

Organizational Climate, Compensation, and Job Satisfaction in Security Services Firms

Muhammad Jonah^{1*}, Harries Madiistriyatno², Sri Wahyuningsih³

University of Partners Nation, Jakarta, Indonesia^{1,2,3}

yunuscepro9@gmail.com^{1*}



Article History

Received on 2 April 2026

1st Revision on 16 April 2026

2nd Revision on 28 April 2026

3rd Revision on 12 Mei 2026

Accepted on 18 Juni 2026

Abstract

Purpose: This study investigates the relationships between organizational climate and job satisfaction, compensation and job satisfaction, and the combined effect of organizational climate and compensation on job satisfaction among employees of PT. Central Cipta Securindo (CEPRO), a private security services company in Bekasi, Indonesia.

Methodology: A quantitative descriptive-correlational design was employed. A census sampling technique was applied to all 94 employees at CEPRO headquarters. Data were collected through a structured closed questionnaire and analyzed using SPSS 11.5, incorporating validity and reliability testing, Spearman rank correlation, and multiple correlation analysis.

Results: Strong positive and significant correlations were found between organizational climate and job satisfaction ($r = 0.703$), compensation and job satisfaction ($r = 0.862$), and the combined effect of both variables on job satisfaction ($R = 0.946$, $R^2 = 0.894$). All hypotheses were supported at the 0.05 significance level.

Conclusions: Both organizational climate and compensation are strong co-determinants of job satisfaction in security services environments. Their combined effect explains 89.4% of the variance in job satisfaction, indicating that integrated Human Resources (HR) management strategies are essential.

Limitations: The study is limited to a single organization and employs cross-sectional data, restricting temporal and sectoral generalisability.

Contributions: This study extends the organizational behaviour and human resource management literature to the underexplored private security services sector in Indonesia, providing actionable insights for management practice.

Keywords: *Compensation, Job Satisfaction, Organizational Climate, Security Services, Work Environment*

How to Cite: Jonah, M., Madiistriyatno, H., & Wahyuningsih, S. (2026). Organizational Climate, Compensation, and Job Satisfaction in Security Services Firms. *Jurnal Sistem Informasi Akuntansi dan Manajemen*, 1(1), 39-50.

1. Introduction

The private security services industry in Indonesia constitutes a strategically significant sector of the national labour market. With more than 5,670 licensed private security service providers Badan Usaha Jasa Pengamanan (BUJP) and over 856,000 registered security personnel as of 2022, the sector operates under the regulatory framework established by Indonesian National Police Regulation No. 4/2020, which mandates professional service delivery and compliance with national security standards

([Kementerian, 2022](#)). Within this context, the management of human resources, particularly the cultivation of favourable organizational climates and equitable compensation systems, assumes critical importance for sustaining service quality, operational effectiveness, and employee retention ([Mathis & Jackson, 2020](#)).

Organizational climate, defined as employees' collective perceptions of the psychological and procedural characteristics of their work environment, exerts a pervasive influence on employee attitudes and behaviours across diverse organizational contexts ([Schneider, Ehrhart, & Macey, 2013](#)). A supportive, transparent, and communicative organizational climate has been consistently linked to elevated levels of intrinsic motivation, organizational commitment, and job satisfaction in both manufacturing and service sector settings ([Bowen, & Ostroff, 2020](#); [Naharuddin, & Sadegi, 2013](#)). Conversely, climates characterised by hierarchical rigidity, inadequate managerial support, or limited transparency in performance evaluation generate psychological strain, role ambiguity, and reduced satisfaction, outcomes that are particularly consequential in high-pressure occupational environments such as security services, where personnel vigilance and professional conduct are operationally critical ([Luthans, Youssef-Morgan, & Avolio, 2021](#)).

Compensation, encompassing salary, incentives, bonuses, and non-financial benefits, constitutes one of the most powerful and empirically well-established predictors of job satisfaction and employee retention ([Dessler, 2020](#)). Drawing on [Herzberg \(1966\)](#), compensation functions as a hygiene factor whose inadequacy reliably produces dissatisfaction, while its equitable provision is a necessary, if not sufficient, condition for sustained employee satisfaction and performance. In the Indonesian private security sector, where employees endure extended working shifts, physical exposure to risk, and limited social prestige, the perceived fairness and competitiveness of compensation systems are particularly salient determinants of job satisfaction and turnover intention ([Siagian, & Khair, 2018](#); [Widyaningrum, 2020](#)).

PT. Central Cipta Securindo (hereinafter CEPRO), founded in 2008 and headquartered in Bekasi, West Java, is a representative example of a mid-sized Indonesian security services provider facing the dual challenge of sustaining employee satisfaction while meeting increasingly stringent client expectations. Employee feedback at CEPRO has indicated a family-oriented organizational climate that fosters interpersonal solidarity but may simultaneously limit objectivity in performance evaluation and career progression, potentially generating dissatisfaction among employees with high achievement orientations. Compensation concerns, particularly regarding the perceived mismatch between workload intensity and financial reward, have similarly been flagged as potential drivers of dissatisfaction and turnover intention in analogous Indonesian security firms ([Prasetyo, & Muis, 2019](#); [Yuningsih, & Sari, 2021](#)).

Despite the growing scholarly attention to organizational climate and compensation in general management research, empirical studies specifically addressing these variables within the Indonesian private security services sector remain comparatively scarce. Existing literature predominantly focuses on manufacturing, banking, and public sector contexts, leaving a gap in sector-specific evidence on the organizational and psychological dynamics influencing security personnel satisfaction ([Fauzi & Wahyono, 2022](#)). This gap is particularly significant given the sector's operational characteristics, including shift-based scheduling, high-risk exposure, and hierarchical command structures, which may generate distinctive patterns of climate-satisfaction and compensation-satisfaction relationships.

The relationship between human resource management practices and employee job outcomes has attracted sustained scholarly attention across diverse national and industry contexts. Meta-analytic evidence by [Huang, Chen, Liu, and Zhou \(2022\)](#) and [Arawahi, Sellgren, Altouby, Alwahaibi, and Brommels \(2020\)](#) confirms that organizational climate and compensation are among the most consistently significant predictors of job satisfaction across different cultural, institutional, and occupational settings, though their relative magnitudes and interaction patterns vary considerably depending on the specific organizational context. In the Indonesian private sector, empirical

investigations have largely focused on manufacturing, banking, healthcare, and education industries, where the interplay between structural HR practices and employee satisfaction has been extensively documented ([Fauzi and Wahyono, 2022](#); [Muis, Hamid, Yunus, & Rahmawati, 2020](#)). The application of these relationships to the security services sector, characterised by unique operational demands including shift-based scheduling, physical exposure to risk, client-facing accountability, and occupational stigma in certain social contexts, remains an underexplored dimension of Indonesian HR management research that this study is specifically designed to address.

The novelty of this research resides in its simultaneous empirical examination of organizational climate and compensation as co-predictors of job satisfaction within a private security services firm in Indonesia, employing a census-based sampling approach that maximises representativeness and eliminates sampling error. The study aims to examine the direct relationship between organizational climate and job satisfaction at CEPRO, analyse the direct relationship between compensation and job satisfaction, and assess the combined effect of organizational climate and compensation on job satisfaction, with a view to informing integrated HR policy development in the private security services sector.

2. Literature Review

2.1 *Organizational Climate and Job Satisfaction*

Organizational climate is a multidimensional construct encompassing employees' shared perceptions of the formal and informal practices, procedures, and behaviours that characterise their work environment ([Schneider, Ehrhart, & Macey, 2013](#)). The foundational conceptualisation of organizational climate advanced by [Litwin and Stringer \(1968\)](#) identified nine critical dimensions, namely organizational structure, responsibility, warmth, support, reward systems, conflict management, performance standards, organizational identity, and risk tolerance, as the primary determinants of employees' experiential appraisal of their work environment. These dimensions collectively shape the psychological conditions under which employees pursue their roles, and their quality has been empirically linked to a wide range of attitudinal and behavioural outcomes including job satisfaction, organizational commitment, and work engagement ([Bowen & Ostroff, 2020](#)).

Contemporary empirical research has reinforced and extended the climate-satisfaction relationship across diverse national and industry contexts. [Huang, Chen, Liu, and Zhou \(2022\)](#) demonstrated that transformational leadership climate significantly predicted job satisfaction among service sector employees in Southeast Asia, mediated by psychological safety and perceived organizational support. [Naharuddin and Sadegi \(2013\)](#) confirmed that physical work environment dimensions, including ergonomic design, noise management, and interpersonal atmosphere, were positively associated with job satisfaction in Malaysian manufacturing workers. In the Indonesian context, [Fauzi and Wahyono \(2022\)](#) found that supervisory support climate and organizational communication quality were the strongest climate-level predictors of job satisfaction among employees in the security and facilities management sector, underscoring the practical relevance of climate management in this specific occupational domain. [Raharjo, Nurjannah, Solimun, and Fernandes \(2018\)](#) further established that organizational climate partially mediated the relationship between leadership style and job satisfaction in Indonesian public service organizations, highlighting the mechanism through which managerial practices shape satisfaction outcomes.

2.2 *Compensation and Job Satisfaction*

Compensation, encompassing all forms of financial and non-financial reward provided by organizations in exchange for employee contributions, is one of the most extensively studied predictors of job satisfaction in the organizational behaviour literature ([Dessler, 2020](#)). [Herzberg \(1966\)](#) provides a foundational framework for understanding compensation's role in employee satisfaction, characterising financial compensation as a hygiene factor whose inadequacy predictably generates dissatisfaction while its adequacy prevents dissatisfaction, and non-financial rewards such as recognition and growth opportunities as intrinsic motivators capable of generating genuine satisfaction. Building on this framework, equity theory [Adams \(1963\)](#) proposes that employees evaluate compensation not in absolute terms but relative to their perceived contributions and to the

compensation received by referent others, such that perceptions of distributive inequity generate dissatisfaction independent of absolute pay levels.

A substantial body of empirical evidence supports the positive association between compensation adequacy and job satisfaction. [Widyaningrum \(2020\)](#) demonstrated in a study of Indonesian private sector employees that financial compensation, particularly salary adequacy and performance bonus transparency, was the strongest predictor of job satisfaction, accounting for 61% of its variance. [Siagian and Khair \(2018\)](#) found that both direct financial compensation (salary, allowances) and indirect compensation (health benefits, insurance, leave provisions) significantly predicted job satisfaction among employees in Indonesian service firms, with the compensation-satisfaction relationship partially mediated by perceived organizational justice. [Mabaso and Dlamini \(2018\)](#) confirmed in a South African study that total compensation packages, including both financial and non-financial components, significantly predicted job satisfaction and organisational commitment across diverse occupational groups, a finding replicated by [Danish and Usman \(2021\)](#) in a Pakistani manufacturing context where fair compensation was identified as the primary antecedent of both intrinsic and extrinsic job satisfaction.

2.3 Combined Effects on Job Satisfaction

While organizational climate and compensation are individually established as significant predictors of job satisfaction, their combined and potentially interactive effects have received comparatively limited direct empirical attention. Human resources management theory proposes that organizational climate and compensation operate through complementary pathways, with climate shaping the psychological and relational context of work and compensation providing the material foundations for employees' perceived equity and recognition ([Mathis & Jackson, 2020](#)). Consistent with this proposition, [Luthans, Youssef-Morgan, and Avolio \(2021\)](#) argued in their model of positive organizational behaviour that environmental resources, including both psychological and material resources, interact multiplicatively in predicting positive employee outcomes, such that deficits in either domain may substantially attenuate the satisfaction-enhancing effects of the other.

Empirical research in Indonesian organizations has provided initial evidence for the combined climate-compensation-satisfaction relationship. [Prasetyo and Muis \(2019\)](#) found in a study of Indonesian security guards that organizational climate and compensation together explained 79.4% of the variance in job satisfaction, with compensation exerting a relatively stronger direct effect than climate, a pattern attributed to the high material vulnerability and limited non-financial reward structures characteristic of the sector. [Yuningsih and Sari \(2021\)](#) similarly found that the combined effect of organizational climate and compensation on job satisfaction in Indonesian service organizations significantly exceeded the sum of their individual effects, suggesting a synergistic dynamic that underscores the strategic importance of simultaneously attending to both factors in HR policy design. These findings, while emerging from different organizational contexts, collectively support the theoretical proposition that job satisfaction in service sector environments is optimally understood and managed as a joint function of climate and compensation variables.

2.4 Theoretical Framework

The integrated theoretical framework underpinning this study draws on three complementary theoretical traditions. ([Herzberg, 1966](#)) provides the foundational rationale for examining compensation (hygiene factor) and organizational climate dimensions such as recognition, responsibility, and growth (motivator factors) as distinct but complementary determinants of job satisfaction. Social Exchange Theory ([Blau, 1964](#)), elaborated in the organizational context by [Cropanzano and Mitchell \(2005\)](#), conceptualises the employment relationship as a reciprocal exchange in which employees' satisfaction is a function of perceived fairness and quality in the resources received from the organization, including both material (compensation) and relational (climate) resources. Person-Environment Fit Theory ([Kristof-Brown, Zimmerman, & Johnson, 2019](#)) complements these frameworks by proposing that job satisfaction is maximised when there is congruence between employees' needs and values on one hand and the organizational environment's supplies and demands on the other. Together, these frameworks predict that both organizational

climate quality and compensation adequacy independently and jointly influence employees' job satisfaction at CEPRO.

The conceptual model linking organizational climate, compensation, and job satisfaction is further enriched by the Job Demands-Resources (JD-R) framework ([Bakker & Demerouti, 2017](#)), which distinguishes between job demands, features of the work environment that require sustained cognitive, emotional, or physical effort, and job resources, aspects of the job that reduce demands, stimulate motivation, and enable goal achievement. Organizational climate quality and compensation adequacy can both be theorised as critical job resources within the JD-R framework: a positive climate provides relational and informational resources that buffer the motivational drain of demanding security operations, while adequate compensation supplies the material resources that support employees' basic needs and reduce financial anxiety. This dual-resource conceptualisation is particularly relevant to the security services context, where high operational demands make the availability of robust job resources especially consequential for job satisfaction and well-being ([Xu & Thomas, 2021](#)). Collectively, the theoretical frameworks reviewed in this section converge on the prediction that organizational climate and compensation, individually and in combination, will positively and significantly predict job satisfaction among CEPRO security personnel, providing the theoretical foundation for the three hypotheses tested in this study.

3. Research Methodology

This study employed a quantitative descriptive-correlational research design with an associative approach, selected for its suitability in establishing the magnitude and significance of relationships among measured variables and testing theoretically derived directional hypotheses ([Creswell & Creswell, 2018](#)). The research was conducted at PT. Central Cipta Securindo (CEPRO), a private security services company located at Jl. Raya Hankam Ujung Aspal No. 12, Bekasi, West Java, Indonesia. Data collection was conducted over a three-month period from March to May 2025. The study population comprised all 94 permanent employees at the CEPRO headquarters, and a census (saturated sample) approach was adopted whereby all population members were included in the study. This method was selected to eliminate sampling error and maximise population representativeness, consistent with the recommendation that census sampling is appropriate when the total population is below 100 ([Sugiyono, 2019](#)). Data were collected through a structured, closed-ended Likert questionnaire measuring three constructs: organizational climate ([Schneider, Ehrhart, & Macey, 2013](#)), compensation, and job satisfaction ([Robbins, 2003](#)). All items were rated on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was pre-tested with 30 employees from a comparable security organization to assess face validity and item clarity.

Instrument validity was assessed using the corrected item-total correlation method, with items retained when their r -value exceeded the critical r -value at $n = 94$ (r -table = 0.2045, $\alpha = 0.05$). Instrument reliability was evaluated using Cronbach's alpha, with a threshold of 0.70 applied as the minimum acceptable value for internal consistency ([Ghozali, 2018](#)). Data analysis was conducted using SPSS version 11.5 and proceeded in three stages. First, descriptive statistics (frequencies, means, and standard deviations) were computed to characterise the sample and variable distributions. Second, Spearman rank correlation analysis was applied to assess the bivariate relationships between organizational climate and job satisfaction (H_2), and between compensation and job satisfaction (H_2), given the ordinal nature of Likert scale data (Siegel, 1994). Third, multiple correlation analysis (R) and the coefficient of determination (R^2) were computed to assess the combined effect of organizational climate and compensation on job satisfaction (H_3). Hypotheses were tested at the 0.05 significance level using t -tests for individual predictors and the F -test for the overall model, consistent with standard correlational research practice ([Creswell & Creswell, 2018](#)). Table 1 provides a summary of the research instrument constructs, their theoretical sources, and the number of items.

Table 1. Research instrument summary

Construct	Items (n)	Theoretical Source	Key Dimensions
Organizational Climate	18	Litwin and Stringer (1968); Schneider et al. (2013)	Structure, responsibility, warmth, support, rewards, conflict, standards, identity, risk
Compensation	14	Dessler (2020); Widyaningrum (2020)	Salary, bonuses, incentives, non-financial benefits
Job Satisfaction	12	Robbins (2003); Herzberg (1966)	Achievement, recognition, work nature, responsibility, advancement

Table 1 summarizes the research instruments used to measure the three main variables in this study. The organizational climate variable is assessed through 18 items that capture employees' perceptions of the work environment, including organizational structure, responsibility, support, rewards, conflict management, performance standards, identity, and risk-taking. The compensation variable consists of 14 items that evaluate both financial and non-financial rewards received by employees, such as salary, bonuses, incentives, and additional benefits. Meanwhile, job satisfaction is measured using 12 items that reflect employees' feelings toward their work, including achievement, recognition, the nature of the job, responsibility, and opportunities for career growth. Together, these instruments provide a comprehensive framework for examining the relationships among organizational climate, compensation, and job satisfaction.

4. Results and Discussions

4.1 Results

Instrument validity testing confirmed that all 44 questionnaire items yielded corrected item-total correlation values exceeding the critical threshold of $r = 0.2045$ ($n = 94$, $\alpha = 0.05$), with item-total correlations ranging from 0.28 to 0.71 across the three constructs. Cronbach's alpha for the full instrument was 0.9402, substantially exceeding the 0.70 minimum threshold, confirming strong internal consistency reliability (Ghozali, 2018). Individual construct reliabilities were also high: organizational climate ($\alpha = 0.904$), compensation ($\alpha = 0.917$), and job satisfaction ($\alpha = 0.913$).

Descriptive analysis of the 94 respondents revealed that 53.2% were male, 46.8% female; 68.1% were married; and 38.3% held bachelor's degrees, with 34.0% having completed senior high school. Mean scores indicated generally positive assessments across all three constructs: organizational climate ($M = 3.74$, $SD = 0.52$), compensation ($M = 3.61$, $SD = 0.58$), and job satisfaction ($M = 3.79$, $SD = 0.49$). The organizational climate dimensions receiving the highest mean scores were organizational structure ($M = 3.89$) and responsibility ($M = 3.82$), while conflict management ($M = 3.42$) and reward fairness ($M = 3.47$) received comparatively lower ratings. Compensation dimensions showed a similar pattern, with salary adequacy ($M = 3.71$) rated more favourably than performance bonus transparency ($M = 3.41$) and non-financial benefit adequacy ($M = 3.38$). Table 2 presents the Spearman rank correlation and multiple correlation results for all hypothesised relationships.

Table 2. Correlation analysis and hypothesis testing results

Hypothesis / Path	r / R	R2	Statistic	P-value	Decision
H_1 : Organizational Climate \rightarrow Job Satisfaction	0.703	0.494	$t = 9.37$	< 0.05	Supported
H_2 : Compensation \rightarrow Job Satisfaction	0.862	0.743	$t = 15.84$	< 0.05	Supported
H_3 : Organizational Climate + Compensation \rightarrow Job Satisfaction	0.946	0.894	$F = 390.12$	< 0.05	Supported

Table 2 presents the results of the correlation analysis and hypothesis testing. The findings indicate that both organizational climate and compensation have significant positive relationships with job satisfaction. Organizational climate shows a strong correlation with job satisfaction ($r=0.703$),

explaining 49.4% of the variance in job satisfaction. Compensation demonstrates an even stronger relationship ($r=0.862$), accounting for 74.3% of the variance. When organizational climate and compensation are examined simultaneously, the relationship with job satisfaction becomes very strong ($R=0.946$), with both variables jointly explaining 89.4% of the variation in job satisfaction. The significance values ($p<0.05$) and the obtained t- and F-statistics confirm that all proposed hypotheses are supported, indicating that improvements in organizational climate and compensation contribute positively to higher levels of employee job satisfaction.

H_1 was supported: organizational climate demonstrated a strong positive and statistically significant correlation with job satisfaction ($r = 0.703$, $p < 0.05$), indicating that a one-unit improvement in organizational climate perception is associated with a corresponding increase in job satisfaction. This correlation, classified as strong (Cohen, 1988), indicates that organizational climate alone accounts for 49.4% of the variance in job satisfaction among CEPRO employees.

H_2 was strongly supported: compensation yielded an even stronger positive and significant correlation with job satisfaction ($r = 0.862$, $p < 0.05$), accounting for 74.3% of the variance in job satisfaction, representing the strongest individual predictor in the model. H_3 was supported: the combined effect of organizational climate and compensation on job satisfaction was very strong ($R = 0.946$, $R^2 = 0.894$, $F = 390.12$, $p < 0.05$), indicating that the two variables together explain 89.4% of the variance in job satisfaction, an explanatory power that is exceptionally high by conventional benchmarks in organizational research ([Chin, 1998](#)).

4.2 Discussion

The confirmation of H_1 , establishing a strong positive relationship between organizational climate and job satisfaction ($r = 0.703$), is consistent with the extensive body of international evidence reviewed by [Schneider, Ehrhart, and Macey \(2013\)](#) and the Indonesia-specific findings of [Raharjo, Nurjannah, Solimun, and Fernandes \(2018\)](#) and [Fauzi and Wahyono \(2022\)](#). The particularly salient dimensions of climate identified through the descriptive analysis, namely organizational structure, clarity of responsibility, and warmth of interpersonal relationships, reflect the specific cultural and operational context of CEPRO, where personnel operate within tight hierarchical command structures that demand clarity of role expectations and mutual trust among team members. The comparatively lower ratings for conflict management and reward fairness within the organizational climate construct identify specific leverage points for managerial intervention: transparent conflict resolution mechanisms and merit-based recognition systems appear to be the climate dimensions most in need of strengthening to elevate overall climate quality and, by extension, job satisfaction at CEPRO ([Bowen & Ostroff, 2020](#)). These findings broadly align with Social Exchange Theory's prediction that employees' satisfaction is positively responsive to the relational and procedural quality of the organizational climate, experienced as a dimension of the organization's reciprocal investment in its workforce ([Cropanzano & Mitchell, 2005](#)).

The very strong positive relationship between compensation and job satisfaction ($r = 0.862$) confirmed H_2 and is consistent with Herzberg's Two-Factor Theory, which identifies financial compensation as a primary hygiene factor whose inadequacy reliably produces dissatisfaction. The strength of this relationship substantially exceeds the climate-satisfaction correlation, a pattern that can be contextually understood by reference to the distinctive material vulnerability of security personnel, who face elevated occupational risks, extended working hours, and limited occupational prestige relative to other service sector employees in Indonesia ([Prasetyo & Muis, 2019](#)). Under these conditions, compensation assumes heightened psychological salience as the primary institutional signal of organizational recognition and care, consistent with the equity theory prediction that employees in high-demand, low-status occupational roles assign particularly high utility to fair financial compensation as a mechanism for restoring perceived distributive justice ([Adams, 1963](#)). The finding that performance bonus transparency and non-financial benefit adequacy received the lowest compensation dimension scores among CEPRO respondents suggests that improvements in these specific compensation components would yield the greatest marginal gains in job satisfaction, providing actionable guidance for CEPRO HR management ([Dessler, 2020](#)).

The exceptional explanatory power of the combined model ($R^2 = 0.894$, H3 supported) represents the most important substantive finding of this study and carries significant theoretical and practical implications. The near-complete explanation of job satisfaction variance by organizational climate and compensation together substantially exceeds the level explained by either predictor individually (49.4% and 74.3% respectively), confirming a synergistic relationship between the two constructs that is consistent with the positive organizational behaviour model advanced by [Luthans, Youssef-Morgan, and Avolio \(2021\)](#) and the findings of [Yuningsih and Sari \(2021\)](#) in comparable Indonesian service sector contexts. This synergistic effect implies that improvements in organizational climate and compensation are not merely additive in their effects on job satisfaction but generate complementary gains: a supportive climate amplifies the satisfaction-enhancing effects of fair compensation by providing the relational and procedural context within which material rewards are interpreted as genuine expressions of organizational appreciation, while competitive compensation in turn reinforces the psychological safety and commitment fostered by a positive organizational climate. For HR practitioners at CEPRO and comparable security services organizations, this finding advocates strongly against sequential or siloed improvement strategies that address climate or compensation in isolation, and instead endorses integrated, simultaneous intervention in both domains as the most effective approach to maximising employee satisfaction and retention.

A particularly noteworthy practical implication of these findings concerns the relatively low scores recorded for conflict management ($M = 3.42$) and reward fairness ($M = 3.47$) as organizational climate dimensions. Within the security services context, where personnel operate in hierarchical chains of command and are regularly required to make rapid judgements under conditions of physical and psychological pressure, the absence of transparent and fair conflict resolution mechanisms can rapidly erode team cohesion and undermine the supervisory trust that is essential for operational effectiveness ([Schneider et al., 2013](#)). Management at CEPRO is therefore advised to implement structured conflict resolution protocols, including periodic performance dialogues, anonymous grievance channels, and cross-level communication forums, as targeted interventions to elevate these specific climate dimensions. The parallel finding of low satisfaction with performance bonus transparency suggests that CEPRO's current compensation system lacks sufficient clarity and predictability in its reward allocation processes, which undermines employees' capacity to link effort with reward, a connection identified by expectancy theory as central to motivational effectiveness ([Muis, Hamid, Yunus, & Rahmawati, 2020](#)). Introducing transparent performance management criteria, published bonus allocation schedules, and regular salary benchmarking exercises against industry peers would address this gap while simultaneously signalling genuine organizational commitment to employee recognition and equity.

The study findings also carry implications for the broader development of the Indonesian private security sector. As the sector undergoes professionalisation under Indonesian National Police Regulation No. 4/2020, which mandates training standards and operational certification requirements, the management of organizational climate and compensation becomes not merely an internal HR concern but a sector-level quality imperative. Security companies that fail to cultivate positive organizational climates and competitive compensation structures will face intensifying recruitment and retention challenges as qualified security personnel exercise increasing labour market optionality in a growing sector ([Kementerian, 2022](#)). The regulatory environment thus creates both a mandate and an opportunity for sector-wide HR standards development that prioritises employee satisfaction as a foundational condition for service quality delivery. Industry associations and regulatory bodies should consider developing minimum standards for security personnel compensation and working conditions benchmarked against national living wage data and occupational risk premiums, as mechanisms for elevating sector-wide job satisfaction and reducing the high turnover rates that currently impose substantial recruitment and training costs on security firms throughout Indonesia ([Tran, Nguyen, & Nguyen, 2021](#)).

From a demographic perspective, the finding that 68.1% of CEPRO respondents are married and 38.3% hold bachelor's degrees is relevant for interpreting the strong compensation-satisfaction relationship: married employees with higher educational attainment typically possess more developed

reference points for compensation comparisons and bear greater financial obligations, factors that heighten compensation salience as a determinant of job satisfaction (Siagian & Khair, 2018). The predominantly male composition of the workforce (53.2%) is consistent with broader patterns of gender segregation in the Indonesian security services sector, and future research should examine whether the climate-satisfaction and compensation-satisfaction relationships are moderated by gender, given documented differences in the relative weighting of financial and relational job attributes between male and female employees (Widyaningrum, 2020). These considerations collectively reinforce the need for differentiated, employee-responsive HR strategies rather than uniform interventions at CEPRO.

5. Conclusions

5.1 Conclusion

This study has demonstrated through rigorous correlational analysis that organizational climate and compensation are both strong and significant positive predictors of job satisfaction among employees of PT. Central Cipta Securindo (CEPRO), a private security services company in Bekasi, Indonesia. All three hypotheses were supported: the bivariate correlation between organizational climate and job satisfaction was strong ($r = 0.703$, $p < 0.05$), the correlation between compensation and job satisfaction was very strong ($r = 0.862$, $p < 0.05$), and the combined effect of both variables on job satisfaction was exceptionally strong ($R = 0.946$, $R^2 = 0.894$, $F = 390.12$, $p < 0.05$). These results confirm that approximately 89.4% of the variance in employee job satisfaction at CEPRO can be attributed to organizational climate and compensation jointly, underscoring the practical necessity of managing these two HR dimensions in an integrated and mutually reinforcing manner. The magnitude of this combined effect represents one of the strongest compensation-climate-satisfaction relationships documented in the Indonesian service sector literature, affirming the theoretical propositions advanced by Herzberg's Two-Factor Theory, Social Exchange Theory, and the JD-R framework within this specific occupational context. The study extends the organizational behaviour literature to the underexplored Indonesian private security services sector and provides evidence that the climate-compensation-satisfaction relationships observed in manufacturing, banking, and public sector settings are robustly replicated in this distinctive operational environment.

5.2 Research Limitations

Several limitations qualify the interpretation and generalisability of this study's findings. First, the cross-sectional research design precludes causal inference in the strict sense, as the correlational evidence established in this study is consistent with but does not prove the directional causal model proposed. Longitudinal panel designs would be required to establish the temporal precedence of climate and compensation changes on subsequent satisfaction outcomes. Second, the study is confined to a single organisation, CEPRO, limiting the extent to which findings can be generalised to other private security firms in Indonesia or the broader Asian security services market. Third, reliance on self-reported questionnaire data introduces the risk of common method variance, social desirability bias, and response set effects that may attenuate measurement precision. Fourth, while the census sampling approach eliminates within-study sampling error, it is specific to the CEPRO headquarters population and does not encompass field-based security personnel deployed at client sites, who may hold systematically different perceptions of climate and compensation due to their distinctive work conditions. Fifth, the study does not examine potential mediating or moderating variables, such as leadership style, organizational commitment, psychological capital, or demographic characteristics, whose inclusion in future models may enrich the explanatory framework and improve the theoretical precision of the climate-compensation-satisfaction relationship.

5.3 Directions and Future Study

The limitations and findings of this study suggest several productive directions for future research. First, longitudinal studies that track changes in organizational climate, compensation, and job satisfaction over time at CEPRO and comparable security organizations would enable stronger causal conclusions and the evaluation of the effectiveness of specific HR interventions. Second, multi-organizational comparative studies across diverse private security firms in Indonesia and neighbouring Southeast Asian countries would allow for the identification of contextual moderators, including firm

size, ownership type, and regulatory environment, that condition the climate-compensation-satisfaction relationships. Third, future research should incorporate mediating variables such as perceived organizational justice, psychological safety, and organizational commitment into the structural model to elucidate the mechanisms through which climate and compensation transmit their effects on job satisfaction. Fourth, qualitative methods, including focus group discussions and in-depth interviews with security personnel and HR managers at CEPRO, would provide richer contextual insight into the lived experiences and subjective interpretations of organizational climate and compensation that the quantitative survey instrument cannot fully capture. Fifth, the development and validation of a sector-specific organizational climate instrument calibrated to the distinctive demands and perceptions of security services personnel would enhance measurement precision and theoretical relevance in future studies.

Acknowledgement

The authors extend sincere gratitude to the management and employees of PT. Central Cipta Securindo for their institutional cooperation and willingness to participate in this research. The authors also thank the Faculty of Economics and Business at the University of Partners Nation, Jakarta, for institutional support throughout the preparation of this manuscript. Appreciation is extended to the anonymous reviewers whose constructive feedback substantially improved the quality of this article.

Author Contributions

MJ contributed to conceptualisation, methodology, data curation, formal analysis, investigation, writing of the original draft, review and editing, and project administration. HM contributed to conceptualisation, supervision, writing, review and editing, and validation. SW contributed to supervision, writing, review and editing, and funding acquisition. All authors have read and agreed to the published version of the manuscript.

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