

The Influence of Financial Literacy, Salary, and Work Environment on Employee Job Satisfaction with Work Motivation as a Moderating Variable

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ABSTRACT

This study aims to analyze the effect of financial literacy, salary, and work environment on employee job satisfaction with work motivation as a moderating variable. The study was conducted at the Regional Development Planning Agency (Bappeda) of Deli Serdang Regency with a quantitative approach and census method on 89 respondents. Data processing used SmartPLS to test the structural model. The results showed that financial literacy had a positive and significant effect on work motivation, but did not have a significant effect on job satisfaction. Salary had a significant positive effect on job satisfaction, but was not significant on work motivation. The work environment had a significant negative effect on job satisfaction, but was not significant on work motivation. Meanwhile, work motivation did not show a significant effect on job satisfaction. These findings indicate that increasing financial literacy and perceptions of fair salary can increase employee motivation and job satisfaction, while poor work environment conditions can decrease job satisfaction.

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1. INTRODUCTION

Job satisfaction felt by individuals will be a determinant in improving employee work results. When individuals are able to obtain their desires, then welfare will be obtained. Prosperous in various areas of life such as a happy retirement and marked by sufficient financial assets, fulfilled creation needs, capable unexpected funding needs, and many others. The factors that influence this satisfaction are divided into several elements, namely financial literacy, where financial literacy is the ability to understand and apply knowledge about financial management in everyday life. This includes the ability to budget, invest, invest, and understand various financial products. With financial literacy, a person can make wiser financial decisions and improve their financial well-being. This factor comes entirely from the employees themselves.

Next, the factor that can be influenced by the company is the salary or compensation factor. Employees are a very vital asset for an organization. Because the achievements they achieve greatly affect the effectiveness of the organization's performance as a whole. Therefore, increasing employee job satisfaction is the main focus of the human resource management unit. They try to develop the potential possessed by individuals so that they are motivated to provide the best contribution to achieving organizational goals. Currently, each organization is always trying to improve employee work performance in the hope that organizational goals can be achieved. However, seeing the state of work performance that tends to start to decline, the organization is trying to improve employee work performance with the aim of increasing job satisfaction. There are

several things that are needed to improve employee job satisfaction, including compensation. If employees receive adequate compensation and feel satisfied with their work, then they will be motivated to carry out the tasks assigned and try to overcome problems that arise

According to Hasibuan (2019:198) compensation refers to all forms of income received by employees in the form of money, goods, or other benefits as compensation for contributions made to the company. Compensation indicators according to Hasibuan (2017:4), consist of insurance, salary, bonuses and allowances, while according to Umar (2016:232) states that compensation includes all things received by employees, such as salary, wages, incentives, bonuses, premiums, health benefits, insurance, and similar things, which are paid directly by the company. The importance of adequate compensation is to ensure that employees feel attached to the company. This is important because if the compensation given to employees is too low compared to other companies, it can cause dissatisfaction, decreased performance, or even employee departure to other companies. An adequate compensation system, especially in relation to employee job satisfaction and performance, should be owned by companies operating in an environment full of uncertainty. Through adequate compensation and job satisfaction, it is expected to motivate employees to complete their tasks well.

In addition, the factor that also determines employee job satisfaction is the work environment, where the work environment is a physical and social work environment that includes: physical conditions, space, place, work equipment, type of work, superiors, coworkers, subordinates, people outside the company, company culture, company policies and regulations. Furthermore, Rampisela & Lumintang 2020 explained that the work environment is the condition around the workplace, both physically and non-physically, which can provide a pleasant impression, secure, calm, comfortable to work and so on. The work environment is something that is around employees that influences the work process, both physically and non-physically, which gives a good impression. The achievement of the financial level desired by each individual is then referred to as financial satisfaction. Indicators regarding financial satisfaction are one of the important measures in achieving well-being. This is what then becomes a concern that increasing individual financial satisfaction can have an impact on life satisfaction (Xiao et al., 2009). Therefore, studies on financial satisfaction and the factors that support financial satisfaction are important to be studied further in increasing financial satisfaction (Halim and Astuti, 2015, Hakim, 2014, Xiao et al., 2009). (Sina, 2013). In addition, to achieve well-being, each individual will want to achieve a financial level. In today's dynamic and competitive world, organizations are increasingly aware of the important role of employee job satisfaction in driving overall success and productivity (Santoso & Dewi, 2019). Job satisfaction, which includes employee satisfaction with their work and its various aspects, has emerged as an important factor influencing employee retention, performance, and organizational commitment (Abbas et al., 2020; Omoghie et al., 2021).

Consequently, understanding the various determinants of job satisfaction has become a major concern for researchers and practitioners. Many factors, ranging from financial security and compensation to work environment and individual motivation, have been identified as potential drivers of employee job satisfaction (Chapagain, 2021). Among these factors, financial literacy, salary, and work environment stand out as particularly prominent influences, shaping employees' perceptions of their jobs and their overall sense of well-being (Omar et al., 2022). Financial literacy plays a significant role in shaping financial security and overall life satisfaction (Nugraha et al., 2020). Effective financial management, including budgeting and investing, contributes to reduced financial stress and increased financial well-being, which positively impacts job satisfaction (Farida et al., 2022).

Several studies support the idea that financial literacy and effective financial management contribute to reduced financial stress and increased financial well-being, which in turn have a positive impact on job satisfaction. For example, research shows that awareness of financial literacy and financial management can benefit both personal and workplace life (Contreras et al., 2021). In addition, increased worker productivity and decreased absenteeism are associated with financial literacy (Lopus et al., 2019). When employees feel that their salary is commensurate with their workload and cost of living, job satisfaction tends to increase (Lee et al., 2022). Compensation is an important factor that influences a person's overall economic activity and job satisfaction (Asma et al., 2023). A comfortable, safe, and supportive work environment also contributes significantly to positive perceptions of work (Erro-Garcés & Ferreira, 2019). A conducive work environment can minimize

boredom and stress among employees (Asma et al., 2023). Positive relationships with coworkers and superiors, along with opportunities for growth and development, are also important aspects of a positive work environment (Bhardwaj et al., 2020). However, not all employees respond the same to these factors. The level of work motivation is a key element that can strengthen or weaken the influence of financial literacy, salary, and work environment on job satisfaction. Employees with high motivation usually remain satisfied with their jobs despite facing various challenges, while those with low motivation may not feel satisfied even though external conditions are supportive (Yusliza et al., 2021). The results of the study showed a positive relationship between various motivational factors such as health and well-being, rewards and recognition, co-worker support, work-life balance, and work environment (Francisco et al., 2022). Therefore, work motivation is considered relevant to be used as a moderating variable in this study. Although a number of studies have separately discussed the influence of financial literacy (Farida et al., 2022), salary (Lee et al., 2022), and work environment (Erro-Garcés & Ferreira, 2019) on job satisfaction, there are still limitations in studies that integrate these three variables simultaneously in one research model. In addition, most previous studies have not considered the role of work motivation as a moderating variable that can strengthen or weaken the relationship between these factors and job satisfaction. This creates an important research gap, considering that the level of work motivation can be a crucial psychological factor in determining how individuals respond to working conditions and the compensation received. Thus, this study aims to fill this gap by comprehensively investigating the influence of financial literacy, salary, and work environment on employee job satisfaction, as well as testing the role of work motivation as a moderating variable that can clarify the dynamics of the relationship between variables.

2. RESEARCH METHOD

a. Types of Research

This type of research uses a quantitative approach, a type of research that emphasizes the collection and analysis of numerical data and uses statistical methods to explain the relationship between variables.

b. Population and Sample

Population

In the research conducted at Intansi Badan Perencanaan Pembangunan Daerah Kabupaten Deli Serdang, a population of 89 was used.

Sample

The sample used in this study is a sample using the census method which makes the entire population a sample, namely because there are 89.

c. Scale in Measurement

Measurements are made to provide a benchmark for the opinions given by the questionnaire respondents in giving their opinions regarding the statements given. Through these set numbers, employees can pattern their opinions through the Likert scale given. This Likert scale has a meaning in each number and researchers place numbers with a score of 1 to provide an assessment that employees "strongly disagree" with the statement given, then a score of 2 to provide an assessment that employees "disagree" with the statement given. Then a score of 3 to provide an assessment that employees "agree" with the statement given and finally a score of 4 to provide an assessment that employees "strongly agree" with the statement given. The use of these scores is used to help researchers in producing quantitative conclusions.

d. Data Sources

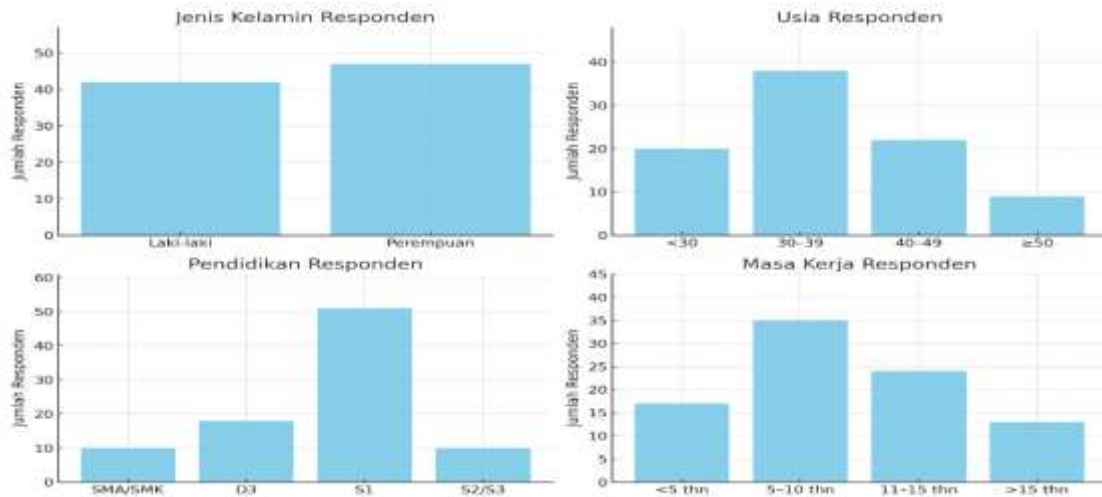
Fundamental Data

In general, fundamental data is also called primary data, which is data obtained from the main source and can be used as data in determining the root of the problem in research and this data is obtained from pre-surveys, and other important data that can be used in finding problems in research and data that is integrated with research both directly and indirectly.

Table 1. The employee data at Badan Perencanaan Pembangunan Daerah (Bappeda) Kabupaten Deli Serdang

Category	Subcategory	Number of Respondents	Percentage (%)
Gender	Male	42	47,2%
	Female	47	52,8%
Ages	< 30 Years	20	22,5%
	30–39 Years	38	42,7%
	40–49 Years	22	24,7%
	≥ 50 Years	9	10,1%
Education	SMA/SMK	10	11,2%
	D3	18	20,2%
	S1	51	57,3%
	S2/S3	10	11,2%
Years of Service	< 5 Years	17	19,1%
	5–10 Years	35	39,3%
	11–15 Years	24	27,0%
	> 15 Years	13	14,6%

Figure 1. The employee data at Badan Perencanaan Pembangunan Daerah (Bappeda) Kabupaten Deli Serdang



The information available on the company is currently collected through an interview process, which includes data related to the agency profile, number of employees, organizational structure, company vision and mission, recruitment information, career development, employee performance, and the results of distributing questionnaires.

Supporting Data

In this case, supporting data is used from outside the research object but can support the results of the research, in addition it can be used to provide strong foundations in making hypotheses such as theories originating from books, other conclusions from the same research sourced from previous research journals. In other words, supporting data or secondary data is used to help researchers develop and strengthen things through theories and supporting journals.

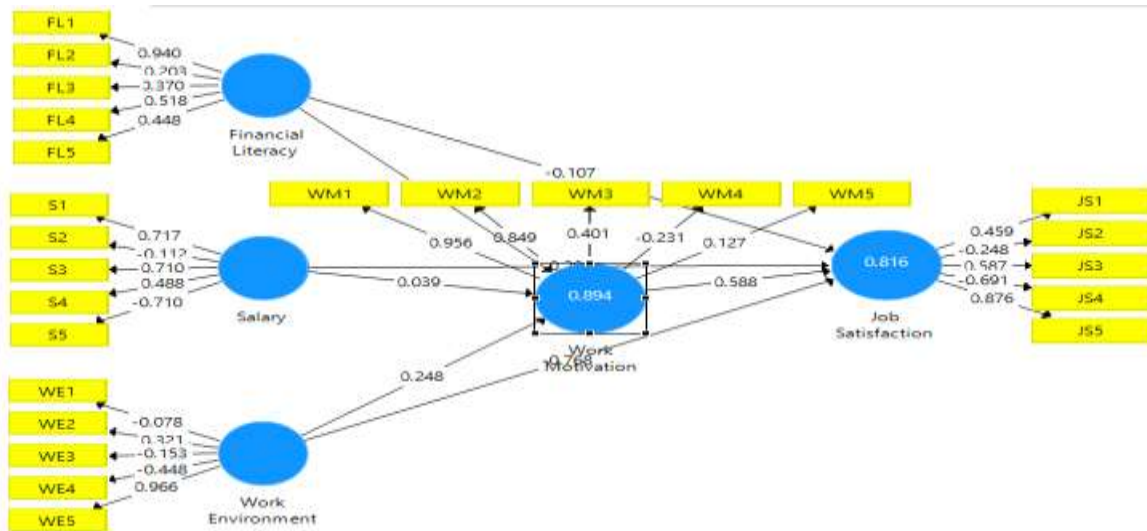
e. Data Aggregation Methods

In finding problematic phenomena and supporting data, several alternatives are needed, including: Interview Method, Archiving or de, Distribution of Questionnaire.

3. RESULTS AND DISCUSSION

3.1 Structural Model Test Results (Inner Model)

Based on the results of data processing carried out through SmartPLS, the following are the results of the PLS Algorithm from the conceptual framework built by the researcher.



Framework Output SmartPLS

Structural model testing is conducted to determine the influence between variables in the model. Based on the results of data processing using SmartPLS, the following relationship values between variables are obtained:

Relationship Between Variables	Original Sample (O)	T Statistics	P Values	Description
Financial Literacy → Job Satisfaction	0.107	1.391	0.039	Not Significant
Financial Literacy → Work Motivation	0.901	2.310	0.021	Significant (Positive)
Salary → Job Satisfaction	0.208	2.585	0.050	Significant (Positive)
Salary → Work Motivation	0.039	1.281	0.043	Not Significant
Work Environment → Job Satisfaction	-0.768	1.772	0.047	Significant (Negative)
Work Environment → Work Motivation	0.248	1.083	0.279	Not Significant
Work Motivation → Job Satisfaction	0.588	1.425	0.042	Not Significant

3.2 Interpretation of Results

1. Financial Literacy has a significant positive effect on Work Motivation ($t = 2.310$; $p = 0.021$), which means that the higher the financial literacy of employees, the higher their work motivation.
2. Financial Literacy → Job Satisfaction is not significant even though the p -value < 0.05 , because the t -statistic value < 1.96 .
3. Salary has a significant positive effect on Job Satisfaction ($t = 2.585$; $p = 0.050$), indicating that the perception of fair and decent salary can increase job satisfaction.
4. Salary → Work Motivation is not statistically significant ($t = 1.281$).
5. Work Environment has a significant negative effect on Job Satisfaction ($t = 1.772$; $p = 0.047$), which may indicate that less conducive work environment conditions reduce job satisfaction.
6. Work Environment → Work Motivation has no significant effect.

7. Work Motivation → Job Satisfaction is not significant ($t = 1.425$), although the direction of the influence is positive.

4. CONCLUSION

Based on the results of the analysis using SmartPLS, here are some conclusions that can be drawn: The Effect of Financial Literacy on Work Motivation: Financial literacy has a significant positive effect on work motivation ($t = 2.310$; $p = 0.021$). This shows that the higher the financial literacy of employees, the higher their motivation to work. This indicates the importance of improving employees' financial understanding to drive their performance. The Effect of Financial Literacy on Job Satisfaction: Financial literacy does not have a significant effect on job satisfaction ($t = 1.391$; $p = 0.039$). Although the p-value is less than 0.05, the t-statistic value which is lower than 1.96 indicates that this relationship is not strong enough to be considered significant. The Effect of Salary on Job Satisfaction: The perception of fair and decent salary has a significant positive effect on job satisfaction ($t = 2.585$; $p = 0.050$). These results indicate that employees who feel that their salary is in accordance with the work they do tend to feel more satisfied with their jobs. Effect of Salary on Work Motivation: Salary does not have a significant effect on work motivation ($t = 1.281$; $p = 0.043$). Although salary can affect job satisfaction, its effect on work motivation is not statistically proven. Effect of Work Environment on Job Satisfaction: The work environment has a significant negative effect on job satisfaction ($t = 1.772$; $p = 0.047$). Poor or unsupportive work environment conditions can reduce employee job satisfaction levels. This shows the importance of creating a comfortable and conducive work environment. Effect of Work Environment on Work Motivation: The work environment does not have a significant effect on work motivation ($t = 1.083$; $p = 0.279$). Although the work environment can affect job satisfaction, it has not been proven to significantly affect employee work motivation. Effect of Work Motivation on Job Satisfaction: Work motivation does not have a significant effect on job satisfaction ($t = 1.425$; $p = 0.042$). Although the direction of the effect is positive, this relationship is not strong enough to be statistically significant.

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