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# MEASURING OF BANKING PERFORMANCE BASED ON JOB SATISFACTION FOR CONVENTIONAL (STATE) BANKS IN INDONESIA

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***Abstract***

Dalam penelitian ini saya mengukur kinerja perbankan berdasarkan konsep kepuasan kerja (*job satisfaction*). *Job Satisfaction* disusun menjadi lima indikator, yaitu: *achievement* (JS1), *recognition* (JS2), *work itself* (JS3), *responsibility* (JS4) dan *advancement* (JS5). Hasil penelitian menunjukan bahwa *Job Satisfaction* secara signifikan dipengaruhi oleh lima indikator itu. Nilai dari masing indikator sebagai berikut: JS1=>JS = 0.7753, JS=> JS2 = 0.7464, JS=>JS3 = 0.7647, JS => JS4 = 0.8402 dan JS => JS5 = 0.7843. Rata-rata korelasi *job satisfaction* terhadap indikatornya adalah 0,7822. Artinya bahwa *job satisfaction* merupakan perspektif yang membutuhkan perhatian bagi manager bank.

Keyword: Measuring, Performance, Jobs Satisfaction

## INTRODUCTION

Human resources are one of the most important resources for the company because without them the company will not be able to run. The development of a company depends on the quality of its human resources. Managers need to give serious attention to human resources, from recruitment, training, promotion and planning to retire. Human resource management can improve the performance of the company and ultimately provide job satisfaction to employees.

The definition of job satisfaction was presented by Wexley and Yuki (1998) that they defined it as the way an employee feel about his or her job which is generalized attitude toward the job based on evaluation of different aspect of the job. A person's attitude toward his job reflects pleasant job experiences and his expectation about future experiences.

Job satisfaction is a work attitude based on the evaluation of different aspects of the workers. A person's attitude to their work is a portrait of the experiences pleasant or Non Performance Loan pleasant work and expectations about future dreams. Based on above definition, it can be concluded that job satisfaction is something abstract, standard satisfaction among workers is very different and temporary.

The empirical evidence indicates that there is a relationship between bank performance and job satisfaction. The employees who have job satisfaction will be loyal and committed to the company. The research results of Mayfield and Milton states that (2002), employee commitment is one of the most important thing to measure the success of the leaders. The employees who have high commitment are good at improving organizational performance. High employee loyalty can raise productivity up to 11%.

According to Herzberg cited by Ongko (2006), behavioral characteristics of satisfied workers are having high work motivation and happy to work, while the characteristics of unhappy workers are being lazy to go to the work place and lazy to work and never feel satisfied. The significance of relationship between job satisfaction and the performance was proposed by Vroom and Strauss cited by Ongko (2006), according to them, the productivity can be improved through increased job satisfaction because job satisfaction to encourage workers to improve productivity.

Job satisfaction can be understood through three aspects. Firstly, job satisfaction as a form of response to the workers' working conditions. Secondly, job satisfaction as determined by the results of the work or performance. Thirdly, job satisfaction related to other attitudes of each worker.

According Smith et al cited by Luthans (1998), there are six important factors that affect job satisfaction, they are (1) The work itself, the extent to roommate the job provides the individual with interesting task, opportunities for learning, and the chance to accept responsibility. The work itself, how far employees view their work as a job of interest, provides opportunities for learning, and an opportunity to accept responsibility. (2) Pay, the amount of financial remuneration that is received and the degree to roommates that is equitable viewed vis-a-vis that of other in organization. Salary is the amount of financial rewards received by the employee and the level where seen as a fair way in the organization. (3) Promotion opportunities, the chance for advancement in the hierarchy, opportunity for advancement in your career. (4) Supervision, the abilities of the supervisor to provide technical assistance and behavioral support. (5) Co-worker, the degree to which fellow worker are technically proficient socially supportive. (6) Working condition, if the working condition are good (clean, attractive, surrounding, for instance) the personnel will find it easier to carry out their job.

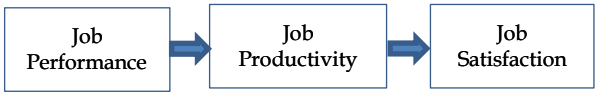
The well-known job satisfaction theory is two-factor motivation theory from Herzberg (2006), two factors here shows the factors that make people feel dissatisfied and the factors that make people feel satisfied (satisfied - dissatisfied), or a factor people feel healthy and motivating factors (hygiene-motivator) or extrinsic and intrinsic factors.

Research conducted by Herzberg in Pittsburgh City and its surrounding areas produces two specific conclusions about job satisfaction and job dissatisfaction. According to Herzberg (2006), extrinsic job satisfaction factors include achievement, recognition, responsibility, company policy, quality of supervision, the status and quality of personal relationships among internal peers. While the intrinsic job satisfaction factors consist of achievement, recognition, responsibility, the work itself and the likely developed progress. In this study, researchers are combining intrinsic and extrinsic factors as a variable to measure job satisfaction.

From the above ilustration it is clear that employees satisfaction is the driving factor to increase performance of Internal business process. Job satisfaction will result in the best product and quality services, which finally give positive impact to the customers. Since service quality is abstract in nature, excellent service is one of the qualities provided to the customer. Job satisfaction and internal business process will enhance the customer satisfaction. Customer satisfaction will automatically increase the company profitability.

According to Nuzsep (2004), as feedback if financial aspect improves, other three aspects will follow. To be clear let us see the influence of each aspect as follows: (1) Improvement of financial performance will enhance the performance and aspects of job satisfaction through salary increment, bonus and facilities in the form of complete work infrastructure. (2) Improvement of financial performance will enhance the performance from aspect of product and service growth. If a company has adequate budget to conduct a research of its

products and services and make innovation of the products, the quality products and services can be surely created. (3) Improvement of financial performance is a driving factor to enhance the customer satisfaction.




Source data: Nuzsep, 2004

Figure 1. Reciprocal Relationship between Work Productivity and Job Satisfaction

This statement is in line with the development of accounting. It is called as human resources accounting, how to treat human resources in financial accounting standard, to apply it, and how to report the intangible asset value in the financial statements. In practice, we find out that managers only isolate the factor of customer satisfaction regardless of job satisfaction factor, where employees are forced to provide good service to customers.

Condition of employees between one country and another country may indicate different levels of working satisfaction. In the developed countries there are more necessities than those in developing countries. Though the salary paid is higher and facilities provided are better, it is not a guarantee that they will feel satisfied since the employees need comfortable working environment, conducive working condition, and physically and mentally comfortable. Work satisfaction is also determined by the educational background of employees themselves. Those having college or university educational background have more necessities than those who just passed the high school education.

Indonesia is a country of huge population, low education level and many employment problems, such as very tight competition level, low bargaining power with the companies, so that their necessities could not be well-fulfilled. In Indonesia, many bank employees are outsourcing especially at staff level, such as customer service, debt collector, marketing, field surveyor, and so on. They are usually contracted for a period of one or two years, and they are rarely appointed as permanent employees even though they perform well but the company usually will find out new employees.

The results of the research conducted by Ferdian (2012), research bureau of Infobank recorded 10 banks with the huge number of employees. These banks are relatively big ones viewed from the ownership of their assets up to the end part of the year 2011. PT Bank Rakyat Indonesia Tbk. (BRI) was recorded as a bank with the biggest number of employees, coming to a total of 85.530 up to the end of December 2011, or this has increased at 12,97% of the 75.712 during the previous year. This total is inclusive of the outsourcing workpower of 45.486 from 38.068 in 2010. Moreover, at the last 2010, BRI did spend more than Rp 8 trilion merely for cost of employees.

The tight competitions among job-seekers give the company advantages, such as paying less salary, or in other words, saving the manpower costs. Based on the regulation of outsourcing, the company can employ or recruit specific employees where they get difficulties to get the required employees directly, such as security personnel, cleaning service, etc. But in fact, many of them violate the regulations, including those in banking industry.

In practice, many gaps are found at the time employees do their works well or when they do not perform well. The supervisors do not appreciate those who performs well, but once they found that employees make mistakes or cannot achive expection, the supervisors give sanctions to them. This unfair treatment causes laziness or lack of work spirit of employees which finally results in the low productivity level because employees are not excited to finish their works on time.

Bank as a service company prioritizes on service quality to enhance customer satisfaction. Customer satisfaction can be fulfilled if the banks have qualified human resources who are

able to work professionally to give excellent service. If banks can create customer satisfaction, it will have impact to financial performance.

## OBJECTIVES

The research objectives of this study are to determine the factors that affect job satisfaction in state banks in Indonesia. Jobs satisfaction can be classified into intrinsic and extrinsic factors. This research uses intrinsic factor (job content) as indicator to measure job satisfaction. Job satisfaction variable is directly unmeasurable (unobservable) variable because it is a psychological variable that can not be measured quantitatively. Therefore, indicator of variable is needed. Indicators of variable used in this study are (1) achievement, (2) recognition; (3) work itself, (4) responsibility (5) advancement.

## METHOD

This research is under the category of group research, that is, study of conventional banking industry in Indonesia. This research is under category of causal research. According to Sekaran (2006), causal research is useful to analyze relationship between one variable and another. The purpose of this causal research is to investigate possibility of cause and effect relationship, based on observation of the existing result and finding factors that possibly becomes the cause through certain data.

Population in this research is conventional banking in Indonesia, and selected samples are based on purposive sampling. Conventional bank selected is Bank Mandiri, Bank Negara Indonesia, Bank Rakyat Indonesia. Instruments used in this research consists of questionnaire. It is used to get data of job satisfaction Data analysis in this research used structural equation model-path least square (SEM-PLS) which consists of outer and inner models.

The test conducted over outer model is average variance extracted (AVE) and composite reliability. Whereas, the inner model test used estimate for path coefficients. According to (Ghozali, 2011) Path least square (PLS) approach is distribution free (not assuming certain distributive data. It can be nominal,category, ordinal, interval and ratio). Quote Monecke.A and Leisch.F (2012) The partial least squares (PLS) approach to SEM an alternative to covariance-based SEM, which is especially suited for situations when data is not normally distributed. Operational steps SEM using PLS consist of outer models and inner models. Outer models (Model Measurement), this model specifies the relationship between latent variables with their indicators, or it can be said that the outer model defines how each indicator relates to latent variables. Tests conducted on outer models consist of composite reliability. Data that has composite reliability> 0.8 has high reliability. Average Variance Extracted (AVE). AVE expected value> 0.5. Inner Model test conducted to test the relationship between latent constructs.

There are several tests for the structural model, namely: R Square on endogenous constructs. R Square value is coefficient of determination on endogenous constructs. According to Chin, WW.and Dibbern. J, 2009) R square value of 0.67 (strong), 0:33, (moderate) and 0:19 (weak). Estimate for Path Coefficients, is a path coefficient value or magnitude of the relationship/influence latent constructs. Conducted with Bootrapping procedure. Prediction relevance (Q square) or known as the Stone-Geisser's. This test is done to determine the predictive capabilities with blinfolding procedure. If the value obtained 0:02 (minor), 0:15 (medium) and 0:35 (large). Can only be done for endogenous constructs with reflective indicators.

Table 1. Operational Variable

| Variable | Definition | Indicator |
|---|---|---|
| Achievement ($X_1$) | Achievement is an effort to meet the needs of individual employees in which each employee has different needs and wants. | 1. Be satisfied if it can be accomplished.<br>2. Responsible for any given task.<br>3. satisfaction when the job is completed on team. |

| | | |
|---|---|---|
| | | 4. Employees Like feedback on job.<br>5. Employees doing innovative in implementing the task |
| Recognition ($X_2$) | Recognition is a reward and attention for the work performance through feedback received by the employees. Recognition is a process of giving the better status for employees in an organization. | 1. Employees are satisfied with the salary received<br>2. Salary received fulfill their needs<br>3. Employee s' achievement rewarded<br>4. Job performance can appreciated from colleagues.<br>5. Achievement can appreciated from supervisor |
| Work itself ($X_3$) | The work itself includes characteristics, whether it is challenging, interesting or boring. Human beings have their own different characters. Some of them enjoy working in the office, but some others out of the office. | 1. The task given is very interesting.<br>2. The task given according to education<br>3. The task given the appropriate skills.<br>4. Likes challenging task.<br>5. The task given can be understood |
| Responsibility ($X_4$) | Responsibility is an obligation related to job function and tasks as written in the job description in the company. Perception of responsibility of an employee will determine the working satisfaction level for employees themselves. | 1. Being responsible for job<br>2. The task doing is very well<br>3. Do the work the best way<br>4. Work effectively<br>5. Work efficiently |
| Advancement ($X_5$) | Advancement/promotion can be defined as a change of work hierarchy from the lower level to the higher level of work. | 1. Everybody has opportunity to be promoted<br>2. Many opportunities to develop career<br>3. Career level is transparency to all employees<br>4. Supervisor provide opportunities for promotion<br>5. Co-workers help each other for the promotions. |

To respond the problem formulation written in the first chapter, "What are the factors that affect job satisfaction toward conventional banks in Indonesia?, the researchers develop a hypothesis of employee's satisfaction as follows.

Hypothesis 1

$H_0$ : There is a negative relationship between achievement and job satisfaction in conventional banks in Indonesia.

$H_1$ : There is a positive relationship between achievement and job satisfaction in conventional banks in Indonesia.

Hypothesis 2

$H_0$ : There is a negative relationship between achievement and job satisfaction in conventional banks in Indonesia.

$H_1$ : There is a positive relationship between achievement and job satisfaction in conventional banks in Indonesia.

Hypothesis 3

$H_0$ : There is no relationship between the work itself and job satisfaction in conventional banks in Indonesia.

$H_1$ : There is a positive relationship between the work itself and job satisfaction conventional banks in Indonesia.

Hypothesis 4

$H_0$ : There is no relationship between responsibility and job satisfaction in conventional banks in Indonesia.

$H_1$ : There is a positive relationship between responsibility and job satisfaction in conventional banks in Indonesia.

Hypothesis 5

$H_0$ : There is no relationship between advancement and job satisfaction in conventional banks in Indonesia.

$H_1$ : There is a positive relationship between advancement and job satisfaction in conventional banks in Indonesia.

## RESULT AND DISCUSSION

Quote (Wong .K.K, 2013) There are two sub-models in a structural equation model; the inner model specifies the relationships between the independent and dependent latent variables,

whereas the outer model specifies the relationships between the latent variables and their observed indicators. In SEM, a variable is either exogenous or endogenous. An exogenous variable has path arrows pointing outwards and none leading to it. Meanwhile, an endogenous variable has at least one path leading to it and represents the effects of other variable.

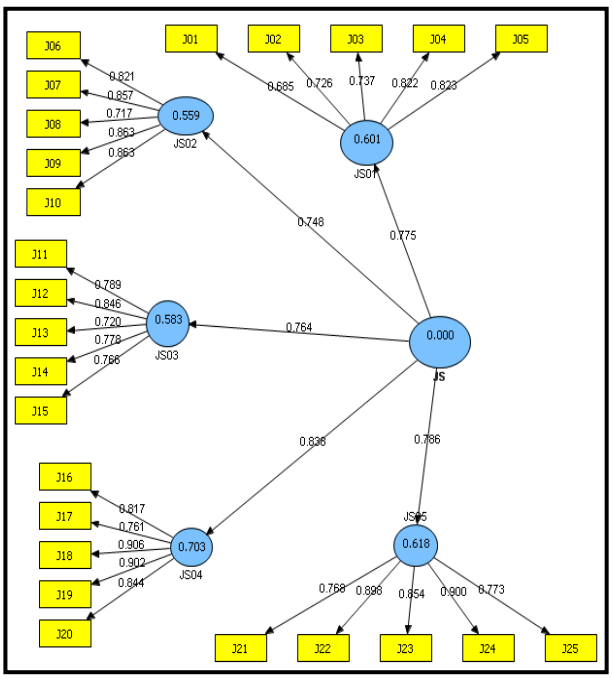
In this study, model using second order because some variables are not measured directly, but by using dimensions. Thus, the second order analysis is conducted prior to the construct measured by using these dimensions. According to Ghozali (2006), the method of analysis with repeated indicator approach is often called hierarchical component models. Tests conducted on the outer models as follows.

*Convergent Validity*

Convergent validity is loading factor value on the latent variables with their indicators. According to Nunnally (1978, 1994), value is expected > 0.7. Variables job satisfaction is made-up of five dimensions, namely Achievement (J01), Recognition (J02), Work Itself (J03) Responsibility (J04) and Advancement (J05) and each dimension consists of five indicators. Here is the path diagram of second order to job satisfaction construct.

Second order means a construct not directly measured by indicators but measured by dimensions. Methods of analysis (PLS) with repeated indicator approach or also often called hierarchical component models. Job satisfaction construct qualified to test the validity, because it has a value loading factor greater than 0.7.

Figures in the appendix 1 is exactly the same with the number of loading factor except digit after the decimal point. Validity test for a reflective indicator uses the correlation between the scores of items and a score of its constructs. Measurements with a reflective indicator indicates a change of indicator in a construct if other indicators on the same construct is changed (or removed from the model). Suitable reflective indicator is suitable to be used in perception measurement, so this study uses a reflective indicator. The table above shows that the loading factor value over suggested value that is equal to 0.5. This means that the indicators used in this study is valid or has fulfilled convergent validity.




Source: data proceeded

Figure 2. Path Diagram of Second Order of Job Satisfaction at Conventional Banks

*Discriminant Validity*

Discriminant validity assessment has become a generally accepted pre-requisite in analyzing relationships between latent variables. For variance-based structural equation modelling, such as partial least squares, cited from Fornell and Larcker (1981), criterion and the examination of cross-loadings. are the dominant approaches for evaluating discriminant validity.

According to Hair et al. (2010), discriminant validity ensures that a construct size is empirically unique and represents interesting phenomena in which other steps in a structural equation model do not capture. Cited from Campbell (1960), technically, discriminant validity requires "a test which does not

correlate too high with measurements from which it is supposed to differ". The table in appendix 2 is a cross loading factor value that is useful to know whether the construct of job satisfaction at the conventional banks have adequate discriminant, that is by comparing the value of the loading on the targeted constructs, and it must be greater than the value of loading of another construct.

Table 2. Average Variance Extracted Construct of Job Satisfaction at Conventional Banks

| | AVE |
|---|---|
| Job Satisfaction | 0.4044 |
| Achievement ($X_1$) | 0.5785 |
| Recognition ($X_2$) | 0.6825 |
| Work itself ($X_3$) | 0.6099 |
| Responsibility ($X_4$) | 0.7189 |
| Advancement ($X_5$) | 0.7066 |

Source: data proceeded

The table above gives AVE value of more than 0.5 to all dimensions contained in the research model. AVE value of job satisfaction is lower than 0.5 but it does not matter because this indicator does not directly measure job satisfaction but they measure the dimensions, where it measures the construct job satisfaction.

Another method to see the discriminant validity is to look at the value of the square root of Average Variance Extracted (AVE). The average variance extracted (AVE), as seen in Fornell and Larcker (1981), measures the number of variance captured by a construct in relation to the variance because of random measurement error. Recommended value is over 0.5. Average variance extracted AVE in this study is as below.

*Composite Reliability*

According to Fornell and Larcker (1981) composite reliability is a measurement of scale reliability. Composite reliability assesses the internal consistency of a measurement, meaning square. The data has composite reliability > 0.8, the meaning has high reliability. Meanwhile according to Bagozzi and Yi (1988), stated that composite reliability should be 0.7 or higher. If it is an exploratory research, 0.6 or higher is acceptable. Reliability testing is conducted by seeing value of the block of composite reliability indicators that measure the construct. Results composite reliability, will demonstrate a satisfactory value if more than 0.7. Here is the composite reliability value at the output. In the table be;ow shows that the composite reliability to all constructs is over 0.7 indicating that all constructs in the model estimated fulfill the criteria of discriminant validity.

Table 3. Composite Reliability Construct of Job Satisfaction at Conventional Banks

| Dimensions / constructs | Composite Reliability |
|---|---|
| Job Satisfaction | 0.9437 |
| (J01)=Achievement | 0.8722 |
| (J02) = Recognition | 0.9145 |
| (J03) = Work itself | 0.8863 |
| (J04)= Responsibility | 0.9272 |
| (J05)= Advancement | 0.9230 |

Source: data proceeded

*Cronbach Alpha*

Table 4. Cronbach Alpha Construct Construct of Job Satisfaction at Conventional Banks

| Dimensions/constructs | Cronbach Alpha |
|---|---|
| Job Satisfaction | 0.9374 |
| (J01)=Achievement | 0.8175 |
| (J02) = Recognition | 0.8821 |
| (J03) = Work itself | 0.8394 |
| (J04)= Responsibility | 0.9010 |
| (J05)= Advancement | 0.8948 |

Source: data proceeded

According to Wong (2013), the cronbach's alpha is a coefficient intended to evaluate how well a block of indicators measure their corresponding latent construct. You can think of it as an average inter-variable correlation between indicators of a reflective construct. If a block of manifested variables is un-dimensional, they have to be highly correlated, and consequently, we expect them to have a high average inter-variable correlation. It is important to keep in mind that the computation of the Cronbach's alpha requires the observed variables to be standardized and positively

correlated. Table below is output of reliability test with cronbach's alpha against job satisfaction; value expected is > 0.6 to all constructs, where output smart PLS Version 2 gives the following results. The table below showing that there is no Cronbach Alpha value under 0.6. This means the all constructs have reliability value, and deserves to be continued.

*T-Value*

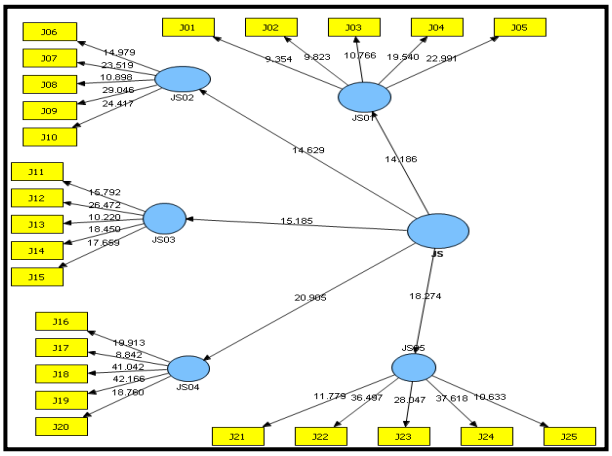
In SmartPLS, bootstrapping can also be used to test the significance of formative indicators' outer weight. According to Wong (2013), after running the procedure, check the T-Statistics value as shown in the "outer weights" window (bootstrapping outer Weights [Mean, STDEV, T-Values]). If a particular indicator's outer weight is shown is not significant (i.e., <1.96), check the significance of its outer loading. Just remove the indicator if both of its outer weights and outer loadings are not significant. To see the t value of the indicator against dimension and from dimension towards construct, bootstrapping is conducted and gives the figure 3.

The picture above shows the t value of the dimension, and t value of dimensions against constructs of achievement (J01), recognition (J02), work itself (J03) responsibility (J04) and advancement (J05). It can also be shown in the following table.

Table 4. T Value of Indicator towards Dimension and Construct

| | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | Standard error (STERR) | T statistics (\|O/STERR\|) |
|---|---|---|---|---|---|
| JS01 -> JS | 0.7749 | 0.7710 | 0.0546 | 0.0546 | 14.1862 |
| JS02 -> JS | 0.7477 | 0.7549 | 0.0511 | 0.0511 | 14.6290 |
| JS03 -> JS | 0.7637 | 0.7677 | 0.0503 | 0.0503 | 15.1848 |
| JS 04-> JS | 0.8384 | 0.8369 | 0.0401 | 0.0401 | 20.9047 |
| JS05 ->JS | | | | | 18.274 |

Source: data proceeded




Source: data proceeded

Figure 3. Output Bootstrapping of Job Satisfaction Construct at Conventional Banks

*Hypothesis Test Result*

In hypothesis 1, statistical test result of conventional banks t value is 14.4160> 1.96, meaning that $H_0$ is rejected and H1 is accepted. There is a significant relationship between the variables of achievement toward job satisfaction (JS) by conventional banks (T-Value) 14.4160 > 1.96, where relationship and the direction (positive) is strong. Relation is strong because the correlation of 0.7754 is in the range of 0.60 to 0.799. R square in table 4.19 R-square conventional banks, achievement and job satisfaction (JS) is 0.6012, meaning that job satisfaction (JS) can be influenced by the achievement of 60.12%. While the remaining 39.88% influenced by other variable.

In hypothesis 2, statistical test result of conventional banks t value is 14.1387>1.96, meaning that, H0 is rejected and H1 is accepted. There is a significant relationship between the variables of recognition toward job satisfaction (JS) by conventional Banks (t-value) 14.1387>1.96, where relationship and the direction (positive) is strong. Relation is strong because the correlation of 0.7454 is in the range of 0.60 to 0.799. R square in table 4.19 R-square conventional banks, recognition and job satisfaction is 0.5571, meaning that job satisfaction (JS) can be influenced by the recognition of 55.71%. While the remaining 44.29% influenced by other variable.

In hypothesis 3, statistical test result of conventional banks t 14.4709>1.96, meaning that H0 is rejected and H1 is accepted. There is a significant relationship between the variables of work itself (JS3) toward job satisfaction (JS) by conventional Banks (t-value) 14.4709>1.96 Where relationship and the direction (positive) is strong. Relation is strong because the correlation of 0.7647 is in the range of 0.60 to 0.799. R square in table 4.19 R-square conventional banks, work itself (JS3) and job satisfaction is 0.5847, meaning that job satisfaction (JS) can be influenced by the work itself (JS3) of 58.47%. While the remaining 41.53% influenced by other variable.

In hypothesis 4, statistical test result of conventional banks t value is 20.4713>1.96, meaning that H0 is rejected and H1 is accepted. There is a significant relationship between the variables of Responsibility (JS4) toward job satisfaction (JS) by conventional Banks (t-value) 20.4713> 1.96 Where relationship and the direction (positive) is very strong. Relation is very strong because the correlation of 0.8401 is in the range of 0.80 to 0.100. R square in table 4.19 R-square conventional banks, Responsibility and job satisfaction is 0.7059, meaning that job satisfaction (JS) can be influenced by the responsibility of 70.59%. While the remaining 29.41% influenced by other variable.

In hypothesis 5, statistical test result of conventional banks t value is 18.5027> 1.96, meaning that H0 is rejected and H1 is accepted. There is a significant relationship between the variables of advancement (JS5) toward job satisfaction (JS) by conventional Banks (t-value) 18.5027>1.96 Where relationship and the direction (positive) is strong. Relation is strong because the correlation of 0.7843 is in the range of 0.60 to 0.799. R-square conventional banks, advancement (JS5) and job satisfaction (JS) is 0.6151, meaning that job satisfaction (JS) can be influenced by the advancement (JS5) of 61.51%. While the remaining 38.49% influenced by other variable. Based on statistical test towards job satisfaction perspective in conventional banks, it can be proven that job satisfaction is significantly affected by the five indicators: achievement (JS1), recognition (JS2), work itself (JS3), responsibility (JS4) and advancement (JS5). The value of each indicator is as follows: JS1=>JS = 0.7753, JS=> JS2 = 0.7464, JS=>JS3 = 0.7647, JS => JS4 = 0.8402 and JS => JS5 = 0.7843. The average correlation of job satisfaction towards their indicator is 0.7822, meaning that there is a strong correlation between job satisfaction towards indicator. Job satisfaction is a perspective that needs concern of the bank manager.

## CONCLUSION

Partially all indicators of job satisfaction for conventional banks have a positive and significant relationship and each indicator consist of: achievement has strong relationship, recognition has strong relationship, work itself has strong relationship, responsibility has very strong relationship and advancement has strong relationship. Simultaneously job satisfaction, internal business process towards customer satisfaction has a significant relationship.

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Appendix 1. Result for Outer Loading of Job Satisfaction Constructs at Conventional Banks

| | JS | $X_1$ | $X_2$ | $X_3$ | $X_4$ | $X_5$ |
|---|---|---|---|---|---|---|
| | **Job satisfaction** | **Achievement** | **Recognition** | **Work itself** | **Responsibility** | **Advancement** |
| J01 | 0.4878 | 0.6854 | | | | |
| J02 | 0.5276 | 0.7256 | | | | |
| J03 | 0.5417 | 0.7372 | | | | |
| J04 | 0.6739 | 0.8222 | | | | |
| J05 | 0.6825 | 0.8226 | | | | |
| J06 | 0.5978 | | 0.8211 | | | |
| J07 | 0.6028 | | 0.8572 | | | |
| J08 | 0.6082 | | 0.7174 | | | |
| J09 | 0.6279 | | 0.8628 | | | |
| J10 | 0.6448 | | 0.8628 | | | |
| J11 | 0.5925 | | | 0.7892 | | |
| J12 | 0.625 | | | 0.8463 | | |
| J13 | 0.5047 | | | 0.7197 | | |
| J14 | 0.6177 | | | 0.7782 | | |
| J15 | 0.629 | | | 0.7663 | | |
| J16 | 0.6941 | | | | 0.8175 | |
| J17 | 0.6279 | | | | 0.7612 | |
| J18 | 0.7491 | | | | 0.9059 | |
| J19 | 0.7578 | | | | 0.9017 | |
| J20 | 0.7174 | | | | 0.8445 | |
| J21 | 0.6179 | | | | | 0.7677 |
| J22 | 0.7133 | | | | | 0.8984 |
| J23 | 0.6437 | | | | | 0.8984 |
| J24 | 0.7357 | | | | | 0.8995 |
| J25 | 0.5788 | | | | | 0.773 |

Source: data proceeded

Appendix 2. Cross Loading of Job Satisfaction Construct at Conventional Banks

| | **JS** | **X1=JS1** | **X2=JS2** | **X3=JS3** | **X4=JS4** | **X5=JS5** |
|---|---|---|---|---|---|---|
| J01 | 0.4878 | 0.6854 | 0.2765 | 0.2678 | 0.4052 | 0.3041 |
| J02 | 0.5276 | 0.7256 | 0.3108 | 0.3073 | 0.4335 | 0.3212 |
| J03 | 0.5417 | 0.7372 | 0.3108 | 0.2984 | 0.462 | 0.3404 |
| J04 | 0.6739 | 0.8222 | 0.436 | 0.469 | 0.5355 | 0.4157 |
| J05 | 0.6825 | 0.8226 | 0.4781 | 0.4547 | 0.5182 | 0.4396 |
| J06 | 0.5978 | 0.388 | 0.8211 | 0.2883 | 0.4344 | 0.4048 |
| J07 | 0.6028 | 0.3354 | 0.8572 | 0.3346 | 0.4294 | 0.3996 |
| J08 | 0.6082 | 0.451 | 0.7174 | 0.3152 | 0.4464 | 0.4497 |
| J09 | 0.6279 | 0.4183 | 0.8628 | 0.3381 | 0.4203 | 0.4248 |
| J10 | 0.6448 | 0.4143 | 0.8628 | 0.3577 | 0.4365 | 0.4562 |
| J11 | 0.5925 | 0.389 | 0.2913 | 0.7892 | 0.4548 | 0.4217 |
| J12 | 0.625 | 0.3857 | 0.331 | 0.8463 | 0.4614 | 0.4513 |
| J13 | 0.5047 | 0.3124 | 0.2746 | 0.7197 | 0.346 | 0.3548 |
| J14 | 0.6177 | 0.3789 | 0.2891 | 0.7782 | 0.5237 | 0.4593 |
| J15 | 0.629 | 0.4155 | 0.3576 | 0.7663 | 0.4821 | 0.463 |
| J16 | 0.6941 | 0.546 | 0.4332 | 0.4695 | 0.8175 | 0.4131 |
| J17 | 0.6279 | 0.5216 | 0.409 | 0.3696 | 0.7612 | 0.3587 |
| J18 | 0.7491 | 0.5436 | 0.4649 | 0.5288 | 0.9059 | 0.4413 |
| J19 | 0.7578 | 0.5334 | 0.4614 | 0.5637 | 0.9017 | 0.4599 |
| J20 | 0.7174 | 0.502 | 0.4564 | 0.5328 | 0.8445 | 0.4305 |
| J21 | 0.6179 | 0.3966 | 0.4443 | 0.3854 | 0.4039 | 0.7677 |
| J22 | 0.7133 | 0.4177 | 0.4717 | 0.5113 | 0.4683 | 0.8984 |
| J23 | 0.6437 | 0.3919 | 0.3655 | 0.4945 | 0.396 | 0.8543 |
| J24 | 0.7357 | 0.4676 | 0.4589 | 0.557 | 0.4799 | 0.8995 |
| J25 | 0.5788 | 0.3559 | 0.4383 | 0.3546 | 0.3273 | 0.773 |

Source: data proceeded