The Effect of Job Stress and Reward System on Organizational Commitment and Employee Performance

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Abstract—**The purpose of this study was to investigate the relationship between job stress and reward systems on organizational commitment and employee performance. The subjects in this study were employees in manager level, namely IPOMS (Indonesian Production and Operation Management Society) with 119 respondents. The data collection method is done by distributing questionnaires using an interval scale of 1 to 7 and using data analysis methods Structural Equation Modelling (SEM) – Partial Least Square (PLS). The result showed that there is no significant relationship between work stress and organizational commitment, there is a significant relationship and positive between reward system and organizational commitment, there is no significant relationship between work stress and employee performance, there is no significant relationship between reward system and organizational commitment, there is a significant relationship and positive between organizational commitment and employee performance.**

Keywords— *Job Stress, Reward System, Organizational Commitment, Employee Performance.*

1.   Introduction

Coronavirus Diseases 2019 or commonly called COVID-19 is an infectious disease caused by the corona virus, SARS-CoV-2, which affects breathing (World Health Organization (WHO), 2020). The impact felt due to COVID-19 in Indonesia is very large for the Indonesian people in several fields, both social, economic, tourism and education. 2020). In these unpredictable times, many companies are trying to survive but not a few have failed due to COVID-19. Only 58.95% of companies are operating while the other 41.05% have stopped operating, operating with the implementation of WFH (Work From Home) for some employees, WFH for all employees and capacity reduction (Elena, 2020). This shows that external factors, in which COVID-19 can make a company fail. However, it turns out that the company's failure is not only dominated by external factors, but also internal factors, including organizational performance or can also be called company performance.

Employee performance and employee commitment to the organization greatly affect the sustainability of the company, when employees do not have organizational commitment, turnover intention can become a new problem. In 2018 in the United States (US) it was found that 2.4% or 3.58 million people had an increased turnover rate (Natalia, 2018), while in Asia alone 38% of employees experienced turnover (Kompas, 2018), this made a loss, both for the company and for employees because it will cost money to recruit new employees (Bhatti et al., 2016). In this study, researchers used Uppe Echelon as a Grand Theory. Upper Echelon itself means that the organization is a reflection of top managers, where this theory recognizes that top managers greatly influence organizational outcomes with the choices they make or in other words this theory explains the characteristics of managers helping to explain organizational performance (Hiebl, 2014).

2.   Literature Review
2.1.   Previous Research

The first previous study entitled The Effect of Work Stress on Employee Commitment and Turnover Intention at Sari Segara resort villas and spas (Caesarani & Riana, 2016). This study aims to analyze the effect of work stress on organizational commitment and on turnover intention but also the effect of organizational commitment on employee turnover intention. The findings and results of this study are, work stress has a negative and significant effect on organizational commitment, job stress has a positive and significant

effect on turnover intention, but also other variables, namely organizational commitment, which has a negative and significant effect on turnover intention.

The third research entitled The relationship between Job Stress and Organizational commitment in Tax Organization (Mojtabazadeh et al., 2016) with the aim of research To study the relationship between job stress and organizational commitment to employees of the Mazandaran Tax Organization, the research sample totaled 149 employees in the Tax Organization using questionnaire as a data collection method. The findings and results of the study are that there is a significant positive relationship between work stress and organizational commitment, affective commitment, and normative commitment, but there is no significant relationship between job stress and ongoing commitment.

The next research is entitled Determinants of Job Stress and its Relationship on Employee Job Performance (Jalagat, 2017). The purpose of this study was to determine the effect of work stress on employee performance and the relationship between work stress and employee performance. The results of the study indicate that there is a significant relationship between work stress and employee performance, the findings obtained are the lack of skills utilization and excessive workload.

2.2. Theoretical basis

2.2.1. Upper Echelons

Upper Echelon means that the organization is a reflection of top managers, where this theory recognizes that top managers greatly influence organizational outcomes with the choices they make or in other words this theory explains the characteristics of managers helping to explain organizational performance (Hiebl, 2014). Regarding the research variable, namely employee performance, it can affect according to the characteristics and strategies of managers who are able to explain organizational performance (Hiebl, 2013). Upper echelon theory also explains that when the level of managerial challenge is high, the relationship between managerial characteristics and organizational results will be stronger (Hiebl, 2013), the challenge here is related to work stress.

2.2.2. Understanding Employee Performance

Employee performance is something that is considered as what employees do or don't do. It shows how the quality and quantity produced by employees (Shahzadi et al., 2014). Employee performance can be seen higher in employees who have high job satisfaction and are happy, when employees have high performance, it is easier for the company to motivate employees so that they can achieve the targets of the company itself (Elnaga & Imran, 2013). There are five things that affect employee performance, namely Job Autonomy, Organizational support, Training, Distributive Justice, and Procedural Justice (Hameed & Waheed, 2011). There are six indicators that can be used to measure employee performance (Budhiningtias Winanti, 2011), namely:

1) Quality: This indicator emphasizes how the results of the work carried out are close to what was expected at the beginning.
2) Quantity: Quantity describes the results obtained in a quantifiable form, such as money made, products produced, and so on.
3) Timeliness: Timeliness refers to the extent to which an activity or job can be completed in a specified time while paying attention to other outputs
4) Cost - Effectiveness: The extent to which the level of use of resources, including human, financial, material and technology resources are used optimally to get good results so as to reduce losses in each use of resources.
5) Need for Supervision: The extent to which individuals carry out their work without relying on supervisors to prevent things that are not desirable.
6) Interpersonal impact: the extent to which employees maintain self-esteem, good name and cooperation among co-workers and subordinates.

2.2.3. Understanding Organizational Commitment

Organizational commitment is a condition in which a person feels bound to an organization or company (Allen & Meyer, 1990). The characteristics of organizational commitment, namely:

1) There is a desire and acceptance of the values and vision of the organization,
2) Happy to give great effort and involvement to the organization,

3) Individuals have a desire to stay in an organization.

Several things also affect Organizational Commitment, namely Compensation and Incentives, Knowledge Sharing, Task Orientation, Training, and Development & Organizational Justice (Cheah et al., 2016). There are three indicators of organizational commitment (Allen & Meyer, 1990), namely:

1) Affective Commitment: Can be interpreted as an employee's emotional bond with the organization, this can be seen from the involvement of individuals in the organization where they work (Mercurio, 2015),
2) Continuance Commitment: A person's commitment can be seen from the risk or price to be paid when leaving the company or organization.
3) Normative Commitment: Seeing how the obligations felt by one party to another party (Fullerton, 2014) in this case how to see someone to stay and stay in the company.

2.2.4. *Understanding Work Stress*

Work stress is the pressure experienced by a person, both internally and externally (Murtiningrum, 2005) and work stress is a state or feeling that deviates from the conditions that exist in the workplace, causing psychological and physiological reactions that give rise to feelings of discomfort with the conditions at work (Parker & DeCotiis, 1983). There are two things in work stress, namely job stressors and job strains.

There are two indicators of work stress (Parker & DeCotiis, 1983), namely:

1) Time stress: the feeling an individual experiences when under pressure for a long period of time. This can be seen from the work or assignments given. When the task is beyond the individual's ability and little time is given to complete the work and the salary received does not match the task given. In addition, time stress can be determined by the work itself, the mismatch between salary and work, open communication, support from superiors, and cohesiveness.
2) Anxiety: Anxiety felt by individuals related to their work. Anxiety can be determined by formalization (structure, climate, information) and role conflict.

2.2.5. *Understanding Reward System*

The reward system is defined as an award or reward given because the party provides benefits for the company (Lina, 2014). The reward system is a reward from the company for employees for providing energy and thoughts for the progress of the company (Umayah, 2015). There are three indicators to measure the reward system (Yudhaningsih et al., 2016), namely:

1) Salary: Money received as a token of remuneration, which is given based on a certain period of time according to a mutual agreement,
2) Incentives: Additional money given to employees, for doing more than expected.
3) Benefits: Giving money to employees as health insurance for employees.
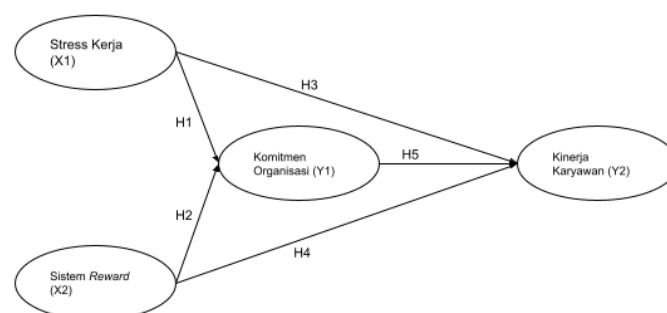
3. Research Methods

3.1. Analysis Model

Figure 3.1. Framework of thinking
Sources : **Data processed, 2021**

3.2. Research Hypothesis

Based on the problem formulation, research objectives, and literature review that have been discussed, the research hypothesis is as follows:

- H1: Work Stress (X1) has an effect on Organizational Commitment (Y1)
- H2: Reward System (X2) has an effect on Organizational Commitment (Y1)
- H3: Work Stress (X1) has an effect on Employee Performance (Y2)

- H4: Reward System (X2) has an effect on Employee Performance (Y2)
- H5: Organizational Commitment (Y1) has an effect on Employee Performance (Y2)

3.3.   Research Approach

In this study, the method used is a quantitative research method using four variables, namely, work stress and reward system as independent variables, organizational commitment as a mediating variable and employee performance as the dependent variable. The purpose of this study was to determine the effect of job stress and reward system on organizational commitment and employee performance. This study used survey data collection methods and the data collection tool used was a questionnaire. Questionnaires will be distributed by researchers to measure the effect of work stress and reward system on organizational commitment and employee performance. Data collection will be carried out from March to May 2021 through an online site, namely Telegram. This questionnaire will be distributed to 711 respondents and respondent data will be obtained from IPOMS (Indonesian Production and Operation Management Society).

In this study, the population used is the manager level where data will be obtained through questionnaires through members of IPOMS (Indonesian Production and Operation Management Society), namely a community consisting of company managers with a population or number of members as many as 711 IPOMS members. Researchers chose IPOMS as the population, because company managers themselves are people who directly affect the company's economic performance, especially during the covid-19 pandemic (Lestari & Saifuddin, 2020), besides that managers have a high task load. If the stress becomes high, then commitment to the organization can be affected, and also affects the performance of each employee so that it can be detrimental to the company Agusta (2013). Because this study uses Structural Equation Modeling (SEM), the number of samples used must be at least more than 50 samples, so that the data can be processed and analyzed, because if the sample is less than 50, the data cannot be analyzed (Hair et al., 2006). The method of calculating the number of samples that will be used in this study uses a representative sampling method (Hair et al., 2006), which depends on the number of indicators multiplied by 5 to 10. The number of samples in this study are:

Sample = Number of indicators x 7
          = 17 x 7
          = 119

Based on the above calculations, the minimum number of samples in this study was 119 respondents.

In distributing the questionnaire, the scale that will be used is an interval scale (Marchelia, 2014), meaning that the subject will be asked to fill out the scale by choosing between a range of 1 to 7 on each question item. Instructions for filling as follows:

1) Strongly Disagree
2) Do not agree
3) Disagree
4) Neutral
5) Slightly Agree
6) Agree
7) Strongly agree

3.5.   Data analysis method

In this study, researchers used PLS-based SEM (Partial Least Square) or also called Variance-based SEM. SEM-PLS itself can be seen as a combination of regression and factor analysis, because this study uses an extension of an existing theory, SEM-PLS was chosen as the analytical method (Sholihin & Ratmono, 2013).

There are seven procedures in data analysis, namely:
1. Creating path model specifications
   At the initial stage, researchers need to draw diagrams as illustrations of hypotheses and variables to be tested in research using SEM-PLS.
2. Making measurement model specifications
   The measurement model can show how the relationship between the construct and its measurement indicators is, or it can also be called the outer model.

3. Perform data collection and screening

This stage is the most important stage. At this stage the researcher tries to identify the components of errors in the data and discard them in the analysis.

4. Estimating the SEM-PLS model

The estimation of the SEM-PLS model serves to obtain the results of the structural and measurement models performed with the variant-based SEM-PLS algorithm.

5. Evaluating the measurement model

Review and evaluate the results of the SEM-PLS using a systematic process including the evaluation of the measurement model and the structural model.

6. Evaluating the results of structural model testing.

At this stage there are 6 steps that must be followed, as follows:

Step 1 = Assessing collinearity problems

Step 2 = Assessing the significance and relevance of structural model relationships

Step 3 = Assessing coefficient level R ^{2}

Step 4 = assess *f effect size*

Step 5 = Assess *predictive relevance Q* ^{2}

Step 6 = Assessing *q* ^{2} *effect size*

7. Interpret results and draw conclusions

At the stage of interpreting the results and drawing conclusions, researchers can interpret the results of the SEM-PLS test to evaluate whether the empirical results support the proposed theoretical model or not. There are two stages in performing analytical techniques using SEM-PLS, namely the measurement (outer) model and the Structural (inner) model (Sarwono, 2012).

3.5.1.   Measurement (Outer) Model

There are three characters in the measurement (outer) model, namely:

1. Convergent Validity (Convergent Validity)

To evaluate convergent validity, the outer loading of each indicator and average variance extracted (AVE) can be used. When the outer loading is high, it means the indicator can be described by the construct being measured. In general, the outer loading should be 0.708 or even higher (Sholihin & Ratmono, 2013).

2. Discriminant Validity

Discriminant validity can show the level, how much a latent variable or construct is really different from other constructs as shown by the results of empirical research (Sholihin & Ratmono, 2013).

3. Internal Consistency Reliability

Composite reliability varies between 0 and 1, the higher the value, the better the reliability. Composite reliability can be accepted at a value of 0.60 - 0.7 (Sholihin & Ratmono, 2013).

3.5.2.   Structural (Inner) Model

There are several analyzes that can be done on the Structural (inner) model, namely:

1. R Square (R^2)

R square (R ^{2}) can be used to explain the magnitude (in percentage terms) of the independent effect on the dependent variable. The value of R ^{2} itself from zero to one ($0 < R^2 < 1$). If the results show a number that is getting closer to zero, it can be said that the contribution of the influence is getting smaller, but if it is getting closer to one, then the influence of the independent variable on the dependent variable is getting bigger (Ratna & Meiliani, 2018).

2. Q Square (Q^2)

Q square (Q ^{2}) can be used to measure how well the observed values are generated by the model and also to estimate the parameters. If the value of Q square is greater than 0, it means that this model has predictive relevance, but if the value of Q square is less than 0, it means that the model lacks predictive relevance. The range of values from Q ^{2} is $0 < Q^2 < 1$, if it is closer to 1 it means the better it is, while the formula for Q ^{2} is: Q ^{2} = 1 - [(1 - R1) x (1-R2).

3.5.2. Hypothesis test

P-value is also a test criterion used to decide whether H0 is accepted or rejected (Mufarrikoh, 2019). If the P-value <0.05 then H0 is rejected, but if the P-value> 0.05 means H0 is accepted. In this study, hypothesis testing was carried out with path coefficients and outer loading by comparing the T-Statistic and T-table values using a significance level of 5% or 1.96 (Hadikusuma & Jaolis, 2019). If the value of T Statistics < T-table then it is considered insignificant, but if the value of T-Statistic > T-table then it is considered significant.

4. Result and Discussion
4.1. Data analysis
4.1.1. Respondent Description

Data collection (questionnaire) was obtained online using a google form which was distributed via telegram to members of IPOMS (Indonesian Production and Operation Management Society), which is a collection of managers in Indonesia. Questionnaires were distributed to 119 members of IPOMS with a total of 45 respondents receiving questionnaires. The data obtained based on the results of filling out the questionnaires and respondents as follows:

Table 4.1. Distribution of Subjects by Length of Work

Length of work	Amount	Percentage
<=10	31	69%
>10	14	31%
Total	45	100%

Source: **respondent data processed, 2021**

TTable 4.2. Distribution of Subjects by Marital Status

Marital status	Amount	Percentage
Marry	28	62%
Not married yet	16	36%
divorced	1	2%
Total	45	100%

Source: **respondent data processed, 2021**

Table 4.3. Distribution of Subjects by Allowance

Allowance	Amount	Percentage
Get Allowance	37	82%
Not Getting Allowance	8	18%
Total	45	100%

Source: **respondent data processed, 2021**

Table 4.4. Distribution of Subjects by Monthly Salary

Salary per Month	Amount	Percentage
<Rp.4.000.000	9	20%
Rp.4.000.000-4.999.999	1	2%
Rp.5.000.000 - Rp. 6.000.000	7	16%
> Rp. 6.000.000	28	62%
Total	45	100%

Source: **respondent data processed, 2021**

4.1.2. Description of Research Variable

Table 4.5. Description of Employee Performance Variables

Tems	Statement	Mean	Standard Deviation
KK1	I was given the opportunity to take the initiative myself to achieve the work targets set by the leadership	5.82	1.46
KK2	I am able to achieve the targets set by the leadership	6.33	0.96
KK3	I can minimize my error rate at work	6.11	0.90

KK4	I can complete work according to the standards set by the leader	6.13	1.09
KK5	I always finish my work on time	5.15	1.39
KK6	I am disciplined at work	6.28	0.96
KK7	I do my job neatly and thoroughly	6.17	0.87
KK8	I try to be serious in carrying out the work in order to get maximum results	6.40	1.04
KK9	At work I try to comply with existing regulations even though there is no supervision	6.46	0.98
KK10	In doing work, I don't wait for orders	6.00	1.13
	Whole	6.08	1.07

Source: **respondent data processed, 2021**

When viewed as a whole, respondents' answers related to employee performance with a mean value of 6.08 can be interpreted that the value is close to 7 on an interval scale and has a positive response to employee performance in managers in Indonesia, while the standard deviation value is 1.07 which means the data is less varied because the standard deviation value is smaller. than the mean.

Table 4.6. Description of Organizational Commitment Variable

Items	Statement	Mean	Standard Deviation
KO1	I am happy to spend the rest of my career in this company	4.86	1.78
KO2	I like to talk about my organization with people outside my organization	5.28	1.18
KO3	I'm not afraid of what will happen if I quit this company	5.02	1.49
KO4	It would be very difficult for me to leave my organization now, even if I wanted to	4.26	1.45
KO5	I think people these days move from one company to another too often.	5.15	1.29
KO6	I believe that a person should always be loyal to his organization	5.28	1.65
	Whole	4.97	1.03

Source: **respondent data processed, 2021**

When viewed as a whole, respondents' answers related to employee performance with a mean value of 4.97 can be interpreted that the value is close to 7 on an interval scale and has a positive response to Organizational Commitment in managers in Indonesia, while the standard deviation value is 1.03 which means the data is less varied because the standard deviation value is smaller. than the mean.

Table 4.7. Description of Work Stress Variables

Items	Statement	Mean	Standard Deviation
SK1	I feel restless or nervous because of my job	3.48	1.69
SK2	working here makes it hard for me to spend enough time with my family	3.91	1.60
SK3	My job demands more than it should	4.22	1.72
SK4	I spend so much time at work that I can't enjoy nature outside	3.77	1.42
	Whole	3.84	1.60

Source: **respondent data processed, 2021**

If viewed as a whole, respondents' answers related to work stress with a mean value of 3.84 can be interpreted that the value is close to 7 on an interval scale and has a positive response to work stress in managers in Indonesia, while the standard deviation value is 1.60 which means the data is less varied because the standard deviation value is more smaller than the mean.

Tabel 4.8. Deskripsi Variabel Sistem *Reward*

Items	Statement	Mean	Standard Deviation
SR1	Salary given in accordance with existing standards	5.31	1.78
SR2	The salary given gives satisfaction at work	5.26	1.74
SR3	Incentives received according to the work done	5.24	1.71
SR4	The company provides rewards for employees who excel/diligent	4.95	1.72
SR5	For overtime work, additional compensation is given from the company	4.97	1.98
SR6	The benefits given are in line with expectations	4.82	1.81
	Whole	5.09	1.79

Source: **respondent data processed, 2021**

If viewed as a whole, respondents' answers related to the Reward System with a mean value of 5.09 can be interpreted that the value is close to 7 on an interval scale and has a positive response to work stress in managers in Indonesia, while the standard deviation value is 1.79 which means the data is less varied because the standard deviation value is more smaller than the mean.

4.1.3. *Description of Research Variables after Elimination*

The following is a description of the mean and standard deviation of Employee Performance, Organizational Commitment, Reward System and work stress after several indicators have been eliminated.

Table 4.9. Description of Employee Performance Variables after Elimination

Items	Statement	Mean	Standard Deviation
KK1	I was given the opportunity to take the initiative myself to achieve the work targets set by the leadership	5.82	1.46
KK2	I am able to achieve the targets set by the leadership	6.33	0.96
KK4	I can complete work according to the standards set by the leader	6.13	1.09
KK6	I am disciplined at work	6.28	0.96
KK8	I try to be serious in carrying out the work in order to get maximum results	6.40	1.04
KK9	At work I try to comply with existing regulations even though there is no supervision	6.46	0.98
	Whole	6.23	1.08

Source: **respondent data processed, 2021**

If viewed as a whole, respondents' answers related to employee performance with a mean value of 6.23 can be interpreted that the value is close to 7 on an interval scale and has a positive response to employee performance in managers in Indonesia, while the standard deviation value is 1.07 which means the data is less varied because the standard deviation value is more smaller than the mean.

Table 4.10. Description of Organizational Commitment Variable after Elimination

Items	Statement	mean	Standard Deviation
KO1	I am happy to spend the rest of my career in this company	4.86	1.78
KO4	It would be very difficult for me to leave my organization now, even if I wanted to	4.26	1.45
KO6	I believe that a person should always be loyal to his organization	5.28	1.65
	Whole	4.80	1.62

Source: **respondent data processed, 2021**

When viewed as a whole, respondents' answers related to employee performance with a mean value of 4.80 can be interpreted that the value is close to 7 on an interval scale and has a positive response to Organizational Commitment in managers in Indonesia, while the standard deviation value is 1.07 which means the data is less varied because the standard deviation value is more smaller than the mean.

Table 4.11. Description of Job Stress Variables after Elimination

Items	Statement	Mean	Standard Deviation
SK2	working here makes it hard for me to spend enough time with my family	3.91	1.60
SK3	My job demands more than it should	4.22	1.72
SK4	I spend so much time at work that I can't enjoy nature outside	3.77	1.42
	Whole	3.96	1.58

Source: **respondent data processed, 2021**

When viewed as a whole, respondents' answers related to work stress with a mean value of 3.96 can be interpreted that the value is close to 7 on an interval scale and has a positive response to work stress in managers in Indonesia, while the standard deviation value is 1.07 which means the data is less varied because the standard deviation value is more smaller than the mean.

Table 4.12. Description of *Reward* System Variables after Elimination

Tems	Statement	Mean	Standard Deviation
SR1	Salary given in accordance with existing standards	5.31	1.78
SR2	The salary given gives satisfaction at work	5.26	1.74
SR3	Incentives received according to the work done	5.24	1.71
SR5	For overtime work, additional compensation is given from the company	4.97	1.98
SR6	The benefits given are in line with expectations	4.82	1.81
	Whole	5.12	1.80

Source: **respondent data processed, 2021**

When viewed as a whole, respondents' answers related to the Reward System with a mean value of 5.12 can be interpreted that the value is close to 7 on an interval scale and has a positive response to work stress in managers

in Indonesia, while the standard deviation value is 1.07 which means the data is less varied because the standard deviation value is more smaller than the mean.

4.2. Partial Least Square Analysis

The following is a structural model that describes the relationship between variables in this study:
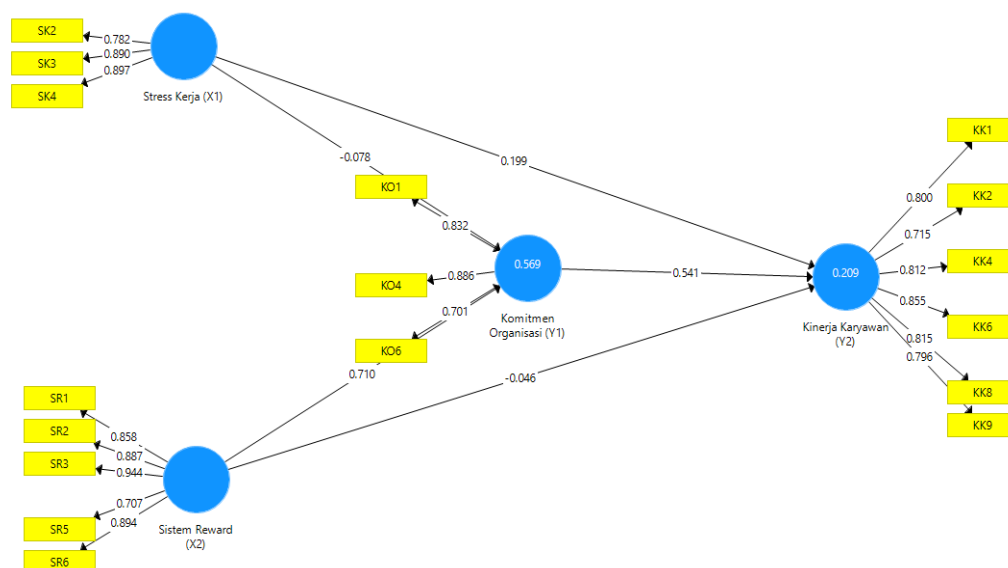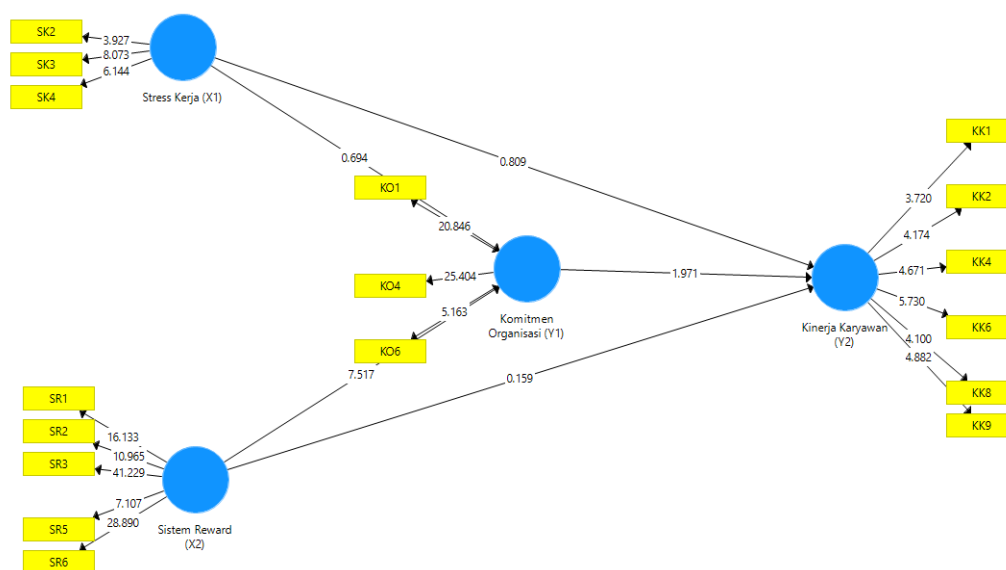

Figure 4.1. PLS Algorithm Test Results

Figure 4.2. Bootstrap Algorithm Test Results

4.3. Outer Model Evaluation

4.3.1. Convergent Validity

Existing indicators are said to meet convergent validity if the outer loading value is >0.7 and the Average Variance Extracted (AVE) value is above 0.5 (Hair Jr et al., 2016). The following are the outer loading and Average Variance Extracted (AVE) values obtained from the evaluation results of the outer model:

Table 4.13. *Outer Loading* Value

Variabel	Indikator	Outer Loading	Keterangan
Kinerja Karyawan	KK1	0.729	
	KK2	0.728	
	KK3	**0.609**	**Eliminasi**
	KK4	0.797	
	KK5	**0.248**	**Eliminasi**
	KK6	0.878	

	KK7	**0.583**	**Eliminasi**
	KK8	0.780	
	KK9	0.814	
	KK10	**0.644**	**Eliminasi**
Komitmen Organisasi	KO1	0.811	
	KO2	**0.675**	**Eliminasi**
	KO3	**-0.494**	**Eliminasi**
	KO4	0.827	
	KO5	**0.547**	**Eliminasi**
	KO6	0.673	
Stres Kerja	SK1	**0.425**	**Eliminasi**
	SK2	0.782	
	SK3	0.890	
	SK4	0.897	
Sistem *Reward*	SR1	0.858	
	SR2	0.887	
	SR3	0.944	
	SR4	**0.570**	**Eliminasi**
	SR5	0.707	
	SR6	0.894	

Source: **respondent data processed, 2021**

From the results of data processing using SmartPLS in table 4.13, most of the indicators in each variable in this study have an outer loading value greater than 0.70 and are said to be valid. In addition, there are 10 indicators that have an outer loading value of less than 0.70, first on the Employee Performance variable, there are 4 indicators, namely KK3 showing 0.609, KK5 showing 0.248, KK7 showing 0.583 and KK10 showing 0.644, secondly on the Organizational Commitment variable there are 4 indicators but only 3 which was eliminated because one indicator became valid when deleting other indicators, the 3 indicators, namely KO2 showing 0.675, KO3 showing -0.494 and KO5 showing 0.547, thirdly on the Work Stress variable there is 1 indicator, namely SK1 showing 0.425, and the last one in the Reward System variable is 1 indicator, namely SR4 shows 0.570. This shows that the indicator variable which has a loading factor value greater than 0.70 has a high level of validity, thus fulfilling convergent validity. Meanwhile, the variable indicator that has a loading value less than 0.70 has a low level of validity so that the variable indicator needs to be eliminated or removed from the model.

The loading factor values after the KK3, KK5, KK7, KK10, KO2, KO3, KO5, SK1 and SR 4 indicators have been eliminated, can be shown in Table 4.14:

Table 4.14 *Outer Loading* and AVE values after elimination

Variable	Indicator	Outer Loading	AVE
Employee performance	KK1	0.800	
	KK2	0.715	
	KK4	0.812	0.640
	KK6	0.855	
	KK8	0.815	
	KK9	0.796	
Organizational Commitment	KO1	0.832	
	KO4	0.886	0.657
	KO6	0.710	
Work stress	SK2	0.782	
	SK3	0.890	0.736
	SK4	0.897	
Reward System	SR1	0.858	
	SR2	0.887	
	SR3	0.944	0.743
	SR5	0.707	
	SR6	0.894	

Sumber: **respondent data processed, 2021**

Based on table 4.14, it can be seen that the outer loading value of each indicator in each variable has a value > 0.7. Likewise, the Average Variance Extracted (AVE) in each variable has a value > 0.5. It can be concluded that the indicators used in this study have met convergent validity which can measure the variables studied.

4.3.2. Discriminant Validity

Methods The following are the Fornell Larcker Criterion or HTMT values and cross loading in this study:

Table 4.15. Value **Fornell Larcker Criterion or HTMT**

Variable	Performance Employee	Commitment Organization	System Rewards	Stress Work
Employee performance	**0.800**			
Organizational Commitment	0.416	**0.810**		
Reward System	0.255	0.751	**0.862**	
Work stress	-0.024	-0.457	-0.534	**0.858**

Source: **respondent data processed, 2021**

Based on Table 4.15. shows that each variable in this study has met discriminant validity because it has the largest Fornell Larcker Criterion or HTMT value.

Table 4.16. Cross Loading Value

Indicator	Employee performance	Organizational Commitment	Reward System	Work stress
KK1	**0.800**	0.498	0.354	-0.009
KK2	**0.715**	0.312	0.137	-0.085
KK4	**0.812**	0.176	0.120	-0.032
KK6	**0.855**	0.240	0.052	-0.010
KK8	**0.815**	0.120	0.058	-0.017
KK9	**0.796**	0.313	0.236	0.022
KO1	0.447	**0.832**	0.666	-0.454
KO4	0.359	**0.886**	0.637	-0.413
KO6	0.146	**0.701**	0.504	-0.191
SR1	0.412	0.701	**0.858**	-0.405
SR2	0.193	0.514	**0.887**	-0.491
SR3	0.184	0.712	**0.944**	-0.554
SR5	0.041	0.466	**0.707**	-0.527
SR6	0.186	0.757	**0.894**	-0.386
SK2	-0.079	-0.292	-0.212	**0.782**
SK3	-0.007	-0.501	-0.635	**0.890**
SK4	0.010	-0.323	-0.420	**0.897**

Source: **respondent data processed, 2021**

Based on Table 4.16 shows that each indicator that measures the variables in this study has met discriminant validity because it has the largest cross loading value so it can be concluded that each variable in this study has met discriminant validity.

4.3.3. Composite Reliability

A variable can be said to meet the reliability if the resulting cronbach alpha must be > 0.7 and the resulting composite reliability must be > 0.7 (Abdillah & Jogiyanto, 2015). The following table shows the value of Cronbach's alpha and composite reliability in the study.

Table 4.17. Value Cronbach's Alpha and Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability
Employee performance	0.895	0.914
Organizational Commitment	0.740	0.850
Reward System	0.913	0.935
Work stress	0.827	0.893

Sumber: **data responden diolah, 2021**

Based on Table 4.17 shows that Cronbach's alpha and composite reliability have a value > 0.7 for each variable. So it can be said that each variable has met the reliability.

4.4. Structural (Inner) Model Evaluation

4.4.1. Value of R Square (R^2)

Table 4.18. Value of R Square

Variable	R Square Nilai
Organizational Commitment	0.569
Employee performance	0.209

Source: **respondent data processed, 2021**

From table 4.18 it can be seen that the result value of the R Square value on Organizational Commitment is 0.569 which indicates that Work Stress and Reward System has an influence of 56.9% on manager level employees in Indonesia, while the remaining 43.1% is influenced by other variables not described in this research. In addition, the value of R Square on employee performance is 0.209 which indicates that work stress, reward system and organizational commitment have an influence of 20.9% on manager level employees in Indonesia, while the remaining 79.1% is influenced by other variables not explained in this study.

4.4.2. Value of Q Square (Q2)

Q Square can be graded for predictive accuracy. If the result of Q Square > 0 then it can be said that the model has predictive relevance, but if the result of Q Square < 0 it indicates that the model has no predictive relevance (Hair et al., 2014). The result of Q Square is calculated through the following formula:

Q Square = 1 - [(1 - R1) X (1 - R2)]　　　　　　　　　(1)

Q Square = 1 - [(1 - 0.569) X (1 - 0.209)]

Q Square = 1 - [(0.431) X (0.791)]

Q Square = 1 - [0.340]

Q Square = 0.66

The calculation result of Q Square is 0.66 which can predict that 66% of Work Stress and Reward System will appear on manager level employees in Indonesia

4.5. Hypothesis testing

The hypothesis can be said to be accepted if the T-Statistic value is > 1.96 with a significance value of p-value < 0.05 or <5% (Hadikusuma & Jaolis, 2019). The following are the results of hypothesis testing in this study:

Table 4.19 Path Coefficients Results

Hypothesis	Original Sample (O)	Simple Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Value
Work Stress (X1) -> Organizational Commitment (Y1)	-0.078	-0.081	0.112	0.694	0.488
Reward System (X2) -> Organizational Commitment (Y1)	0.710	0.713	0.094	7.517	0.000
Work Stress (X1) -> Employee Performance (Y2)	0.199	0.175	0.245	0.809	0.419
Reward System (X2) -> Employee Performance (Y2)	-0.046	-0.060	0.290	0.159	0.874
Organizational Commitment (Y1) -> Employee Performance (Y2)	0.541	0.554	0.275	1971	0.049

Source: **respondent data processed, 2021**

Table 4.20. Summary of Hypothesis Testing Results

	Hypothesis	Results	Description
RH1	The effect of job stress on organizational commitment to manager level employees	Coefficient value: -0.078 *T Statistic* : 0.694 *P Value* : 0.488	Does not support
RH2	The effect of the reward system on organizational commitment to manager level employees	Coefficient value: 0.710 *T Statistic* : 7.517 *P Value* : 0.000	Support
RH3	The effect of work stress on employee performance at manager level employees	Coefficient value: 0.199 *T Statistic* : 0.809 *P Value* : 0.419	Does not support
RH4	The effect of the reward system on employee performance at manager level employees	Coefficient value: -0.046 *T Statistic* : 0.159 *P Value* : 0.874	Does not support
RH5	The effect of organizational commitment on employee performance at manager level employees	Coefficient value: 0.541 *T Statistics* : 1,971 *P Value* : 0.049	Support

Source: **respondent data processed, 2021**

5. Conclusions and Practical Implication

5.1. Conclusions

Based on the results of research that has been done by researchers, it can be concluded that there are two things that affect the commitment and performance of manager level employees. The first is the reward system for organizational commitment with a coefficient value of 0.710, T Statistics 7.517 which means that there is a positive and significant influence between the two variables, the second is an organizational commitment to employee performance with a coefficient value of 0.541, T Statistics 1.971 which means that there is an influence positive and significant correlation between organizational commitment and employee performance. Which means that the three variables have an important role on manager level employees. Manager level employees are one of the important assets in any company, therefore, companies need to create a good reward system to increase organizational commitment and employee performance in any company. This is related to the results of research showing that the reward system is able to encourage organizational commitment and organizational commitment is able to encourage employee performance. The reward system is able to trigger employees to be more committed to the company. For the sustainability of the company itself (Allen & Meyer, 1990). In addition, organizational commitment is also able to trigger employees to have good performance in order to help the company's success in the long term (Allen & Meyer, 1990).

Based on the results of the study, answering the existing problem formulation, there were three variables that were rejected, namely work stress with organizational commitment, job stress with employee performance and reward system on employee performance. The first is work stress and organizational commitment has a coefficient value of -0.078, T Statistics 0.694 which means that there is a negative but not significant effect between the two variables, both work stress and employee performance with a coefficient value of 0.199, T Statistics 0.809 which means that there is a positive effect but not significant, the three reward systems and employee performance with a coefficient value of -0.046, T Statistics 0.159 which means there is a negative but not significant effect.

The results of this study are related to the grand theory in this study, namely the upper echelon which says that the organization is a reflection of the top manager, meaning that the commitment and performance of this manager level employee can reflect the quality of the company itself (Hiebl, 2013). Regarding the research variable, namely employee performance, it can affect according to the characteristics and strategies of managers who are able to explain organizational performance (Hiebl, 2013). However, both the characteristics and the choice of this strategy can be influenced by the company's situation both externally and internally such as the reward system and organizational commitment which are several types of strategies that can affect organizational performance which is in accordance with the results of this study (Hiebl, 2013).

5.2. Practical Implication

The results of this study are expected to be a source of information and can be applied by companies or managers in companies. The managerial implications in this study are: Judging from the results of the study where there is a positive and significant relationship between organizational commitment and employee performance, the company can make commitment and performance increase by conducting programs for fellow managers such as training and coaching to make it better and have a high work ethic. From the research results, work stress has an effect on organizational commitment and employee performance, although it is not significant. However, the company can manage time at work so that managers do not feel bored and stressed with the existing work, by making work more interesting. The results show that the reward system has a positive and significant effect on organizational commitment, meaning that the reward system in the company is one of the important things that can affect the job satisfaction of managers and their commitment to the organization. So that the reward given must be meaningful so that the manager can do his job well, this can then have a good effect on his subordinates. Making the results of this study as an evaluation related to the reward system, organizational commitment, and employee performance.

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