits the generalizability of findings to other divisions, organizations, or industries. Future research should examine these relationships across diverse organizational contexts to establish the robustness of the findings. Second, the cross-sectional design captures relationships at a single point in time but cannot establish causal direction. While the theoretical framework posits that organizational culture, promotion, and compensation influence satisfaction, reverse causality or reciprocal relationships are possible. Longitudinal research tracking changes in these variables over time would provide stronger evidence for causal relationships. Third, the non-significant finding regarding career promotion warrants deeper investigation. Future research should examine potential moderators of the promotion-satisfaction relationship, such as transparency perceptions, procedural justice, promotion expectations, and the nature of roles to which employees are promoted. Understanding the conditions under which promotions enhance or fail to enhance satisfaction would provide valuable theoretical and practical insights. Fourth, this study examined the direct effects of three independent variables but did not investigate potential interactions among them. Future research could explore whether organizational culture moderates the effects of promotion and compensation on satisfaction, or whether these factors interact in more complex ways. Fifth, reliance on self-report measures raises concerns about common method bias, though significant and non-significant findings across variables suggest this is not a pervasive issue. Future research could incorporate objective measures of compensation and promotion, or gather data from multiple sources to further mitigate this concern.

CONCLUSION

This study examined the relationships among organizational culture, career promotion, compensation, and job satisfaction among employees in the Human Capital division at PT Pegadaian Head Office in Jakarta. The findings demonstrate that organizational culture and compensation are significant positive predictors of job satisfaction, while career promotion does not significantly influence satisfaction in this context. These results reinforce the importance of fostering a positive organizational culture and ensuring fair, adequate compensation as strategies for enhancing employee satisfaction. The non-significant finding regarding promotion challenges conventional wisdom and suggests that the relationship between career advancement and satisfaction may be more complex and context-dependent than previously understood. Organizations seeking to enhance employee satisfaction should prioritize cultural development and compensation fairness while critically examining their promotion practices to ensure transparency and perceived justice.

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Declarations

Funding

The authors received no financial support for the research and publication of this article.

Conflicts of interest/ Competing interests:

The authors have no conflicts of interest to declare that are relevant to the content of this article.

Data, Materials and/or Code Availability:

Data sharing is not applicable to this article as no new data were created or analyzed in this study.