

# Are Employment Conditions Influenced by Training Satisfaction and Reward Satisfaction? (Study on South Sulawesi's Financial Institutions)

Correspondance author: RandiTangdialla  
Doctoral Candidate, Postgraduate Faculty of  
Economics and Business,  
Hasanuddin University, Indonesia

IdayantiNursyamsi  
Professor of Operations Management,  
Management Department, Faculty of Economics and  
Business, Hasanuddin University, Indonesia

MaatPono  
Professor of Human Resource Management,  
Management Department, Faculty of Economics and  
Business, Hasanuddin University, Indonesia

AndiRatna SariDewi  
Associate Professor of Human Resource Management,  
Management Department, Faculty of Economics and  
Business, Hasanuddin University, Indonesia

**Abstract:-**The influence of training satisfaction on employment condition effect of reward satisfaction on employment conditions and training satisfaction and reward satisfaction on employment conditions become the foci of this paper. We choose to employ survey research and the type of source and data collection technique is a research questionnaire with a total of 374 employees of respondents at banking financial institutions in the Provinces of South Sulawesi in Indonesia. The results showed that (1) training satisfaction does not have an effect on employment conditions (2) reward satisfaction affect employment conditions (3) training satisfaction and reward satisfaction do not affect employment conditions.

## **Keywords:-**

*Training Satisfaction, Reward Satisfaction, Employment Conditions, Industrial Revolution 4.0, Sustainable Contingency Plan, Strategic Human Resource Plan.*

## **I. INTRODUCTION**

In the era of intense business competition in this Industrial Revolution 4.0 era, various aspects are needed to support the progress of the organization. Employees are one of the most important for the survival of the organization. Belete (2018) states that employees are the most valuable asset for the organization, so organizations need to pay special attention to employee issues e.g., employee turnover intentions and the factors that cause it. The 2014 Hay Group survey report stated that the world turnover rate has increased yearly (Wonowijoyo and Tanoto, 2018). This increase in turnover occurs because employees are looking for new opportunities for growth and the labor market is also starting to increase. Driving factors become a focus in this paper as poor employment conditions made employees look for new opportunities for growth outside their current organizations.

Based on survey data using the forecasting method conducted by the Hay Group, employment conditions at the global level have fluctuated every year from 2010-2018. The results of this survey are contradictory to the turnover rate that occurred in Indonesia. Employee turnover intention and its primary factor "employment conditions" become the possibility of employees leaving the work that is currently

being done (Ngamkroekjoti, Ounprechavanit, and Kijboonchoo 2012). This is implicitly explained in Kumar (2011), employment conditions are a critical human resource problem in all sectors of the economy that affects productivity, product, service quality and profitability.

Organizations can take steps such as increasing satisfaction with training (training satisfaction) and satisfaction with employee rewards (reward satisfaction) to reduce negative impacts. According to (Wanggi et al, 2019) training satisfaction has an important role as a parameter of employee satisfaction with education and training held by the organization. The company provides training to invest in increasing the value of human resources so that work performance and productivity can improve and competitive advantage is achieved (Rahman and Rivai 2019). Training to increase the value of human resources, such as basic skills training, on-the-job training, coaching, mentoring, managerial knowledge development, and others (Artiningrum and Satria, 2016).

According to (Schmidt, 2007) training satisfaction is the extent to which people like or dislike the program of activities that are planned or organized to develop knowledge, skills and attitudes to perform the given task or job effectively. The results of the study (Malek et al, 2018) explain that training can reduce employee turnover. The better the organization/company invests in employee training, the lower the employee's intention to move over to other organizations as they wish to have better employment conditions. In government organizations, education and training are obligations that must be carried out before being accepted.

Therefore, training satisfaction has an important role to measure the level of employee satisfaction with training and development carried out by the organization. When employees are satisfied with the training and development provided, employees will show better behaviour at work, loyal to the organization. That way, it can reduce the turnover rate in the organization/company and particularly make them more accepting to the conditions put on them during their employment or known as employment conditions. Employees who receive training programs are also more motivated than

employees who do not participate (Amankwaa and AnkuTsedde, 2015).

In addition to training satisfaction, reward satisfaction is also suspected to affect employment conditions. Reward satisfaction is defined as total employee satisfaction with the rewards provided (De Gieter and Hofmans, 2015). Reward satisfaction is categorized into three, namely financial rewards, material rewards, and psychological rewards (De Gieter et al. 2008; De Gieter and Hofmans 2015). Financial rewards are in the form of basic salary, bonuses, and allowances given in cash. Material rewards or in-kind rewards are tangible rewards that are not given in the form of money but have monetary value such as opportunities to attend training, health insurance, and others.

A reward is proven as a tool to improve performance and change the behavior of dissatisfied employees. Employees are the company's assets and they are the hands and brains involved in organizational activities. Therefore, a fair reward system can build job satisfaction and productive behaviour in an employee (Mehmood, 2013). The reward system also plays an important role in motivating workers to innovate (Anku, Amewugah, and Glover, 2018). Building employment conditions beyond formal requirements and supporting organizations can also make organizations effective as elaborated further in the next section.

*A. TrainingSatisfaction*

Training Satisfaction according to (Schmidt, 2007) training is the systematic development of the knowledge, skills, and expertise needed by a person to effectively perform a given task or job. (Schmidt, 2007) later coined the term job training satisfaction, combining previous ideas about job satisfaction (Spector, 1997) and job training (Landy, 1985; Patrick, 2000). Training satisfaction refers to the degree to which people like or dislike a planned set of activities organized to develop the knowledge, skills, and attitudes necessary to effectively perform a given task or job (Schmidt, 2007).

*B. RewardSatisfaction*

Belcher and Atchison in Choi et. al. (2015) define rewards as transactions between organizations and individuals under work agreements, and these transactions are mainly economic, psychological, social, political and ethical transactions. Reward satisfaction is defined as total employee satisfaction with the rewards provided (De Gieter and Hofmans, 2015). Giving rewards or awards to employees who excel will motivate employees to further improve their performance and provide job satisfaction (Nursaadah, 2017). Reward satisfaction is categorized into three, namely financial rewards, material rewards, and psychological rewards (De Gieter et al. 2008; De Gieter and Hofmans 2015).

**II. RESEARCH MODEL AND HYPOTHESIS**

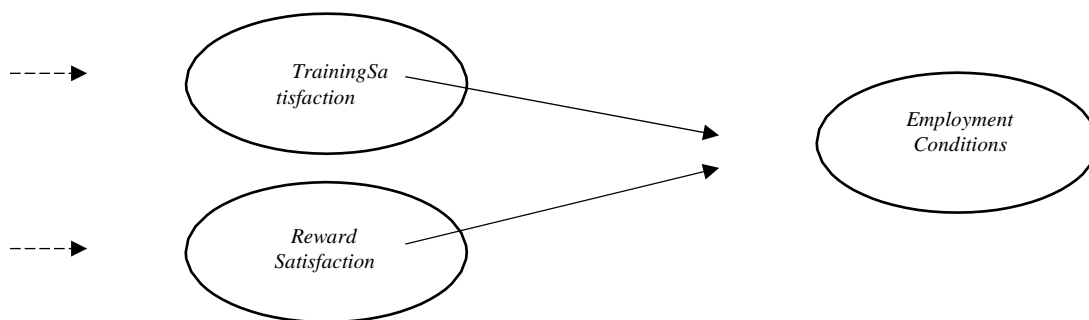


Fig. 1: Research Model

Based on the conceptual framework above, the following hypotheses can be formulated:

*H1: The effect of training satisfaction on employment condition*

*H2: The effect of reward satisfaction on employmentcondition*

*H3: The effect of training satisfaction and reward satisfaction on employmentcondition*

**III. RESEARCH METHOD**

The variables in this study consisted of independent variables (X1), namely training satisfaction and (X2) reward satisfaction. And the dependent variable is employment condition (Y). The population in this study were all employees or permanent employees at banking financial institutions in South Sulawesi at the head office (non-operational), regional offices, branch offices, sub-branch offices, functional offices, cash offices and cash service

offices domiciled in South Sulawesi amounted to 13,800 people. The number of samples obtained was 374 people with the sampling technique using the Krejcie and Morgan formula.

The data collection technique of this research is survey research so that the data collection technique used is through research questionnaires given to every 374 employees at banking financial institutions in South Sulawesi who are respondents. The data analysis technique used multiple linear regression analysis with SPSS 25 program to determine the effect of (1) training satisfaction on employment conditions; (2) reward satisfaction on employment conditions; and (3) training satisfaction and reward satisfaction on employment conditions.

**IV. RESEARCH RESULT**

Notes:  
 Y : *Employment conditions*  
 A : Constant  
 X1 : *Training satisfaction*  
 X2 : *Reward satisfaction*

A. *Multiple Linear Regression Analysis*  
 Equation:  $Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$

Model	R	RSquare	Adjusted RSquare	Std. error of the Estimate
1	.974 <sup>a</sup>	.949	.949	.569

a. Predictors: (Constant), *Training\_Satisfaction*, *Reward\_Satisfaction*

Table 1: Determination Coefficient Test

The correlation coefficient  $R$  is 0.974 which shows that the relationship between the independent variable and the dependent variable is strong because  $R$  is positive and close to one. Then the coefficient of determination ( $R$  Square) is 0.949 which indicates that the percentage of the

contribution of the influence of the training satisfaction and reward satisfaction variables on employee conditions is 94.9% while the remaining 5.1% is influenced by other factors not included in this study.

B. *Hypothesis Testing*  
 a) t-test

Model		Unstandardized Coefficient		Standardized Coefficient Beta	T	Sig.
		B	Std. Error			
1	(Constant)	.475	.656		.723	.470
	<i>Training_Satisfaction</i>	.040	.014	.038	2.908	.004
	<i>Reward_Satisfaction</i>	.952	.013	.956	72.477	.000

a. Dependent Variable: *Employment Condition*

Table 2: t-test statistics coefficients

• **The effect of training satisfaction on employment conditions**

- H0 = Training satisfaction has no significant effect on employment condition
- H1 = Training satisfaction has a significant effect on employment condition
- Based on Table 2, the Unstandardized Coefficient Beta shows the statistical value of training satisfaction. This implies us to state that training satisfaction's influence on employment conditions is represented statistically as  $0.040 < 0.05$ , which means that H0 is accepted and H1 is rejected, which gave a conclusion that there is no significant effect between training satisfaction on employment conditions.

• **The effect of reward satisfaction on employment conditions**

- H0 = Training reward has no significant effect on employment condition
- H1 = Training satisfaction has a significant effect on employment condition
- Based on Table 2, t-test statistics show the significant value of the influence of the training satisfaction variable on employment conditions is  $0.095 < 0.05$ ,

which means that H0 is rejected and H1 is accepted where there is a significant effect between reward satisfaction on employment conditions.

b) F-test

The F-test shows the simultaneous effect of the independent variable on the dependent variable. In other words, it shows the effect of training satisfaction and rewards satisfaction on employment conditions according to this hypothesis:

- H0 = Training satisfaction and reward satisfaction simultaneously have no significant effect on employment condition
- H1 = Training satisfaction and reward satisfaction simultaneously have a significant effect on employment condition

Model		Sum of Square	Df	Mean Square	F	Sig.
1	Regression	2242.722	2	1121.361	3467.327	.000 <sup>b</sup>
	Residual	119.984	371	.323		
	Total	2362.706	373			

a. Dependent Variable: *Employment Condition*  
 b. Predictors: (Constant), *Training\_Satisfaction*, *Reward\_Satisfaction*

Table3: F-test statistics coefficients

Based on Table 3, the F-test shows the significant value of the influence of training satisfaction and reward satisfaction variables on employment conditions as  $7.33 < 9.55$  which means that  $H_0$  is accepted and  $H_1$  is rejected where there is no significant influence between training satisfaction and reward satisfaction on employment condition.

## V. DISCUSSION

### A. *The effect of training satisfaction on employee conditions*

The results of the analysis of training satisfaction on employment conditions obtained empirical findings that training satisfaction has no positive effect on employment conditions where the higher the training satisfaction provided by the company, which implies that employees are not in line with their employment condition.

This contradicted research conducted by Memon et al (2017) and Supriaidi et al (2019) which suggests that training satisfaction has a positive and significant effect on employment conditions. In other words, training satisfaction is not a significant predictor of employment conditions when one works as an employee in a financial institution in Indonesia. On-the-job training is not yet having a real impact on improving employees' skills and knowledge, which in turn also changes their behaviors and in the long run directs employees to feel separated from their work as they are not in terms of the employment conditions an organization put on them.

### B. *The effect of reward satisfaction on employment conditions*

The results of the analysis of reward satisfaction on employment conditions obtained empirical findings that reward satisfaction has a positive effect on employment conditions. The higher the reward satisfaction provided by the company, the higher the role employees give to the organization.

This is reinforced by research conducted by Choi et al. in 2015, which put us to believe that reward in South Sulawesi's financial institution affects employee morale and in turn, this reward is an important factor that encourages the employee to embrace the employment condition terms. Satisfaction of organizational members is a fundamental factor that improves organizational image and motivation and ultimately helps the organization move toward achieving its goals, missions, and vision.

### C. *The effect of training satisfaction and reward satisfaction on employment conditions*

The results of the analysis of training satisfaction and reward satisfaction on employment conditions obtained from the statistical findings show that when training and reward are evaluated simultaneously, they do not bring a positive effect on employment conditions. The result from the F-test reflected the t-test which rejects our first hypothesis.

This put us to state that even though training has been

given to employees of a financial institution in South Sulawesi, nevertheless they are not satisfied with their training. Various possibilities of this could be implied from this statistical finding including training which is given in a short-time period or too long which raise employee boredom during training; training instructor that does not have enough training certificate or skills and knowledge, and low-quality training materials and presentations.

Therefore, the Human Resources Division and related stakeholder of the financial institution in the Provinces of South Sulawesi need to re-engineer their training scheme and even re-evaluates their strategic human resource plan. By crafting and formulating strategic human resource planning that adheres not only to stakeholder needs but also shareholder needs, the institution's missions and vision could be achieved. The issue of sustainable human resource planning should come to mind as this become the forefront issue in today's Industrial Revolution 4.0 in this global borderless world. The future is only for organizations that could balance their shareholder and stakeholder needs and wants.

## VI. CONCLUSION

Research conducted by Paille (2013), states that employee skills enhancement rewards indicate the organization is interested in maintaining long-term relationships with employees. And rewards can create a feeling of being appreciated so that employees could have positive attitudes toward employment conditions which in turn would have a trickle-down effect to reduce their desire to move or the term known as employee turnover.

Fear of employee turnover is good, provided that an organization have a contingency plan when their precious employee decides to leave and work in another company. Nevertheless, in this time of interconnectedness, various means of extra-organizational professional communication such as what happened on LinkedIn and other social networks on the Internet put the Human Resources Division of any company must be always on alert to employment conditions.

Imperative for every organization in this Industrial Revolution 4.0 era then is to have a suitable contingency plan that fits employees' lifetime plans and needs during their careers within an organization. Therefore, this contingency plan is not a single plan that is formulated for every employee in an organization, each plan must be different from the other to suit the needs of every employee. An organization that could survive the harsh reality of the Industrial Revolution 4.0 is one that would rise above its competitors and even potentially become a leader in its respective industry.

As an employee is an individual that might have a family and their future agenda, this plan must also include members of the family, close relatives, partners, and their career network (optional); their subjective and objective opinion about their current organization to know his/her tendency to move to other organizations; employees' pension

plan and program; and his/her vision and mission when they ageing in the future, in particular, the city or kind of place to stay and live their life are the most important yet forgotten aspect of a sustainable contingency plan.

## REFERENCES

- [1.] Amankwaa, Albert, and Olivia Anku-Tsede. 2015. "Linking Transformational Leadership to Employee Turnover: The Moderating Role of Alternative Job Opportunity." *International Journal of Business Administration* 6(4).doi:10.5430/ijba.v6n4p19.
- [2.] Belete, AK. 2018. "Turnover Intention Influencing Factors of Employees: An Empirical Work Review." *Journal of Entrepreneurship & Organization Management* 7(3):1–7.doi:10.4172/2169-026x.1000253.
- [3.] Brief, A. P., and Aldag, R. J. 1989. The economic functions of work. In *Research in Personnel and Human Resources Management*, ed. G. Ferris and K. Rowland, 7:1—24. Greenwich, Conn.: JAI Press.
- [4.] Choi, WooSeok, JunSeokHeo, and Lee-JeongKim. 2015. "A Study on the Impact of Material, Social, Symbolic Reward on OCB: Moderate Effect of the Rank." *Journal of Economics, Business and Management* 3(3):377–82.DOI:10.7763/joebm.2015.v3.213.
- [5.] De Gieter, Sara, and Joeri Hofmans. 2015. "How Reward Satisfaction Affects Employees Turnover Intentions and Performance: An Individual Differences Approach." *Human Resource Management Journal* 25(2):200–216.DOI:10.1111/1748-8583.12072.
- [6.] Katz, D., and R. L. Kahn. 1978. "The Social Psychology of Organizations", 2d ed. New York: John Wiley.
- [7.] Kumar, R. Renjith. 2011. "Turnover Issues in the Textile Industry in Ethiopia: A Case of Arba Minch Textile Company." *African Journal of Marketing Management* 3(2):32–44.
- [8.] Landy, F. J. 1985. *Psychology of Work Behavior*. Homewood, IL: Dorsey Press.
- [9.] Lawler, E. 1990. *Strategic Pay*. San Francisco: Jossey—Bass. Lazarsfeld.
- [10.] Ledford, G. E. 1991. Three case studies on skill-based pay: An overview. *Compensation and Benefits Review*, 23:11—23.
- [11.] Ledford, G. E., W. R. Tyler, and W. B. Dixey. 1991. Skill-based pay case number 3: Honeywell ammunition assembly plant. *Compensation and Benefits Review*, 23:57–77.
- [12.] Malek, K., S. F. Kline, and R. DiPietro. 2018. "The Impact of Manager Training on Employee Turnover Intentions." *Journal of Hospitality and Tourism Insights* 1(3):203–19.
- [13.] Mehmood, Sufyan. 2013. "Managing Performance through Reward System." *IOSR Journal of Humanities and Social Science* 15:64–67.
- [14.] Memon, Mumtaz Ali, Rohani Sallaeh, Mohamed Noor Rosli Baharom, Shahrina Md Nordin, and Hiram Ting. 2017. "The Relationship between Training Satisfaction, Organisational Citizenship Behaviour, and Turnover Intention: A PLS-SEM Approach." *Journal of Organizational Effectiveness* 4(3):267.
- [15.] Meyer, J. P., S. V. Paunonen, I. R. Gellatly, R. D. Goffin, and D. N. Jackson. 1989. Organizational commitment and job performance: It's the nature of commitment that counts. *Journal of Applied Psychology*, 74:152–56.
- [16.] Miceli, M., and M. C. Lane. 1991. Antecedents of pay satisfaction: A review and extension. In *Research in Personnel and Human Resources Management*, ed. G. R. Ferris and K. M. Rowland, 9:235–309. Greenwich, Conn.: JAI Press.
- [17.] Milkovich, G., and J. Newman. 1990. *Compensation* (Third Edition). Homewood, Ill.: Irwin.
- [18.] Mobley, W. H. 1977. Intermediate linkages in the relationship between job satisfaction and employee turnover. *Journal of Applied Psychology*, 62:237–40.
- [19.] Mobley, W. H. 1982a. *Employee Turnover: Causes, Consequences, and Control*. Reading, Mass.: Addison-Wesley.
- [20.] Nursaadah. 2017. "Pengaruh Reward Dan Punishment Terhadap Kepuasan Kerja Dan Implikasinya Atas Kinerja Bendahara Pengeluaran Di Pemerintah Kota Banjar." *Journal of Management Review* 1(1):33–42.doi:10.25157/jmr.v1i1.511.
- [21.] O'Reilly, B. 1992. How to take care of aging parents. *Fortune* (18 May) :108–112.
- [22.] Organ, D. W. 1988. *Organizational Citizenship Behavior*. Lexington: Lexington, MA.
- [23.] Paille, P. 2013. "Organizational Citizenship Behaviour and Employee Retention: How Important Are Turnover Cognitions?" *The International Journal of Human Resource Management* 24(4):768–90.
- [24.] Patrick, J. 2000. *Introduction to Work and Organizational Psychology*. Training. Oxford, UK: Blackwell.
- [25.] Rahman, Shelinda, and Harif Amali Rivai. 2019. "The Effect of Training Satisfaction, Reward Satisfaction on Turnover Intention through Organizational Commitment as a Mediator Variable Study of The Three-Stars Hotels Employees in Padang City." *IEEJ Transaction on Power and Energy* 139(12).doi:10.1541/ieejpes.139.n12\_1.
- [26.] Schmidt, Steven W. 2007. "The Relationship Between Satisfaction with Workplace Training and Overall Job Satisfaction." *Human Resource Development Quarterly* 18(4):481–98.doi:10.1002/hrdq.
- [27.] Spector, P. E. 1997. *Job Satisfaction: Application, Assessment, Causes, and Consequences*. Thousand Oaks, CA: Sage Publication Inc.
- [28.] Smith, L. 1992. Are you better off? *Fortune* (24 February) :38—42, 46, 48.
- [29.] Wanggi, Amelia, Mutiara Panggabean, and Tiara Puspa. 2019. "Pengaruh Succession Planning, Transformational Leadership, Training Satisfaction Terhadap Turnover Intention Karyawan Pada Sektor

Publik Kementerian Agama Jakarta Pusat.” Esensi:  
JurnalBisnisDan Manajemen9(1):79–  
90.doi:10.15408/ess.v9i1.12491

- [31.] Wonowijoyo, Stefanie Martha Trimurti, and Sherly Rosa  
lina Tanoto. 2018. “Pengaruh Organizational  
Commitment Dan Kepuasan Kerja Terhadap Turnover  
Intention Di PT. Kediri Matahari Corn Mills.”  
Agora6(1):1–9.