

Cultivating salesforces Performance – Empirical Evidence from Insurance Companies on North Sumatra Indonesia

RungguBesmandala Napitupulu¹, Marhalinda², Anoesyirwan Moeins³,
Binur Pretty Napitupulu⁴, Lamminar Hutabarat⁵

^{1,5}Universitas DarmaAgung, Indonesia

^{2,3}Universitas Persada Indonesia Y.A.I, Indonesia

⁴Akademi Pariwisata dan Perhotelan Darma Agung, Indonesia

ABSTRACT: Aim of this research is to identify and discuss direct and indirect effects of salesforce incentives and organizational justice on their performance, where the causal relationships were intervened by job satisfaction, organizational commitment, and work engagement; Analyzing salesforces attitude and behavior in cultivating their performance. Technique of data analysis used a structural equation model with LISREL. Samples amount of three hundred salesforces with a minimum of two years service. Salesforce incentives and organizational justice influence job satisfaction; Job satisfaction and salesforce incentives effect organizational commitment; Job satisfaction, organizational commitment and organizational justice effect work engagement. Job satisfaction, organizational commitment, and organizational justice influence salesforce performance. However, work involvement and salesforce incentives do not influence directly their performance. Organizational commitment had a strongest effect on salesforces performance. Even though there is no direct impact of salesforce incentives on performance, job satisfaction can mediate it so that there is a strong indirect effect. Job satisfaction is also a strong mediator in mediating salesforce incentives toward job involvement. Programs and policies associated with salesforce incentive are better emphasized on stabilizing and escalating salesforces' job satisfaction. Novelty of this study is: Job satisfaction full mediating effect in the causal relationship of incentives towards salesforce performance.

Keywords: Job satisfaction, Organizational commitment and justice, Salesforce incentives, Salesforce performance, Work engagement

I. INTRODUCTION

Salesforces are an important part of the company because of direct contact with customers (Aqmal & Ardyan, 2019). Discussing salesforces in a business organization is interesting to explore. Salesforces incentives and performance are widely discussed in sales management. However, salespeople's behavior and attitudes aspects are little discussed. Incentive System does not directly result in performance, but through a process within a salesperson. Aspects of justice, satisfaction, commitment, and work engagement are widely discussed in organizational behavior and human resource management. The authors conducted this study with the intention of confirming previous studies which were still inconsistent with the same propositions; Assessing the direct and indirect effect of the salesforce incentive system and organizational justice on their performance; Examine the attitudes and salesforce behavior in relation to their work. This in turn certainly impacts on the organization of their workplace holistically.

Huang & Lai, (2014) said, the incentive system has an indirect effect on job satisfaction. On the results of other studies Minkova, (2019) Salary, incentives, and recognition contribute to feelings of satisfaction at work. Many opinions say that remuneration, including financial incentives, has a strong effect on job satisfaction. Even (Peek, 2021) said that many studies had shown that pay didn't contribute to performance, at least not directly. The relationship between incentive payments and sales volume is moderate, not strong (Cichelli J., 2018). So the relationship between incentives paid to salespeople is only moderate or not strong with their performance. Monetary-based incentives and non-monetary incentives do not necessarily effect salesforce performance (John et al., 2013). Likewise, the research results obtained by Sitompul, (2019) and Rizal et al., (2014) concluded that incentives have no effect on employee performance. Not a few research results also conclude that employee

incentives effect their performance, such as:(Rusby, 2018;Abel, 2018;Mamdani & Minhaj, 2016; Huang & Lai, 2014;John, 2012).

Mamdani & Minhaj, (2016)concluded, although incentives affect employee performance, they are not loyal to the organization where they work.They will move if there is a better opportunity.In other words, incentives have no effect on organizational commitment.

Research finding by Talukder & Jan, (2017)concluded that there was no significant impact of job satisfaction on the performance of salespeople.The same result was also found byJufrizen& Kandhita, (2021)Job satisfaction has no effect on employee performance.Furthermore, job satisfaction does not mediate the causal relationship of organizational justice to employee performance.

Rizal et al., (2014)reveal their research findings as follows: Compensation has a significant effect on motivation and organizational commitment, but has no significant effect on personnel performance.Organizational commitment own a significant influence on personnel performance. Indeed, this research found that compensation does not expand directly employee performance, but can increase motivation and strengthen organizational commitment.Although commitment cannot improve employee performance, with the support or influence of incentives, it will effect employee performance.In other words, organizational commitment is not a mediator of incentives to performance.

Organizational justice has a significant effect on job satisfaction, but has no significant effect on employee performance.Here in after, work satisfaction has a significant influence on employee performance.In this context, job satisfaction cannot mediate the causal relationship of organizational justice to employee performance(Nurak & Gede, 2017).

Results of research by Karim & Rehman, (2012)show that organizational justice has an effect on organizational commitment.Job satisfaction also affects organizational commitment.In this study, the two latent variables are exogenous variables.So it cannot be said that job satisfaction is a mediator between organizational justice and organizational commitment.Exogenous variables of organizational justice may not fully influence job satisfaction, as the research concluded by Bakotić & Bulog, (2021)interaction justice and distributive justice effect job satisfaction.However, procedural justice has no effect on employee job satisfaction.

Some research findings conclude that organizational commitment effects employee performance(Idoko et al., 2020b;Fakeh et al., 2020;Rembet et al., 2020;Suharto et al., 2019;Akhtar et al., 2015). Yet, Cesário & Chambel, (2017)confirms from the results of his study that organizational commitment does not present a significant predictive power on employee performance. Research conducted by Javad & R.K, (2018) concluded that affective commitment did not mediate between pay satisfaction dimensions toward work outcomes.

The causal relationship between job satisfaction and employee performance, sometimes still raises doubts.In a study conducted by Ebeneser & Safuan, (2021) concluded that job satisfaction has an effect on employee performance.However, the results of research resulted by Hasanuddin et al., (2020) show that job satisfaction has no effect on employee performance

The recursiveness of the relationship between latent variables sometimes raises doubts.Research that has been carried out byYalabik et al., (2013), organizational commitment, job satisfaction is an antecedent of job involvement. Leaders can increase work engagement by building trust by demonstrating a commitment to employee success.Organizational commitment has a positive and significant effect on job satisfaction(Sufia et al., 2020;Akhtar et al., 2015).Meanwhile, in this study, it is hypothesized that job satisfaction and organizational commitment are work engagement antecedents.So there is an inverse causal relationship with the above opinion.

II. RESEARCH METHODS

2.1 Research Design.

The category is causal in this study(Burns & Veeck, 2020). Using inferential statistics(Nahrowi, 2018), Results obtained from a sample can be generalized.

2.2 Sample and Data Collection.

Population includes all insurance companiessalesforces on North Sumatra Province, Indonesia, both for life and general protection.They have been actively working for at least 2 years in this field.The minimum sample size for structural equation studies is 300: Models with seven constructs or fewer(Hair et al., 2019). Samples were collected randomly as many as 300 people. Every salesforce has the same chance to be a sample(Burns & Veeck, 2020;Malhotra et al., 2017). So analysis unit was on individual level . Their opiniens were collected by google form qessioneries.

2.3 Latent Variables Operationalization and Measurement.

Being measurable or observable concept is the operationalization essence(Alfred Kuss & Eisend, 2019).Latent variables are first described into relevant indicators.Furthermore, the statement points of each indicator were

developed to explore the respondents' opinions. Questions in closed form with a Likert scale of 1-7. Seven response points are preferred by respondents and have fairly good criteria of validity, reliability, discrimination power, and stability (Budiaji, 2013).

2.4 Data Analysis Techniques.

Each latent variable indicators are respondents' opinions average. This processing uses the excel application program. Test instrument's validity and reliability by using SPSS software, as well as data input media to the LISREL which is used to produce measurement and structural models. Structural equation model analysis (SEM) technique with maximum likelihood estimation procedure produces the parameters needed for further study in accordance with the problem and research objectives. Haryono, (2016). SEM technique can be used to analyze research that has several exogenous, endogenous, moderating and intervening variables partially and simultaneously.

2.5 Conceptual Framework.

Organizational reward can be classified as compensatory and non-compensatory reward. Compensation rewards are rewards given in return for acceptable performance or effort (Ingram et al., 2020b). Mamdani & Minhaj, (2016) said that motivational incentives have an impact on employee performance. Rewards and Incentives own benefits for both personnels and employers. It is believed that when recognized for performance and productivity, employees experience increased morale, job satisfaction and engagement in the organization (Kshirsagar & Mhashilkar, 2015). Providing incentives to employees will increase job satisfaction and job involvement. In addition, effective remuneration and incentive schemes increase organizational commitment (Li, 2020; Kiilu, 2017). This means that they expect better sales-related incentive policies from employers before committing to any organization.

Huang & Lai, (2014) conclude that the incentive system has an effect on job satisfaction and job performance; Job satisfaction has an effect on job performance; Job satisfaction mediates the causal relationship of incentives to job performance. Widhianingrum, (2018); Uriesi, (2017) also said that the incentives provision had a significant effect on employee performance. Descriptive study findings indicate that salespeople have experienced high positive perceptions of existing incentive schemes, leading to high levels of sales force performance (Mwamanenge, 2018). Incentives effect on job satisfaction (Satria et al., 2020). It doesn't end there, Sitompul, (2019) concluded that job satisfaction has an effect on employee performance.

Only when organizational justice exists, leaders with their activities and styles can increase employee job satisfaction (Bakotić & Bulog, 2021; Widjajanti et al., 2020). Hadi et al., (2020) In more detail, distributive justice, procedural justice, and interactional justice have positive consequences on job satisfaction and organizational commitment

Kaul & (Singh, 2017; Nakra, 2014) mention organizational justice (Procedural, Interactional and Distributive) is a significant predictor of organizational commitment. Not limited to organizational commitment, organizational justice also affects work engagement and or employee performance (Jufrizen & Kandhita, 2021; Maiyaki & Yaro Musa, 2020; Pakpahan et al., 2020; Sukasih & Suardhika, 2019; Wolor et al., 2019; Özlem et al., 2017; Özer et al., 2017; Ghosh et al., 2014; Arshida, 2012).

Ekingen, (2021) Research model tested using structural equation modeling and bootstrap technique. Organizational justice has been found to have a significant impact on job performance and satisfaction. Job satisfaction has a partial mediating role. Terzi et al., (2017) states, by implementing organizational justice, trust will arise, increase membership behavior and also employee performance, so that this perception can be formed and related to the workplace.

Job satisfaction is important because it shows an employee's positive outlook about their job. This situation can be translated into organizational commitment, job involvement, and better performance. Job satisfaction affects organizational commitment (Winarsih & Fariz, 2021; Idoko et al., 2020a; Brown & Barker, 2019; Tarigan & Ariani, 2015; Jena, 2014; Omar & Ahmad, 2014). Besides, job satisfaction has a positive and significant effect on employee performance (Sufia et al., 2020; Maiyaki & Yaro Musa, 2020; Gunawan & Sondakh, 2019; Shu et al., 2018; Huang & Lai, 2014).

Studies conducted by Zablah et al., (2016) found that frontline employee's job satisfaction was significantly related to customer satisfaction and engagement. Job satisfaction plays a mediating role between organizational justice and affective commitment (Suifan, 2019).

Organizational commitment and compensation have a significant relationship with sales force performance (Talukder & Jan, 2017). Armstrong & Taylor, (2014) argues that the concepts of commitment and work involvement are closely related. Both of them said engagement occurs when people are committed to their work and organization and motivated to achieve high levels of performance. Therefore, the relationship between the three latent variables (work involvement, organizational commitment, and human resource performance is very close).

The results of this study are not different from the conclusions of previous studies, namely organizational commitment has an effect on employee performance (Rembet et al., 2020; Cesário & Chambel, 2017; Akhtar et al., 2015). Research conducted by Fatima, (2018) in recent decades demonstrated sales force commitment as an important variable in improving sales force performance through various sales force characteristics. Organizational commitment as a mediator shows the mediating effect between job satisfaction and sales target performance (Idoko et al., 2020a; Kashmiri et al., 2019).

Jundt et al., (2015) pointed out that employees who are engaged in their work and committed to the company they work for contributing the company clear competitive advantages, including higher productivity, better customer service. This means that there is a strong relationship between work involvement, organizational commitment, and employee performance (salesforce). Several researchers have concluded that work involvement has a positive and significant effect on job performance or relevant work engagement explains employee performance (Kusuma, 2021; Gunawan & Sondakh, 2019; Cesário & Chambel, 2017; Gupta et al., 2015).

The recursive relationship between the latent variables above is described in a framework, namely the conceptual research model as presented in Figure 1. Salesperson performance is a consequence of all concepts. Causality relations in the form of propositions are intended to develop salesforce performance.

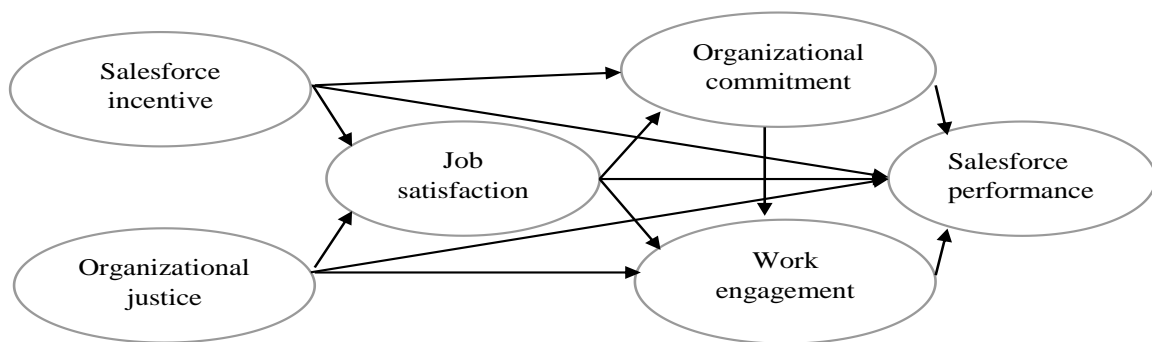


Figure.1 Research Conceptual Framework

III. RESULTS AND DISCUSSION

3.1 Measurement Model.

The measurement model includes the concepts in the research model. Latent variables include: Salesforces incentives, organizational justice, job satisfaction, organizational commitment, job engagement, and employee performance (salesforce). Each measurement model feasibility is assessed from its validity and reliability. Validity is determined by standardized loading factor (SLF) and error var. Reliability is determined by construct reliability (CR) and average variance extracted (AVE). The specifications used are: Standardized factors loading (SLF) ≥ 0.70 , construct reliability (CR) ≥ 0.70 , and average variance extraction (AVE) ≥ 0.50 (Hair et al., 2019; Haryono, 2016). All criteria have been met as presented in table 1. All measurement models are suitable for further analysis.

Table 1. Validities and reliabilities of measurement model

Latent Variables	Indicators	SLF	Measurement error	CR	AVE
Salesforce incentive (SI)	Incentive equality (SI1)	0.92	0.14	0.95	0.86
	Incentive fairness (SI2)	0.91	0.17		
	Suitability of incentives (SI3)	0.94	0.12		
Organizational justice (OJ)	Distributive justice (OJ1)	0.93	0.13	0.96	0.88
	Procedural justice (OJ2)	0.94	0.12		
	Interaction justice (OJ3)	0.94	0.11		
Job satisfaction (JS)	Satisfaction with colleagues (JS1)	0.82	0.34	0.92	0.71
	Satisfaction with infrastructure (JS2)	0.79	0.37		
	Satisfaction with superiors (JS3)	0.77	0.40		

	Satisfaction with compensation (JS4)	0.91	0.17		
	Satisfaction with the career S system (JS5)	0.90	0.19		
Organizational Commitment (OC)				0.95	0.87
	Affective commitment (OC1)	0.92	0.14		
	Continuous commitment (OC2)	0.97	0.06		
	Normative commitment (OC3)	0.89	0.20		
Work engagement (WE)				0.96	0.86
	Job fit (WE1)	0.89	0.21		
	Colleague interaction (WE2)	0.94	0.12		
	Job meaning (WE3)	0.95	0.10		
	Focus (WE4)	0.94	0.12		
Salesforce performance (SP)				0.94	0.85
	Proficient (SP1)	0.88	0.23		
	Adaptive (SP2)	0.99	0.03		
	Proactive(SP3)	0.90	0.19		

Source: Processed from empirical data, 2021

Table above shows the dominant indicators reflecting their respective latent variables including: Suitability of incentives for sales force incentives;Procedural justice and interaction justice for organizational justice;Satisfaction with compensation for job satisfaction;Continuous commitment to organizational commitment;Job meaning for work engagement;Adaptive to salesforce performance.

3.2 Structural Model.

Recursive paths between the six latent variables namely salesforce incentives (SI), organizational justice (OJ), job satisfaction (JS), organizational commitment (OC), job engagement (WE) and salesforce performance (SP) generate a hybrid model which shows the magnitude of the regression weight and causal relationship direction.modified structural model path diagram is presented in Figure 2. Structural model above has met the following criteria for goodness of fit index model: Probability = $0.00 \leq 0.05$;Goodness of fit index = $0.93 \geq 0.90$;root mean square approximation = $0.04 < 0.08$;Expected cross-validation index = $1.24 > 0.00$;Adjusted goodness if fit index = $0.90 \geq 0.90$;The normed fit index = $0.98 \geq 0.90$;Comparative fit index = $0.99 \geq 0.90$;Parsimony fit index = $0.68 > 0.00$;The parsimony normed fit index = $0.79 > 0.00$.Absolute, incremental, and parsimony measures of fit are appropriate for confirmative and predictive purposes (Hair et al., 2019;Haryono, 2016;Latan, 2013).

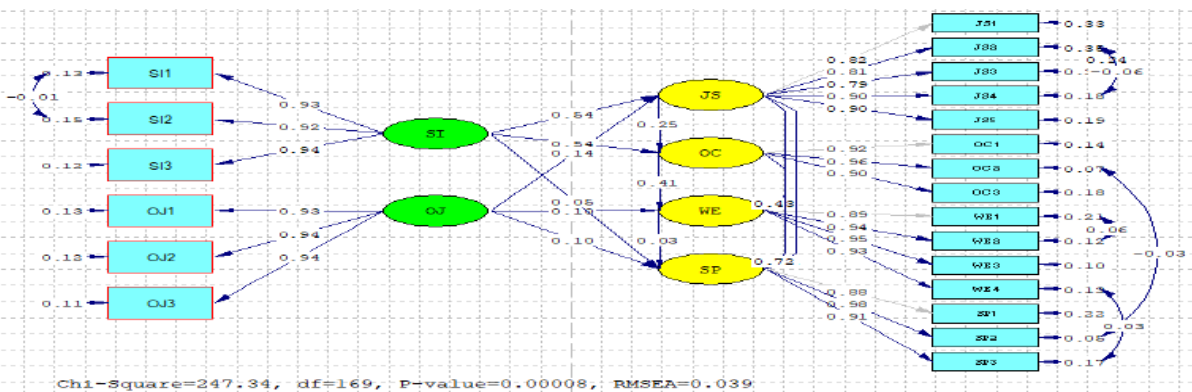


Figure 2. Research Structural Model (standardized solution)

Research path diagram model above in functional form is presented in the following four structural equations:
 $JS = 0.54*SI + 0.14*OJ$, Errorvar.= 0.67 , $R^2 = 0.33$1
 (0.060) (0.052) (0.078)
 8.93 2.74 8.49

$OC = 0.25*JS + 0.54*SI$, Errorvar.= 0.50 , $R^2 = 0.50$2
 (0.057) (0.060) (0.050)

4.42 9.00 9.87

$$WE = 0.43*JS + 0.41*OC + 0.10*OJ, \text{Errorvar.} = 0.41, R^2 = 0.59 \dots\dots\dots 3$$

(0.055) (0.052) (0.042) (0.045)

7.80 7.96 2.44 9.06

$$SP = 0.11*JS + 0.72*OC + 0.033*WE + 0.046*SI + 0.097*OJ, \text{Errorvar.} = 0.25, R^2 = 0.75 \dots\dots\dots 4$$

(0.052) (0.062) (0.056) (0.050) (0.035) (0.031)

2.14 11.70 0.60 0.92 2.74 8.15

Organizational justice and salesforce incentives partially affect job satisfaction, a stronger influence is on salesforce incentives. However, the model or structural equation (1) is not meaningful, Rsquare = 0.33 < 0.50 (Hair et al., 2019) . The contribution of factors outside the model (errorvar = 0.67) was more than the predictor of job satisfaction. Job satisfaction effects organizational commitment, incentives affect the dependent variable more strongly. Rsquare of 0.50 ≥ 0.50 means that the structural equation (2) model is meaningful. Structural equation (3) shows each latent variable, namely: Job satisfaction, organizational commitment, and organizational justice have an effect on job involvement.

The strongest influence comes from job satisfaction. This model is meaningful because it has a determinant coefficient of 0.59 ≥ 0.50. Most of the variance of job involvement can be explained by the predictor variance. In the structural equation model (4) not all exogenous variables effect the endogenous variables. Three independent variables that effect salesforce performance are job satisfaction, organizational commitment and organizational justice. The strongest influence is owned by organizational commitment. The predictors that had no effect were work engagement and salesforce incentives. The predictor variance contributed to the dependent variable variance by 75%. This parameter is relatively much larger than the critical limit.

3.3 Direct Effect.

Research model has 12 direct effects.10 hypotheses are accepted and 2 hypotheses are rejected.See table 2. The largest regression weight is found in the direct influence of organizational commitment on salesforce performance with the number 0.72.T-value of 11.70 is the ratio of the model mean square to error mean square.The larger the t-value the more accurate the prediction.This parameter is the largest among the twelve direct causal relationships.In other words, the best fit the sample data matrix, the best prediction.Changes in organizational commitment will be followed directly by the salesforce's performance in a positive direction.An increase of 1 unit of organizational commitment will increase 0.72 units of salesforce's performance with other variables noted at a constant position.This proposition supports previous research results from : (Rembet et al., 2020;Cesário & Chambel, 2017;Akhtar et al., 2015). Salesforces who are loyal, feel integrated, act in accordance with the values of the institution, and want to remain in the organization will have an impact on their proficiency, adaptability, and proactiveness.

Table 2. Direct Effect of KSI on ETA

No.	Path	Regression Weight	Standard Deviation	T-value	Zscore CR	Remark	Alternatives Hypothesis
H1	SI→JS	0.54	0.060	8.93	1.96	Support	Accepted
H2	OJ→JS	0.14	0.052	2.74	1.96	Support	Accepted
H3	JS→OC	0.25	0.057	4.42	1.96	Support	Accepted
H4	SI→OC	0.54	0.060	9.00	1.96	Support	Accepted
H5	JS→WE	0.43	0.055	7.80	1.96	Support	Accepted
H6	OC→WE	0.41	0.052	7.96	1.96	Support	Accepted
H7	OJ→WE	0.10	0.042	2.44	1.96	Support	Accepted
H8	JS→SP	0.11	0.052	2.14	1.96	Support	Accepted
H9	OC→SP	0.72	0.062	11.70	1.96	Support	Accepted
H10	WE→SP	0.033	0.056	0.60	1.96	Not Support	Rejected
H11	SI→SP	0.046	0.050	0.92	1.96	Not Support	Rejected
H12	OJ→SP	0.097	0.035	2.74	1.96	Support	Accepted

Source: Processed of empirical data, 2021

Direct effect strength on the second strongest is owned by the causal relationship of salesperson incentives with job satisfaction with a regression weight of 0.54, standard deviation of 0.060, and t-value of 8.93.However, this model is meaningless because model error variance is too large.Direct effect of incentives on organizational commitment.The results of previous studies from Li, (2020) and Kiilu, (2017)support the author's proposition.Regression weight of 0.54, ranks second as well as above. The standard deviation is 0.060, and the t-

value is 9.00. shows the prediction accuracy of this model is better than the previous one even though the regression weights are not different. In other words, generalization degree is more accurate.

Direct interaction of incentive equivalence between salespeople within the organization and outside the organization, the reasonableness of the incentives provided in relation to the cost of living (welfare), and the type or technique of the incentive system will have a positive effect on the loyalty, enthusiasm, and sense of belonging of the salespeople. The regression weight of JS → WE is 0.43 with a standard deviation of 0.055 and a t-value of 7.80 > 1.96, which is significant with a 95% confidence level or Sig. < 0.05. Positive changes in job satisfaction will have an impact in line with changes in job involvement. An increase of 1 unit of job satisfaction will increase 0.43 units of work engagement with the assumption that other variables are constant. This proposition is in line with the conclusions obtained (Zablah et al., 2016). Increased salespeople satisfaction with compensation, promotions, superiors, infrastructure, colleagues, and career systems will increase the drive to do a better job, actively participate in solving work problems, the work meaning that is felt is increasingly important, the work is more in line with the salesperson, and employees are increasingly focused on assigned tasks.

Causal relationship between organizational commitment and work engagement has a regression weight of 0.41, a standard deviation of 0.052, and a t-value of 7.96. An increase in organizational commitment will lead to an increase in work engagement. The author's conclusion is in line with Armstrong & Taylor, (2014) and Storey, (2007) opinion. This study result eliminates the author's doubts about Yalabik et al., (2013) who said job involvement as an antecedent of organizational commitment. Salespeople have values and goals and feel attached to the organization first and then have a strong work drive. The regression weight of job satisfaction on organizational commitment has a regression weight of 0.25 and is significant. This causal relationship is in line with the results of the study by (Winarsih & Fariz, 2021) (Brown & Barker, 2019). The salesperson feels good about his job first. Furthermore, they care about the organization; willing to exert considerable effort on behalf of the organization; have a strong interest in maintaining membership in the organization. The results of this study remove doubts about the causal relationship referred to by Sufia et al., (2020) and Akhtar et al., (2015) who concluded that organizational commitment affects job satisfaction. The effect of organizational justice on job satisfaction has a regression weight of 0.14 and a t-value of 2.74 or significant. This model is meaningless because the coefficient of determination is too small ($R^2 < 0.50$). The smallest but significant direct causal relationship is found in the direct effect of OJ → SP, OJ → WE, and JS → SP. The coefficients are 0.097, 0.10, and 0.11 respectively. The effect of organizational justice and job satisfaction partially on the salesforce performance and the effect of organizational justice on job involvement is relatively small.

3.4 Indirect Effect.

Mediators' role is important in the indirect relationship of exogenous and endogenous variables. Mediators' variable power can be used to determine programs and policies direction related to salesforces' performance. Intermediate variables role is presented in table 3. Job satisfaction mediates the causal relationship of salesforce incentives to performance. The greatest regression coefficient is found in the indirect relationship of salesperson incentives to their performance through job satisfaction. If the incentive component, especially the suitability of incentive type, provides job satisfaction, especially in the compensation provided, it will in turn have an impact on the salesforce performance, especially in adaptive abilities. This element is very important in service offerings communication to customers and customer relations which have various characteristics. SI → JS causal relationship is in a meaningless structural model. The direct effect of JS → SP is relatively small at 0.11. There is no direct effect of SI → SP (Peek, 2021; Sitompul, 2019; Rizal et al., 2014; John et al., 2013). However, through job satisfaction, the relationship between incentives and performance emerges with the largest regression weight. So there is full mediation of salesforce incentives on salesforce performance.

Table 3. Indirect Effects of KSI on ETA

No.	Path	Regression Weight	Standard Deviation	T-value	Zscore CR	Remark	Alternatives Hypothesis
H13	SI → JS → OC	0.13	0.03	4.13	1.96	Support	Accepted
H14	SI → JS → WE	0.51	0.05	10.24	1.96	Support	Accepted
H15	SI → JS → SP	0.56	0.06	9.71	1.96	Support	Accepted
H16	OJ → JS → OC	0.04	0.02	2.34	1.96	Support	Accepted
H17	OJ → JS → WE	0.08	0.03	2.65	1.96	Support	Accepted
H18	OJ → WE → SP	0.05	0.02	2.53	1.96	Support	Accepted

Source: Processed from empirical data, 2021

SI→JS →WE, indirect causal relationship regression weight of 0.51 is the second strongest among H13 – H18. The standard deviation is 0.05 and the t-value is 10.24 > 1.96, which is significant with a 95% confidence level. Its predictive power is the most accurate among indirect causal relationships. Direct effects of SI→JS and JS→WE are 0.54 and 0.43, respectively. So there is partial mediation because coefficient SI→JS > coefficient SI→JS →WE. However, it can be called full mediation, because SI→JS is in a meaningless structural model (Structural equation 1). Besides, the regression weight is SI→JS →WE > JS →WE. Satisfaction with colleagues, facilities, superiors, compensation, and career systems have an important role in improving job fit, colleague interaction, job meaning, and focus on work. The indirect effect coefficient SI→JS→OC is 0.13, the standard deviation is 0.03 and the t-value is 4.13 > 1.96, which is significant with a 95% confidence level. The direct effect of SI→OC has a regression weight of 0.54. Indirect influence is smaller than direct influence. In this relationship the existence of job satisfaction is not required. The regression load for the indirect effect of OJ→JS→WE is 0.08 and is significantly smaller than the direct effect of OJ→WE with a regression coefficient of 0.10 and significant; The indirect regression weight OJ→WE→SP is 0.05 and significant. Direct effect of OJ→SP has a regression coefficient of 0.097 ; Regression coefficient of the indirect causal relationship OJ→JS →OC is 0.04 and is significant. Direct effect of JS→OC has a regression weight of 0.25 and is significant. The causal relation OJ→JS is on a meaningless structural equation. Indirect causal relationship of the three paths is smaller than the direct causal relationship. Therefore, the intermediate variables, namely job satisfaction and work engagement, are not needed.

IV. CONCLUSION

Increased salesforces' incentives and organizational justice will increase job satisfaction. Effect of salesperson incentives is stronger than that of organizational justice. However, the determinant coefficient and model error show that this model is not meaningful. Changes in job satisfaction and salesforce incentives are in line with changes in organizational commitment. The effect of salesperson incentives is stronger than job satisfaction. Cultivation of organizational justice, organizational commitment, and job satisfaction have an impact on increasing job involvement. Changes in job satisfaction, organizational commitment, and organizational justice are in line with changes in job performance. Job satisfaction has the strongest causal relationship among the three exogenous latent variables. Increase in job satisfaction, organizational commitment, and job involvement goes hand in hand with increasing salesperson performance. Organizational commitment has the strongest influence among the five exogenous variables. Changes in organizational justice and salesforce incentives cannot result in changes in salesperson performance. The dominant salesforce incentives are reflected by the suitability of incentives type; Organizational justice is reflected dominantly by procedural justice and interaction justice; Job satisfaction is reflected dominantly by compensation; Organizational commitment is reflected dominantly by continuous commitment; Work engagement is reflected dominantly by the work meaning. The salesforce's performance is dominantly reflected by the salesperson's adaptability. Incentives given to salespeople cannot directly improve their performance, but must be through job satisfaction. So the incentives given should consider incentive type or the technique it is given. Incentive programs should be directed directly at increasing their job satisfaction, especially in terms of satisfaction with compensation. So it is necessary to consider the material and immaterial aspects.

Besides, job satisfaction can increase job suitability, colleague interaction, job meaning, and focus. Job satisfaction does not play a role in increasing the indirect causal relationship of salesforce incentives to organizational commitment. Job satisfaction does not play a role in increasing organizational justice towards organizational commitment and work engagement. Work engagement does not play a role in increasing organizational justice to the skill, salesforces' adaptability and proactiveness. Organizational justice programs or policies are better directed at increasing organizational commitment. Programs or policies related to increasing distributive justice, procedural justice, and better interaction justice, are directly at the priority of increasing continual commitment, deepening the work meaning, and salesforce adaptability.

REFERENCES

- [1] Aqmal, D., & Ardyan, E. (2019). How does a salesperson improve their performance? The important role of their customer smart response capability. *Gadjah Mada International Journal of Business*, 21(2), 223–241. <https://doi.org/10.22146/gamaijb.35263>
- [2] Huang, S.-M., & Lai, W.-H. (2014). A Study of the effect of incentive system on job performance - Locus of control as a moderator. *The Journal of International Management Studies*, 9(1), 89–98. <http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:A+Study+of+the+Effect+of+Incentive+System+on+Job+Performance+-+Locus+of+Control+as+a+Moderator#0>
- [3] Minkova, T. (2019). *How do incentives, stress and work effort affect job satisfaction among call center employees in Bulgaria?* [Tilburg University]. <http://arno.uvt.nl/show.cgi?fid=150926>
- [4] Peek, S. (2021). *Performance-Based Pay Won't Motivate Employees as Much as You Think*. Business News Daily. <https://www.businessnewsdaily.com/9712-performance-based-pay.html>

- [5] Cichelli J., D. (2018). *Compensating the salesforce* (Third Edit). McGraw Hill.
- [6] John, M., Albert, M., & David, M. C. (2013). The impact of compensation initiatives on sales force performance: A case study of the insurance industry in the Southern region, Zimbabwe. *IOSR Journal of Business and Management*, 8(6), 47–79. <https://doi.org/10.9790/487x-0867479>
- [7] Sitompul, G. O. (2019). The Influence of Job Satisfaction and Non Material Incentives on Employee Performance at Fave Hotel Jakarta, Indonesia. *Proceedings International Scholars Conference*, 1387–1398. <https://doi.org/https://doi.org/10.35974/isc.v7i1.2170>
- [8] Rizal, M., Idrus, M. S., & Mintarti, R. (2014). Effect of Compensation on Motivation , Organizational Commitment and Employee Performance (Studies at Local Revenue Management in Kendari City). *International Journal of Business and Management Invention*, 3(2), 64–79.
- [9] Rusby, Z. (2018). The influence of incentives on work achievement of agents in Takaful Keluarga insurance at Riau Agency representative office of Pekanbaru City (India). *Espacios*, 39(24).
- [10] Mwamanenge Lucas Abel. (2018). *Assessing the Effect of Incentive Scheme on the Performance of Salesforce of Tanzania Cigarette Company* [University of Tanzania.]. <http://repository.out.ac.tz/2158/1/DISSERTATION - LUCAS ABEL MWAMANENGE -FINAL.pdf>
- [11] Fatima Mamdani, K., & Minhaj, S. (2016). Effects of Motivational Incentives on Employees' Performance: a Case Study of Banks of Karachi, Pakistan. *South East Asia Journal of Contemporary Business, Economics and Law*, 9(2), 32–39. http://seajbel.com/wp-content/uploads/2016/05/K9_203.pdf
- [12] Huang, S.-M., & Lai, W.-H. (2014). A Study of the effect of incentive system on job performance - Locus of control as a moderator. *The Journal of International Management Studies*, 9(1), 89–98. <http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:A+Study+of+the+Effect+of+Incentive+System+on+Job+Performance+Locus+of+Control+as+a+Moderator#0>
- [13] John, A. G. (2012). Improving Sales Performance through Sales Force Motivation Strategies : A Study of Pharmaceutical Firms in Nigeria . *Int.J.Buss.Mgt.Eco.Res.*,3(5), 620–626. <http://www.ijbmer.com/docs/volumes/vol3issue5/ijbmer2012030503.pdf>
- [14] Talukder, K. I., & Jan, M. T. (2017). Factors Influencing Sales People'S Performance: a Study of Mobile Service Providers in Bangladesh. *Academy of Marketing Studies Journal*, 21(2), 1–20. <http://search.ebscohost.com/login.aspx?direct=true&db=ent&AN=127183540&site=ehost-live>
- [15] Jufrizen, J., & Kandhita, E. S. (2021). The effect of organizational justice on employee performance by job satisfaction as an intervening variable. *Jurnal Kajian Manajemen Bisnis*, 10(1), 1. <https://doi.org/10.24036/jkmb.11219200>
- [16] Nurak, L. A. D., & Gede, R. i. (2017). Examine the Effect of Organizational Justice on Job Satisfaction and Employee Performance. *GATR Journal of Management and Marketing Review*, 2(3), 30–37. [https://doi.org/10.35609/jmmr.2017.2.3\(4\)](https://doi.org/10.35609/jmmr.2017.2.3(4))
- [17] Karim, F., & Rehman, O. (2012). Impact of Job Satisfaction, Perceived Organizational Justice and Employee Empowerment on Organizational Commitment in Semi-Government Organizations of Pakistan. *Journal of Business Studies Quarterly*, 3(4), 92–104.
- [18] Bakotić, D., & Bulog, I. (2021). Organizational justice and leadership behavior orientation as predictors of employees job satisfaction: Evidence from Croatia. *Sustainability (Switzerland)*, 13(19). <https://doi.org/10.3390/su131910569>
- [19] Idoko, E. C., Nebo, G. N., & Ukenna, S. I. (2020a). Determinants of field salespersons' sales performance in deposit money banks: Does organizational commitment mediate? *Banks and Bank Systems*, 15(4), 204–220. [https://doi.org/10.21511/bbs.15\(4\).2020.17](https://doi.org/10.21511/bbs.15(4).2020.17)
- [20] Al-Fakeh, F. A., Padlee, S. F., Omar, K., & Salleh, H. S. (2020). The moderating effects of organizational commitment on the relationship between employee satisfaction and employee performance in Jordanian Islamic banks. *Management Science Letters*, 10(14), 3347–3356. <https://doi.org/10.5267/j.msl.2020.6.002>
- [21] Rembet, G. A., Firdiansjah, A., & Sutriswanto. (2020). The Effect of Organizational Commitment and Employee Engagementtowards Employee Performance through Organization Citizenship Behaviors. *International Journal of Advances in Scientific Research and Engineering*, 06(09), 07–13. <https://doi.org/10.31695/ijasre.2020.33869>
- [22] Suharto, Suyanto, & Hendri, N. (2019). The impact of organizational commitment on job performance. *International Journal of Economics and Business Administration*, 7(2), 189–206. <https://doi.org/10.35808/ijeba/227>
- [23] Akhtar, A., Durrani, A. B., & Waseef-ul-Hassan. (2015). The Impact of Organizational Commitment on Job Satisfaction and Job Performance: An Empirical Study from Pakistan. *IOSR Journal of Business and Management (IOSR-JBM)*, 17(6), 75–80. [https://doi.org/10.1016/S0363-8111\(85\)80041-2](https://doi.org/10.1016/S0363-8111(85)80041-2)
- [24] Cesário, F. S., & Chambel, M. J. (2017). Linking Organizational Commitment and Work Engagement to Employee Performance. *Knowledge and Process Management*, 24(1).

- <https://doi.org/DOI:10.1002/kpm.1542>
- [25] Javad, S., & R.K, P. (2018). Differential Impact of Pay Satisfaction Dimensions on Job Performance and Turnover Intentions in Pay for Performance Systems: The Mediating Role of Affective Commitment. *Asian Journal of Empirical Research*, 8(10), 377–391. <https://doi.org/10.18488/journal.1007/2018.8.10/1007.10.377.391>
- [26] Ebeneser, A., & Safuan, S. (2021). Dampak Kompensasi Terhadap Kinerja dan Kepuasan Kerja Karyawan Selama Masa Covid 19 pada PT XYZ. *Jurnal Manajemen*, 12(3), 351. <https://doi.org/10.32832/jm-uika.v12i3.4658>
- [27] Hasanuddin, H., Surati, S., & Ramly, A. T. (2020). Pengaruh Budaya Organisasi, Kompensasi, Dan lingkungan Kerja Terhadap Kinerja Pegawai Dengan Kepuasan Kerja Sebagai Variabel Intervening (Kantor Bappeda Kabupaten Bima NTB). *Jurnal Manajemen*, 11(2), 253. <https://doi.org/10.32832/jm-uika.v11i2.3365>
- [28] Yalabik, Z. Y., Popaitoon, P., Chowne, J. A., & Rayton, B. A. (2013). Work engagement as a mediator between employee attitudes and outcomes. *Journal International Journal of Human Resource Management*, 24(14), 2799–2823. <https://doi.org/https://doi.org/10.1080/09585192.2013.763844>
- [29] Sufia, Sofiyani, Toni, N., & Edward, Y. R. (2020). Effect of Organizational Commitment and Work Motivation on Employee Performance with Job Satisfaction as an Intervening Variable at PT. Famfit Bugar Nusantara. *Nternational Journal of Research and Review*, 7(8). <https://doi.org/10.33557/mbia.v20i1.1221>
- [30] Burns, A. C., & Veeck, A. (2020). *Marketing Research* (Ninth Edit). Pearson Education.
- [31] M.Nahrowi. (2018). *Pembahasan Statistik Inferensial*. Statistik Inferensial. <https://mnahrowi.medium.com/statistik-inferensial-copas-54a8b07650>
- [32] Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate Data Analysis* (Eighth Edi). Cengage Learning EMEA.
- [33] Malhotra, N. K., NuNaN, D., & BirKs, D. F. (2017). *Marketing Research An Applied Approach* (Fifth edit). Pearson Education Limited.
- [34] Alfred Kuss, & Eisend, M. (2019). *Research Methodology in Marketing Theory Development, Empirical Approaches and Philosophy of Science Considerations*. Springer Nature Switzerland.
- [35] Budiaji, W. (2013). Skala Pengukuran dan Jumlah Respon Skala Likert (The Measurement Scale and The Number of Responses in Likert Scale). *Ilmu Pertanian Dan Perikanan*, 2(2), 127–133. <http://umbidharma.org/jipp>
- [36] Haryono, S. (2016). *Metode SEM untuk penelitian manajemen* (Cetakan pe). PT. Intermedia Personalia Utama.
- [37] Ingram, T. N., LaForge, R. W., Avila, R. A., Charles H. Schwepker, J., & Williams, M. R. (2020a). *Sales Management Analysis and Decision Making* (Tenth Edit). Routledge.
- [38] Kshirsagar, D. P., & Mhashilkar, S. (2015). Employee Incentive Strategies and its Benefits to Standalone Restaurants in Pune. *ATITHYA: A Journal of Hospitality*, 1(1). <https://doi.org/10.21863/atithya/2015.1.1.003>
- [39] Li, M. (2020). *Design of Dynamic Incentive Contract of Sales Personnel Based on Multi-task Objectives**. 110(Emle), 548–554. <https://doi.org/10.2991/aebmr.k.191225.098>
- [40] Kiilu, P. M. (2017). *Effect of Sales Incentives on Employee Commitment in the Real Estate Industry in Nairobi*.
- [41] Widhianingrum, W. (2018). the Effect of Giving Incentives To Employee Performance Pt. Bpr Ekadharma Magetan. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 2(04). <https://doi.org/10.29040/ijebar.v2i04.359>
- [42] Uriesi, S. (2017). Efficiency of pay for performance programs in Romanian companies and the mediating role of organizational justice. *Scientific Annals of Economics and Business*, 64(1), 1–18. <https://www.ceeol.com/search/article-detail?id=546039>
- [43] Satria F, V., Harsono, & Setyadi, M. C. S. (2020). The Influence of Incentives and Career Development on Motivation Mediated by Job Satisfaction at PT. BNI (Persero) Tbk Malang Branch, Indonesia. *International Journal of Advances in Scientific Research and Engineering*, 06(08), 121–130. <https://doi.org/10.31695/ijasre.2020.33867>
- [44] Bakotić, D., & Bulog, I. (2021). Organizational justice and leadership behavior orientation as predictors of employees job satisfaction: Evidence from Croatia. *Sustainability (Switzerland)*, 13(19). <https://doi.org/10.3390/su131910569>
- [45] Widjajanti, M., Setianto, F., Suyono, J., & Elisabeth, D. R. (2020). The mediating role of job satisfaction in relationship between organizational justice and employee performance. *Proceedings of the International Conference on Industrial Engineering and Operations Management*, 59(1), 2730–2741.
- [46] Hadi, S., Tjahjono, H. K., & Palupi, M. (2020). Study of organizational justice in smes and positive

- consequences: Systematic review. *International Journal of Advanced Science and Technology*, 29(3), 4717–4730.
- [47] Kaul, S., & Singh, A. (2017). Organizational Justice as a Predictor of Organizational Commitment in Automobile Dealerships in Delhi, National Capital Region. *Journal of the Indian Academy of Applied Psychology*, 43(2), 230–238.
<https://www.proquest.com/openview/b54a2476f6465b4b4e1bd9294b602274/1?pq-origsite=gscholar&cbl=2032058>
- [48] Nakra, R. (2014). Understanding the Impact of Organizational Justice on Organizational Commitment and Projected Job Stay among Employees of the Business Process Outsourcing Sector in India. *Sage Journals*, 18(3).
- [49] Maiyaki, A. A., & Yaro Musa, L. (2020). The Mediating Role of Organizational Justice on Relationship between Job Satisfaction and Performance Appraisal: Conceptual Model. *Journal of Mgt. Science & Entrepreneurship*, 20(7), 26–41. file:///C:/Users/Asus X441U/Downloads/HUJMSE_VOL20_NO7_JUNE2020_-3.pdf
- [50] Pakpahan, M., Eliyana, A., Hamidah, Buchdadi, A. D., & Bayuwati, T. R. (2020). The role of organizational justice dimensions: Enhancing work engagement and employee performance. *Systematic Reviews in Pharmacy*, 11(9), 323–332. <https://doi.org/10.31838/srp.2020.9.49>
- [51] Sukasih, N. N., & Suardhika, I. N. (2019). Organizational Culture, Organizational Justice, Employee Performance, Organizational Commitments in Bali Province Income Area. *International Journal of ...*, 2(3), 301–309. <http://journals.segce.com/index.php/IJSEGCE/article/view/121>
- [52] Wolor, C. W., Supriyati, Y., & Purwana, D. (2019). Effect of organizational justice, conflict management, compensation, work stress, work motivation on employee performance sales people. *Humanities and Social Sciences Reviews*, 7(4), 1277–1284. <https://doi.org/10.18510/hssr.2019.74176>
- [53] Özlem, Ö., Uğurluoğlu, Ö., & Saygili, M. (2017). Effect of Organizational Justice on Work Engagement in Healthcare Sector of Turkey. *Journal of Health Management*, 19(1), 73–83. <https://doi.org/10.1177/0972063416682562>
- [54] Özer, Ö., Uğurluoğlu, & Saygili, M. (2017). Effect of Organizational Justice on Work Engagement in Healthcare Sector of Turkey. *Journal of Health Management*, 19(1). <https://doi.org/https://doi.org/10.1177/0972063416682562>
- [55] Ghosh, P., Rai, A., & Sinha, A. (2014). Organizational justice and employee engagement: Exploring the linkage in public sector banks in India. *Personnel Review*, 43(4), 628–652. <https://doi.org/https://doi.org/10.1108/PR-08-2013-0148>
- [56] Arshida, M. M. (2012). Critical Success Factors (CSFs) for TQM Implementation: Current Status and Challenges in Libyan Manufacturing Companies. *GSTF Journal on Business Review*, 2(1), 71–79. <https://doi.org/10.5176/2010-4804>
- [57] Ekingen, E. (2021). *The Effect of Organizational Justice on Job Performance and the Mediating Role of Job Satisfaction: A Study on Nurses*. Hos Top. <https://doi.org/10.1080/00185868.2021.1969874>
- [58] Rıza Terzi, A., Pınar Dülker, A., Altın, F., Çelik, F., Dalkıran, M., Tuba Yulcu, N., Tekin, S., & Deniz, Ü. (2017). An Analysis of Organizational Justice and Organizational Identification Relation Based on Teachers' Perceptions. *Universal Journal of Educational Research*, 5(3), 488–495. <https://doi.org/10.13189/ujer.2017.050320>
- [59] Winarsih, T., & Fariz. (2021). The Effect of Job Satisfaction on Organizational Commitment and Work Discipline. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 4(1), 1328–1339. <https://doi.org/10.9790/487x-1901025459>
- [60] Brown, T., & Barker, G. G. (2019). The relationship between job satisfaction and organisational commitment: A small business perspective. *Advances in Business Research*, 9, 112–130. <https://journals.sfu.ca/abr/index.php/abr/article/download/235/167>
- [61] Tarigan, V., & Ariani, D. W. (2015). Empirical Study Relations Job Satisfaction, Organizational Commitment, and Turnover Intention. *Advances in Management & Applied Economics*, 5(2), 21–42. https://www.scienpress.com/Upload/AMAE/Vol 5_2_2.pdf
- [62] Jena, R.K. (2014). The Effect of Job Satisfaction on Organisational Commitment among Shift Workers: A Field Study of Ferro-alloy Industries. *Asia-Pacific Journal of Management Research and Innovation*, 10(2). <https://doi.org/https://doi.org/10.1177/2319510X14536218>
- [63] Omar, N., & Ahmad, Z. (2014). The Relationship Among Ethical Climate, Job Satisfaction, Organizational Commitment, and External Auditor's Turnover Intention. *Good for Next Research*, 10(2), 164–181.
- [64] Gunawan, H. M., & Sondakh, O. (2019). The Impact of Work Motivation, Work Engagement, and Job Satisfaction Toward Job Performance in PT. XYZ Surabaya. *European Journal of Business and Management*, 11(20). <https://doi.org/10.7176/EJBM>
- [65] Shu, X., Gong, Y. (Yale), & Hu, J. X. and X. (2018). Job Satisfaction, Turnover Intention and Work

- Performance in Chinese Family Enterprises. *Management International International Management Gestion Internacional*, 22(2), 84–95. <https://doi.org/https://doi.org/10.7202/1058163ar>
- [66] Zablah, A. R., Carlson, B. D., Maxham, D. T. D., G, J. B., & J, T. (2016). A cross-lagged test of the association between customer satisfaction and employee job satisfaction in a relational context. *J Appl Psychol*, 101(5). <https://doi.org/10.1037/apl0000079>
- [67] Suifan, T. S. (2019). The Effect of Organizational Justice on Employees' Affective Commitment. *Modern Applied Science*, 13(2), 42. <https://doi.org/10.5539/mas.v13n2p42>
- [68] Armstrong, M., & Taylor, S. (2014). *Armstrong's handbook of human resource management practice* (Michael Ar). British Library Cataloguing-in-Publication Data.
- [69] Fatima, Z. (2018). Impact of salesforce commitment on sales organisation. *Journal of Business Thought*, 8, 131–138. <file:///C:/Users/ASUSX4~1/AppData/Local/Temp/JBTPaper.pdf>
- [70] Kashmiri, T., Mehran, M. M., Hussain, N., & Pasha, A. T. (2019). Mediating Role of Organizational Commitment: A Study of NADRA, Multan Region. *Journal of Arable Crops and Marketing*, 1(1), 15–33. <https://doi.org/10.33687/jacm.001.01.3192>
- [71] Jundt, D. K., Shoss, M. K. U., & L., J. (2015). Individual adaptive performance in organizations: A review. *Journal of Organizational Behavior*, 36, S53–S71. <https://doi.org/10.1002/job>
- [72] Kusuma, A. (2021). The Role of Employee Engagement Mediates the Influence of Quality of Work Life on Employee Performance. *Jurnal Manajemen*, 12(2), 132. <https://doi.org/10.32832/jm-uika.v12i2.4321>
- [73] Gunawan, H. M., & Sondakh, O. (2019). The Impact of Work Motivation, Work Engagement, and Job Satisfaction Toward Job Performance in PT. XYZ Surabaya. *European Journal of Business and Management*, 11(20). <https://doi.org/10.7176/EJBM>
- [74] Gupta, M., Acharya, A., & Gupta, R. (2015). Impact of work engagement on performance in indian higher education system. *Review of European Studies*, 7(3), 192–201. <https://doi.org/10.5539/res.v7n3p192>
- [75] Latan, H. (2013). *Structural Equation Modeling (Konsep dan Aplikasi Menggunakan Program Lisrel 8.80)* (Cetakan ke). Alfabeta.