Organizational Communication Analysis on Employee Performance and Job Satisfaction as Intervening Variables in Three-Star Hotels in Tabanan

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The competitive nature of the hotel industry in Bali necessitates the enhancement of competitive advantages, such as Human Resources (HR) development. This study aims to analyze how organizational communication influences employee performance and job satisfaction in Three-Star Hotels in Tabanan Regency. The research involves 55 employees from these hotels and utilizes a survey-based data collection method with questionnaires as instruments. Analytically, Partial Least Squares (PLS) are employed to address hypotheses. Findings indicate that organizational communication positively influences but insignificantly impacts employee performance and job satisfaction. Job satisfaction, however, does not mediate the relationship between organizational communication and employee performance. Limitations include the inability to generalize findings to other industries due to unique characteristics of the hotel industry.
INTRODUCTION

Bali is renowned for its natural beauty, making it one of the premier tourist destinations in Indonesia. As a tourism hub, Bali boasts various facilities, among which hotels are prominent. The increasingly competitive landscape demands that hotels in Bali enhance their competitive advantages, such as by improving their Human Resources (HR). Employees, as integral parts of a company's assets, require astute investment from managers and business leaders to yield better profits (Mahadevan and Yap, 2019). Human resources are crucial assets in both large and small organizations, as they direct and drive the organization, sustaining and developing it amidst societal and temporal demands (Susiawan and Muhid, 2015). Companies are required to develop their resources optimally (Utamajaya and Sriathi, 2015). Managing human resources is essential to foster good employee values, not solely focusing on employee work efficiency and effectiveness. As argued by Asih and Artana (2014), organizations should encourage employees to enhance their knowledge and skills, as employees are resources to be developed, not merely utilized, thus enabling each department to continually improve the quality of its resources and produce competent employees.

The foundational theory for understanding employee performance is the Social Exchange Theory. This theory serves as the basis for how company leaders comprehend their employees' work behavior, as specific motives drive such behaviors (Schaap, 2018). The Social Exchange Theory explains how to maintain a balance in social exchanges between employees and the organization; when employees are satisfied with their work, they reciprocate, including developing a sense of belonging to the organization (Setiawan, 2019). It suggests that humans view our relationships with others based on the balance between what is given to the relationship and what is received from it; the types of connections established; and the opportunities to have better relationships with others. Qustolani (2017) states that performance is the result achieved by an employee in performing their duties according to the company's established guidelines. Dewi and Surya (2021) suggest indicators for measuring employee performance, including the quantity and quality of work, timeliness, cost-effectiveness, and interpersonal relationships.

Organizational communication is a factor that can influence employee performance (Pongton and Suntrayuth, 2019). Romli (2018:2) defines organizational communication as the transmission and reception of various organizational messages within formal and informal groups of an organization. Indicators used to measure communication factors according to Dewi and Surya (2021) include trust, joint decision-making, honesty, openness in downward communication, listening in upward communication, and attention to high-performance goals. Aside from organizational communication, job satisfaction can also affect employee performance (Pongton and Suntrayuth, 2019). The Equity Theory underpins the understanding of job satisfaction (Herdiyanti et al., 2022). It posits that employees will feel fairly treated in their work if management in the company demonstrates ability, kindness, and integrity in treating all employees fairly, as fairness is equal treatment given to
all employees (Herdiyanti et al., 2022). Job satisfaction is an effective or emotional response to various aspects of work. Job satisfaction is a feeling of pleasure in carrying out one's work. If someone enjoys their work, they are satisfied with it (Sutrisno, 2017:75).

Based on interviews with employees, factors such as organizational communication and job satisfaction that support employee performance have declined due to poor communication among employees, such as frequent errors in receiving information between employees, especially during shift changes, and between employees and supervisors, such as employees still feeling afraid or awkward to express opinions about difficult-to-solve tasks, leading to delays in completing tasks. Factors supporting job satisfaction, such as inadequate salary for the workload, leading to employee indiscipline, such as not wearing designated attire, lack of creativity to expedite work completion, lack of attention to detail, and lack of promotion opportunities, resulting in employees frequently taking leave, being late, and lacking initiative, only waiting for instructions from superiors to perform a task. Employees still feel uncertain about their roles and responsibilities, and there are still conflicts between departments.

**LITERATURE REVIEW**

**Social Exchange Theory**

The Grand Theory in this study is the Social Exchange Theory. The Social Exchange Theory is one of the most influential theories for understanding behavior in organizations (Cropanzano and Mitchell, 2005). The main components of the Social Exchange Theory involving perceptions of the quality of leader-member interactions and perceptions of organizational support in this theory are employees' views when they have been treated well by their organization, they will tend to reciprocate by behaving and participating more in the organization Blau (1964).

**Equity Theory**

The supporting theory in this study is the Equity Theory, introduced by Adams (1963). According to Adams (1963), the Equity Theory states that an individual's satisfaction depends greatly on the fairness of a situation, by comparing inputs and outcomes of oneself with others in the same organization or different organizations.

**Employee Performance**

Performance is the result obtained by an organization, whether it is profit-oriented or non-profit-oriented, produced during a period of time (Fahmi, 2018:127). Performance is a function of motivation and ability (Bahri et al., 2018). Employee performance is the achievement result of employees through their behavior in performing work tasks, Darmadi et al. (2019).

**Job Satisfaction**

Job satisfaction is an effective or emotional response to various aspects of work. It is a set of feelings of employees about the pleasantness or
unpleasantness of their work. It is the general attitude towards one's job, indicating the difference between the amount of rewards received by employees and the amount they believe they should receive (Af&i, 2018:73).

**Organizational Commitment**

Robbins and Coulter (2018) define communication as the transfer and understanding of meaning, so communication is considered successful if the meaning of the information has been conveyed and understood by the recipient exactly as imagined by the sender. According to Romli (2018:2), organizational communication is the transmission and reception of various organizational messages within formal and informal groups of an organization. Communication programs within an organization are needed when an organization becomes larger and more complex, with the aim of ensuring that teams within it can continue to work effectively towards achieving the organization's goals (Gillis et al., 2018).

**Hypotheses:**

H1: Organizational communication has a positive and significant effect on employee performance.

H2: Organizational communication has a positive and significant effect on job satisfaction.

H3: Job satisfaction has a positive and significant effect on employee performance.

H4: Job satisfaction has a positive and significant mediating effect on the relationship between organizational communication and employee performance.

The conceptual framework of the study is depicted as follows.

![Conceptual Framework](image)

**Figure 1. Conceptual Framework**

**METHODOLOGY**

The research utilized in this study is the design and implementation of a research, from hypotheses to design and recommendations. From the proposed hypotheses, research variables can be determined. The research variables in this study are exogenous and endogenous variables. Exogenous variables consist of organizational communication. Endogenous variables are employee performance and job satisfaction. From these research variables, research instruments and sample designs can be determined. After the research instruments and sample design are established, the next step is data collection.
Data collection is carried out by distributing questionnaires and conducting in-depth interviews on the variables. The collected data is then processed using descriptive and quantitative analysis. Partial Least Squares (PLS) are employed to address hypotheses. The processed data is discussed and interpreted. From the discussion and interpretation of the research results, conclusions are drawn and recommendations are provided.

The research location is conducted at a three-star hotel in Tabanan Regency. The objects of this research are organizational communication, employee performance, and job satisfaction. The population of this research is the three-star hotels in Tabanan Regency, namely Dewi Sinta Hotel, Natya Hotel, Astiti Graha Hotel, Swell Hotel, Pool Bar and Restaurant, and Hotel Tabanan, with a total of 180 employees. The sampling technique used in this research is proportional random sampling, because here the sample taken is all employees who have a sense of responsibility in working, totaling 180 people from five hotels. Since the population size in the eight restaurants is 180 people, the Yamane formula or commonly known as the Slovin formula is used, resulting in 124 people.

RESEARCH RESULT

Validity and Reliability Test

The findings from the validity assessment are detailed in Table 1, indicating that the item values derived from organizational communication, job satisfaction, and employee performance constructs have satisfied the convergent validity criteria by having loading factor values exceeding 0.3. Consequently, it is inferred that the 15 indicators used in the study are valid.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Question Item</th>
<th>Correlation</th>
<th>Significance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>X1.1</td>
<td>0.759</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Communication</td>
<td>X1.2</td>
<td>0.622</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.803</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.688</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.5</td>
<td>0.676</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Job</td>
<td>Y2.1</td>
<td>0.831</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>satisfaction</td>
<td>Y2.2</td>
<td>0.772</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y2.3</td>
<td>0.655</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y2.4</td>
<td>0.609</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y2.5</td>
<td>0.368</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Employee</td>
<td>Y1.1</td>
<td>0.327</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>Performance</td>
<td>Y1.2</td>
<td>0.562</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.3</td>
<td>0.712</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.4</td>
<td>0.483</td>
<td>0.009</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.5</td>
<td>0.740</td>
<td>0.000</td>
<td>Valid</td>
</tr>
</tbody>
</table>

The results of the reliability test in Table 2 indicate the Cronbach's Alpha values. The research results show that the CR values for each construct are
equal to or above 0.6. This means that all indicators consistently reflect the same latent construct.

Table 2. Reliability Test Results

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>$\text{Cronbach's \ Alpha}$</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organizational Communication</td>
<td>0.736</td>
<td>Reliable</td>
</tr>
<tr>
<td>2</td>
<td>Job Satisfaction</td>
<td>0.635</td>
<td>Reliable</td>
</tr>
<tr>
<td>3</td>
<td>Employee Performance</td>
<td>0.600</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

**Hypothesis Test**

The results of the path analysis and significance testing are outlined in Table 3. Organizational communication is found to positively influence employee performance, though with a significance value of 0.199, suggesting that the relationship is not statistically significant at the 0.05 level. Conversely, organizational communication significantly influences job satisfaction, with a significance value of 0.000, indicating a significant relationship at the 0.05 level. Regarding the impact of job satisfaction on employee performance, the analysis shows a positive but not statistically significant effect, with a significance value of 0.224, implying that the relationship is not significant at the 0.05 level. In terms of job satisfaction mediating the influence of organizational communication on employee performance, the results indicate that job satisfaction does not serve as a mediator, with a significance value of 0.302, indicating a lack of significant relationship at the 0.05 level.

The R2 value for job satisfaction is 0.418, suggesting a moderate level of explanation, meaning that 41.8 percent of the variance in job satisfaction is explained by variations in organizational communication and employee performance, while the remaining 58.2 percent is explained by other unaccounted variables. Similarly, employee performance has an R2 value of 0.440, also indicating a moderate level of explanation, with 44 percent of the variance explained by organizational communication and job satisfaction, and the remaining 56 percent explained by external factors. The Q2 value obtained is 0.840, indicating a strong overall model fit, where 84 percent of the variation in endogenous constructs can be predicted by variations in exogenous constructs.

Table 3. Hypothesis Test Results

<table>
<thead>
<tr>
<th>Construct</th>
<th>$T$ Statistic</th>
<th>$P$ value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Communication -&gt; Employee Performance</td>
<td>1.287</td>
<td>0.199</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Organizational Communication -&gt; job satisfaction</td>
<td>7.330</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Job satisfaction -&gt; employee performance</td>
<td>1.219</td>
<td>0.224</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Organizational communication -&gt; employee performance -&gt; job</td>
<td>1.033</td>
<td>0.302</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>
DISCUSSION

The Influence of Organizational Communication on Employee Performance

Based on the analysis results of the influence of communication on employee performance, it is shown that communication has a positive effect on employee performance, but the relationship is not significant. This implies that organizational communication can improve employee performance, but this improvement is not significant in the context of three-star hotels in Tabanan Regency. This insignificant relationship may be caused by leaders being less decisive in decision-making and less open in handling work difficulties. Based on the analysis results, organizational communication is most strongly associated with the indicator with the highest loading factor, which is employees being open with leaders about difficulties at work. This indicates that employees are not able to communicate well with leaders and that leaders are less decisive in decision-making. Therefore, the relationship between organizational communication and employee performance is not able to improve in the context of three-star hotels in Tabanan Regency. The higher the openness in decision-making, the better the communication skills will improve.

Social Exchange Theory emphasizes that the interaction between individuals and organizations can be considered as social exchange. In this case, employees provide their efforts, time, and engagement (inputs) to the organization, while the organization provides rewards in the form of salary, job satisfaction, career development opportunities, and others (outputs). Social Exchange Theory also highlights the role of commitment in exchange relationships. If employees are satisfied with the existing exchange and feel that the organization has met their needs and expectations, they tend to become more committed to the organization and work better to achieve organizational goals.

These analysis findings align with the research results of previous studies. Pongton and Suntrayuth (2019) found a positive and significant relationship between organizational communication and employee performance in their study of university employees in Thailand. Similarly, Hermawan and Suwanda (2019) reported a positive and significant impact of organizational communication on employee performance among employees at PT. Nadia Kencana. Wildayana and Efni (2019) observed a positive and significant effect of organizational communication on employee performance in their study of DPUPR Riau employees. Additionally, Pratama (2020) found a positive and significant relationship between organizational communication and employee performance in their study of employees at BPS Kota Binjai. Dewi and Surya (2021) also noted a positive and significant impact of organizational communication on employee performance in their research involving employees at Yans House Hotel Kuta Bali.
The Influence of Organizational Communication on Job Satisfaction

Based on the analysis results of the influence of organizational communication on job satisfaction, it is shown that organizational communication has a positive and significant effect on job satisfaction. This means that the higher the organizational communication, the higher the job satisfaction. This implies that organizational communication can improve job satisfaction, and this improvement is significant in the context of the three-star hotel industry in Tabanan Regency. Based on the respondents' answers regarding the workload variable, in general, all indicators in this variable have good criteria, which means that organizational communication in the three-star hotel industry is categorized as good. The indicator where leaders always coordinate with subordinates and colleagues in performance improvement has the highest average score. Based on these results, it indicates that leaders always coordinate with subordinates and colleagues, which in turn leads to increased job satisfaction among employees.

The results of this study indicate that Social Exchange Theory emphasizes the importance of balance in social exchange. This means that individuals tend to seek fair and balanced exchanges in their relationships. In the context of organizational communication, employees who feel that they receive support, recognition, and opportunities to contribute proportionally to what they give in communication interactions tend to feel more satisfied. By understanding the key concepts in Social Exchange Theory, organizations can develop more effective communication strategies to improve employee satisfaction. This includes ensuring openness, transparency, providing constructive feedback, and facilitating positive interactions between management and employees. By creating a supportive work environment that meets employees' social needs, organizations can improve job satisfaction. Therefore, it can be said that the relationship between organizational communication and job satisfaction supports the fairness theory.

These analysis findings are in line with the research conclusions presented by Marwani (2018), who examined employees at PT. Perkebunan Nusantara and affirmed that organizational communication positively and significantly impacts job satisfaction. Similarly, Safari et al. (2019), in their study of employees at BPR LPK Garut Kota Cabang Bayongbong, found that organizational communication has a positive and significant influence on job satisfaction. Dharma (2019), focusing on employees at PT Batanghari Barisan Padang, also reported a positive and significant association between organizational communication and job satisfaction. Moreover, Pongton and Suntrayuth (2019), researching employees at a university in Thailand, observed a positive and significant effect of organizational communication on job satisfaction. Additionally, Pratama (2020), investigating employees at BPS Kota Binjai, noted a positive and significant relationship between organizational communication and job satisfaction. Dewi and Surya (2021), in their study involving employees at Yans House Hotel Kuta Bali, similarly found a positive and significant impact of organizational communication on job satisfaction.
The Influence of Job Satisfaction on Employee Performance

Based on the analysis results of the influence of job satisfaction on employee performance, it is shown that job satisfaction has a positive but not significant effect on employee performance. This means that the higher the job satisfaction, the higher the employee performance, but this increase is not significant. This implies that job satisfaction can improve employee performance, but this improvement is not significant in the context of the three-star hotel industry in Tabanan Regency. This insignificant relationship may be caused by employees feeling dissatisfied with their salaries. Based on the analysis results, job satisfaction is most strongly associated with the indicator that has the highest loading factor, namely employees feeling dissatisfied with their salaries. This indicates that the management is not fair in providing the agreed-upon salaries. The fairer the hotel is in terms of salary distribution, the higher the job satisfaction of the employees themselves. The justice theory emphasizes the importance of distributing rewards and resources fairly among employees. In the context of organizational communication, management must communicate decisions related to compensation, promotions, recognition, and rewards in a transparent and fair manner. If employees feel that these decisions are based on fair considerations, they are likely to be more motivated and satisfied, which can improve performance.

These analysis results are consistent with the research findings presented by Hermawan and Suwanda (2019), who studied employees at PT. Nadia Kencana and stated that job satisfaction has a positive and significant effect on employee performance. Wildayani and Efni (2019), who studied employees at DPUPR Riau, stated that job satisfaction has a positive and significant effect on employee performance. Pongton and Suntrayuth (2019), who studied employees at a university in Thailand, stated that job satisfaction has a positive and significant effect on employee performance. Pratama (2020), who studied employees at BPS Binjai, stated that job satisfaction has a positive and significant effect on employee performance. Sabuhari et al. (2020), who studied employees at PT Pos Indonesia, stated that job satisfaction has a positive and significant effect on employee performance. Dewi and Surya (2021), who studied employees at Yans House Hotel Kuta Bali, stated that job satisfaction has a positive and significant effect on employee performance. Badrianto and Ekhsan (2020) stated that job satisfaction has a significant effect on employee performance. Tjong and Hotlan (2018) stated that job satisfaction has a positive relationship with employee performance.

The Role of Job Satisfaction in Mediating the Influence of Organizational Communication on Employee Performance

Based on the analysis results of the mediating role of job satisfaction in the influence of organizational communication on employee performance, it is shown that job satisfaction does not mediate the influence of organizational communication on employee performance. This means that job satisfaction is not a variable that can influence the relationship between organizational communication and performance; there are other factors that can explain why organizational communication affects employee performance. This finding
indicates that job satisfaction does not play a mediating role in the relationship between organizational communication and employee performance. It highlights the importance of identifying other factors that can explain why organizational communication affects employee performance without going through job satisfaction. It is possible that there are other factors that are more dominant in influencing employee performance than job satisfaction. For example, factors such as effective leadership, recognition of achievement, or a supportive work environment may have a greater impact on employee performance than job satisfaction. Thus, while job satisfaction does not mediate the relationship between organizational communication and employee performance, these results suggest that there are other aspects of organizational dynamics that need to be further explored to understand how organizational communication can directly affect employee performance.

These analysis findings align with the research conclusions of Hermawan and Suwandana (2019), who found that at PT. Nadia Kencana, job satisfaction acts as a mediator in the relationship between communication and employee performance. Dewi and Surya (2021), in their research on employees at Yans House Hotel Kuta Bali, also suggested that job satisfaction could serve as a mediating factor, linking various organizational factors to employee performance. Similarly, Tiyas and Parmin (2021), in their study of employees at PKH Kebumen, concluded that job satisfaction mediates the relationship between communication and employee performance.

CONCLUSIONS AND RECOMMENDATIONS
Based on the discussion results, the following conclusions can be drawn:

1. Organizational communication has a positive and non-significant effect on employee performance in the three-star hotel industry in Tabanan Regency. This means that higher communication leads to increased employee performance, although this increase is not significant.

2. Organizational communication has a positive and significant effect on job satisfaction in the three-star hotel industry in Tabanan Regency. This means that higher communication leads to increased job satisfaction.

3. Job satisfaction has a positive and non-significant effect on employee performance in the three-star hotel industry in Tabanan Regency. This means that higher job satisfaction leads to increased employee performance, although this increase is not significant.

4. Job satisfaction does not act as a mediating variable between the influence of organizational communication on employee performance. This means that job satisfaction cannot explain the relationship between job satisfaction and employee performance.

After studying organizational communication, job satisfaction, and employee performance in the context of three-star hotels in Kabupaten Tabanan, several key findings emerged. Firstly, while organizational communication positively influences employee performance, this relationship was found to be insignificant. Secondly, organizational communication also positively affects job satisfaction, but again, this influence was not significant. Thirdly, job satisfaction
was found to positively influence employee performance, yet this relationship was also deemed insignificant. Additionally, job satisfaction was not found to mediate the relationship between organizational communication and employee performance, indicating that other factors may explain why organizational communication affects employee performance. Recommendations for improvement include developing interventions or training programs to enhance leadership trust in employee abilities, analyzing internal data to identify patterns in employee involvement in decision-making, and implementing training programs to strengthen communication skills between employees and leaders. Furthermore, building employee engagement programs to enhance comfort with colleagues and conducting thorough analyses of performance targets to ensure they are realistic and achievable are advised. Direct observations of employees at work to understand time management and resource utilization practices are also recommended.

ADVANCED RESEARCH

Future research should aim to expand upon this study by exploring factors other than organizational communication that can influence employee performance and job satisfaction. Variables such as job stress, servant leadership, workload, and job characteristics could be included to identify other factors that can influence employee performance through work motivation. It is also recommended for future researchers to broaden the scope of their studies to provide a broader perspective, allowing for the generalization of research results.

REFERENCES


