Employee Engagement: A Quantitative Review and Its Relationship with Job Satisfaction and Employee Performance

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ABSTRACT
Employee engagement becomes priority among businesses as it can trigger a better performance. This research aims to reveal the influence of employee engagement to the employee performance with job satisfaction as an intervening variable. It is a quantitative research with an explanatory approach to explain the causal relationships of the hypotheses used. The research samples are 75 employees of PDAM in Malang city. Data were collected through questionnaires. Data were analyzed using path analysis. This study show that employee engagement has direct effect on employee performance. It effects employee performance through job satisfaction. It concludes that the engagement of the employees of PDAM in Malang is great, so their performance improves.

Keywords: Employee Engagement, Employee Performance, Job Satisfaction

1. INTRODUCTION

Some researchers have lately been focusing more on employee engagement. Many of them claim that employee engagement predicts employee behavior and employee performance [1], [2]. On the other time, it has been informed that employee involvement is declining and there has been a deep work termination [3]. The increase of PDAM customers in Malang is not in line with the decrease of the employees every year. The number of customers from 2019 to 2020 increases by 0.49%, while that of the employees decreases by 0.59 percent. There found also a decrease in the attendance statistics from October to December by 10% and an increase of lateness from November to December 2019 by 54% or 418 cases from the 327 employees [4]. Unfortunately, most researches about employee engagement come from the literature of practitioners and companies. A research based on academic literature is still lacking [2].

The data raise a question on why the number of employees is decreasing while the number of customers goes on the other way around, and what is the cause of the attendance decrease and the high number of lateness. One of the causes might be the low engagement of employees [3]. Handoyo & Setiawan reveal that employee attachment effects the progress of the company through performance, productivity, attendance, and retention [5]. It indicates a lack of employee engagement in the company due to relatively high cases of lateness. Siddhanta and Roy [3] and Markos and Sridev [6] note that one of the benefits of employee engagement is the impact on employee attendance.

Sciaufeli and Bakker define engagement as a positive thing associated with work characterized by vigor and dedication [7]. Saks suggests that job involvement is the result of a cognitive assessment on an individual's habit to carry out the job, and it is associated with his/her personal image. Job involvement includes emotional, and ability component correlated with performance’s individual [1].

Some studies by [3] and [5] suggest that employee involvement and worker performance can lead to the company success. Lianasari and Paulus [8], Muliawan et al. [9], Jelagat andJosphat [10] said that employee engagement effects performance and job satisfaction. Other researches by [11]-[19], [2] go to similar results that employee performance is influenced by employee involvement. However, some studies also prove that there is no influence of employee engagement to the employee performance [20]-[21]. They reveal that there is no increase in the employee performance once employee engagement is increased. Meanwhile, researches by [2], [22]-[24] indicate that...
employee engagement effects on job satisfaction. Shamailan notes that employee satisfaction is directly bounded with employee engagement [25].

Finding the contradiction, this study attempts to provide an explanation of employee engagement and propose a framework on the performance mediated by job satisfaction through empirical study on the previous researches. It aims to integrate the employee involvement, job satisfaction, and employee performance in a model that other researchers can use to understand the employee performance. Under the description, this study is intended to examine the influence of employee engagement on employee performance; examine and analyze the influence of job satisfaction on employee performance; examine and analyze the influence of employee engagement on job satisfaction; and examine job satisfaction as mediation variable.

2. RESEARCH HYPOTHESIS

Scahufeli, and Bakker define worker engagement as a dedication, enthusiasm, and full attention of the worker coming from the positive thinking, satisfaction, and other things associated with their work [7]. Employee performance is basically the work result of the employees during certain period [26]. According to Harsuko performance refers to how a person has played his role in applying the organization strategy to achieve either certain goals related to personal role or to show competence relevant for the organization [27].

Nurbaity and Sulistyow suggests that worker engagement has a great correlation on performance because when employees are highly engaged with the entire organization, their performance could obviously increase[28]. Sundaray concluded that an organization with higher level of employee engagement is upper hand than the competitors as it provides competitive advantage to the companies through productivity [29].

H1: Employee Engagement directly effects employee performance.

Aprianto and Yoyok [30], Sani and Maharani [31] state that job satisfaction is an attitude and a statement showing a pleasant or positive emotion towards his/her job experience. Meanwhile, the indicators of job satisfaction by Robbins and Judge regarding the theory of two factors, which are motivation and hygiene factor [32]. Motivation factor is an aspect of work that motivates an employee to perform and satisfy the company. Motivational factors consist of: a) Achievement, b) Recognition, c) the Work Itself, d) Advancement, and e) Growth.

Mangkunegara reveals that Performance is a measure of the quality and quantity of work done by a person based on the responsibilities assigned to him [33]. Employee performance is one of the work attitudes that is essential to support the performance of the organization [34]-[35].

H2: Job satisfaction directly effects employee performance.

Siswanto [36] and Bedarkar and Pandita [37] suggested that employee engagement is made by the positive emotions of the employees including happiness, excitement, and enthusiasm. The affirmative effect are positive words uttered to let a person believe in the potential of the actions made. Markos and Sridevi said that the concept of employee engagement is related to management, such as commitment, behavior of the organizational parties, and job satisfaction [6].

H3: Employee engagement directly effects on job satisfaction.

Siswono argue that employee engagement can be seen in the energy, involvement, and focused effort to achieve the organizational goals [17]. Ghafoor said that once the employees feel as a part of the organization, their identity with the organization will increase [38]. Markos and Sridevi said that the concept of employee engagement is related to management, such as commitment, behavior of the organizational parties, and job satisfaction [6]. According to Handoko, employees who get job satisfaction will work better [39]. Oxy and Heru [40] and Merry and Syarief [13] show job satisfaction has a significant effect. The more satisfied the employees are, the better the work performance and result will be.

H4: Job satisfaction is mediation variable.

3. METHOD

This is quantitative’s research with explanatory approach. In this study, there is a hypothesis to examine for validity. The hypothesis shows the correlations between two variables, to examine a variable is correlated or not with other variables, or whether the variables are influenced by other variables [41]. The samples are permanent employees of PDAM in Malang City, as many as 75 employees. Data are collected by using questionnaire. The collected data will be analyzed by using the technique of path analysis. The analysis is used to explain whether there is a direct or indirect effect among the tested variables [42].

4. RESULTS AND DISCUSSION

Indirect Path Analysis Model depicted in Figure 1. R square’s result as follow in Table 1.

![Figure 1 Indirect Path Analysis Model](image-url)
4.1 Hypothesis Test

The basic assumption of decision making for hypothesis testing is to use the t-statistic. The t-statistic value is greater than the t-table value, 1.960, which shows a significant effect. The results of hypothesis testing are as follows in Table 1.

Table 1 R-square Value

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>0.359</td>
</tr>
<tr>
<td>Employee performance</td>
<td>0.321</td>
</tr>
</tbody>
</table>

Table 1 shows that the R-square value for job satisfaction variable is 0.359 and for employee performance variable is 0.321. Goodness of Fit Model is measured using \( Q^2 \). The value of \( Q^2 > 0 \) indicates predictive relevance model. The value of \( Q^2 \) ranges from 0<\( Q^2 \)<1 [41].

Each value of \( R^2 \) is as follows:

\[
Q^2 = 1-(1-R_1^2) (1-R_2^2)
\]

Table 2 The Influence among Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>t count</th>
<th>P Value</th>
<th>Koef. Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>3.284</td>
<td>0.002</td>
<td>0.359</td>
<td>significant</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>12.246</td>
<td>0.000</td>
<td>0.820</td>
<td>significant</td>
</tr>
<tr>
<td>Job Engagement</td>
<td>2.893</td>
<td>0.005</td>
<td>0.321</td>
<td>significant</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Performance</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Table 3 Results of Sobel Test

<table>
<thead>
<tr>
<th>Path</th>
<th>A</th>
<th>B</th>
<th>SEa</th>
<th>SEb</th>
<th>t count</th>
<th>Sig</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL-TI-SA</td>
<td>0.359</td>
<td>0.321</td>
<td>0.115</td>
<td>0.074</td>
<td>2.534</td>
<td>0.011</td>
<td>Sig</td>
</tr>
</tbody>
</table>

The above analysis concludes that the significant value of employee’s engagement (X) is 0.000 < 0.05, with t count 12.246 > t table 1.99346, so employee engagement (X) influence of employee performance (Y). Thus, the statement of H1 "employee engagement directly impacts on employee performance" is accepted.

It agrees with the research of [28], worker engagement has a great influence on worker performance because when employees are very engaged with the entire organization and its components, the employee performance must increase. It is also supported by [29] that the organization with high level of employee engagement must be better than the competitors. Employee engagement gives companies competitive advantage through high productivity. [3] stated that employee engagement can lead to the company success through things related to satisfaction, employee commitment, employee loyalty, and employee productivity.

Job performance becomes one of the factors for high employee engagement.

The analysis above reveal that the significant value of job satisfaction (Z) is 0.005 < 0.05, and the obtained t count is 2.893 > t table 1.99346, its Job Satisfaction (Z) influence of Employee Performance (Y). Therefore, H2 is accepted.

Merry and Syarief which shows that job satisfaction have a positive effect with performance [13]. The more satisfied the employees are, the better the work performance and result will be, or the other way around. Aftab and Idrees that notes the relationship of satisfaction to performance is positive [43]. The satisfied workers are always productive. The results of the research go in line with the argument of [44], that managers must focus on employee job satisfaction, if they want to improve their business.

The significant value of employee engagement, (X) 0.002 < 0.05 and t count 3.284 > t table 1.99346, means that...
Employee engagement can improve employee performance because an organization with high level of employee engagement is upper hand than the competitors. The engaged employees provide a competitive advantage through the increase of productivity. Job satisfaction can improve employee performance. The more satisfied the employees are, the better the work performance and results will be. The satisfied workers are always productive. Employee engagement can increase employee job satisfaction. Employee engagement is realized by the behavior of the employees with positive emotions, such as blissfulness and excitement. Employees who are satisfied with their work, will work better.

Some of the conclusions from the analysis suggest that PDAM in Malang City is expected to keep maintaining and increasing the employee engagement and job satisfaction. Therefore, the employee engagement and job satisfaction can increase employee performance. Further researches are encouraged to develop the results of this study through additional variables, so the research models develop more.

REFERENCES


