



The Role of Job Satisfaction in Mediating Employee Engagement on Employee Performance

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ABSTRACT

This research aims to analyze the effect of employee engagement on job satisfaction, analyze employee engagement on employee performance, analyze job satisfaction on employee performance and analyze job satisfaction in mediating employee engagement on employee performance. The sample in this research was 120 employees. The data analysis technique uses SmartPLS. The results of the analysis show that employee engagement influences job satisfaction. Employee engagement influences employee performance. Job satisfaction influences employee performance. Job satisfaction mediates the effect of employee engagement on employee performance.

Key Words: Employee Engagement, Employee Performance, Job Statistics.

1. INTRODUCTION

PT Pos Indonesia is a company operating in the postal and logistics sector which has a strategic role in supporting economic and social activities in Indonesia. As a large and growing company, PT Pos Indonesia employs thousands of employees spread across various regions, including Malang, East Java. In the midst of increasingly fierce competition and rapid technological developments, PT Pos Indonesia is faced with the challenge of ensuring its employees remain engaged, productive and high performing. In this context, it is important to understand the role of two key factors, namely job satisfaction and employee engagement, and how the two are interrelated in influencing employee performance at PT Pos Indonesia Malang.

Employee performance is the result of interactions between various internal and external factors that influence individual effectiveness in carrying out their duties. Performance according to Robbins & Judge (2019) namely a measurement of the results of someone's work which is expected to produce good results. At PT Pos Indonesia Malang, employees have various responsibilities, from managing the delivery of goods and letters, providing postal services to customers, to maintaining service quality and operational efficiency. However, in facing a dynamic business environment and increasingly fierce competition, PT Pos Indonesia Malang is faced with a number of challenges in maintaining and improving the performance of its employees. Factors such as changing technology, changing customer needs, and competition from industry competitors can affect employee performance. Therefore, it is important to understand the factors that influence employee performance at PT Pos Indonesia Malang, as well as the efforts that can be made to improve their performance. This includes increasing job satisfaction, employee engagement which supports high performance.

Job satisfaction plays a significant role in determining employee performance. Job satisfaction felt by an employee does have a significant influence on the results obtained from their work. When an employee feels satisfied with his work, this will be reflected in his overall performance. Various studies have revealed a positive relationship between job satisfaction and employee performance. Research result Changgriawan (2017) and Kalkavan & Katrinli (2014) found that job satisfaction influences employee performance. Different from research results Arda (2017) who found that job satisfaction had no effect on employee performance. Therefore, the management of PT Pos Indonesia Malang can utilize these findings in developing strategies to increase employee job satisfaction, such as by providing recognition for achievements, providing career development opportunities, and improving communication between management and employees. Thus, efforts to increase job satisfaction can directly contribute to improving employee performance at PT Pos Indonesia Malang.

Employee engagement is a main focus in the business sphere because employees who are involved in their duties are able to produce optimal levels of productivity, innovation and performance (Bakker & Demerouti, 2017). Employee engagement is generally defined as the level of commitment and attachment of an employee to the company where he works. When employees are maximally engaged, they realize their responsibility towards achieving organizational goals and motivate their colleagues to excel. Schaufeli et al. (2006) describes employee engagement as positive work behavior, where employees show vigor, dedication, and absorption. Vigor describes a high level of energy when working, dedication includes deep feelings towards work, including a sense of inspiration, pride, enthusiasm, as well as a sense of the importance and challenges obtained from the work. Absorption is the final dimension of engagement which characterizes employees who are very focused on their tasks, to the point where they experience the perception that time is passing quickly and find it difficult to separate from their work. Research result Saxena & Srivastava (2015) found that employee engagement influences employee performance. Different from research results (Rahmadalena & Asmanita, 2020) who found that employee engagement did not affect employee performance.

This research aims to analyze the influence of employee engagement on job satisfaction, analyze employee engagement on employee performance, analyze job satisfaction on employee performance and analyze job satisfaction in mediating employee engagement on employee performance. By better understanding the factors that influence employee performance, it is hoped that PT Pos Indonesia can develop more effective strategies and policies to improve the performance and productivity of their employees, so that they can remain competitive in an increasingly complex and changing market.

2. LITERATURE REVIEW

2.1 Employee performance

Employee performance refers to the extent to which the individual succeeds in achieving the goals set in the context of his work. Employee performance has a direct impact on organizational success, because high-performing employees tend to make a greater contribution to achieving organizational goals and creating added value. Employee performance according to (Rivai, 2014) that is, work is seen from the quantity and quality completed by an employee in carrying out his duties in line with the responsibilities given to the employee. According to Robbins (2015) Performance is a measure that includes effectiveness in achieving a goal and efficiency which is the ratio of effective output to input required to achieve that goal.

2.2 Employee Engagement

Employee engagement is a concept that refers to the level of involvement, commitment and enthusiasm of employees towards their work and the organization where they work. This includes how emotionally connected employees feel to the company's goals and values, the extent to which they feel valued and supported in their work, and the extent to which they are motivated to give their best. Employee engagement covers various aspects, including involvement in work tasks, active participation in organizational initiatives, support for coworkers, identification with organizational values and goals, and overall satisfaction and well-being at work. Employee engagement according to Robbins & Judge, (2019) is a positive attitude shown by employees towards the organization and the values espoused by the organization. Employees who are involved in their work have an awareness of organizational goals, job tasks, and the work environment, which aims to improve their performance. Schaufeli et al. (2006) states that there are several characteristics possessed by employees who are actively involved in work, such as having confidence in their own abilities and the view that "work is fun". Employee engagement is also defined as a positive attitude towards work which is characterized by three dimensions, namely vigor, dedication, and absorption. Vigor refers to high levels of energy and mental endurance while working, the willingness to invest effort in work, and resilience in facing challenges. Dedication is characterized by a sense of importance, enthusiasm, inspiration, pride, and a sense of challenge in the work environment. Meanwhile, absorption includes full concentration, happiness, and deep involvement in one's work where time seems to pass quickly.

2.3 Job satisfaction

Job satisfaction is a psychological condition felt by an individual towards his work. It includes positive feelings arising from subjective evaluations of various aspects of work, including job content, work environment, interpersonal relationships in the workplace, career development opportunities, and compensation received. Job satisfaction reflects the extent to which an individual's hopes, needs and desires are met in the context of their work. Robbins & Judge (2019) stated that job satisfaction is a general attitude towards work as the difference between the level of compensation that employees receive and the level of compensation that they must receive. In principle, every organization always wants its employees to work optimally so that they can help accelerate the achievement of other organizational goals and increase profits. Job satisfaction according to Hasibuan (2018) namely emotional behavior that feels happy and the job is liked. This behavior is related to work performance, work ethic, and discipline

2.4 Hypothesis

The hypothesis in this research is as follows:

H1: Employee engagement influences job satisfaction.

H2: Employee engagement influences employee performance.

H3: Job satisfaction influences employee performance.

H4: Job satisfaction mediates the effect of employee engagement on employee performance.

3. RESEARCH METHODS

This research uses the explanatory research method, Singarimbun & Effendi (2019) states that if for the same data, the researcher explains the causal relationship between variables through hypothesis testing, then the research is no longer called descriptive research but rather hypothesis testing research or explanatory research. In this type of research, a hypothesis has been formulated and will be tested to determine the existence of a relationship and influence between the variables to be studied. The variables to be examined in this research are employee engagement, job satisfaction and employee performance.

The population in this study were all employees of PT Pos Indonesia Malang, totaling 120 employees. The sampling technique used a census, that is, all members of the population were sampled. Primary data collection was carried out by sending questionnaires to respondents via Google Form. Employee performance is measured by 3 indicators consisting of quality, quantity and timeliness. Furthermore, employee engagement is measured with 3 indicators consisting of vigor, dedication, and absorption. Meanwhile, job satisfaction is measured by 3 indicators consisting of supportive working conditions, salary and supportive coworkers. Data analysis techniques use smartPLS 3.

4. RESULTS AND DISCUSSION

4.1. SEM PLS analysis

The SEM method is an analytical tool used to simultaneously test the relationship between various exogenous and endogenous variables which have a number of indicators. In this research, PLS-based SEM data processing techniques were used. The use of PLS software in this research was carried out with SmartPLS version 3.0. The PLS analysis process consists of three stages, namely the outer model analysis stage, the inner model analysis stage, and the hypothesis testing stage (Hussein, 2015). PLS analysis tests employee engagement, job satisfaction, and employee performance.

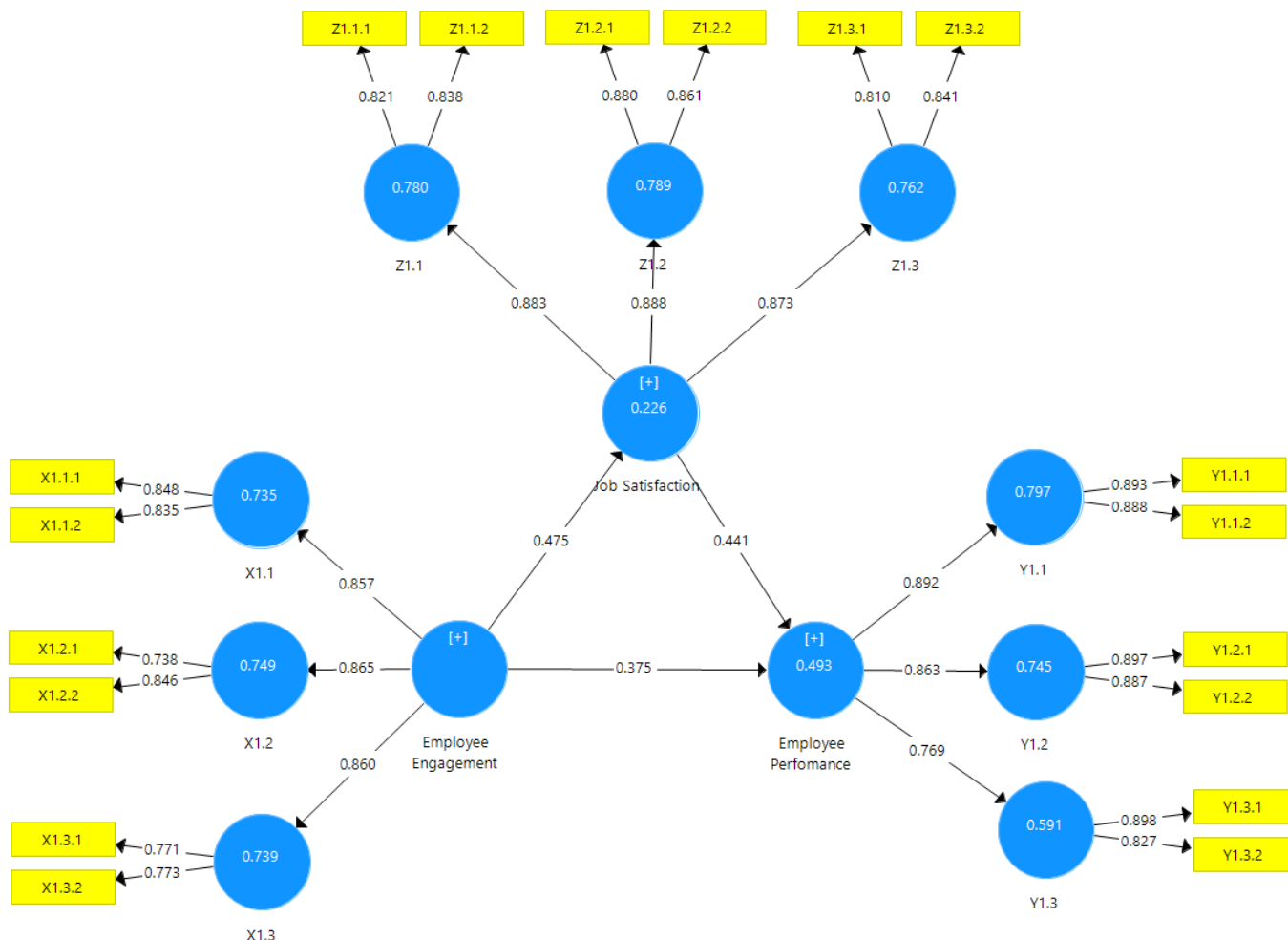


Figure 1 Valid Outer Loading Value of Research Items

In a research context, a path model is used to describe the relationship between variables and present levels of significance when testing hypotheses. From Figure 1 it can be seen that employee engagement influences job satisfaction by 47.5%, employee engagement influences employee performance by 37.5%, job satisfaction influences employee performance by 44.1%. A research instrument is considered to meet the validity test if it has an outer loading value exceeding 0.60. Based on Figure 1, it can be seen that all outer loading values have values greater than 0.60, and are therefore considered valid.

4.2. Hypothesis test

Hypothesis testing was carried out to evaluate the impact of the employee engagement variable on employee performance, both directly and through the Job Satisfaction variable. The findings from testing the direct and indirect effects for the hypothesis are as follows:

Table 1. Hypothesis Testing

| Hypothesis | Connection | Path coefficients | t-statistics | p-values | Information |
|------------|---|-------------------|--------------|----------|-------------|
| H1 | Employee engagement → Job satisfaction | 0.475 | 5.745 | 0.000 | Significant |
| H2 | Employee engagement → Employee performance | 0.375 | 4.383 | 0.000 | Significant |
| H3 | Job satisfaction → Employee performance | 0.441 | 5.488 | 0.000 | Significant |
| H4 | Employee engagement → Job satisfaction → Employee performance | 0.210 | 3.794 | 0.000 | Significant |

Source: Primary data processed, 2024.

Table 1 presents the impact of the employee engagement variable on job satisfaction. Based on the t-statistics value obtained for the influence of the employee engagement variable on Job Satisfaction, it is 5.745 with a p-value of 0.000, or in other words, the t-statistics value ($5.745 > 1.96$) and p-value ($0.000 < 0.05$), this is considered significant. The path coefficient of the employee engagement variable on Job Satisfaction also shows a positive influence with a value of 0.475. Thus, employee engagement has a positive and significant influence on job satisfaction, so hypothesis 1 is accepted.

The employee engagement variable on employee performance, based on the t-statistics value obtained for the influence of the employee engagement variable on employee performance, is 4.383 with a p-value of 0.000, or in other words, the t-statistics value is ($4.383 > 1.96$) and p-value ($0.000 < 0.05$), this is considered significant. The path coefficient of the employee engagement variable on employee performance shows a positive influence with a value of 0.375. Thus, employee engagement has a positive and significant influence on employee performance, so hypothesis 2 is accepted.

Job Satisfaction Variable on Employee Performance, based on the t-statistics value obtained for the influence of the Job Satisfaction variable on Employee Performance of 5.488 with a p-value of 0.000, or in other words, the t-statistics value ($5.488 > 1.96$) and p-value ($0.000 < 0.05$), this is considered significant. The path coefficient of the Job Satisfaction variable on Employee Performance also shows a positive influence with a value of 0.441. Thus, Job Satisfaction has a positive and significant influence on Employee Performance, so hypothesis 3 is accepted.

From the results of the mediation test, the t-statistics value of employee engagement on employee performance through job satisfaction was 3.794, exceeding the t-table value of 1.96. This indicates that job satisfaction mediates the significant influence of employee engagement on employee performance. The path coefficient has a positive value of 0.210, indicating that the influence of employee engagement on employee performance through job satisfaction is positive, namely the better the employee engagement, the higher the employee performance, and vice versa. Thus the 4th hypothesis is statistically accepted.

4.3. Discussion

1) The Effect of Employee Engagement on Job Satisfaction

Employee engagement influences job satisfaction. When employees feel actively engaged, they tend to have a sense of control and satisfaction in carrying out their tasks and feel that their contributions are valued, which directly contributes to their level of job satisfaction. Furthermore, employees who feel connected to their coworkers and superiors, and receive strong social support, will tend to feel more satisfied with their jobs because of a supportive and cooperative work environment. Employees feel appreciated for their contributions and achievements, they will feel more satisfied with their work and more motivated to give their best. Recognition of achievements can also increase employees' sense of pride and personal satisfaction. Furthermore, Employee Engagement also includes development and growth opportunities provided to employees. Organizations that provide opportunities for employees to learn, develop and develop their careers will have higher levels of engagement. Employees who feel they have growth prospects within their organization will feel more satisfied with their jobs because they feel their value is appreciated and have opportunities to improve their skills and knowledge. Employee Engagement includes feelings of significance and contribution from the work performed by employees. When employees feel that their work has meaning and a positive impact, they tend to feel more satisfied with their work because they feel that they are making a meaningful contribution. The results of this study support Setiawan & Widjaja (2018), Abadi (2024) which explains that employee engagement influences job satisfaction.

2) The Effect of Employee Engagement on Employee Performance

Employee engagement influences employee performance. Employees who feel involved are employees who are truly involved and full of enthusiasm for their work and the company where they work. This engagement reflects the willingness and ability to make a significant contribution to the company's success. In this context, employees are willing to put in a lot of effort in completing their tasks, use all their thoughts and energy, and are even willing to do overtime to achieve organizational goals. Employee Engagement stimulates employees' intrinsic motivation. When employees feel actively engaged in their work and have a strong connection to the organization's goals and values, they tend to feel more motivated to do a good job. This intrinsic motivation, which arises from a strong sense of identity with the organization and a sense of having an important role in

achieving organizational goals, helps encourage employees to give their best. Employees who are emotionally and cognitively involved with their work and organization tend to have a high level of commitment to the organization. This level of commitment motivates employees to stay in the organization and strive hard to achieve organizational goals. Engagement influences employee performance through increasing their involvement in work. Employees who are actively involved in their work tend to be more focused, productive, and creative in carrying out their tasks. They are also more likely to participate in innovative initiatives and contribute to work process improvements. The results of this study support (Handoyo, 2017) and Abadi (2024) which explains that employee engagement influences employee performance.

3) The Effect of Job Satisfaction on Employee Performance

Job satisfaction has a significant influence on employee performance in various aspects. When employees feel satisfied with their work, they tend to have high motivation to achieve the goals set by the organization. This motivation encourages them to work harder and be more productive. Apart from that, job satisfaction also contributes to the formation of strong commitment to the organization. Employees who are satisfied with their jobs feel more engaged and loyal to the company, with a strong desire to continue contributing to the organization's long-term success. Furthermore, job satisfaction also influences employees' psychological well-being. They tend to experience lower stress levels and better moods, which makes them more focused, creative, and efficient in carrying out their tasks. Overall, job satisfaction plays an important role in improving employee performance, both in terms of motivation, commitment, psychological well-being and productivity. Therefore, company management needs to pay attention to and manage factors that can increase employee job satisfaction to create a productive and achievement-oriented work environment. The results of this study support Changgriawan (2017) and Kalkavan & Katrinli (2014) who found that job satisfaction influences employee performance. However, the results of this study do not support this Arda (2017) who found that job satisfaction had no effect on employee performance.

4) Job Satisfaction mediates the Effect of Employee Engagement on Employee Performance

Job satisfaction plays an important role as a mediator between employee engagement and employee performance. Employee engagement, which refers to employees' level of involvement, commitment, and enthusiasm for their work and organization, has a direct impact on employee performance. However, the process of how employee engagement influences employee performance can be influenced by the level of job satisfaction felt by employees. High levels of job satisfaction often emerge as a direct result of strong employee engagement. When employees feel actively involved in their work and feel that their contributions are valued by the organization, they tend to feel more satisfied with their jobs. The trust, sense of pride, and personal satisfaction that arise from employee engagement can help create a positive and satisfying work environment for employees.

High job satisfaction can increase employee motivation and commitment to the organization. Employees who are satisfied with their jobs tend to be more motivated to achieve organizational goals and have a higher level of commitment to the company where they work. This creates a positive cycle where strong employee engagement drives high job satisfaction, which in turn improves employee performance. Apart from that, job satisfaction can also have a direct impact on employee performance through various mechanisms. Employees who feel satisfied with their jobs tend to have lower stress levels, better moods, and higher psychological well-being, all of which can improve their productivity and quality of work. Apart from that, job satisfaction can also encourage employees to participate in innovative initiatives, increase creativity, and make a greater contribution to organizational goals. Thus, job satisfaction acts as a link between employee engagement and employee performance by changing employees' experiences and perceptions of their work. In this context, it is important for organizational management to understand the important role of job satisfaction in improving employee performance and ensure that there are strategies and policies that support employee engagement and high job satisfaction in the workplace. The results of this study support Abadi (2024) which explains that employee engagement affects employee performance through job satisfaction.

5. CONCLUSIONS

Based on the results of the analysis carried out, it can be concluded that employee engagement influences employee job satisfaction. This shows that employees who are actively involved in work and feel connected to the organization tend to have higher levels of job satisfaction. Furthermore, the analysis results also show that employee

engagement has a direct impact on employee performance. This confirms that employees' level of involvement and commitment to their work influences how well they perform their tasks and achieve organizational goals. Apart from that, the conclusions also show that job satisfaction has a direct influence on employee performance. It emphasizes that the satisfaction and personal satisfaction felt by employees in their work has a significant impact on their productivity and effectiveness. Job satisfaction acts as a mediator or link between employee engagement and employee performance. This means that employee engagement can influence employee performance through job satisfaction. In other words, a high level of employee engagement can increase employee job satisfaction, which in turn will improve their performance. This conclusion emphasizes the importance of paying attention to both employee engagement and job satisfaction in an effort to improve employee performance in an organization.

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