

THE INFLUENCE OF EFFECTIVE COMMUNICATION AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE THROUGH JOB SATISFACTION AS A MEDIATION VARIABLE (CASE STUDY IN PERUM BULOG ACEH REGIONAL OFFICE)

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ABSTRACT

This study aims to explore the impact of effective communication and organizational culture and on employee performance, both directly and indirectly through job satisfaction as a mediating variable. The respondents comprised all 117 employees of Perum Bulog Aceh Regional Office. Data were analyzed using SmartPLS. The result reveals that for the direct effect, significantly the effective communication and culture affect satisfaction, and, culture and satisfaction affect employee performance. However, effective communication does not affect employee performance. For the indirect effect, significantly the satisfaction mediates the effective communication and culture effect on employee performance. These findings also explain that satisfaction functions as a full mediator for the effective communication model influencing employee performance, and as a partial mediator for the organizational culture model influencing employee performance. Thus, these findings explain that the model for increasing employee performance is a function of increasing effective communication, adjusting organizational culture, and increasing job satisfaction.

Keywords: Effective Communication, Organizational Culture, Job Satisfaction and Employee Performance.

1. INTRODUCTION

Every organization resembles a living organism, navigating through distinct phases of existence: birth, growth, transformation, and ultimately, decline. Within this ecosystem, individuals serve as vital components, engaged in the continuous exchange of information and collaborative decision-making, all aimed at fulfilling the organization's mission and objectives. The establishment of organizational goals stands as a cornerstone of effective management, providing a framework to evaluate accomplishments and enhance overall performance. To realize these goals, a robust management system is essential. This system should encompass the setting of clear and ambitious individual and team objectives, ongoing performance monitoring to track progress, and the provision of constructive feedback that fosters improvement. Furthermore, recognizing the achievements of team members plays a critical role in motivation and morale. When necessary, proactive corrective actions should be implemented to address any shortfalls and guide the organization towards sustained success. The Logistics Affairs Public Corporation (Perum Bulog) manages food logistics in Indonesia. Although Bulog carries an important mandate from the government, maintaining good performance remains a priority. Based on the 2023 performance evaluation of the Perum Bulog Aceh Regional Office, excellent results were achieved with several performance improvements, although some areas still need improvement, such as commercial rice

sales and commodity procurement. This research aims to examine the direct influence of organizational culture and effective communication on employee performance, as well as through the mediation of job satisfaction. Although the Perum Bulog Aceh Regional Office has demonstrated excellent performance, research is still necessary to maintain this success and promote continuous improvement.

Effective communication is crucial in ensuring that information flows smoothly across different levels of the organization. Communication barriers can affect collaboration and decision-making. Meanwhile, a strong organizational culture leads to better employee performance, reflecting the values, norms, and beliefs that shape employee behavior. Job satisfaction is an important factor in motivating employees, as it keeps them engaged and driven to contribute to achieving organizational goals. Examining the level of job satisfaction at the Perum Bulog Aceh Regional Office helps identify areas that require attention to improve employee well-being. This research provides insights that can help the Perum Bulog Aceh Regional Office maintain high-performance levels and achieve continuous improvement.

2. LITERATURE

Employee Performance

In this article, employee performance will also often be referred to as just performance. Employee performance, according to Shmailan as cited by (Hermina & Yosepha, 2019), is defined as an individual's effort to complete tasks assigned by the company. Employee performance is the ability of an employee to apply their skills (Andri et al., 2021). (Sudaryo et al., 2019) said employee performance is the capacity to produce output, either in the form of goods or services, which can be measured both materially and non-materially. (Ellinger et al., 2003) in (Dahkoul, 2018) state that employee performance includes the results of actions carried out by employees based on their expertise and skills. An increase in organizational performance reflects the efforts made to achieve its goals, which simultaneously require additional efforts to improve employee performance. As stated by (Sudaryo et al., 2019), the individual and group performance of employees influences the success or failure of an organization's overall performance. (Kasmir, 2016) reveals several factors such as abilities and skills, knowledge of the job, job design, organizational culture, job satisfaction, and the work environment will influence employee performance in terms of both results and work behavior. The indicators of employee performance at Perum Bulog Aceh Regional Office in this study include EBITDA, sales and procurement, the supply and price stability network, asset optimization, customer satisfaction, follow-up on audit results, and the internalization of the company's cultural programs.

Job Satisfaction

In this article, job satisfaction will often be mentioned as satisfaction. (Meier & Spector, 2015) stated job satisfaction is an individual's overall evaluative perception of their job, whether they like it or not. (Siegel & Lane, 1982) in (Indrasari, 2017), defined it as the achievement of value in one's work, provided that the value aligns with or meets a person's basic needs. According to (Armstrong, 2018), the feelings and attitudes an employee has toward their job are defined as job satisfaction. In general, job satisfaction is defined as a cognitive, affective, and evaluative response or attitude reflecting job outcomes, occurring when positive or pleasant emotions are experienced (Henne & Locke, 1985) in (Luthans et al., 2021). Job satisfaction, according to (Cronley & Kim,

2017) in (Lysandra et al., 2023), is the perception or emotion that an individual feels towards the tasks they complete and the organization they work for. Additionally, job satisfaction includes an individual's evaluation of their job and the organization's response to its employees. Companies must ensure a high level of job satisfaction among their employees, as this is a key factor in supporting their performance. (Phadke, 2023) states that there are ten main factors influencing job satisfaction: 1) work-life balance; 2) health and safety; 3) company values; 4) recognition; 5) relationship with managers; 6) salary scale; 7) working conditions; 8) unique working style; 9) learning and career development; and 10) challenges and responsibilities. (Luthans et al., 2021) identify the indicators of job satisfaction as: the work itself, salary and benefits, opportunities for promotion, supervision, and relationships with coworkers or workgroups.

Effective Communication

Habermas, as explained by (Mukarom, 2020), describes communication as a form of interaction that is conveyed symbolically, using language, and subject to certain norms. The language must be easy to understand, accurate, honest, and precise. The validity of these norms can only be ensured through mutual agreement and recognition that we are all bound by them. Essentially, communication is the process by which the communicator conveys their thoughts and feelings to the communicant. Feelings may include the expression of emotions such as conviction, doubt, concern, anger, and courage, while thoughts encompass ideas, information, or opinions. The thoughts and feelings communicated determine the success of the communication. Wulandari, as mentioned in (Palifiana et al., 2020), explains that effective communication involves conveying messages, ideas, or feelings in an appropriate manner and within the proper social context. When a person receives a message and then acts in accordance with the communicator's intent, the communication is considered effective. Communication is often considered something simple because it only involves the delivery of messages. However, to achieve effective communication, individuals need to understand various factors such as communication style, the interlocutor, the content of the message, and the media used. (Hynes, 2023), as cited in (R. T. Siregar et al., 2021), applies the golden rule principle: treating others as we would like to be treated, which is one of the key rules for effective communication within organizations. To communicate effectively, this golden rule strategy involves two steps: 1) developing an attitude of empathy, and 2) building trust. According to (Prihanti, 2017), there are 5 laws of effective communication, also known as REACH: respect, empathy, audible, clarity, and humble.

Organizational Culture

In this article, organizational culture will often be referred to simply as culture. Organizational culture, according to Schein as cited in (Luthans et al., 2021), is the basic assumption developed by a particular group to solve problems. This culture reflects the values, norms, and behaviors that serve as guidelines within an organization. Individual behavior becomes the root of basic assumptions that encompass the thoughts and actions taught and transferred to the next generation within the organization (Soelistya et al., 2022). The Board of Directors of Perum Bulog issued Decision Number KD-301/DS200/09/2020 regarding the Core Values of Human Resources at Perum Bulog, which are AKHLAK, an acronym for “*Amanah*” (trustworthy), “*Kompeten*” (competent), “*Harmonis*” (harmonious), “*Loyal*” (loyal), “*Adaptif*” (adaptive), and “*Kolaboratif*” (collaborative).

3. METHOD

The study involved all employees of Perum Bulog Aceh Regional Office, totaling 117 individuals as respondents. Data was collected using a questionnaire provided to individuals acting as respondents, allowing them to respond to the researcher's questions (Veronica et al., 2022). This questionnaire was distributed to the respondents via Google Forms. SmartPLS 3 software was used for data analysis in this study. Partial Least Square (PLS) is an analytical technique that can be used for smaller samples. PLS is constructed with formative or reflective models and does not require assumptions of normal data distribution (Hair et al., 2019). This study tests the hypotheses that are :

H1 : effective communication affects job satisfaction

H2 : organizational culture affects job satisfaction

H3 : effective communication affects employee performance

H4 : organizational culture affects employee performance

H5 : job satisfaction affects employee performance

H6 : job satisfaction mediates the effective communication effect on employee performance

H7 : job satisfaction mediates the organizational culture effect on employee performance

4. RESULT

Measurement Model

This study uses both formative and reflective measurement models. The employee performance variable is measured formatively, while the variables of effective communication, organizational culture, and job satisfaction are measured reflectively. According to the formative evaluation, the outer weight values must be significant, and the outer VIF values should be < 5 . For the reflective measurement model evaluation, the loading factor and composite reliability must be > 0.70 , Cronbach's alpha and the average variance extracted (AVE) should be above 0.50. Additionally, the discriminant validity evaluation includes the Fornell-Larcker criterion, as well as the Heterotrait Monotrait Ratio (HTMT) being less than 0.90, and cross-loading.

Formative Model

In formative measurement, the significance of outer weight values must be below 0.05, and the outer VIF values should be below 5. The outer weight values indicate the extent to which indicators contribute to the formation of the variable. Each indicator is considered as a component of the latent variable, and the outer weight shows the importance of that indicator in explaining the latent variable.

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Table 1. Outer Weight, Outer Loading dan Outer VIF Employee Performance Variable

Variable	Items	Indicator	Outer Weight	p-value Outer Weight	Outer Loading	p-value Outer Loading	Outer VIF
Employee Performance	EP1	EBITDA	0.191	0.000	0.750	0.000	1.931
	EP2	Sales & Procurement	0.173	0.000	0.783	0.000	2.137
	EP3	Supply stability network and pricing	0.207	0.000	0.864	0.000	2.785
	EP4	Asset Optimization	0.159	0.000	0.704	0.000	1.699
	EP5	Customer satisfaction	0.186	0.000	0.809	0.000	2.234
	EP6	Audit review	0.171	0.000	0.776	0.000	1.979
	EP7	Internalization of corporate culture programs	0.190	0.000	0.774	0.000	2.018

Source: processed data (2024)

According to the analysis shown in Table 1, all indicators have significant outer weight values for the employee performance variable, as indicated by p-values smaller than 0.05. This means that the employee performance at Perum Bulog Aceh Regional Office improves as EBITDA, sales, and procurement increase; the supply and food price stability network strengthens; asset optimization progresses; customer satisfaction improves; audit follow-up actions are taken; and the company's cultural programs are internalized. These findings indicate that various financial, operational, and organizational culture factors contribute to enhancing employee performance. The strong relationship between the indicators and the latent variable is shown by outer loading values > 0.7 . This shows that these indicators strongly explain the latent variable. We check the outer VIF values to test for multicollinearity among the indicators, and all values are below 5, confirming that multicollinearity is absent.

Reflective Model

In this measurement, the indicators reflect the latent variable. To evaluate the reflective measurement model, we require the outer loading values to be above 0.70, the composite reliability to exceed 0.70, Cronbach's alpha values to be > 0.70 , and the average variance extracted (AVE) values to surpass 0.50. Additionally, the discriminant validity evaluation includes the Fornell-Larcker criterion, the HTMT being < 0.90 , and cross-loadings.

Table 2. Outer Loading, Composite Reliability, AVE dan P Value for Job Satisfaction, Effective Communication, and Organizational Culture

Variable	Measurement Item	Indicator	Outer Loading	Composite Reliability	AVE	P value
Job Satisfaction	JS1	The job itself	0.710	0.851	0.537	0.000
	JS2	Salary and benefits	0.564			0.000
	JS3	Promotion opportunities	0.739			0.000
	JS4	Supervision	0.838			0.000
	JS5	Colleagues/workgroup	0.784			0.000
Effective Communication	EC1	Respect	0.862	0.952	0.799	0.000
	EC2	Empathy	0.912			0.000
	EC3	Audible	0.919			0.000
	EC4	Clarity	0.883			0.000
	EC5	Humble	0.892			0.000
Organizational Culture	OC1	Trustworthy	0.800	0.954	0.777	0.000
	OC2	Competent	0.852			0.000
	OC3	Harmonious	0.909			0.000
	OC4	Loyal	0.899			0.000
	OC5	Adaptive	0.902			0.000
	OC6	Collaborative	0.922			0.000

Source: processed data (2024)

The job satisfaction variable was measured using five indicators, with outer loading values ranging from 0.564 to 0.838. This indicates that the five indicators have moderate to strong correlations in explaining job satisfaction. The reliability of this variable is acceptable, as

evidenced by a composite reliability score of 0.851, exceeding the 0.70 threshold. Convergent validity is also demonstrated by the AVE value of 0.537, which is greater than 0.5. Of the five indicators, job satisfaction is most strongly reflected by JS4 (supervision) and JS5 (co-workers/workgroup), with loading factors of 0.838 and 0.784, respectively. The job satisfaction theory proposed by (Luthans et al., 2021) includes five key indicators: the work itself, salary and benefits, promotion opportunities, supervision, and coworkers. According to the theory, all indicators can contribute to job satisfaction, although each factor carries different weights. Thus, this relationship remains relevant to Luthans' theory, as the theory does not impose rigid weightings for each indicator.

The effective communication variable is measured by five indicators, with outer loadings ranging from 0.862 to 0.919. This indicates that all five indicators strongly correlate explaining effective communication. The composite reliability value for effective communication is 0.952, which exceeds 0.70. Convergent validity is demonstrated by an AVE of 0.799, which is greater than 0.5. The largest indicators of the effective communication variable are EC3 (audible) and EC (empathy), with loading factors of 0.919 and 0.912, respectively. (Prihanti, 2017), emphasizes that all five components—respect, empathy, audible, clarity, and humble—are essential for achieving effective communication. The data analysis results show that audible and empathy are more dominant in reflecting effective communication. The lower loading factor for respect does not imply that this element is irrelevant, as its value is still strong. It simply indicates that in the Perum Bulog Aceh Regional Office, employees emphasize communication clarity and emotional understanding more.

The organizational culture variable is measured by six indicators with outer loadings ranging from 0.800 to 0.922. All six indicators strongly correlate in explaining organizational culture. The composite reliability value is 0.954, which exceeds the 0.70 threshold. Convergent validity is reflected in an AVE of 0.777, which is greater than 0.5. The organizational culture variable is most strongly represented by OC6 (collaborative) and OC3 (harmony), with loading factors of 0.922 and 0.909, respectively.

Table 3. Fornell-Larcker Criterion

	Satisfaction	Effective Communication	Organizational Culture
Job Satisfaction	0.733		
Effective Communication	0.755	0.894	
Organizational Culture	0.707	0.700	0.882

Source: processed data (2024)

The organizational culture indicators (AKHLAK) must be internalized by human resources at Perum Bulog Aceh Regional Office. However, there is no requirement that all values exert the same influence in every context. Instead, the emphasis is on the idea that these values should serve as the foundation for Bulog's culture. While Amanah is important for maintaining integrity and responsibility, it is considered to be well integrated into everyday behavior and does not require as much focus as collaboration and harmony.

Discriminant validity based on the Fornell-Larcker criterion is used to evaluate the quality of reflective indicators as measures of a variable. According to the Fornell-Larcker criterion, the square root of the AVE for a variable should be greater than the correlation between variables. From the research findings, the job satisfaction variable has a square root of AVE of 0.733, with a higher correlation to organizational culture at 0.707 and a lower correlation compared to effective communication at 0.755. This indicates that effective communication has a stronger correlation with its own indicators than the correlation between effective communication and other variables, suggesting that discriminant validity between the variables is not yet adequate. However, the AVE value for job satisfaction is 0.537, which is above 0.50, indicating that the job satisfaction variable sufficiently explains the variance measured by its indicators.

Meanwhile, the square root of the AVE for the effective communication variable is 0.894, which is greater than its correlation with organizational culture at 0.700. This means that effective communication is better able to explain the variance in its own indicators compared to its correlation with the organizational culture variable. The fact that the square root of the AVE for the variable is greater than the correlation between variables indicates strong convergent validity.

Table 4. Heterotrait-Monotrait Ratio (HTMT)

	Satisfaction	Effective Communication
Effective Communication	0.859	
Organizational Culture	0.806	0.744

Source: processed data (2024)

The HTMT value is an indicator of discriminant validity between reflective variables in the structural measurement model. To ensure discriminant validity between two reflective variables, the HTMT value must be below 0.90. Based on the research results, all HTMT values are below 0.90, indicating that the discriminant validity of the variables is good, meaning that each variable can be clearly distinguished from one another.

Table 5. Cross Loadings

	Organizational Culture	Satisfaction	Performance	Effective Communication
OC1	0.800	0.552	0.643	0.551
OC2	0.852	0.634	0.702	0.588
OC3	0.909	0.670	0.640	0.629
OC4	0.899	0.657	0.702	0.662
OC5	0.902	0.595	0.635	0.624
OC6	0.922	0.623	0.679	0.645
JS1	0.599	0.710	0.634	0.443
JS2	0.438	0.564	0.417	0.343
JS3	0.346	0.739	0.307	0.485
JS4	0.559	0.838	0.571	0.708

	Organizational Culture	Satisfaction	Performance	Effective Communication
JS5	0.583	0.784	0.513	0.703
EP1	0.637	0.531	0.750	0.460
EP2	0.559	0.510	0.783	0.430
EP3	0.676	0.595	0.864	0.501
EP4	0.503	0.496	0.704	0.416
EP5	0.596	0.531	0.809	0.384
EP6	0.549	0.513	0.776	0.425
EP7	0.603	0.573	0.774	0.449
EC1	0.563	0.657	0.541	0.862
EC2	0.633	0.643	0.520	0.912
EC3	0.694	0.720	0.527	0.919
EC4	0.608	0.646	0.422	0.883
EC5	0.628	0.702	0.491	0.892

Source: processed data (2024)

Cross-loadings help identify whether an indicator measures the latent variable it is supposed to. By comparing the outer loading and cross-loading, we can find out whether an indicator is more correlated with another variable, which could indicate a measurement problem. Ideally, the outer loading of an indicator on the measured latent variable should be higher than the cross-loading on other latent variables. The results show that the indicator outer loading on the measured variable is higher than the cross-loading on other variables, meaning that the discriminant validity of each indicator is good. The discriminant validity values of all indicators are good because the Fornell-Larcker criterion, HTMT value, and cross-loading are met.

Structural Measurement Model

The structural model evaluation process involves testing the relationships between variables through the following stages: 1) Inner VIF (Variance Inflated Factor) is used to examine multicollinearity between variables, with a value below 5; 2) t-statistic or p-value is used to test the relationships between variables, with a significance value below 0.05; and 3) f-square measures the effect size of the variables, with criteria of 0.35 for large, 0.15 for medium, and 0.02 for small effects (F. Hair Jr et al., 2014) in (Garson, 2016).

Table 6. Inner VIF Values

	Job Satisfaction	Employee Performance
Organizational Culture	1.962	2.296
Satisfaction		2.721
Effective Communication	1.962	2.669

Source: processed data (2024)

Before testing the hypotheses in the structural model, it is important to examine the presence of multicollinearity between variables using inner VIF. Based on the result, the inner VIF values are below 5, indicating that there is no multicollinearity issue between the variables. This means that each variable has a relatively independent relationship with other variables, ensuring that there are no strong intercorrelations that could cause multicollinearity problems.

Table 7. Hypothesis Tests

	Original Sample (O)	P Values	95% Confidence Interval		F Square
			Upper	Lower	
Effective Communication -> Satisfaction (H1)	0.510	0.000	0.346	0.674	0.360
Culture -> Satisfaction (H2)	0.350	0.000	0.168	0.532	0.170
Effective Communication -> Performance (H3)	-0.128	0.149	-0.144	-0.112	0.016
Culture -> Performance (H4)	0.585	0.000	0.429	0.741	0.399
Satisfaction -> Performance (H5)	0.370	0.000	0.353	0.387	0.134
Effective Communication -> Satisfaction -> Performance (H6)	0.188	0.000	0.171	0.205	
Culture -> Satisfaction -> Performance (H7)	0.130	0.011	0.113	0.147	

Source: processed data (2024)

Table 7 reveals the hypothesis test results. For H1, it shows a coefficient of 0.510 with p 0.000, indicating a positive effect of effective communication on satisfaction. Satisfaction will increase with every change in effective communication. The changes in effective communication range from 0.346 to 0.674 within a 95% confidence interval and have a strong influence at the structural level with an f-square of 0.360. These research results align with the findings of (Frederica et al., 2022) and (Tambunan et al., 2023), which also demonstrate a significant positive effect of effective communication on job satisfaction. According to (As'ad, 2003) in (Fortuna, 2016), an open and effective communication system between management and employees, as well as among employees, facilitates problem-solving and prevents misunderstandings, thereby increasing job satisfaction. (Milano, 2024) states that effective communication can help employees reduce morale issues and maintain satisfaction as they feel involved and part of a team. Understanding good communication influences both supervisors and employees to build strength in job satisfaction.

Next for H2, it reveals a coefficient of 0.350 with p 0.000, showing a significant positive effect of culture on satisfaction. Satisfaction will increase with every change in organizational culture. Changes in organizational culture will enhance job satisfaction, ranging from 0.168 to 0.532 within a 95% confidence interval, and have a moderate influence at the structural level with an f-square value of 0.170. These research findings support the studies by (Tumbelaka et al., 2016); (Vebrianis et al., 2021); and (Sengkey & Tuerah, 2022), which indicate a significant positive effect of organizational culture on job satisfaction. (Phadke, 2023) in www.loophealth.com adds that

when a person's values align with those of the company and the overall workplace culture, they are more likely to feel satisfied with their job.

However, for H3, the Table 7 shows a negative coefficient of -0.128 with p 0.149, indicating an insignificant and negative effect of effective communication on employee performance. This means that there is statistically insufficient evidence to conclude that effective communication influences employee performance. The f -square of 0.016 indicates that the effective communication effect on employee performance is very small or weak. Within a 95% confidence interval, the effective communication effect on employee performance ranges from -0.144 to -0.112. Since the entire interval is below zero, this relationship is indeed negative, and the result is insignificant, indicating that this interval does not provide strong evidence that the negative effect truly exists. These findings reinforce the conclusions of (Vivaldy & Toni, 2020); (Eka & Anik, 2020); and (A. Siregar et al., 2023), which suggest that the effective communication effect on employee performance is negative and insignificant. This study also found evidence that effective communication does not directly enhance employee performance, but there may be an indirect effect. According to Wulandari in (Palifiana et al., 2020), effective communication means conveying messages, ideas, or feelings correctly and in the appropriate social context. Meanwhile, (Ellinger et al., 2003) in (Dahkoul, 2018) state that employee performance encompasses the outcomes of actions taken by employees based on their expertise and skills. Effective communication is not the only factor influencing employee performance; other factors include organizational culture and job satisfaction.

Furthermore, for H4, it reveals a coefficient of 0.585 and p 0.000, explaining a significant positive effect of culture on employee performance. Performance will increase with every change in organizational culture. Changes in culture will enhance performance, ranging from 0.429 to 0.741 within a 95% confidence interval, and have a high influence at the structural level with an f -square value of 0.399. These research findings are consistent with (Zarvedi et al., 2016); (Oberföll et al., 2018); (Rijanto & Mukaram, 2018); and (Masyithah et al., 2018), which found that organizational culture influences performance. (Kasmir, 2016) states employee performance is affected by various factors, one of which is organizational culture, in terms of both work results and their behavior.

Next for H5, it shows a coefficient of 0.370 and p 0.000, revealing a significant positive effect of satisfaction on performance. Employee performance will increase with changes in job satisfaction. Changes in satisfaction will enhance employee performance within a range of 0.353 to 0.387 at a 95% confidence interval. However, the contribution of job satisfaction is considered low at the structural level, with an f -square value of 0.134. These findings support (Alfian et al., 2017), (Damayanti et al., 2018), (Masyithah et al., 2018), and (Rozanna et al., 2019), where a correlation can be seen between job satisfaction and employee performance. According to (Kasmir, 2016), job satisfaction is one of the factors influencing employee performance, both in terms of results and work behavior.

For the indirect effect of H6, the Table 7 shows a coefficient of 0.188 and p 0.000, there is a significant positive effect of effective communication on employee performance with job satisfaction as a mediator. Effective communication enhances employee performance with satisfaction mediation, ranging from 0.171 to 0.205 within a 95% confidence interval. Effective communication, according to (Frederica et al., 2022), significantly and positively affects employee performance with satisfaction as a mediator. (Robbins & Judge, 2017) explain that job satisfaction

can increase through effective communication because it makes employees feel heard, valued, and involved in decision-making.

Next, the indirect effect of H7 shows a path coefficient of 0.130 and a p-value of 0.000, also showing a significant positive effect of organizational culture on employee performance, mediated by job satisfaction. The culture effect on employee performance through the mediation of satisfaction ranges from 0.113 to 0.147 within a 95% confidence interval. However, the direct path coefficient of culture on employee performance is larger than its indirect effect through the mediation of satisfaction. This suggests that although job satisfaction is an important mediator, its influence is not as strong as the direct effect. Job satisfaction, according to (Korda & Rachmawati, 2022) and (Haryadi & Wahyudi, 2020), is a key factor that significantly contributes to mediating the culture effect on employee performance. Organizational culture, as defined by (Schein, 2004) in (Tarjono, 2019), refers to the fundamental assumptions learned by an organization when facing problems related to both internal integration and external adaptation. This pattern is considered useful and effective, allowing new members to learn how to understand, think, and respond to challenges. Each organization's culture varies in its approach to achieving goals. By strengthening shared norms and values, organizational culture can directly influence employee performance.

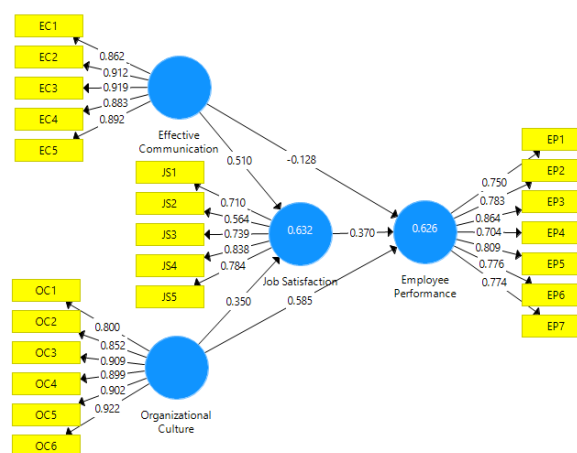


Figure 1. Diagram of Path Coefficient, R square, and Outer Loading
Source: processed data (2024)

As indicated by the Path Diagram, R-square, and outer loading, the direct influence of culture on employee performance is the most significant. This means that culture indicators, such as collaboration, harmony, trustworthiness, or the values within the company, strongly determine how employees work and contribute to achieving organizational goals. While job satisfaction and effective communication serve as supporting factors, they are not the primary ones. Although job satisfaction and effective communication are important and play a role in strengthening or improving performance, their influence is not as strong as that of organizational culture.

Evaluation of Goodness and Fit

There are several acceptable measures to assess model fit, such as R square, Q square, SRMR, PLS prediction (Hair et al., 2019), Goodness of Fit Index (GoF Index), and model

robustness through testing the linearity of relationships between variables (Hair et al., 2019). Additionally, endogeneity and sample heterogeneity in the model can be assessed using Fimix PLS (Hair et al., 2019).

Table 8. R square dan Q square

	R square	Q square
Satisfaction	0.632	0.270
Employee Performance	0.626	0.336

Source: processed data (2024)

The R-square indicates the proportion of variance in the endogenous variable that can be explained by exogenous or other endogenous variables. It is interpreted as 0.19 for low effect, 0.33 for moderate effect, and 0.66 for high effect. Based on the data analysis results, it can be explained that the variance of the effective communication and culture variables on satisfaction is 0.632 (moderate effect), and the variance of the effective communication, organizational culture, and job satisfaction variables on employee performance is 0.626 (moderate effect).

The predictive accuracy measure, or Q-square, indicates how changes in exogenous or endogenous can predict the endogenous. According to (Hair et al., 2019), Q-square is used to measure the predictive ability of a model, with 0 indicating low predictive power, 0.25 indicating moderate predictive power, and 0.50 indicating high predictive power. The data analysis results show that the Q-square for the satisfaction is 0.270, indicating moderate predictive accuracy, and for the employee performance, it is 0.336, also indicating moderate predictive accuracy.

Table 9. SRMR

	Estimated Model
SRMR	0.074

Source: processed data (2024)

The Standardized Root Mean Square Residual (SRMR), according to (Yamin, 2023), is a measure of model fit, representing the difference between the estimated model correlation matrix and the data correlation matrix. A model fit is indicated by an SRMR value of less than 0.08 (Hair et al., 2019). The results show an SRMR value of 0.074, which indicates that the model fits well.

The GoF represents a comprehensive evaluation of the measurement and structural models. The GoF index is calculated as the square root of the geometric mean of the average communality and the average R square. The interpretation of the GoF index values is: 0.1 indicates low fit, 0.25 indicates moderate fit, and 0.36 indicates high fit, according to (Wetzels et al., 2009) in (Yamin, 2023). The GoF calculation for the model is 0.668, indicating that the measurement and structural models have a high level of fit.

Table 10. GoF Index

Variable	Item	Outer Loading	Community	Variable	R-Square	GoF Index
Organizational Culture	OC1	0.8000	0.6400	Job Satisfaction	0.632	0.668
	OC2	0.8520	0.7259	Employee Performance	0.626	
	OC3	0.9090	0.8263			
	OC4	0.8990	0.8082			
	OC5	0.9020	0.8136			
	OC6	0.9220	0.8501			
Job Satisfaction	JS1	0.7100	0.5041			
	JS2	0.5640	0.3181			
	JS3	0.7390	0.5461			
	JS4	0.8380	0.7022			
	JS5	0.7840	0.6147			
Effective Communication	EC1	0.8620	0.7430			
	EC2	0.9120	0.8317			
	EC3	0.9190	0.8446			
	EC4	0.8830	0.7797			
	EC5	0.8920	0.7957			
Average			0.7089		0.629	

Source: processed data (2024)

(Shmueli et al., 2016) suggest the Root Mean Square Error (RMSE) and Mean Absolute Error (MAE) procedures for selecting a predictive model. Meanwhile, the Q-square prediction value compares the prediction errors of the PLS path model with those of a simple mean-based prediction. If the Q-square prediction value is positive, the prediction error from the PLS model is smaller than the error from using only the average value for predictions.

Table 11. PLS Predict

	RMSE	MAE	Q ² _predict
Satisfaction	0.648	0.500	0.635
Employee Performance	0.715	0.540	0.567

Sumber: data diolah (2024)

The RMSE for satisfaction is 0.648, indicates the average prediction error is around 0.648 units on a scale of 1 to 5, or around 13% (0.648/5*100%) of the total scale. This value can be considered quite good. An MAE value of 0.500 means an error of around 0.5 or around 10%. This is a fairly small error and can be considered good. The Q2 prediction value of 0.635 indicates that the model has very good predictive ability; a value > 0.5 means that the model has strong and reliable predictions. This indicates that the model is very good at predicting job satisfaction.

For employee performance, the RMSE value is 0.715, which means that the average prediction error is around 0.715 units on a scale of 1-5, or around 14% of the total scale. Although this value is slightly larger than the job satisfaction value, this value is still in a fairly good range

for predictions on a scale of 1 to 5. The MAE value of 0.540 means an error of around 0.54 units, or around 10.8% of the total scale, and this value is quite good. The Q2 prediction value of 0.567 indicates that the model has a very strong predictive ability because it is > 0.5 , meaning that the model can predict employee performance quite well and is reliable. Overall, the RMSE, MAE, and Q-square predict values for job satisfaction and employee performance meet good criteria.

5. CONCLUSION

The result reveals that for the direct effect, significantly effective communication and culture affect satisfaction, and culture and satisfaction affect employee performance, however, Effective communication does not affect employee performance. For the indirect effect, significantly the satisfaction mediates the effective communication and culture effect on employee performance. These findings also explain that satisfaction functions as a full mediator for the effective communication model influencing employee performance, and as a partial mediator for the organizational culture model influencing employee performance. Thus, these findings explain that the model for increasing employee performance is a function of increasing effective communication, adjusting organizational culture, and increasing job satisfaction. This finding is a premise that contributes academically, as a strengthening of the model according to previous theories, and can be used as a reference for other research in the future that uses the same variables. Future researchers can try to reveal how employee performance can be influenced by other variables such as political intervention, especially in state-owned companies. The results of these findings also contribute to recommending several things for practitioners, especially current research subjects, namely:

1. Asset optimization is the indicator of the employee performance variable with the lowest outer loading. To address this, it is important to raise awareness through discussions or training sessions, emphasizing the importance of asset optimization. By engaging employees in discussions, they can better understand how their contributions in utilizing company assets can impact profitability. Meanwhile, training can equip employees with the skills to manage and optimize company assets, thus increasing revenue and operational efficiency.
2. Salary and benefits are the indicators of the job satisfaction variable with the lowest outer loading. Given that every employee understands that salary and benefits are structured within Perum Bulog and set according to rank and position, non-financial compensation can be provided. This may include non-financial benefits and recognition. Non-financial benefits should provide direct advantages to employees, such as educational subsidies for their children, while non-financial recognition could involve company acknowledgment or opportunities for personal development through further training or advanced courses.
3. The indicator of the effective communication variable with the lowest outer loading is respect. To address this, a development strategy should focus on creating a culture that encourages open discussions where employees do not feel threatened by differing opinions. This will help employees feel valued in every communication exchange.
4. The indicator of the organizational culture variable with the lowest outer loading is amanah (trustworthiness). To improve this, a development strategy should ensure that every action taken is transparent, with clear explanations behind the decisions. This can be achieved by implementing regular and open internal audits to ensure smooth operational processes or by providing recognition to employees who demonstrate high levels of integrity.

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