

ANALYSES THE EFFECT OF JOB DESIGN AND COMPENSATION TOWARD EMPLOYEE SATISFACTION OF PT. BNI TBK, MANADO

**ANALISIS PENGARUH DESAIN PEKERJAAN DAN KOMPENSASI TERHADAP
KEPUASAN KARYAWAN PT. BNI TBK, MANADO**

Ni Wayan Surina¹, Sifrid S. Pangemanan², Johan Tumiwa³

*^{1,2,3}Internastional Business Administration (IBA) Program, Management Department,
Economics and Business Faculty, Sam Ratulangi University, Manado 95115, Indonesia
E-mail: rina_jh@yahoo.co.id*

ABSTRACT

The satisfaction of employees is the one important thing to maintain in the all of company in order to sustain their business activities. The purpose of this research is to know the effect of job design and compensation toward employee satisfaction particularly at PT BNI Manado, partially and simultaneously. 50 employees of PT. BNI Tbk had surveyed as the respondent in order to get the empirical data of this research. The result show that Job Design influence to the Employee Satisfaction positively, significantly, and partially influence and that Compensation partially influence positively and significantly the Employee Satisfaction. It is shown also that above Independent Variable (Job Design) and Compensation simultaneously influence positively and significantly Employee Satisfaction key words.

Keywords: Job Design, Compensation, Employee Satisfaction.

ABSTRAK

Kepuasan dari karyawan merupakan halah satu hal penting yang harus dijaga oleh semua perusahaan dalam rangka menjaga kesinambungan aktivitas bisnis mereka (perusahaan). Tujuan dari penelitian ini untuk mengetahui pengaruh desain pekerjaan dan kompensasi terhadap kepuasan karyawan di PT BNI Manado baik secara simultan dan parsial. 50 karyawan PT. BNI Tbk telah disurvei sebagai responden untuk memperoleh data empiris yang dibutuhkan dalam penelitian ini. Hasil penelitian ini menunjukkan bahwa Desain Pekerjaan mempengaruhi Kepuasan Karyawan positif, signifikan, dan sebagian pengaruh dan Kompensasi parsial berpengaruh positif dan signifikan Kepuasan Karyawan. Hal ini ditunjukkan juga bahwa di atas variable independent (Desain Pekerjaan) dan Kompensasi secara bersamaan berpengaruh positif dan signifikan Kepuasan Karyawan.

Kata kunci : desain pekerjaan, kompensasi, kepuasan karyawan.

1. INTRODUCTION

1.1. Research Background

After a merger period with several other commercial banks, the function and individuality of the Bank were restored in 1968. The status was resumed to that of a state-run commercial bank. The official name was changed to 'Bank Negara Indonesia 1946'. Bank Negara Indonesia 1946 conducted an operational restructuring program, by formulating the 'Performance Improvement Program' to facilitate a more dynamic role in facing the continuously-changing environment. The program covered various aspects, including the improvement of the Corporate Vision and Mission, the refinement of strategic plans, as well as the development of technology and human resources.

Bank Negara Indonesia is Indonesian State Bank, commonly known as Bank Negara Indonesia, is an Indonesian bank. It has branches primarily in Indonesia, but it can also found in Singapore, Hong Kong, Tokyo, London and New York. It had 1000 branches and over 9 million customers in 2006. It is listed on the Indonesia Stock Exchange as "BBNI". Its market capitalization as of 12 March 2007 was 23.8 trillion rupiah (approximately US\$2.6 billion).

Following the appointment of *De Javasche Bank* as the Central Bank of Indonesia, Bank Negara Indonesia had its role shifted to that of a development bank, and was later given the right to serve as a foreign exchange bank. Following increased capitalization in 1955, the legal status of Bank Negara Indonesia was changed into that of a commercial bank through a jurisdictional assignment under Emergency Law number 2 of the year 1955. Also in 1955, Bank Negara Indonesia officially opened its first foreign branch in Singapore.

So that employee satisfaction and company performance identity the relationship between employee satisfaction components (which are pay, promotion, the work itself, supervision, and co-workers) and job performance among employees. The study revealed that there was a positive relationship between employee satisfaction components which are promotion, work itself, supervision and co-workers except for pay toward employee company performance.

BNI strives to become a Bank that 'excels' in terms of quality human capital and internal business processes that provide value for customers through improvements and innovation as well as quality banking management with measured risks. 'Prominent' means to be the bank of choice with superior service quality, which will led BNI to be the 'advanced' bank relative to its peer banks in terms of financial performance, profitability and growth, and thus providing quality investments for the satisfaction of stakeholders.

1.2. Research Objective

Based on the research problem, the objective of this research are to know the effect of:

1. Job Design and Compensation toward Employee Satisfaction in BNI Tbk Manado Branch Office simultaneously.
2. Job Design toward Employee Satisfaction in BNI Tbk Manado Branch Office partially.
3. Compensation toward Employee Satisfaction in BNI Tbk Manado Branch Office partially.

2. THEORITICAL FRAMEWORK

2.1. Human Resources Management

Dessler (2011:30) defined human resources management is the process of acquiring, training, appraising and compensating employees, and of attending to their labor relations, healthy and safety, and fairness concerns. Human resource is an important asset in the company and by considering that workforce is increasingly diverse; there are more challenges to make sure that the employees keep delivering their performance. In its broadest sense human resources management can be used as a generic term to describe any approach to managing people; for example, Boxall and Purcell (2003:1) defined it as all those activities associated with the management of employment relationships in the firm. Human resources management is an important part in a company. Human resources management is a part in organization to selecting, hiring, acquiring employee in order to make employees which to reach company goals.

2.2. Employee Satisfaction

Employee satisfaction is simply how people feel about jobs and different aspects of their jobs. it is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs. Spector, (1997). The employees to reach the full satisfaction and it may vary from employee to employee. Sometimes they need to change their behaviors in order to execute their duties more effectively to gain greater job satisfaction, Miller, (2006:32). The conclusion is *many* measures support that employee satisfaction is a factor in employee motivation, employee goal achievement and positive employee morale in the work place.

2.3. Job Design

Job design is the process of putting together a range of tasks, duties and responsibilities to create a composite for individuals to undertake in their work and to regard as their own. It is crucial: not only is it the basis of individual satisfaction and achievement at work, it is necessary to get the job done efficiently, economically, reliably and safely. Torrington (2011:2).

Ever since jobs have existed, debate has raged about the best way to design them. 'Scientific Management' approach developed during the Industrial Revolution suggested that jobs should be broken down into simple and repetitive tasks in order to maximize productivity. This encouraged employers to create jobs that allowed individual workers very limited scope for innovation, creativity and variety, and inevitably led to boredom and dissatisfaction. During the mid-20th Century as the Human Relations movement emerged, there was an increased realization that individual motivational needs should be taken into account in the way work was designed, leading to an emphasis on allowing people scope within their work for social interaction personal development, and the realization of their own ambitions Garg and Rastogi (2006:572).

2.4. Compensation

Employees receive compensation from a company in return for work performed. While most people think compensation and pay are the same, the fact is that compensation is much more than just the monetary rewards provided by an employer. According to Milkovitch *et al* (2008:5), compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. Dessler (2009:286) stated that employee compensation refers to all forms of pay going to employees and arising from their employment. Compensation is the important thing for employees. Compensation is something

that employee received as their feedback of their work, such as salary, reward, paid holiday, bonuses and incentives.

2.5. Previous Research

Morse (1997) Satisfaction refers to the level of fulfillment of one's needs, wants and desire. Satisfaction depends basically upon what an individual wants from the world, and what he gets. Employee satisfaction is a measure of how happy workers are with their job and working environment. It is sure that there may be many factors affecting the organizational effectiveness and one of them is the employee satisfaction. Effective organizations should have a culture that encourages the employee satisfaction, Bhatti and Qureshi, (2007).

Hussain and Bashir (2013) found the results of this research is most employees agreed with satisfaction with job, satisfaction with workload, recognition in job, opportunities for future advancement, profession growth and feelings about organization. Both intrinsic and extrinsic motivation factors are positively correlated with job satisfaction. Ghazanfah, *et al* (2011) found this study add a new perspective on the basis of a new environmental settings to the existing evidence signifying that the work motivation in the organizations is influenced by the satisfaction of the employees with their compensation, which is offered by the organization.

Ahmed, *et al* (2010) found that significant relationship exists between intrinsic motivational factors including recognition; work itself, opportunity for advancement, professional growth, responsibility, good feeling about organization and employee job satisfaction, whereas no significant relationship is found between hygiene (extrinsic) factors and employee job satisfaction.

Employee satisfaction is the terminology used to describe whether employees are happy, contented and fulfilling their desires and needs at work. Many measures support that employee satisfaction is a factor in employee motivation, employee goal achievement and positive employee morale in the work place. Susan M. Heath field (About.Com). Cranny, Smith and stone (1992:32) defined ES as the combination of affective reactions to the differential perceptions of what he/she wants to receive compared with he/she actually receives. According to Moyes, Shao and Newsome (2008) the employee satisfaction may be described as how pleased an employee is with his or her position of employment. Job satisfaction as all the feelings that a given to the individual for his/her job and its various aspects. Employee satisfaction is a comprehensive term that comprises job satisfaction of employees and their satisfaction overall with company policies and company environment.

2.6. Research Hypothesis

There are three main hypothesis those can be drawn and further examined, which are :

H₁ : Job design and compensation has partial effect on employee satisfaction at PT BNI Tbk Manado.

H₂ : Job design has partial effect on employee satisfaction at PT BNI Tbk Manado.

H₃ : Compensation have simultaneous effect on employee satisfaction at PT BNI Tbk Manado.

3. RESEARCH METHOD

3.1. Type of Research

This research is a causal Research. Causal Research is used to establish relationships between variables.

3.2. Place and time of research

This study has conducted in Manado, North Sulawesi, Indonesia, particularly in PT. BNI Tbk, Jl. Dotulong Lasut No.1 – Manado. This research had done during the month of May to June 2015.

3.3. Conceptual Framework

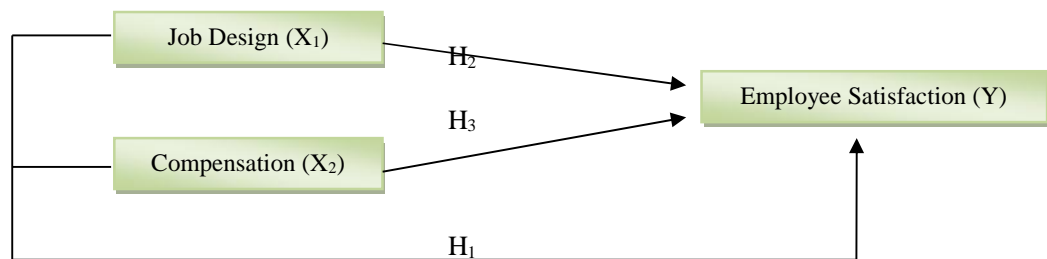


Figure 1. Conceptual Framework

Source : Data processed, 2015

3.4. Population and Sample

Population is generalized to the object/subject which have a certain quantity and characteristic that is required by researcher to studying and to gain conclusion (Sekaran and Bougie, 2005:262). Population in this research will be the employees at PT. BNI Tbk Manado.

A sample examines a portion of the target population, and the portion must be carefully selected to represent the population. If sampling is chosen, the researcher must determine which and how many people to interview. The sample were the people who work at PT BNI (persero) Tbk Manado. The samples using the confidence level which produce a margin of error of 0.05 from the population of PT BNI (persero) Tbk mulia employees that the researcher found was about 50 people. With the formula $n = N / (1 + N * e^2) = 50 / (1 + 100 * 0.05^2) = 40$. According to this Formula, The researcher decide to use 50 people as the respondent as the sample of this research.

3.5. Data Analysis Method

3.5.1. Validity Test

Validity is evidence that the instrument, technique, or process used to measure a concept does indeed measure the intended concept (Sekaran and Bougie 2009:449) to analyze the validity of questionnaire, Pearson Product Moment is used. An instrument measure is valid if the instrument measure what should be measured.

3.5.2. Reliability Test

Reliability is a test to the consistency and stability of the measuring instrument (Sekaran and Bogie 2009:444). The higher of the coefficient prove the better of measuring instrument.

3.5.3. Multiple Regression Analysis Model

Simple and multiple prediction are made with a technique called regression analysis, Sekaran and Bougie (2009:449) stated that multiple regression analysis provide relationship between the independents variables and the dependents variable, the regression coefficients indicate the relative importance of each of the independent variables in the prediction of the dependent variable.

The general form on general equation of multiple regression models in this research is shown below:

$$Y = a + b_1X_1 + b_2X_2 + \dots + e$$

This research use the model or regression as followed:

- Y : Employee's Performance
- a : The Constant, when all the independent variable equal to 0
- b₁, b₂ : The regression coefficient of each variable
- X₁ : Job design
- X₂ : Compensation
- e : errors

4. RESULT AND DISCUSSION

4.1. Validity Test Result

Table 1. Validity Test Result

Indicator	Result
Job Design	0,081
Compensation	0,842
Employee Satisfaction	0,912

Source: Data Processed, 2015

Table 1 explained which part of Job Design (X₁), Compensation (X₂) and Employee Satisfaction (Y) indicators, were valid based on *Measure of Sampling Adequacy* (MSA). The data shows that indicators in Job Design (X₁) 0.081, Compensation (X₂) 0,842, Employee Satisfaction (Y) 0.912. Dependent variable has selection, purchase, and use were valid.

4.2. Reliability Test

Table 2. Reliability Test Table

Cronbach's Alpha	N of Items
,781	3

Source: Data Processed, 2015

Table 2 shows that the significant score for each statement is $< \alpha$ that is 0.05 can be conclude that each statement is valid. The Alpha score Cronbach for each statement > 0.6 so can be conclude also that each statement is reliable.

4.3. Multiple Regression test result

The analysis result of multiple regression models using SPSS statistic. 21 are the multiple regression formula which displayed in Table 3.

Table 3. Multiple Regression Test

Model		Unstandardized Coefficients		Standardized
		B	Std. Error	Coefficient Beta
1	(Constant)	1,919	,562	
	Job Design,	,463	,138	,496
	Compensation	,129	,074	,173

Source: Data Processed, 2015

$F\text{-Count} < F\text{-Table}$, H_0 is accepted

$F\text{-Count} > F\text{-Table}$, H_0 is rejected

According to table 3, the analysis output is described as this multiple regression equation:

$$Y = 1.919 + 0.463 X_1 + 0.129 X_2 + e$$

1. Constant 1.919 shows the influence of Job Design (X_1) and Compensation (X_2). It means that, in a condition where all independent variable are constant (zero), Employee Satisfaction (Y) as dependent variable is predicted to be 1.919.
2. Variable X_1 (Job Design) has an effect to Y (Employee Satisfaction) as manyas0.463. In condition where other variable are constant, if there is one unit increasing in X_1 (Job Design), Y is predicted to be increased by 0.463
3. Variable X_2 (Compensation) has an effect to Y (Employee Satisfaction) as many as 0.129. In condition where other variables are constant, if there is one unit increasing in X_1 (Job Design), Y is predicted to be increase by 0.129

4.4. Hypothesis Testing

4.4.1. F-Test (simoltaneous)

Table 4. F-test Result

Model		Sum of Square	Df	Mean Square	F
1	Regression	2,089	2	1,054	11,347,
	Residual	4,202	47	,090	
	Total	6,342	49		

Source: Data Processed, 2015

Predictors: (Constant), Job Design, Compensation

Dependent Variable: Employee Performance

Table 4 shows the value of F_{count} . To know the value of F_{table} the calculation would be as follows:

$$\begin{aligned}
 F_{count} &= 11,347 \\
 F_{table} &= FINV(0.05,k-1,n-k) \\
 &= FINV(0.05,2-1,50-2) \\
 &= 3.195 \\
 k &= \text{the number of variables} \\
 n &= \text{the number of respondents}
 \end{aligned}$$

4.4.2. T-test (Partial)

Table 5. T-test Result

Model	Unstandardized Coefficients	Standardized Coefficient	T
	B	Std. Error	Beta
(Constant)	1,813	,583	
1 Job Design,	492	,167	,429
Compensation,	124	,079	,1982
			3,548
			,563

Source : Data processed 2015

Calculation of T_{table} :

$$\begin{aligned}
 t_{count} X_1 &= 3.548 \\
 t_{count} X_2 &= 1.563 \\
 t_{table} &= TINV(0.05, n-k) \\
 &= TINV(0.05,79-2) \\
 &= 1.9917
 \end{aligned}$$

k = the number of variables
n = the number of respondents

4.5. Discussion

Job Design influence employee satisfaction significantly. This result is supported by the previous research Torrington 2011, job design and employee satisfaction engagement. There has been a growing volume of research exploring how to bring these elements together so that jobs can be designed both to maximise and satisfaction of individual workers on the one hand, and maximise the productivity and performance of organisations on the other. Based on the survey, the employee of PT BNI Tbk Manado that individuals experience of their day-to-day work directly affects their company levels, and also their personal effectiveness. This result confirm the result of the previous research by Holt1993 that compensation has positive impact on employee satisfaction. It is proved from correlation analysis that all the independent variables have weak or moderate positive relationship to each other. This research is similar by the previous research of Lazear E 1986 Compensation is the segment of transition between the employee and the owner that the outcomes employee contract. As the prospective of employee pay is the necessary of life.

These factors included; the payment receives from work done on the behalf of people getting the employment. The employee prospective is one of the most important part of cash flow. Compensation is mostly equal to half of cash flow of the companies. But in the service sector it is more than half. It is the major to attract the employee and motivate employee to increases the performance Mitchell 1993 *at al.* That mostly individuals that getting higher education they are not satisfied their jobs and their turnover is more than so that organizations are overcome to that problem design the compensation plain to retain the employees as well plays more to attract, retain and motivate to give man power. Different universities objectives make their benefits and compensation packages to attract as possible HRM Process BPR term report June 2009 mostly employees believe their abilities that knows that if they perform well pay can be increasing. In other words can say that compensation and rewards effects the employee decision making to stay their organizations and also accepted the responsibility. The value employee training as a compensation and benefits packages has increases the performance human resource outcomes normally increases the performance, satisfaction and productivity also stay there and attracting. The perception of employee about the organization benefits policy.

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The find conclusion of this research, consist of:

1. Job design and compensation have significant and simultaneous effect on employees satisfaction at PT BNI Tbk, Manado.
2. Job design has significant and partial effect on employees' satisfaction at PT BNI Tbk Manado.
3. Compensation has significant and partial effect on employees' satisfaction at PT BNI Tbk Manado.

5.2. Recommendation

Based on the conclusion above, there are some recommendation for PT BNI Tbk, Manado should consider that Compensation positively influencing Employee Satisfaction. It means that Job Design positively will contribute a positive result to employee satisfaction when is conducted well. Then it is suggested that the employee should run the company by more great practices such as altruistic acts, have characters and have influence strategies to increase the employee satisfaction rather than just control the organization.

REFERENCE

Journal Paper

- [1] Ahmed, I., Muhammad Nawaz., Naveed Iqbal., Imran Ali., Zeeshan Shaukat., & Ahmad Usman. (2010). Effects of Motivational Factors on Employees Job Satisfaction a Case Study of University of the Punjab, Pakistan. *International Journal of Business and Management*. <http://www.ijmbs.com/32/1/rai.pdf/>. Accessed may 11rd 2011. Pp.70-80.
- [2] Bhatti, K., & Qureshi, T. (2007). Impact of employee participation on job satisfaction, employee commitment and employee productivity. *International Review of Business Research Papers*, 3(2), <Http://www.iosrjournals.org>. accessed on September 1st 20112. Pp 54 – 68.
- [3] Garg, P., and Rastogi, R. (2006). New Model of Job Design: Motivating Employees' Performance, *Journal of Management Development*, Vol. 25, No. 6.

- <http://www.engageforsucces.org/./job-design.pdf/>. Accessed on march 5th 2012. Pp. 572-587.
- [4] Ghazanfar, F., Chuanmin, S., Khan, M., & Bashir, M. (2011). A Study of Relationship between Satisfaction with Compensation and Work Motivation. *International Journal of Business and Social Science*. Vol. 2 No.1. <http://ijbssnet.com/journals/>. Accessed may 1th 2015. Pp.126-128.
- [5] Husain, R. & Shahid Bashir. (2013). Effect of Motivational Factors on Employee's Job Satisfaction: A Case of District Public School Okara. Vol. 3. *International Journal Business and Management Studies*. <http://www.ijmbs.com/32/1/rai.pdf>. Accessed may 11th 2015. Pp.8-9.
- [6] Lazear, E. (1986). Salaries and piece rates. *Journal of Business* 59. <http://www.ijbssnet.com/>. Accessed February 2014. Pp. 405-31.
- [7] Moyes, G. D., Shao, L. P., & Newsome, M. (2008). Comparative analysis of employee job satisfaction in the accounting profession. *Journal of Business & Economics Research*. <http://www.iosrjournals.org>. Accessed on 1st Oktober 2012. Pp. 65-81.
- [8] Morse, Nancy, C. (1977). *Satisfactions in the white-collar job*. <http://www.iosrjournals.org>. Accessed Sep-Oct 2012. Pp. 32-39. Ayer publishing, Shillong, India.

Books

- [9] Boxall, P., & Purcell, J. (2003). *Strategy and Human Resource Management*. Palgrave Macmillan, Houndmills.
- [10] Cranny, C.J., Smith, P.C., & Stone, E.F. (1992). *Job satisfaction: How people feel about their jobs and how it affects their performance*. Lexington, New York.
- [11] Dessler, Gary. (2011). *Human Resources Management Thirteenth Edition*. Prentice Hall, New Jersey.
- [12] Holt, D. H. (1993). *Management: Concept and Practices*. New Jersey: Prentice Hall, Englewood Cliffs.
- [13] Milkovich, George T., Jerry, M. Newman., & Carolyn, Milkovich. (2008). *Compensation*. McGraw-Hill/Irwin, Boston.
- [14] Miller, J. L. (2006). *Work: How to Achieve Optimal Performance and Job Satisfaction*. Publishing Co. CA, Dorrance.
- [15] Mitchell, Terence, R. Brooks C. Holtom, & Thomas W. Lee. (1993). How to Keep Your Werther. *Human resource and Personnel management*. McGraw Hill Inc, New York.
- [16] Sekaran, U., & Bougie, R. (2009). *Research Methods For Business a Skill Building Approach*, (5th edition). Wiley, Great, Britain.
- [17] Sekaran, U., & Bougie (2005). *Research Methods for Business a Skill Building Approach*. John Wiley & Sons, Inc, Britain.
- [18] Torrington, D. Hall. L., Taylor, S., and Atkinson, C. (2011). *Human Resource Management*. 8th Edition. Pearson, Harlow.

Internet Article

- [19] Spector, P. E. (1997). Job Satisfaction, definition of work and family researchers network. *E book* Retrieved From: <https://workfamily.sas.upenn.edu/glossary/j/job-satisfaction-definitions>. Accessed on 2007.