

## The Determinant of Job Satisfaction and Its implication towards Employee Performance in Indonesian Electronic Distributor Company

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### Abstract

*This research is carried out to examine the effect of conflict, reward, organizational culture on employee satisfaction and performance in Indonesia Electronic Distributor Company, Pekanbaru. This study has used 66 respondents. The data was analysed using path analysis to delineate the relationships between variables. The analysis also focused on the direct and indirect effects of exogenous variables (conflict, reward and organizational culture) on endogenous variables (satisfaction and performance). As the results, this study indicated the effect of conflict, reward and organizational culture on employee satisfaction, but not on employee performance. The newest finding showed that the conflict had partially positive and significant effects on employee performance, but not on their job satisfaction. Moreover, organizational culture directly affected performance through job satisfaction, but organizational culture had no significant effect on performance. Furthermore, this study recommends that companies need to maintain the level of conflicts as well as to develop reward and organizational culture so that the employee satisfaction and performance can be maintained.*

**Keywords:** *Conflict, Employee Performance, Job Satisfaction, Organizational Culture, Reward*

### 1.0 Introduction

Various factors affect employee satisfaction and performance within a company. The increasing competition between companies and the demand to respond problems quickly lead companies to identify factors that affect employee performance (Diamantidis & Chatzoglou, 2019). Therefore, the development of human resource management is addressed to escalate employee performance and job satisfaction. The success of an organization can be drawn as the working results of employees. Those who are satisfied with their work will tend to produce good performance (Belwalkar et al 2018; Febriyana, 2015; Indrawati, 2013; Tentama, 2015). So, the employees' job satisfaction can be mainly influenced with their own works (Sejjaaka & Kaawaase, 2014).

Employee satisfaction and performance can also be influenced by conflict, reward and culture. Conflict is viewed as a process of which one feels that others have negative impacts on him (Robbins & Judge, 2013). Some researchers indicate that conflict can alter satisfaction and performance of company members (Bezrukova, 2002; Jehn, Greer, Levine, & Szulanski, 2008). Thus, conflict can generate negativity on employees' job satisfaction (Afrizal, et al, 2014; Alfiah, 2013). Moreover, reward factor can dispose the degree of employee performance.

It is in the form of remuneration or honour to one's achievement within an institution. In other words, rewards are termed as incentives in materials or non-material form that is provided by an employer to employees. The incentive is perceived to increase employees' motivation to meet corporate or organizational goals (Hasibuan, 2010). However, another research found that reward was the weakest predictor (Sejjaaka & Kaawaase, 2014). While others found that the rewards directly affected employee job satisfaction or through moderation (Hindarti & Wayyudi, 2011; Riza & Sandy, 2017).

Within an organization, it is essential to maintain a particular organizational culture. This is able to create an identity of an organization to act and behave properly. Besides, the employees can be honoured of having a great working reference. A strong organizational culture will provide all employees with positive assurance to develop together. An organizational culture must be differently remarked from one organization into another organization. According to Belwalkar et al. (2018), an organizational culture spiritually relates to employees' job satisfaction. Likewise, a research shows that the organizational culture within a hotel has positive and significant impact on its staff's job satisfaction (Pawirosumarto, Sarjana, & Gunawan, 2017). In education sector, supportive culture also influences employees' job satisfaction in Qatar (Maryam, 2017). Moreover, the growth of job satisfaction can affect employee performance (Belwalkar et al., 2018). The employees tend to work well if they have high performance; in turn, their excessive performance is perceived to achieve company goals.

This study was located within a company in Pekanbaru. This is a large distributor company engaged in selling air conditioning, LED TV, dispensers, and other electronic equipment's. Its products are considered having high quality and updated with various models and interior to attract customer satisfaction. However, the company's sales were fluctuated in 2012 to 2016 and did not achieve its sales target. Therefore, this study intended to understand whether or not the conflict, reward, and organizational culture had an effect on employee job satisfaction and employee performance at the Arisamandiri Pekanbaru.

## **2.0 Literature Review**

### **2.1 Conflict**

Work conflict is defined as the disparity between two or more organizational members whose limited resources or work activities owing to their different status, goals, values and perceptions (Rivai & Sagala, 2009). Previous researches indicate that conflict can affect satisfaction and work performance. Moreover, conflicts can be delineated as constructive and destructive factor for organizational groups. If the degree of conflict is too low, so the work performance of employees can be low due to the lack of encouragement and stimulation. The employees may feel the environment is too pleasant and comfortable, so their responses can be apathetic and stagnant. In contrast, when the degree of conflict is very high, so the employees' achievement is low due to the lack of coordination and cooperation. Besides, the optimal conflict occurs in which the level of conflict is sufficient to prevent stagnation. This leads to elevate employees' creativity, encouragement to make changes, and desires to solve problems (Supartha & Sintaasih, 2017)

According to Jehn et al. (2008), conflict is delineated into three types (i.e. tasks, relationships and processes) and has four dimensions (i.e. emotions, norms, resolution efficacy and interests). In this study, the indicators of conflict refer to what Supartha and Sintaasih (2017) proposed involving the differences of personality, perspectives, goals and interests, communication errors, division of tasks, and working competition. Other studies also find the relationship between conflicts and job satisfaction (Afrizal et al., 2014; Alfiah, 2013; Jehn et

al., 2008). They argue that employees' conflicts have negative influence on their job satisfaction. Furthermore, other studies convince the relationship between conflict and work performance (Bezrukova, 2002; Everly, Davy, Smith, Lating, & Nucifora, 2011; Faradita, 2017; Worang, Repi & Dotulong, 2017). They find employees who agree that conflict has negative impact on employee performance. Therefore, this study proposed the first and second hypotheses as follow:

H1: Conflict negatively affects job satisfaction.

H2: Conflict negatively affects employee performance.

## **2.2 Reward**

Reward is compensated as materialistic and verbal appreciation from an organization or company due to its employees' good performance (Hasibuan, 2010). In particular, reward can be in both material and nonmaterial given by the employers in the purpose to increase employees' higher motivation to complete the company goals. Referring to Shculer (1987), reward is categorized into intrinsic reward and extrinsic reward. Intrinsic reward is in the form of career development and self-esteem; while extrinsic rewards are divided into two, i.e. direct extrinsic rewards (salaries and bonuses) and indirect extrinsic rewards (facilities). In brief, both intrinsic reward and extrinsic reward are the indicators of this study.

Previous studies have evidence on the relationship between reward, job satisfaction and employee performance (Hindarti & Wayyudi, 2011; Sejjaaka & Kaawaase, 2014; Mainelli, 2004; Muqoyyarah, 2018; Olsen, 2015). They also show that the observed employees convince for their reward effecting their job satisfaction. Therefore, this study proposed the third and fourth hypotheses as follow:

H3: Reward has a positive effect on job satisfaction.

H4: Reward has a positive effect on employee performance.

## **2.3 Organizational Culture**

Culture is closely in relation to human consciousness and attitudes. Culture is the manifestation of community's ways of thinking within an organization. The organizational culture can be very extensive due to all behaviors, actions, and feelings that are generated from individuals' mind. Thus, the indicators of organizational culture consist of innovation and risk taking, attention to details, outcome orientation, people orientation, team orientation, aggressiveness, and stability (Robbins & Judge, 2013). In this study, the indicators were based on the investigated company's condition, including innovation, risk taking, attention to details, employees' orientation, and work stability. The previous researches found the impact of organizational culture on job satisfaction as well as employee performance (Maryam Al-Sada, 2017; Pawirosumarto, Sarjana, & Gunawan, 2017; Sudirjo & Kristanto, 2006). They assume that employees' reward influences their job satisfaction. Furthermore, this study proposed the fifth and sixth hypotheses as follow:

H5: Organizational culture has a positive effect on job satisfaction.

H6: Organizational culture has a positive effect on employee performance.

## **2.4 Employee Satisfaction**

Various studies on job satisfaction have been carried out by psychologists and management scholars. Theories about job satisfaction grew in the 2000s (Petrescu & Simmons, 2008). Job satisfaction is an ideal condition that must be achieved due to employees' attitudes and feelings towards all aspects of their work environment. In turn, job satisfaction will

influence employees' attitudes and behaviour in carrying out the assigned tasks. If employees can carry out their duties properly, the employee will achieve satisfaction at work. In this study, the indicator of job satisfaction is referred to Hasibuan's concept (2010), such as: enjoying the works, loving the works, maintaining work morale and discipline, and improving job performance.

## 2.5 Employee Performance

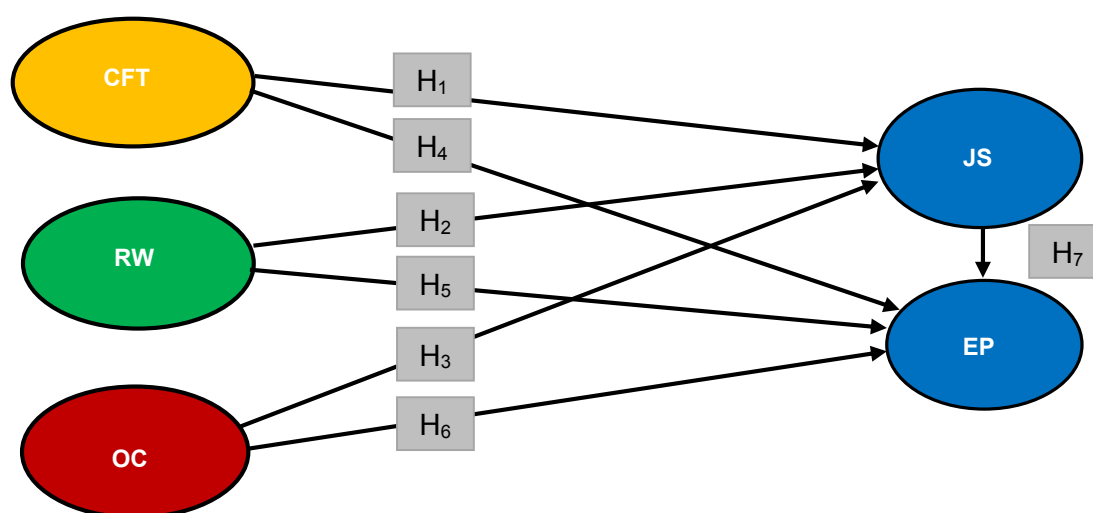
Employee performance refers to quality and quantity of working outcome and reliability. It is described as the working results on one's job requirements (Bangun, 2012) Employees can work well if they have high performance since they can produce good works. In turn, the employees' higher performance is perceived to meet the organizational goals. Therefore, the employee performance should be appropriately measured and understood with particular standards of assessment. Following Bangun (2012), the performance standards involve quality of work, quantity of work, punctuality, initiation, capability, and communication. Previously, some researchers find the relationship between organizational culture on job satisfaction and employee performance (Febriyana et al., 2015; Indrawati, 2013; Linz, 2003; Petrescu & Simmons, 2008; Stringer, Didham, & Theivananthampillai, 2011; Tentama, 2015; Yang & Hwang, 2014). Their respondents agree that job satisfaction influences employee performance. Furthermore, this study proposed the seventh hypothesis as follow:

H7: Job satisfaction affects performance.

## 3.0 Methodology

### 3.1 Path Diagram of Structural Model

In this study, a model that was tested to prove the seventh hypotheses aimed to examine the impact of conflict, reward and organizational culture on job satisfaction and employee performance. The model is drawn in figure 1 below.



**Figure 1.** Path Diagram of Structural Model

Source: (Everly, Davy, Smith, Lating, & Nucifora, 2011; Faradita, 2017; K. Sejjaaka & K. Kaawaase, 2014; Linz, 2003; Olsen, 2015; Pawirosumarto et al., 2017; Petrescu & Simmons, 2008; Stringer, Didham, & Theivananthampillai, 2011; Sudirjo & Kristanto, 2006; Tentama, 2015; Worang et al., 2017; Yang & Hwang, 2014)

### **3.2 Data Collection**

This study collected data with questionnaires. This is a technique that provides respondents with a set of questions or written statements to answer. Through this technique, responses, opinions, and attitudes of respondents can be known in relation to the effect of conflict, reward, organizational culture and job satisfaction. The selection of respondents' answers was in rating scale technique; while the measurement scale was in the ordinal scale level. Thus, this study used numerical scales of Likert with 1-5 alternative answer choices to measure the attitude of respondents. The Likert scale is a bipolar continuum scale of which on the left is a negative answer and on the right end with a large number showing a positive answer. In short, the Likert scale is designed to allow respondents to rate each research statement. Likert scales are from 1-5 (Cooper & Emory, 1996).

### **3.3 Population and Samples**

In this study, the population were all employees of Arisamandiri Company that is located in Pekanbaru. This is a distributor of household electronic equipment with 70 employees. This study applied a purposive sampling method so there were 66 employees, excluding drivers and security, as the research respondents.

### **3.4 Hypothesis Test of Path Analysis with PLS-SEM**

This study involved three independent variables and two dependent variables. The indicators for each variable were 28 indicators that were constructed into 28 question instruments. Referring to Ghozali's concept (2014), the researcher should analyse actual data with hard modelling and AMOS or Lisrel software if the data meet the assumptions that are required with covariance based SEM. Otherwise, the researcher is still able to analyse data even though the data do not meet the required assumptions only for finding predictive linear relationships with component based SEM. In addition, Partial Least Square (PLS) was also used in this study to test and measure the direct and indirect effects of variables of conflict, reward, organizational culture, job satisfaction and performance. PLS is considered as a powerful and analytical method that is not based on assumptions (Wold, 1985 in Ghozali, 2014).

## **4.0 Results and Findings**

### **4.1 Respondent Characteristics**

In this study, the respondents were analysed referring to age, gender, education, marital status, and work experience in Table 1. The information was obtained from the investigated workforce. The dominant workers were at productive age, i.e. 60.6%. The number of employees were dominated by women (54.5%); the rest were males (45.5%). However, the administrative work was mostly identified caring out by female employees; and outdoor jobs were generally done by males. In relation to education, the employees are secondary school graduates (69.7%) and university graduates (12.1%). The company provides an opportunity for employees who are only high school graduates to continue their education to undergraduate and master degrees by attending lectures at night. In addition, the workers at Arisamandiri are not married (66.7%) because their career paths are considered unclear and not transparent. Thus, employees who have completed their undergraduate education tended to move to other companies with more challenging career. Only 9.1% of employees are able to survive in the

company for more than 10 years. In brief, employees whose adequate higher education tend to find more promising careers in other companies.

**Table 1:** Respondent Characteristics

Demography/ Characteristics	Category	Frequency (F)	Percentage (%)
Age Group	<25 age	40	60.6%
	25-35 age	20	30.3%
	>35 age	6	9.1%
	Total	66	100%
Gender	Male	30	45.5%
	Female	36	54.5%
	Total	66	100%
Education	High School	46	69.7%
	Diploma	12	18.2%
	Undergraduate	8	12.1%
	Total	66	100%
Working Experience	<5 years	42	63.6 %
	5-10 years	18	27.3%
	>10 years	6	9.1%
	Total	66	100%

#### 4.2 Descriptive Analysis

Descriptive analysis is an analytical method of which data is collected or grouped, analysed, and interpreted objectively. The results of this descriptive statistical analysis are summarized in Table 2:

**Table 2:** Results of Descriptive Analysis

Variables	Max	Min	Average
Conflict	3.70	3.61	3.67
Reward	3.73	3.64	3.70
Organizational Culture	3.91	3.76	3.83
Satisfaction	3.97	3.64	3.75
Performance	4.00	3.73	3.88

Based on the table above, the highest average score is 3.88 for performance and organizational culture variables. Obviously, the respondents convinced that the employee performance was good and that the organizational culture was applied in good category.

#### 4.3 Validity Test

Validity test is used to measure the validity of a questionnaire. A questionnaire is considered valid if the statement on questionnaire is able to reveal an evidence being observed. In this study, the variables are conflict, reward, organizational culture job satisfaction and performance. Their correlations were greater than 0.30 meaning the item statements on each variable was valid for further testing.



#### 4.4 Reliability Test

Reliability test is to measure the consistency of respondents' answers. If the answers given are consistent, then the research instrument (questionnaire) is considered reliable. The following is the Table 3 of reliability test:

**Table 3:** Reliability Test, Research Instrument

Variables	Cronbach's Alpha	Notes
Conflict (X <sub>1</sub> )	0.798	Reliable
Reward (X <sub>2</sub> )	0.783	Reliable
Organizational Culture (X <sub>3</sub> )	0.832	Reliable
Satisfaction (Y <sub>1</sub> )	0.787	Reliable
Employee Performance (Y <sub>2</sub> )	0.789	Reliable

The reliability test results of conflict, reward, culture, satisfaction, and performance variables showed a reliability value  $> 0.06$ . Thus, the overall variables in this research instrument are reliable.

#### 4.5 Hypothesis Test on Path Analysis with PLS-SEM

There are three criteria to use data analysis techniques with Smart PLS. This can assess the outer models, namely convergent validity, discriminant validity, and composite reliability.

##### 4.5.1 Convergent Validity

Convergent Validity is the measurement model with reflexive indicators based on the correlation between item score and component score with PLS software. The individual reflexive measurement is considered high if it correlates more than 0.70 against the variables. However, the scale measurement of loading values from 0.5 to 0.6 is considered sufficient (Chin, 1988 in Ghazali, 2014), so this study used a loading factor limit of 0.5. Moreover, this study found that the value of outer model as well as the correlation between variables met the convergent validity since all variable indicators had a loading factor value above 0.50. The indicator of organizational culture (X<sub>3</sub>: see the detail) was the strongest measurement among other variables since it had the largest outer loading value (0.868). Due to the average value of outer loading on each variable, this study concluded that four indicators of organizational culture were strong indicators in responding to employee performance through job satisfaction.

##### 4.5.2 Discriminant Validity

Discriminant validity is applied to ensure whether each concept of each latent variable is different from the other variables. The model is considered good discriminant validity if each loading indicator value of a latent variable has a loading value greater than the loading value in correlation with other latent variables. In addition, the test results of discriminant validity of this study can be seen in the following Table 4.

In this study, the results of three variables were identified having AVE values above 0.50 on reward (X<sub>2</sub>), organizational culture (X<sub>3</sub>) and job satisfaction (Y<sub>1</sub>). While, conflicts (X<sub>1</sub>) and performance (Y<sub>2</sub>) had AVE values below 0.50. Indeed, not all variables had AVE root values higher than correlation coefficients between one variable and another variable. Only

reward (X2), organizational culture (X3) and job satisfaction (Y1) had good discriminant validity.

**Table 4: Discriminant Validity**

Variables	Average Variance Extracted (AVE)	Extracted AVE	Correlation				
	AVE	AVE	X1	X2	X3	Y1	Y2
X1	0.451	0.672	1.000	0.673	0.604	0.516	0.555
X2	0.547	0.740	0.673	1.000	0.617	0.799	0.817
X3	0.663	0.814	0.604	0.617	1.000	0.690	0.707
Y1	0.544	0.738	0.516	0.799	0.690	1.000	0.944
Y2	0.486	0.697	0.555	0.817	0.707	0.944	1.000

Source: Processed Data 2018

### 4.5.3 Composite Reliability

Validity and reliability criteria can be seen from the reliability value of a variable and the value of Average Variance Extracted (AVE) of each variable. Variables are said to have high reliability if the composite reliability value is above 0.70 and AVE is above 0.50. In the table 6, the composite reliability values on control, leadership, competency, motivation and performance variables are presented in Table 5.

**Table 5: Composite Reliability**

Variables	Composite Reliability
Control System (X <sub>1</sub> )	0.846
Leadership (X <sub>2</sub> )	0.857
Competency (X <sub>3</sub> )	0.887
Motivation (Y <sub>1</sub> )	0.856
Performance (Y <sub>2</sub> )	0.849

The table demonstrated all variables meeting composite reliability since the values were above the recommended number, i.e. more than 0.7. Therefore, the convergent, discriminant validity, and composite reliability were valid and reliable indicators.

### 4.5.4 Inner Model Evaluation (Structural Model Testing)

In this study, testing inner model or structural model was conducted to see the relationship between variables, significance values, and R-square of the research model. The structural model was evaluated using R-Square, for the dependent variable t test and the significance of structural path parameter coefficients. Evaluating the inner model with PLS-SEM was started by looking at the value of R-Square.

**Table 6: Results of R Square**

Variables	R Square	R Square Adjusted
Job Satisfaction (Y1)	0.715	0.701
Performance (Y2)	0.906	0.900

Moreover, *R-Square* for the job satisfaction variable (Y1) was 0.715. Thus, the impact of conflict, reward and organizational culture on job satisfaction was 71.5%; while the remaining



28.5% was influenced by other factors. Then, the R-Square value for Performance variable (Y2) was 0.906, so 90.6% of the performance variable was influenced with job satisfaction as an intervening variable of conflict, reward and culture. While the rest was caused by other factors.

#### 4.5.5 Results of Path Analysis

The bootstrapping method is a procedure for recurring new samples as many as new data. For the simultaneous test, the t-statistic test was used to test the significance effect of the overall exogenous variables (X1) on the endogenous variable Y. This test was done by comparing the T values generated from the T-statistic calculation with T-Table. In addition, the null hypothesis will be accepted if the T-Statistic value is smaller than the T-table ( $T\text{-Statistic} < T\text{-table}$ ). Conversely, the null hypothesis will be rejected if the value of T-Statistic is greater than T-table ( $T\text{-Statistic} > T\text{-table}$ ). Based on the significance level of 0.05 compared to the observation number of 139, this study found that the T-table value was 1.998972 (fulfilled 1.999). In table 8 below, the results of the T-Values and P-Values are presented and compared with the T-Value.

**Table 7: Results of Path Analysis**

Relationships	Original Sample (O)	T Statistics ( O/STDEV )	T-Table	P Values	Conclusion
Conflict (X1) ->Job Satisfaction (Y1)	-0.168	1.569	1.999	0.117	Not Significant
Conflict (X1) ->Performance (Y2)	0.010	0.208	1.999	0.836	Not Significant
Reward (X2) ->Job Satisfaction (Y1)	0.684	8.186	1.999	0.000***	Significant
Reward (X2) ->Performance (Y2)	0.152	1.837	1.999	0.067*	Significant
Organizational Culture (X3) ->Job Satisfaction (Y1)	0.370	4.672	1.999	0.000***	Significant
Organizational Culture (X3) ->Performance (Y2)	0.083	1.325	1.999	0.186	Not Significant
Job Satisfaction (Y1) ->Performance(Y2)	0.760	9.305	1.999	0.000***	Significant

Note: \*\*\* $p < 0.01$ , \*\* $p < 0.05$  and \* $p < 0,10$

Hypothesis 1 proposed that conflict had a negative and significant effect on job satisfaction. The test result on parameter coefficient between conflict and job satisfaction indicated a negative relationship with a coefficient of -0.168 with a T-statistic value of 1.569  $< T\text{-Table value } 1.999$  and not significant with a value of P values 0.117. Thus, the first hypothesis was rejected.

Hypothesis 2 suggested that conflict had a negative and significant effect on performance. The test result on parameter coefficient between conflict and performance indicated a positive relationship with a coefficient of 0.010 with a T-statistic value of 0.208  $< T\text{ table } 1.999$  and significant with a value of P Values 0.836. Thus, the second hypothesis was rejected.

Hypothesis 3 recommended that rewards had a positive and significant effect on job satisfaction. The test result on parameter coefficient between reward and job satisfaction

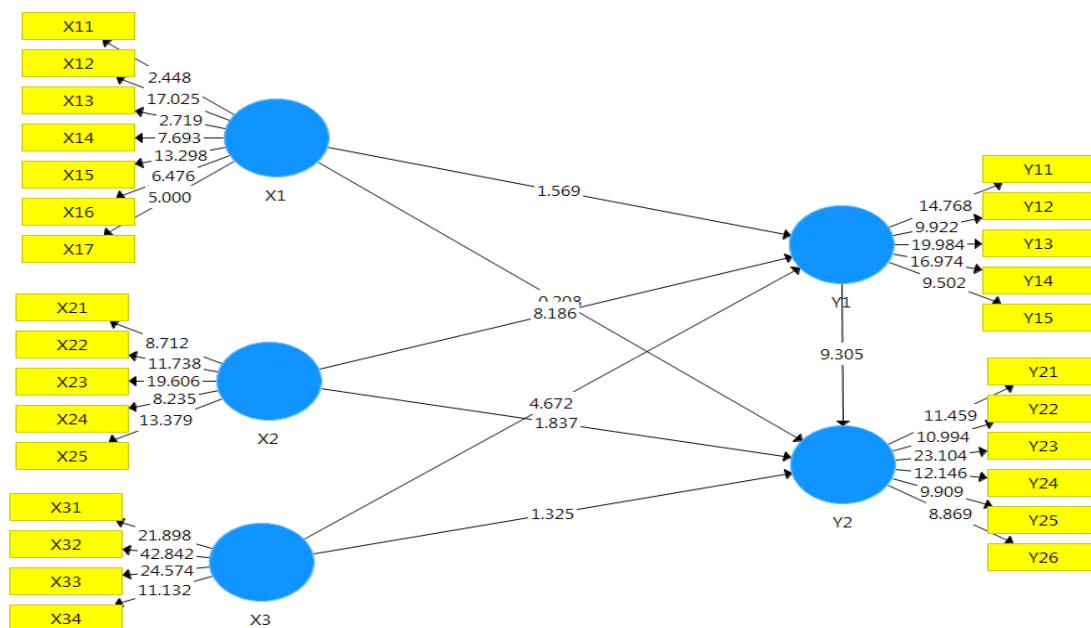
indicated a positive relationship with a coefficient of 0.684 with a T-statistic value of 8.186 > T-table 1.999 and significant with a P value of 0.000. Thus, the third hypothesis was accepted.

Hypothesis 4 proposed that rewards had a positive and significant effect on performance. The test results on parameter coefficient between the reward and performance indicated a positive relationship with a coefficient of 0.152 with a statistical T-value of 1.837 < T-table 1.999 and significant with a P value of 0.067. Thus, the fourth hypothesis was rejected.

Hypothesis 5 stated that organizational culture had a significant effect on job satisfaction. The test results on parameter coefficient between organizational culture and job satisfaction showed a positive relationship with a coefficient of 0.370 with a T-statistic value of 0.370 > a T-table value of 1.999 and significant with a P value of 0.000. Thus, the fifth hypothesis was accepted.

Hypothesis 6 recommended that working culture had a positive and significant effect on performance. The test results on parameter coefficient between culture and performance indicated a positive relationship with a coefficient of 0.083 with a T-statistic value of 1.325 < T-table value and significant with a P value of 0.186. Thus, the hypothesis was rejected.

Hypothesis 7 proposed that job satisfaction had a significant effect on performance. The test results on parameter coefficient between job satisfaction and performance indicated a positive relationship with a coefficient of 0.760 with a T-statistic value of 9.305 > T-table value of 1.999 and significant with a P value of 0.000. Thus, the seventh hypothesis was accepted. For more details of hypothesis test results can be shown in Figure 2 below:



**Figure 2: Path Diagram**

## 5.0 Discussion

The data analysis results evidenced that conflict had a negative and insignificant effect on job satisfaction. This finding is in line with researches conducted by Afrizal et al., (2014), Alfiah (2013), and Jehn et al., (2008). As the result of descriptive analysis through questionnaires, the observed employees illustrated that conflicts often occur due to their different viewpoints and miscommunication. Therefore, this study argued that the miscommunication problems should be overcome by providing understandable SOP (Standard Operating Procedure) within the organization.

The data analysis also indicated that conflict had a positive and insignificant effect on performance. This is not similar to what Faradita (2017) and Worang (2017) found that conflict had a positive and significant effect on performance. However, a conflict within a company needs to be optimally established in order to prevent stagnation and encourage the emergence of creativity (Supartha & Sintaasih, 2017). Likewise, a stagnant organizational situation cannot push employees for better management change. So, conflicts should be created to build morale as well as creativity within the organization. In addition, this study indicated that the employees' placement had not been well accommodated in Arismandiri Pekanbaru. The "right man on the right place" was not managed so most employees felt having inappropriate job; and this fact triggered conflict. Thus, the company needs to reanalyze its employees' position so each will occupy a position based on his or her qualifications and expertise.

For the effect of reward on job satisfaction, the data analysis demonstrated that the reward had a positive and significant effect on job satisfaction. This finding supports researches by Muqoyyarah (2018). In contrast, the findings by Hindarti and Wayyudi (2011) as well as Sejjaka and Kaawaase (2014) showed the opposites. In this study, the respondents' questionnaire responses stated that the given bonus was considered satisfactory; but their welfare was in the lowest average score. Therefore, this study recommended that the company should adjust its employees' welfare following to the government standards in order to create job satisfaction that, in turn, improve employee performance.

In addition, this study found that the reward had a positive and not significant effect on performance. The finding supported researches of Mainelli (2004) and Olsen (2015). In this study, the company argued having an obvious career level for employees; however, the employees had different perspectives. Those who have completed their higher education intended to find jobs in other companies where provide more challenging and higher compensation. Accordingly, this study recommended that the company should create clearer and more measurable career paths with attractive facilities and welfare in order to improve employee performance and to reduce employees' high turnover.

Then, the organizational culture was evidenced having positive and significant effect on job satisfaction. This finding supported researches that were conducted by Indra Yudha (2018), Pawirosumarto et al., (2017), Sudirjo and Kristanto (2006). Based on the descriptive analysis result, the indicator of "opportunity to innovate" was the highest score, recognizing that the company had provided employees more opportunities for doing innovation as well as for completing their duties. Accordingly, some respondents were young and productive to be marketing personnel to sell products. Hence, this company suggested that the company keeps maintaining employees' creative culture and innovation to improve its competitiveness.

In this study, organizational culture was identified having a positive and not significant effect on performance. This finding was relevant with previous researches by Indra Yudha, (2018), Pawirosumarto et al.,(2017), Sudirjo & Kristanto, (2006). On the other hand, the descriptive analysis result demonstrated the lowest score of an indicator "improving performance and maintaining creativity" that should be paid attention by the employees. Thus, more efforts need to be developed by employees to increase their creativity in sales. The company may provide regular trainings in "sales and negotiation skills to improve sales performance.

The employees who can adopt organizational culture well are perceived to create more effective and efficient working ways. In turn, this has an impact on improving performance. As the data analysis result, the job satisfaction was identified having positive and significant effect on employee performance. This finding was relevant with previous studies of Febriyana et al. (2015), Indrawati (2013), Tentama (2015), Yang and Hwang (2014). In contrary, another study indicated that job satisfaction had negative and insignificant on performance; and job satisfaction was not a moderating variable on employee performance at the Parador Hotel and

Resort (Pawirosumarto et al., 2017). Moreover, this study found that most respondents had the perceptions that they disliked their jobs and their work was considered less attractive and less "prestigious". Therefore, the company should create a positive "image" in the community so its employees will be honoured to be part of the company.

In this study, SPSS and PLS statistical software were applied to analyse quantitatively. The quantitative results presented that there was a positive relationship between the dependent variables (i.e. job satisfaction and employee performance) and the independent variable. The analysis results performed that conflict did not significantly affect performance, even though through job satisfaction. In contrast, organizational culture had a significant effect on performance through job satisfaction. However, organizational culture had no significant effect on performance.

## **6.0 Conclusions**

As the results of analysis, this study concluded that reward and organizational culture had an effect on job satisfaction, and job satisfaction had an effect on performance. However, conflict had directly a negative and insignificant effect on performance and through job satisfaction. While, reward and organizational culture had no significant effect on performance.

Therefore, this study argues that the observed company needs to do several actions in order to develop employees' satisfaction and performance. First, the company should solve miscommunication problems with obvious SOP (Standard Operating Procedure). Second, the company should analyse its office and ensure its employees having a position in accordance with their qualifications and expertise. Third, the company should adjust employees' welfares based on the government standards for establishing their job satisfaction. Fourth, the company should construct more coherent and measurable career paths by providing more attractive facilities and pleasant welfare to elevate employee performance and to reduce turnover of employees. Fifth, the company should develop creative and innovative organizational cultures to increase the company competitiveness. Sixth, the company should provide training of sales and negotiation skills" regularly. Last, the company should create a positive "image" within its community so that its employees are pleasant to be part of the company.

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