Research Article

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The Influence of Human Resource Quality on Employee Performance with Job Satisfaction as an Intervening Variable at Bank Sumut Binjai Branch

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Abstract: *The purpose of this study was to analyze the influence of human resource quality on employee performance with job satisfaction as an intervening variable. This research was conducted at Bank Sumut Binjai Branch. The population of this study was 70 employees and the sample used was 70 employees (sample saturated). Data collection was carried out by distributing questionnaires. The research model used is Path analysis. The result of this study is that Job Satisfaction has no significant positive effect on Employee Performance. HR quality has a positive and significant effect on job satisfaction. HR quality has a positive and insignificant effect on employee performance. Based on this study, there is a positive and significant effect of HR quality on Employee Performance through Job Satisfaction.*

Keywords: *HR Quality, Employee Performance, Job Satisfaction*

Introduction

Human resources (HR) is a very important factor that cannot even be separated from an organization, both institutions and companies. HR is also the key that determines the development of the company. In essence, HR is in the form of humans who are employed in an organization as movers, thinkers and planners to achieve the goals of that organization. Human Resources (HR) in general are productive individuals who work as the driving force of an organization, both within institutions and companies that have the function of being an asset so that their abilities must be trained and developed. Banking services are one of the activities in national banking that aims to provide convenience for customers in conducting financial transactions. Banking services are provided to support the smooth flow of collecting and distributing funds to the public. One of the most important managements in the world of banking besides bank marketing is the management of human resources, because human resources are the backbone in running the wheels of a bank's operational activities. Provision of human resources (bankers) as the motor of bank operations must be prepared as early as possible. (Frida, 2020,). Having professional Human Resources as desired by the bank is not an easy matter. There are many things that must be done, so that the human resources obtained will actually have the capabilities as desired. One of the main keys in creating professional HR lies in the recruitment process.

It is not uncommon for leaders not to know the factors that cause dissatisfaction so that employees feel dissatisfied at work. Many companies experience problems with employee satisfaction ranging from lack of incentives, uncomfortable workplaces to problems with employee promotions, if left unchecked, there will be a very high turnover rate. Job satisfaction is often shown by employees by the way they like the work itself and the level of enjoyment in doing the job. Employee performance is the level of achievement or results of a person's work from the goals to be achieved or the tasks to be carried out in accordance with their respective responsibilities within a certain period of time. Performance is defined as a set of results that have been achieved and increased in the act of achieving and implementing a task requested. The definition of performance is a description of the level of achievement of the implementation

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of an activity program or policy in realizing organizational goals, vision and mission goals of the organization that are included through an organization's strategic planning.

The phenomenon that occurs at Bank Sumut Binjai Branch is the lack of human resources which makes employee performance less effective, and the quality of human resources is also not very good because they are not satisfied with their work because there is no good reciprocity for employees and their welfare so that employees deliberately makes his quality reduced to avoid other tasks that do not have benefits for employees.

Literature Review

Quality of Human Resources

According to Afandi (2018) Human Resource Management is the science and art of managing labor relations and roles efficiently and effectively so that company, employee and community goals are achieved. Human resource management is the recruitment, selection, development, maintenance and use of human resources to achieve individual or organizational goals. According to Sedarmayanti (2017) Human Resource Management is a process of utilizing human resources (HR) effectively and efficiently through planning, activating, controlling all values that become human strengths to achieve predetermined goals.

Human Resources Indicator

Indicators of human resource management according to Afandi (2018) are as follows:
1. Work assignments, namely details of activities that must be carried out by employees
2. Quality of work, namely work results that are standardized and in accordance with what is desired.
3. Quantity, namely the number of results from the production of employee work.
4. Timeliness, namely the results of employee work production
5. Cost effectiveness, namely using appropriate and efficient costs.

Job satisfaction

According to Priansa (2016) states that job satisfaction is related to how employees feel about their work and to various aspects of the job, so that job satisfaction is closely related to the extent to which employees are satisfied or dissatisfied with their work. According to Hamali (2016) everyone who works expects to be able to obtain satisfaction from their place of work. Job satisfaction will affect productivity which is highly expected by a manager, so a manager needs to understand what must be done to create employee job satisfaction.

Job Satisfaction Indicator

According to Priansa (2016) there are 9 indicators of job satisfaction, namely as follows:
1. Wages
2. Promotion
3. Supervision (relationship with superiors)
4. Allowances
5. Award
6. Work procedures and regulations
7. Work colleague
8. The job itself

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9. Communication

Employee Performance

According to Simanjuntak (2014), "Performance is the level of achievement of results for the implementation of certain tasks. Individual performance as the level of achievement or work results of a person from the goals to be achieved or the tasks to be carried out within a certain period of time. According to Rivai (2014), "Performance is the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities such as work standards, targets, goals, or criteria that have been determined in advance and have been mutually agreed upon".

Employee Performance Indicators

According to Simanjuntak (2014), "mention the criteria that can be used to measure the performance of individual employees, namely":
1. Quality, which is related to the quality produced either in the form of work neatness and work accuracy or the level of errors made by employees.
2. Quantity, which is related to the amount that must be completed or achieved.
3. The timeliness of the results is in accordance with the planned time.

Method

The type of research that will be used is quantitative associative, namely research that aims to determine the relationship between two or more variables (Sugiyono, 2013). In this study, the exogenous variable is the quality of human resources (X). Meanwhile, the endogenous variable is Employee Performance (Y) and the Intervening Variable is Job Satisfaction (Z). This research was conducted at Bank Sumut Binjai Branch Jl. Jendral Sudirman No.16, Kartini, Kec. Binjai City, Binjai City, North Sumatra 20741, when this research was conducted from March 2023 to July 2023. According to Sugiyono (2013), population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to studied and then drawn the conclusion that the population used is 70 employees.

The sampling technique used is a saturated sample technique, which involves all respondents to become a sample, meaning that the sample to be used is 70 employees.

Data analysis technique

The data analysis technique used in this study is a quantitative data analysis method. Data analysis in this study used Partial Least Square (PLS) based Structural Equation Modeling (SEM) using SmartPLS 3.3.3 software

Measurement Model (Outer Model)

The procedure for testing the measurement model consists of a validity test and a reliability test.
1. Validity Test

The validity test is used to assess whether or not a questionnaire is valid. A questionnaire is said to be valid if the questionnaire questions are able to reveal something that is measured by the questionnaire. Validity testing is applied to all question items in each variable.

2. Reliability Test

In general, reliability is defined as a series of tests to assess the reliability of statement items. The reliability test is used to measure the consistency of measuring instruments in measuring a concept or measuring the consistency of respondents in answering statement items in questionnaires or research instruments. To measure the level of reliability of research variables in PLS, you can use the value of the alpha coefficient or Cronbach's alpha and composite reliability). Cronbach's alpha value is suggested to be greater than 0.7 and composite reliability is also suggested to be greater than 0.7. (Now, 2014)

Structural Model (Inner Model)

This test was conducted to determine the relationship between exogenous and endogenous constructs which has become a hypothesis in this study (Hair et al., 2017). To produce inner model test values, steps in SmartPLS are carried out using the bootstrapping method. The structural model is evaluated using the R-square for the dependent variable, the Stone-Geisser Q-square test for predictive elevation and the t test and the significance of the structural path parameter coefficients with the following explanation:

1. Coefficient of Determination / R Square (R2)

In assessing the model with PLS begins by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation of the regression. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect (Ghozali, 2012). The value of R2 is generally between 0 and 1.

2. Predictive Relevance (Q2)

This test is used to measure how well the observed values are generated by the model and also the parameter estimates. If the Q2 value is greater than 0, it indicates that the model has predictive relevance, which means it has a good observation value, whereas if the value is less than 0, it indicates that the model does not have predictive relevance (Ghozali, 2014).

3. t-Statistics

at this stage it is used for hypothesis testing, namely to determine the significance of the relationship between variables in research using the bootstrapping method. In the full Structural Equation Modeling model besides confirming the theory, it also explains whether or not there is a relationship between latent variables (Ghozali, 2012). The hypothesis is said to be accepted if the t statistic value is greater than the t table. According to (Latan and Ghozali, 2012) the criteria for a t table value of 1.96 with a significance level of 5%

4. Path Coefficient (Path Coefficient)

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is positive. Meanwhile, if the value is 0 to -1, then the direction of the relationship between variables is declared negative.

5. Model Fit

This test is used to determine the level of suitability (fit) of the research model with the ideal model for this study, by looking at the NFI value in the program. If the value is closer to 1, the better (good fit).

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Results And Discussion

Outer Model Analysis

Testing the measurement model (outer model) is used to determine the specification of the relationship between latent variables and their manifest variables, this test includes convergent validity, discriminant validity and reliability.

1. Convergent Validity

Convergent validity is used to determine the validity of each indicator on its latent variables, in the SmartPLS software to see the results of the validity, it can be seen in the outer loading table. In the outer loading table there are numbers or values that indicate indicators that show similarities with the construct variables. The value for the indicator is said to be valid, if the indicator explains the construct variable with a value of > 0.7. The structural model in this study is shown in the following figure:
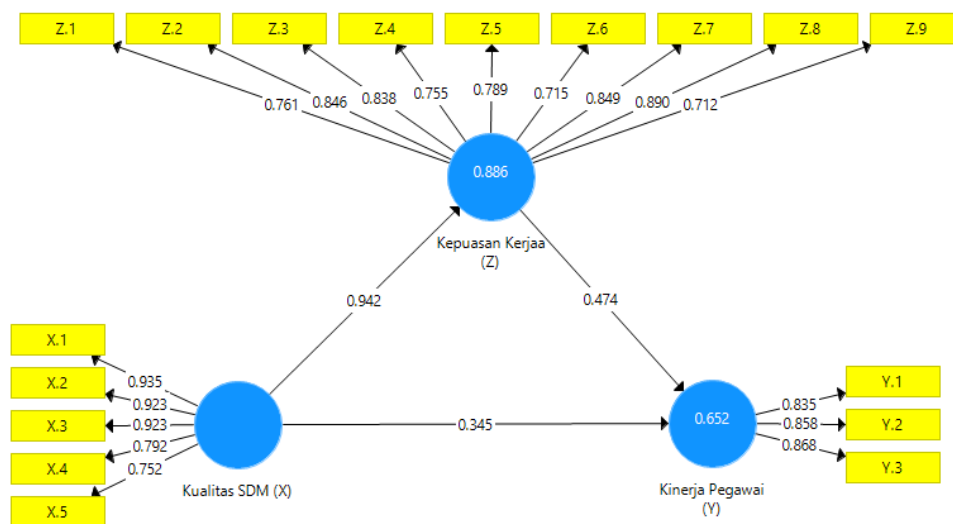

Figure 1. Outer Model
Source: Smart PLS 3.3.3

The Smart PLS output for the loading factor gives the results in the following table: Outer Loadings
In this study there are equations and the equation consists of two substructures for substructure 1

$Z = b1X1 + e1$

$Z = 0.942 + e1$

For substructure 2

$Y = b2X1 + b3Z + e2$

$Y = 0.345 + 0.474 + e2$

Table 1. Outer Loadings

	Job Satisfactiona (Z)	Employee Performance (Y)	HR Quality (X)
X.1			0.935
X.2			0.923
X.3			0.923
X.4			0.792
X.5			0.752

Y. 1		0.835	
Y.2		0.858	
Y.3		0.868	
Z. 1	0.761		
Z. 2	0.846		
Z. 3	0.838		
Z. 4	0.755		
Z. 5	0.789		
Z. 6	0.715		
Z. 7	0.849		
Z. 8	0.890		
Z. 9	0.712		

Source: Smart PLS 3.3.3

It can be seen from the table above that each variable has an outer loading indicator which must be greater than 0.7, so it is stated that the outer loading results are valid, each variable gets a value greater than 0.7, which means that all outer loading indicators are considered valid and can continue further research. .

2. Discriminant Validity

Discriminant Validity can be tested by looking at the cross loading table, this output is used to test discriminant validity at the indicator level with the condition that the correlation between indicators and their late variables is > compared to the correlation between indicators and other latent variables (outside the block). For more details can be seen in the table below:

Table 2. Discriminant Validity

	Job Satisfactiona (Z)	Employee Performance (Y)	HR Quality (X)
X.1	0.945	0.777	**0.935**
X.2	0.900	0.742	0.923
X.3	0.812	0.724	0.923
X.4	0.752	0.627	0.792
X.5	0.635	0.531	0.752
Y. 1	0.829	0.835	0.770
Y.2	0.573	0.858	0.591
Y.3	0.587	**0.868**	0.626
Z. 1	0.761	0.511	0.660
Z. 2	0.846	0.660	0.772
Z. 3	0.838	0.651	0.767
Z. 4	0.755	0.663	0.727
Z. 5	0.789	0.621	0.795
Z. 6	0.715	0.603	0.663
Z. 7	0.849	0.742	0.798
Z. 8	**0.890**	0.681	0.876

| Z. 9 | 0.712 | 0.570 | 0.662 |

Source: Smart PLS 3.3.3

The table above shows the cross loading factor of each variable showing a value greater than the cross loading of other latent variables, for cross loading of the Job Satisfaction variable there is a greater value than the cross loading of other latent variables, for cross loading of the Employee Performance variable there is a greater value than the cross loading of other latent variables, for the cross loading of the HR Quality variable there is a value greater than the cross loading of other latent variables. This means that in this study the data is considered discriminately valid.

3. Composite reliability

Subsequent tests determine the reliable value with the composite reliability of each construct, the construct value that is considered reliability is where the composite reliability value is above 0.6 or greater than 0.6. If the value of Coranbasch alpa is also greater than 0.7 then the value of each construct in the block is considered reliable in each construct variable and if the AVE value is also above 0.7 then each construct variable is considered valid. The following is a table of loading values for the research variable construct resulting from running the Smart PLS program in table 3 below:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Job Satisfactiona (Z)	0.927	0.940	0.635
Employee Performance (Y)	0.818	0.890	0.729
HR Quality (X)	0.916	0.938	0.754

Source: Smart PLS 3.3.3

Based on the table above, there is a Cronbach alpha block where the value of each variable is greater than 0.7 so that it can be interpreted as Cronbach alpha reliability data. Based on the composite reliability block, the value of each variable is greater than 0.6 so that it can be explained that the value is considered composite reliability. Based on the AVE block, there is a value for each variable greater than 0.7, it can be explained that an AVE value greater than 0.7 means that the values are validly distributed so that it can be explained that all the blocks listed above have a value greater than the basically so that it is considered reliable and valid.

Inner Model Analysis

Evaluation of the structural model (inner model) is carried out to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the evaluation of the structural model are seen from several indicators, namely:

1. Coefficient of Determination (R2)

Based on the data processing that has been done using the SmartPLS 3.0 program, the R Square value is obtained as follows:

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Table.4. R Square results

	R Square	Adjusted R Square
Job Satisfactiona (Z)	0.886	0.885
Employee Performance (Y)	0.652	0.642

Source: Smart PLS 3.3.3

It can be explained that the R squre value of the Job Satisfaction variable is 0.885 and is percentaged at 88.6%, meaning that the effect of HR quality on Job Satisfaction is 88.6% and the remaining 11.4% is in other variables. For the R square value of the Employee Performance variable, 0.652 and if the percentage is 65.2%, it means that the effect of HR Quality and Job Satisfaction on Employee Performance is 65.2%, the remaining 34.8% is in other variables.

2. Assessment of Goodness of Fit (GoF)

The goodness of fit model test can be seen from the NFI value ≥ 0.697 which is declared fit. Based on the data processing that has been done using the SmartPLS 3.3 program, the Fit Model values are obtained as follows:

Table 5. Model Fit

	Saturated Model	Estimation Models
SRMR	0.085	0.085
d_ULS	1.112	1.112
d_G	1.119	1.119
Chi-Square	353,422	353,422
NFIs	0.722	0.722

Source: Smart PLS 3.3.3

Based on the table above, there is an NFI value of 0.722 if the research is considered fit if the NFI value is greater than 0.697, because the NFI value in this study is greater than 0.697, the research is considered fit according to the GoF test and can carry out further research and is feasible so that it can carry out Hypothesis test.

3. Hypothesis Testing

After assessing the inner model, the next thing is to evaluate the relationship between latent constructs as hypothesized in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics and P-Values. The hypothesis is declared accepted if the T-Statistics value is > 1.96 and the P-Values are <0.05. The following are the results of the Path Coefficients of direct influence:

Table 6. Path Coefficients (Direct Effects)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Job Satisfactiona (Z) -> Employee Performance (Y)	0.474	1,676	**0.094**	**Rejected**

HR Quality (X) -> Job Satisfaction (Z)	0.942	85,809	**0.000**	**Accepted**
HR Quality (X) -> Employee Performance (Y)	0.345	1.117	**0.264**	**Rejected**

Source: Smart PLS 3.3.3

Based on the table above, there is a research hypothesis value to determine the effect between variables and can be explained as follows:

1. Job satisfaction has no significant positive effect on employee performance with an original sample value of 0.474 and P values of 0.094 > 0.05 meaning that in this study employee job satisfaction has decreased or they feel dissatisfied with their work so that the performance of many employees has decreased.

2. HR quality has a positive and significant effect on job satisfaction with a value of 0.942 and P values of 0.000 <0.05 meaning that if the quality of human resources is high, it can be ensured that employee performance will get better.

3. HR quality has a positive and not significant effect on employee performance with an original sample value of 0.345 and a P value of 0.264 > 0.05 meaning that poor quality human resources results in poor employee performance and if quality increases, employee performance also increases.

Table 7. Path Coefficients (Indirect Effects)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
HR Quality (X) -> Job Satisfaction (Z) -> Employee Performance (Y)	0.446	1,668	**0.096**	**Rejected**

Source: Smart PLS 3.3.3

Based on this study, there is a positive and significant effect of HR quality on Employee Performance through Job Satisfaction with the original sample 0.446 and P values 0.096 > 0.05 meaning that Job Satisfaction is not an intervening variable and cannot influence HR Quality and Employee Performance.

Closing

Conclusion

1. Job satisfaction has no significant positive effect on employee performance.
2. The quality of human resources has a positive and significant effect on job satisfaction.
3. HR quality has a positive and insignificant effect on employee performance.
4. Based on this study, there is a positive and significant effect of HR quality on Employee Performance through Job Satisfaction.

Suggestion

1. Organizations must choose qualified human resources or employees to advance the organization and accelerate existing work.
2. Organizations must increase satisfaction in working with other employees by providing good motivation.
3. Organizations must be able to create good employee performance through the recommended training.

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