

Examining the Impact of Communication on Employee Performance and Job Satisfaction: Unraveling the Dynamics of Workplace Interaction and Its Effects on Organizational Success

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Abstract

This research is focused on PT. XYZ, a company involved in the printing and production of flexible packaging. As a result, the findings may not be fully applicable to other organizations or industries, as they are specific to the unique context of this company. The study utilized a sample size of 45 employees, which, while adequate for the scope of this research, is relatively small and may not capture the full range of experiences and perceptions present in larger or different organizational environments. The analysis employed Structural Equation Modeling (SEM) with Partial Least Squares (PLS) methodology, which can be sensitive to both sample size and data distribution. Therefore, future research could improve upon this study by using a larger and more diverse sample, which would allow for a broader understanding of the relationship between communication, job satisfaction, and employee performance. Additionally, adopting a longitudinal approach could provide insights into how these factors evolve over time and in different contexts, offering a deeper understanding of the dynamics at play in diverse organizational settings.

Keywords: Communication; Job Satisfaction; Employee Performance

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INTRODUCTION

Communication is the most common social activity in human life. According to Mangkunegara (2013), communication is defined as the process of transferring information, ideas, and understanding from one individual to another, ensuring that the recipient interprets the message as intended. Effective communication facilitates a seamless flow of information, addressing the needs of both superiors and employees, which ultimately aids in achieving organizational goals. This process involves transmitting an idea from a source to one or more receivers to influence their behavior or practices.

Job satisfaction is a significant variable influencing employee performance. Rosmaini and Tanjung (2019) describe job satisfaction as a general attitude toward one's job, characterized by the discrepancy between the rewards received and those expected. In other words, it reflects an individual's positive and negative perspectives about their work. Numerous researchers have concluded that job satisfaction has a positive effect on employee performance, although further research is necessary to validate this assertion.

Employee performance is influenced by multiple factors, and both communication and job satisfaction are believed to exert positive influences on it. Investigating these factors more thoroughly can lead to a clearer understanding of their impact. For instance, research by Hastuti and Praptiestrini (2019) indicates that effective communication within a company positively and significantly influences employee performance. Similarly, Marlin, Sari, and Seplinda (2024) found that job satisfaction also has a significant positive impact on employee performance. Furthermore, Enyan et al. (2023) argue that positive communication can enhance job satisfaction, highlighting the critical role that effective communication plays in shaping employees' overall job satisfaction.

PT. XYZ, established in Jakarta in 1972, is a company engaged in the printing and production of flexible packaging. It operates as a multinational joint venture between an Indonesian company group and PT. XYZ Japan. The vision of PT. XYZ is to become the leading company in the packaging industry, striving for superior performance and quality. The company's mission is to contribute to the needs of a growing and prosperous society by providing high-value services and products through innovative packaging, while also engaging in corporate social responsibility as part of its business activities.

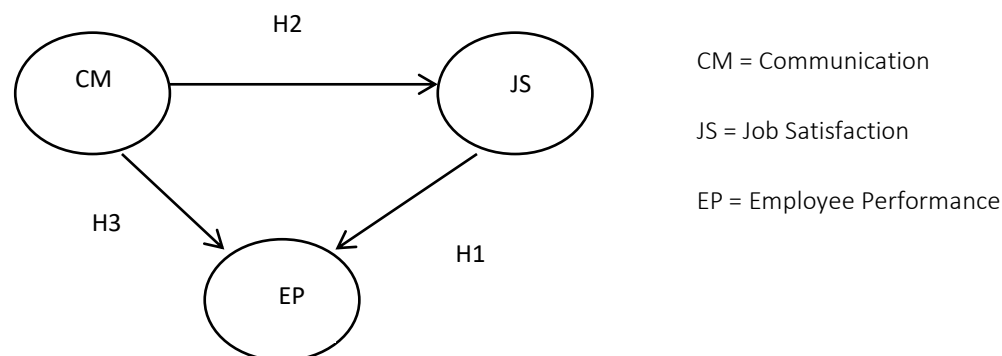
(Nurjaya, 2021) states that performance is the level of achievement of results for the implementation of certain tasks. According to Robbins (Junaedi et al., 2019), employee performance is a function of the ability to interact and motivate. (Putri, 2020) states that performance is the results of the work functions of a person or group in an organization at a certain period which reflects how well the person or group meets the requirements of a job to achieve organizational goals.

(Koesomowidjojo, 2020) communication is an interaction process to exchange information to influence the attitudes and behaviors of others. (Oekan & Dede, 2019) mentioned that communication is the art of conveying information, ideas, and views that are important to be conveyed by others, so that the recipient understands, appreciates, and can receive information properly.

According to (Robbin & Judge, 2017) states that job satisfaction is a general attitude towards a person's work as a difference between the amount of reward that the worker receives and the amount of reward that is believed to be received. (Handoko, 2020) defines job satisfaction as an employee's income that is pleasant or not about their work, that feeling can be seen from the employee's good behavior towards work and all things experienced by the work environment. According to Kreitner and Kinichi in (Sadikin et al., 2019), job satisfaction is the effectiveness or emotional response to various aspects of work.

The conceptual framework and hypothesis are shown below:

Conceptual Framework



Hypothesis

H1: There is a positive effect of job satisfaction on employee performance

H2: There is a positive effect of communication on job satisfaction

H3: There is a positive effect of communication on employee performance

RESEARCH METHODS

The research employs a survey method and is classified as explanatory research, which aims to explain the influence of variables through hypothesis testing. The selection of variables is based on theoretical justification. The study focuses on the permanent employees of PT XYZ, a printing company based in Jakarta.

In this study, the sampling procedure used is saturated sampling or census, as the population involved is small for the purpose of this research. Therefore, the researcher utilized the entire population, which consists of 45 individuals, with the criteria that the employees selected for the sample must be a permanent employee of the respective company. This number is relatively small, however according to (Sugiyono, 2016), saturated or census sampling is conducted when the population is less than 100 individuals.

Data was collected through a questionnaire, which included various dimensions and indicators. The primary data were gathered via self-administered questionnaires filled out by the respondents, who rated their perceptions using a 1 to 5 on a Likert scale. The questionnaires were distributed through Google Forms, which was preferred over postal delivery to reduce interpretative differences between respondents and researchers.

Construct validity indicates whether the test measures the intended construct and typically involves two key components. (1) Convergent Validity: This is evaluated using the Average Variance Extracted (AVE). An AVE value greater than 0.5 suggests that the construct explains more than half of the variance of its indicators, indicating good convergent validity. Loadings of indicators should also be significant and ideally above 0.7. (2) Discriminant Validity: Discriminant validity checks that a construct is distinct from other constructs in the model. It can be assessed using the Fornell-Larcker criterion, where the square root of each construct's AVE should be greater than the correlations between that construct and other constructs. Additionally, the cross-loadings of items on different constructs should be lower than their loadings on their intended construct. (Ghozali & Latan, 2015)

In this study, the researcher uses a reflective indicator outer model, these indicators have the following characteristics: the direction of causal relationships is from the latent variable to the indicator, the indicators are expected to be correlated with each other (the instrument must have consistency reliability), eliminating one indicator will not change the meaning and significance of the measured variable, and there is measurement error at the indicator level. Testing the convergent validity of each construct indicator is using Cronbach Alpha test. According to Ghozali & Latan (2015), an indicator is said to have good reliability if its value is greater than 0.70, while a

loading factor between 0.50 and 0.60 can be considered adequate. Based on these criteria, if there is a loading factor below 0.50, it will be dropped from the model (Ghozali & Latan, 2015).

Data collection was conducted by the researchers, and the data were used to estimate models with Structural Equation Modeling (SEM) using the Smart PLS Version 4 software. SEM was chosen because it enables the examination of complex variable relationships and provides a comprehensive view of the overall model. (Ghozali & Latan, 2015) SEM can also do testing together such as: 1) Structural model of the relationship between exogen and endogen constructs. 2) Relationships related to the measurement model, which can be seen from the loading value between indicators and constructs (latent variables)

RESULT

From the table below our respondents have characteristics of male 73 percent, age mostly above 40 years of age. 26 people have been working for more than 20 years and most of them have graduated from high school.

Tabel 1. Respondent Characteristics

Gender	Number	Percent(%)
Male	33	73,3
Female	12	26,7
Total	45	100
Age	Number	Percent(%)
< 25 year	7	15,6
25 – 30 year	9	20
> 30 – 35 year	2	4,4
> 35 – 40 year	1	2,2
> 40 year	26	57,8
Total	45	100
Work Duration	Number	Percent(%)
1 – 5 year	5	11,2
10 – 15 year	14	31,1
> 20 year	26	57,7
Total	45	100
Education	Number	Percent(%)
High School	35	77,7
Academy	2	4,5
Bachelor	8	17,8
Total	45	100

Tabel 2. Descriptive Variables

Variable/Dimension	Min	Max	Mean	Std dev
Communication				1,020
Easiness	1,00	5,00	3,911	1,157
Intensity	2,00	5,00	3,923	0,992
Effectiveness	2,00	5,00	4,112	1,025
Understanding	2,00	5,00	3,911	0,992
Attitude	2,00	5,00	4,011	1,026
Job Satisfaction				1,165
Job	1,00	5,00	3,856	1,203
Salary	1,00	5,00	3,945	1,183
Monitoring	1,00	5,00	3,823	1,108

Promotion	1,00	5,00	3,644	1,205
Relationship	1,00	5,00	3,734	1,151
Employee Performance				1,050
Job Quality	2,00	5,00	3,700	0,945
On Time	1,00	5,00	3,845	1,052
Initiative	2,00	5,00	3,600	1,009
Ability	2,00	5,00	3,423	1,122
Performace	2,00	5,00	3,378	1,004

Source: PLS Output, 2024

Based on the questionnaire result, the descriptions of the research variables are presented in Table above. Communication variable has an average score of 3.973 which is included in the moderate category because the score is less than 4. The dimension with the highest score is "effectiveness" with 4.112 while the lowest is "understanding" and "easiness" with a score of 3.911. This means that the communication is already effective however still problems of misunderstanding. The job satisfaction variable has an average score of 3.800 which means that the respondent's perception of job satisfaction is in a moderate condition. This is due to the score being less than 4. The highest dimension is "salary" with a score of 3.945 while the lowest score is on "promotion" with a score of 3.644. It is obvious that employees are already satisfied with their current salary, but fewer promotions are available. The employee performance variable has a score of 3.589 and also has a value of less than 4. However, the dimension of "on time" has a score of 3.845 which means that the number represents more agreement on respondent decisions. This represents the punctuality of employees coming to the office.

Tabel 4. Validity and Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Job Satisfaction	0.937	0.952	0.948	0.650
Communication	0.953	0.960	0.959	0.704
Employee Performance	0.952	0.967	0.958	0.627

Source: PLS Output, 2024

The above table represents the value of average variance extracted more than 0.5, meaning that all three variables are valid. Further number of Cronbach Alpha is larger than 0.6 and composite reliability is higher than 0.7, meaning that all variables are reliable. The statement conveys a strong endorsement of both the validity and reliability of the variables being studied. By having an AVE greater than 0.5, Cronbach's Alpha exceeding 0.6, and composite reliability above 0.7, the findings affirm that the variables are not only valid (measuring what they are intended to measure) but also reliable (providing consistent results across multiple measurements). This enhances the credibility of the research findings and the constructs being analyzed, it is represented the groundwork for strong interpretations and conclusions derived from these variables.

Tabel 5. Discriminant Validity (Fornell-Larcker Criterion)

Variable	Job Satisfaction	Employee Performance	Communication
Job Satisfaction	0.871		
Employee Performance	0.635	0.853	
Compensation	0.395	0.619	
Communication	0.629	0.679	0.838

Source: PLS Output, 2024



From Fornell-Larcker Criterion can be concluded that several loading factor values for each indicator of the respective latent variables still have loading factor values when related to other latent variables. This indicates that each latent variable has good discriminant validity, wherein several latent variables still have indicators that are highly correlated with other constructs. The loading factor values observed are 0.871, 0.853, and 0.838. These values are greater than the correlations of the respective constructs listed above. Therefore, it can be concluded that the constructs within the estimated model meet the criteria for discriminant validity and are considered valid.

T-Test

Tabel 6. Direct Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
KK -> KNK	0,373	0,402	0,151	2,476	0,015
KMK -> KK	0,644	0,670	0,094	6,860	0,000
KMK -> KNK	0,438	0,421	0,143	3,073	0,003

From the above table can be concluded that all variables have a t-statistic value higher than the t-table which is 1.96. Further number of original samples is all positive. This represents we accept all of the hypotheses. Job satisfaction has a positive effect on employee performance, communication has significant effect on job satisfaction. This is due the o largest number of original samples, and communication has a positive affect on employee performance.

Tabel 7. Indirect Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
KMK -> KNK	0,240	0,271	0,116	2,076	0,040

From the above table can be concluded that communication has a t-statistic of 2.076. The value is higher than the t-table which is 1.96. It is said that communication has an indirect effect on employee performance. The statement mentions that communication has an "indirect effect" on employee performance. An indirect effect typically implies that the relationship between the two variables does not operate through a direct pathway but rather involves some mediating variables. This means that communication influences employee performance not by directly affecting it but rather through other factors and variables.

Tabel 8. R-Square

	R-Square
Job Satisfaction	0.415
Employee Performance	0.542

The structural model suggests that the impact on job satisfaction is moderate, with a value of 0.415. Similarly, the effect on employee performance is also moderate, at 0.542. This means that Communication and Job Satisfaction account for 41.5% of the variability in job satisfaction and 54.2% of the variability in employee performance. The remaining variables are influenced by factors not included in this study. the structural model presents valuable knowledge regarding the effect between communication, job satisfaction, and employee performance, it also highlights the complexity of employee experiences in the workplace. Organizations are encouraged to focus on enhancing communication strategies and actively managing job satisfaction, as these elements could provide a significant return on investment in terms of improved performance. Moreover, further research should investigate other potential influences on job satisfaction and employee

performance, allowing for a more holistic understanding of the factors affecting workplace dynamics. This approach will equip organizations with better tools to cultivate an environment conducive to both employee satisfaction and high performance.

DISCUSSION

Job Satisfaction to Employee Performance

The t-statistic value is higher than the t-table value of 1.96, and the original sample value was positive. This indicates that job satisfaction has a positive effect on employee performance. Specifically, at PT. XYZ, job satisfaction is associated with improved employee performance. This suggests that the performance of PT. XYZ employees have significantly increased due to the job promotion opportunities provided by management. These findings align with previous research conducted by (Egenius et al., 2020), (Keramas & Mendra, 2019), and (Wijaya et al., 2019) stating that job satisfaction has a positive effect on employee performance. The evidence presented underscores the critical role of job satisfaction as a driver of employee performance at PT. XYZ. The insights gained from this study not only contribute to the organizational understanding of employee dynamics but also align with broader research findings in the field. By continuing to foster an environment conducive to job satisfaction, PT. XYZ can leverage this positive relationship to enhance overall organizational performance and employee engagement. This focus on employee well-being and performance can ultimately facilitate sustained success and productivity within the organization.

Communication to Job Satisfaction

The t-statistic value was higher than the t-table value of 1.96, and the original sample value was positive. This indicates that job satisfaction positively affects itself, which seems to be a result of effective communication. Specifically, at PT. XYZ, effective communication improves job satisfaction, suggesting that better communication leads to enhanced employee performance. These findings are consistent with research conducted by (Nurrachmah, 2021), (Saputra & Adnyani, 2019) which states that communication has a positive effect on employee job satisfaction. The analysis illustrates a significant link between effective communication and job satisfaction at PT. XYZ, along with the implications of this relationship on employee performance. By acknowledging and reinforcing the role of communication in promoting job satisfaction, the organization can create a more engaged workforce, ultimately contributing to enhanced performance and productivity. The alignment of these findings with existing literature reinforces the importance of understanding communication dynamics as a means to develop and maintain a positive organizational climate. As PT. XYZ continues to promote effective communication strategies, the potential for sustainable improvements in both job satisfaction and employee performance remains highly promising.

Communication with Employee Performance

The t-statistic value is higher than the t-table value of 1.96, and the original sample value is positive. This indicates that communication positively affects employee performance. Specifically, at PT. XYZ, effective communication improves employee performance, suggesting that better communication processes lead to enhanced performance. These findings are supported by research conducted by research conducted by, (Erdiansyah et al., 2022), (Sihombing, 2019), and (Amaludin, 2020) which states that communication has a positive effect on employee performance. The analysis highlights a significant and positive effect of communication on employee performance at PT. XYZ. By cultivating effective communication practices, the organization can enhance employee performance outcomes, contributing to a more engaged and productive workforce. The alignment of these findings with established research underscores the critical nature of communication within organizations. Therefore, prioritizing and investing in communication processes will likely yield significant benefits, not only in terms of individual employee performance but also in enhancing the overall effectiveness of PT. XYZ as a whole.

CONCLUSION

The findings of the study clearly indicate that there is a positive effect on job satisfaction to employee performance at PT. XYZ. Specifically, this means that as job satisfaction levels rise among employees, there is a corresponding increase in their performance levels. When employees feel satisfied with their jobs, through meaningful work, recognition, a supportive work environment, or opportunities for professional growth, they tend to be more engaged, motivated, and productive. This improvement leads to better work quality, higher output, and a greater commitment to organizational goals. In essence, fostering job satisfaction is not merely a matter of enhancing employee well-being; it is a strategic approach that can drive overall organizational performance at PT. XYZ. Therefore, initiatives aimed at increasing job satisfaction should be a priority, as they can significantly contribute to the company's success and effectiveness.

The results of the study suggest a clear and significant effect on communication to job satisfaction at PT. XYZ. Specifically, it can be concluded that enhanced communication among employees, as well as between employees and their supervisors, leads to increased job satisfaction. Effective communication plays a crucial role in the workplace, as it fosters a collaborative environment where employees feel valued and understood. When employees are encouraged to share their thoughts, ideas, and concerns, they experience a sense of belonging and engagement within the organization. Open lines of communication promote transparency, build trust, and help clarify expectations, ultimately leading to greater job satisfaction. Investing in communication strategies at PT. XYZ is vital. By prioritizing clear, open, and honest dialogue among employees and between employees and management, the company can significantly enhance job satisfaction, thereby fostering a more motivated and committed workforce.

The findings of the study reveal a strong positive effect on communication to employee performance at PT. XYZ. This conclusion underscores that better in communication both between employees and their supervisors, as well as among colleagues will directly contribute to enhanced employee performance. Effective communication is fundamental in creating an environment where employees feel informed, supported, and empowered to perform their tasks efficiently. When communication flows smoothly, it facilitates the clear exchange of ideas, expectations, and feedback. This clarity not only helps employees understand their roles and objectives but also enables them to align their efforts with the organization's goals.

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