

**THE INFLUENCE OF TOTAL QUALITY MANAGEMENT (TQM), REWARD SYSTEMS, AND PERFORMANCE MEASUREMENT SYSTEMS ON COMPANY PERFORMANCE THROUGH EMPLOYEE PRODUCTIVE BEHAVIOR AS A MEDIATION VARIABLE IN GARMENT COMPANIES**



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**Abstract**

Today's business world has experienced rapid development. There is intense competition among fellow companies. The management system can work as a tool to improve company performance by measuring its employees' performance. A performance measuring system is required to improve business performance. It will later function as an information provider that can be a reference for managers in making correct decisions for the company's progress in general. This study focuses on garment companies using SEM PLS data analysis techniques, producing different results. It uses a quantitative descriptive method. It looks at the company's performance measurement only from a financial point of view. The result showed that there is a significant beneficial impact between the TQM, employee productive behavior on company performance, and TQM on employee productive behavior. However, there is no effect of the reward system on the company's performance. The productive behavior of employees can mediate the reward system based on company performance. Performance measurement systems can be mediated by productive employee behavior upon company performance. Employees that engage in productive behavior can mediate TQM on mediated company performance. The suggestion of the result of this research is the company can consider these research results to develop their company performance to achieve their goal. Therefore, the researchers also suggest that others conduct further research using a different method and variables that have not been studied in this study.

**Keywords:** Company Performance, Employee Behavior, Garment Companies

## INTRODUCTION

Today's business world has experienced rapid development. There is intense competition among fellow companies. The emergence of the ASEAN Economic Community (AEC) makes competition more competitive. Therefore, business people are competing to improve the performance of their company. Improving product quality, culture, and organizational management can also improve performance (Chairany, Ikasari, Nur, & Amirullah, 2017). The implementation of a sound management system is necessary for product quality. This management system can work as a tool to improve company performance by measuring its employees' performance. The company's attention is not limited to the quality of the products produced but also to the aspects of the process, human resources (HR), and the environment. So, it is crucial to measure the productivity behavior of company employees by including elements of quality improvement based on improving human resources (Wahyuni, Djati, & Seputra, 2022).

The Total Quality Management (TQM) strategy aims to improve continually. Continuous improvements regarding the skills, processes, and the environment demonstrate the company's effectiveness in delivering quality products and services in today's globalized period (Khan, Kaviani, Galli, & Ishtiaq, 2019). We can use TQM techniques to determine which components of the company need repair and replacement (Jimoh, Oyewobi, Isa, & Waziri, 2019). A well-managed TQM can affect the productive behavior of the employees themselves. Employees will be more motivated by what they are doing because the work or task given has clear objectives so that the productive performance of employees will ultimately result in optimal company performance following the company's goals (Schmeller et al., 2017).

To improve company performance, a performance measurement system is needed. It will later function as an information provider that can be a reference for managers in making right decisions for the company's progress in general, where it looks at the company's performance measurement only from a financial point of view. However, financial and non-financial aspects are also no less critical as complementary tools to the information these managers need. The performance measurement system also offers decision-making information. A system of performance measurement that cover both non-financial and financial components provide more relevant information. Employees can be the company's

main competitive advantage in almost all businesses. Moreover, employees or workers are a vital aspect of the organization to structure and implement a strategy. Therefore, an award is needed to keep employees in order to remain in the organization. One way for employees to improve their performance is by giving awards. Employees who get the award will be motivated to be more active in working, which in the end, can be profitable for the company. A motivated person can make efforts over a long time to achieve his desired goals. The fulfillment of compensation and providing good motivation will undoubtedly increase the productivity and performance of employees (Yusriwati & Wahyuni, 2018b).

Many studies are available to determine TQM's impact implementation regarding staff productivity and corporate performance. Employee productivity behavior is the crucial factor that support the success of a business. A high productivity will be benefited for both of the entrepreneur and the employee, especially their prosperity. Productivity reflects employee's work ethic that also reflects a good mental behavior (Pitriyani & Halim, 2020). A study by Sari et al., (2018) stated that TQM significantly affects employee performance at PT. PLN (Persero) Bangkinang Branch is shown from the achievement of good performance after the implementation of the TQM. Ramlawati (2018) states that applying TQM affects competitiveness, consumer satisfaction, and business performance. However, other studies by (Putri, Yusof, Hasan, & Darma, 2017) stated that applying TQM significantly affected company performance. However, employees' productive behavior did not significantly affect company performance (a study on manufacturing and service companies in Makassar).

Researchers review previous research by Putri et al., (2017) that examined the role of TQM regarding employee performance. Research reviews previous research by Putri et al., (2017) that examined the role of TQM regarding employee performance. At the same time, this study tested the Total Quality Management (TQM) guidance, the reward system, and performance measurement system upon company performance through employee productive behavior.

This research aims to determine the influence of TQM, reward system, and performance measurement system on company's performance through employee productivity behavior as the mediation variable. This research use a mediation variable to find whether it will affect the result or not. Also, it focuses on garment companies using

SEM PLS data analysis techniques, producing different results. The result of the study is hoped to be beneficial in the scientific field.

## REVIEW OF LITERATURE

### Total Quality Management (TQM)

Total Quality Management referred as part of an integrated strategy to sustaining and achieving high-quality result, with an emphasis on maintenance, continued improvement, as well as loss prevention across all functions and levels of the organization to exceed or meet the expectations of customers (Abbas, 2020). Numerous studies from many specialists emphasize the TQM concept by using or analyzing it in many fields or situations. Many studies reported positive relationship between TQM and organizational performance with different practices to be considered as the major practices affecting the successful implementation of TQM (Elvina, Anggraeni, Sasongko, & Erlandian, 2022). Based on the study (Androwis, Sweis, Tarhini, Moarefi, & Hosseini Amiri, 2018), it can be noticed that employees in the Jordanian construction chemicals companies believe that more efforts should be exerted on improving the above five practices so as to enhance the performance of their companies.

**Table 1**  
**TQM Indicators**

<b>Variable</b>	<b>Indicators</b>
TQM (Abbas, 2020)	1. Top Management Support, 2. Quality Information, 3. Process Management, 4. Product Design, 5. Workforce Management, 6. Supplier Involvement, 7. Customer Involvement, 8. Employee Empowerment

### Reward System

An award is any form of financial and non-financial return that an employee receives due to services donated to the company. Compensation in financial terms can be salary, wages, bonuses, commissions, benefits, holidays, or leave but paid. While in the non-financial form it can be in the form of exciting tasks, task challenges, task responsibilities,

opportunities, recognition, an achievement of goals and an exciting work environment (Swari & Wirasedana, 2017).

In this way, the concept of reward aims to satiate the demands that drive job motivation. Individual values, which lead and steer acts, behavior, and assessments of people, cannot be disregarded, though. The values are what a person deems desirable for particular parts of life, which guide their behavior, allow them to evaluate others and situations, and also serve to defend their deeds and assessments (Taba, 2018).

**Table 2**  
**Reward System Indicators**

<b>Variable</b>	<b>Indicators</b>
Award System (Fahrurazi and Suryani, 2020)	<ol style="list-style-type: none"><li>1. Awards given to meet the needs of life</li><li>2. The weight of the work</li><li>3. Working hours</li><li>4. Employee insights</li><li>5. The award given is the contribution of the manager or employee concerned and the frequency</li></ol>

### **Performance Measurement System**

Performance measurement is the periodic assessment regarding an organization but also its personnel's operational effectiveness in relation to previously established standards, goals, and criteria (Ridwan & Yogi, 2018). A performance measurement system is a process by which organizations assess employee performance to improve decision-making in the company. The performance measurement system is a mechanism that affects the possibility that the organization will implement its strategy successfully (Endah Aprilia, 2020). From the definition above, it is possible to conclude that the performance measurement system is a mechanism for systematically improving the workforce's effectiveness in carrying out the company's operational activities based on predetermined standards to implement company strategies and successfully improve decision-making.

**Table 3**  
**Performance Measurement System**

<b>Variable</b>	<b>Indicators</b>
Performance Measurement System (Yusriwati & Wahyuni, 2018a)	<ol style="list-style-type: none"> <li>1. Improving employee performance</li> <li>2. Performance expectations</li> <li>3. Assess performance appropriately</li> <li>4. Weighty assessment</li> <li>5. Done in a fair way</li> <li>6. The basis for determining the reward,</li> <li>7. A foundation for following the exercises</li> <li>8. The performance measurement system is carried out periodically</li> <li>9. Feasibility evaluation.</li> </ol>

### Company Performance

Currently, the most commonly employed variable in corporate research is company performance (Widjaya & Noverianto, 2021). Performance can be interpreted as the job achievement of a person or a group that has been done in a certain period of time and has been determined to achieve a certain goal (Kartawan, Marlina, & Susanto, 2018). It is also supported by other statement (Sari et al., 2018) performance is combination of abilities, efforts, and opportunities of a person, group, organization, or a company to do their job.

The actual result or output generated by a company that is afterwards compared and measured to the predicted results is referred to as the company's performance (Masnita (Universitas Trisakti - Indonesia), Rahman (Universitas Trisakti - Indonesia), & Veraldy (Universitas Trisakti - Indonesia), 2019). In general, experts define corporate performance as a collection of consciously generated productive assets, comprising human, physical, and capital resources, targeted at attaining a common goal (Novianty, 2019). There are various ways to determine and measure the performance of a company. Measuring company performance become a crucial thing for management to conduct evaluation toward company performance and goals planning in the future (Kurniasari, 2017).

**Table 4**  
**Company Performance Indicators**

<b>Variable</b>	<b>Indicators</b>
Company Performance (Novianty, 2019)	<ol style="list-style-type: none"> <li>1. Financial performance</li> <li>2. operational performance</li> <li>3. market-based performance</li> </ol>

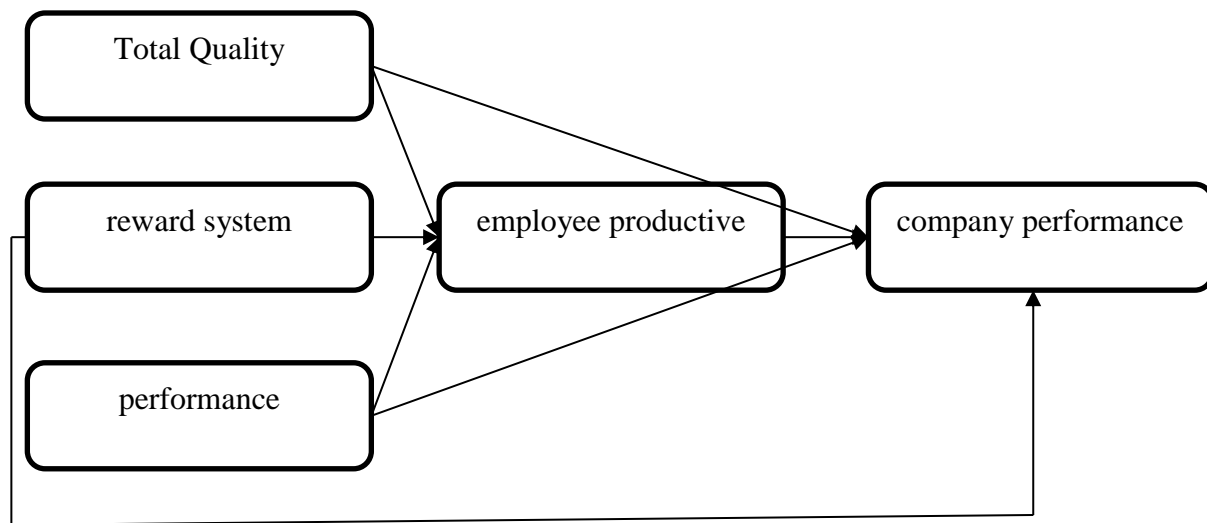
## Employee Productive Behavior

Someone with productive conduct contributes to its surroundings. In their interactions with others, they are inventive, original, responsible, and responsive (Nur Azizah & Gunadi, 2020). Employee productive behavior in human resource management analysis is related to many factors, such as work attitude, skill level, relationships between workers, and organizational leaders, productivity management, labor efficiency, and entrepreneurship (Suartina, Swara, & Astiti, 2019).

Productive people are people who give a significant and real contribution to the environment, imaginative, and innovative in responding their life problem and also have intelligence (creative) in achieving their life goals. At the same time, people like this will be always responsible and responsive in the relationship with other people. Employee like this is an asset for the organization because they will always improve themselves. Thus, it will support the organization productivity achievement (Nur Azizah & Gunadi, 2020).

**Table 5**  
**Employee Productive Behavior Indicators**

<b>Variable</b>	<b>Indicators</b>
Employee Productive Behavior	<ol style="list-style-type: none"><li>1. Smart and can learn quickly;</li><li>2. Professionally / technically competent always deepen knowledge in their field;</li><li>3. Creative, innovative, showing ingenuity and diversity;</li><li>4. Understand the work;</li><li>5. Using logic, organizing work efficiently, not easily stuck in work;</li><li>6. Always seeking for improvement, but well aware of when to stop;</li><li>7. Considered valuable by its superiors;</li><li>8. Have a record of successful achievements; and</li><li>9. Always improving yourself</li></ol>



**Figure 1**  
**Research Framework**

## RESEARCH METHOD

Sugiyono, (2017) stated that research procedures are scientific qualities used to collect data with a specific aim and usage. The method is the quantitative method. This study uses a quantitative descriptive method. Sarstedt et al., (2020) stated that descriptive research employs interviews, observations, or questionnaires to gather information on the existing state of events about the issue under investigation. To evaluate hypotension or answer a query, we gather data via questionnaires. The researchers will discuss what occurred within the present scenario through this study using descriptive research. This research was conducted on garment companies in Mojokerto. The sampling technique in this research is simple random sampling and the study's sample was 100 respondents. The data analysis technique was Partial Least Squares (PLS). The PLS means a variance-based structural equation modeling (SEM) manner. Sarstedt et al., (2020) stated that the goal of PLS-SEM is to create or establish a hypothesis (prediction orientation). PLS explains the existence or absence of relationships among latent variables or the prediction. Furthermore, PLS has a well-built analytic approach as it does not require existing information with a

specified scale measurement, as well as a significant number of little samples (Hair, Risher, Sarstedt, & Ringle, 2019).

### **Validity and Reliability Test**

Reliability and Validity tests aim to make sure that the measurements are precise and dependable (reliable and valid). Thus, testing the reliability and validity are as follows:

First, Convergent Validity is a measurement that assesses the relationship between the component value and a construct value, as illustrated by the standard loading factor, as it indicates the size of the relationship amongst each item examined and the corresponding construct. Individual reflex measures are considered high if they are more than 0.7.

Second, discriminant validity is a measuring framework that uses a reflection index to analyze size as well as cross-loading components. In discriminant validity, an instrument is termed valid only if an extracted root refers to a square of variance (AVE) value that is more significant than 0.5. Third, composite reliability is a measurement of a framework included in the latent variable coefficient. If the value of this measurement exceeds 0.70, the construction is regarded to be highly reliable. Fourth, Cronbach's Alpha, which is a reliability analysis that is utilized to reinforce the outcomes of combined reliability tests. The variable is regarded as dependable if the outcome of Cronbach's alpha value is more significant than 0.7.

### **Instrument Test**

**Table 6**  
**Instrument Test**

<b>Instrument Test</b>	<b>The Used Test</b>
<b>Validity Test</b>	Convergent Validity
	AVE
<b>Reliability Test</b>	Cronbach Alpha
	Composite Reliability

### **R Square Test**

The dependent construct's R-square aim to inspect the impact of a certain independent variable upon the distinct dependent variable, displaying the size of the influence.

### Inner Model Analysis

Deep model analysis, or as it commonly referred as simply structural model, refers to a method for determining the causal links amongst model variables. During Smart PLS testing, the hypothesis was evaluated during model analysis. Evaluation of the hypothesis shows the value of T-statistics and the probability. The t-statistical results used statistical values to test the hypothesis were 1.96 for 5% alpha. In contrast, the beta value indicates the direction of both the impact of the variable connection. The criteria for rejecting or accepting hypotheses are as follows:

$H_a = t\text{-statistics} > 1.96$  with a p-values' score of  $< 0.05$ .

$H_0 = t\text{-statistic} < 1.96$  with a p-values' score of  $> 0.05$ .

## RESULTS AND DISCUSSION

### Outer Model Analysis

#### Validity Test

A validity examination assesses whether a questionnaire is valid or not. This validity assessment is performed in this study utilizing convergent validity as well as AVE. The analysis of the measurement model uses convergent validity, which relies on the relationship between item scores or component scores from the PLS results. Single reflection size is deemed big if it differs from measured construction into more than 0.7. However, according to Dahri (2017) research the loading value of around 0.5 to 0.6 is regarded sufficient in the early stages of constructing a measuring scale.

**Table 7**  
**Validity Test Results**

Variable		Outer Loading	AVE	Information
TQM_X1	X1.1	0.710	0.587	Valid
	X1.2	0.723		Valid
	X1.3	0.765		Valid
	X1.4	0.687		Valid
	X1.5	0.847		Valid
	X1.6	0.759		Valid
	X1.7	0.862		Valid
	X1.8	0.758		Valid
X2_Reward System	X2.1	0.822	0.603	Valid
	X2.2	0.826		Valid

	X2.3	0.776		Valid
	X2.4	0.760		Valid
	X2.5	0.690		Valid
X3_Performance Measurement System	X3.1	0.821	0.557	Valid
	X3.2	0.682		Valid
	X3.3	0.699		Valid
	X3.4	0.605		Valid
	X3.5	0.759		Valid
	X3.6	0.810		Valid
	X3.7	0.793		Valid
	X3.8	0.720		Valid
	X3.9	0.800		Valid
Y_Company Performance	Y1.1	0.778	0.612	Valid
	Y1.2	0.805		Valid
	Y1.3	0.764		Valid
Z_Employee Productive Behavior	Z.1	0.779	0.575	Valid
	Z.2	0.785		Valid
	Z.3	0.763		Valid
	Z.4	0.751		Valid
	Z.5	0.712		Valid
	Z.6	0.719		Valid
	Z.7	0.736		Valid
	Z.8	0.829		Valid
	Z.9	0.741		Valid

### Reliability Test

The study utilizes two types of reliability examination. The first one is Cronbach's Alpha as well as the Composite Reliability tests Cronbach Alpha is an estimate of lowest-bound dependability. If the outcome of the Cronbach Alpha value is more than 0.7, then the data is considered credible. The true dependability value of a variable is measured via composite reliability. If the data seems to have a composite reliability score more than 0.7, it is considered very reliable.

**Table 8**  
**Reliability Test Results**

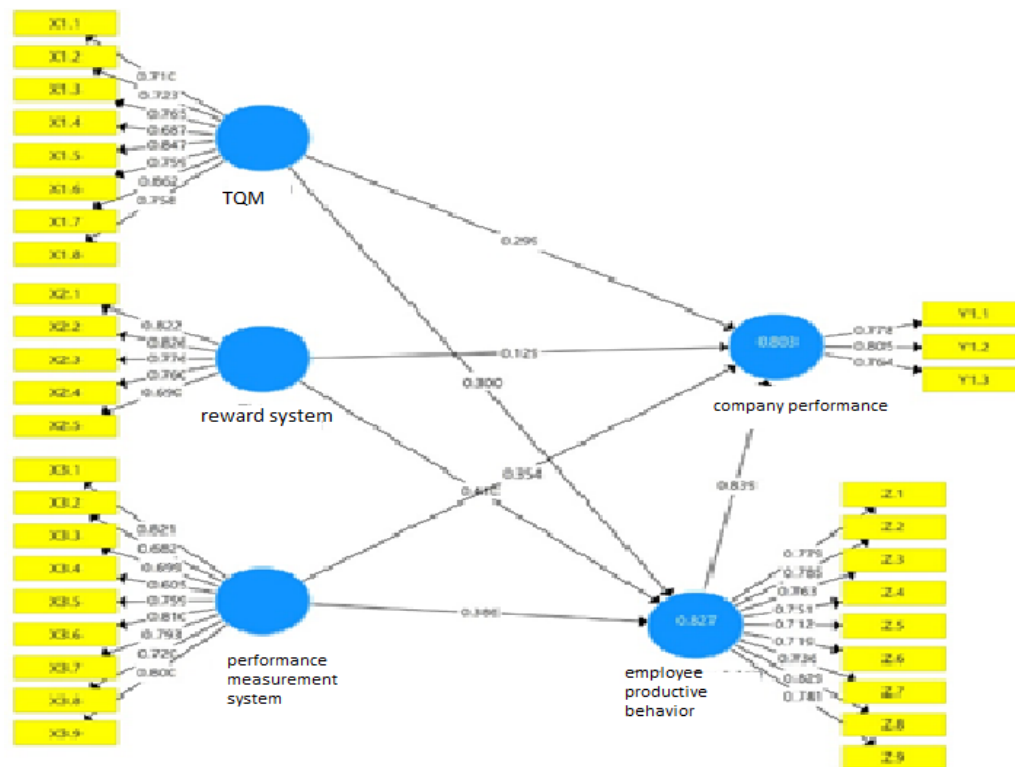
	Cronbach's Alpha	Composite Reliability
Y_Company Performance	0.683	0.826
Z_Employee Productive Behavior	0.907	0.924
X2_Reward System	0.834	0.883

X3_Performance Measurement System	0.899	0.918
TQM_X1	0.898	0.919

The test findings revealed that certain instruments proved trustworthy, with Cronbach Alpha, but also Composite reliability scores of more than 0.7.

**Convergent Validity Test After Modification**

The image below depicts the SEM PLS model calculation results after it signs that fail to meet the criteria of loaded factor values have been deleted. Since the loading value from indicators upon every variable is not less than 0.6, also, the study moves upon to the discriminant validity test.



**Figure 2**  
**Outer Model**

**R-Square Test**

It's R-Square Coefficient evaluation (R-Square) examination measures the extent to which endogenous factors impact other variables. As visible in the table below, this R-Square value is following the results of data analysis with the SmartPLS program:

**Table 9**  
**R-Square Test**

	<b>R Square</b>	<b>R Square Adjusted</b>
Y_Company Performance	0.803	0.794
Z_Employee Productive Behavior	0.827	0.821

An R-Square score of 0.803 for company performance implies that employee productive behavior, the reward system, the performance measurement system, and TQM have an impact on company performance of 80.3%, while factors not included in this study affect 19.7% other factors. The test results revealed an R-Square value of 0.827 for employee productive behavior, showing that the reward system, the performance measurement system, and TQM affect company performance by 82.7%. In contrast, variables not stated in this study influence 17.3% of others.

**Hypothesis Test**

The t-statistics as well as probability values for testing hypotheses utilizing statistical values for alpha 5% may be seen simply comparing its t count with the t table. As a result, whether H0 is rejected is the criterion of rejecting or accepting the Hypothesis, whereas whether the t-statistic is bigger than the t count. Ha is accepted if p 0.05 is employed to reject or acknowledge the hypothesis.

**Table 10**  
**Hypothesis Test**

	<b>Original Sample (O)</b>	<b>T-Statistics ( O/STDEV )</b>	<b>P Values</b>
Z_Employee Productive Behavior -> Y_Company Performance	0.839	8.899	<b>0.000</b>
X2_Reward System -> Y_Company Performance	0.129	1.230	<b>0.219</b>
X2_Reward System -> Z_Employee Productive Behavior	0.410	4.618	<b>0.000</b>
X3_Performance Measurement System -> Y_Company Performance	0.354	2.205	<b>0.028</b>

X3_Performance Measurement System -> Z_Employee Productive Behavior	0.386	3.262	<b>0.001</b>
TQM_X1 -> Y_Company Performance	0.299	2.559	<b>0.011</b>
TQM_X1 -> Z_Employee Productive Behavior	0.300	3.692	<b>0.012</b>
Indirect Influence			
X2_Reward System -> Z_Employee Productive Behavior -> Y_Company Performance	0.344	4.024	<b>0.000</b>
X3_Performance Measurement System -> Z_Employee Productive Behavior -> Y_Company Performance	0.324	3.225	<b>0.001</b>
TQM_X1 -> Z_Employee Productive Behavior -> Y_Company Performance	0.335	4.597	<b>0.000</b>

### Employee Productive Behavior Influence Company Performance

The testing of the role of employee productive behavior upon company performance show that the p-value is **0.000**. It is a value less than 0.05. As well as a t-Statistical value of 8,899, which is more significant than 1,660, and a beta score of 0.839. As a result of the preceding explanation, employee productive behavior has a major beneficial influence on the company performance. Therefore, the better the productive behavior of employees, the more their company's performance will also develop. One of the actions that can realize sustainable development is productivity because the level of effectiveness and efficiency reflects work productivity (Leitão, Pereira, & Gonçalves, 2019). Productivity is the result achieved by labor from a worked input (Arifin, Nirwanto, & Manan, 2019). This will also affect the performance the company. Therefore, the

research proved similar with the research carried out by (Krekel, Ward, & De Neve, 2019) the evidence presented here points to a robust, favorable link between worker satisfaction, worker output, and business performance.

### **Reward System Does Not Influence Company Performance**

The p-value value for evaluating the hypothesis of the influence of the reward system upon company performance is 0.219, which is less than 0.05. In addition, the t-Statistics value of 1,230, is more than 1,660, and the beta score is 0.129. As a result of the above explanation, the award system has no meaningful beneficial influence upon that company's performance. An award is any form of financial and non-financial return that an employee receives due to services donated to the company. Compensation in financial terms can be salary, wages, bonuses, commissions, benefits, holidays, or leave but paid. While in the non-financial form, it can be in the form of exciting tasks, task challenges, task responsibilities, opportunities, recognition, an achievement of goals and an engaging work environment. Therefore, this does not affect the company's performance. It is in accordance with the research (Sihombing, Astuti, Al Musadieq, Hamied, & Rahardjo, 2018) that shows no impact of rewards on the company's performance.

### **Reward System Influences Employee Productive Behavior**

The p-value value for evaluating the hypothesis of the influence of the reward system upon employee productive behavior is 0.000, which is less than 0.05. Furthermore, the t-Statistical value equals 4,618, a value larger than 1,660, and just a beta score above 0.410 are also present. Thus, the explanation above demonstrates that the reward system has a major beneficial effect on employee productive behavior. It follows the opinion of (Sihombing et al., 2018), which says that awards are incentives that link pay based on increasing employee productivity to achieve competitive excellence. Similarly, (Yuwono & Retnani, 2017) discovered that the incentive system had a favorable influence upon productive employee behavior.

### **Performance Measurement System Influences Company Performance**

The findings of the hypothesis test of the effect of the performance measurement system over company performance reveal that the p-value equals 0.028, which is less than 0.05. Moreover, a t-Statistical value of 2,205, it is more significant than 1,660, and a beta score of 0.354. As a result of the above explanation, the performance measurement

system has a considerable beneficial influence on the company's performance. This performance measurement is a process carried out to evaluate a person's work performance (Marpaung, Hizazi, & Wiralestari, 2022). Performance measurement can be helpful in the company if done as well as possible. Therefore, the information produced must be efficient and effective. The company's performance needs to be measured to know the management of funds and investments. It is similar as research by (Marpaung et al., 2022).

### **Performance Measurement System Influences Employee Productive Behavior**

The outcome of testing the hypothesis of the impact of the Performance Measurement System on Employee Productive Behavior display that the p-value equals 0.001. Its value less than 0.05. Moreover, a t-Statistical value of 3,262, is more excellent than 1,660, and a beta score of 0.386. The explanation shows that the Performance Measurement System significantly positively affects Employee Productive Behavior. In line with this study, the research (Touma, 2022) also states that performance measurement affects employee productivity. The existence of performance measurements carried out by the company will motivate employees to continue to working on their productivity. In this case, a sound performance measurement system will increase employee productivity.

### **TQM Influences Company Performance**

The outcome of the hypothesis test of the impact of TQM towards Company Performance show that the p-value equals **0.011**. Its value less than 0.05. Moreover, a t-Statistical value of 2,559, is more significant than 1,660, and has a beta score of 0.299. As a result of the above explanation, TQM has a considerable beneficial impact on the Company's performance. This study similar with research by Dyahrini and Hasanah, which stated that a positive influence exists regarding TQM performance as well as the research of Talib, Rahman, and Qureshi concluding the same results with the conclusion that TQM can improve employee performance in the company. Also, this research is similar as research by (Smith & Bititci, 2017).

### **TQM Influences Employee Productive Behavior**

The outcome of the hypothesis examination of the impact of TQM regarding the Employee Productive Behavior display that the p-value equals **0.012**. It's value less than

0.05. Also, the t-Statistics value of 3,692, is more significant than 1,660, and has a beta score of 0.300. As a result of the preceding explanation, TQM has a considerable beneficial influence on Employee Productive Behavior. This research is similar as the research (Smith & Bititci, 2017).

### **Employee Productive Behavior Mediates the Impact of the Reward System on Company Performance**

The hypothesis test outcome that Employee Productive Behavior mediates the impact of the Reward System on Company Performance show that the p-value equals to 0.000, which is less than 0.05. Furthermore, this t-statistic value equals 4.024, is over 1.660, as well as the beta score of 0.344. As a result of the preceding discussion, employee productive behavior might act as a mediator between the reward system and company performance. The study is consistent with previous studies (Astuti, Sjahrudin, & Purnomo, 2018) stated that reward have an influence on the employee performance in PT BPR Hasamitra Makassar. When the employee performance is increasing the productivity behavior will follow it, then it develops the company performance.

### **Employee Productive Behavior Mediates the Impact of the role of Performance Measurement System on Company Performance**

The hypothesis test outcome shows that employee productive behavior mediates the role of the performance measurement system on company performance show that the p-value equals 0.001. It's less than 0.05. Furthermore, its t-statistic value equals 3.225, that is better above 1.660, as well as the beta score is 0.324. Evaluation of performance is the process of determining the effectiveness, efficiency, and capacity of systems and operations to achieve specified goals. Management analysts and practitioners have struggled with how to assess the performance of the company for a long time (Sangwa & Sangwan, 2018). Employee productive behavior can prove itself that employee productive behavior does not really affect the influences of the role of performance measurement system on company performance. It does not interrupt the relationship between the two variables, instead it maintains or increases the influences. Thus, the reasoning above will demonstrate that employee productive behavior may mediate the performance measurement system upon company performance. This study is similar with previous studies (Budi, 2022)(Basu, Pradhan, & Tewari, 2017).

## **Employee Productive Behavior Mediates the Impact of TQM on Company Performance**

The hypothesis test outcome that the productive behavior of employees mediates the impact of TQM upon company performance show that the p-value equals to 0.000, which is less than 0.05. In addition, its t-statistic value equals 4,597, which is higher above 1.660, as well as the beta score equals 0.335. Company performance still showed increasing with TQM even though there is employee productive behavior that mediated those two variables. It means that the employee productive behavior could mediate the impact of TQM on company performance. This result is in accordance with the research (Albuhisi & Abdallah, 2018) (Putri et al., 2017).

## **CONCLUSION**

According to the research findings and discussions, it is possible to conclude that there is a significant beneficial impact between the TQM, employee productive behavior on company performance and TQM on employee productive behavior. However, there is no effect of the reward system on the company performance. Productive behavior of employees can mediate the reward system based on company performance. Performance measurement systems can be mediated by productive employee behavior upon company performance. Employees that engage in productive behavior can mediate TQM on company performance. The suggestion of the result of this research is company can consider these research results to develop their company performance to achieve their goal. Therefore, the researcher also suggest the other researchers to conduct a further research using a different method and variables that have not been studied in this study.

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