



INTERNATIONAL JOURNAL OF EDUCATION AND ECONOMIC SCIENCES (IJEES)

THE IMPACT OF MERIT SYSTEM TOWARDS EMPLOYEE JOB SATISFACTION AT BRAFLE LANGUAGE INSTITUTE INDONESIA

Xu Jing¹ | Hilwa A. Fitri² | Roy B. Jon³

¹Faculty of General Studies and Advanced Education, Universiti Sultan Zainal Abidin, Malaysia; ²Faculty of Languages and Communication, Universiti Sultan Zainal Abidin, Malaysia; ³Faculty of Islamic of Contemporary, Univerisiti Sultan Zainal Abidin, Malaysia.

Received: 03 February 2025 • Accepted: 10 February 2025 • Published: 28 March 2025

Abstract

Job satisfaction is a fundamental and critical concept within the field of human resource management, as it significantly influences employee motivation, performance, and overall well-being. When employees experience job satisfaction, they are more likely to feel a sense of fulfillment, achievement, and contentment, which can lead to greater organizational commitment and productivity. One of the key factors contributing to job satisfaction is the recognition of employees' efforts through merit or reward systems. Employees tend to experience *greater* job satisfaction when their work is acknowledged and rewarded. This research seeks to explore the impact of various merit systems on employee job satisfaction, aiming to understand how different types of merit-based rewards affect employee satisfaction. To achieve this, a qualitative study was conducted at BRAFLE Language Institute in Indonesia, where five employees participated in open-ended interviews. The research findings reveal that the implementation of three distinct merit systems experience-based merit, work performance-based merit, and educational level-based merit has a positive impact on employee job satisfaction. The study highlights how each of these merit systems contributes to a work environment where employees feel valuable subsequently fosters them to be motivated, satisfied, disciplined, and finally loyal to the company. These findings provide valuable insights for organizations seeking to design effective systems to improve employee engagement and retention.

Keywords: Merit System, Job Satisfaction, BRAFLE Institute.

How to cite: Jing, X., Fitri, A. H., Jon, B. R. (2025). The Impact of Merit System Towards Employee Job Satisfaction at Brafle Language Institute Indonesia. International Journal of Education and Economic Sciences (IJEES), 1(1), 9-18

1. Introduction

Employees have always been regarded as a crucial asset within any organization. In order to ensure employee remain committed, one crucial factor is to foster an environment where they feel genuinely satisfied with their work experience. In this case, employees' job satisfaction comes at the forefront, serving as the foundation for creating a positive and stimulating work environment (Hijazi, 2021). Safadi

et al. (2019) suggest that employee job satisfaction is crucial for achieving high performance and productivity. When job satisfaction is absent or low, productivity and performance decline, and withdrawal behaviors, such as disengagement, begin to emerge.

Similarly, job satisfaction significantly reduces turnover, absenteeism, tardiness, and work-related health issues while fostering organizational loyalty. Employees who are satisfied with their jobs tend to exhibit positive attitudes at work and at home. Indeed, job satisfaction aids in attracting well-qualified individuals, encouraging innovation, and enhancing productivity and workplace stability (Cinar & Karcioglu, 2012). The lack of job satisfaction leads to employee fatigue and diminished organizational loyalty (Adeogun et al., 2017). In this case, employees experienced greater satisfaction when they believed rewards were allocated equitably, recognizing their genuine efforts and adhering to the organization's reward policies (Fatt, 2010). These rewards included not only monetary compensation but also various benefits and privileges.

Furthermore, the merit system is designed to give employees recognition and tangible rewards for their hard work and achievements (Supriatna, 2020). By offering incentives such as salary increases, bonuses, promotions, and other forms of acknowledgment, organizations aim to create an environment where employees feel their efforts are valued, automatically improving job satisfaction. Merit refers to a system that rewards individuals based on their accomplishments or capabilities (Alimuddin et al., 2016). It can also be understood as the principle of providing opportunities for advancement based on an individual's qualifications, competence, or excellence. The concept of meritocracy is often derived from the merit system, which emphasizes advancement based on merit rather than other factors (Utama, 2016). The merit system aims to foster a high-performance culture by motivating employees to excel in their roles, thus contributing to the overall success and competitiveness of the organization.

While the merit system has the potential to enhance job satisfaction by providing clear incentives for performance, its impact is not always straightforward. The effectiveness of the merit system depends heavily on factors such as transparency, consistency, and fairness in its application (Supriatna, 2020). When performance evaluations are unclear or biased, or when rewards are not perceived as equitable, the merit system can lead to dissatisfaction, decreased morale, and feelings of unfair treatment among employees (Raharjanto, 2019). Furthermore, the competitive environment created by merit-based rewards may lead to stress or unhealthy rivalry, detracting from collaboration and team cohesion. Therefore, the current study aims to investigate the merit treatments for the employees and to examine the impact of the impact of merit system towards employee job satisfaction at Brafle Language Institute Indonesia.

2. Literature Review

The term *meritocracy* is derived from the word "merit" or "benefit" and refers to a political system that rewards individuals based on their achievements or abilities. It can also be understood as the philosophy of offering opportunities for advancement based on an individual's worth, skills, or excellence. The concept of meritocracy is closely tied to the merit system, a structure that supports advancement based on merit (Utama, 2016). Thus, meritocracy represents a social system where performance and abilities determine an individual's success. The implementation of meritocracy is facilitated by the existence of a

merit system (Afrianto, 2020). According to Supriatna (2020), the merit system is a process for promoting and hiring government employees based on their job performance rather than political connections. It is a method of personnel management designed to enhance efficiency, economy, and public benefit by ensuring the selection and retention of qualified employees (Supriatna, 2020).

According to the merit system, job promotions serve multiple essential organizational purposes, as Hasibuan (2008) outlined. They provide greater recognition and rewards to employees based on their performance, enhancing their personal satisfaction, pride, social status, and income. Promotions also motivate employees by encouraging higher enthusiasm, discipline, and productivity. Additionally, they help ensure job stability by offering transparent and timely advancements based on fair evaluations. Promotions are vital for filling vacancies caused by employee departures, guaranteeing continuity in staffing, and can also improve employees' status, such as moving from temporary to permanent positions, thereby increasing job security and overall satisfaction (Margahana & Sari, 2019).

According to Alimuddin et al. (2024), the conditions for merit system include several important factors as follow:

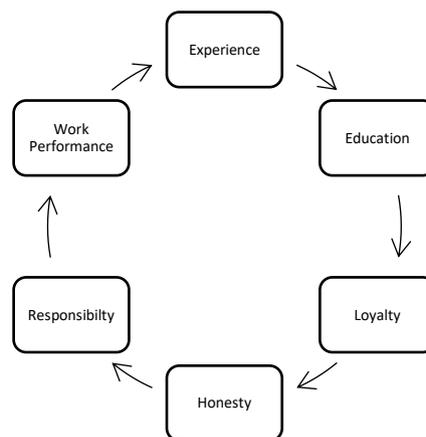


Figure 1. Merit System Conditions

The Merit System Conditions stipulate that employees' experience is crucial for augmenting their skills, stimulating innovation, and enhancing overall competence, as experienced employees contribute substantial information and insights. Moreover, elevated educational attainment is significantly associated with enhanced cognitive capacities, such as critical thinking and problem-solving skills, vital for informed decision-making. Loyalty is a fundamental principle, as personnel who exhibit dedication to the organisation are more inclined to assume responsibility for their tasks, fostering long-term stability and success. Honesty, especially in positions involving financial oversight or consumer confidence, is vital, guaranteeing that personnel can be entrusted with confidential information and assets. Ultimately, responsibility is a crucial attribute desired by corporations, as organisations want workers capable of managing intricate duties and overcoming problems independently, facilitating seamless operations and promoting organisational growth.

Furthermore, social skills are necessary for certain positions to support the above merit systems, as getting along with others and working effectively in teams is essential. Work performance is another major factor, typically assessed through records of an individual's achievements. Finally, initiative and creativity are crucial, as these traits demonstrate a candidate's ability to innovate and contribute valuable ideas to the organization (Alimuddin et al., 2024). The promotion process creates a "multiplier effect" within the organization, as higher-level vacancies open up opportunities for others to move up. It also fosters creativity and innovation, allowing employees to take on new challenges and expand their knowledge and work experience.

3. Methodology

This study utilized a qualitative research design, specifically a case study approach, to investigate the impact of the merit system towards employee job satisfaction at Brafle Language Institute. According to Kumar (2011), a case study is a research method that focuses on a specific instance to provide a thorough, holistic, and detailed exploration of the subject under investigation.

3.1 Data Collection and Analysis

To address the research questions, the researcher conducted open-ended interviews, utilizing Google Meet for online sessions, to gain deeper insights into the impact of the merit system on employee job satisfaction. The study involved five employees from the Brafle Language Institute as participants. Data were analyzed using thematic analysis, following the procedures outlined by Kawulich (2004), which include narrating, coding, interpreting, confirming, and presenting the findings. Data triangulation was applied by incorporating multiple sources of information to enhance the validity and reliability of the findings. In addition to interviews, the researcher conducted a document analysis of company policies related to the merit system and gathered secondary data from employee performance reports. Furthermore, investigator triangulation was implemented by involving an independent researcher to cross-check and validate the themes emerging from the analysis. These triangulation techniques ensured a more comprehensive and objective understanding of the relationship between the merit system and employee job satisfaction.

4. Result and Discussion

4.1 The Merit Treatments Towards Employees at Brafle Language Institute

The impact of the merit system on employee job satisfaction remains a topic of ongoing debate, with differing views on whether its advantages outweigh its potential drawbacks. The effectiveness of such a system is heavily reliant on its implementation's transparency, consistency, and fairness (Supriatna, 2020). When performance evaluations are unclear or biased, or rewards are perceived as unfair, the system can lead to dissatisfaction, diminished morale, and a sense of inequity among employees (Wangechi, 2018). In this section, the researcher discusses employees' perspectives on the merit system, exploring whether and how it impacts their job satisfaction. More specifically, according to the employee, three merit systems are implemented within the organization that positively impact their job satisfaction, which will be elaborated further below.

4.1.1 Experience-Based Merit

Experience-based merit refers to a system of recognition or reward that emphasizes the value of an individual's past experiences and the skills or knowledge they have gained over time (Alimuddin et al., 2024). In this system, promotions, raises, or other forms of acknowledgment are largely based on the depth and relevance of an individual's experience rather than just their performance or adherence to rules. As employees gain experience, they are also given more responsibility and autonomy, which increases their sense of purpose and job satisfaction. Additionally, experience-based merit systems often create opportunities for career advancement, such as promotions and salary increase, providing employees with a clear path for progression within the organization. This recognition also contributes to job security, as employees who see their experience is valued are more likely to stay committed to the company long-term. A more detailed explanation can be found in the informants' data in the subsequent passage.

"I believe it's a fair system. The fact that my years of experience are considered for promotions makes me feel valued. It's not just about meeting short-term goals or ticking boxes; it's about the knowledge I've built."

"I think it is an effective way to honor dedication. It's reassuring to know that my accumulated knowledge and history are valued"

"It makes me feel that my dedication over the years truly matters, and that my experience is an asset to the institution's growth"

These reflections demonstrate how experience-based merit can significantly enhance employee job satisfaction. By recognizing the expertise and skills that employees have developed through their experience, this system fosters a greater sense of achievement, importance, and pride in their work. As a result, employees are likely to develop a stronger sense of loyalty to the organization. In the context of the interviewees, statements such as, *"The fact that my years of experience are taken into account for promotions makes me feel valued"* and *"It's reassuring to know that my accumulated knowledge and history are valued"* highlight how this merit system reinforces a sense of worth and motivation. Recognizing experience as an asset boosts individual satisfaction and contributes to the organization's stability and growth by retaining knowledgeable and skilled employees. Arokiasamy et al., (2013) supports this finding, noting that valuing employee experience automatically contributes to increased job satisfaction.

4.1.2 Work Performance-Based Merit

According to Alimuddin et al. (2024), work performance-based merit is a system where promotions, rewards, or recognition are mainly based on an employee's job performance, evaluated through measurable outcomes and achievements. This system focuses on how well an employee performs their tasks, meets set objectives, and contributes to the organization's overall success. Employees who consistently meet or exceed expectations are rewarded, motivating them to maintain high performance and continue to contribute positively to the company's goals (Alimuddin et al., 2024). Additionally, such a system fosters a transparent and meritocratic workplace culture, where employees are confident that their performance directly correlates with rewards. This clarity reduces feelings of favoritism or bias,

ensuring employees remain motivated to perform at their best. A more detailed explanation can be found in the informants' data in the subsequent passage.

"I love the fact that this institution gave a bonus when I work well, it motivates me to do better"

"The students love me, its automatically makes the institution loves me too, I got the financial bonus, nothing is better"

"I am so proud that my hard working is valued and paid well, they even gave me flower"

The positive impact of a work performance-based merit system on employee job satisfaction can be attributed to several psychological and organizational factors. When employees perceive that their efforts and accomplishments are fairly recognized and rewarded, they feel valued by their organization. This recognition satisfies intrinsic needs for appreciation and belonging, critical drivers of job satisfaction. This finding was supported by Kuria (2011) stating that receiving tangible rewards, such as financial bonuses, and symbolic gestures, like flowers, reinforces a sense of achievement and pride. This dual approach to recognition – both material and emotional – strengthens employees' commitment to their roles, enhances morale, and promotes a sense of loyalty toward the organization. Over time, these factors collectively lead to higher levels of job satisfaction, reduced turnover, and a more engaged workforce.

4.1.3 Educational Level-Based Merit

Education level-based merit is a system where career advancements, rewards, or job opportunities are determined by an employee's academic qualifications, such as bachelor's, master's, or doctoral degrees (Alimuddin et al., 2024). This approach assumes that formal education equips individuals with advanced knowledge, critical thinking abilities, and specialized skills contributing to organizational success. Employers often use academic credentials as benchmarks for assigning leadership roles, specialized tasks, or higher salaries, which can encourage employees to pursue further education and professional growth. This system can improve job satisfaction by recognizing and validating the time, effort, and resources employees invest in their education, fostering a sense of achievement and appreciation. Employees who feel their qualifications are valued are more likely to experience increased motivation and loyalty toward the organization. A more detailed explanation can be found in the informants' data in the subsequent passage.

"I earned my bachelor's degree abroad, and as a result, Brafle entrusted me with the responsibility of leading my team."

"My master's degree has definitely been recognized by Brafle. This is evident from the fact that they offered me opportunities to take on additional projects."

"I'm currently pursuing my master's degree while working at Brafle. They not only support my education by offering flexible hours but also involve me in challenging projects that align with my studies."

When employees perceive that their educational qualifications are valued and translate into meaningful opportunities, such as leadership roles or participation in important projects, they feel a sense of recognition and appreciation. This fosters intrinsic motivation and strengthens their commitment to the organization. Empirical research supports this notion as Galanou et al. (2011) found that organizations prioritizing educational qualifications in merit systems often experience higher employee satisfaction and retention rates, as employees feel their academic efforts are respected and rewarded. In the case of Brafle, assigning leadership roles and offering project opportunities to employees based on their education highlights the organization's commitment to recognizing academic achievements. This practice motivates employees to excel in their roles and fosters loyalty and a positive organizational culture.

4.2 The Impacts of Merit System Towards Job Satisfaction at BRAFLE Language Institute

There are four primary positive impacts of the merit system for employees' satisfaction when working with BRAFLE Language Institute, which include getting them motivated, becoming satisfied, being discipline, and being loyal as expounded in the following paragraphs.

4.2.1 Getting Motivated

Goal setting has been examined for its motivational influence on enhancing performance and as a fundamental component of management systems or procedures aimed at performance improvement (Idris et al., 2020). Motivation exerts a positive and substantial influence on job satisfaction. An increase in employee motivation may lead to enhanced job satisfaction. The variable of job satisfaction exerts a favorable and considerable influence on employee performance. The actions to be undertaken based on the research findings encompass the implementation of a reward program and enhancing staff engagement in BRAFEL Language Institute. Motivated and pleased employees will considerably enhance the company's success and the attainment of strategic objectives (Kusentyo Putra & Kurniawati, 2024). Furthermore, transactional leaders can substantially influence employees' job happiness by leveraging intrinsic motivators and implementing extrinsic incentives, like as recognition and prizes (Aljumah, 2023). This study demonstrated a substantial positive effect of motivation and rewards on employee performance given by the institution's founders. Furthermore, it has been demonstrated that while financial incentives motivate employees, intrinsic motivation also significantly influences productivity. When individuals experience job satisfaction, they are likely to maintain high performance levels in the workplace (Kumari et al., 2021).

4.2.2 Feeling Satisfied

As employees accumulate experience, they are also granted increased autonomy and responsibility, which enhances their job satisfaction and sense of purpose in the institution. Job satisfaction positively and significantly impacts employee performance and the work environment (Febriani et al., 2024). Therefore, the relationship between employee performance and the work environment can be mediated by employment satisfaction. Indeed, the work environment catalyses employees to feel satisfied with their work, enabling them to work more effectively and efficiently to assist the organization in achieving its objectives. This has been demonstrated to increase employee satisfaction and become a positive mediator between employee performance and the work environment. It means the work environment can enhance employee performance by enhancing job satisfaction (Febriani et al., 2024). In this regard, Azmy (2024)

contends that employee engagement mediates direct and indirect effects on employee satisfaction. Organizations must ensure that their employees are content to accomplish their business objectives. Hence, the quality and profitability of a business can be influenced by the satisfaction of its employees.

4.2.3 Being Discipline

The disciplined attitude of human resources is one indicator of their quality and must be instilled in the workforce. The time and opportunities of employees with a disciplined attitude will be utilized effectively. For instance, they will rise early and promptly depart for the office to engage in productive activities and optimize the available time (Jelly et al., 2024). Initiatives to establish a disciplined work environment involve establishing policies or regulations that must be adhered to by employees. An employee who adheres to all organizational regulations demonstrates high work discipline. In contrast, an employee who disregards and breaks the norms demonstrates low work discipline (Salsabilla et al., 2022). Following BL et al. (2019), discipline is the awareness and willingness of an individual to adhere to all corporate regulations and be cognizant of their duties and responsibilities which promotes the achievement of company objectives, employees, and societies, as well as work enthusiasm.

4.2.4 Being Loyal

Employee loyalty is a mental attitude that employees advocate for concerning their employers. Every company requires employee loyalty; however, it is not generated independently but is established by the organization. The efficacy of the work can be enhanced by employees who exhibit high levels of loyalty and adherence to the company's standards. High-loyalty employees necessitate a favorable work environment, a high level of need, ability, or individual talents to facilitate their work. Loyal employees are effortless to cultivate, support advanced companies, take criticism to enhance the company for the future, persuade the leadership, and facilitate collaboration with colleagues (BL et al., 2019). How employees are treated within the organization is critical in determining whether they will truly become essential to the company's competitive advantage. Hence, the company's long-term business objectives can be accomplished by fostering employee loyalty. The primary goal of establishing an environment of employee loyalty is to establish a situation in which employees will voluntarily and without coercion become committed, assume responsibilities, and pursue them with their best efforts. To cultivate employee loyalty, the organization must prioritize employee welfare (Gregoire et al., 2020). Employees' loyalty is present in the company when they are committed to its objectives, embrace them as their own, work for the common good, and desire to remain with the company (Antoncic & Antoncic, 2011).

5. Conclusion

The study explored the impact of the merit system on employee job satisfaction at Brafle Language Institute, Indonesia, revealing that merit-based approaches significantly gets them the employees motivated, satisfied, disciplined, and loyal to the institution. Three key merit systems were identified which include experience-based, performance-based, and educational-level-based merits—each contributing positively to job satisfaction. Employees expressed that acknowledging their efforts and achievements through these systems fosters a sense of pride, loyalty, and fulfillment. The experience-based merit system rewards employees for their accumulated knowledge and years of service, reinforcing their sense of contribution and purpose. The performance-based merit system motivates employees by

directly linking tangible rewards, such as bonuses and recognition, to their achievements. Lastly, the educational-level merit system validates employees' academic qualifications, providing opportunities for career advancement and professional growth. The findings underscore that a well-designed merit system can significantly contribute to job satisfaction by aligning rewards with employee contributions fairly and transparently.

6. Implications

The study highlights critical implications for organizations seeking to improve employee satisfaction and performance. When implemented fairly and transparently, Merit systems can enhance workplace morale, reduce turnover, and foster a high-performance culture. Recognizing and rewarding employees based on their experiences, performance, and educational attainments boosts individual motivation and strengthens organizational stability and growth. However, organizations must carefully manage the merit system's design and application to avoid potential drawbacks such as perceived inequity or excessive employee competition.

7. Recommendations

It is recommended for future studies to explore the impact of merit systems across diverse industries and cultural contexts to identify variations in their effectiveness. Longitudinal research could provide insights into the sustainability of these systems over time and their long-term influence on employee engagement, productivity, and retention. Employing larger sample sizes and quantitative methods would enhance the robustness of findings, while investigating mediating factors, such as organizational culture and employee demographics, could deepen understanding of how these variables influence outcomes. Examining potential challenges, such as stress or unhealthy competition, and proposing mitigation strategies would provide practical solutions for optimizing merit system implementation.

8. Acknowledgment

The researchers would like to convey their profound appreciation to all participants engaged in this study and also appreciate BRAFLE Language Institute for permitting the members to contribute data.

9. Conflict Of Interest

The authors confirmed there is no conflict of interest

References

- Adeogun, S. O., Abiona, B. G., Ogunjobi, I. O., & Akano, T. B. (2017). Perceived effect of governance change on job satisfaction of employee in Ogun State Ministry of Agriculture Abeokuta, Ogun State, Nigeria. *Ife Journal of Agriculture*, 29(2), 18-27.
- Afrianto, R., & Prasajo, E. (2020). Analisis Proses Pengisian Jabatan Administrasi Berbasis Merit System di Kementerian Energi dan Sumber Daya Mineral. *Jurnal Reformasi Administrasi: Jurnal Ilmiah untuk Mewujudkan Masyarakat Madani*, 7(1), 17-28.
- Arokiasamy, A. R. A., Tat, H. H., & Abdullah, A. (2013). The effects of reward system and motivation on job satisfaction: evidence from the education industry in Malaysia. *World Applied Sciences Journal*, 24(12), 1597-1604.
- Çınar, O., & Karcıoğlu, F. (2012). The level of job satisfaction in public sector: a survey study in the province of

- Ağri, Eastern Anatolia, Turkey. *Economics and management*, 17(2), 712-718.
- Fatt, C. K., Khin, E. W. S., & Heng, T. N. (2010). The impact of organizational justice on employee's job satisfaction: The Malaysian companies perspectives. *American Journal of Economics and Business Administration*, 2(1), 56-63.
- Galanou, E., Georgakopoulos, G., Sotiropoulos, I., & Dimitris, V. (2010). The effect of reward system on job satisfaction in an organizational chart of four hierarchical levels: A qualitative study. *Canadian Social Science*, 6(5), 102-123.
- Hijazi, H. A. (2020). The impact of applying good governance principles on job satisfaction among public sector employees in Jordan. *Open Journal of Business and Management*, 9(01),
- Kawulich, B. (2004). (PDF) *Qualitative Data Analysis Techniques*. January 2004, 113. https://www.researchgate.net/publication/258110388_Qualitative_Data_Analysis_Techniques
- Kumar, R. (2011). *Research Methodology* (3rd Editio). SAGE Publication
- Kuria, E. (2011). Factors influencing the level of job satisfaction of the deputy head teachers of the public secondary schools in Kenya. *UN published thesis: Kenyatta University*.
- Margahana, H., & Sari, S. S. (2018). Analisis Promosi Jabatan Terhadap Produktivitas Kerja Karyawan Pada PT. FIF Belitang OKU Timur. *Jurnal Aktual*, 16(1), 1-6.
- Raharjanto, T. (2019). Systematic Literature Reviews: Sistem Merit Dalam Manajemen Sumber Daya Manusia Sektor Publik. *Jurnal Pemerintahan Dan Keamanan Publik (JP Dan KP)*, 103-116.
- Safadi, N. S., Easton, S. D., Wang, Y., Hasson III, R. G., & Crea, T. M. (2019). Life and job satisfaction among public-sector social workers in the occupied Palestinian territory. *Human Service Organizations: Management, Leadership & Governance*, 43(1), 41-53.
- salim Alimuddin, M., Sangkala, S., & Ahmad, B. (2024). Merit system in promotion of primary high leadership positions in Majene regency. *Jurnal Mantik*, 7(4), 2992-3000.
- Supriatna, D. (2020). Analisis Penempatan Pegawai Berdasarkan Merit System Pada Badan Kepegawaian Pendidikan Dan Pelatihan Di Kabupaten Sumedang Provinsi Jawa Barat. *Moderat: Jurnal Ilmiah Ilmu Pemerintahan*, 6(3), 525-538.
- Utama, F. A. (2016). Meritokrasi di berbagai negara di dunia (perbandingan konstitusi). *Jurnal Kebijakan dan Manajemen PNS*, 10(2 November).
- Wangechi, B., Anne, S. A. N. G., & Kiragu, D. N. U. (2018). Role of reward systems on job satisfaction of employees in the County Government of Nyeri, Kenya.