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SUSTAINABLE HUMAN RESOURCE MANAGEMENT (HRM) AND ORGANIZATIONAL PERFORMANCE OF BSI SOUTHEAST SULAWESI: AN AMO PERSPECTIVE

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Abstract: *Bank Syariah Indonesia (BSI) branches across Southeast Sulawesi operate under a dual pressure: consolidating human resources inherited from three legacy institutions while meeting sustainable-finance obligations set by national regulators. Drawing on Ability-Motivation-Opportunity (AMO) Theory, this study tests whether Sustainable Human Resource Management (Sustainable HRM) translates into stronger organizational performance at these branch offices. Questionnaires were distributed to managerial staff and processed through Structural Equation Modeling-Partial Least Squares (SEM-PLS). Every construct cleared the required validity and reliability thresholds, and the structural model confirmed that ability-, motivation-, and opportunity-enhancing practices each carry a positive, significant weight, with competency-building practices standing out as the leading driver. The pattern suggests that, for a geographically dispersed Islamic bank such as BSI, deliberate investment in employee capability yields the largest returns on organizational performance, ahead of incentive schemes and participation mechanisms.*

Abstrak: Kantor cabang Bank Syariah Indonesia (BSI) di wilayah Sulawesi Tenggara menghadapi tekanan ganda: mengonsolidasikan sumber daya manusia dari tiga institusi legacy sekaligus memenuhi kewajiban keuangan berkelanjutan yang ditetapkan regulator. Bertumpu pada Ability-Motivation-Opportunity (AMO) Theory, penelitian ini menguji apakah Sustainable Human Resource Management (Sustainable HRM) benar-benar berdampak pada kinerja organisasi di kantor-kantor cabang tersebut. Kuesioner disebarkan kepada staf level manajerial dan diolah melalui Structural Equation Modeling-Partial Least Squares (SEM-PLS). Seluruh konstruk memenuhi ambang validitas dan reliabilitas yang disyaratkan, dan model struktural mengonfirmasi bahwa praktik ability-, motivation-, dan opportunity-enhancing sama-sama memberikan bobot positif dan signifikan, dengan praktik pengembangan kompetensi tampil sebagai pendorong utama. Pola ini mengindikasikan bahwa bagi bank syariah dengan sebaran wilayah kerja seperti BSI, investasi terarah pada kapabilitas karyawan memberi hasil paling besar terhadap kinerja organisasi, melampaui skema insentif maupun mekanisme partisipasi.

INTRODUCTION

Three state-owned Islamic banks Bank BRI Syariah, Bank Syariah Mandiri, and BNI Syariah were consolidated into a single entity, Bank Syariah Indonesia (BSI), when the merger took effect in February 2021. The combined bank now holds the largest market position among Indonesia's sharia lenders. Its footprint in Southeast Sulawesi runs through branch offices scattered across Kendari, Kolaka, Bau-Bau, and several neighboring regencies, a market where interest in Islamic financial products keeps climbing alongside rising sharia literacy among local residents. Two pressures converge on this regional network at once: the everyday work of merging three distinct organizational cultures into one, and compliance with the sustainable-finance mandate written into Financial Services Authority Regulation No. 51/POJK.03/2017.

One way to read that convergence is through Sustainable Human Resource Management (Sustainable HRM)—an approach that folds economic, social, and ecological goals into a single long-run HR strategy rather than treating them as separate agendas. For branch-level operations spread across an archipelagic province, the appeal of this approach is practical as much as ideological: training budgets and travel time are limited, so competency-building and engagement efforts have to be designed efficiently and, for an Islamic bank, in a way that stays anchored to mashlahah-benefit for every stakeholder the organization touches.

What remains under-examined is the mechanism connecting sustainable HRM to performance outcomes once a bank has taken on the added complexity of a post-merger, multi-branch structure outside Java. Much of the existing performance literature leans on the resource-based view; comparatively few studies bring in Ability-Motivation-Opportunity (AMO) theory, even though it speaks directly to how HR practices convert into employee capability, drive, and room to act. BSI's Southeast Sulawesi operations, specifically, have not yet been the subject of empirical work along these lines. This gap motivates the present study, which sets out to measure how sustainable HRM shapes organizational performance across BSI's Southeast Sulawesi branches through an AMO lens and to determine which of the three AMO dimensions-ability-, motivation-, or opportunity-enhancing practices-carries the greatest weight.

METHOD

A quantitative, explanatory design was chosen to test the causal paths proposed above. The population comprises managerial-level staff at BSI branch offices operating in Southeast Sulawesi, spanning Kendari, Kolaka, Bau-Bau, and other regencies/cities in the province. Respondents were selected through purposive sampling, with one year of tenure at BSI set as the minimum qualifying criterion. Twelve indicators feed into the model; applying the common SEM-PLS rule of ten observations per indicator yields a target sample of 120 respondents, which was met.

A closed questionnaire using a five-point Likert scale served as the data-collection instrument. Sustainable HRM was operationalized through three AMO-derived dimensions ability-enhancing practices (X1), motivation-enhancing practices (X2), and opportunity-enhancing practices (X3) each carrying three indicators, while organizational performance (Y) was captured through three indicators spanning operational efficiency, service innovation, and organizational reputation. SmartPLS 4.0 handled the estimation: the measurement model was checked for convergent validity (outer loading, AVE) and reliability (composite reliability, Cronbach's Alpha), the structural model was read through its R-Square value, and hypotheses were tested via bootstrapping, examining path coefficients alongside their t-statistics and p-values.

RESULTS AND DISCUSSION

Table 1 profiles the 120 respondents. Women make up the majority, most fall in the 31–40 age bracket, the largest single group works out of the Kendari branch, and tenure clusters around five to ten years together suggesting a respondent pool with enough institutional memory to judge how Sustainable HRM plays out day to day.

Table 1 Respondent Characteristics

Characteristic	Category	Frequency (n)	Percentage (%)
Gender	Male	50	41.7
	Female	70	58.3
Age	21–30 years	46	38.3
	31–40 years	51	42.5
	> 40 years	23	19.2
Work Region	Kendari	54	45
	Kolaka	22	18.3
	Bau-Bau	24	20
	Other regencies	20	16.7
Tenure	< 5 years	34	28.3
	5–10 years	49	40.8
	> 10 years	37	30.8

Source: Primary data processed, 2026

Convergent validity was checked first, through each indicator's outer loading. As Table 2 shows, every loading clears the conventional 0.70 threshold, so all twelve indicators are retained as adequate measures of their respective constructs.

Table 2 Outer Loading Test Results

Variable	Indicator	Outer Loading	Remark
Ability-Enhancing Practices (X1)	X1.1	0.812	Valid
	X1.2	0.845	Valid
	X1.3	0.799	Valid
Motivation-Enhancing Practices (X2)	X2.1	0.778	Valid
	X2.2	0.821	Valid
	X2.3	0.756	Valid
Opportunity-Enhancing Practices (X3)	X3.1	0.734	Valid
	X3.2	0.802	Valid
	X3.3	0.769	Valid
Organizational Performance (Y)	Y1.1	0.856	Valid
	Y1.2	0.833	Valid
	Y1.3	0.81	Valid

Source: SmartPLS output, primary data processed, 2026

Reliability followed the same pattern: Table 3 reports an Average Variance Extracted above 0.50, Composite Reliability above 0.70, and Cronbach's Alpha above 0.60 for every construct, satisfying the benchmarks typically applied in PLS-SEM work.

Table 3 Validity and Reliability Test Results

Variable	AVE	Composite Reliability	Cronbach's Alpha	Remark
Ability-Enhancing Practices (X1)	0.663	0.854	0.745	Reliable
Motivation-Enhancing Practices (X2)	0.618	0.829	0.702	Reliable
Opportunity-Enhancing Practices (X3)	0.588	0.81	0.671	Reliable
Organizational Performance (Y)	0.701	0.875	0.788	Reliable

Source: SmartPLS output, primary data processed, 2026

Turning to the structural model, Table 4 reports an R-Square of 0.612 for organizational performance put differently, the three Sustainable HRM dimensions jointly account for roughly 61 percent of the variance observed in branch-level performance, leaving the remainder to factors outside this model. Chin's (1998) benchmarks place a value in this range at the boundary between moderate and substantial explanatory power.

Table 4 R-Square Test Results

Endogenous Variable	R-Square	Category
Organizational Performance (Y)	0.612	Strong/Substantial

Source: SmartPLS output, primary data processed, 2026

Bootstrapping was then used to test the three hypotheses, applying the conventional 5 percent significance threshold (t-table = 1.96; $p < 0.05$). Table 5 summarizes the results.

Table 5 Hypothesis Testing Results (Path Coefficient)

Hypothesis	Path	Coefficient (β)	t-statistics	p-values	Remark
H1	Ability-Enhancing Practices (X1) → Organizational Performance (Y)	0.398	4.512	0	Significant (Supported)

H2	Motivation-Enhancing Practices (X2) → Organizational Performance (Y)	0.276	2.951	0.003	Significant (Supported)
H3	Opportunity-Enhancing Practices (X3) → Organizational Performance (Y)	0.211	2.204	0.028	Significant (Supported)

Source: SmartPLS output, primary data processed, 2026

All three paths hold up under testing. Ability-enhancing practices (X1) post the strongest and most significant effect on performance ($\beta = 0.398$; $t = 4.512$; $p = 0.000$), outweighing the other two dimensions. Motivation-enhancing practices (X2) come in second ($\beta = 0.276$; $t = 2.951$; $p = 0.003$), and opportunity-enhancing practices (X3), while still significant, register the smallest coefficient of the three ($\beta = 0.211$; $t = 2.204$; $p = 0.028$).

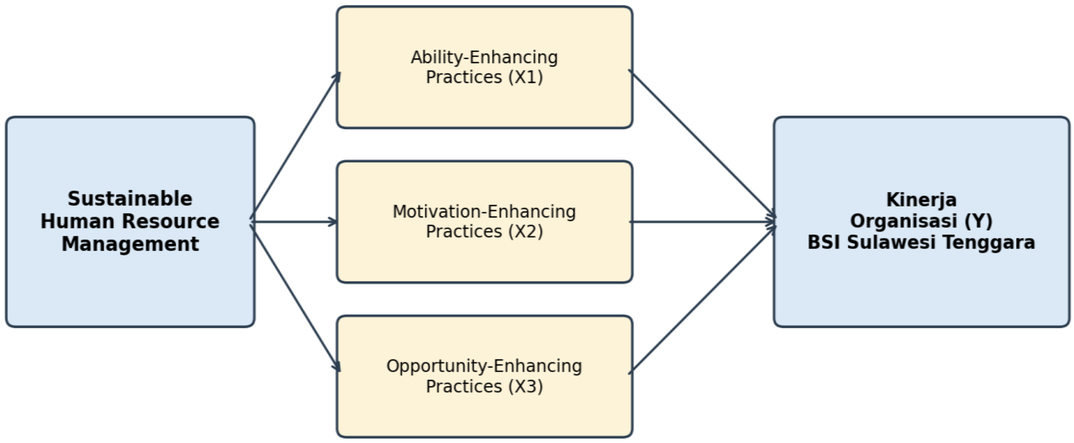

Figure 1 Conceptual Model and Estimation Results of Sustainable HRM on BSI Southeast Sulawesi's Organizational Performance

Source: Processed by the authors, 2026

That ability-enhancing practices come out on top fits the operating reality of a branch network stretched across several regencies: face-to-face training is harder to schedule and deliver when offices sit hours apart, so whatever competency-building does reach staff—whether sharia product literacy or digital-service skills—tends to pay off disproportionately. Motivation-enhancing practices still matter, largely through incentive structures tied to sustainability-linked performance, but their pull is smaller. Opportunity-enhancing practices, tied to how much say employees across branches have in decisions, register the weakest effect of the three, hinting that cross-branch coordination—through, say, inter-branch forums or staff rotation—still has room to grow. These results line up with what AMO Theory would predict and echo earlier Sustainable HRM findings elsewhere, while adding a data point from a setting that prior work has largely skipped: an Islamic bank operating outside Java's urban centers, across island geography, rather than from a head office or a major metropolitan branch.

CONCLUSION

Sustainable Human Resource Management shows a positive, significant relationship with organizational performance at BSI's Southeast Sulawesi branches, explaining 61.2 percent of the variance observed (R-Square = 0.612). Of the three AMO dimensions tested, ability-enhancing practices carry the most weight, followed by motivation-enhancing and then opportunity-enhancing practices. Beyond confirming AMO Theory's relevance for a post-merger Islamic bank operating across island geography, the finding points to a practical priority for BSI's management: put competency development first, then widen the channels through which staff across branches can participate in decisions. Later studies could extend the sample to other provinces in Eastern Indonesia and test mediating variables such as employee engagement.

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