



Work Stress, Compensation, and Employee Job Satisfaction at UD. KA'E Collection: A Cross-Sectional Study in the Manufacturing SMEs Sector

Sonja Andarini*

Universitas Pembangunan Nasional
Veteran Jawa Timur,
Indonesia

**Rusdi Hidayat
Nugroho**

Universitas Pembangunan
Nasional Veteran Jawa Timur,
Indonesia

Nugraha Kusbianto,

Universitas Pembangunan
Nasional Veteran Jawa Timur,
Indonesia

Maharani Ikaningtyas

Universitas Pembangunan Nasional
Veteran Jawa Timur,
Indonesia

Miftakhul Jannah

Universitas Pembangunan
Nasional Veteran Jawa Timur,
Indonesia

***Corresponding author:**

Sonja Andarini, Universitas Pembangunan
Nasional Veteran Jawa Timur, Indonesia.

✉ sonja_andarini.adbis@upnjatim.ac.id

Article Info:

Article history:

Received: July 02, 2026

Revised: August 22, 2026

Accepted: August 27, 2026

Available Online: October 16, 2026

Keywords:

Compensation;
Human Resource Management;
Job Satisfaction;
Manufacturing SMEs;
Work Stress



This is an open access article
under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license.

Copyright © 2026 by Author.
Published by Politeknik Siber
Cerdika International

Abstract

Background: Employee job satisfaction is closely connected with the ability of labor-intensive manufacturing SMEs to maintain productivity and organizational continuity. Employees' evaluations of their jobs can be shaped by production demands, target pressure, and the compensation they receive. At UD. KA'E Collection, variations in employee performance provide a practical reason to examine whether work stress and compensation are associated with job satisfaction.

Objective: This study investigates the relationships of work stress and compensation with employee job satisfaction at UD. KA'E Collection in Mojokerto Regency, considering both their combined and individual associations.

Methods: A quantitative cross-sectional correlational design was used. All 42 employees constituted the population and were included as respondents through saturated sampling. Data were obtained using a Likert-scale questionnaire and structured interviews and were analyzed by multiple linear regression with SPSS version 25.

Results: Joint testing showed that Work Stress and Compensation were significantly associated with Job Satisfaction ($F = 20.923 > F_{table} = 3.238$; $Sig. = 0.000$). Individually, Work Stress had a significant negative association with Job Satisfaction ($t = -2.179$; $Sig. = 0.035$), whereas Compensation had a significant positive association ($t = 5.372$; $Sig. = 0.000$). The R^2 value of 0.518 indicates that the two predictors explain 51.8% of the variation in Job Satisfaction.

Conclusion: Employee job satisfaction at UD. KA'E Collection is therefore associated with both work-related pressure and the compensation received. Managing excessive work stress while maintaining an appropriate and equitable compensation system may help strengthen job satisfaction in small and medium manufacturing enterprises.

To cite this article: Andarini, A., Nugroho, R. H., Kusbianto, N., Maharani Ikaningtyas, Miftakhul Jannah. (2026). Work Stress, Compensation, and Employee Job Satisfaction at UD. KA'E Collection: A Cross-Sectional Study in the Manufacturing SMEs Sector. *INKUBIS: Jurnal Ekonomi dan Bisnis*, 8 (3), 2818-2829. <https://doi.org/10.59261/inkubis.v8i3.411>

INTRODUCTION

Global competition places increasing pressure on organizations, including micro, small, and medium enterprises (MSMEs), to manage their workforce in ways that preserve operational continuity and enable business growth. The International Labor Organization (ILO) identifies work pressure and dissatisfaction with employment as persistent concerns across industrial sectors in both developed and developing economies, with consequences for productivity and business sustainability. Evidence from a Jobstreet survey of 17,623 respondents likewise showed that 73% of workers were dissatisfied with their jobs because of various workplace conditions, a situation that may weaken both productivity and employee loyalty. These findings position job satisfaction as more than a personal response to work; it is also an organizational issue that can shape overall performance in large firms as well as in small and medium enterprises that support the national economy.

Within organizations, employees are the people who carry out routine operations and therefore represent a strategic resource for organizational achievement. A workforce that performs competently and adjusts quickly to changing demands can strengthen a firm's competitive position. For this reason, organizational outcomes are determined not only by financial resources and technology but also by the capability of the human resources available. From a human resource management perspective, job satisfaction deserves sustained managerial attention: employees who are satisfied with their work tend to display stronger performance, loyalty, and productivity, whereas dissatisfaction can erode performance and organizational commitment. Compensation and work stress are among the factors repeatedly linked to job satisfaction in the literature, and both are embedded in the day-to-day conditions employees encounter at work ([Alromaihi et al., 2017](#); [Dhamija et al., 2019](#)).

UD. KA'E Collection, a privately managed business in Mojokerto Regency, manufactures official footwear for state institutions, including the TNI, the National Police, and the Civil Service Police Unit. Because the production system is labor intensive, the continuity of its operations depends substantially on employee performance. Each stage of shoe production requires careful and skilled execution so that finished products meet established quality requirements. The combination of precision work and predetermined production targets can create occupational pressure because employees must satisfy quality and output expectations within deadlines set by the company ([Fries et al., 2025](#)). Internal performance records for 2025 show that targets rose gradually from 85% in January to 89% in December, yet actual performance did not follow a stable pattern: realization peaked at 88% in July and fell to 83% in December. The persistence of this gap between targets and realization provides a practical basis for considering whether work stress and perceived compensation adequacy are related to employee outcomes.

The empirical literature does not provide a uniform conclusion about how work stress and compensation relate to job satisfaction, leaving room for further examination. A.A.Made Alit Putra et al. ([2022](#)) studying CV. Bali Image Collection in Batubulan, Gianyar, reported a statistically significant inverse relationship between work stress and employee job satisfaction. In contrast, Putrikuri ([2025](#)) found among Gojek drivers in Surabaya that work stress was not significant when assessed partially, although the variables in their model were significant when tested together. Evidence concerning compensation is similarly mixed. Dani et al. ([2025](#)), identified a significant positive relationship between compensation and job satisfaction. Chaudhry et al. ([2022](#)), however, reported no significant association between compensation and satisfaction, while McCalister et al. ([2006](#)) found that work stress was not a significant predictor of job satisfaction. Taken together, these differences suggest that the relationships may depend on the organizational and sectoral setting in which they are examined.

A number of contextual and methodological conditions may account for the variation across prior findings. Industry characteristics and organizational scale, for example, create different work settings and can change how occupational stressors are experienced. Employees in service activities may face stress patterns that are unlike those encountered by manufacturing workers, particularly with respect to physical demands and time pressure ([Bakker & Demerouti, 2017](#)). Compensation arrangements also differ across organizations: large firms may rely more heavily on performance-linked rewards, whereas SMEs often use relatively fixed wage structures, which may alter the strength of the compensation-satisfaction linkage. In addition, employee

expectations and work values vary by cultural and regional context, making direct comparison across settings more difficult and reinforcing the importance of context-specific research (Haar et al., 2014).

Further empirical investigation is therefore justified, particularly in small- and medium-scale manufacturing settings that have received less attention than large organizations. For UD. KA'E Collection, the practical need is to determine which work-related conditions are associated with employee job satisfaction because the observed fluctuations in performance may reflect both psychological pressure and the reward arrangements applied by the company. The contextual novelty of the present study lies in its focus on employees of an official-footwear manufacturing SME in Mojokerto Regency. This setting differs from many earlier studies conducted in services, hospitals, and online transportation, and consequently provides evidence from a labor-intensive production environment in which work stress and compensation may operate differently.

The study also extends the theoretical discussion by comparing the predictive contribution of work stress and compensation to job satisfaction in a labor-intensive manufacturing SME, a context that remains relatively underrepresented in human resource management research. Whereas much of the earlier evidence comes from service organizations or large corporations, the present setting is characterized by manual production activities, fixed production schedules, and limited organizational resources. Examining the two predictors under these conditions helps clarify how psychological demands and material rewards are associated with employee attitudes in small manufacturing firms (Kossek & Lautsch, 2018). In this way, the study adds a context-sensitive perspective to the broader literature on determinants of job satisfaction.

Accordingly, this study examines whether compensation and work stress are related to the job satisfaction of UD. KA'E Collection employees in Mojokerto Regency, both jointly and separately. The research is expected to offer theoretical as well as practical value. Academically, the findings can add evidence to human resource management literature concerning the interrelationships among job satisfaction, compensation, and work stress and may serve as a point of reference for subsequent studies. Practically, the results can assist UD. KA'E Collection in reviewing working conditions and compensation arrangements so that human resource policies are better aligned with efforts to strengthen job satisfaction and sustain employee performance.

The findings may also inform human resource policies in comparable manufacturing enterprises. Evidence of an inverse association between work stress and job satisfaction would indicate a need to review workload allocation, working hours, and feedback practices. Conversely, a positive association between compensation and job satisfaction would support maintaining the existing reward system and improving it where necessary to ensure its appropriateness. The study therefore combines academic relevance with managerial usefulness by providing information that can be applied by UD. KA'E Collection and similar small manufacturing businesses when designing efforts to improve employee welfare and satisfaction.

METHOD

The research used a quantitative design grounded in a positivist orientation. Under this approach, numerical information is obtained from a specified population or sample through research instruments and analyzed statistically to evaluate the proposed hypotheses (Sugiyono, 2010). Data were collected using a cross-sectional correlational design, meaning that all respondents were observed once during the same research period and no experimental intervention was introduced. This design was appropriate because the study sought to estimate the relationships of work stress (X1) and compensation (X2) with job satisfaction (Y) under existing organizational conditions rather than through repeated measurements or experimental manipulation.

The study population comprised all employees of UD. KA'E Collection located in Mojokerto Regency which totals 42 people. The sample represents the group selected to reflect the characteristics of the population being examined (Sugiyono, 2010). Because UD. KA'E Collection employed only 42 people during the study period, all employees were included as respondents, producing a sample of 42. Thus, the study used non-probability saturated sampling, or a census approach, in which every member of the population is included in the research sample (Sugiyono,

2010). Using the entire population is suitable in a small organizational setting because it allows the analysis to incorporate information from all available employees rather than relying on a subset.

Participants were eligible when they were active employees of UD. KA'E Collection in Mojokerto Regency during data collection, whether assigned to production or to administrative/personnel functions, and were willing to complete the questionnaire in full. Employees who were temporarily inactive, such as those on extended leave, and respondents who returned incomplete questionnaires were excluded from the study.

A structured, closed-ended questionnaire served as the principal instrument for collecting quantitative data. Its items were organized around the indicators for the three study variables: work stress (X1), compensation (X2), and job satisfaction (Y). Work stress was represented by workload, working time, feedback, and responsibility indicators adapted from (Mangkunegara, 2014). Compensation was assessed through wages, incentives, allowances, and facilities based on (Afandi, 2018; Gee et al., 2021). Job satisfaction was measured through the work itself, wages, supervision, and co-worker indicators adapted from (Afandi, 2018).

The variables were measured on an ordinal five-point Likert scale, to capture respondents' attitudes, opinions, and perceptions regarding the phenomenon under investigation (Sugiyono, 2010). Table 1 presents the scoring scheme.

Table 1

Likert Scale

Answer Criteria	Score
Strongly Agree (SS)	5
Agree (S)	4
Neutral (N)	3
Disagree (TS)	2
Strongly Disagree (STS)	1

Source: Sugiyono (2022)

Prior to data collection, the instrument was assessed for validity and reliability. Validity testing examined whether the instrument accurately measured the intended constructs (Sugiyono, 2010). The test compared the calculated r value with the tabulated r value using a significance threshold of 5%, through the Product Moment correlation coefficient formula as follows:

$$r = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{[n\sum X^2 - (\sum X)^2][n\sum Y^2 - (\sum Y)^2]}}$$

In the formula, r denotes the correlation between an item score and the total score, n is the number of respondents, X represents the item score, and Y represents the total score. An item was considered valid when its calculated value was positive and greater than 0.30; a value below 0.30 or a negative result indicated that the item did not meet the validity criterion (Sugiyono, 2010).

Instrument reliability was evaluated to determine whether repeated measurement of the same construct would yield sufficiently consistent results (Sugiyono, 2010). Reliability coefficients were calculated in SPSS using Cronbach's Alpha (α). A coefficient above 0.60 was treated as evidence of a reliable measure, whereas values of 0.60 or lower were classified as inadequate.

The dataset consisted primarily of quantitative information that could be processed statistically and was expressed through numerical scores derived from the research instrument (Sugiyono, 2010). The study drew on both primary and secondary sources. Primary information came directly from UD. KA'E Collection employees through questionnaires and structured interviews covering work stress, compensation, and job satisfaction. Secondary information was obtained from relevant books, journal articles, research publications, and internal company records. Questionnaires were administered to all 42 employees as the main data-collection procedure, while structured interviews with management were used to provide contextual

information about the company's general working conditions.

The analytical procedure combined descriptive and inferential statistics. All statistical processing was performed with SPSS (Statistical Package for the Social Sciences), version 25.

Descriptive analysis was used to summarize respondent characteristics, including gender, age, and tenure, and to present the response patterns for each variable indicator. The summaries were reported as frequencies and percentages.

Before estimating the regression model, four classical-assumption tests were conducted, including a normality test based on the Kolmogorov-Smirnov method, a multicollinearity assessment using tolerance and VIF values, a heteroscedasticity assessment using the Glejser method, and a linearity assessment using the Test for Linearity, all using a significance threshold of 0.05 (Ghozali, 2018). Multiple linear regression was employed to estimate the relationship among employees' job satisfaction, work stress, and compensation, with an equation model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

In this specification, Y represents job satisfaction, α is the intercept, β_1 and β_2 are regression coefficients, X1 denotes work stress, X2 denotes compensation, and ε represents the residual error term.

Hypothesis assessment involved three complementary procedures. The coefficient of determination (R^2) was used to indicate how much variation in the dependent variable was explained by the predictors. The simultaneous F test examined whether work stress and compensation were jointly associated with job satisfaction, with H1 supported when Fcal exceeded Ftable and the Sig. value was below 0.05. Partial t tests then evaluated each predictor separately; H0 was rejected when the absolute tcal value exceeded ttable and the Sig. value was less than 0.05 (Ghozali, 2018).

RESULTS AND DISCUSSION

Results

Description of Respondent Characteristics

The study involved 42 employees of UD. KA'E Collection located in Mojokerto Regency whose gender, age, and tenure characteristics are summarized in the following tables.

Table 2

Characteristics of Respondents by Gender

Gender	Number (People)	Percentage
Male	26	61,9%
Women	16	38,1%
Total	42	100%

Source: Primary Data Processed, 2026

Male employees accounted for the larger share of respondents. This composition is consistent with the physical nature of several footwear-production activities, particularly cutting, sewing, and assembly.

Table 3

Characteristics of Respondents by Age

Age	Number (People)	Percentage
20–30 years	10	23,8%
31–40 years	15	35,7%
41–50 years	13	31,0%
> 51 years old	4	9,5%
Total	42	100%

Source: Primary Data Processed, 2026

Employees aged 31-40 years formed the largest age category, representing 35.7% of respondents. The distribution indicates that a substantial proportion of the workforce was within a generally productive working-age range.

Table 4

Characteristics of Respondents Based on Length of Service

Tenure	Number (People)	Percentage
< 1 year	2	4,8%
1–3 years	14	33,3%
4–6 years	16	38,1%
> 6 years old	12	23,8%
Total	42	100%

Source: Primary Data Processed, 2026

Most respondents reported a tenure of 4–6 years (38.1%), which suggests that many employees had sufficient experience to assess of working conditions in the company.

Descriptive Statistics of Research Variables

Table 5 summarizes the distribution of responses for each study variable.

Table 5

Recapitulation of Total Scores of Research Variables

Variable	STS	TS	N	S	SS
Work Stress (X1)	32	93	55	45	27
Compensation (X2)	2	46	52	82	70
Job Satisfaction (Y)	15	42	56	73	66

Source: Primary Data Processed, 2026

Responses to Work Stress (X1) were concentrated most heavily in the "Disagree" category, with 93 responses, suggesting that high work stress was not commonly perceived by employees. For Compensation (X2), the most frequent response was "Agree" (82 responses), indicating a generally favorable assessment of the compensation received. The same response category also predominated for Job Satisfaction (Y), with 73 responses, pointing to an overall tendency toward positive job satisfaction among respondents.

Validity and Reliability Test Results

Table 6

Validity Test Results

Variable	Item	r count	r Table	Remarks
Work Stress (X1)	X1.1	0,861	0,304	Valid
	X1.2	0,703	0,304	Valid
	X1.3	0,800	0,304	Valid
	X1.4	0,770	0,304	Valid
	X1.5	0,749	0,304	Valid
	X1.6	0,790	0,304	Valid
Compensation (X2)	X2.1	0,633	0,304	Valid
	X2.2	0,680	0,304	Valid
	X2.3	0,531	0,304	Valid
	X2.4	0,706	0,304	Valid
	X2.5	0,694	0,304	Valid
	X2.6	0,839	0,304	Valid
Job Satisfaction (Y)	Y.1	0,742	0,304	Valid
	Y.2	0,770	0,304	Valid
	Y.3	0,723	0,304	Valid
	Y.4	0,699	0,304	Valid
	Y.5	0,714	0,304	Valid
	Y.6	0,717	0,304	Valid

Source: SPSS 25 output, Data Processed, 2026

For each item used to measure Work Stress, Compensation, and Job Satisfaction, the calculated *r* coefficient exceeded the reference value of 0.304 at 5% significance level. Accordingly, all questionnaire items satisfied the stated validity requirement and were retained for analysis.

Table 7

Reliability Test Results

Variable	Cronbach's Alpha	Minimum Score	Remarks
Work Stress (X1)	0,869	0,60	Reliable
Compensation (X2)	0,773	0,60	Reliable
Job Satisfaction (Y)	0,823	0,60	Reliable

Source: SPSS 25 output, Data Processed, 2026

Each of the three constructs produced a Cronbach's Alpha coefficient above 0.60, providing evidence that the measures had acceptable internal consistency and could be treated as reliable.

Classical Assumption Test Results

Table 8

Classical Assumption Test Results

Test Type	Results	Criteria	Conclusion
Normality (Kolmogorov-Smirnov)	Asymp. Sig. = 0.200	Sig. > 0.05	Normal
Multicollinearity – Work Stress (X1)	Tolerance 0.940; VIF = 1,064	Tolerance > 0.10; VIF<10	Not Happening
Multicollinearity – Compensation (X2)	Tolerance 0.940; VIF = 1,064	Tolerance > 0.10; VIF<10	Not Happening
Heteroskedasticity (Glejser) – X1	Sig. = 0.845	Sig. > 0.05	Not Happening
Heteroskedasticity (Glejser) – X2	Sig. = 0.998	Sig. > 0.05	Not Happening
Linearities X1 – Y	Linearity Sig.=0.017; Sig.=0.838	Deviation Sig.>0.05	Linear
Linearities X2 – Y	Linearity Sig.=0.000; Sig.=0.539	Deviation Sig.>0.05	Linear

Source: SPSS 25 output, Data Processed, 2026

The classical-assumption checks supported the use of the regression model. The Kolmogorov-Smirnov procedure yielded an Asymp. Sig. (2-tailed) value of 0.200, above the 0.05 threshold, indicating that the residuals met the normality criterion. For both predictors, tolerance was 0.940 and VIF was 1.064; because tolerance was greater than 0.10 and VIF remained below 10, multicollinearity was not indicated. The Glejser test produced significance values of 0.845 for Work Stress and 0.998 for Compensation, so neither variable showed evidence of heteroscedasticity at the 0.05 level. Finally, Deviation from Linearity was 0.838 for the Work Stress-Job Satisfaction relationship and 0.539 for the Compensation-Job Satisfaction relationship. Both values exceeded 0.05, supporting linear relationships. Collectively, these diagnostics indicate that the model met the assumptions required before continuing with regression analysis.

Multiple Linear Regression Analysis Results

Table 9

Multiple Linear Regression Test Results

Variable	Regression Coefficient (B)	Remarks
Constant (α)	8,964	–
Work Stress (X1)	–0,235	Negatives
Compensation (X2)	0,729	Positive

Source: SPSS 25 output, Data Processed, 2026

The multiple linear regression estimates produced the following equation:

$$Y = 8.964 - 0.235X_1 + 0.729X_2$$

The intercept of 8.964 represents the expected Job Satisfaction score when Work Stress and Compensation are assigned values of zero, while also reflecting the contribution of influences outside the two-predictor model. The coefficient for Work Stress is -0.235, indicating an inverse association: holding Compensation constant, a one-unit rise in Work Stress corresponds to a 0.235-unit reduction in Job Satisfaction. By contrast, the Compensation coefficient is 0.729, so a one-unit increase in Compensation is associated with a 0.729-unit increase in Job Satisfaction when Work Stress is held constant.

Determination Coefficient (R^2) Test Results

Table 10

Determination Coefficient Test Results

R	R Square	Adjusted R Square
0,720	0,518	0,494

Source: SPSS 25 output, Data Processed, 2026

The model produced an R-Square of 0.518. Thus, Work Stress (X_1) and Compensation (X_2), considered together, explain 51.8% of the observed variation in Job Satisfaction (Y) among UD. KA'E Collection employees. The remaining 48.2% is attributable to variables outside the present model, which may include the physical work environment, work motivation, and work-life balance.

Hypothesis Test Results

F Test (Simultaneous)

Table 11

Test F Results (Simultaneous)

F count	F Table	Sig.
20,923	3,238	0,000

Source: SPSS 25 output, Data Processed, 2026

The simultaneous test yielded $F_{cal} = 20.923$, compared with $F_{table} = 3.238$ ($df = 39$), and a significance value of 0.000. Because the observed F statistic was greater than the critical value and the p-value was below 0.05, H_0 was rejected and H_1 was supported. The result indicates that Work Stress and Compensation, when considered together, have a statistically significant association with Job Satisfaction among employees of UD. KA'E Collection in Mojokerto Regency, thereby addressing the first research question.

T test (Partial)

Table 12.

Results of the t-test (partial)

Variable	t count	t table	Sig.	Directions
Work Stress (X_1)	-2,179	2,023	0,035	Negatives
Compensation (X_2)	5,372	2,023	0,000	Positive

Source: SPSS 25 output, Data Processed, 2026

For Work Stress (X_1), the t statistic was -2.179. Its absolute value (2.179) exceeded the ttable value of 2.023 and the corresponding p-value was 0.035, which is below 0.05. H_0 was therefore rejected and H_2 was supported. The negative coefficient indicates that higher perceived work stress is associated with lower job satisfaction among UD. KA'E Collection employees. This

finding addresses the second research question and provides empirical support for Hypothesis 2.

Compensation (X2) produced a *t* statistic of 5.372, exceeding the *t* table value of 2.023, with *p* = 0.000. These results led to rejection of *H*₀ and support for *H*₃. The positive direction shows that more favorable compensation is associated with higher Job Satisfaction among UD. KA'E Collection employees. Accordingly, the third research question is answered and Hypothesis 3 is supported. In combination with the simultaneous and Work Stress tests, the evidence supports all three hypotheses (*H*₁, *H*₂, and *H*₃).

Discussion

Results Analysis

The joint test confirms that work stress and compensation are meaningfully related to employee job satisfaction at UD. KA'E Collection. The observed *F*_{cal} of 20.923 was well above the *F*_{table} value of 3.238 and was accompanied by *p* = 0.000. This result implies that satisfaction with work reflects a combination of workplace experiences rather than a single condition: psychological demands can lower employees' evaluations of their jobs, while material rewards can strengthen them. The *R*² value of 0.518 further shows that these two predictors explain slightly more than half of the variation in job satisfaction. Even so, 48.2% of the variation remains associated with factors that are not represented in the present model.

When the predictors were considered separately, Work Stress had a statistically significant negative relationship with Job Satisfaction (*t*_{cal} = -2.179; |*t*| = 2.179 > 2.023; *p* = 0.035). The sign of the coefficient is also consistent with the equation $Y = 8.964 - 0.235X_1 + 0.729X_2$: with other conditions held constant, a one-unit increase in Work Stress corresponds to a 0.235-unit decline in Job Satisfaction. This result is plausible in the context of UD. KA'E Collection, where production work requires precision and adherence to output targets. When job demands exceed an employee's capacity, the resulting psychological strain can reduce satisfaction with work (De Gieter et al., 2018; Reh et al., 2021).

Compensation showed the opposite pattern. Its relationship with Job Satisfaction was positive and statistically significant (*t*_{cal} = 5.372 > *t*_{table} = 2.023; *p* = 0.000), and its regression coefficient (0.729) was larger in absolute magnitude than that of Work Stress. This suggests that wages, incentives, allowances, and workplace facilities constitute an important part of how UD. KA'E Collection employees evaluate their jobs. The descriptive data are consistent with this interpretation because "Agree" was the modal response for the compensation variable, appearing 82 times. Overall, employees tended to view the compensation they received as adequate.

Comparison with Previous Research

The inverse relationship between Work Stress and Job Satisfaction is consistent with A.A.Made Alit Putra et al. (2022), who reported a similar pattern among employees of CV. Bali Image Collection in Batubulan, Gianyar. Similar findings in two production-oriented settings suggest that work stress is especially relevant to satisfaction in labor-intensive work. The present result does not, however, align with Putrikuri (2025), whose study of Gojek drivers in Surabaya found no significant partial association between work stress and job satisfaction. A likely contextual explanation concerns differences in how work is organized: digital platform workers generally have more discretion over working time, whereas manufacturing employees operate under more fixed schedules and production targets. Such differences may change the extent to which stress is translated into job dissatisfaction.

The positive Compensation-Job Satisfaction relationship also agrees with Dani et al. (2025) who found that better compensation was associated with higher job satisfaction, including among Generation Z employees in Surabaya. The recurrence of this pattern across different employment groups supports the general importance of rewards in employees' evaluations of their jobs. Nonetheless, the result is not universal. Ashraf (2020) reported that compensation did not significantly affect job satisfaction in the private companies examined, while Hoboubi et al. (2017) found no significant relationship between work stress and job satisfaction in another manufacturing context. These contrasting findings reinforce the conclusion that compensation and stress operate within organizational contexts shaped by company characteristics, management practices, and workplace culture.

Implications

The findings translate into several managerial considerations for UD. KA'E Collection. Because greater work stress is associated with lower satisfaction, workload should be organized more proportionately, for example by setting achievable production schedules, ensuring sufficient rest periods, and providing timely feedback when employees encounter difficulties on the production line. Compensation warrants comparable attention because its coefficient (0.729) is larger than the coefficient for Work Stress (-0.235). Management should therefore preserve the adequacy of wages, ensure timely payment, and consider performance-related incentives that remain appropriate to workload. The initial fluctuations in performance further suggest that stress management and compensation policies should not be treated separately; the significant F test indicates that addressing both simultaneously is more consistent with the pattern observed in the data.

At the conceptual level, the results support a human resource management perspective in which job satisfaction is shaped by both psychological job conditions and organizational rewards. The coefficients provide additional evidence from a labor-intensive SME: Compensation ($\beta = 0.729$) contributes more strongly than Work Stress ($\beta = -0.235$) within the estimated model. This pattern suggests that, in a small manufacturing environment, material rewards may carry greater weight than psychological pressure in employees' overall assessment of their work. The findings are also compatible with the proposition that compensation perceived as fair and appropriate can strengthen morale and employees' sense that the organization values their contribution (Nurdin et al., 2025; Ogohi Daniel, 2020).

Research Limitations

Several constraints should be taken into account when interpreting the findings. First, the census included only 42 employees; although this represented the entire workforce of UD. KA'E Collection, the small number limits the extent to which the results can be generalized to manufacturing MSMEs with different characteristics. Second, the cross-sectional design records employee perceptions at a single time point and therefore cannot capture changes in work stress, compensation, or job satisfaction across time. Third, the model contains only two predictors and explains 51.8% of the variance in Job Satisfaction, leaving 48.2% to other influences not examined here. Fourth, questionnaire responses are perceptual and subjective. Because the Likert-scale data depend on respondents' self-reports, answers may also be affected by temporary emotional conditions when the questionnaire is completed.

Future studies can address these limitations by widening the empirical setting and increasing the number of respondents, for instance through comparative research involving several footwear-manufacturing MSMEs in different regions. Additional predictors such as work motivation, the physical work environment, work-life balance, and occupational safety and health could be incorporated to provide a more complete explanation of employee job satisfaction. Longitudinal research would also make it possible to examine how stress and satisfaction change over time. In addition, combining quantitative analysis with in-depth interviews in a mixed-methods design could provide richer evidence about how employees experience work pressure and interpret the compensation they receive.

CONCLUSION

The results indicate that Work Stress and Compensation are both statistically related to the Job Satisfaction of employees at UD. KA'E Collection in Mojokerto Regency. When tested simultaneously, the two predictors explain a meaningful share of differences in Job Satisfaction, as reflected in $R^2 = 0.518$. The partial results show opposing directions: increases in perceived Work Stress are associated with lower Job Satisfaction, whereas more favorable Compensation is associated with higher Job Satisfaction. The evidence therefore supports the view that psychological demands and material rewards operate together, but in different directions, in shaping employees' assessment of their jobs.

From a managerial perspective, the findings point to the importance of controlling unnecessary work pressure while preserving compensation arrangements that employees regard as appropriate. Such measures may contribute to stronger Job Satisfaction in small and medium

manufacturing enterprises. The interpretation should nevertheless remain within the boundaries of the study because the design was cross-sectional, the respondent group was limited to 42 employees, and only two predictors were included. Broader samples, additional organizational variables, and longitudinal observations are therefore recommended to develop a more comprehensive explanation of employee job satisfaction.

ACKNOWLEDGEMENT

The authors express their appreciation to the management and employees of UD. KA'E Collection in Mojokerto Regency for taking part in the research. The authors also acknowledge the Faculty of Economics and Business for the institutional assistance provided throughout the study.

AUTHOR CONTRIBUTION STATEMENT

All authors shared responsibility for the study's conceptual development and research design and contributed to data collection, data analysis, manuscript drafting, critical review, and approval of the final version submitted for publication.

REFERENCES

- A.A.Made Alit Putra, Nengah Landra, & Ni Made Dwi Puspitawati. (2022). Pengaruh Stres Kerja, Lingkungan Kerja Fisik, Keselamatan dan Kesehatan Kerja Terhadap Kepuasan Kerja Karyawan pada CV. Bali Image Collection di Batubulan, Gianyar. *VALUES*, 2(2).
- Afandi, P. (2018). Manajemen Sumber Daya Manusia (Teori, Konsep dan Indikator). *Riau: Zanafa Publishing*.
- Alromaihi, M. A., Alshomaly, Z. A., & George, S. (2017). Job Satisfaction and Employee Performance: A Theoretical Review of The Relationship between the Two Variable. *International Journal of Advanced Research in Management and Social Sciences*, 6(1).
- Ashraf, M. A. (2020). Demographic factors, compensation, job satisfaction and organizational commitment in private university: an analysis using SEM. *Journal of Global Responsibility*, 11(4). <https://doi.org/10.1108/JGR-01-2020-0010>
- Bakker, A. B., & Demerouti, E. (2017). Job demands–resources theory: Taking stock and looking forward. *Journal of Occupational Health Psychology*, 22(3), 273–285. <https://doi.org/10.1037/ocp0000056>
- Chaudhry, S., Kaur, M., Odembo, H., & Saleh, A. (2022). Correlation Between Pay and Job Satisfaction. *Journal of Business Studies Quarterly*, 2022(3).
- Dani, N., Asnawi, A., & Arfani, M. (2025). Pengaruh Work-life balance, Motivasi, Self-efficacy, dan Kompensasi terhadap Kepuasan Kerja pada Generasi Z di Kota Surabaya. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 6(1). <https://doi.org/10.47467/elmal.v6i1.5924>
- De Gieter, S., Hofmans, J., & Bakker, A. B. (2018). Need satisfaction at work, job strain, and performance: A diary study. *Journal of Occupational Health Psychology*, 23(3). <https://doi.org/10.1037/ocp0000098>
- Dhamija, P., Gupta, S., & Bag, S. (2019). Measuring of job satisfaction: the use of quality of work life factors. *Benchmarking*, 26(3). <https://doi.org/10.1108/BIJ-06-2018-0155>
- Fries, M., Nießner, J., Ludwig, T., & Kotthaus, C. (2025). Exploring AI Integration in SME Production Planning: Design Spaces and the Role of Workers. *Computer Supported Cooperative Work: CSCW: An International Journal*, 34(2). <https://doi.org/10.1007/s10606-025-09512-6>
- Gee, M. N., Manao, A., & Gohae, A. S. (2021). Pengaruh Kompensasi Terhadap Semangat Kerja Pegawai Pada Kantor Camat Telukdalam Kabupaten Nias Selatan. *Pareto: Jurnal Riset Manajemen Dan Bisnis*, 6.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro.
- Haar, J. M., Russo, M., Suñe, A., & Ollier-Malaterre, A. (2014). Outcomes of work-life balance on job satisfaction, life satisfaction and mental health: A study across seven cultures. *Journal of Vocational Behavior*, 85(3). <https://doi.org/10.1016/j.jvb.2014.08.010>
- Hoboubi, N., Choobineh, A., Kamari Ghanavati, F., Keshavarzi, S., & Akbar Hosseini, A. (2017). The Impact of Job Stress and Job Satisfaction on Workforce Productivity in an Iranian Petrochemical Industry. *Safety and Health at Work*, 8(1).

- <https://doi.org/10.1016/j.shaw.2016.07.002>
- International Labour Organization. (2024). World Employment and Social Outlook: Trends 2024. International Labour Office. <https://www.ilo.org/publications>
- Kossek, E. E., & Lautsch, B. A. (2018). Work-life flexibility for whom? Occupational status and work-life inequality in upper, middle, and lower level jobs. *Academy of Management Annals*, 12(1). <https://doi.org/10.5465/annals.2016.0059>
- Mangkunegara, A. P. (2014). *manajemen sumber daya manusia*. pt remaja rosdakarya.
- McCalister, K. T., Dolbier, C. L., Webster, J. A., Mallon, M. W., & Steinhardt, M. A. (2006). Hardiness and support at work as predictors of work stress and job satisfaction. In *American Journal of Health Promotion* (Vol. 20, Number 3). <https://doi.org/10.4278/0890-1171-20.3.183>
- Nurdin, S., Suswati, E., & Astuti, R. (2025). The Role Of Organizational Culture And Compensation On Performance Through Motivation: A Sharia-Based Public Management Approach. *Profit : Jurnal Kajian Ekonomi Dan Perbankan Syariah*, 9(2). <https://doi.org/10.33650/profit.v9i2.12700>
- Ogohi Daniel, C. (2020). Compensation Management and Its Impacts on Organisational Commitment. *International Journal of Contemporary Applied Researches*, 6(2).
- Putrikuri, K. E. and R. Y. R. (2025). The Effects of Work Stress, Work Motivation, and Work-Life Balance on Job Satisfaction of Gojek Drivers in Surabaya. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, 8(3), 11391–11401.
- Reh, S., Wieck, C., & Scheibe, S. (2021). Experience, Vulnerability, or Overload? Emotional Job Demands as Moderator in Trajectories of Emotional Well-Being and Job Satisfaction Across the Working Lifespan. *Journal of Applied Psychology*, 106(11). <https://doi.org/10.1037/apl0000859>
- Sugiyono, D. (2010). Metode penelitian kuantitatif dan R&D. *Bandung: Alfabeta*, 26–33.