

The Role of Job Satisfaction Mediation in Competence and Non-Financial Compensation on Employee's Work Performance of PT. PNM Probolinggo Branch

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ABSTRACT

Role of job satisfaction mediation on competency and nonfinance compensation on work performance of employees of PT. PNM Probolinggo Branch. 100 employees of PNM Probolinggo Branch Area 1 Mekaar program. The sampling technique used the census method, the total were 100 employees. data analysis method using SEM and Smart PLS Software. It showed that competence affecting job satisfaction in the PNM Probolinggo branch area 1 of the Mekaar program. Nonfinance compensation affecting job satisfaction in the PNM Probolinggo branch area 1 of the Mekaar program. Competence affecting work performance in the PNM Probolinggo branch area 1 of the Mekaar program. Nonfinance compensation not affecting work performance in the PNM Probolinggo 1 branch area of the Mekaar program. Job satisfaction affecting work performance in the PNM Probolinggo branch area 1 of the Mekaar program

INTRODUCTION

HR are the main thing in an organization. However the form and goals of the organization, vision and mission are made by the organization based on human interests and carried out by humans. So, human factor is important in all organizational activities. Human resources in an organization cannot be replaced by other resources. Everything will be useless if the company uses the latest and most sophisticated technology if it is not supported by human resources who have professional skills (Robbins & Judge, 2019).

Researchers took objects at PT. PNM Probolinggo Area 1 due to the phenomenon of fluctuations in the value of financing distribution achieved by PT. PNM Probolinggo Area

Distribution of financing based on Banking Law num. 10 of 1998 are funds entrusted by the public to banks based on agreements to deposit funds in the form of certificates of deposit, demand deposits, savings, deposits and other forms. Distribution of financing is the largest source of funds managed by banks, which can reach 80% to 90% of all funds. The following is the value of the amount of financing achieved by PT. PNM Probolinggo Branch:

Table 1. Financing Amount of PT. PNM Probolinggo Area 1

Num	Branch Name	Financing Amount		
		September	October	November
1	Kuripan	207.122.499	374.005.610	211.010.948
2	Lumbang Probolinggo	295.790.786	262.247.603	245.060.105
3	Sumber Probolinggo	278.517.425	-169.872.375	9.707.068
4	Sukapura	451.510.274	116.154.668	-18.441.311
5	Tongas	340.641.998	173.986.129	-53.167.437

Source: PT. PNM Probolinggo Branch, 2021

Based on table 1 showed that the amount of PT. PNM Probolinggo Area 1 experienced fluctuations. The value of financing which has decreased drastically if allowed to proceed will have a negative effect on PT. PNM Probolinggo Area 1. One of these negative impacts will be reduced the work performance due to the inability to accomplish the credit disbursement process, so the targets that should be achieved by each employee are not achieved. financing value PT. PNM Probolinggo Area 1 explained that in 2021 there would be a lower in the work performance of its employees.

In this study, researchers also compared several previous journals. Based on previous studies, it was found that there were similarities and differences in results regarding how the role of mediating job satisfaction in competence and non-financial compensation on work performance of employees of PT. PNM Probolinggo Branch. First, what is the influence between job satisfaction and work performance. According to Afuan's research (2018), it showed that job satisfaction affects work performance. This is different from research that is conducted by Kelvin (2016), where the results of job satisfaction do not affect work performance.

Second, research on the effect of competence on job satisfaction and job performance also yields several distinct results. Uki Yonda Husniati (2019) and Usman (2019), found that competency affecting employee job satisfaction. Research with distinct results is proven by Darmawan (2015) who found that competence does not significantly influence job satisfaction. In relation to work performance, research that is conducted by Salsabila (2019) and Wicaksono (2020) found that competency affecting work performance.

Third, research on the effect of non-financial compensation on job satisfaction and work performance also yields several different results. et al (2021) and Hidayat (2021), found that non-financial compensation affecting employee job satisfaction. Research with distinct results is proven by Seidy (2018) who found that non-financial compensation not affecting job satisfaction. In relation to work performance, research that is conducted by Indriyanto (2021) and Nazmi et al (2021) found that non-financial compensation affecting work performance.

This research has an urgency, that is the work performance of employees of PT. PNM Probolinggo Branch is one of the important factors in the sustainability (going concern) of the company because if it is allowed to decrease employee performance, it will have an impact on the emergence of losses for PT. PNM Probolinggo Branch. The novelty of this research is to use the object PT. PNM Probolinggo Branch which has never been studied before so it is suitable for using as a research object considering the amount financing phenomenon of PT. PNM Probolinggo Area 1 experienced fluctuations as a result of decreased employee performance.

LITERATURE REVIEW

Competence is an capability to accomplish a task based on skills and knowledge and supported by attitude demanded by the job (Wibowo (2016: 271). According to Rivai (2015: 230) defined competence as a characteristic possessed by a person that has a direct influence and excellent performance.

Compensation is designed as a reward for employees who work well. Included in variable compensation are gain sharing, incentive payments to individuals and groups, profit sharing, bonuses, employee stock-option plans and stock-ownership plans. last component of total compensation is indirect compensation or benefit.

According to Timothy (2015: 49) job satisfaction is a happy feeling towards jobs, that results from an evaluation of its characteristics and functions for self-actualization. Meanwhile, according to Bangun (2012: 327) each individual has a different level of satisfaction according to the system of values that apply to him.

Hasibuan (2005: 93) said that work performance is a result of work achieved in accomplishing the tasks assigned to them based on skills, experience and sincerity as well as time. Work performance between one individual and another individual is different, this is influenced by each individual and the work environment that has been created for a long time.

METHODOLOGY

Research Design

The research design discussed about a research plan, structure, and strategy in terms of answering questions and containing relevant information in accordance with the research needs plan.

Population and Sample

The population is a group that is the focus of research to study (Sugiyono, 2019). In this case, the population is all 100 employees of PNM Probolinggo Branch Area 1 Mekaar program. In taking the sample, the Saturated Sample method/Census Method is applied. The reason for using this method is because the total number of PNM employees in the Probolinggo branch area 1 for the Mekaar program as a whole is 100 employees.

Data Analysis Method

Using smart PLS software as data management and Structural Equation Modeling (SEM) to cover the weakness in regression method.

RESEARCH RESULT

Result Outer Model Analysis and Convergent Validity

Table 2. Outer Loading

Variable	Indicator	Outer Loading
Competence (K)	K1	0,714
	K2	0,760
	K3	0,876
	K4	0,713
	K5	0,790
Non-Financial Compensation (KNF)	KNF1	0,893
	KNF2	0,938
Job Satisfaction (KK)	KK1	0,764
	KK2	0,733
	KK3	0,715
	KK4	0,785
Work Performance (PK)	PK1	0,904
	PK2	0,848
	PK3	0,846

Source: Processed Data, 2023

Every indicator outer loading value > 0.7 , means all research variable indicators are stated valid.

Composite Reliability

Composite reliability value should be > 0.6 .

Table 3. Composite Reliability

Variable	Composite Reliability
Competence (K)	0.837
Non-Financial Compensation (KNF)	0.912
Performance Satisfaction (KK)	0.881
Work Performance (PK)	0.900

Source: Attachment 4

All composite reliability value are > 0.6 , means all variables reliable.

Cronbach Alpha

Cronbach alpha value > 0.7 .

Table 4. Cronbach Alpha

Variable	Cronbach Alpha
Competence (K)	0.740
Non-Financial Compensation (KNF)	0.810
Job Satisfaction (KK)	0.831
Work Performance (PK)	0.834

Source: Processed Data, 2023

Cronbach alpha score each variable is > 0.7 , so it can be concluded that all variables reliable.

Hypothesis Testing

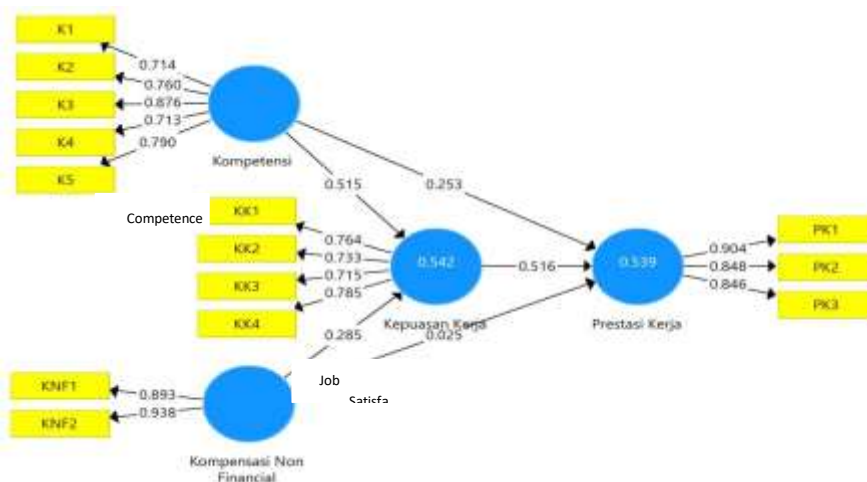


Figure 3. Test Model Partial Least Square SmartPLS 6.0

Source: Processed Data, 2023

Table 5. Influence Between Variable

	0.516	0.000	Significant
X1 - Z	0.285	0.011	Significant
X2 - Y	0.025	0.908	Not Significant
X2 - Z	0.515	0.000	Significant
Z - Y	0.253	0.048	Significant

Source: Processed Data, 2023

1. The path coefficients value from competence (K) to work performance (PK) is positive $\beta = 0.516$. The p-value 0.000 which is significant since less than 0.05. So Competence (K) have an effect on Work Performance (PK)
2. The path coefficient value of Competence (K) on Job Satisfaction (KK) is positive $\beta = 0.285$. The p-value 0.011 which is significant since less than 0.05. So Competency (K) have an effect on Job Satisfaction (KK).
3. The path coefficients value of Non-Financial Compensation (KNF) on Work Performance (PK) is positive $\beta = 0.025$. The p-value 0.809 which is not significant since more than 0.05. So Non- Financial Compensation (KNF) have no effect on Work Performance (PK).
4. The path coefficients value of Non-Financial Compensation (KNF) on Job Satisfaction (KK) is positive $\beta = 0.515$. The p-value 0.000 which is significant since less than 0.05. So Non- Financial Compensation (KNF) have an effect on Job Satisfaction (KK).
5. The path coefficients value of Job Satisfaction (KK) on Work Performance (PK) is positive $\beta = 0.253$. The p-value 0.048 which is significant since less than 0.05. So Job Satisfaction (KK) have an effect on Work Performance (PK).

Based on the indirect effect test on the Structural Equation Model (SEM) analysis showed that:

1. The path coefficients (path coefficients) value of Job Satisfaction (KK) is positive $\beta = 0.147$. The p-value 0.014 significantly since less than 0.05. It means that competence have affecting Work Performance through Job Satisfaction in the PNM Probolinggo branch area 1 of the Mekaar program.
2. The path coefficients (path coefficients) value of Job Satisfaction (KK) is positive $\beta = 0.265$. The p-value 0.001 significantly since less than 0.05. It means that Non-Financial Compensation have affecting Work Performance through Job Satisfaction in the PNM Probolinggo Branch Area 1 of the Mekaar program.

DISCUSSION

Competence Affecting Job Satisfaction

Hypothesis test showed that competence affecting jobsatisfaction based on significance level of 0.000. The influence shown by theregression coefficient is positive, means the better the Competence, the JobSatisfaction of the PNM Probolinggo branch area 1 ofthe Mekaar program will increase. Narimawati (2006:15) suggested that employee competence as an element of intellectual capital can be seen from three aspects of competence, social aspect, emotional and intellectual since competence measurement uses the dimensions of education level, skills and knowledge. Same with Lawler's theory which stated that expertise is part of the input factors that affect job satisfaction or dissatisfaction.

Same as Afuan (2018), Husniati (2019), Usman (2019), Salsabila (2019), Wicaksono (2020), Seta et al (2021),Hidayat (2021), Indriyanto (2021) , and Nazmi et al (2021) in their research explained that competence affects job satisfaction.

Non-Financial Compensation Affecting Job Satisfaction

Non-Financial Compensation affecting Job Satisfaction by seeing at the significance level, equal to 0.011. The influence shown by the regression coefficient is positive, means higher the Non- Financial Compensation, the Job Satisfaction of the PNM Probolinggo Branch Area 1, the Mekaar program will increase.

One aspect that can form employee job satisfaction is the compensation aspect. Therefore, It often takes the path by the personnel department to increase job satisfaction is through an increase in the field of compensation Handoko (2009). According to Wiryawan (2009), stated that compensation is an influence from within the internal organization that can affect job satisfaction where job satisfaction is included in employee work behavior.

Same as Afuan (2018), Husniati (2019), Usman (2019), Salsabila (2019), Wicaksono (2020), Seta et al (2021),Hidayat (2021), Indriyanto (2021) , and Nazmi et al (2021) in their research explained that compensation affects job satisfaction.

Competence Affecting Work Performance

Competence affects work performance by seeing at the significance level, which is equal to 0.048. The influence shown by the regression coefficient is positive, means higher the competence, the work performance of the PNM Probolinggo branch area 1 of the Mekaar program will increase.

Same as Afuan (2018), Husniati (2019), Usman (2019), Salsabila (2019), Wicaksono (2020), Seta et al (2021),Hidayat (2021), Indriyanto (2021) , and Nazmi et al (2021) in their research explained that competence affects work performance.

Non-Financial Compensation Affecting Work Performance

Non-Financial Compensation not affecting Work Performance by seeing at the significance level, equal to 0.809. This means higher the Non-Financial Compensation, the work performance of the PNM Probolinggo Branch Area 1 of the Mekaar program will not change.

According to Wiryawan (2009), stated that compensation is an internal organizational environment that can directly affect work performance. There is a significant relationship between compensation and work performance is a system of incentives provided by the organization to employees so that they are able to improve their work performance.

Same as Afuan (2018), Husniati (2019), Usman (2019), Salsabila (2019), Wicaksono (2020), Seta et al (2021), Hidayat (2021), Indriyanto (2021), and Nazmi et al (2021) in their research explained that compensation affects work performance.

Job Satisfaction Affecting Work Performance

Job Satisfaction affecting Work Performance by seeing at the significance level of 0.000. The influence shown by the regression coefficient is positive, means higher the Job Satisfaction, the Work Performance of the PNM Probolinggo branch area 1 of the Mekaar program will increase.

Job satisfaction reflected attitude and not behavior. Job satisfaction is a variable that showed a relationship with achievement factors and is a value preference held by many organizational behavior researchers, Wibowo (2010). According to Wiryawan (2009), stated that work performance is work behavior that directly influences employee job satisfaction.

Same as Afuan (2018), Husniati (2019), Usman (2019), Salsabila (2019), Wicaksono (2020), Seta et al (2021), Hidayat (2021), Indriyanto (2021), and Nazmi et al (2021) in their research explained that job satisfaction affects work performance.

CONCLUSION AND SUGGESTION

Conclusion

Competence has a positive effect on job satisfaction in the PNM Probolinggo branch area 1 of the Mekaar program. Non- financial compensation has a positive effect on job satisfaction in the PNM Probolinggo branch area 1 of the Mekaar program. Competence has a positive effect on work performance in the PNM Probolinggo branch area 1 of the Mekaar program. Non- financial compensation has no effect on work performance in the PNM Probolinggo branch area 1 of the Mekaar program. Job satisfaction has a positive effect on work performance in the PNM Probolinggo branch area 1 of the Mekaar program.

Suggestion

PNM Probolinggo Branch Area 1 meekar program should pay attention to the Non- Financial Compensation variable because the research results are not in line with the theory which stated that there is an aligned relationship between Non-Financial Compensation and Work Performance. For Academics, this study provides an overview of objects and variables, the object used is the PNM Probolinggo Branch area 1 Mekaar program, the variables used are Competence, Non-Financial Compensation, Job Satisfaction, and Work Performance which can be used as additional knowledge about resource management human resources by interested parties.

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