"Examining the influence of work environment and compensation on employee job satisfaction: A case study of Al-Hoty Analytical Services in Bahrain"

AUTHORS	Marwan Milhem (b) Ali Ateeq (b) Mohammed Alzoraiki (b) Masooma Sayed Husain (b) Ahmed Yahia Mustafa Alastal (b)
ARTICLE INFO	Marwan Milhem, Ali Ateeq, Mohammed Alzoraiki, Masooma Sayed Husain and Ahmed Yahia Mustafa Alastal (2024). Examining the influence of work environment and compensation on employee job satisfaction: A case study of Al-Hoty Analytical Services in Bahrain. <i>Problems and Perspectives in Management</i> , 22(4), 340-351. doi:10.21511/ppm.22(4).2024.26
DOI	http://dx.doi.org/10.21511/ppm.22(4).2024.26
RELEASED ON	Friday, 22 November 2024
RECEIVED ON	Thursday, 06 June 2024
ACCEPTED ON	Friday, 11 October 2024
LICENSE	This work is licensed under a Creative Commons Attribution 4.0 International License
JOURNAL	"Problems and Perspectives in Management"
ISSN PRINT	1727-7051
ISSN ONLINE	1810-5467
PUBLISHER	LLC "Consulting Publishing Company "Business Perspectives"
FOUNDER	LLC "Consulting Publishing Company "Business Perspectives"

P	B	===
NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
39	2	7

© The author(s) 2024. This publication is an open access article.





BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives" Hryhorii Skovoroda lane, 10, Sumy, 40022, Ukraine

www.businessperspectives.org

Received on: 6th of June, 2024 Accepted on: 11th of October, 2024 Published on: 22nd of November, 2024

© Marwan Milhem, Ali Ateeq, Mohammed Alzoraiki, Masooma Sayed Husain, Ahmed Yahia Mustafa Alastal, 2024

Marwan Milhem, Ph.D., Assistant Professor, Administrative Science Department, College of Administrative and Financial Science, Gulf University, Kingdom of Bahrain.

Ali Ateeq, Ph.D., Assistant Professor, Administrative Science Department, College of Administrative and Financial Science, Gulf University, Kingdom of Bahrain. (Corresponding author)

Mohammed Alzoraiki, Ph.D., Assistant Professor, Administrative Science Department, College of Administrative and Financial Science, Gulf University, Kingdom of Bahrain.

Masooma Sayed Husain, B.Sc., Administrative Science Department, College of Administrative and Financial Science, Gulf University, Kingdom of Bahrain.

Ahmed Yahia Mustafa Alastal, Ph.D., Administrative Science Department, College of Administrative and Financial Science, Gulf University, Kingdom of Bahrain.



This is an Open Access article, distributed under the terms of the Creative Commons Attribution 4.0 International license, which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

Conflict of interest statement: Author(s) reported no conflict of interest Marwan Milhem (Kingdom of Bahrain), Ali Ateeq (Kingdom of Bahrain), Mohammed Alzoraiki (Kingdom of Bahrain), Masooma Sayed Husain (Kingdom of Bahrain), Ahmed Yahia Mustafa Alastal (Kingdom of Bahrain)

EXAMINING THE INFLUENCE OF WORK ENVIRONMENT AND COMPENSATION ON EMPLOYEE JOB SATISFACTION: A CASE STUDY OF AL-HOTY ANALYTICAL SERVICES IN BAHRAIN

Abstract

This study examines the impact of compensation and work environment on employee job satisfaction at Al-Hoty Analytical Services in the Kingdom of Bahrain. In a competitive global market, optimizing workplace conditions is crucial for enhancing employee morale and organizational performance. A sample of 152 employees from various departments at Al-Hoty Analytical Services was surveyed using a structured questionnaire, applying saturated sampling within a quantitative research framework. Data analysis was conducted using SPSS version 26. The results indicate that the physical work environment significantly contributes to higher levels of job satisfaction, emphasizing the importance of a well-designed workspace. The social work environment, while positively correlated with satisfaction (p = 0.926), did not significantly impact overall satisfaction (p = 0.385, p < 0.001). In contrast, both direct and indirect compensation had significant positive effects on job satisfaction, with direct compensation having a stronger influence (p = 0.273, p < 0.001) than indirect compensation (p = 0.238, p = 0.001). The study provides practical insights for organizational leaders and contributes to the broader understanding of job satisfaction dynamics.

Keywords job satisfaction, compensation, work conditions,

organizational management, employee motivation, human resources, business performance, workplace

environment

JEL Classification J28, M12, M54

INTRODUCTION

Employee work happiness is becoming more widely recognized as critical to business success in the modern global economy. It has a direct correlation to increased output, improved performance, and lower turnover rates all of which are necessary to stay competitive (Abawa & Obse, 2024). Although a lot of research has looked at the general factors that affect job satisfaction, like pay and work environment, the relationship between these factors and how they affect employee satisfaction as a whole is still not well understood, especially in particular regional contexts like the Kingdom of Bahrain (Abolnasser et al., 2023; Cao et al., 2023).

Organizations in Bahrain face pressure to maximize their human resource strategy in order to retain and engage their personnel, given the country's rapidly developing economy and intensifying competition. Nevertheless, despite this requirement, there is a paucity of em-

pirical studies on the ways in which various aspects of remuneration packages and physical and social work environments influence worker satisfaction in Bahraini firms .A knowledge gap exists on the ways in which different aspects of the work environment and pay affect job satisfaction because there are not enough thorough studies in this area.

Furthermore, other studies conducted in other areas have demonstrated that although a favorable physical work environment considerably raises employee happiness and morale, the influence of the social environment is still less clear (George & Sreedharan, 2023). Similarly, research on pay has shown that increasing job satisfaction requires both direct (salaries, wages, bonuses) and indirect (benefits, insurance, paid time off) compensation. However, few studies have carefully examined these elements in the unique cultural and economic context of Bahrain (Rasheed et al., 2020; Charles et al., 2022).

1. LITERATURE REVIEW

For many years, the research focus has been on the relationship between work satisfaction and organizational performance. Numerous studies have looked at the relationship between pay, work environment, and job happiness; such research shed light on how these elements affect employee retention, productivity, and overall business success.

Job satisfaction, a complex and multidimensional concept, has been approached from various angles in the literature. According to Winton (2023), it is an emotional response to aspects of work, reflecting the employee's feelings of pleasure and enthusiasm. Boccoli et al. (2023) expand on this by noting that job satisfaction involves a combination of emotional and psychological elements that reflect how employees perceive their work environment and organizational support. Moreover, job satisfaction is influenced not only by individual factors but also by the broader work context, including the organizational culture and policies (Bai et al., 2023).

Job satisfaction is perceived as multidimensional due to its dependence on various factors. Organizations need to recognize these components to enhance employee satisfaction. According to Ng (2023), job satisfaction contains eight dimensions: job security, work environment, worklife balance, compensation and benefits, recognition and rewards, job design and variety, organizational culture, and opportunities for advancement.

Job satisfaction plays a crucial role in the success of an organization. Indeed, the organization's profitability is affected by employee satisfaction (Abawa & Obse, 2024).

Many studies have explored the factors that influence satisfaction in the workplace. For instance, Cao et al. (2023) indicate that job satisfaction is boosted by positive mental health factors but diminished by negative mental health factors. Additionally, psychological and social capital play a mediating role in the relationship between job satisfaction and mental health. Overall, employee mental well-being significantly influences job satisfaction. Moreover, Abolnasser et al. (2023) found a positive correlation between employee commitment and job satisfaction. The analysis suggests that greater dedication to the organization is associated with higher levels of job satisfaction. Overall, organizational commitment has a positive impact on job satisfaction.

The work environment significantly influences job satisfaction, encompassing both physical and social aspects. Hawkins et al. (2023) describe the work environment as a complete framework comprising supportive infrastructure, friendly interactions among all staff within the company, and a beneficial social, emotional, and financial setting that encourages employees to deliver top-notch performance. Additionally, it encapsulates all interactions between employees and their workplace. As Bos-Nehles et al. (2023) conceptualize, it encompasses the combined influences, behaviors, and various factors that may affect employees' performance and engagement.

A setting that is conducive to physical work leads to increased employee happiness and productivity. According to Kumala (2023), workplace design, layout, and ergonomics are important factors in guaranteeing worker comfort and productivity. As pointed out by Zarnuji (2023), these physical

components are essential for improving general well-being and satisfaction because workers spend a significant amount of time in these settings.

The social environment can also impact employee morale, which encompasses interpersonal connections and team dynamics. According to Hawkins et al. (2023), the work environment is a framework that includes constructive social interactions and a supportive infrastructure that helps motivate individuals to perform successfully. Moreover, George and Sreedharan (2023) discovered that a positive, respectful, and supportive work atmosphere can promote greater levels of employee engagement and satisfaction. Bos-Nehles et al. (2023) contend that an atmosphere where workers feel psychologically and emotionally safe promotes improved performance and well-being.

The impact of the social environment on job satisfaction is still complicated. George and Sreedharan (2023) discovered positive connections in their study; however, other research indicates that the association is not always significant. Given its complexity, it may be necessary to take a more nuanced approach to understanding the social environment's influence on performance and happiness, even though a suitable physical environment is frequently easier to control and assess.

Numerous studies have identified the relationship between job satisfaction and the workplace environment. For instance, Alenazy et al. (2023) shows a considerable effects of work environment on satisfaction with work. In addition, Basalamah and As'ad (2021) discovered that job satisfaction and the working environment are statistically significantly correlated.

Studies on direct compensation address pay, salaries, and other forms of immediate financial gain. Indirect compensation focuses on non-monetary benefits such as insurance, leave, and retirement benefits. Different authors define compensation in different ways. According to Didit and Nikmah (2020), compensation is total remuneration provided to employees as acknowledgment for their contributions to the organization. Additionally, Nkanabo (2022) defines compensation as all forms of monetary, non-monetary, and psychological rewards that an organization offers its employees in return for the work they perform.

The objective of this study is to investigate the connection between various aspects of work compensation and job satisfaction. As outlined by Nuraini (2023), compensation comprises two dimensions (direct compensation and indirect compensation), which, when combined effectively, can serve as a catalyst for a company to attain its objectives. Consequently, this study concentrates on these two dimensions of work compensation.

It is commonly known that pay – both direct and indirect – is a major factor in determining job happiness. Salary and other financial incentives are examples of direct remuneration that workers receive for their labor. According to Ali and Anwar (2021), workers frequently assess their pay in relation to peers, which affects how satisfied they are with their jobs. Chen et al. (2021) further show the importance of relative income. Employees who believe they are paid fairly in comparison to their peers report better levels of satisfaction.

Apart from direct monetary gains, indirect compensation is essential. Benefits such as health insurance, paid time off, retirement plans, and other extras that companies provide to employees, in addition to base pay, are referred to as indirect compensation. Indirect pay, in the opinion of Mishra (2023), improves workers' feelings of security and belonging, which has a favorable effect on their general job satisfaction. According to Thibault Landry et al. (2017), comprehensive benefit plans that include paid time off and social security can effectively induce employee loyalty and engagement.

Furthermore, ample evidence in the literature supports the strategic use of salary as a strategy for employee motivation and retention. According to Rasheed et al. (2020), a well-designed compensation plan improves employee satisfaction, which helps employers retain top talent while also attracting new hires. Ateeq et al. (2023) evidence that efficient pay schemes are essential for enhancing employee satisfaction and decreasing attrition, particularly in highly competitive industries. Although both direct and indirect pay favorably impact job satisfaction, different organizations and industries may place different values on these two types of remuneration. Certain workers may place a higher value on work-life balance benefits

than on direct compensation in certain situations, especially in industries where non-cash incentives are seen as signs of sustained investment in workers' well-being (Harrison et al., 2020).

Compensation plays a critical role in both organizational success and individual well-being, extending beyond its monetary value. Competitive pay packages are essential for attracting and retaining top talent, particularly in a competitive job market (Harrison et al., 2020; Hiltrop, 1999). Compensation ensures that employees' basic needs are met, fostering job satisfaction (Mirza & Azmy, 2023). Adequate compensation positively correlates with overall morale and job satisfaction, influencing employee engagement and productivity when individuals feel appropriately rewarded for their skills and contributions.

Numerous studies have identified the relationship between job satisfaction and compensation. For instance, Idris et al. (2020) show that the work environment and compensation both have a significant effect on how satisfied employees are with their jobs. In addition, Hidayati and Zulher (2022) found that the elements of leadership and compensation have a major impact on the job satisfaction of employees.

The existing literature demonstrates that both compensation and work environment play pivotal roles in determining job satisfaction, though the significance of the social work environment remains less conclusive. Studies consistently show that while physical work conditions and direct compensation are vital for enhancing employee satisfaction, the influence of social interactions within the workplace requires further investigation. In particular, research in regional contexts like Bahrain has been limited, underscoring the need for more localized studies to better understand these dynamics in specific organizational settings.

This study seeks to evaluate the impact of work environment (both physical and social) and compensation (both direct and indirect) on employee job satisfaction at Al-Hoty Analytical Services in Bahrain, contributing to a deeper understanding of these factors in the Bahraini context. The following hypotheses have been developed to investigate the connections between the work environment, pay, and job satisfaction in this specific context:

- H1: Work environment has a positive significant impact on job satisfaction in Al-Hoty Analytical Services company in Kingdom of Bahrain.
- H2: Compensation has a positive significant impact on job satisfaction in Al-Hoty Analytical Services company in Kingdom of Bahrain.

2. METHODOLOGY

This study employs a quantitative research methodology to examine the relationship between work environment, compensation, and employee job satisfaction at Al-Hoty Analytical Services in Bahrain. A randomly chosen sample of employees received the questionnaire via email links as part of the data gathering process. In order to guarantee that every participant had an equal chance of being included in the study, this particular strategy was adopted. The survey was structured into multiple pieces: the first portion collected demographic information, the second part rated employee job happiness inside the organization, and the subsequent sections examined the effect of independent variables on employee job satisfaction.

There were five possible answers on the Likert scale in the questionnaire: strongly disagree, disagree, agree, neutral, and highly agree. It was broken down into distinct sections addressing different job satisfaction facets. Six items made up the section on job satisfaction, and the two subsections on the work environment (the physical work environment (five items) and the social work environment (five items) were further separated. The two subsections of compensation were also separated into direct compensation (six items) and indirect compensation (six items).

A basic random sampling procedure was used to choose participants from the entire population of about 250 employees, with a target sample size of 152. By using this sampling technique, it was made sure that the information gathered was representative of the workforce. Quantitative analyti-

cal software was used to assess the data. While a correlational research design was employed to investigate the statistical relationships between the identified variables, descriptive research methods offered a thorough overview of the variables associated with job satisfaction. To help organize and process the data and provide reliable results, the Statistical Package for Social Sciences (SPSS) was used for data analysis. This program was necessary for organizing and processing the data to produce accurate results.

The sample includes Al-Hoty Analysis Services personnel of various ages, genders, educational backgrounds, and professional tenures (Table 1).

Table 1. Gender breakdown

Gender	Frequency	Percent	Valid Percent	Cumulative Percent		
Male	78	51.3	51.3	51.3		
Female	74	48.7	48.7	100.0		
Total	152	100.0	100.0			

Based on the data provided, the survey respondents' gender distribution is virtually equal. Males account for 51.3% of the 152 valid replies, while females make up 48.7%. This parity in representation leads to a balanced gender viewpoint in the data set, as seen in Table 1. The cumulative proportion equals 100%, indicating the comprehensiveness of gender categorization among participants. This gender distribution equilibrium serves as a strong platform for further research, ensuring that gender biases in result interpretation are avoided.

3. RESULTS

As shown in Table 2, Cronbach's Alpha indicates consistent dependability across occupational characteristics, exceeding the accepted standard ($\alpha > 0.600$) in academic contexts. The social work environment dimension has high internal consistency ($\alpha = 0.786$), suggesting strong scale building. However, the physical work environment has the lowest dependability value ($\alpha = 0.670$), indicating room for improvement. Direct and indirect compensation aspects have comparable high reliability, indicating similar employee views in both areas. Overall, the measures used to assess work satisfac-

tion and remuneration are credible instruments for conducting academically rigorous organizational analyses.

Table 2. Cronbach's Alpha

Variable	Cronbach's Alpha	Items
Job satisfaction	0.713	6
Physical work environment	0.670	5
Social work environment	0.786	5
Direct compensation	0.698	6
Indirect compensation	0.708	6

As shown in Table 3, the descriptive statistical analysis indicates that employees rated the physical work environment (M = 3.234) higher than the direct compensation (M = 2.928), suggesting that physical factors play a more significant role in overall job satisfaction.

Table 3. Descriptive statistical analysis

Variable	Average Mean	Average Std. Dev.	Average (Mean - SD)
Job satisfaction	3.147	1.152	1.994
Physical work environment	3.234	1.110	2.124
Social work environment	3.262	1.153	2.109
Direct compensation	2.928	1.180	1.748
Indirect compensation	3.102	1.281	1.820

As shown in Table 4, correlational analysis assists in comprehending the bivariate correlations between researched variables. The study uses Pearson's or Spearman's correlation coefficients, depending on the data's degree of measurement and distribution, to highlight significant correlations that need further investigation.

Table 4. Correlational analysis

	JS	PW	SW	DC	IN
JS	1	.624	.440	.590	.554
PW	.624	1	.545	.485	.431
SW	.440	.545	1	.400	.481
DC	.590	.485	.400	1	.534
IN	.554	.431	.481	.534	1
р	<.001	<.001	<.001	<.001	<.001

Note: Job satisfaction = JS, Physical work environment = PW, Social work environment = SW, Direct compensation = DC, Indirect compensation = IN.

In an academic setting, the findings show strong interrelations between numerous workplace as-

pects. Job satisfaction has a high positive association with the physical work environment, which means that as job satisfaction rises, so does the physical work environment. The social work environment has a moderate association with both job satisfaction and the physical work environment, showing that a supportive social workplace leads to higher job satisfaction and workload management. Direct compensation has a significant positive association with job satisfaction, emphasizing compensation as an important aspect of employee satisfaction. Indirect compensation is linked to overall job satisfaction, perceived workload, social environment, and compensation. These results indicate a comprehensive approach to organizational development that acknowledges the interconnectedness of multiple work elements in impacting employee outcomes and attitudes.

As shown in Table 5, regression analysis is utilized to investigate the predicted correlations between independent variables and the amount of their influence on the dependent variable. This study describes the models tested, the assumptions confirmed, and the interpretations of the standardized and unstandardized coefficients.

In regression analysis, the model summary demonstrates that the independent variables explain 53.7% of the variation in job satisfaction. The adjusted *R* square value of .524 accounts for the number of predictors in the model, slightly lowering the variance accounted for and indicating a good model fit. The standard error of the estimate is .50177, so the observed values are from the regression line.

The F-change value of 42.602 (significant at p < .001) indicates that the model accurately predicts work satisfaction. This gives rationale for using these workplace elements in employee satisfaction initiatives since they are statistically significant predictors of the end variable. These results underline the necessity of a holistic approach in organizational management, where various elements operate simultaneously to influence job satisfaction.

The regression findings demonstrate that a physically designed workspace positively affects job satisfaction in a statistically significant way (Beta = .385, p < .001). The first hypothesis, according to these findings, was that job satisfaction would be positively impacted by the physical work environment. In a similar vein, both indirect compensation and direct compensation have significant positive coefficients (Beta = .238 and .273, respectively), indicating that they are both accepted.

Table 6. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1	42.904	4	10.726	42.602	< .001
Residual	37.011	147	.252		

As shown in Table 6, the regression model can predict job satisfaction. The regression total of squares (42.904) is considerably greater than the residual sum of squares (37.011), indicating that the selected variables (physical work environment, social work environment, direct compensation, indirect compensation) account for a large percentage of the variation in job satisfaction. The model's F statistic (42.602) is highly significant (p < .001), indicating that the independent variables may predict each other (Ibrahim et al., 2024). The mean square for regression (10.726) vs the residual (.252) supports the model's strength. This rigorous model demonstrates the significance of these workplace elements in understanding employee happiness, hence supporting their priority in organizational growth plans.

Table 7. Coefficients

Variables	В	Std. Error	Beta	t	Sig.	Decision
Constant	tant .326 .223			1.457	.147	Rejected
PW	.387	.072	.385	5.374	<.001	Accepted
SW	.006	.061	.007	.093	.926	Rejected
DC	.269	.069	.273	3.875	<.001	Accepted
IN	.229	.068	.238	3.351	.001	Accepted

Note: Job satisfaction = JS, Physical work environment = PW, Social work environment = SW, Direct compensation = DC, Indirect compensation = IN.

Table 5. Regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.733	.537	.524	.50177	.537	42.602	4	147	< .00⋅

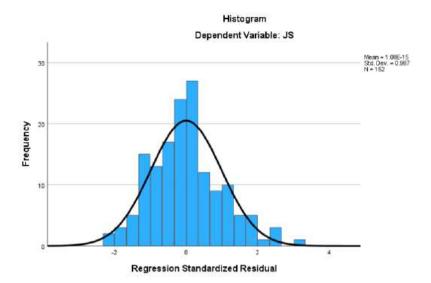


Figure 1. Regression histogram

As shown in Table 7, the physical work environment emerges as the biggest predictor of job satisfaction, with a considerable standardized coefficient (Beta = .385) and high statistical significance (p <.001). Direct compensation and indirect compensation both contribute considerably to the model (Beta = .273 and .238, respectively), with both obtaining statistical significance and highlighting their relevance in affecting job satisfaction. Social work environment had an insignificant Beta coefficient (.007) and a p-value (.926), indicating no significant influence on job satisfaction. The Constant's significance level (p = .147) shows that it does not contribute to the prediction of job satisfaction beyond the effect of the included variables. These results imply that, whereas salary and the physical work environment are important factors in improving job satisfaction at Al-Hoty Analytical Services, the social work environment might not have as much of an impact in this particular setting. This might be a reflection of the company's emphasis on establishing a physically comfortable workplace, with less emphasis on or need for improvement in social connections.

Figure 1 shows that the normalized residuals for the dependent variable (job satisfaction) resemble a normal distribution, as shown by the bell-shaped curve. The residual mean is quite near zero (1.08E-15), and the standard deviation is very modest (0.987), showing that the regression model's predictions are unbiased on average and the residual variance is consistent.

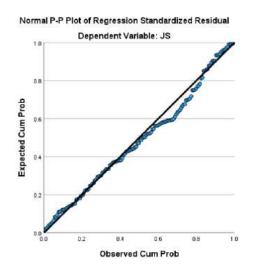


Figure 2. Normal P-P plot of regression standardized residuals

The distribution's skewness seems to be minimal, indicating that the homoscedasticity requirement (equal variance of residuals) is most likely fulfilled. The majority of residuals cluster around the mean, with fewer observations in the tails, as expected from a normal distribution. This conformance to normalcy enhances the validity of the regression model's conclusions about job satisfaction, supporting the use of linear regression methods to examine the effect of predictors. The sample size (N = 152) gives enough data points to validate the model's appropriateness, making it a reliable instrument for analyzing variables that influence job satisfaction.

In Figure 2, a normal P-P plot of regression closely follows the diagonal line, indicating that the residuals have a normal distribution. This adherence to the predicted cumulative probability demonstrates that the linear regression model's normalcy assumption is satisfied, which supports the validity of residual-based statistical tests.

In summary, the analysis confirms that the physical work environment and direct and indirect compensation significantly influence employee job satisfaction. However, the social work environment does not appear to have a substantial effect, warranting further investigation.

4. DISCUSSION

The findings show that direct and indirect remuneration and the physical work environment significantly improve job satisfaction. Employee satisfaction, however, did not appear to be much impacted by the social work environment. These results provide fresh perspectives on how certain workplace features affect employees' overall job satisfaction within a particular organizational setting. The finding that the physical work environment positively influences job satisfaction is consistent with prior studies (Kumala, 2023; Yousaf, 2020; Zarnuji, 2023), which found that ergonomic design and workplace layout significantly impact employee well-being. Similarly, the positive impact of direct and indirect compensation is supported by earlier work by Chen et al. (2021) and Ali and Anwar (2021), who identified compensation as a key motivator for enhancing employee satisfaction and performance. However, the lack of significant influence of the social work environment contradicts Hawkins et al. (2023), who argued that a supportive social environment enhances morale and satisfaction. This divergence may be due to differences in organizational culture or the specific context of the company under study.

This finding also is consistent with the findings of previous academic studies by Kumari and Kaur (2023), Pawar et al. (2024), Ahumada-Tello and Ramos (2024), Gazi et al. (2022), Sugiarto and Huruta (2023), and Bahilot et al. (2024), who found a significant positive association between different pay characteristics and work satisfaction. The endeavor's correlation analysis revealed a favorable relationship between the physical work environment and job satisfaction. Concurrently, regression studies identified the physical work environment as a statistically significant predictor of job satisfaction. In contrast, the social work environment, although positively connected with job satisfaction, was not identified as a significant driver in the regression model. This disparity may have an explanation in the complex, multiple arena of social work situations, where the complicated interaction of human behavior, social systems, and individual well-being makes isolated influences difficult.

In terms of compensation, the study found a clear, positive relationship between direct compensation and work satisfaction, with regression analysis showing direct compensation as a major predictor. Similarly, the regression model identified indirect remuneration as a key factor in addition to being positively connected with work satisfaction. This study's contribution to the current body of information is multifaceted. It verifies prior research results on the favorable influence of work environment and compensation on job satisfaction, emphasizing their relevance in organizational initiatives. Second, it emphasizes the varied character of the work environment's influence, shedding light on the complex and perhaps underappreciated realm of social work settings. Third, it emphasizes the importance of both direct and indirect types of pay as drivers of work satisfaction. Finally, the study's findings provide a compelling case for complete organizational policies that address both the physical and social components of the workplace, as well as a balanced remuneration

plan. Such regulations are critical for creating a work environment that not only satisfies workers but also boosts their engagement, productivity, and loyalty. These data add a compelling story to the scientific discussion of organizational management and employee well-being, confirming the need for an integrated strategy for human resource development.

However, the results of Hawkins et al. (2023), who emphasized the significance of supporting social contacts in generating job happiness, are in contrast with this current study. The organizational culture at Al-Hoty Analytical Services, which prioritizes material gains and infrastructure over interpersonal connections, could account for this disparity. Particularly in a technical or professional services industry, employees in this context may place a higher value on a functioning and com-

fortable office and competitive salary than on interpersonal relationships.

The findings have a number of ramifications for further investigation. First, a qualitative study could examine the intricate social dynamics at work in these kinds of organizations, considering the surprising lack of significance of the social work setting. Gaining knowledge about how workers view and value social connections at work could help one better understand this link. Furthermore, it would be beneficial to carry out comparison analyses among various industries to determine whether the same trends apply to other fields. Ultimately, further research on the long-term effects of direct and indirect compensation on job satisfaction and employee retention may help firms develop more successful compensation plans.

CONCLUSION

This study examines the factors that influence job satisfaction among employees at Al-Hoty Analytical Services in the Kingdom of Bahrain. The study found that the physical work environment and direct and indirect pay considerably affect employee job satisfaction. However, the work environment has less influence in this context. The considerable beneficial influence of the physical work environment on job satisfaction is consistent with previous research emphasizing the relevance of ergonomic design and office layout in improving employee well-being. Similarly, the significant impact of both direct and indirect remuneration on job satisfaction emphasizes the importance of income and benefits in motivating employees and improving overall happiness.

Nonetheless, the lack of significant influence from the social work environment contradicts previous research emphasizing the value of positive social connections. This disparity could be linked to Al-Hoty Analytical Services' distinct organizational culture or the nature of the business, in which employees may emphasize concrete benefits and a functional work environment over social relationships.

These findings carry significant implications for corporate management and HR initiatives, particularly in Bahrain. They suggest that businesses should focus on creating comfortable and well-designed physical workspaces, while also offering comprehensive compensation packages that encompass both direct and indirect benefits. However, social work environment, despite its limited influence in this context, should not be overlooked, as its impact can vary depending on the organizational culture.

Several limitations in this study should be considered. First, the study was carried out in a single company within a specific industry, which may restrict the generalizability of the findings. Second, because the study's methodology is cross-sectional, causal correlations between variables cannot be identified. Finally, the surprising conclusion about the social work environment demands more inquiry to determine the underlying causes that contributed to this result.

Future research should aim to address the limitations of this study by broadening the scope to include multiple Bahraini enterprises from various industries. Longitudinal research could help establish causal

links between work environment features, remuneration, and job satisfaction over time. Additionally, qualitative research methodologies could be employed to delve into the nuances of social interactions at work and their potential impact on job satisfaction.

Furthermore, cross-cultural studies could shed light on how these factors affect job satisfaction in other situations. Investigating the long-term effects of various remuneration systems on employee retention and organizational performance could provide useful information for developing effective human resource policies.

As a result, this study adds to the expanding body of literature on job satisfaction by presenting empirical evidence from the Bahraini setting. The findings highlight the importance of taking a holistic approach to employee satisfaction, taking into account both concrete and intangible components of the workplace. Understanding and managing these elements will be critical for firms looking to attract and retain talent in a highly competitive global market.

AUTHOR CONTRIBUTIONS

Conceptualization: Marwan Milhem, Mohammed Alzoraiki, Masooma Sayed Husain.

Data curation: Ali Ateeq, Mohammed Alzoraiki, Masooma Sayed Husain, Ahmed Yahia Mustafa

Alastal.

Formal analysis: Ali Ateeq.

Funding acquisition: Marwan Milhem, Ali Ateeq, Ahmed Yahia Mustafa Alastal.

Investigation: Marwan Milhem, Mohammed Alzoraiki.

Methodology: Marwan Milhem, Ali Ateeq, Masooma Sayed Husain, Ahmed Yahia Mustafa Alastal.

Project administration: Ali Ateeq.

Resources: Marwan Milhem, Mohammed Alzoraiki, Masooma Sayed Husain, Ahmed Yahia Mustafa

Alastal.

Software: Ali Ateeq, Mohammed Alzoraiki.

Supervision: Marwan Milhem, Ali Ateeq, Mohammed Alzoraiki, Masooma Sayed Husain, Ahmed

Yahia Mustafa Alastal.

Validation: Masooma Sayed Husain.

Visualization: Marwan Milhem, Ali Ateeq, Ahmed Yahia Mustafa Alastal.

Writing – original draft: Ali Ateeq, Masooma Sayed Husain.

Writing – review & editing: Marwan Milhem, Ali Ateeq, Mohammed Alzoraiki, Ahmed Yahia Mustafa Alastal.

REFERENCES

- Abawa, A., & Obse, H. (2024).
 Organizational culture and organizational performance: Does job satisfaction mediate the relationship? Cogent Business & Management, 11(1), Article 2324127.
 http://dx.doi.org/10.1080/23311975.2024.2324127
- 2. Abolnasser, M. S. A., Abdou, A. H., Hassan, T. H., & Salem, A. E. (2023). Transformational leadership, employee engagement, job satisfaction, and psychological
- well-being among hotel employees after the height of the COVID-19 pandemic: A serial mediation model. *International Journal of Environmental Research and Public Health*, 20(4), Article 3609. https://doi.org/10.3390/ijerph20043609
- Ahumada-Tello, E., & Ramos, K. (2024). Reality or utopia? The happiness of university academics in their professional performance: Evidence from an emerging country (Mexico). Management Deci-
- sion, 62(2), 403-425. http://dx.doi. org/10.1108/MD-02-2023-0299
- 4. Alenazy, F. S., Dettrick, Z., & Keogh, S. (2023). The relationship between practice environment, job satisfaction and intention to leave in critical care nurses. *Nursing in Critical Care*, 28(2), 167-176. https://doi.org/10.1111/nicc.12737
- 5. Ali, B. J., & Anwar, G. (2021). An empirical study of employees' motivation and its influence job satisfaction. *International Journal*

- of Engineering, Business and Management, 5(2), 21-30. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3822723
- 5. Ateeq, A., Alaghbari, M. A., Ateeq, R. A., & Ahmed, A. Y. (2024). Understanding and addressing data security and privacy concerns in modern cloud computing systems. 2024 ASU International Conference in Emerging Technologies for Sustainability and Intelligent Systems (ICETSIS). Manama, Bahrain. https://doi.org/10.1109/ICETSIS61505.2024.10459534
- Bahilot, S. M., Ello, A., Quiring, J., Robante, M., Templa, E., & Rosales, K. (2024). Compensation satisfaction and the perceived teaching performance of teachers in St. Peter's College of Toril, Inc: A correlational study. *Psychology* and Education: A Multidisciplinary Journal, 19(10), 406-406. Retrieved from https://scimatic.org/ show_manuscript/2930
- 8. Bai, A., Vahedian, M., Ghahreman, R., & Piri, H. (2023). Elevating women in the workplace: The dual influence of spiritual intelligence and ethical environments on job satisfaction. *Journal of Business Management and Economic Development*, 2(02), 472-490. https://doi.org/10.59653/jbmed.v2i02.599
- Basalamah, M. S. A., & As'ad, A. (2021). The role of work motivation and work environment in improving job satisfaction. Golden Ratio of Human Resource Management, 1(2), 94-103. http://dx.doi.org/10.52970/grhrm.v1i2.54
- Boccoli, G., Gastaldi, L., & Corso, M. (2023). The evolution of employee engagement: Towards a social and contextual construct for balancing individual performance and well-being dynamically. *International Journal of Management Reviews*, 25(1), 75-98. https://doi. org/10.1111/ijmr.12304
- Bos-Nehles, A., Townsend, K., Cafferkey, K., & Trullen, J. (2023). Examining the Ability, Motivation and Opportunity (AMO) framework in HRM research: Conceptualization, measurement and interactions. *International Journal* of Management Reviews, 25(4),

- 725-739. https://doi.org/10.1111/ ijmr.12332
- Cao, Y., Gao, L., Fan, L., Zhang, Z., Liu, X., Jiao, M., Li, Y., & Zhang, Sh. (2023). Effects of verbal violence on job satisfaction, work engagement and the mediating role of emotional exhaustion among healthcare workers: A cross-sectional survey conducted in Chinese tertiary public hospitals. BMJ Open, 13(3), Article e065918. https://doi.org/10.1136/bmjopen-2022-065918
- Charles, E., Ugbe, F. A., Linus, M. L., Igbudu, N. I., & Oyibundu, J. M. (2022). Empirical study on compensation management and employee performance in selected organizations in Cross River State. *International Journal of Economics and Business Modelling*, 1(2), 15-20. Retrieved from https://unicross.edu.ng/researchyiew.php?sid=12
- Chen, C., Huang, F., Wang, K., Jing, X., Zhou, M., & Zhang, J. (2021). Income and life satisfaction of dual-earner couples: A dyadic study. Asian Journal of Social Psychology, 24(4), 553-564. https://doi. org/10.1111/ajsp.12460
- Department of Defense. (1995). FY 1996/1997 Biennial Budget Estimates, February 1995. Retrieved from https://www.loc.gov/item/00416150801/
- Didit, D. D., & Nikmah, N. R. S. (2020). The role of remuneration contribution and social support in organizational life to build work engagement. *Journal of Islamic Economics Perspectives*, 1(2), 20-32. https://doi.org/10.35719/jiep. v1i2.24
- 17. Gazi, M. A. I., Islam, M. A., Shaturaev, J., & Dhar, B. K. (2022). Effects of job satisfaction on job performance of sugar industrial workers: Empirical evidence from Bangladesh. Sustainability, 14(21), Article 14156. http://dx.doi. org/10.3390/su142114156
- George, P., & Sreedharan, N. V. (2023). Work life balance and transformational leadership as predictors of employee job satisfaction. Serbian Journal of Management, 18(2), 253-273. https://doi. org/10.5937/sjm18-34305

- 19. Harrison, S. A., Wong, V. W.-S., Okanoue, T., Bzowej, N., Vuppalanchi, R., Younes, Z., Kohli, A., Sarin, Sh., Caldwell, S. H., Alkhouri, N., Shiffman, M. L., Camargo, M., Li, G., Kersey, K., Jia, C., Zhu, Y., Djedjos, C. S., Subramanian, G. M., Myers, R. P., ... STELLAR-4 Investigators. (2020). Selonsertib for patients with bridging fibrosis or compensated cirrhosis due to NASH: Results from randomized phase III STELLAR trials. Journal of Hepatology, 73(1), 26-39. https:// doi.org/10.1016/j.jhep.2020.02.027
- 20. Hawkins, G. T., Chung, C. S., Hertz, M. F., & Antolin, N. (2023). The school environment and physical and social-emotional well-being: Implications for students and school employees. *Journal of School Health*, 93(9), 799-812. https://doi.org/10.1111/josh.13375
- 21. Hidayati, L., & Zulher, Z. (2022). The effect of leadership and compensation on employee performance with motivation as moderating variables at the Pangeran Hotel Pekanbaru. *IJEBD* (International Journal of Entrepreneurship and Business Development), 5(1), 82-91. Retrieved from http://download.garuda. kemdikbud.go.id/article.php?art icle=2571939&val=11801&title= The%20The%20Effect%20of%20 Leadership%20and%20Compensation%20on%20Employee%20 Performance%20with%20Motivation%20as%20Moderating%20 Variables%20at%20the%20Pangeran%20Hotel%20Pekanbaru
- Hiltrop, J.-M. (1999). The quest for the best: Human resource practices to attract and retain talent. *European Management Journal*, 17(4), 422-430. https://doi.org/10.1016/ S0263-2373(99)00022-5
- Ibrahim, A., Al-refaei, A. A.-a., Alshuhumi, S., Al-Hidabi, D., & Ateeq, A. (2024). The Effect of Entrepreneurial Leadership on Employee's Creativity and Sustainable Innovation Performance in Education Sector: A Literature Review. Business Development via AI and Digitalization, 2, 143-154. https://doi.org/10.1007/978-3-031-62106-2_12

- 24. Idris, I., Adi, K. R., Soetjipto, B. E., & Supriyanto, A. S. (2020). The mediating role of job satisfaction on compensation, work environment, and employee performance: Evidence from Indonesia. Entrepreneurship and Sustainability Issues, 8(2), 735-750. https://doi. org/10.9770/jesi.2020.8.2(44)
- 25. Kumala, F. (2023). The influence of job demand and work environment on employee performance. *Talent: Journal of Economics and Business*, *1*(01), 1-6. https://doi.org/10.59422/jeb.v1i01.187
- Kumari, S., & Kaur, K. (2023). Perceived organizational virtuousness impact on workplace happiness:
 Mediating role of job satisfaction for sustainability in IT/ITeS organizations. Human Systems
 Management. http://dx.doi.
 org/10.3233/hsm-230037
- 27. Milhem, M., Tahayna, A. M.
 A., Ayyash, M. M., Ali, A. A. A.,
 Al-Zoraiki, M., & Alkadash, T.
 (2024). The mediating role of
 organizational culture in the
 relationship between workforce
 diversity and turnover intention
 among employees in Palestine.
 In E. Khoury & N. Nasrallah
 (Eds.), Intelligent Systems, Business, and Innovation Research (pp.
 807-816). Springer. https://doi.
 org/10.1007/978-3-031-368950 68
- 28. Mirza, M., & Azmy, A. (2023). Conceptual model of compensation as organizational commitment and job satisfaction in manufacturing company. *International Journal of Multicultural and Multireligious Understanding, 10*(12), 321-334. http://dx.doi.org/10.18415/ijmmu.v10i12.5360
- 29. Mishra, P. (2023). Awareness of social security measures and the challenges faced by women workers in the informal sector of Jharkhand. *Indian Journal of Human Development*, 17(1), 191-200. https://doi.org/10.1177/09737030221146026
- 30. Ng, K. Y. (2023). The impact of job satisfaction, organisational commitment, work-life balance and pay and reward towards employ-

- ees' turnover intention. UTAR. Retrieved from http://eprints.utar. edu.my/5874/
- 31. Nkanabo, C. (2022). The assessment of non-monetary rewards on mining industry employees' performance: A case of Geita Gold Mining Company Limited in Geita. The Open University of Tanzania. Retrieved from https://repository.out.ac.tz/3733/
- Nuraini, B. (2023). Employee performance optimization: The synergy of leadership and compensation. Asadel Publisher.
- 33. Pawar, J., Owhal, S., Kumar, B. R., & Swamy, S. M. (2024). An empirical study on training and development's effect on employee satisfaction in manufacturing industries in Pune Midc Area. Acta Scientiae, 7(1), 122-131. Retrieved from https://periodicosulbrabra.org/index.php/acta/article/view/28
- Rasheed, M. I., Jamad, W. N., Pitafi, A. H., & Iqbal, S. M. J. (2020). Perceived compensation fairness, job design, and employee motivation: The mediating role of working environment. South Asian Journal of Management, 14(2), 229-246. Retrieved from https://pdfs.semanticscholar.org/0 6a7/60c442645771857320798e27d c5700e16264.pdf
- Sugiarto, A., & Huruta, A. D. (2023). Antecedents of green creativity: The mediating role of employee green commitment and employee job satisfaction. Cogent Business & Management, 10(2), Article 2222491. https://doi.org/10.1080/23311975.2023.2222491
- 36. Thibault Landry, A., Schweyer, A., & Whillans, A. (2017). Winning the war for talent: Modern motivational methods for attracting and retaining employees. *Compensation & Benefits Review*, 49(4), 230-246. https://doi.org/10.1177/0886368718808152
- 37. Winton, B. G. (2023). Disaggregating emotional intelligence: Building job satisfaction through emotional abilities. *International Journal of Organizational Analysis*, 31(3), 569-586. http://dx.doi.org/10.1108/IJOA-03-2021-2669

- 38. Yousaf, S. (2020). Dissection of Herzberg's two-factor theory to predict job satisfaction: Empirical evidence from the telecommunication industry of Pakistan. *Lahore Journal of Business*, 8(2), 85-128. https://doi.org/10.35536/ljb.2019.v8.v2.a4
- 39. Zarnuji, A. (2023). The performance of non-pns Islamic religious exechers with work environment on work satisfaction of employees of the Ministry of Religion Office in Kua Simokerto District, Surabaya City. *Journal International Dakwah and Communication*, 3(1), 33-42. http://dx.doi.org/10.55849/jidc.v3i1.193