

THE EFFECT OF ORGANIZATIONAL CULTURE, WORK-LIFE BALANCE, AND EMPLOYEE INNOVATION ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS AN INTERVENING VARIABLE SURVEY OF COFFEE SHOP EMPLOYEES IN PALEMBANG CITY

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Abstract

This study aims to analyze the effects of organizational culture, work-life balance, and employee innovation on job performance, with job satisfaction as the intervening variable, among coffee shop employees in Palembang City. This study addresses the significant role of human resources in the service industry, particularly in the growing and competitive coffee shop sector. This study employs a quantitative approach using a survey method. Data were collected through questionnaires distributed to 180 respondents and analyzed using structural equation modeling (SEM) based on partial least squares (PLS). The results showed that: (1) Organizational culture positively and significantly affects job satisfaction and employee performance, (2) Work-life balance positively and significantly affects job satisfaction and employee performance, (3) Employee innovation positively and significantly affects job satisfaction and employee performance, and (4) Job satisfaction mediates the effects of organizational culture, work-life balance, and employee innovation on employee performance. These findings suggest that improving employee performance can be achieved by creating a supportive work environment, balancing work and personal life, and encouraging innovation, all of which contribute to job satisfaction.

Keywords: *Culture of the organization, work-life balance, employee innovation, job satisfaction, and employee performance*

1. INTRODUCTION

The development of the coffee shop industry in Indonesia, particularly in urban areas such as Palembang City, has shown a very significant trend in recent years. Coffee shops are no longer merely places to enjoy coffee but have evolved into social spaces, workplaces, and even platforms for expressing urban lifestyles, particularly among millennials and Gen-Z. According to data from the Palembang City Statistics Agency (2023), the number of food and beverage businesses, including coffee shops, has

increased annually alongside rising coffee consumption and the “hanging out” trend among young people.

Amid this growth, managerial aspects, particularly human resource management (HRM), have become a key determinant of success in business competition. Employees working in coffee shops are not only required to serve customers but must also maintain consistent service quality in fast-paced, dynamic, and often unpredictable work conditions. In this context, employee performance serves as the primary indicator of operational success, while also presenting challenges that require managerial attention.

Factors such as organizational culture, work-life balance, and employee innovation are believed to play a significant role in influencing performance. A strong organizational culture fosters shared values and loyalty, while promoting a positive work environment. On the other hand, work-life balance is an important issue, especially for young workers who demand a balance between personal life and work. An imbalance between these two aspects can lead to work-related stress, burnout, and reduced productivity. Meanwhile, employee innovation is a necessity in customer experience-based service businesses, where creative and responsive service becomes a competitive advantage.

Additionally, in the Islamic approach, the concept of *tawazun* (balance) is a key principle emphasizing equilibrium between the worldly and the hereafter, between work and worship, and between material and spiritual aspects. This value can be translated into healthy and ethical work practices, allowing employees to maintain a quality of life while contributing maximally to their work.

However, the direct influence of these three variables on performance is not always linear. Many studies show that job satisfaction acts as a mediating variable that strengthens or weakens the relationship between these variables and performance. Job satisfaction reflects the positive emotional state employees feel toward their work, work environment, salary, colleagues, and supervision.

Based on this background, this study aims to empirically test the influence of organizational culture, work-life balance, and employee innovation on employee performance, with job satisfaction as the intervening variable. The research focuses on coffee shop employees in Palembang City as a representation of the rapidly growing and dynamic service industry.

2. RESEARCH METHODS

The research was conducted in various coffee shops scattered throughout Palembang City, including both independent coffee shops and national franchise chains. The research was conducted from January to June 2025. The population in this study was all operational (non-managerial) employees working in coffee shops in Palembang City. The research sample was determined using purposive sampling techniques, with the following criteria: Permanent or contract employees (not part-time), Minimum 6 months of service, and Actively involved in daily operational activities.

The sample size used was 180 respondents, in accordance with the formula proposed by Hair et al. (2010), which suggests a minimum sample size of 5–10 times the number of indicators (number of indicators: $18 \times 10 = 180$). Data was collected using

a closed-ended questionnaire with a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire was designed based on indicators validated from previous theories and research. Additionally, field observations were conducted to strengthen the interpretation of the analysis results. Data Analysis Techniques

Data analysis was performed using Partial Least Square - Structural Equation Modeling (PLS-SEM) assisted by SmartPLS 3.0 software. The analysis stages included Outer Model Evaluation, to test the validity and reliability of indicators through: Convergent validity (loading factor > 0.70), Discriminant validity, Composite reliability (> 0.70) Inner Model Evaluation, to test the relationships between latent variables using: Path coefficients, R-square values (model prediction accuracy), Significance tests (t-statistics) using the bootstrapping method. The model is considered fit if the R-square value for the dependent variable is ≥ 0.33 and the t-statistic value is ≥ 1.96 with a significance level of $p < 0.05$.

3. RESULTS AND DISCUSSION

3.1. Research Results

3.1.1 Outer Model Analysis

Convergent validity results were obtained from factor loading values, which indicated that there was one invalid indicator, namely X1₁, X1₇, and Y₅ whose values were less than 0.7. The handling method used was to eliminate invalid indicators to maintain the fit of the model. Elimination was carried out by calculating the correlation values for each indicator.

Discriminant validity testing was conducted to compare the values in the crossloading table. An indicator can be considered valid if it has the highest loading factor value on a latent variable compared to the loading factor values of other latent variables. Table 4.16 shows that each indicator has a higher loading factor value on the construct being measured than on other constructs. Therefore, each indicator can explain its latent variable well. The cross-loading factor results show that the variables of organizational culture, work-life balance, employee innovation, employee performance, and job satisfaction can predict their indicators better than other latent variables.

Table 1. Crossloading Factor Values

	X1	X2	X3	Y	Z
X1.2	0,764	0,466	0,458	0,382	0,339
X1.3	0,818	0,516	0,463	0,496	0,456
X1.4	0,784	0,500	0,306	0,341	0,281
X1.5	0,826	0,586	0,395	0,398	0,313
X1.6	0,811	0,561	0,429	0,504	0,414
X2.1	0,417	0,725	0,370	0,345	0,286
X2.2	0,524	0,836	0,454	0,479	0,343
X2.3	0,620	0,849	0,544	0,513	0,444
X3.1	0,483	0,528	0,803	0,571	0,492
X3.2	0,439	0,453	0,813	0,501	0,392

X3.3	0,410	0,469	0,850	0,558	0,551
X3.4	0,377	0,440	0,814	0,536	0,582
Y1	0,444	0,512	0,642	0,805	0,623
Y2	0,423	0,459	0,547	0,859	0,584
Y3	0,358	0,349	0,425	0,744	0,485
Y4	0,499	0,464	0,483	0,796	0,600
Z1	0,421	0,445	0,565	0,601	0,812
Z2	0,311	0,299	0,436	0,540	0,814
Z3	0,425	0,380	0,514	0,633	0,855
Z3	0,368	0,370	0,542	0,611	0,843

Source: Output SmartPLS, 2025

Table 2. AVE, Composite Reliability, and Cronbach's Alpha values

Variable	AVE	Composite Reliability	Cronbach's Alpha
X1	0,64	0,90	0,86
X2	0,65	0,85	0,73
X3	0,67	0,89	0,84
Y	0,64	0,88	0,81
Z	0,69	0,90	0,85

Source: Output SmartPLS, 2025

Based on the table above, it can be seen that the AVE value of organizational culture can explain an average of 64% of the variance of its seven constituent indicators. The WLB variable can explain an average of 65% of the variance of its three constituent indicators. The employee innovation variable can explain an average of 67% of the variance of its four constituent indicators. The employee performance variable can explain an average of 64% of the variance of its five constituent indicators. The job satisfaction variable can explain an average of 69% of the variance in its four component indicators.

The composite reliability values calculated fall within the range of 0.85 to 0.90. The lowest composite reliability value was obtained by the WLB variable, and the highest by organizational culture. All latent variables have composite reliability values exceeding 0.7. This indicates that the composite reliability requirement has been met, meaning that the indicators used are effective in measuring each latent variable. The Cronbach's alpha calculation results for the organizational culture, WLB, employee innovation, employee performance, and job satisfaction variables are greater than 0.6. This means that each indicator used is effective in measuring each latent variable.

3.1.2 Inner Model Analysis R-Square Testing (R2)

Table 3. R-Square Adjusted Values

Variable	R-Square Adjusted
Y	0,62

Z	0,41
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Source: Output SmartPLS, 2025

Based on the table above, the adjusted R-Square analysis results show how much of the employee performance variable can be explained by the organizational culture, WLB, and employee innovation variables. The R-Square value for employee performance is 0.62. This means that 62% of the variance in employee performance can be explained by organizational culture, work-life balance, and employee innovation, while the remaining 38% is explained by factors outside the model. Meanwhile, the adjusted R-Square value for job satisfaction is 0.41. This means that 41% of the variance in job satisfaction can be explained by employee performance, organizational culture, work-life balance, and employee innovation.

Effect Size

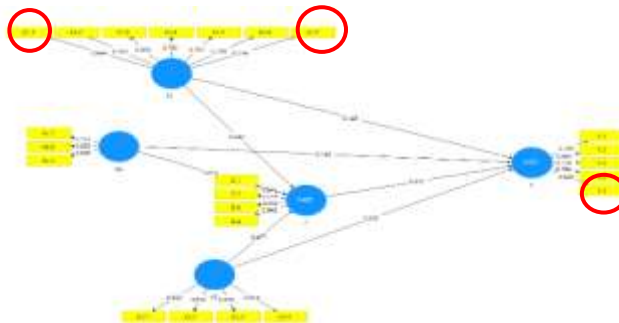
Table 4 F-Square Values

	X1	X2	X3	Y	Z
X1				0,018	0,025
X2				0,029	0,002
X3				0,074	0,277
Y					
Z				0,324	

Sumber: Output SmartPLS, 2025

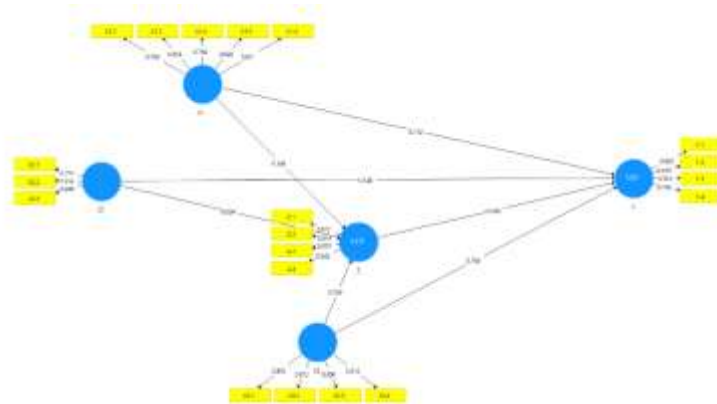
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Bootstrapping



Loading Factor Values Before Elimination

Source: Output SmartPLS, 2025



Loading Factor Values After Elimination
 Source: Output SmartPLS, 2025

Results of Hypothesis Testing Using the Bootstrapping Approach

Variabel	Path Coefficients	T-statistik	Nilai-P
X1 Budaya Organisasi → Y Kinerja Karyawan	0,11	1,47	0,14
X2 WLB → Y Kinerja Karyawan	0,15	2,08	0,04
X3 Inovasi Karyawan → Y Kinerja Karyawan	0,24	3,08	0,00
X1 Budaya Organisasi → Z Kepuasan Kerja	0,16	2,06	0,04
X2 WLB → Z Kepuasan Kerja	0,05	0,61	0,54
X3 Inovasi Karyawan → Z Kepuasan Kerja	0,51	6,48	0,00
Z Kepuasan Kerja → Y Kinerja Karyawan	0,45	6,47	0,00
X1 Budaya Organisasi → Z Kepuasan Kerja → Y Kinerja Karyawan	0,07	1,93	0,06
X2 WLB → Z Kepuasan Kerja → Y Kinerja Karyawan	0,02	0,60	0,55
X3 Inovasi Karyawan → Z Kepuasan kerja → Y Kinerja Karyawan	0,23	4,73	0,00

Source: Output SmartPLS, 2025

Based on the table above, the results of the hypothesis testing are as follows:

- 1) The effect of organizational culture on employee performance has a path coefficient value of 0.11, a t-statistic value of 1.47, which is less than 1.96, and a p-value of 0.14, which is greater than 0.05. Therefore, the first hypothesis of this study is rejected.
- 2) The influence of work-life balance on employee performance has a path coefficient value of 0.15, a t-statistic value of 2.08, which is greater than 1.96, and a p-value of 0.04, which is less than 0.05. Therefore, the second hypothesis of this study is accepted.
- 3) The effect of employee innovation on employee performance has a path coefficient value of 0.24, a t-statistic value of 3.08 greater than 1.96, and a p-value of 0.00 less than 0.05. Therefore, the third hypothesis of this study is accepted.
- 4) The effect of organizational culture on job satisfaction has a path coefficient value of 0.16, a t-statistic value of 2.06 greater than 1.96, and a p-value of 0.04 less than 0.05. Therefore, the fourth hypothesis of this study is accepted.
- 5) The effect of work-life balance on job satisfaction has a path coefficient value of 0.05, a t-statistic value of 0.61, which is less than 1.96, and a p-value of 0.54, which is greater than 0.05. Therefore, the fifth hypothesis of this study is rejected.
- 6) The effect of employee innovation on job satisfaction has a path coefficient value of 0.51, a t-statistic value of 6.48, which is greater than 1.96, and a p-value of 0.00, which is less than 0.05. Therefore, the sixth hypothesis of this study is accepted.
- 7) The effect of job satisfaction on employee performance has a path coefficient value of 0.45, a t-statistic value of 6.47 greater than 1.96, and a p-value of 0.00 less than 0.05. Therefore, the seventh hypothesis of this study is accepted.
- 8) The effect of job satisfaction mediating organizational culture on employee performance has a path coefficient value of 0.07, a t-statistic value of 1.93, which is less than 1.96, and a p-value of 0.06, which is greater than 0.05. Therefore, the eighth hypothesis of this study is rejected.
- 9) The effect of job satisfaction mediating work-life balance on employee performance has a path coefficient value of 0.02, a t-statistic value of 0.60, which is less than 1.96, and a p-value of 0.55, which is greater than 0.05. Therefore, the ninth research hypothesis is rejected.
- 10) The effect of job satisfaction mediating employee innovation on employee performance has a path coefficient value of 0.23, a t-statistic value of 4.73 greater than 1.96, and a p-value of 0.00 less than 0.05. Therefore, the tenth research hypothesis is accepted.

3.2. Discussion

3.2.1. The Influence of Organizational Culture on Employee Performance

Based on the test results, a path coefficient of 0.11 was obtained, with a t-statistic value of 1.47, which is less than 1.96, and a p-value of 0.14, which is greater than 0.05.

Therefore, the first hypothesis is rejected. This means that, partially, organizational culture does not have a significant effect on employee performance.

These results indicate that although organizational culture has a positive coefficient value, its effect on performance is not yet strong and significant enough. This shows that the values, norms, and practices within the organization are not yet firmly embedded or used as the main reference in daily work behavior. Thus, organizational culture has not been able to become the main driving factor in improving employee performance.

This finding is in line with the research by Prajogo and McDermott, which states that organizational culture does not always have a direct influence on performance but rather plays a role through mediating variables such as innovation or job satisfaction. Additionally, Yilmaz and Ergun also found that organizational culture will only have a positive impact on performance if the culture is consistent, implemented comprehensively, and aligned with the values believed by employees.

In the context of coffee shops in Palembang, it is highly likely that organizational culture has not been fully internalized by employees. Other factors such as satisfaction with salary, direct supervision, relationships between coworkers, and work-life balance may be stronger determinants in influencing employee performance.

As explained by Kotter and Heskett, organizations with strong and adaptive cultures tend to have better long-term performance because they are able to align organizational values with employees' actual behavior.

3.2.2. The Effect of WLB on Employee Performance

Based on the test results, a path coefficient value of 0.15 was obtained, with a t-statistic value of 2.08 greater than 1.96, and a p-value of 0.04 less than 0.05. Therefore, the second hypothesis of this study is accepted. Partially, WLB has a positive effect on employee performance. This means that WLB improves employee performance.

These results indicate that the more balanced an employee's work and personal life is, the better their performance will be. Employees who have sufficient time to manage their work and personal lives tend to be more focused, motivated, and committed to performing their organizational tasks.

This finding aligns with the research results by Sirgy and Lee (2018), which state that work-life balance has a positive impact on life satisfaction and work productivity. Additionally, Clarke, Koch, and Hill (2004) explain that achieving work-life balance can reduce work-related stress and fatigue, thereby enhancing overall performance.

In the context of working in the coffee shop industry, which has high time pressure and customer service demands, work-life balance is an important aspect. If employees feel they have enough time to rest, spend time with family, or engage in personal activities, they will return to work with renewed energy and enthusiasm.

Therefore, management needs to continue supporting policies and work cultures that encourage a balance between work and non-work life. This can be achieved through flexible work schedules, adequate leave provisions, and workplace mental health programs.

3.2.3. The Effect of Employee Innovation on Employee Performance

Based on the test results, a path coefficient value of 0.24 was obtained, with a t-statistic value of 3.08 greater than 1.96, and a p-value of 0.00 less than 0.05. Therefore, the third hypothesis of this study is accepted. Partially, employee innovation has a positive effect on employee performance. This means that, partially, employee innovation has a positive and significant effect on employee performance.

These results indicate that the higher the level of innovation possessed by employees—whether in the form of new ideas, exploration of alternative solutions, or the application of more effective work methods—the higher the performance they can achieve. Innovative employees tend to have high initiative in solving problems, improving efficiency, and creating added value for the company.

This finding aligns with the research conducted by Surjo Hadi, Arif Rachman Putra, & Rahayu Mardikaningsih, which found that employee innovation influences employee performance. This differs from the research conducted by Youme C Rompas, Riane J Pio, & Wehelmina Rumawas, which found that employee innovation does not significantly influence employee performance.

The context of a coffee shop as a business highly dependent on customer service and operational efficiency makes employee innovation a crucial factor. For example, new ideas in product presentation, improvements in queue systems, or a more personalized service approach can directly impact customer satisfaction and enhance work performance.

Therefore, companies need to create a work environment that encourages creativity, provides space for new ideas, and rewards employees who actively innovate.

3.2.4. The Influence of Organizational Culture on Job Satisfaction

Based on the test results, a path coefficient value of 0.16 was obtained, with a t-statistic value of 2.06 greater than 1.96, and a p-value of 0.04 less than 0.05. Therefore, the fourth hypothesis of this study is accepted. Partially, organizational culture has a positive influence on job satisfaction. This means that, partially, organizational culture has a positive and significant influence on employee job satisfaction.

This indicates that a healthy and supportive organizational culture can create a pleasant, safe, and collaborative work environment, thereby increasing employee job satisfaction. An organizational culture that reflects positive values such as trust, recognition of contributions, open communication, and teamwork has been proven to influence positive perceptions and feelings toward work.

The results of this study align with research conducted by Siska Vebranis, Agus Salim M., and Rice Haryati, which found that organizational culture has a positive and significant impact on job satisfaction. This differs from the findings of research by Ananda Adjang Ardam and Sutarto Wijono, which concluded that organizational culture does not have a significant impact on job satisfaction. In the context of organizations such as coffee shops that rely on teamwork and intensive interaction between employees and customers, a positive work culture will strengthen a sense of belonging, togetherness, and comfort in the workplace. Employees who feel valued and

have a supportive work environment will be more satisfied with their work and are more likely to demonstrate loyalty and higher performance.

3.2.5. The Effect of WLB on Job Satisfaction

Based on the test results, a path coefficient value of 0.05 was obtained, with a t-statistic value of 0.61, which is less than 1.96, and a p-value of 0.54, which is greater than 0.05. Therefore, the fifth hypothesis of this study is rejected. Partially, WLB does not influence job satisfaction. This means that, partially, Work-Life Balance (WLB) does not significantly influence employee job satisfaction in the studied population.

These results indicate that although the balance between work and personal life is important, in the context of this study, WLB is not the primary determinant of job satisfaction levels. Employees may feel satisfied with their work not because of work-life balance, but due to other factors such as salary, work environment, or relationships with colleagues.

The results of this study align with the research conducted by Reuny Firdy Endeka, Wilhelmina Rumawas, & Tinneke Tumbel, which found that Work-Life Balance does not influence job satisfaction. This differs from the findings of Noufal Ahmadi Atthohiri & Dewie Tri Wijayati, who reported that Work-Life Balance significantly influences job satisfaction.

In the context of a coffee shop, employees may prioritize flexibility in working hours, interpersonal relationships, or career opportunities over work-life balance in general. Therefore, it is important for management to delve deeper into the specific factors that truly influence job satisfaction in their work environment.

3.2.6. The Effect of Employee Innovation on Job Satisfaction

Based on the test results, a path coefficient value of 0.51 was obtained, with a t-statistic value of 6.48 greater than 1.96, and a p-value of 0.00 less than 0.05. Therefore, the sixth hypothesis of this study is accepted. Partially, employee innovation influences job satisfaction. This means that, partially, employee innovation has a positive and significant influence on job satisfaction.

These results indicate that the higher the level of innovation demonstrated by employees—whether in the form of new ideas, improvements to work processes, or creative approaches to task completion—the higher their level of satisfaction with their work. Employees who are given the space to innovate tend to feel valued, have an important role, and are more motivated, all of which contribute to increased job satisfaction.

This finding aligns with the research conducted by Nyoman Resa Adhika, Putu Pradiva Putra Salain, Ni Made Dwi Puspitawati, Putu Agus Eka Rismawan, Ihayana, I Made Risma M, and Arsha, which found that employee innovation does not significantly influence job satisfaction. This differs from the results of research by Yollanda Dwi Sagita & Amanda Setiorini, which found that employee innovation significantly affects job satisfaction.

In the context of working in a coffee shop, for example, when employees are given the opportunity to contribute ideas regarding service, products, or work

efficiency, they feel more connected to the organization and more satisfied in performing their daily tasks.

3.2.7. The Effect of Job Satisfaction on Employee Performance

The test results obtained a path coefficient value of 0.45, a t-statistic value of 6.47 greater than 1.96, and a p-value of 0.00 less than 0.05.

Therefore, the seventh hypothesis of the study is accepted. Partially, job satisfaction affects employee performance. This means that the higher the level of job satisfaction felt by employees, the better their performance will be. Job satisfaction encompasses various aspects, such as satisfaction with salary, work environment, relationships with colleagues, and recognition for performance. Employees who feel satisfied tend to work with more enthusiasm, loyalty, and a focus on results.

These results are consistent with the research conducted by Natalia C.P. Paparang, William. A. Areros, & Ventje Tatimu, which found that job satisfaction has an influence on employee performance. Halimah, This differs from the results of research by Darka, & Allyya Saputra, which found that job satisfaction does not influence employee performance.

Judge et al. (2001) found a significant correlation between job satisfaction and individual performance, where employees who are satisfied with their work tend to demonstrate better performance and higher productivity¹. Another study by Spector (1997) also confirms that elements of job satisfaction such as supervision, recognition, and development opportunities significantly influence employee behavior and performance².

In the context of a coffee shop, employees who are satisfied with the work environment, coworkers, and reward system will be more motivated to provide the best service to customers, which directly improves productivity and business image.

3.2.8. Job satisfaction mediates the influence of organizational culture on employee performance at coffee shops in Palembang

The test results obtained a path coefficient of 0.07, a t-statistic value of 1.93, which is less than 1.96, and a p-value of 0.06, which is greater than 0.05. Therefore, the eighth research hypothesis is rejected. Indirectly,

Job Satisfaction Mediates Organizational Culture on Employee Performance. This means that although organizational culture can influence job satisfaction (as shown in the fourth hypothesis), the indirect influence of organizational culture on employee performance through job satisfaction is not significantly proven.

This indicates that organizational culture in this context has not yet been able to create a sufficiently conducive work environment to enhance job satisfaction, which ultimately drives employee performance. Based on interviews conducted at several coffee shops, most organizational cultures have not been effectively implemented by management.

This finding contradicts the theory proposed by Kotter and Heskett (1992), which states that a strong and adaptive organizational culture can enhance job satisfaction and ultimately have a positive impact on employee performance¹. The rejection of this

hypothesis may be due to organizational culture not being fully internalized by individuals, or because other factors such as reward systems, leadership styles, and workload are more dominant in directly influencing job satisfaction and performance.

3.2.9. Job Satisfaction Can Mediate the Influence of Work-Life Balance on the Performance of Coffee Shop Employees in Palembang

The test results obtained a path coefficient value of 0.02, a t-statistic value of 0.60, which is less than 1.96, and a p-value of 0.55, which is greater than 0.05, so the ninth hypothesis was rejected. Indirectly, job satisfaction mediates work-life balance on employee performance. This means that even though employees feel balanced between work and personal life, this does not necessarily make them feel more satisfied with their jobs and does not directly impact performance improvement.

This study aligns with the findings of Putri & Nugroho (2021), who stated that job satisfaction does not significantly influence the mediating effect of work-life balance on employee performance. This may occur if the work-life balance perceived by employees is not strong enough to influence their satisfaction levels regarding various aspects of work, such as salary, recognition, work environment, or relationships with colleagues.

According to Herzberg's Two Factor Theory, work-life balance falls under extrinsic factors (hygiene factors), which can prevent dissatisfaction but do not automatically create job satisfaction. Therefore, if intrinsic factors such as recognition, achievement, and self-development are not fulfilled, then even if work-life balance is good, job satisfaction can remain low, resulting in suboptimal performance.

3.2.10. Job Satisfaction Can Mediate the Influence of Employee Innovation on the Performance of Coffee Shop Employees in Palembang City

The test results yielded a path coefficient value of 0.23, a t-statistic value of 4.73 greater than 1.96, and a p-value of 0.00 less than 0.05, thus accepting the tenth hypothesis. Indirectly, job satisfaction mediates employee innovation on employee performance. This means that the higher the innovation carried out by employees, whether in the form of new ideas, creative approaches, or the implementation of concepts, the higher the job satisfaction felt, and ultimately has a positive impact on their performance.

Previous research stated that job satisfaction does not influence the relationship between employee innovation and employee performance, which contradicts the results of this study. This indicates that in the context of coffee shops in Palembang City, job satisfaction plays a crucial role as a bridge between innovation and performance improvement. This may be because, in the service industry such as coffee shops, innovation is highly valued and serves as a source of satisfaction for employees, especially when their ideas are implemented or recognized.

According to the Equity Theory proposed by J. Stacy Adams, job satisfaction arises when employees feel there is a balance between their contributions (inputs) such as ideas, creativity, and innovative efforts, and the outcomes they receive, such as recognition, rewards, and good work results. When employees feel that their

innovations are recognized and have a positive impact, their satisfaction with their work increases, which in turn leads to higher morale and better performance

4. CONCLUSION

Based on the results of research on the Influence of Organizational Culture, Work-Life Balance, and Employee Innovation on Employee Performance with Job Satisfaction as an Intervening Variable (Case Study of Coffee Shop Employees in Palembang City), the following conclusions can be drawn:

- 1) Organizational culture does not directly influence employee performance. This indicates that even though an organization may have a certain culture, it does not necessarily motivate employees to improve their performance.
- 2) Work-life balance has a positive influence on employee performance. This means that the more balanced employees feel their work and personal lives are, the better their performance will be.
- 3) Employee innovation has a positive impact on employee performance. This indicates that the higher the creativity and effort employees put into generating new ideas, the better their work performance.
- 4) Organizational culture has a positive impact on job satisfaction. This means that a healthy and supportive work culture can enhance employees' satisfaction with their jobs.
- 5) Work-life balance does not significantly influence job satisfaction. A balance between work and personal life does not necessarily increase job satisfaction if it is not accompanied by other intrinsic factors.
- 6) Employee innovation positively influences job satisfaction. The greater the room for innovation, the higher the job satisfaction felt by employees.
- 7) Job satisfaction positively influences employee performance. Employees who are satisfied with their work tend to demonstrate more optimal performance.
- 8) Job satisfaction does not mediate the influence of organizational culture on employee performance.
- 9) Job satisfaction does not mediate the influence of work-life balance on employee performance.
- 10) Job satisfaction mediates the influence of employee innovation on employee performance. This means that high employee innovation can improve performance through increased job satisfaction.

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