

Analysis of Job Satisfaction Effect on Customer Satisfaction Through Employee Performance as A Mediation Variables in PT Grand Dafam Bela Ternate

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ABSTRACT

This study aims to determine the effect of: 1) job satisfaction on customer satisfaction; 2) employee performance on customer satisfaction; 3) job satisfaction on employee performance; 4) job satisfaction on customer satisfaction through employee performance as the mediating variable at PT Grand Dafam Bela Ternate. This study involved 65 employees as the research samples, aided with SmartPLS 3.0 as the statistical test tool. The results showed: 1) significant job satisfaction on employee performance at PT Grand Dafam Bela Ternate. (2) Job satisfaction is not fulfilled to Customer Satisfaction at PT Grand Dafam Bela Ternate. (3) Employee performance is not in accordance with customer satisfaction at PT Grand Dafam Bela Ternate. (4) Job Satisfaction is not to customer satisfaction through employee performance as a mediating variable at PT Grand Dafam Bela Ternate.

Keywords: Customer Satisfaction, Employee Performance, Job Satisfaction

INTRODUCTION

Globalization brings enormous impact upon changes in the business environment. Era of globalization is an era of free trade requiring business owners to create and increase the advantages differentiating their business to competitors'. Companies must be able to compete in appealing to customers, and thus customer satisfaction is one of the most powerful keys for a company to survive in this era of globalization (Blocher, Stolit, Junas, & Cokins, 2013).

The increasingly rapid development in labor and business supply demands the readiness of economic owners, while consumers' satisfaction is obligatory to determine the existence, desires, and expectations of the desired customers. To anticipate customers' switch to similar products or services offered by competitors. A strong source of information from customers if properly managed will surely benefit the company in serving customer needs.

Customer satisfaction is the feeling of pleasure or disappointment of someone who appears after comparing the performance (result) of the product or service against the expected performance (Kotler, & Armstrong, 2014, p. 150). A customer is satisfied when his expectations are formed. They feel delighted when their expectations are exceeded. Customer satisfaction is closely related to quality with direct impact on product performance. Pertaining to the service industry, such as hospitality (hotels), product

refers to the service provided by the company's HR/employees to their consumers or guests. This shows that the role of HR (employees) to maintain customer satisfaction is substantial.

Stronger competition demands service provider agencies to keep pampering consumers/customers by providing their best service. Customers will look for products providing them the best service. Therefore, it is not enough for companies to just pursue customer satisfaction. They need to find and create new customers and keep existing loyal customers. According to Ellitan and Marianah (2012) that providing superior services is a winning strategy since it generates more new customers, less lost customers, more insulation from price competition and fewer errors requiring service performance. Service is a core value component that drives any company to be successful. One way to obtain and maintain customer satisfaction is maintaining and improving employee performance. Customers' dissatisfaction indicates a decrease in employee performance.

Performance refers to job performance or actual performance (actual achievement). It means the quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2017, p. 67). It is the result of a process that refers to and is measured over a certain period of time based on the provisions or agreements that have been previously determined (Edison, 2016, p. 190). In general, performance can be interpreted as the entire work process of an individual whose results can be used as a basis for determining whether the individual's work is good or vice versa (Roziqin, 2010, p. 41).

Employees are advantageous company assets must be properly managed to allow their optimal contribution. One thing that should be the main concern of the company is its employees' job satisfaction. Feeling uncomfortable, less appreciated, unable to develop their potentials, they could be burdensome to focus, and fully concentrate on their work (Burhanuddin, 2012, p. 16).

Job satisfaction is a employees' pleasant or unpleasant emotional state towards their job. It reflects a person's feelings about his job. This is strongly apparent from their positive attitude while working and dealing with everything they are up against in workplace (Dadang, 2013, p. 15). Wilson Bangun (2012; 327) states that job satisfaction determines employees' feeling to either pleasantly or unpleasantly do their job. Wilson wakes up to quote the opinion of Wexley and Yulk (2003) saying that job satisfaction is a generalization of attitudes towards work.

According to Davis and Newstrom (2016, p. 302) employee job satisfaction is a set of employee feelings whether their job is fun or not. With its different levels, satisfaction is individual and in accordance with the employees' characteristics. Feeling satisfied and comfortable with the work conditions, the employees will give more effort which bring opportunities to the company's success. In contrast, dissatisfaction may lead to several harms to the company, such as an increase in the turnover rate, the desire of employees to leave an organization for various reasons they put forward (Sinambela, 2016, p. 212). Meanwhile, performance is a complete display of a company state during a certain period. It is the result or achievement influenced by the company's operational activities in utilizing its resources (Rivai, 2011, p. 861).

Grand Dafam is a Limited Liability Company engaged in hospitality and property services, in which one of its employees' strong demands is customer satisfaction to uphold. This is in accordance with the company's vision and mission in which the first point reads "Ensuring guest satisfaction at all cost". Therefore, the quality of service provided must be able to make guests or customers feel satisfied. However, employees giving poor service, such by improperly working or not empathizing, and paying more attention to the guest needs, remain exist.

With countless companies engaged in the same field, Dafam must always survive to compete with other hotels. Therefore, Grand Dafam must be careful in appreciating consumer desires, avoiding complaints could bring any harm to the company. To prevent this, Grand Dafam must identify what its customers really need, and provide distinctive services. To ensure that employees serve customers well, or properly improve the quality of their services, the company needs to fulfill the employees' necessities at first. In other words, the company must be able to satisfy its employees. Logically, if employees are satisfied with their work, they will be able to satisfy customers by improving their performance.

The purpose of business is to make customers feel satisfied. Superior and consistent service quality fosters customer satisfaction, and provide various benefits, such as a harmonious relationship between the company and its customers, providing a good basis for repeat purchases, customer loyalty, word of mouth recommendations benefit the company to be good in the eyes of customers, and profit increase.

According to Tjiptono (2014, p. 41) customer satisfaction or dissatisfaction is a response to the evaluation of perceived dissatisfaction (disconfirmation) between the expectations felt after using it. Kuswandi (2017) customer satisfaction is the difference between customer expectations and customer perceptions of what the company provides. Meanwhile, according to Soedarmo (2015) customer satisfaction (customer service) is a contented feeling, happy or proud after receiving a product or service that is offered on top of services.

According to Handoko, job satisfaction is one of the variables affecting the productivity or work performance of employees. Other variables are productivity of employees, motivation, work stress, physical conditions, compensation, and other economic, technical and behavioral aspects. Jobs providing satisfaction for the perpetrators are those felt to be fun to do (Supriyanto & Machfudz, 2010). Conversely, work that is unpleasant to do is an indicator of a sense of dissatisfaction at work (Bangun, 2012).

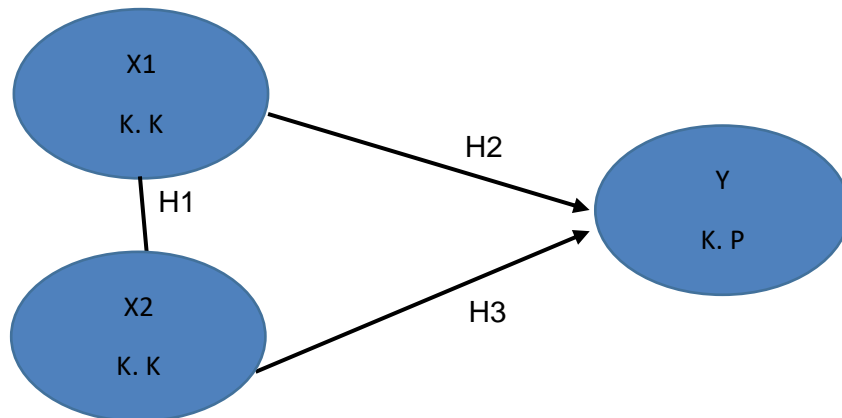
Performance is the result of carrying out tasks in during a certain period, such as work standards, targets or predetermined and mutually agreed criteria (Veithzal, 2005, p. 97). Employee performance is not merely information for promotion, or determination of company salaries. It is the company's ability to motivate employees, and develop a plan to avoid the decline in performance.

Employee performance needs an assessment with the intention of providing a good opportunity for employees for their career plans according to their strengths and weaknesses, serving to set salaries, provide promotions, and perceive employee behavior. It is commonly known as "performance rating" or "performance appraisal". According to Munandar (2008: 287), performance appraisal is a process of assessing personality traits, work behavior, and the work results of a worker or employee (workers

and managers), considered supportive for their work, and used as consideration for making decisions about measures in the field of manpower.

Theory Framework

Figure 1. Research Concept Framework



Hypothesis

Based on the problems above, hypotheses the researchers propose are:

1. Job satisfaction has a significant effect on employee performance
2. Job satisfaction has a significant effect on customer satisfaction
3. Employee performance has a significant effect on customer satisfaction
4. Job satisfaction Has a significant effect on customer satisfaction through employee performance as a mediating variable.

RESEARCH METHOD

This study is an explanatory research with a quantitative approach. According to Sugiyono (2014), explanatory research explains the position of the variables, and the influence between one variable and another. Based on the type of research at the level of explanation, this type of research is associative research. Associative research aims to determine the relationship between two or more variables. In the end, the results of this study explain the causal relationship between variables through hypothesis testing. This study aims to determine the relationship of three variables, namely Job Satisfaction variable (X1), Employee Performance variable (X2), and Customer Satisfaction variable (Y).

Population and Sample

The study population are Grand Dafam employees and customers. The research sample were obtained by criteria of having used the services of Grand Dafam, even though it is the first time to use the service. The target population are 100 employees, and 38 consumers or 3% of total consumers per year (statistical center agency). Non-Probability sampling was used for sampling on the employees in which all employees have the same opportunity to fill the questioners, and to be sampled. Insidental sampling was used for sampling on customers, based on occurring events in which the investigator must go straight to the field to share questioners.

Data Analysis

The researchers used data analysis methods aided with SmartPLS version 3.0 software on a computer media. According to Jogiyanto and Abdillah (2009) PLS (Partial Least Square) is variant-based structural equation analysis (SEM) which can simultaneously perform measurement testing as well as structural model testing. The model is used to test the validity and reliability, while the structural model was used to test the causality (hypothesis testing predictive models). Furthermore, Jogiyanto and Abdillah (2009) state that PLS analysis is a multi-variant statistical technique that makes comparisons between multiple dependent variables and multiple independent variables. It is a variant-based SEM statistical method designed to solve multiple regression when specific problems occur in the data. Furthermore, Ghozali (2006) in Kalnadi (2013) explains that PLS is a soft modeling method of analysis for it does not assume that the data must be measured at a certain scale, which means that the number of samples could be small (under 100). The fundamental difference of PLS which is variant-based SEM from covariance-based LISREL or AMOS is its intended use.

RESULTS AND DISCUSSION

Grand Dafam Bela Ternate, formerly Bela Internasional Hotel, is the largest 4-star hotel in Ternate, precisely located on Jl. Jati Raya No. 500 Ternate, North Maluku. This hotel was founded in 2007 and has 192 rooms including Deluxe, Cabanas, and Executive. It feasts our eyes as it is located at the foot of Mount Gamalama with sea and island views. In addition to its strategic location, it has a building with a minimalist architecture and a lobby large enough to add comfort. In short, it provides facilities feasible and comfortable to stop off, including swimming pool, internet, transportation, fitness center, restaurant, and poolside bar.

Dafam Hotel Management (DHM) on Saturday, October 1, 2016 officially carried out a Take Over Management of Bela International Hotel as well as re-branding to become Grand Dafam Bela Ternate. The signing of the cooperation contract were represented directly by Mr. Andhy Irawan as Managing Director with Mr. Benny Laos as the President Director of PT Bela Sarana Cipta, the owner of the Bela International Hotel which was carried out a month earlier in Jakarta, and the Press Conference was held at Ternate City which attended by colleagues in print, electronic and online media.

The rebranding changed the logo, and all the collateral to be more dynamic and elegant accordance with the standard of PT DHM. Additionally, it improved service standards in all departments, as well as marketing and communication strategies that focus in all areas. This was driven by changes in consumer behavior, and business dynamics to further strengthen the position of Grand Dafam Bela Ternate as the only best hotel that provides international standard services with the most complete facilities in Ternate City.

Vision

“To become a leading integrated hotel-chain company and the benchmark of Indonesian hospitality industry”

Mission

1. Ensuring guest satisfaction at all cost
2. Providing our employees with the best working environment and exceptional career opportunities
3. Giving the best value to our stakeholders - owner, investor, and suppliers

4. To endlessly innovate and add value to all our products and services

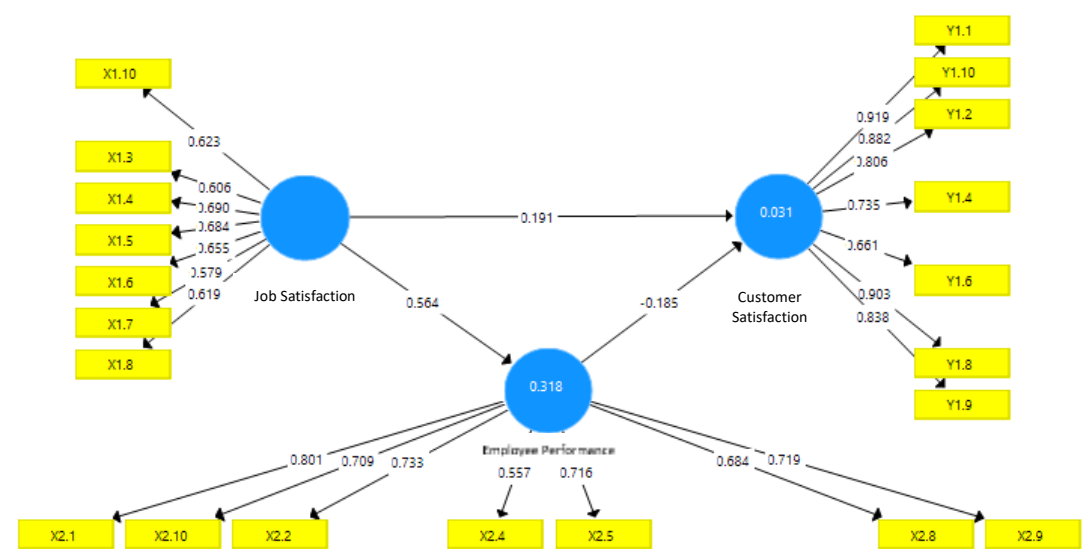
Characteristics of Respondents

This research was conducted by distributing questionnaires to 80 respondents at PT Grand Dafam Group Ternate. All respondents (100%) filled out and returned the questionnaire. 65 respondents (81%) completed the questionnaire, while the rest 18% did not complete the questionnaires. The required profile of the respondents is length of service, gender, and last education.

Data Analysis

Outer Model Testing

Figure 2. Outer Model Algorithm



The picture above shows that several statement items have been deleted. There are no more factor loading values below 0.5. The remaining factor loading is that with a value of ≥ 0.5 . After several testing, details are shown in the table below.

Table 1. Outer Loading / Factor Loading Test

	Job	Customer Satisfaction	Employee Performance
X1.10	0.623		
X1.3	0.606		
X1.4	0.690		
X1.5	0.684		
X1.6	0.655		
X1.7	0.579		
X1.8	0.619		
X2.1			0.801
X2.10			0.709

X2.2			0.733
X2.4			0.557
X2.5			0.716
X2.8			0.684
X2.9			0.719
Y1.1		0.919	
Y1.10		0.882	
Y1.2		0.806	
Y1.4		0.735	
Y1.6		0.661	
Y1.8		0.903	
Y1.9		0.838	

Validity testing for reflective indicators used a correlation between the item scores and the construct scores. Measurements with reflective indicators indicate a change in an indicator in a construct if other indicators of the same construct change (or removed from the model). Reflective indicators are suitable for measuring perception, as this study uses. The table above shows that the loading factor provides a value above the recommended value by 0.5. The smallest value is 0.579 for the X1.7 indicator. It means that the indicators used in this study are valid or have met convergent validity.

Reliability

The reliability was examined by looking at the value of the composite reliability of the indicator block that measures the construct. The results will show a satisfactory value if it is above 0.5. The reliability test can also be strengthened with Cronbach's Alpha where the SmartPLS Version 3.0 output gives the results that all constructs show Cronbach Alpha above 0.5.

Table 2. Reliability Test Results

	Cronbach's Alpha
Job Satisfaction	0.762
Customer Satisfaction_	0.929
Employee Performance	0.835

Inner Model Testing (Structural Model)

After the estimated model meets the Outer Model criteria, the next is testing the structural model (inner model). Assessing the model with PLS begins with looking at R Square for each dependent latent variable, to find out how much the ability of the independent variable to explain the dependent variable as in the table below.

Table 3. R Square

	R Square
Customer Satisfaction	0.031
Employee Performance	0.318

The table shows that the value of R Square for Customer Satisfaction is 0.031 (31%) and 0.318 (31%) for employee performance which means that the ability of the independent variable Job Satisfaction explains the variable Customer Satisfaction by 31% in this research model. Meanwhile, the ability of the independent variable Job Satisfaction is able to explain the Employee Performance variable by 31.8%.

Hypothesis Testing (Resampling Bootstrapping)

Based on the data processing, the results are highly possible to be used to answer the hypotheses. The hypothesis testing was carried out by looking at the value of T Statistics. The research hypotheses are accepted if the value of T Statistics > t table where the value of t table is 1.984.

Table 4. Coefficient Line/Coefficient Path

	Original Samples (O)	Average Sample (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)
Job Satisfaction -> Customer Satisfaction	0.191	0.190	0.203	0.944
Job Satisfaction -> Employee Performance	0.564	0.604	0.074	7.658
Employee Performance -> Customer Satisfaction	-0.185	-0.151	0.266	0.696
Job satisfaction -> Employee Performance -> Customer Satisfaction	-0.105	-0.091	0.164	0.639

Source: PLS Data Processing

Data presentation in the table above implies that the hypothesis proposed in this study are partially accepted since each effect has a statistical t value > t table. The results of the structural model test in the table above draws to conclusions that:

- a. First hypothesis: Job satisfaction has a significant effect on employee performance, with a statistical t value of 7.658 > 1.984 (T table).
- b. The second hypothesis: Job satisfaction has no effect on customer satisfaction, with a statistical t value of 0.944 > 1.984 (T table).
- c. The third hypothesis: Employee performance has no effect on customer satisfaction, with a statistical t value of 0.696 < 1.984 (T table).
- d. The fourth hypothesis: Job satisfaction has no effect on customer satisfaction through employee performance as a mediating variable, with a statistical t value of 0.639 < 1.984 (T table).

First hypothesis test leads to a conclusion that job satisfaction has a significant effect on Employee Performance. The results of the t-statistic calculation are greater than the t-table where the value of the t-statistic is 7,658 while the t-table is 1.984, thus the value is significant. To sum up, job satisfaction affects employee performance. The higher the satisfaction of employees, the more they will improve their performance.

Furthermore, it can be concluded that job satisfaction has no effect on customer satisfaction. The t-statistic calculation is greater than t-table where the value of the t-

statistic is 0.944, while the t-table is 1.984, showing insignificant value. To sum up, job satisfaction variable has no effect on customer satisfaction. It means that even if employees are satisfied with what the company provides, it is not necessarily that customers will be satisfied with it.

Additionally, it comes to a conclusion that the employee performance has no effect on customer satisfaction. The t-statistic calculation is greater than the t-table in which the value of the t-statistic is 0.696 while the t-table is 1.984, thus the value is not significant. To sum up, the employee performance has no effect on customer satisfaction. It means that even if employees are working as well as possible, and showing their best performance, it is not necessarily affecting customer satisfaction.

The last point, it reaches to a conclusion that job satisfaction has no effect on customer satisfaction through employee performance as a mediating variable. The t-statistic calculation is greater than the t-table in which the value of t-statistic is 0.639, while t-table is 1.984, implying that the value is not significant. To sum up, job satisfaction has no effect on customer satisfaction through employee performance as the mediating variable. It means that job satisfaction does not affect customer satisfaction even through performance or the quality of service provided to these customers.

CONCLUSIONS

The analysis leads to the following conclusions:

1. Job satisfaction has a significant effect on employee performance. The more satisfied employees are, the better they will work at PT Grand Dafam Bela Ternate.
2. Job satisfaction has no effect on customer satisfaction. It is not necessarily able to satisfy customers of PT Grand Dafam Bela Ternate.
3. Employee performance has no effect on customer satisfaction. If employees work as well as possible in improving their performance to customers, it is not necessarily possible to make customers feel satisfied.
4. Job satisfaction has no effect on customer satisfaction through employee performance as a mediating variable. It indirectly is unable to increase customer satisfaction through employee performance.

Suggestions

Based on the conclusions, the researchers propose several suggestions as follows:

1. Along with the rapid development of the economy and competition in the business of products and services, it is recommended that PT Grand Dafam further improve its promotional strategy by paying more attention to the facilities offered, since it occupies a significant role in doubling the customer numbers.
2. Further improving service quality by making innovations, such as, guest pre-arrival and post-arrival service, service for certain customer requests, are beneficial to avoid less competitiveness with other hotel networks.
3. Further researchers, it is necessary to expand the research to get more complete information about what can make customers feel satisfied.

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