Job Satisfaction as Predictor of Employee Engagement

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Abstract—The current study aims to investigate the extent of job satisfaction contribution to employee engagement. Employee engagement has been found as being important to employee productivity and organization performance. Participants were 110 employees of a private property company in Makassar, Indonesia. A self-administered questionnaire was used to measure job satisfaction and employee engagement. Simple multiple regression showed that Job satisfaction was significantly predicted employee engagement ($R^2 = .561$, $p<.05$) Additionally, multiple regression highlighted factors of job satisfaction such as operating conditions, co-workers, nature of works, and communication significantly contributed to employee engagement whereas promotion, pay benefit, and reward were found to be insignificant. These results suggest that increasing job satisfaction can potentially leverage employee engagement. However, only three out of seven factors of job satisfaction contributed significant effect to the employee engagement. Future research is needed to test whether these findings can be found in other companies with the same type of business and other types of business.

Keywords—Job satisfaction; employee engagement;

I. INTRODUCTION

With the escalating competition in business, it is crucial to increase business competitiveness. As employees play an important role in business productivity, company should be able to make its employees engage as it will make them work optimally by devoting their resources to company. Engaged employee is characterized by satisfied employee combined with dedication, vigour and absorption [1]. Engaged employee has an emotional attachment to the company which result in willingness to improve their productivity, innovation and retention [1][2]. This form of engagement will be profitable to the company as well as beneficial to employees [3]. For company, employee engagement positively correlates with employee performance [4], and thus result in increasing organizational growth and performance [4][5]. At individual level, employee engagement is positively correlates with employee satisfaction at work, and employees experience on job [5]. Furthermore, employee engagement is also positively correlate with employee’s health, and positive emotion [6].

According to Social Exchange Theory, employee who receive economic and socioemotional resources will feel as he/she is indebted to company and thus willing to improve his/her performance by increasing engagement to company [3], [5] [7]. In addition, fulfillment of employee economic and socioemotional needs will increase employee job satisfaction which result in increasing positive attitude toward company and result in employee willingness to boost his/her performance [7]. Accordingly, job satisfaction is regarded as driver to employee engagement [8][9][10]. However, satisfied employee does not automatically lead to engagement. Employee can be satisfied with economics and socioemotional resources received, yet not significantly contributed to company performance [8]. Hence, whether job satisfaction can predict employee engagement remain inconclusive.

The purpose of this present study is to examine to what extent do job satisfaction can predict employee engagement. Because job satisfaction does not necessarily leads to engagement, this present study also aims to analyze which aspect of job satisfaction can lead to employee engagement.

II. LITERATURE REVIEW

A. Employee Engagement

There are several perspectives in employee engagement. Kahn (p.64) proposes that employee engagement as "the harshening organization members' themselves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally" [3]. Schaufeli (p.74) explains that engagement as “a positive, fulfilling, work-related state of mind is characterized by vigor, dedication, and absorption”[1]. Accordingly, vigor is described as an amount of energy produced in the work that can be manifested in the form of mental resiliency and persistent in the face of adversity. Dedication as feeling of meaning, enthusiasm, inspiration, pride and challenge in work, and absorption as deep concentration and interest, drowning in work, time
Job satisfaction result in positive outcomes. It is reported that job satisfaction is correlated with positive business outcomes, i.e. customer loyalty; business profitability, and productivity, decrease in employee turnover, and safety outcomes [2]. Arguably, job satisfaction can provide positive attitude to organization as well as motivation to work [7][15]. However, Herzberg [15] differentiate between motivation factors and hygiene factors. Motivation factors include recognition, work itself, responsibility and advancement. Fulfillment of these factors will facilitate motivation. In contrast, hygiene factors are policy administration, supervision, salary, interpersonal relations, and working conditions of which fulfillment of these factor will not lead to motivation but can prevent employees from dissatisfaction.

C. Job Satisfaction and Employee Engagement

Research about relation between job satisfaction and employee engagement has been intensively done. However, the direction of relationship remain inconclusive [16]. Some studies argue that job satisfaction is an positive outcome of employee engagement. These studies measure job satisfaction with the global approach [5][17]. In contrast, when job satisfaction is examined by facet approach, job satisfaction is an antecedent of employee engagement, in which individual satisfaction with his or her work will increase the individual's engagement with his or her work and company [8]-[10].

This present study aims to examine job satisfaction as predictor of employee engagement using facet approach. It is expected that job satisfaction predicts employee engagement. According to Social Exchange Theory, employee who receive economic and socioemotional reward from their organization will develop positive attitude toward organization and thus will be willing to devote themselves to the organization[5]. In addition, job satisfaction deals with emotion related to what extends employee’s needs are fulfilled or not [18]. When individual needs are fulfilled, employees will be motivated to be engaged to their job and organization, as it will gratify their need [16].

III. METHODS

A. Participants

Participants were 110 employees working at a property management company in Indonesia. Most of the participants are men (76%), aged 26-30 years old (26%), are in staff position (87.27%), with salary range from 3 million to 5 million rupiahs (42.73%). Participants had been in their current job for at least a year.

B. Procedure

Participation in this study was voluntary. Informs consent letter was included in questionnaire explaining the purpose of
this study, their voluntary participation and assurance about participants anonymity and confidentiality response. Questionnaire were distributed to all the employees (n=120) but only 110 were returned representing 91% of response rate.

C. Measures

Employee Engagement

Employee engagement were measured using adapted UWES scale by Schaufeli & Bakker [19]. Firstly, the scale was translated using back translation procedure. Next, translated scale were pre-tested to measure validity and reliability. Using Confirmatory Factor Analysis two item were deleted, leaving only 15 items. Internal consistency reliability was .916.

Job Satisfaction

Job Satisfaction were measured using adapted Job Satisfaction Survey by Spector [13]. The scale was translated using back translation procedures. Then, the scale was pre-tested to measure validity and reliability. By Confirmatory Factor Analysis 5 items were found to be invalid and thus deleted, leaving only 31 items from the 36 items original scale. Internal consistency reliability was .86.

TABLE 1. DESCRIPTIVE STATISTICS

<table>
<thead>
<tr>
<th>Employee Engagement</th>
<th>N</th>
<th>Mean</th>
<th>σ²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>110</td>
<td>48.08</td>
<td>10.66</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job Satisfaction</th>
<th>Facets of Job Satisfaction</th>
<th>N</th>
<th>Mean</th>
<th>σ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>110</td>
<td>7.67</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>110</td>
<td>4.7</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Supervision</td>
<td>110</td>
<td>9.4</td>
<td>1.53</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>110</td>
<td>9.15</td>
<td>2.06</td>
<td></td>
</tr>
<tr>
<td>Rewards</td>
<td>110</td>
<td>8.2</td>
<td>1.34</td>
<td></td>
</tr>
<tr>
<td>Operating Conditions</td>
<td>110</td>
<td>5.04</td>
<td>1.28</td>
<td></td>
</tr>
<tr>
<td>Nature OF Works</td>
<td>110</td>
<td>9.19</td>
<td>1.28</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>110</td>
<td>8.79</td>
<td>1.48</td>
<td></td>
</tr>
</tbody>
</table>

IV. RESULT

TABLE 2. SUMMARY OF REGRESSION ANALYSIS FOR JOB SATISFACTION FACTORS PREDICTING EMPLOYEE ENGAGEMENT

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I (Constant)</td>
<td>6.672</td>
<td>3.411</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>.553</td>
<td>.428</td>
<td>.110</td>
<td>1.294</td>
</tr>
<tr>
<td>Pay</td>
<td>-.095</td>
<td>.295</td>
<td>-.031</td>
<td>-.322</td>
</tr>
<tr>
<td>Supervision</td>
<td>.248</td>
<td>.368</td>
<td>.065</td>
<td>.672</td>
</tr>
<tr>
<td>Benefit</td>
<td>.046</td>
<td>.291</td>
<td>.016</td>
<td>.157</td>
</tr>
<tr>
<td>Rewards</td>
<td>.332</td>
<td>.428</td>
<td>.076</td>
<td>.776</td>
</tr>
<tr>
<td>Operating conditions</td>
<td>1.031</td>
<td>.373</td>
<td>.224</td>
<td>2.760</td>
</tr>
<tr>
<td>Co-workers</td>
<td>-.771</td>
<td>.439</td>
<td>-.158</td>
<td>-1.757</td>
</tr>
<tr>
<td>Nature of works</td>
<td>2.117</td>
<td>.417</td>
<td>.462</td>
<td>5.072</td>
</tr>
<tr>
<td>communications</td>
<td>.948</td>
<td>.410</td>
<td>.239</td>
<td>2.313</td>
</tr>
<tr>
<td>R²</td>
<td>.561</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.522</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>14.22</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Multiple Regression Analysis was performed with facets of job satisfaction as predictors variables and engagement as criterion variable. Facets of job satisfaction include promotion, pay, supervision, benefit, rewards, operating conditions, co-workers, nature of works, and communications. A significant regression equation was found (F (9,100)= 14.220, p<.05), with an R² of .561. Only operating conditions, nature of works, and communication are significant predictor to employee engagement. Participants predicted employee engagement is equal to 6.672 + 1.031 (Operating conditions) +
2.117 (nature of works) + .948 (communication). Participants
engagement score increases by 1.031 for each point of
operating condition and 2.117 points increase for each point of
nature of works and .948 increase of each point
communication

V. DISCUSSION

This study aims to understand to what extent facets of job
satisfaction predicts employee engagement. Multiple
regression analysis conducted showed facets of job
satisfaction as significant predictors of employee engagement.
The result is in line with previous research that show job
satisfaction as driver and antecedent of employee engagement
[8]-[10]. Satisfaction with the fulfillment of economic and
socioemotional needs will increase employees positive attitude
toward their job and organization also their willingness to
contribute more to organization, and thus will increase
engagement [5][3][13].

However, only operating condition can serve as
predictors of employee engagement. This result is contradicted
with previous research which propose that promotion, pay,
supervision, benefit, coworkers, and communication as
significant predictors of employee engagement [8] in addition
to job, recognition, cooperation, fair treatment, company
policies, and team spirit [9]. These contradicting results show
that while there have been many research concluding that job
satisfaction serve as significant employee engagement
predictors, aspects of job satisfaction which contribute to
employee engagement remain diverse across population.

The result of this studies shows that satisfaction in nature
of works, communication and working conditions are
significantly contribute to employee engagement. These three
facets are related to the job itself. Arguably, satisfaction with
the job itself drives intrinsic motivation. Intrinsically
motivated employees are triggered to work and even to go
extra mile because the job itself satisfy their needs, and thus
make them happy to do the job [21]. In line to Schaufeli [20]
intrinsically motivated employees are more likely to be
engaged to his organization.

In contrast, aspects related to economic reward,
supervision, co-workers, and promotion are not significantly
predict employee engagement. These aspects are related to
instrumental reward gain from the job and thus yield external
motivation [22]. In fact, Herzberg [15] suggests, that
economic reward, supervision and co-workers are hygiene
factors which cannot deliver motivation and only serve to
decrease dissatisfaction. When these hygiene aspects are
fulfilled, employees are less likely to be dissatisfied with their
job, but it does not make them motivated to do their job.

To be engaged, employees must be intrinsically motivated
[20]. The job that can drive intrinsic motivation are the job
that provide sense of choice, sense of accomplishment, sense
of competence, and sense of meaningfulness [23]. In line with
Cartwright and Holmes [24], and Kahn [3], to be engaged,
employee must consider that their job and their presence are
meaningful. This can be reached when the job provides sense
of efficacy, sense of self-worth and justification for doing such
action [24].

Internally motivated employees consider their job and their
contribution as meaningful. They also believe that they have
competency to the job and feel sense of accomplishment when
they managed to finish their job. Hence, the job itself as a
source of satisfaction, not the instrumental reward gain from
the job such as payment, benefit, and promotion. Internally
motivated employee thinks that the job itself is rewarding.
Consequently, they are motivated to devote themselves to their
job and thus are more likely to be engaged.

To conclude, the result of this study shows that job
satisfaction is a significant predictor to employee engagement.
However only facets related to the job itself, i.e.
communication, nature of works, and working conditions can
predict engagement. We argue because only these facets of job
satisfaction relate to internal motivation. Nevertheless, this
result is not supported by similar previous research conducted
before [8][9], and therefore this result need to be interpreted
with caution. Further research to examine the relation between
aspect of job satisfaction, internal motivation need to be
conducted to understand their relationship.

VI. CONCLUSION

Nowadays, with tremendous increase of competition in
business, it is very important to have engaged employees, as it
will escalate organization performance. Engaged employee is
highly involved with his/her organization, and enthusiastic to
strive for organization’s sake [2][11]. This present study
suggests that job satisfaction is significant predictor to
employee engagement. However, not all facets of job
satisfaction are significant predictors to employee engagement.
Only operating conditions, nature of works and
communication that drive employee engagement. In contrast,
pay, supervision, benefit, co-workers, promotion, and reward
are not significantly contributing to employee engagement.
Only aspects that related to the job itself are significantly
contributed to employee engagement, in contrast to aspects
which are rewarded as consequences from the job. A possible
explanation for this might be that to be engaged, employees
need to be satisfied with aspects that drive internal motivation.
Internal motivation can be obtained from the job which is
meaningful [21][3] and rewarding.

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