



Determinants of job satisfaction: internal communication relationships in improving employee performance

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ABSTRACT

One of the efforts in improving employee performance is to build effective communication, including internal communication between leaders and subordinates. This study aims to test and analyze the effect of job satisfaction, and internal communication on employee performance. The PLS-SEM approach was used in this study. The results of this study indicate that internal communication has a positive and significant effect on employee performance. Internal communication has a positive and significant effect on job satisfaction, and job satisfaction has a positive and significant effect on employee performance. Job satisfaction can be an optimal mediator of the effect of internal communication on employee performance. To improve employee performance can be done by improving internal communication throughout the ranks and through employee job satisfaction.

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INTRODUCTION

This new understanding of competition has led to important changes in human resource policies and practices in organizations. At this point, it is seen that successful organizational life processes depend on the growing importance of people. The efforts of a group or organization to achieve predetermined goals are called performance. Performance can also be defined as the extent to which assigned tasks are carried out appropriately and under the goals that the group, individual, or organization wants to achieve (Wahyudi et al., 2022). Performance describes the outcome of a specified activity to achieve a specific goal. On the other hand, performance indicates the level at which an individual, group, or institution can complete work in quantity and quality (Haryadi et al., 2022; Rahmatullah et al., 2022).

Employees are assets and capital that are indispensable to the organization to achieve the vision and mission expected by the industry. Industrial organizations will not run and developably, without the help of professional and trained human resources (Haryadi, et al., 2022; Riyanto et al., 2022). In the current competition in the economic field, each industry is trying and forcing to get suitable and competent human resources to reduce the success of their efforts so that they can compete with other industries, human resource management must find more concern by the industry so that the organization can achieve the vision of the goals and objectives of the industry efficiently (Anshori et al., 2022; Halisa, 2020). Employee Performance is one of the important work attitudes to be examined and is often done by organizations conducting periodic surveys related to

employee performance. High employee performance can increase customer loyalty and trust (Tania et al., 2021).

One of the efforts in improving employee performance is by building effective communication, among others, with internal communication between leaders and subordinates. Internal communication creates and maintains a communication system between leaders and subordinates and represents the transfer of ideas, information, attitudes, and emotions between people (Verčič, 2021). Internal communication is considered the foundation of organizational operations. The communication process will have a big role in keeping the organization (Ali et al., 2021). Internal communication is the fluid verbal and written communication that takes place within the organization on an individual and collective level and contributes to developing working methods and strengthening social relationships between employees (Achour, 2022).

Apart from internal communication, the determinant that can improve employee performance is job satisfaction. The higher the job satisfaction felt by employees, the higher the employee performance (Haryadi et al., 2021). Job satisfaction is a statement of positive feelings expressed by workers about their work based on the results of evaluating its characteristics (Pudjiastuti & Sijabat, 2022). Everyone has a different level of satisfaction according to the value system that applies to him, in other words, satisfaction is an evaluation that describes a person's feelings of pleasure or displeasure, satisfaction, or dissatisfaction at work (Mansyur et al., 2022). Job satisfaction must be created because it can increase employee morale in their work, increase employee dedication and love for their work, and strengthen employee discipline in the workplace (Haryadi & Wahyudi, 2020).

In the NIKE brand shoe industry company in one of the stock fit departments, one of the impacts of decreased employee performance is the high level of re-work (repair) in the production process. So that the actual achievement of targets is hampered and sometimes must be covered by overtime work. This will have an impact on the expected target.

PT Adis Dimension Footwear has several departments in carrying out its production process, in this study, researchers conducted research in one of the PT Adis Dimension Footwear departments, namely the stock fit section. This department is a footwear or outsole production department that has not yet become a shoe. Where the process is carried out in a lean manner or starts from input - production process - to output which will then be carried out by other departments for further processing. In 2019 the production output was only 92%, then in 2020 it decreased to 89%, so in 2021 it became 87%. While what is expected from the management is 100 - 105% each year. From the background explanation, business phenomena, the author formulates the problems including employee performance, the stockfit department in the activities of employees carrying out productivity decreases. Employees are a meaningful resource for the industry which has the ability, power, creativity that is needed by the industry in achieving its goals but in reality the work expected by management does not match what is determined by management, so the ability sought by the industry is an individual who has expertise in his field. The low intensity of leaders towards motivation and lack of attention to the desires of employees who support in carrying out the automatic production power of employees in order to complete their obligations and responsibilities is less than maximum. This is indicated by the low sense of responsibility of employees in completing their obligations.

This study aims to test and analyze and examine in improving employee performance, including internal communication variables and job satisfaction, exploring a conceptual model, solving the research gap at PT Adis Dimension Footwear Balaraja-Tangerang Stockfit Division. The associative descriptive quantitative approach method has been used by researchers to find solutions to the gaps in this problem.

RESEARCH METHOD

This research uses quantitative methods with a PLS-SEM-based causality approach. This research was conducted at PT Adis Dimension Footwear Balaraja Tangerang in the Stockfit Division. As

many as 509 populations, so the sample used was 150 respondents with random sampling techniques by multiplying the indicator, among others, 15 times 10. According to Kock, (2018) for research using SmartPLS-based SEM, the maximum is 10 times the indicator. The data collection method is a questionnaire with a 1 - 5 point Likert scale distributed online using Google Forms. The statement items used are adapted from various studies; internal communication uses 5 statement items (Martínez Sánchez & Villoro Armengol, 2021; Ophelia, 2021), and Employee Performance is 5 statement items (Alfarizi et al., 2022; Haryadi, et al., 2022), then Job Satisfaction 5 item (Haryadi et al., 2021). Tools for processing data with the help of SmartPLS software version 4 (Ringle et al., 2022). The tests carried out are Discriminant Validity by looking at the loading factor, Cronbach's alpha, composite reliability, AVE, and R-Squares. In addition, the bootstrap technique is used to see the effect, both directly and indirectly (Hair et al., 2017). The hypothesis for this study is as follows: H₁: Internal communication affects employee performance, H₂: Internal communication affects the job satisfaction, H₃: Job satisfaction affects employee performance.

RESULTS AND DISCUSSIONS

The measurement model set to verify the scale of the employee performance variable which is the dependent variable consists of 5 items, and the variables that influence it are 5 internal communication items, and 5 job satisfaction items. Validity testing uses Discriminant Validity, where the value can be seen from the cross-loading value, while reliability testing can be seen from two tests, namely Cronbach's alpha and composite reliability. The following outer loading test results can be seen in model 1 below:

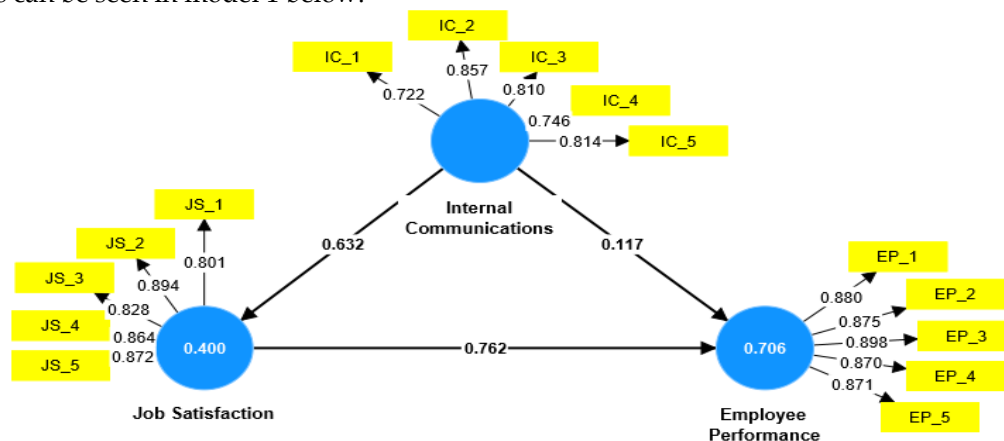


Figure 1 Outer Loading

From model 1 above, from all variables, each indicator has a loading factor value > 0.70, it can be concluded that the validity test has been fulfilled. The following cross-loading and composite reliability values can be seen in table 1 as follows:

Table 1. Outer model and inner model

Variable/Indicator	Cross Loadings			Cronbach Alpha	Composite Reliability	AVE	R-square
	IC	JS	EP				
<i>Internal Comunnications (IC)</i>				0.850	0.856	0.626	
IC_1	0,722	0,412	0,440				
IC_2	0,857	0,507	0,517				
IC_3	0,810	0,576	0,538				
IC_4	0,746	0,559	0,409				
IC_5	0,814	0,418	0,446				
<i>Job Satisfaction (JS)</i>				0.906	0.907	0.727	0.400

JS_1	0,587	0,801	0,670				
JS_2	0,529	0,894	0,661				
JS_3	0,534	0,828	0,738				
JS_4	0,495	0,864	0,833				
JS_5	0,551	0,872	0,636				
<i>Employee Performance (EP)</i>				0.926	0.927	0.773	0.706
EP_1	0,554	0,755	0,880				
EP_2	0,489	0,732	0,875				
EP_3	0,507	0,738	0,898				
EP_4	0,550	0,758	0,870				
EP_5	0,526	0,685	0,871				

Table 1 shows that the Discriminant Validity value in the cross-loading column meets the Discriminant Validity criteria. Discriminant validity is characterized by different construct values that are not highly correlated (Rasoolimanesh, 2022). Furthermore, the reliability test can be seen from Cronbach's alpha and composite reliability tests that the rule of thumb for testing reliability is that the value must be more than 0.70 (Yusoff et al., 2020). Table 1 shows that all variables meet the reliability criteria, where Cronbach's alpha values range from 0.856 - 0.926 and composite reliability ranges from 0.856 - 0.927. Then, the Average Variance Extracted (AVE) value must be greater than 0.50 (Henseler et al., 2016). Table 1 in the AVE column shows that this is the recommended value. Furthermore, the R-squared shows the contribution of the variables affecting the dependent variable. Hair et al. (2019) explain the criteria of R-square where 0.75 can be said to show substantial, 0.50 moderate, and 0.25 weak. Table 1 in the R-square column shows that the two variables JS and EP) are said to be moderate. The relationship between variables is shown in Figure 1.

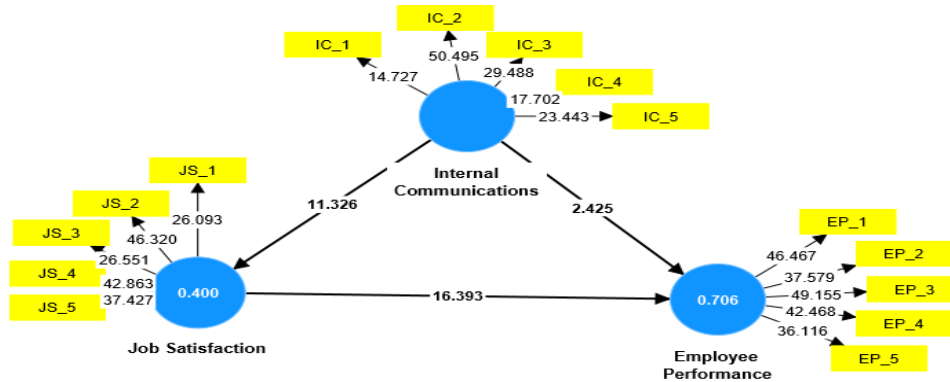


Figure 2 Outer Loading

Figure 2 illustrates the research model used in this study. It provides a view that illustrates the relationship between each of the research variables. Furthermore, the results are presented in Table 2 to determine the correlation and influence of each relationship, both directly and indirectly.

Table 2. Bootstrapping

	Coefisient	T Value	P values	Result
<i>Direct Effect</i>				
IC → EP	0.117	2.425	0.015	Accepted
IC → JS	0.632	11.326	0.000	Accepted
JS → EP	0.762	16.393	0.000	Accepted
<i>Indirect Effect</i>				
IC → JS → EP	0.482	11.108	0.000	Accepted

Table 2 shows the relationships or hypotheses in this study, where all the proposed hypotheses explain that all are accepted, although the effect is positive and significant, both direct

and indirect effects. Internal communication has a positive and significant effect on employee performance ($\beta = 0.117$, $t = 2.425$, $p < 0.05$). Furthermore, internal communication has a positive and significant effect on job satisfaction ($\beta = 0.632$, $t = 11.326$, $p < 0.05$), and job satisfaction has a positive and significant effect on employee performance ($\beta = 0.762$, $t = 16.393$, $p < 0.05$). The mediation test states that job satisfaction positively and significantly mediates internal communication on employee performance ($\beta = 0.482$, $t = 11.108$, $p < 0.05$).

To encourage employee performance in a department or company, employees must be able to have good internal communication to achieve the expected job satisfaction. Where the determinant of job satisfaction is having good communication between leaders and subordinates. This is necessary to avoid miscommunication between leaders and subordinates. Thus, achieving success in a department or company is generally determined by human resources that have quality, besides that it must be supported by good communication to improve employee performance. Job satisfaction is a statement of positive feelings expressed by workers about their jobs based on the results of evaluating their characteristics (Pudjiastuti & Sijabat, 2022). Everyone has a different level of satisfaction according to the value system that applies to him, in other words, satisfaction is an evaluation that describes a person's feelings of pleasure or displeasure, satisfaction, or dissatisfaction at work (Mansyur et al., 2022). (Verčič, 2021). Similarly, internal communication is considered the foundation of organizational operations. The communication process will have a great role in keeping the organization (Ali et al., 2021). Internal communication is the fluid verbal and written communication that takes place within the organization on an individual and collective level and contributes to developing working methods and strengthening social relationships between employees (Achour, 2022).

CONCLUSION

Based on the research findings that all variables have a positive and significant effect. Internal communication has a positive effect on employee performance. Internal communication has a positive and significant effect on job satisfaction, and job satisfaction has a positive and significant effect on employee performance. Job satisfaction is able to be a mediator contributing to the effect of internal communication on employee performance. This research is expected to make a theoretical contribution to the literature. This study only examines three variables including internal communication, job satisfaction and employee performance. For future research, it is expected to add research variables including transformational leadership, servant leadership, organizational citizenship behavior that can contribute to improving employee performance, so that employee performance can be even better.

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