

The Effect of Job Satisfaction and Work Engagement on Employee Performance at PT Hariqu Mulia Sejahtera

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Abstract

Employee performance decline is considered a major threat to any organization. Businesses are under significant pressure to find solutions to unresolved performance issues, which impact the quality of products and services provided to customers or consumers. This study focuses and aims to assess the effect of job satisfaction and work engagement on employee performance at PT. Hariqu mulia sejahtera located in Ponorogo city. This study helps company management in making plans to reduce the problem of employee performance decline that often occurs in many modern corporate businesses today. This study involved employees of PT. Hariqu Mulia Sejahtera using a simple random sample of 120 respondents. The analysis used in this study was multiple linear regression. The results showed that job satisfaction has a significant effect on employee performance while work engagement does not have a significant effect. Therefore, companies need to pay more attention to the level of employee job satisfaction to improve overall company performance.

Keywords: Job Satisfaction, Job Engagement, Employee Performance.

Abstrak

Penurunan kinerja karyawan dianggap sebagai ancaman besar bagi setiap organisasi. Bisnis berada di bawah tekanan yang signifikan untuk menemukan solusi untuk masalah kinerja yang tidak terselesaikan, yang berdampak pada kualitas produk dan layanan yang diberikan kepada pelanggan atau konsumen. Penelitian ini berfokus dan bertujuan untuk menilai pengaruh kepuasan kerja dan keterikatan kerja terhadap kinerja karyawan di PT. Hariqu mulia sejahtera yang berlokasi di kota Ponorogo. Penelitian ini membantu manajemen perusahaan dalam membuat rencana untuk mengurangi masalah penurunan kinerja karyawan yang sering kali terjadi di banyak bisnis perusahaan modern saat ini. Penelitian ini melibatkan karyawan dari PT. Hariqu Mulia Sejahtera dengan menggunakan sampel acak sederhana sebanyak 120 responden. Analisis yang digunakan dalam penelitian ini adalah regresi linier berganda. Hasilnya menunjukkan bahwa kepuasan kerja memiliki pengaruh signifikan terhadap kinerja karyawan sedangkan keterikatan kerja tidak berpengaruh secara signifikan. Oleh karena itu, perusahaan perlu lebih memperhatikan tingkat kepuasan kerja karyawan untuk meningkatkan kinerja perusahaan secara keseluruhan.

Keywords: Kepuasan Kerja, Keterikatan Kerja, Kinerja Karyawan.

Introduction

Human resources are a vital asset for any organization. To achieve organizational goals, employee performance plays an important role as an indicator of operational success. Optimal performance depends not only on the technical ability and competence of individuals, but also on psychological and emotional factors that influence work motivation. One such factor is job satisfaction, which encompasses the extent to which employees are satisfied with aspects of their jobs, such as the work environment, rewards, relationships with coworkers, and career development opportunities (Nurrohmat and Lestari 2021).

Job satisfaction has a major impact on employee motivation, loyalty, and productivity. Satisfied employees tend to be more committed to the organization and show higher performance. Conversely, job dissatisfaction can reduce morale, increase absenteeism, and lead to employee turnover, which ultimately hinders the achievement of organizational goals. In this regard, the author argues that one of the biggest factors influencing employee performance is job satisfaction (Salsabilla and Suryawan 2022).

Job satisfaction is defined as the level of satisfaction a person feels towards his/her job (Rifai and Tirtoprojo 2023). Job satisfaction measures the extent to which a person enjoys their job, not just how hard or well they work. These aspects reflect an individual's feelings or attitudes toward their job, including pay, opportunities for development or training, relationships with coworkers, workload, and other aspects (Nabawi 2019). Job satisfaction is often associated with increased or decreased employee performance. It reflects employees' attitudes, behaviors, and views toward their jobs, which greatly affect how they carry out their tasks (Bhastary Dwipayani 2020).

Work engagement, which is often considered to be able to improve employee performance, is also considered to be one of the factors that greatly influences employee performance (Lai et al. 2020). Anitha (2014) shows that people who are highly engaged in their work tend to be focused on their tasks, open to new ideas and efforts, and try their best to do their best.

Performance is defined as the overall value of what a person achieves during a certain period. It also includes the work that can be done by individuals or groups in an organization according to their authority and responsibility to achieve organizational goals. Some views also state that performance is a combination of a person's behavior and the extent to which that behavior helps the organization achieve its goals (Ford et al. 2011) .

This study aims to analyze the effect of job satisfaction on employee performance. By understanding the relationship between the two variables, it is expected that organizations can design more effective human resource management strategies, thereby increasing productivity and operational sustainability. This article will discuss concepts related to job satisfaction and employee performance, and present relevant empirical findings as a basis for strategic decision making in the workplace.

Literature Review

This research is based on Social Exchange Theory (SET). According to Blau (1964), this theory explains that a series of interactions between two parties (such as leaders and followers) will create an obligation for one party to provide something similar to what they receive from the other party (Ghadi et al, 2013). This theory explains that a party is likely to respond to another party according to what they receive or feel from that party. Job satisfaction has a major influence on

employees' ability to give their best performance while working (Bass 1985). Job satisfaction tends to encourage employees to put aside their personal interests, makes them feel happy at work, and helps them become more creative and innovative (Bass 1985).

Job satisfaction reflects a measurable response to a particular job, which is a form of individual satisfaction with the job. It can also refer to a pleasurable emotional state resulting from the evaluation of the job (Bahjat Abdallah et al, 2017). Job satisfaction is a variable that is often associated with employee performance. When someone feels satisfied with their job, they tend to work with more enthusiasm. Job satisfaction is key to improving staff morale, discipline, and performance, which supports the company in achieving its goals. Employees who have a high level of job satisfaction also show high loyalty to the company or organization, which ultimately improves their performance (Atmojo 2012).

Job satisfaction can also be described as a person's overall attitude toward their job that is directly related to their needs, such as decent pay, a stable work environment, and good relationships with coworkers (Ostroff 1992). In addition, when a person feels satisfied with his work, he often becomes more productive because high levels of work inspiration are usually associated with high levels of job satisfaction (Eliyana, Ma'arif, and Muzakki 2019). Job satisfaction is considered to have an influence on individual performance, according to research results Eliyana et al. (2019) dan Mayasari & Sunuharyo (2018), This shows that individuals who are satisfied with their work will work more happily and ultimately produce better work results.

Employees with high levels of job satisfaction tend to be more prepared to learn attentively, so they can fully understand the problems they face and respond to them well (Park et al., 2020), The author also noted that employees with high levels of job satisfaction tend to have high scores in work ability. This statement is supported by several previous studies conducted by Atmojo (2012), Yee. (2018), (Arifin et al. (2019) which also indicates the impact of job satisfaction on employee performance.

Based on the evidence above, here the researcher proposes the following hypothesis:

H1: Job Satisfaction Has a Positive Influence on Employee Performance.

Employees who feel engaged in their work are said to be work engaged. When employees feel engaged in their work and find it meaningful, they are more willing to be physically and psychologically present at their workplace and are more likely to expend their full energy in completing the responsibilities assigned to them (Kahn, 1990).

Job engagement is a term used to describe the relationship workers have with their jobs. When workers feel engaged in their work and find it meaningful, they are more willing to be physically and psychologically present at their workplace and are more likely to put forth their full energy to complete the tasks assigned to them (Kahn 1990).

Employees who are highly involved in their work tend to be willing to exert effort and devote both (physical) and non-physical energy to participate in their work to achieve organizational goals (Kahn 1990). Employees with high work engagement tend to have better relationships with their coworkers and can focus on the problems they are facing. Ultimately, this will result in better results for the company (Lai et al. 2020).

Employees will feel more involved in their work and more productive (Parker and Griffin 2011). This is in line with the results of previous research by Lai et al. (2020), Ismail et al. (2019), and Anitha (2014). In this study, researchers also found that work engagement affects employee performance.

Based on previous theoretical evidence, the researcher makes the following hypothesis:
H2: Work Engagement has a positive effect on employee performance.

Methods

This study adopts a cross-sectional approach, where data is collected at one point in time to answer the research questions. The population of this study includes all employees of PT. Hariqu Mulia Sejahtera totaling 200 people, with a sample of 180 employees using the random sampling method. The model in this study was tested using the Smart PLS application, which includes analysis of direct influence tests and indirect influence tests (mediation). This conceptual framework is applied to employee perceptions at PT. Hariqu Mulia Sejahtera as follows:

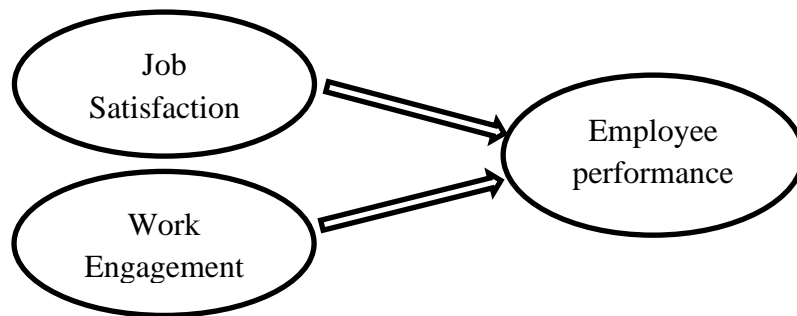


Figure 1. Conceptual Framework

Result and Discussion

This study involved distributing 180 questionnaires offline to designated employees. However, in the distribution process, there were several obstacles, such as some respondents did not provide responses and some questionnaires did not meet the requirements. As a result, this study only managed to collect 120 questionnaires (the minimum number), which was less than the initial target of 180 respondents. The following is a description of the respondents in this study :

Table 1. Respondent Description

No	Respondent Description	Frequency	Presentation
1	Gender	Male	48%
		Female	52%
2	Age	<25	46%
		25-30	27%
		30>	27%
3	Last Education	Junior High School	7%
		Senior High School	34%
		S1	59%

Based on table 1, out of 120 respondents, the majority of employees are female with a percentage of 52%, while male employees are 48%. In terms of age, 46% of employees are under 25 years old, 27% are 25-30 years old, and 27% are over 30 years old. In terms of education, the majority of employees are high school graduates with a percentage of 59%, followed by S1 graduates with 34%, and junior high school graduates with 7%.

For hypothesis testing in this study, the bootstrap method was used in Smart PLS software, followed by comparing the T-table and T-statistic values. The hypothesis is accepted if the T-statistic value is higher than the T-table value (1.96) and the p value is less than 0.05 with a significance level of 5% (two-way). The results of the path coefficients test for hypothesis testing using Smart PLS can be seen in the figure and table below:

INFLUENCE	Hypothesis	Original sample (O)	T Statistics (O/STDEV)	P Values	Result
Job Satisfaction -> Employee Performance	H1+	0.51	6.152	0	Significant
Job Engagement -> Employee Performance	H2+	0.216	1.727	0.084	Not Significant

The results of the H1 test show that job satisfaction has a positive effect on employee performance. Based on table 4.18, the effect of job satisfaction on employee performance has an original sample value of 0.510 (positive). The p value is 0.000 and the T-statistic is 6.152, which means the p value <0.05 and the T-statistic > 1.96. Therefore, it can be concluded that there is a significant positive effect of job satisfaction on employee performance, which indicates that H1 is supported by the data.

The results of the H1 test show that employee performance is rated very high on average, indicating that employees have high performance values. This is reflected in the behavior of employees who have good relationships with coworkers and customers, and always try to understand and fulfill customer desires to provide the best service. On the other hand, job satisfaction can be seen from the behavior of employees who really like the tasks given by the organization and feel happy working in their current place.

The results of the H1 test show that job satisfaction has a significant influence on employee performance, meaning that in this study, if employees have a high level of job satisfaction, they will also have high performance quality. These results indicate that the fifth hypothesis, which states that job satisfaction has a significant positive effect on employee performance, is supported by the data.

This can be seen from the behavior of employees who establish good relationships with coworkers and customers, and always try to understand and fulfill customer desires to provide the best service. On the other hand, job satisfaction is reflected in the attitude of employees who really like their jobs and feel very happy working in the organization.

The results of the H1 test are in line with the opinion Atmojo (2012), Yee. (2018), (Arifin et al. (2019) which shows that if employee job satisfaction is high, the quality of their performance will also increase. Job satisfaction is one of the keys to improving staff morale, discipline, and performance, which in turn supports the company in achieving its goals. Employees who are highly

satisfied with their jobs also show high loyalty to the company or organization, which results in increased performance.

Employees who have a high level of job satisfaction tend to be more willing to learn attentively so that they can fully understand the problems faced and respond to them well. In this company, when employees feel satisfied with their work, they tend to be more motivated to give their best. Job satisfaction affects the level of intrinsic motivation of employees, which is motivation that comes from within themselves.

As for the results of the H2 test, it shows that work engagement has a positive effect on employee performance. Based on the results of the table above, it is shown that the effect of work engagement on employee performance has an original sample value of 0.216 (positive). Then the p value is 0.084 and the T-statistic is 1.727, meaning that the $p \text{ value} > 0.05$ and the T statistic < 1.96 , so it can be stated that the effect of work engagement on employee performance is not significant. This shows that H2 is not supported by the data.

The results of the H2 test show that work engagement has no significant effect on employee performance. This means that if employees have a high sense of work engagement, then it does not have a significant effect on the quality of their performance. These results indicate that the sixth hypothesis, which states that work engagement has a significant positive effect on employee performance is not supported by the data. H2 was developed based on research Lai et al. (2020), Ismail et al. (2019), Anitha (2014) which states that work engagement has a significant effect on employee performance. However, in its proof, H2 was stated to be insignificant.

The results of the H2 test are in line with the findings Gruman & Saks (2011) dan Staw et al. (1986) which also states that work engagement has no significant effect on employee performance. This could be because in this company there are many individual differences, and everyone has a different level of work engagement. Some people may be very emotionally attached to their work, while others may have a weaker bond. This level of work engagement is not always directly related to individual performance.

Conclusion

Based on research on the influence of job satisfaction and work engagement on employee performance at PT. Hariqu Mulia Sejahtera, the following results can be concluded :

The influence of job satisfaction on employee performance is significantly positive. This is reflected in the behavior of employees who have good relationships with coworkers and customers, and always try to understand and fulfill customer desires to provide the best service. On the other hand, job satisfaction can be seen from employees who really like the tasks given by their organization and feel very happy working in the organization. As for work engagement, it has not been proven to have a significant influence on employee performance, so even though the level of employee work engagement in this company is high, its influence on performance is not significant.

Based on the results of the research analysis that has been conducted, the following suggestions can be given to practitioners:

- a. Job satisfaction greatly helps companies in driving the overall quality of employee performance. Based on this study, job satisfaction has a significant influence on employee performance while the work engagement variable does not have a significant influence. Therefore, companies need to pay more attention to their employees' job satisfaction to

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- improve their performance, while paying attention to individual differences. Employees in this company have different motivations, from those under 20 years old to those over 50 years old and already married and even have grandchildren. They have different preferences for the leader they want. Therefore, companies need to consider these variations when managing employee job satisfaction.
- b. Further research can consider adding mediator variables such as work motivation, organizational culture, or organizational commitment to find out whether these variables strengthen or weaken the relationship between job satisfaction and employee performance. In addition, conducting moderator variable tests such as age, work experience, or type of work can help see if the relationship differs between certain groups of employees.
 - c. Further research could be conducted longitudinally to observe changes in the relationship between job satisfaction and employee performance over a period of time, especially after interventions such as training or policy changes.

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