

# Effect of Job Enrichment and Direct Financial Compensation on Job Satisfaction with Motivation as an Intervening at Bank BRI Branch Office Tenggarong

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# EFFECT OF JOB ENRICHMENT AND DIRECT FINANCIAL COMPENSATION ON JOB SATISFACTION WITH MOTIVATION AS AN INTERVENING AT BANK BRI BRANCH OFFICE TENGGARONG

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**Abstract:** The development of Indonesia's financial industry has a suitable image from the perspective world; one of them is Bank Rakyat Indonesia, which has the highest rank in the most extensive company category in Indonesia with 347 out of 2000 companies in the world. (Andrea Murphy, Hank Tucker, 2020). To get this achievement, indeed not be separated from one of the company employees' essential aspects. The purpose of this study was to determine the effect of job enrichment and direct financial compensation on job satisfaction and whether Motivation also has an indirect relationship with job satisfaction. The data analysis technique used was variant-based structural equation modeling with has research method using partial least square. This research shows that job enrichment and direct financial compensation have simultaneously a significant positive to job satisfaction, but for motivational construct has contributed positively but does not experience a significant to job satisfaction. And to motivation dimension, job enrichment has a significant positive effect on Motivation, but job satisfaction has a positive but insignificant effect on Motivation

**Keywords:** Job Enrichment, Direct Financial Compensation, Job Satisfaction, Motivation

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## 1. Introduction

The development of the financial industry in Indonesia has a suitable image from the perspective world; one of them is Bank Rakyat Indonesia, which has the highest rank in the most extensive company category in Indonesia with 347 out of 2000 companies in the world (Andrea Murphy, Hank Tucker, 2020). To get this achievement, indeed not be separated from one of the company employees' essential aspects. The companies included in the category of State-Owned Enterprises (BUMN), Bank Rakyat Indonesia (BRI) aggressively make innovations, especially those focusing on digital banking services. Rooted from these innovations, BRI is a clear example that as a state-owned company, it can make it big through innovations that are developed without relying solely on the title as a BUMN company.

Bank Rakyat Indonesia Tenggara Branch Office is from the branch of Bank Rakyat Indonesia, which is headquartered in Jakarta. Bank BRI Tenggara Branch Office is tasked to support and also monitor all banking operations of each BRI Bank unit office in the Tenggara area.

Satisfaction and Motivation are interrelated; Motivation can be considered as a critical factor that can make employees feel satisfied with their work. According to Beck (1983), who is quoted (Murhadi, 2013) that happy employees will tend to be more motivated and more loyal to the company, so they will work independently and carry out their assigned tasks enthusiastically; thus, it also has an impact on the quality of work output.

Job Enrichment is significant to research to determine whether implementing job enrichment can affect employee job satisfaction. The purpose of work enrichment is to increase employee satisfaction as well as to increase employee motivation. (Armstrong, 2014). Job enrichment provides work motivation by allowing employees to use various abilities possessed by employees.

Bank BRI has implemented the Performance-Based Careers Development program, which is one of the implementations of Bank BRI. In principle, the program provides equal opportunities for every employee in career development, carried out through specially planned training such as job enrichment.

According to the BRI management report in 2018, BRI has implemented a Job Enrichment program in employee assignments in various BRI Bank projects to increase employee motivation and create a competitive environment in the employee work environment (BRI, 2018).

Apart from intrinsic factors, Motivation from extrinsic factors also has a vital role in applying employee job satisfaction; among them is direct financial compensation. According to Rehman et al. (2007) cited by (Murhadi, 2013), if employees felt their compensation is less appropriate than other people both within and others with the same function or outside the company, they will not be motivated to feel satisfied with his job. So reason that direct financial compensation is essential to study to find out whether the direct financial compensation provided by the company is one of the reasons for employees feeling satisfied working at the company.

For the direct financial compensation system, Bank BRI implements employee welfare improvement based on the individual performance of employees, work units, and companies that aim not only to improve performance but also to shape employee behavior in carrying out their duties.

## 2. Literature Review

### 3 Job Enrichment

Job Enrichment is not just increasing the number or variety of tasks but also providing opportunities for job rotation. These approaches may relieve boredom, but they do not result in positive increases in Motivation (Armstrong, 2014).

Job Enrichment is an extension of work where, in addition to the main task, employees are given the authority to regulate the work to fit the company expectations. Here, job settings regulate how employees primarily work with the planning, coordination, and evaluation according to which the effects are applied. Enrichment duty also applied as an effort to increase their responsibility within the job.

Job enrichment stems from Frederick Herzberg's two-factor theory, which says that two dimensions contribute to the workplace's behavior; the first dimension is known as climatic factors either (hygiene) involves the presence or absence of job dissatisfaction, such as wages or salary, work environment, and rules. The second dimension is a motivating factor to meet a higher level's needs, such as achievement, responsibility, and recognition. There are five that affect Motivation: a variation of tasks, task identity, task significance, autonomy, and feedback.

### 5 Direct Financial Compensation

Compensation is the total of all rewards provided to employees in return for their work (Mondy, 2016). Employee compensation includes all forms of pay going to the employee and arising from their employment indirect financial payment pay in the form of wage, salaries, incentives, commission, and bonuses (Dessler, 2013).

Direct financial compensation represents payments received by employees for their work in the form of direct payments that can be received by employees after they perform their duties. Direct payments are accepted in the salary paid periodically and permanently, wage payments agreed in the agreement, commission, bonus, and sales.

According to (Mondy, 2016) financial equity is employees' perception that they are paid somewhat by the company. Forms of compensation fairness include external equity, internal equity, employee equity, and team equity.

### 11 Motivation

Motivation represents the forces within a person that affect their direction, intensity, and persistence of voluntary behavior (McShane, 2018). A motive is a reason for doing something. Motivation is concerned with the strength and direction of behavior and the factors that influence people to behave in specific ways". (Armstrong, 2010).

From this theory, it can be concluded. Motivation is the reason for someone to do something voluntary that takes into account the direction of behavior, intensity, and persistence in order to achieve something that has been set. Motivation also refers to what purpose is owned and how others try to influence the direction, intensity, and persistence about achieving the goals they have.

### 24 Job Satisfaction

According to Locke (1976) According to (Armstrong, 2014) Job Satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job and job experiences. According to (Yalabik, Popaitoon, Chowne, & Rayton, 2013), Job Satisfaction is an antecedent of work engagement. It is related to other attitudes and behaviors. Positively is related to organizational commitment, job involvement, organizational citizenship behaviors, and mental health negatively are related to turnover and stress. Job satisfaction is a positive or pleasant emotional state that one feels after doing a job and produce an assessment and work experience that is positive from the work that has been done. This positive assessment and work experience impact the better commitment and involvement of a person in his work.

## 3. Research Method

In this study, the research method used is quantitative research. The data source data is primary data obtained by collecting questionnaire data and carried out in 2 stages, online questionnaires and offline questionnaires. This research was conducted at Bank BRI Branch Office Tenggarong, East Kalimantan. The length of the research period is three months, from February until April 2020.

The study population was all Bank BRI Branch Office Tenggarong working section branch office in Tenggarong town with a population of as many as 73 employees. The sampling technique used was saturated sampling. All of the existing population research sample because the population there is relatively small; however, the samples are taken only from the respondents' permanent employees and contract employees, amounting to 49 respondents.

The hypothesis model used in this study can be seen in Figure 1.

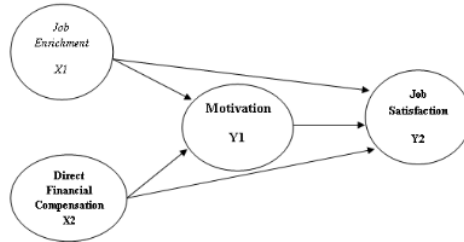


Figure 1. Hypothesis Model

Based on the hypothesis model Figure 1, this research could be formulated as below:

H1: Job Enrichment has a positive and significant effect on employee motivation.

H2: Direct Financial Compensation has a positive and significant effect on employee motivation

H3: Job Enrichment has a positive and significant effect on Employee Job Satisfaction.

H4: Direct Financial Compensation for Employee Job Satisfaction.

H5: Motivation has a positive and significant effect on Employee Job Satisfaction

### Results And Discussions

In the research sample, outsourcing employees were not included in this study because the compensation system provided was different from permanent employees and contract employees at the BRI branch offices. This is due to the compensation from the outsourced workers' salaries through a third party from the Tenggara Branch Office BRI Bank.

Table 1. Demographic Sample

Demographic Criteria	Range	Number of Samples
Gender	Male	28
	Female	21
Age	Total	49
	18-20 years old	14
	21-25 years old	25
	Above 30 years old	10
Respondents monthly Income	Total	49
	Under Rp 2.000.000	0
	Rp 2.000.000-Rp 5.000.000	37
	Above Rp 5.000.000	12
Length of Work of Respondents	Total	49
	Under one-year	9
	1-5 years	28
	Above five years	12
	Total	49

Source: Primary Data

**Measurement Model (Outer Model)**

Table 2. Measurement Model Result

Variable	Indicator	Loading	CR	Cronbach's Alpha	AVE	Discriminant Validity
X1	Given responsibility, apart from the primary task	0,678	0.879	0.826	0.595	YES
	Interacting with stakeholders while on duty	0,790				
	Given the authority to make decisions on own	0,855				
	Get feedback and advice from the boss about my performance	0,880				
	Received criticism and suggestions from stakeholders	0,624				
X2	Salary by the level of performance and competence	0,689	0.877	0.810	0.645	YES
	Salary according to the workload that I have	0,699				
	Incentives are by the results of my work	0,899				
	Legally providing incentives by the Bank	0,900				
Y2	Have challenging work conditions	0,879	0.853	0.766	0.597	YES
	Promotion opportunities	0,560				
	Supervisors can show interest and concern for employees.	0,839				
	Colleagues support each other	0,774				
Y1	Enjoy the work that is owned	0,804	0.858	0.780	0.602	YES
	Get recognition from others	0,783				
	Look for ways to make work effective	0,758				
	It is essential to carry out	0,759				

	the development of performance					
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Source: Output Smart PLS

<sup>14</sup> Note AVE>0.50 (Larcker, 2012); <sup>19</sup> <sup>14</sup>ingle, 2009), Composite Reliability>0.70 (Joseph F. Hair, 2014), Cronbach's alpha>= 0.60, (Nunnally, J. C., Bernstein, 1994)

Table 2 showed all the outer loading. Each indicator variable loading factor exceeds the value that has been set. So that all indicator variables are considered valid after a test of convergent validity (Convergent Validity).

For the final results of Fornell-Larcker Criterion to the square root of AVE construct on the diagonal and correlations among constructs. The construct reflective Job Enrichment has a value of 0.772 for the square root of a value AVE. Overall, the square root of the AVE to the reflective construction Job Enrichment (0.776), Direct Financial Compensation (0.803), Motivation (0.776) has a higher value than construction correlation with other latent variables in the model of the pathway.

Moreover, for composite reliability, values of 0.70 to 0.60 are acceptable in exploratory research (Nunnally, J. C., Bernstein, 1994). All indicator variables also are valid after a reliability test composites, and to value AVE of 0:50 or higher indicates that, on average, constructs account for more than half of the variance indicator.

**Structural Model (Inner Model)**

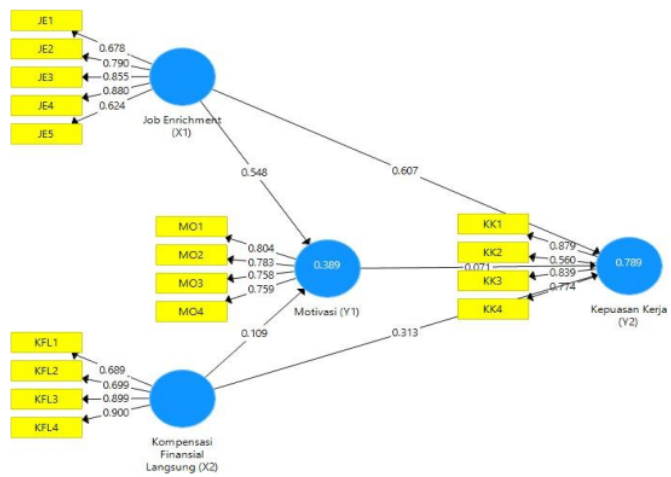


Figure 2. Output Structural Model SEM PLS

Table 3. Structural Model Result

Relation	Original Sample	Mean Sample	Standard Error	T Statistic	p Values	Significance Levels
X1→Y1	0.548	0.541	0.146	3.747	.00	***
X1→Y2	0.607	0.618	0.114	5.314	.00	***
X2→Y1	0.109	0.136	0.173	0.629	.53	NS
X2→Y2	0.313	0.324	0.116	2.706	.01	***
Y1→Y2	0.071	0.056	0.171	0.413	.68	NS

Source: Output Smart PLS

Note: not significant (NS)

\* p < .10 , \*\* p < .05 , \*\*\* p < .01

Based on Table 3, Construct job enrichment and direct financial compensation jointly contribute significantly to job enrichment job satisfaction, which has significantly higher levels of .00 p-value (<.01), and direct financial compensation have a high level of significance with a p-value of .01 (<.05). However, to construct Motivation on job satisfaction experienced no significant p-value of .68 (exceeding the value of the significantly lower level .10). The motivation variable is formed significantly due to job enrichment, which has a p-value level of 0.00 which is significantly higher (<.05). However, to construct a direct financial compensation to motivate experienced no significant p-value of .53 (exceeding the value of the significantly lower level .10).

## DISCUSSION OF RESEARCH RESULTS

### The Influence Of Job Enrichment on Motivation

Based on the questionnaires' analysis using research methods Partial Least Square, job enrichment has a positive and significant relationship to Motivation. This showed that employees' involvement studied the impact of their Motivation refers to how employees BRI Branch Office Tenggara set the top job at Bank BRI Branch Office Tenggara with the planning, coordination, and evaluation according to them effectively to be applied.

In the job enrichment variable, an indicator with the highest intolerant related to their Influence on the Motivation is to Expand Job Vertically, the vertical expansion which gives responsibility and control to employees, which means that the Influence on the Motivation of job enrichment is mainly due to the Influence of superiors who gave the responsibility and control to its employees for the work that will be or is being done by employees in the company so that it affects the quality of employee motivation in the company.

### The Influence Of Direct Financial Compensation on Motivation

Based on the questionnaires' analysis using research methods Partial Least Square, direct financial compensation but not a significant positive effect on Motivation. This showed that the employees a sense of Motivation while performing their job duties at Bank BRI Branch Office Tenggara, but it cannot describe their Motivation due to the direct financial compensation they receive.



Indirect financial compensation variable, a revelation with the highest intolerant related to their Influence on the Motivation is the Remuneration and incentives can motivate to improve performance. The lowest salary is received by the level of performance and competency. This means that with the direct financial compensation according to the respondents to improve their performance, but for the adjustment of financial compensation directly with the competence and performance levels are still said to be sufficient, so the need for more attention on the suitability of direct financial compensation they receive with the competence and performance levels of employees.

#### **The Influence Of Job Enrichment on Job Satisfaction**

Based on the questionnaires' analysis using research methods Partial Least Square, job enrichment has a positive and significant relationship to job satisfaction. It showed the employee how to increase engagement and give their best in working at Bank BRI Branch Office Tenggarong.

In the job enrichment variable, an indicator that has the highest intolerant about their effect on job satisfaction is an open feedback channel, opening feedback channels that occur in the workplace. The statement represents the indicator of open feedback and suggestions regarding employee performance both from their bosses and Bank customers. With such feedback, employees can manage their job better so that the performance of work to be increased, which ultimately can affect the job satisfaction of the employees themselves.

#### **The Influence Of Direct Financial Compensation on Job Satisfaction**

Based on the analysis of questionnaires by using research methods Partial Least Square, direct financial compensation directly influence employee job satisfaction means are researched quite satisfied with direct financial compensation received by employees.

Financial compensation is obtained directly from the company for the results of their work. If the employees' performance level has a good result, the compensation to be received also has good results. Moreover, if employees get fair compensation, employees will feel satisfied at work. In the direct financial compensation variable, a statement with the highest intolerant about their effect on job satisfaction is the salary received by their work burden. This means that those who receive financial compensation have good results on job satisfaction related to the suitability of the workload for each employee.

#### **The Influence Of Motivation on Job Satisfaction**

Based on the questionnaires' analysis using research methods Partial Least Square, Motivation is a positive but not significant effect on job satisfaction. It showed that in this study, the employees have a sense of Motivation while performing their job duties at Bank BRI Branch Office Tenggarong, but it cannot describe their job satisfaction.

At the motivation variable, a statement with the highest intolerant about their effect on job satisfaction is the importance of development in terms of performance to get a better chance. According to respondents, undertake development efforts on the performance can be a good opportunity for their work. So it can bring a positive motivational effect on job satisfaction, but the correlation between the two does not have any effect. The lack of significant opportunities is due to a greater influence than other motivational indicators

because the previous statement according to performance dominates <sup>1</sup> the relationship between Motivation and job satisfaction.

#### 4. Conclusion and Suggestion Discussion

##### Conclusion

- a. Job Enrichment has a positive and significant relationship to Motivation. This shows the existence of a relationship and the effect of job enrichment on the Motivation of Bank BRI KC Tenggarong. So it can be concluded that job enrichment has a positive and significant relationship to Motivation, which means that **hypothesis 1 is accepted**.
- b. Job Enrichment has a positive and significant relationship with job satisfaction. This shows the existence of a relationship and the effect of job enrichment on job satisfaction of employees of Bank BRI KC Tenggarong. So it can be concluded that job enrichment has a positive and significant relationship with job satisfaction, which means that **hypothesis 2 is accepted**.
- c. Direct financial compensation has a positive relationship but no significant effect on Motivation. This shows a relationship between financial compensation directly to the Motivation but not followed significant development on employee motivation BRI KC Tenggarong. It can be concluded that financial compensation directly has a positive relationship but no significant effect on Motivation, which means that **hypothesis 3 is rejected**.
- d. Direct financial compensation has a positive and significant relationship with job satisfaction. This shows that the employees surveyed felt their job satisfaction or stints due to the direct financial compensation from Bank BRI KC Tenggarong. It can be concluded that direct financial compensation has a positive and significant relationship to job satisfaction, which means that **hypothesis 4 is accepted**.
- e. Motivation has a positive but not significant relationship to work satisfaction. This shows a relationship between motivation and job satisfaction but not followed significant development of employee job satisfaction. It can be concluded that the Motivation to have a positive but not significant relationship to work satisfaction, which means that **hypothesis 5 was rejected**.

##### Suggestion

- a. Job Enrichment significantly affects employee motivation and job satisfaction. Researchers suggest the Bank in an enrichment application can continue to be considered, especially at the level of employee participation in the BRI KC Tenggarong project.
- b. Financial compensation directly significantly affects job satisfaction but no significant effect on employee motivation. So the researchers recommend the Bank reassess the system of direct financial compensation if the compensation system by the level of productivity of employees.

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