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Total reward system, job satisfaction and employee productivity on company financial performance: evidence from Indonesian generation z workers

Josua Tarigan, Jordan Cahya, Albert Valentine, Saarce Hatane and Ferry Jie

Abstract

Purpose – *The study of monetary and non-monetary rewards from the human resource management (HRM) perspective has rarely been analyzed so far. There has been extensive study on HRM, yet only a few studies explicitly discuss the correlation between the adoption of a total reward system (TRS) and employee-related outcomes. This paper aims to analyze this important issue to provide inputs for organizations to design compensation strategies that will impact on company's financial performance with employee productivity and job satisfaction as mediating variables specifically for Generation Z.*

Design/methodology/approach – *A survey was conducted on 40 companies operating in the service sector in Indonesia. The authors captured the overall TRS result on three outcome variables (i.e. job satisfaction, employee productivity and financial performance). Furthermore, the authors examine the impact of TRS (base pay, training and development and positive work environment) on Generation Z workers. Structural equation modeling analysis was conducted on 40 Indonesian, service industry, listed firms with an average of 6 representatives per firm.*

Findings – *The results validate that the adoption of a TRS exerts a positive influence on the aforementioned outcomes. However, the interesting fact about the finding is that Generation Z cannot be easily satisfied with only monetary incentives; their preference has shifted from monetary concerns to self-capability.*

Practical implications – *The empirical result suggests that TRS serves as a tool in encouraging employees and boosting productivity. Accordingly, firms should incorporate TRS practices to enhance job satisfaction and productivity, as well as sustain the relationship with stakeholders. Subsequently, management should also be concerned with maintaining good employee productivity to improve a company's financial performance by supervising and monitoring company operations, as well as ensuring the fulfillment of the stakeholder's interests.*

Originality/value – *This paper provides original insights into the complex relationship between TRS and the aforementioned outcomes, such as job satisfaction, employee productivity and financial performance.*

Keywords *Total reward system, Job satisfaction, Employee productivity, Financial performance, Generation Z*

Paper type *Research paper*

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1. Introduction

There is no doubt that one of the most important elements that make a company sustainable is human resources. Without manpower, a company would not be able to compete in the existing market or even in the new market. Unfortunately, humans have several weaknesses as compared to machinery. Employees make errors; employees have feelings, at times they feel uncomfortable or discouraged to perform their tasks. This is usually reflected in their

performance especially when they are serving the customer (Naude and Rudansky-Kloppers, 2016). To increase their performance, the company has to support them in any way possible (Peccei et al., 2013). This is where the total reward system (TRS) plays an important part. When a company is successful in encouraging its employees, it will first affect employee productivity (EP), which affects company performance (Peluso et al., 2017).

By adopting a TRS, companies could affect the attractiveness and performance of employees in doing tasks, as well as the satisfaction of employees (Rafiq et al., 2012; Dzuranin and Stuart, 2012). Additionally, they also stated that satisfaction leads to higher productivity and commitment of employees of the related companies. Therefore, the company needs to provide both elements which are monetary (extrinsic) and non-monetary (intrinsic). To avoid dissatisfaction, the company may need to cater to hygiene factors, but they also need to stimulate motivation to enhance employee performance in the company which is all a balancing act to encourage employees to perform at their best in the company (Hafiza, 2011). Thus, it will create a distinctive competitive advantage from other competitors and ensure to maintain the market position in tight, competitive markets caused by globalization. Hence, having a professional and highly productive worker is essential for a company in the service industry.

As described earlier, the perfect proportion of TRS affects EP and job satisfaction (JS). In this case, the company needs to raise an issue to manage and maintain their reward system to become more attractive to employees, thus positively affecting their productivity (Gbande, 2016). When employees' needs are fulfilled, employees start to work efficiently and steadily to reach the company's goals. Previous studies, such as the one by Peluso et al. (2017), looked at this, but they did not research further and apply this to company financial performance (FP). In particular, what differentiates this research is that it was conducted with Generation Z, which has reached their productive age and has entered into the workplace.

Globalization creates a new era for all industries and changes the way how business works. It contributes to the significant increase of the global competition, continuous technological evolution and growing market complexity that changes the business world (Weldy, 2009; Koster and Benda, 2020). Globalization requires creativity, ingenuity and risk-taking (Koster and Benda, 2020; Rua et al., 2018). Globalization has a positive effect on the expansion of business across countries but at the same time, it has a negative effect. Globalization affords businesses the opportunity to expand globally much easier, which means markets become much more competitive than before. It creates a dynamic environment where the market share could be easily taken over by competitors. If companies in Indonesia–especially in the service industry–do not develop, they will be outperformed by competitors from other countries.

This globalization issue happens across all kinds of industries including the service industry. Due to the continuous technological development and fierce competition in this type of industry, every company is forced to establish a competitive strategy, especially in the service industry. This is because the service industry has an intangible nature to it where they perform the same kind of service in one sub-sector of the service industry. For example, airlines, their type of service tends to be homogenous which is to provide air transportation for passengers. Obviously, they could maintain their position in the market with the additional service delivered by the employees. Therefore, they have to possess a distinctive competitive advantage to be different from their competitors (Ostrom et al., 2015).

In addition, recently, the COVID-19 pandemic drastically disrupted the global business environment. Most global manufacturers face severe supply, demand and production capacity-related disruptions (Rahman et al., 2021). Furthermore, various countries faced the

changes and challenges of dealing with the disease and spreading coronavirus variants (namely, the Delta variant). Although some Asian countries successfully implemented several measures to control the impacts of the disease, risks still exist in the long run. Last but not least, the COVID-19 pandemic also creates travel restrictions and makes most countries affect the conformity assessment (Ikram *et al.*, 2021).

Putting globalization, COVID-19 pandemic and sustainability aside, employee demonstrations protesting the various regional minimum wage schemes have occurred throughout Indonesia. These demonstrations in Indonesia have become commonplace, happening almost every year (Hamdani, 2018). In relation to it, Indonesia will not be able to be sustainable if it cannot solve the aforementioned problem. Thus, using a TRS as a tool could help Indonesian companies understand and start to solve their problems. As many companies still use "one-size-fits-all" reward systems, it indicates that only a small variety of reward options have been offered to the workforce (Peluso *et al.*, 2017). Thus, using a TRS as a tool may help companies understand and solve their problems.

Trade unions have granted the power to the various workforces that are unionized. Therefore, workforce behavior is also affected by the power of unions (White and Bryson, 2013). Strikes, meetings and negotiations have been well-known factors as a result of the democratic nature of trade unions. In other words, when talking about workers' rights (i.e. amount of pay and benefits they receive) unionized workforces are able to express their opinions more often. Trade unions could be one of the major triggers of the relationship disruption between the workforce and the company. Therefore, managers have to perform as "representatives" to negotiate with the trade union to minimize any disruptions that could severely affect relationships and lead to a demotivated workforce (Workers united: The truth about trade union participation, 2018).

Many previous studies state that non-monetary incentives will have a greater effect on employee performance as compared to those of monetary incentives (Boselie, 2010; Gallus and Frey, 2016; Van Beek *et al.*, 2012). Generation Z is a unique generation as they have unique needs that cannot be easily satisfied by only monetary rewards. They seek freedom to express their feelings and yearn for the opportunity to meet and understand lots of different people. This generation of workers wants to understand and tolerate the differences in people and in return, they expect others to understand and accept them (Gen-Z) for who they are (Francis and Hoefel, 2018). Research conducted by McKinsey has come to a conclusion that Gen-Z is a simple and realistic generation and their way of living is pragmatic (Francis and Hoefel, 2018). They think further ahead when planning or choosing their career paths; for example, they will choose long-lasting and sustainable jobs instead of high salaries. Additionally, Gen-Z wants to express their emotion by being themselves. Even at work, Gen-Z has a need to be themselves. In this case, the TRS variable will consist of several indicators which are well-suited for Generation-Z (Francis and Hoefel, 2018). Therefore, in this study, the authors examine Generation Z using the TRS as a tool to understand their needs. Looking at the importance of the variables, this study has a purpose to find out how the TRS impacts company FP with EP and JS as mediating variables. Furthermore, the authors were curious to know how important employee motivation was by knowing what they need, especially in Generation Z and how customers expect the company to perform or execute their services. Hereinafter, this is the first study that attempts to give a deeper analysis of the implementation of TRS practices in Indonesia. Insights obtained from this study may contribute to both theories and real practices of TRS policies. The outcomes could be used to improve the understanding of TRS and management literature, as well as providing answers to differences in individual performance and corporate FP as related to TRS, EP and JS, which are vital for all stakeholders of the company.

2. Literature review and hypothesis

2.1 Resource-based theory

According to Acar and Polin (2015), the resource-based theory is a theory where a company should fully use its resources to compete in the market. The company can maximize its wealth, competitive advantage and FP if it can fully use its available resources. Company resources consist of two elements, intangible and tangible assets. To operate a business, it is obvious that both of the elements must exist to complete and complement each other, especially its human resources.

Acar and Polin (2015) also state that intangible assets are more important than tangible ones because intangible assets can become a source of competitive advantage. Hence, having fully used all its resources to distinguish the company from other competitors, a company is able to create a sustainable competitive advantage to compete within the market (Hill and Jones, 2009).

The implementation of resource-based theory, in the total rewarding system, falls into the scope of human resources. A company that fully uses its employees by turning them into a professional workforce develops a source of competitive advantage for the company. Yang (2012) states that a highly productive workforce is likely to have attributes that make it a particularly valuable strategic asset. Thus, based on Acar and Polin (2015) and Hill and Jones (2009), it can be inferred that the productivity of the workforce can become a competitive advantage for a company. However, workforces need support to increase their productivity, one facet of support having a TRS. Hence, a TRS is needed as the mechanism to create a sustainable competitive advantage by motivating and educating workforces for the company's benefit.

2.2 Total reward system

When companies implement a TRS, which consists of both monetary and non-monetary rewards, this is considered as a company "investment" in their employees. According to Gulyani and Sharma (2018), monetary incentives are most of a type that is usually related to performance; an example is bonuses, such as target sales bonuses which are not included in the work itself. On the other hand, there are non-monetary incentives. These incentives are usually preferred by most employees, as it has a comparative advantage over monetary stimulus, but it will not be significant or complete unless both of the incentive components are present and implemented together. The TRS offers a value proposition regarding employment relationships. The practice of TRS improves the effectiveness of rewards and recognition programs as a whole. Compared to a single reward system, TRS has a more significant influence on individual employees and organizations (Rai et al., 2019). The TRS must be in alignment with the resource-based theory; these two systems need to be synchronously provided by the organization to fulfill employees' needs and increase EP. Therefore, companies are interested in implementing this scheme to understand their employees' needs and the improvement of their attitudes and behaviors (Peluso et al., 2017). In doing so, companies will expect a greater return from their employees in the form of their performance (Kooij et al., 2010). Additionally, companies will be able to forecast whether the increase in employee performance was significant or not.

The theory above give birth to expectancy theory which predicts whether the level of motivation is in alignment with the attractiveness of rewards and employee capabilities to earn those rewards (Peluso et al., 2017). Expectancy theory also helps employees to predict how much effort to leverage in a task if they know how much they will receive in terms of rewards for a certain task. If employees believe that what they will receive from the company for their effort is valuable, they will do their task wholeheartedly (Peluso et al., 2017).

2.3 Generation Z

Generation Z is the demographic cohort after the millennial generation which consists of people born in the mid-1990s. Based on various research, Generation Z is characterized as confident and happy people. They like to work in teams and deal with social-service activities. They are more interested in many activities if compared with the previous generations such as generations Y or X. At work, they behave differently from earlier generations, which brings different challenges from the organizational context. Generation Z is full of ambition. They are ambitious in reaching their goals in life. They are interested in developing themselves by gaining more education through formal education such as studying at university. They are consistently seeking happiness in the workplace. If they cannot find happiness at the workplace, they will quit their job and look for one that meets their needs (American Psychological Association, 2017; Lanier, 2017).

Generation Z workers are more innovative and entrepreneurial than the other generations; therefore, to retain and manage Generation Z employees more effectively, employers should provide them with opportunities to work autonomously. Gen Z employees do not like tight control when they work; are easily bored with their jobs, especially repetitive ones; and they consistently like to learn new things by spending time on their gadgets (Zhitomirsky-Geffet and Blau, 2016). When managing Generation Z employees, it is best to provide job rotation programs, which allow them to develop their skills in different departments. Additionally, Generation Z likes to be connected with their peers while exchanging ideas and thoughts (Ozkan and Solmaz, 2015). Therefore, in the context of TRS, when analyzing the variables of TRS and Generation Z workers, several indicators are in alignment with Generation Z characteristics.

2.4 Total reward system and employee productivity

Good incentive programs positively affect the performance of employees in that they will likely give more effort when delivering services to clients when good incentive programs are in place. This form of investment from the company to the employee drives them to work more efficiently and effectively and to deliver a good quality of service (Gbande, 2016). Therefore, this brings a benefit to the company; the trade-off should not be wasted.

According to Hartzell (2011), productivity is all about input and output; the output is affected by the input, the authors have considered that the TRS could become an effective input in this scheme. Resource-based theory mentions that giving a good proportion of the total rewards system as a tool to fully use its intangible assets, could enhance EP. According to Yang (2012), highly productive workforces provide a competitive advantage to companies distinguishing them from their competitors, as the service industry is very homogenous. In this study, a productivity questionnaire was used to analyze the overall effectiveness of employees' ability to generate profit with the utilization of time (Ye and King, 2016). In the service industry, productivity is required, as the purpose of the service industry is to deliver high-quality services to the client, which also means to provide effective services to the client.

Due to its inherent intangible nature, it is difficult to measure and quantify service productivity. Should a company be able to accurately measure service productivity this will could be a huge boon for the company (Walsh *et al.*, 2016). Measurement of productivity in the service industry is very popular these days and beneficial for any service-related company (Ye and King, 2016). Hence, raising the issue of improving service productivity is key for their managers. Several studies have been done worldwide to analyze the impact of TRS on company outcomes which include EP. These prior studies have shown a positive correlation between the TRS and EP. One study, Salah (2016), indicated that TRS had a positive impact on EP. Thus, the following hypothesis is proposed:

H1. TRS has a significant impact on EP.

2.5 Total reward system and job satisfaction

TRS affects JS in many areas. This is due in part because JS is closely related to the feeling of each employee or the perception of employees toward their day-to-day jobs, where key aspects such as expectation and the reality of their working conditions and circumstances are taken into account (George and Zakkariya, 2015; Mokaya, 2013). According to Lane et al. (2010) and Taba (2017), the indicators of satisfaction are communication, salary, autonomy, working environment and organizational commitment. While Siddiqui (2015) mentioned there are five indicators of JS which are the work itself, pay, promotion, superintendence/associates and opportunities.

Hence, based on the explanation above, satisfaction is different for each individual. The quicker and more accurately that a company can figure out their rewards system by getting to know what their employees really want or need, the more beneficial this is to enhancing JS. Resource-based theory indicates that by using a TRS as a tool, companies can understand the needs of their employees better so that employees feel more satisfied and committed to the company. This gives companies a competitive advantage, as having committed and professional employees are hard to copy (Davis, 2017). A study conducted by Chepkwony (2014) in Kenya found that there is a positive relationship between TRS and JS. Another research program conducted by Peluso et al. (2017) looked at multinational companies and found that TRS positively affected JS as well. Thus, the following hypothesis is proposed:

> H2. TRS has a significant impact on JS.

2.6 Job satisfaction and employee productivity

Nowadays, people work throughout their lives. They can work anywhere and at any time without boundaries (Duari and Sia, 2013). Therefore, it is important for employees to be satisfied with their jobs. Satisfied employees bring a huge benefit to companies. When a company can satisfy its employees, worker efficiency and productivity increase (Siengthai and Pila-Ngarm, 2016; Dechawatanapaisal, 2018). These two variables, satisfaction and productivity, are closely related. When satisfaction is higher, productivity will increase as well. Shobe (2018) said that if individual employees are satisfied or their working conditions are good, their performance and other aspects that are beneficial to the company will also increase. People are the most crucial resource a company has; without them, a company would not be able to produce anything or reach any organizational goal (Ye and King, 2016). It is not a matter of perception of each employee toward their job; when employees feel satisfied it could make for better working conditions or the impression of a conducive work environment. These conditions or circumstances are important because they can positively affect employees by focusing on their work and making employees become more productive (Saranya, 2014).

This relationship between JS and EP was supported in a Greek study by Fassoulis and Alexopoulos (2015), which investigated the relationship between employee satisfaction and EP. Shobe (2018) conducted research on JS and productivity in different divisions such as IT and finance. From these two studies, it is proven that there is a positive relationship between JS and EP. Thus, the following hypothesis is proposed:

> H3. JS has a significant impact on EP.

2.7 Employee productivity and financial performance

EP is crucial for all companies. If employees are not working and completing tasks in concert with the company's strategic objectives the company will shutter (Ye and King, 2016; Obeidat et al., 2016). Aside from that factor, efficiency is also another crucial factor for companies to consider, as they expect a good return from the "investment" which comes

in the form of pay, incentives and rewards (Sharma and Sharma, 2014). According to Hanaysha (2016), productivity becomes one of the major issues for companies to handle. Utilization of time by each employee during office hours is hard to control as we know employees are not machines, they can feel saturated, and thus need breaks (Harris and Fleming, 2017). Therefore, companies need to address such issues to know how to maintain high productivity.

This study examines EP in the service industry, which is also referred to as service productivity, as the service industry does not produce any products as an output, the output comes from the return of investment from each employee. The success factor of an entity comes from its employees (Sharma and Sharma, 2014). If service productivity is high, it can support the entity in reaching organizational goals. Therefore, it is important to maintain and enhance the productivity of employees. This concept is supported by the previous research of Sharma and Sharma (2014) conducted in India. Their research indicated that higher productivity will lead to better profitability and economic growth. It also brought to light that there is a positive relationship between EP and FP. Thus, the following hypothesis is proposed:

H4. EP has a significant impact on FP.

2.8 Job satisfaction and financial performance

Parvin and Kabir (2011) state that JS is a feeling that is generated from employees toward their job. Furthermore, they conclude that JS describes whether employees are contented with their job. This feeling could be affected by several circumstances that fit the employees' needs. According to Cathy and Chongyang (2016), once the employee feels that their needs are fulfilled, only then will they show satisfaction. When a company succeeds in fully using its resources as in line with the resource-based theory, the related company will be able to boost its FP, as the related company has a distinctive competitive advantage over its competitors (Penny, 2014). This concept is supported by the previous research by Pang and Chin-Shan (2018) on the relationship between JS and FP where the research was conducted in Taiwan in the shipping industry. Meanwhile, Christina and Gursoy (2009) conducted similar research in the hotel industry. Both studies indicate that there is a positive relationship between JS and FP. Thus, the following hypothesis is proposed:

H5. JS has a significant impact on FP.

2.9 Total reward system and financial performance

The TRS is a combination of several incentives to make employees feel more satisfied, which will lead to a higher level of company performance (Peluso *et al.*, 2017). TRS can be considered as an "investment" the company makes toward its employees with the expectation that those same employees reciprocate in-kind with a higher level of performance (Kooij *et al.*, 2010). The TRS connects the objectives of the organization with employees' outcomes. If individual employees have the same objectives as the corporation, it means that what is beneficial for the individual is also beneficial for the company by minimizing the agency problem when the agent does not perform his/her role (Yan, 2017). Agency theory explains the relationship between a principal and an agent, where the agent should act on behalf of the principle (Parker *et al.*, 2018). Hence, linking the objective is a win-win solution for both parties, for the company and for the stakeholders. This concept is also supported by the previous research studies performed by Ong *et al.* (2012) and Ong and Teh (2012). These previous research studies were conducted in different industries, one in the insurance industry, the other in manufacturing. The results indicate that TRS has a positive relationship with company performance. Thus, the following hypothesis is proposed:

H6. TRS has a significant relationship with company performance.

3. Research methodology

3.1 Research methods and samples

The samples of the study involve listed service companies in the Republic of Indonesia in 2018. Service industries were selected for two reasons. First, as the industry does not produce any goods as an output, the output comes from the return of "investment" from each employee. As Sharma and Sharma (2014) outline, the success factor of a service entity comes from its employees. If service productivity is high, it could support the entity in reaching the organizational goal. Therefore, it is important to maintain EP. Second, due to the continuous technological development and fierce competition in these industries, every company must establish a competitive strategy. As service is intangible by nature, there must be a distinct competitive advantage to distinguish the company from its competitors. Service companies can maintain their position with the additional service delivered by their employees.

This study uses primary data through the use of a questionnaire for each variable. Furthermore, there is no adjustment or change made for this study's questionnaire compared to the original or previous study. The data gathering process took approximately one month to distribute the questionnaires using a door-to-door method and networking. On average, six respondents per company were received. In total there were 240 respondents representing 40 service companies listed on the Indonesian stock exchange; 120 respondents were employees all under the age of 23 years old and 120 supervisors. The authors eliminated some questionnaire responses for validity purposes. In the end, there were 233 valid respondents consisting of 116 employees below 23 years old and 117 supervisors who are valid to be respondents in this current study.

From Table 1 the total samples that meet all criteria and are used for the observation are 40 companies.

To measure the proposed relationship, partial least square (PLS) was used through a collection of primary data, testing of hypothesis and identification of correlation. This model analysis covers the primary data gathering, the hypothesis testing and the evaluation of the variable correlations. According to Kock (2015), a multivariate statistical model must involve validity, reliability and multicollinearity tests but not the normality test. Further, Ronkko *et al.* (2014) said that PLS has been recommended for handling non-normal data. Many recent works on PLS urges researchers to drop the normality test. Validity in this study includes convergent and discriminant validity which is analyzed from the correlation coefficient between indicator scores and the latent variable scores, represented by the factor loading values.

3.2 Variables and measures

To analyze the prior six stated hypotheses, therefore this research uses the analysis model, as shown in Figure 1.

Table 1 Summary of the sample observed

Sampling criteria	No. of companies
Number of companies listed in the Indonesia Stock Exchange	563 companies
Number of companies, which were categorized as non-service companies	(433) companies
Number of companies, which did not respond to the questionnaire	(90) companies
Total number of companies as valid respondents	40 companies

Furthermore, the model of TRS impacts toward FP is expressed in the equation below.

$$FP = \alpha + \beta_1 TRS + \beta_2 EP + \beta_3 JS + \varepsilon \tag{1}$$

$$EP = \alpha + \beta_1 TRS + \beta_2 JS + \varepsilon \tag{2}$$

$$JS = \alpha + \beta_1 TRS + \varepsilon \tag{3}$$

where:

FP   = financial performance,

EP   = employee productivity,

JS   = job satisfaction,

TRS   = total reward system,

$\beta 1$, $\beta 2$, $\beta 3$ = coefficient regression, and

ε = error.

3.2.1 Dependent variables (financial performance). In this paper, FP is the dependent variable measured using primary data through the questionnaire adopted from Lopes *et al.* (2005). It used six indicators which are return on assets return on equity sales growth, net profit, profit growth and market share. The questionnaire was distributed to the supervisor of the employee. Researchers use a Likert scale from 1 to 5 (strongly disagree to agree strongly) to measure the supervisor's perception regarding the company's FP. These item-questions can be found in Appendix 4.

3.2.1.1 Independent variable (total reward system). In this research, there is one independent variable which is the TRS which is measured by primary data gained by using a questionnaire adapted from a previous study conducted by Peluso *et al.* (2017). The measurement scale used a Likert scale ranging from (1) strongly disagree to (5) strongly agree. Three indicators of a TRS are fair pay, training and development and a positive work environment, were reviewed. Those three indicators were classified into two sub-classifications: monetary (MON) for "fair pay" and non-monetary (NMON) for training and development and a positive work environment. Fair pay consists of question items such as, "Here I'm paid fairly for the work I do" and "I am paid fairly in view of my responsibilities and experience" which are classified as a monetary classification (MON). The reason for this is the question of fair play centers on the topic of money via salary or monthly pay. Hence, it is classified as a monetary classification. On the other hand, training and development consist

Figure 1 Research model
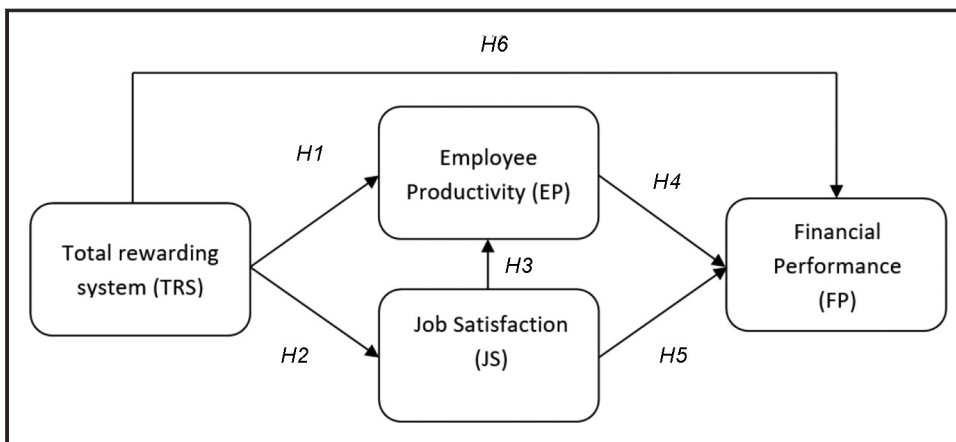
of questions items such as: "I have a very good chance to get ahead with my organization," "People working here are encouraged to develop their skills," and "I am offered training or development opportunities to further myself professionally" all of which were classified as non-monetary (NMON) because they are not related to a monetary factor. Positive work environment consisted of question items such as: "This is a friendly place to work," "This is a psychologically and emotionally healthy place to work," "I can be myself around here," and "People are encouraged to balance their work life and personal life," all of which were classified as non-monetary classification (NMON) because these questions do not involve monetary factors. These questions are found in Appendix 1.

3.2.1.2 Intervening variable (job satisfaction). The question items of JS are adopted from the Minnesota satisfaction questionnaire by George and Zakkariya (2015). The measurement scale used is the Likert scale from (1) strongly disagree to (5) strongly agree. There are 20 questions to measure the JS of the employees. After scoring the 20 questions, the total score of strength and concerns should be calculated to get Net JS. The question items of the Minnesota satisfaction questionnaire are stated in the later section of Appendix 3.

3.2.1.3 Intervening variable (employee productivity). Productivity in the service industry is beneficial for the company to perform, as the intangible nature of service is hard to quantify. Productivity could be measured by two types of data, primary and secondary. In this study, primary data will be used to quantify productivity. The questionnaire is adopted from Harris and Fleming (2017). The question items of EP are stated in the later section of Appendix 2.

The following Table 2 shows the summary of each variable's source of data.

Table 2	Variable and data source
Variable	*Source of data*
Total reward system (TRS)	Employee rewarding system satisfactory questionnaire.
Employee productivity (EP)	Productivity questionnaire
Job satisfaction (JS)	Minnesota satisfaction questionnaire ("MSQ")
Financial performance (FP)	Financial performance questionnaire

Figure 2	Mean scores per variable
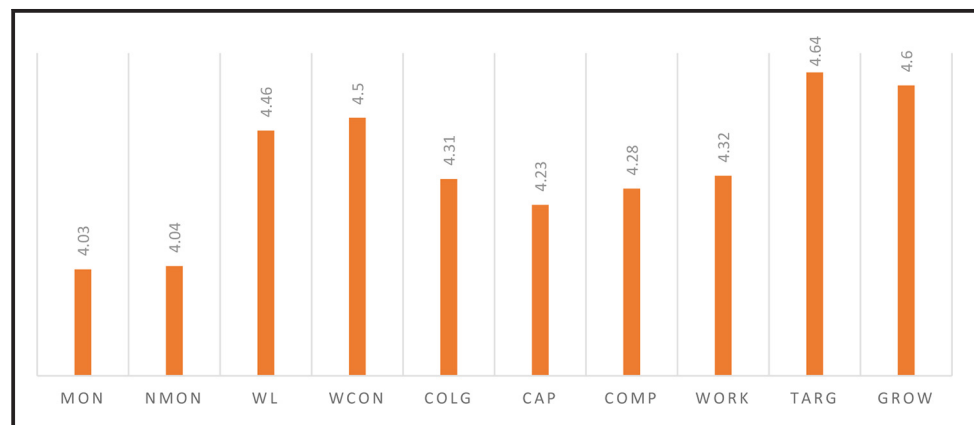
4. Result results and analysis

4.1 Research data

To categorize the mean or average of the respondent's answer, it is crucial to determine the class interval. The interval is determined based on the following formula.

$$Class\ Interval\ =\ \frac{Highest\ Value - Lowest\ Value}{Number\ of\ Class}$$

$$Class\ Interval = \frac{5-1}{5}\ = 0.8$$

Therefore, it can be determined that the class interval is 0.8 and the average of the respondent's answer can be categorized as shown in Table 3.

According to Table 3 the average mean score for the variable TRS is 4.04, which is categorized as high. This means that the TRS in the related company has been implemented well. Most of the respondents agree that the company where they work has already implemented both the monetary and non-monetary benefits system as the TRS, as it helps the company to reach their goal by giving a fair amount of pay and training that develops an old and new skill for the employees. The mean score of EP is 4.47 or "very high." This means that the respondents strongly agree that they are able to use the worktime efficiently without any disturbance that could distract them. Moreover, the mean score of JS is 4.29, also very high. This means that the respondents strongly agree that the company has the ability to fulfill most of the employees' needs to ensure their satisfaction. The mean score of FPs is 4.63, very high as well. This means that the respondents strongly agree that the company is able to reach the annual target and growth that have been set as a resemblance of the company's goal.

From the data collected, the authors can conclude that the TRS can become an efficient method to manage the resources that the company has by fulfilling various needs of each employee which could lead to attracting EP. Most of the companies in this research could use their resources well which is proven from the results presented in Table 3 even though the average mean scores for TRS are categorized as high, the average mean scores for the company's FP are very high for both target and growth.

4.1.1 Result data implications Based on the findings in Table 3, most of the companies in this research have reached an equal proportion between the "monetary" and "non-monetary" policies of the total rewarding system, which is proven by the mean scores: 4.03 for monetary and 4.04 for non-monetary. However, even though the difference is relatively small, but it indicates that the companies have realized that their employees have shifted preference from just monetary to non-monetary.

Table 3 Summary of respondent's answer

Variables	Indicators	Mean scores	Average mean scores	Category
Total reward system	MON (monetary)	4.03	4.04	High
	NMON (non-monetary)	4.04		
Employee productivity	WL (workload)	4.46	4.47	Very high
	WCON (work condition)	4.50		
Job satisfaction	COLG (colleague)	4.31	4.29	Very high
	CAP (capability)	4.23		
	COMP (company)	4.28		
	WORK (work achievement)	4.32		
Financial performance	TARG (target)	4.64	4.63	Very high
	GROW (growth)	4.60		

Another exciting result emerged from the findings, which shows that the two indicators of JS with the highest mean score are 'colleague' and 'work achievement' is a non-monetary instrument. It means that the preference of the employees, especially in generation Z has shifted from monetary to non-monetary.

Hence, the company needs to boost its capability by trusting its employees more by allowing them to make their own decisions or letting them perform tasks with their own capability to boost the JS. On the other hand, the TRS could be an effective tool, as the JS score was very high, which means that employees in the related company strongly agree that they felt satisfied with their working conditions which are in line with the resource-based theory.

EP has two indicators which are work condition and workload. From the average respondent's answer, it is shown that employees could claim themselves to be able to become productive when they work without any disturbance in their environment. This is proven with the result of work condition which is higher than workload. Therefore, the result of EP is in-line with the resource-based theory where the company is able to draw out the productivity of each employee by fully using the total rewarding system as an effective tool.

The positive relationships from all of the hypotheses show that whenever the independent variable improves the dependent also improves as well. In this case, the authors can conclude that the results are in-line with the resource-based theory in which the companies could fully use their resources well. The TRS will attract employees' attention to create committed and highly productive employees that could give a competitive advantage. In this case, the company can fully use the resources to distinguish itself from the competitors and boost its FP. Apparently, even though some of the companies have good scores in variables: TRS, JS and EP, they did not score well in FP. They scored quite high in the TRS and JS categories, but their FP scores were quite low. This can be concluded that the companies do not always achieve the targeted FP.

From Figure 3 the highest score for TRS comes from entertainment, which means that the object in this study in the entertainment subsector has finally realized the importance of reward to ensure satisfaction and productivity of each employee which may boost the FP of the company. While for JS and productivity, the highest scores also come from entertainment. It indicates that if companies have a good reward system, they also have satisfied and highly productive employees. The statement is supported by the fact that the

Figure 3 Average respondent's answer per subsector in service industry
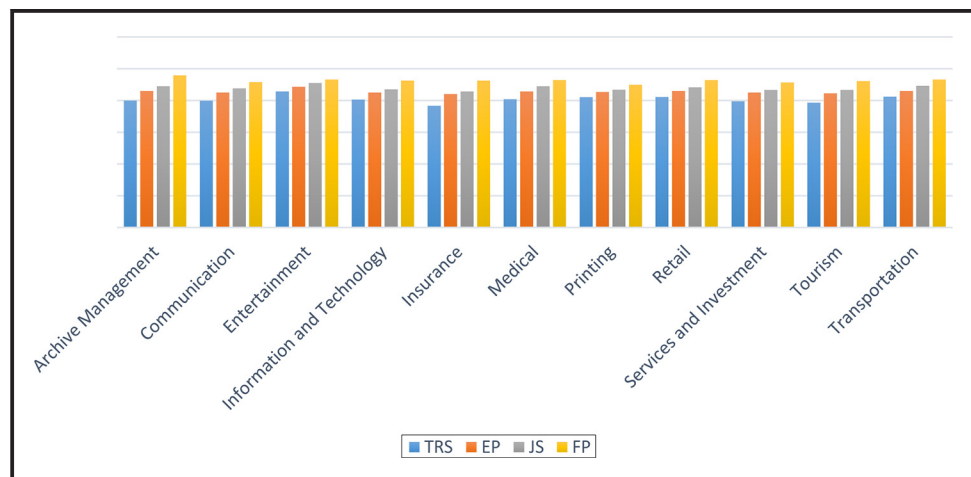
scores of TRS, JS and EP in the entertainment sub-sector are the highest which are 4.29, 4.56 and 4.43, respectively.

However, higher scores in the TRS, JS and EP do not always boost the FP of the company. As the score for FP in the entertainment sub-sector is not the highest among all sub-sectors. This is in line with the finding in this current study.

4.2 Model

This study analyzed the relationship between TRS and the company's FP in a positive, negative or neutral way, as well as the role of JS and FP as intervening variables.

4.2.1 Validity and reliability. A multivariate statistical model has to involve validity, reliability and multicollinearity or goodness of fit tests (Kock, 2015). Validity test consists of convergent validity and discriminant validity test for each indicator. Meanwhile, the reliability test involves a composite reliability test and Cronbach's alpha.

4.2.2 Convergent and discriminant validity. Convergent validity can be analyzed from the coefficient correlation result between the indicator scores and the latent variable scores. In this analysis, this can be seen from the factor loading value. According to Kock (2015), the composite reliability for the questionnaire should be greater or equal to 0.70. On the other hand, a discriminant validity test can be seen from the loading and cross-loading value. When the loading value of each indicator is greater than the cross-loading value of other latent variables, then the discriminant validity is fulfilled.

From Table 4 it is can be seen that the loading factor of each indicator for the TRS, EP, JS and FP as shown in the grey color are bigger than the cross-loading of the other variables. It means that each of the indicators used in this research has fulfilled the discriminant validity criteria. For example, the first indicator that took out from TRS which is MON has a loading factor of 0.897. it is bigger compared to the cross-loadings of EP, JS and FP which are 0.362, 0.148 and −0.369. Therefore, it is concluded that the first indicator of the TRS has fulfilled the discriminant validity criteria. This applies to all of the indicators used in this research. Hence, all the indicators have passed the discriminant validity test. It means that all of the indicators of each variable are valid.

Another method to test the discriminant validity is to compare the square root of average variance extracted (AVE) of each latent variable with the correlation between latent variables. If the square root of the AVE of one indicator is larger than the other coefficient correlations in one parallel row of column, then the validity is fulfilled.

Based on Table 5 the square root of AVE for all the variables is greater than the coefficient correlation of the other variables. The TRS has a square root of AVE 0.897 and this is greater than the coefficient correlations for other variables, which are 0.687, 0.849 and 0.398.

Table 4	Combined loadings and cross-loadings				
Indicator	*TRS*	*EP*	*JS*	*FP*	*p-value*
MON	0.897	0.362	0.148	−0.369	<0.001
NMON	0.897	−0.362	−0.148	0.369	<0.001
WL	−0.318	0.853	0.519	−0.283	<0.001
WCON	0.318	0.853	−0.519	0.283	<0.001
COLG	0.220	0.184	0.881	−0.194	<0.001
CAP	0.378	−0.429	0.862	0.356	<0.001
COMP	−0.640	0.365	0.829	−0.106	<0.001
WORK	0.012	−0.107	0.885	−0.055	<0.001
TARG	0.058	0.179	−0.239	0.848	<0.001
GROW	−0.058	−0.179	0.239	0.848	<0.001

It means that TRS has fulfilled the discriminant validity criteria. This also applies to the other variables such as EP which has a square root of 0.853 as compared to the other which are 0.687, 0.731 and 0.489. JS which has a square root of 0.864 is greater than the coefficient correlation of other variables which are 0.849, 0.731 and 0.489. FP, which has a square root of 0.848 which is greater than 0.398, 0.648 and 0.489. Hence, all of the variables have fulfilled the criteria of reliability. Thus, each variable in this study is valid.

4.2.3 Composite reliability, Cronbach's alpha. Based on Table 6 all of the variables have composite reliability greater than 0.70. The composite reliability for the TRS, EP, JS and FP, respectively, are 0.892, 0.843, 0.922 and 0.837. Hence, it can be concluded that all of the variables in this research fulfilled the composite reliability criteria. On the other hand, it is shown that the Alpha Cronbach value for the variable the TRS, EP, JS and FP are 0.758, 0.627, 0.887 and 0.610, respectively. Hence, it can be concluded that the Cronbach Alpha value for all 4 variables is greater than 0.6 which means that all the data have good reliability.

4.3 Hypothesis and research result

The following are the equations and the structural model results of all hypotheses tested in this study.

$$FP = 0.24\,TRS + 0.62\,EP + 0.32\,JS,$$

$$EP = 0.29\,TRS + 0.49\,JS,$$

$$JS = 0.87\,TRS.$$

4.3.1 Direct relationship. The hypothesis test is done by WarpPLS software using the *t*-test and re-sampling. In this case, the analysis of the significance of the association between variables is needed and the *p*-value should be examined thoroughly. When the *p*-value is ≤ 0.10 (alpha 10%), it is deemed weakly significant. If the *p*-value is ≤ 0.05 (alpha 5%), it will be considered significant and highly significant if the *p*-value is ≤ 0.01 (alpha 1%). In this research, the general rule is to accept the hypothesis when the *p*-value is lower or equal to 0.10 (alpha 10%). Thus, when it is more than 10%, it will be rejected. Likewise, the path coefficient value will also have either a positive or negative value which means the correlation between the two variables.

Table 7 and Figure 4 show that the first hypothesis, which is the TRS has a positive and significant impact on EP with a p-value of 0.02 and path coefficient of 0.29. As the

Table 5	AVE table			
Variable	*TRS*	*EP*	*JS*	*FP*
TRS	0.897	0.687	0.849	0.398
EP	0.687	0.853	0.731	0.648
JS	0.849	0.731	0.864	0.489
FP	0.398	0.648	0.489	0.848

Table 6	Reliability table	
Variable	*Composite reliability*	*Cronbach's alpha*
TRS	0.892	0.758
EP	0.843	0.627
JS	0.922	0.887
FP	0.837	0.610

p-value is less than 0.05 and the path coefficient has a positive value of 0.29, it justifies the acceptance of the first hypothesis. This is consistent with the resource-based theory mentioning that by giving a good proportion of TRS, a company could fully use their employees especially if the company gives attractive rewards or incentives. Obviously, it will also enhance EP which may become one of the competitive advantages for the company (Yang, 2012). The TRS application in the form of activities or policies that have been able to optimize the EP, which contributes to the development of the workforce and capabilities to achieve better organizational performance. This theory is in line with the application of the actual condition in the listed service companies in Indonesia. The study which was conducted by Peluso *et al.* (2017) stated that the TRS is a combination of monetary and non-monetary incentives in which the right proportion could be attractive for employees. Companies, which implement the TRS consisting of both monetary and non-monetary rewards, are considered as investing in their employees. In this case, the companies could expect a greater return on their employees in form of their performance (Kooij *et al.*, 2010).

Table 7 Path coefficient and p-value

Independent/control variable	Dependent variable	Path coefficient	p-value	Note
TRS	EP	0.29	0.02	Significant
TRS	JS	0.87	<0.01	Highly significant
JS	EP	0.49	<0.01	Highly significant
EP	FP	0.62	<0.01	Highly significant
JS	FP	0.32	0.01	Significant
TRS	FP	0.24	0.05	Significant

Figure 4 Structural model result
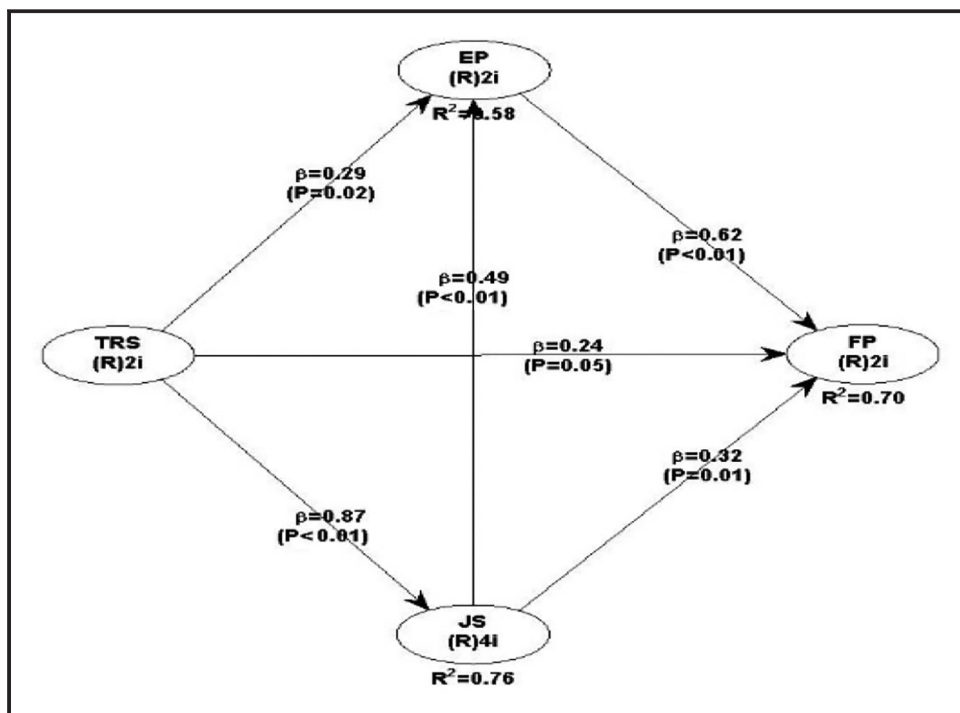
For the second hypothesis, the *p*-value is less than 0.01 and the path coefficient is 0.87. *H2* is accepted, as the *p*-value is lower than 0.05 and the path coefficient also has a positive value. As the path coefficient is 0.87, it means that the TRS could be a suitable predictor for JS. In this case, it is proven that the TRS has a positive and significant impact on the JS. Therefore, findings of this study support the resource-based theory that after considering the needs of their employees, the employees feel satisfied and committed to the related company, this makes the company able to acquire a competitive advantage, as committed and professional employees are hard to copy because it could not be touch or seen by our senses (Warnier *et al.*, 2013). It has been proven by the fact that the organization that implements TRS shows significantly higher JS.

The third hypothesis is also accepted, as the *p*-value is lower than 0.05 (*p*-value <0.01) and the path coefficient has a positive value (0.49). It means that JS has a positive and highly significant impact on EP. In this case, the JS influences EP in related companies, but the impact of JS will not be huge. The JS only contributes around 36.8% of the variance in the EP. It means that whenever the enhancement of JS is improved, the EP will be improved as well. It is also supported by the previous research by Fassoulis and Alexopoulos (2015), which also finds that JS and EP have a positive and highly significant relationship ($p < 0.001$).

The fourth hypothesis is also accepted, as the *p*-value is lower than 0.05 (*p*-value < 0.01) and the path coefficient also has a positive value (0.62) which means that whenever the EP improves, FP will improve as well. It is consistent with the previous research by Sharma and Sharma (2014) that was conducted in India. Theoretically, it is believed that EP influences FP of the related company which is also in line with the current study. Based on data, the value of R^2 for the FP variable is 0.70 or 70%. While EP only contributed 41.6%, to be more specific the variance of the FP can be explained 41.6% by the variable EP variable. Maximizing EP which means using the working time of the employees will also improve the FP as well. As EP could only describe FP by 41.6%, there are other variables besides EP that could explain FP such as TRS and JS.

The fifth hypothesis is also accepted, as the *p*-value is lower than 0.05 (*p*-value: 0.01) and the path coefficient also has a positive value (0.32). It means that JS has a positive and significant impact on FP. The result is consistent with a previous study conducted by Cathy and Chongyang (2016) which mentioned that once an employee feels that their needs are fulfilled, then employees will show satisfaction and be willing to commit to the organization. Therefore, it will improve the organization or FP of the company. Additionally, the result is also in-line with the resource-based theory in which the employee will improve not only FP but also a competitive advantage, as the commitment of the employees to the company could also become a competitive advantage for the company (Penny, 2014).

The last hypothesis is also accepted, as the *p*-value is lower than 0.05 and the path coefficient also has a positive value (0.24). It means that whenever the TRS improves, the FP will improve as well. Based on the hypothesis testing earlier, the sixth hypothesis, which is TRS has a significant impact on FP, should be accepted. The result is consistent with previous research studies by Ong *et al.* (2012) and Ong and Teh (2012). Theoretically, it is believed that the TRS influences the FP of the related company which is also in line with the current study. This hypothesis also has a positive relationship, as the implementation of TRS in the listed service companies enhances the FP of the related company. Therefore, it can be concluded that the actual application of the TRS and the relationship between TRS and FP are in accordance with the theory available such as the agency theory. The agency theory explains the relationship between a principal and an agent, where the agent should act on behalf of the principle (Parker *et al.*, 2018). Hence, linking the objective is a win-win solution for both parties, for the company and also for the stakeholders.

4.3.2 Indirect relationships. There are three indirect relationships in this study. The first indirect relationship is the TRS has an indirect effect on EP with JS as the mediator. The

second indirect relationship is the TRS has an indirect effect on FP with EP and JS as the mediators. The last indirect relationship is JS has an indirect relationship with FP with EP as a mediator.

The indirect relationship of TRS to EP with JS as the mediator has the p-value of < 0.001 which is below 0.05. It means that the relationship is highly significant. Thus, JS can act as a mediator. Moreover, the TRS also has an indirect effect on FP with EP and JS as mediators in which the p-value is < 0.001 which is below 0.05. This relationship could be concluded as significant which means that the JS and EP could act as mediators of the relationship between the TRS and FP. The implication is that the total rewarding system is an effective tool to fulfill employee needs to create a highly productive workforce. Thus, JS and EP could act as mediators for the relationship between TRS and FP.

JS also has an indirect relationship with FP with EP as a mediator with a p-value of 0.002 which is below 0.05. This relationship could be concluded as significant which means that EP could act as a mediator. The implication is that as the employees are satisfied, they will become committed to the company by performing well on day-to-day tasks and working more efficiently. As a result, this helps the company cut some expenditures, as the employees work efficiently so that it can boost the FP of the related company.

The indirect relationship between the TRS and FP with JS and EP as the mediators with a p-value of < 0.001 which is below 0.05. This relationship could be concluded as significant. The implication is that TRS can be used as an effective tool to understand the needs of the employees and to encourage the employees to become more productive. Having productive employees will create a competitive advantage to distinguish the company from the competitors, especially in a highly competitive market due to globalization. Consequently, the company will be able to boost the FP. In line with the resource-based theory, TRS could become an effective tool to fully use the resources which are capital to attract the workforce to create a competitive advantage to boost the FP of the related company.

4.4 Effect size

Furthermore, if the effect size as shown in Table 8 is considered, the effect sizes for the six hypotheses are varied. The effect is categorized into three types, which are 0.02 (weak), 0.15 (medium) and 0.35 (strong) (Kock, 2015). For the values below 0.02, the effect is considered too weak to be relevant. For hypotheses 2, 3 and 4 are very strong against EP. On the other hand, the effect for some of the hypotheses such as hypotheses 1, 5 and 6 are considered to have a medium effect on the related variables and they should be considered as relevant.

Finally, this paper observed the possibility of control factors that could be affecting the relationship. Based on the data collected, two possible aspects can be affecting the association, which are gender and working experience. In general, there is no difference in

Table 8	Standard errors and effect size for path coefficients	
	Hypothesis	Effect size
H1	Total rewarding system have a significant impact on employee productivity	0.208
H2	Total rewarding system has a significant impact on job satisfaction	0.755
H3	Job satisfaction has a significant impact on employee productivity	0.368
H4	Employee productivity has a significant impact on financial performance	0.416
H5	Job satisfaction has a significant impact on financial performance	0.166
H6	Total rewarding system has a significant relationship toward company performance	0.115

Table 9	t-test for "working experience"		
		t-test for "working experience"	
Indicator	t	Sig. (two-tailed)	Mean difference
Reward1	−2.482	0.015	−0.22587
Reward2	−1.415	0.160	−0.13826
Reward3	−0.895	0.373	−0.05734
Reward4	0.212	0.833	0.01784
Reward5	−1.137	0.258	−0.09288
Reward6	−1.057	0.293	−0.07550
Reward7	−2.327	0.022	−0.15483
Reward8	0.700	0.485	0.04906
Reward9	−0.338	0.736	−0.01911

Table 10	t-test for "gender"		
		t-test for "Gender"	
Indicator	t	Sig. (two-tailed)	Mean Difference
Reward1	1.254	0.212	0.11491
Reward2	−0.819	0.414	−0.07950
Reward3	0.137	0.891	0.00870
Reward4	0.614	0.541	0.05093
Reward5	−1.108	0.270	−0.08889
Reward6	1.298	0.197	0.09130
Reward7	0.296	0.768	0.01988
Reward8	−0.972	0.333	−0.06708
Reward9	0.916	0.362	0.05093

experience, the reward system, EP, JS between the male and female and tenure groups. The following is the detailed results:

- TRS variables. In terms of gender, there is no significant difference at all between male and female responses. While in terms of working experience, only two (reward 1 and 7) from seven questions have a significant difference. Both of the following tables show the detailed results.

- EP variables. Again, in terms of gender, there is no significant difference between male and female responses. While in terms of working experience there are two from 4 questions that have a significant difference.

- JS variables. In terms of gender, only 1 out of 20 questions significantly different between male and female responses. Same also for working experience, there is only one from 20 questions has a significant difference.

5. Conclusion and recommendation

5.1 Conclusion

The paper aims to scrutinize the association between TRS and FP that is mediated by JS and EP. Both the short-term and long-term effects are examined to give a deeper understanding of TRS as an investment that has been made by the company to their employees in the future. The implementation of the TRS in the service industry in Indonesia is very good as seen from the average mean scores of the respondents' answers which is 4.04 (Table 3). Eventually, TRS is proven in this research to have significant relationships with FP, JS and EP, as presented in *H1* to *H6*. Based on the research result, it is clearly

shown that Generation Z could not be easily satisfied when they are provided with incentives. An interesting finding in this research is about their shifted preference as compared with Generation Y that is more interested in monetary incentives only. Peluso et al. (2017) mentioned that many companies still use a "one-size-fits-all" approach which means that companies use monetary incentives as their primary rewarding system to motivate and attract employees. In addition, trade unions grant power to the workforce who are already part of the institution. Therefore, workforce behavior is also affected by the power they have received. Strikes, meetings and negotiations are well-known as the democratic nature of trade unions nowadays. In other words, the workforce will be able to express their opinions more related to their rights (i.e. amount of pay and benefits) (Workers united: The truth about trade union participation, 2018). The practice of the TRS is proven to be very important for the service industry in this study, as fulfilling employees' needs will enhance their JS and affect their perception of work; this has a spillover effect showing this leads to this segment of the workforce to be committed and it becomes a competitive advantage for the related company.

Another interesting finding is about JS. Generation Z will be more satisfied if they are able to do something with their capabilities as compared to incentives (i.e. performance-based reward). Hence, Generation Z prefers non-monetary incentives (i.e. positive work environment and training and development) rather than monetary incentives (i.e. fair play). Based on the results, TRS and JS can give more than half a contribution to EP. In addition to that, JS has successfully become the mediator of the total rewarding system and EP. JS can strengthen the relationship between the total rewarding system and EP. It is shown by the p value which is lower than 0.05.

In line with resource-based theory, most of the companies in this research have already used their resources quite well, this is proven with the result presented in Table 3. Even though the average mean score of the TRS is categorized as high, the average mean score of a company's FP is very high for both of the indicators. The result indicates that the "one-size-fits-all" method would not be effective to attract the satisfaction and productivity of employees. In this case, the company needs to expand the reward alternatives for their employees, as the effectiveness of the TRS is proven. Thus, the company can use the total rewarding system as an effective tool to attract satisfaction and productivity to sustain itself in the highly competitive market.

This study has implications for human resource managers and management in the service industry. The findings suggest that Generation Z feels more positive about non-monetary rewards. Therefore, special attention should be given to enhancing non-monetary rewards, specifically to create a more positive work environment, as well as training and development. Additionally, the identification of the combination of TRS that influences JS and EP allows the service industry to create differentiated reward strategies for Generation Z.

5.2 Recommendations

The implementation of the TRS in the listed service companies in Indonesia is considered to be good. It turns out that the results of both of the indicators for the TRS have similar results. However, one of the indicators for JS which is "company" shows that what a company gives, things like incentives and building a conducive environment are less important than the second indicator which is employee capability. It is recommended to management to build more trust and autonomy with employees especially for the Generation Z employees because their preference has shifted. The resulting point to Gen Z is more satisfied if they are able of doing something on their own. The findings also suggest that Generation Z working in the service industry feel satisfied with their achievement on the job itself and with the recognition they receive from their supervisor or company. Moreover, it can be seen that from the findings of the study that a TRS mix can influence the strategies to enhance EP and

FP. This can be done by designing a reward mechanism, which can be motivating and engaging to Generation Z employees.

The research on the relationship between TRS, JS and EP should be conducted further by using other samples from other industries, for example, controversial industries, to identify any differences in the result. This will justify if the relationship among TRS, JS, EP and FP as explained earlier can be generalized in other business sectors as well. Additionally, for future research, the TRS should be explored further and also the research should identify the relationship with the other variables besides JS, EP and FP, especially for Generation-Z employees. This is because the TRS is still in its early research phase in Indonesia. Finally, there could be a potential effect of social desirability controlled by other variables. Therefore, future research can observe more about these possible control variables. There are still many other research model possibilities that can be developed and conducted relevant to it.

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Further reading

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Appendix 1

Table A1	Total reward system
Fair pay	Here I'm paid fairly for the work I do
	I am paid fairly in view of my responsibilities and experience
Training and development	I have a very good chance to get ahead with my organization
	People working here are encouraged to develop their skills
	I am offered training or development opportunities to further myself professionally
Positive work environment	This is a friendly place to work
	This is a psychologically and emotionally healthy place to work
	I can be myself around here
	People are encouraged to balance their work life and personal life

Appendix 2

Table A2	Employee productivity
Workload	I work hard to increase my productivity on the job
	I enjoy using time wisely on the job
	I pride myself on being very productive in my job activities
Work condition	I hate to waste time on the job

Appendix 3

Table A3	Job satisfaction
Activity	*Being able to keep busy all the time*
Independence	The chance to work alone on the job
Variety	The chance to do different things from time to time
Social status	The chance to be "somebody" in the community
Supervision	The way my boss handles his/her workers
Supervision	The competence of my supervisor in making decisions
Moral value	Being able to do things that do not go against my conscience
Security	The way my job provides for steady employment
Social service	The chance to do things for other people
Authority	The chance to tell people what to do
Ability utilization	The chance to do something that makes use of my abilities
Company policies	The way company policies are put into practice
Compensation	My pay and the amount of work I do
Advancement	The chances for advancement on this job
Responsibility	The freedom to use my own judgment
Creativity	The chance to try my own methods of doing the job
Working condition	The working conditions
Co-worker	The way my co-workers get along with each other
Recognition	The praise I get for doing a good job
Achievement	The feeling of accomplishment I get from the job

Appendix 4

Table A4	Financial performance
ROA	Assets of the company have been used in the optimum way to achieve targeted profit every year
ROE	My organization has the capability of giving a targeted return to the shareholders related every year
Sales growth	My organization has the capability to achieve targeted sales growth every year
Net profit	My organization has the capability to achieve targeted net profit every year
Profit growth	My organization has the capability to achieve targeted profit growth every year
Market share	My organization has the capability to achieve a targeted market share every year

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