

INTEGRATED APPROACH IN HUMAN CAPITAL MANAGEMENT TO IMPROVE EMPLOYEE JOB SATISFACTION IN HIGHER EDUCATION

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ABSTRACT

Higher education institutions are knowledge-based organizations; therefore, their primary source of competitive advantage resides in high-performance human resources. Human capital management represents an approach to human resource management that seeks to optimize existing potential to generate superior performance and yield returns in the form of enhanced organizational performance. Within this paradigm, employees are regarded not as factors of production but rather as capital or assets. Job satisfaction constitutes one determinant of employee performance levels. Organizations develop various human capital management strategies to maintain employee job satisfaction, including transformational leadership (TL) and internal corporate social responsibility (ICSR). This study aims to develop a causal model examining the relationships among TL, ICSR, and job satisfaction. The unit of analysis is University X, a higher education institution located in Bandung City. The research employs a verification survey methodology. Data are analyzed using linear regression and processed descriptively. The findings are expected to contribute to the scholarly understanding of human capital management and its application in higher education institutions, which possess distinct characteristics compared to other service-oriented organizations. The verification analysis of TL, ICSR, and job satisfaction variables reveals that both TL and ICSR exert positive effects on job satisfaction, both individually and collectively.

Key words: transformational leadership, internal corporate social responsibility, job satisfaction

INTRODUCTION

University X is a university in Bandung that implements the Tri Dharma of Higher Education (Tri Dharma Perguruan Tinggi) in the disciplines of education, natural sciences, formal sciences, and applied sciences. Between 2016 and 2019, University X experienced rapid and impressive growth and earned a three-star rating in the Quacquarelli Symonds (QS) Stars. However, in 2019, there was a decline in the university cluster. This phenomenon indicates a decline in University X's competitiveness. Universities are knowledge-based organizations, so the primary source of competitive advantage lies in human capital, or human capital, with strategic competencies needed by the organization, managed through human capital management. Human resource-based view theory states that human capital must not only be competent but also have high job satisfaction.

Human capital management is the set of policies and practices an organization uses to increase its value to the organization by recruiting, managing, developing, and optimizing employees (Pease, Gene, Byerly, Boyce, & Fitz-enz, Jac, 2012). The output of human capital management is recruiting the right employees with the strategic competencies the organization needs, managing employees effectively, and increasing job satisfaction and employee engagement. A new perspective in human capital management is that people are not merely resources, but capital that generates returns, and every expenditure made to develop the quality and quantity of that capital is an investment. One strategy to increase job satisfaction is through transformational leadership (TL) and internal corporate social responsibility (ICSR).

Transformational leadership is a type of leadership where leaders not only guide and motivate but also motivate subordinates to work beyond job expectations and encourage them to become leaders themselves. ICSR is a policy that will directly influence employee conditions and attitudes towards work and the organization, one of which is job satisfaction. There are four dimensions in transformational leadership: idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation. According to Mory, Wirts, and Fitz-enz (2012), idealized influence is the emotional component of transformational leadership because it serves as an example for ethical behavior, instilling pride, respect, and trust. Transformational leaders provide a charismatic personality that influences subordinates to become leaders. This concept is similar to the concept of the way model by Kouzes and Posner (2012).

Inspirational motivation relates to the extent to which a leader is able to portray the company's vision as something that is attractive, inspiring, and achievable, and employees are the most important part of the process of achieving it. Leaders provide energy to employees and the entire team. The visionary aspect of a leader is carried out with the support of communication skills to be able to portray the vision as something that is understandable, precise, powerful, and binding. Individual consideration is the extent to which leaders take individual approaches

to employees/subordinates. Intellectual stimulation is the leader's ability to bring out the best potential of employees through challenging assignments, encouraging employees to think sharply, encouraging the emergence of new ideas, and innovative problem solving. Involving employees in problem solving within the company. TL and ICSR have been recognized as strategic approaches to balance an organization's financial goals with goals related to the organization's human capital (Christensen & Thyssen, 2011). TL and ICSR practices are primarily directed at employees and highlight the importance of investing in human capital management (Ali, Yousaf, & Zia, 2010).

Job satisfaction is a crucial concept in the workplace, reflecting employees' attitudes toward the organization they work for. A person with a high level of job satisfaction has feelings that are positively correlated with the characteristics and requirements of the job. A low level of job satisfaction indicates a lack of positive work environment and negative feelings toward the company (Robbins & Judge, 2019). According to Luthans (2021), several dimensions of job satisfaction can be used to identify important job characteristics, which individuals can respond to. These dimensions are: the work itself, salary, promotions, supervision, and coworkers.

Based on the above background, the general objective of this study is to develop a causal model between transformational leadership and internal corporate social responsibility (CSR) and job satisfaction at University X. The specific objectives of this study are: (1) to determine the effect of transformational leadership on job satisfaction, (2) to determine the effect of internal corporate social responsibility on job satisfaction, and (3) to determine the effect of internal corporate social responsibility on job satisfaction. Understanding the influence of transformational leadership and internal corporate social responsibility on job satisfaction.

Research related to ICSR has attracted significant interest in the past ten years worldwide. ICSR refers to how firms respond to their responsibilities toward their employees, i.e., the workplace relations sphere (Aguinis & Glavas, 2012). ICSR is an organization's responsibility to focus on the work context, creating a conducive work climate for employees. ICSR can influence levels of organizational commitment and employee engagement (Mory & Vincent, 2016). Research conducted by Chan, Hossen, Hasan, Mohd, and Nurul Ain (2020) concluded that several determinants of performance in higher education institutions, including ICSR, are crucial. Aguinis and Glavas (2012) identified three dimensions of ICSR: training and development, work-life balance, and the work environment (Chan, Tak Jie, Hossen, Md. Monir, Hasan, Mohd, Nurul Ain, 2020).

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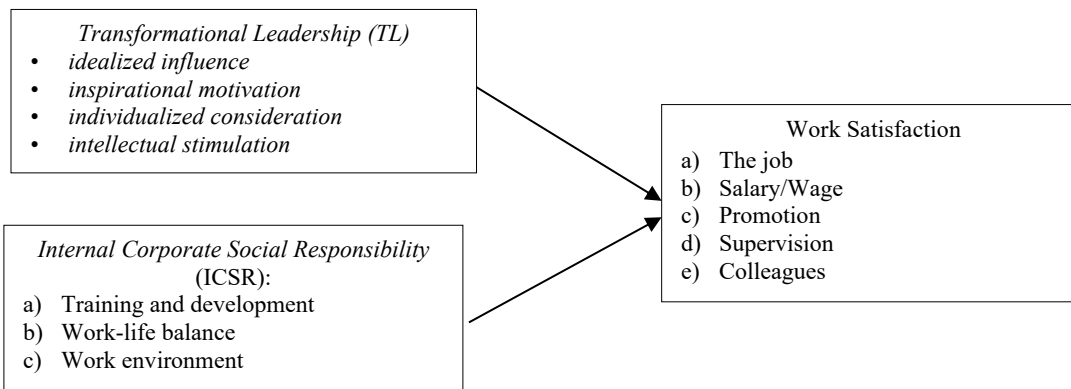


Figure 1. Research Model

The proposed research hypotheses are:

1. TL has a positive effect on job satisfaction
2. ICSR has a positive effect on job satisfaction
3. TL and ICSR have a positive effect on job satisfaction

METHOD

The objects studied in this study are transformational leadership (TL), internal corporate social responsibility (ICSR), and job satisfaction. The unit of analysis studied is University X, one of the universities in the city of Bandung. The research method used is a descriptive and explanatory survey method. Observations use a "one shoot" / cross-sectional time scope. The data collection technique used is a triangulation technique using observation methods, questionnaires and in-depth interviews, and desk studies. The sample size in this study was 100 people consisting of lecturers and educational staff. The descriptive data analysis technique uses the Miles and Huberman Model data analysis technique. Descriptive research aims to provide an overview of the research variables (Saunders et al., 2015). The data analysis technique used SPSS 25 for verification. The proposed statistical hypotheses are:

Ho: $\beta_1 \leq 0$, TL has no positive effect on job satisfaction.
 Ha: $\beta_1 > 0$, TL has a positive effect on job satisfaction.

Ho: $\beta_2 \leq 0$, ICSR has no positive effect on job satisfaction.
 Ha: $\beta_2 > 0$, ICSR has a positive effect on job satisfaction.

Ho: $\beta_3 \leq 0$, TL and ICSR have no positive effect on job satisfaction.
 Ha: $\beta_3 > 0$, TL and ICSR have a positive effect on job satisfaction

RESULTS AND DISCUSSION

Based on the data processing and calculations for the TL and ICSR variables, the implementation of ICSR at University X is in the adequate category. The indicator with the lowest score is the frequency with which work units provide technology training. Meanwhile, the indicator with the highest score is the availability of supporting work equipment. Based on the data processing and calculations for the transformational leadership variable, the implementation of transformational leadership at Universitas Pendidikan Indonesia is in the moderately effective category. The lowest score is the frequency with which direct superiors encourage people to seek different perspectives in solving problems. Meanwhile, the highest score is the level of respect and trust toward direct superiors.

The indicator with the lowest score is the frequency with which work units provide technology training. Meanwhile, the indicator with the highest score is the availability of supporting work equipment. Overall, the results of the data processing and calculations for the job satisfaction variable indicate that the job satisfaction variable is in the adequate category. The indicator with the lowest score is satisfaction with promotion opportunities. Meanwhile, the highest score is satisfaction with collaboration with coworkers. The results of the data processing and calculations for the ICSR variable indicate that the implementation of ICSR at University X is in the adequate category. The indicator with the lowest score is the frequency with which work units provide technology training. Meanwhile, the indicator with the highest score is the availability of supporting work equipment. Therefore, work units and superiors need to develop appropriate, transparent, and challenging career management for both lecturers and educational staff.

Verification analysis was used to test the research model and proposed hypotheses. Based on data processing using SPSS 25, the structural model obtained is pictured in Figure 2.

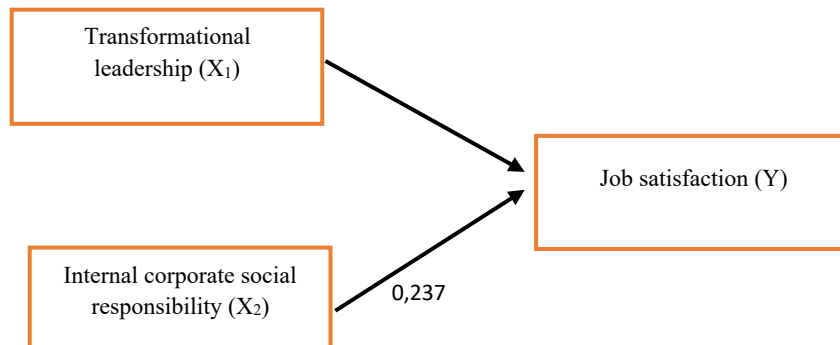


Figure 2. Research structural model

Table 1. Explains the value of the direct influence of independent variables on dependent variables.

	Direct Effect	Parameter Coefficient	t- Statistics	p Values	Result
H1	Transformational leadership (X ₁) -> Job satisfaction (Y)	0.492	4.219	0,000	Accepted
H2	ICSR (X ₂) -> Job satisfaction (Y)	0.237	1.636	0.003	Accepted

Source: Output Program SPSS 25

Table 1 shows that the effect of transformational leadership on job satisfaction is 0.492, or 49.2%, while the effect of internal corporate social responsibility on job satisfaction is 0.237, or 23.7%. This indicates that the influence of transformational leadership on job satisfaction is greater than the influence of ICSR. Leaders are the

central point within a company, driving all activities, including strategies related to human capital management, to increase job satisfaction. The simultaneous effect of transformational leadership and ICSR on job satisfaction is $0.492 + 0.237 = 0.729$, or 72.9%. The remaining 27.1% is influenced by other factors not examined, such as compensation, work environment, training, and career development.

CONCLUSION

Human capital management is an integrated approach to improving the potential and performance of human resources within a company, resulting in superior performance at both the individual and organizational levels. Through human capital management, employees are viewed as assets/capital that can provide returns to organizational performance. Several strategies in human capital management that are considered effective in achieving this goal are transformational leadership and internal corporate social responsibility. These two strategies can not only improve individual performance but also increase employee job satisfaction. Research results prove this, where transformational leadership and internal corporate social responsibility have a positive effect on employee job satisfaction at University X in Bandung City. Based on these research results, job satisfaction can be increased by increasing the effectiveness of transformational leadership and internal corporate social responsibility.

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