

**THE EFFECT OF EMPLOYEE ENGAGEMENT ON EMPLOYEE
PERFORMANCE WITH JOB SATISFACTION AND COMPENSATION
AS MEDIATING ROLE**

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Abstrak

Human resources or employees are the most important part of a company. Employee performance can be defined as the size or level of how much employees can run the company to achieve company goals within a certain period. Good employee performance will become an increasing trend of a company. Job satisfaction is employee satisfaction with the work that has been done at the company. Based on the background, research related to the effect of employee engagement on employee performance with job satisfaction and compensation as mediating role is important because it can become knowledge and management guidelines in the company. Employee satisfaction and compensation describes that the company cannot be separated from the existence of employees. Systematically, literature review research was conducted to obtain accurate results related to "The Effect of Employee Engagement on Employee Performance with Job Satisfaction and Compensation as Mediating Role". This research method used is using a qualitative approach and the type of research is literature review. The analytical technique used in this research is using annotated bibliography. Based on the literature review from 13 source, it can be concluded employee engagement has on job satisfaction, compensation, employee performance as a mediating role.

Keywords: Employee, Employee engagement, Job Satisfaction, Compensation, Employee Performance, Mediating Role

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INTRODUCTION

Employees are required to be part of the company in carrying out company activities. This means that employees have a role as controllers of company activities (Annalia, 2020). In general, employees are divided into various member compositions based on the holder of a particular position. Employees can be identified as divided into two, namely leaders and subordinates. Leaders must be able to manage their subordinates to become superior and productive employee performance. Good employee performance will become an increasing trend of a company. Cooperation and responsibility in the company's organizational structure in the building and developing the company, employees can demonstrate their abilities so as to produce employees who have quality, quantity, and meet mutually agreed standards (Maulyan, 2019; Rusniati & Haq, 2014; Suryani et al., 2021). Job satisfaction is employee satisfaction with the work that has been done at the company. Employees who feel satisfied at work will provide maximum feedback to improve employee performance. Research related to the effect of employee engagement on employee performance with job satisfaction and compensation as mediating roles is important because it can become knowledge and management guidelines in the company. Employee satisfaction and compensation describe that the company cannot be separated from the existence of employees. Systematically, literature review research was conducted to obtain accurate results related to "The Effect of Employee Engagement on Employee Performance with Job Satisfaction and Compensation as Mediating Role".

Employee Engagement

Employee engagement is one of the conditions that can describe employee involvement in achieving optimal performance. Employee engagement can have an impact on improving performance and can provide financial support for a company. The level of employee commitment can be seen from the length of service or work resistance in the company. Involved employees tend to do more hard work, but are more loyal to the company and have a positive influence on organizational success (Ali & Ali, 2011). The attitude of employees forms the strengthening of mutual involvement in the affairs of the company. This basis makes employees loyal and provides the ability to carry out company activities in accordance with certain work structures or arrangements. Employee engagement can also be said as a supporter in carrying out responsibilities at work. Thus, the incorporation of positive aspects can build a company's success.

Employee Performance

Performance is the behavior of how the quality, quantity, and targets are successfully achieved. Employees who have good performance by improving their ability to be able to perform better. Performance is strongly influenced by several factors, as follows (Djibran, 2017):

- a. Effort: Effort is the result of motivation which shows the amount of energy (physical and mental) a person uses in carrying out his duties and responsibilities in improving his work performance. From the success achieved, they get an assessment of the results of their work. The quantity and quality of work are the results of work given to employees both in quantity and maximum quality.
- b. Ability: ability is a person's criteria used in carrying out a job. Generally, abilities do not change much in a relatively short time.
- c. Task perception: This indicates the direction in which a person understands where they should channel their efforts for the purposes of their job. One's activity and

attitude of trust are also needed in carrying out work that is in accordance with the perception of their respective roles/tasks. This is because responsibility for tasks and work systems is important in an assignment, employee appreciation for the tasks given must be reflected in the personality of each employee so that the given task is understood as personal responsibility for the implementation of the assigned task.

- d. Employee performance at the company that can be described above is seen that the results of the work show the quality, quantity, and work standards of employees in the company. Employees show their ability to work. Knowledge and skills, creativity, and innovation can be a form that must exist in employees. A successful company can be seen from the achievements or good results of employees. The company's success in achieving its goals can be seen by looking at employee performance.

Job Satisfaction

Job satisfaction shows the suitability of a person's expectations for something with what is accepted so that the level of job satisfaction of individual employees is different. Employee job satisfaction can arise because of the situation and work environment within the company. Job satisfaction reflects a person's feelings towards his job. Job satisfaction in the company is very important to be remembered by company holders. Job satisfaction can be welfare for employees in the demands of employee rights. In this case, the employee should have fulfilled the responsibilities that have been carried out in the company. Employees who work in accordance with the provisions and get achievements are very unbalanced if they do not receive what they want which can lead to indicators of job satisfaction in employees. It should be noted that employees really need satisfaction in their workplace, all energy, and thoughts are dedicated to their work so that the company can become better and achieve success (Ijigu, 2015).

Compensation

Compensation is an award that is intended for employees to work. Compensation in a theory stated that employees need financial for themselves and their families. Refers to the basic theory that humans have the right to prosper. Welfare is one of which is being able to support the family and be able to meet their needs. Compensation means a lot to employees and is highly anticipated because of the financial goals. Providing compensation to employees also has a purpose namely, to ensure a source of income for employees and their families, improve work performance, increase employee self-esteem. Compensation is very important for employees because the size of the compensation provided by the company reflects the performance produced by the employee. compensation is a form of giving such as salaries, incentives, bonuses, remuneration, and others. Compensation is given as a sign that the company provides wages for work. Generally, the more performance and loyalty in working in the workplace, the employees will experience an increase in salary or something else.

Mangkunegara (2014:85-86) explained the form of compensation into two, as follows: Wages and salaries are payments in the form of money for work services or money which is usually paid to employees on an hourly, daily, and half-day basis. While salary is money paid to employees for services provided monthly. Benefits and services are a direct financial (monetary) value for employees that can be determined quickly. Meanwhile,

service is a direct financial (monetary) value for employees that cannot be easily determined.

METHODS

This research aims to review the literature related to "the effect of employee engagement on employee performance with job satisfaction and compensation as mediating role". Thus, the research method used is using a qualitative approach and the type of research is a literature review.

The most important thing in conducting a literature review is to determine the literature to be reviewed according to the research topic.

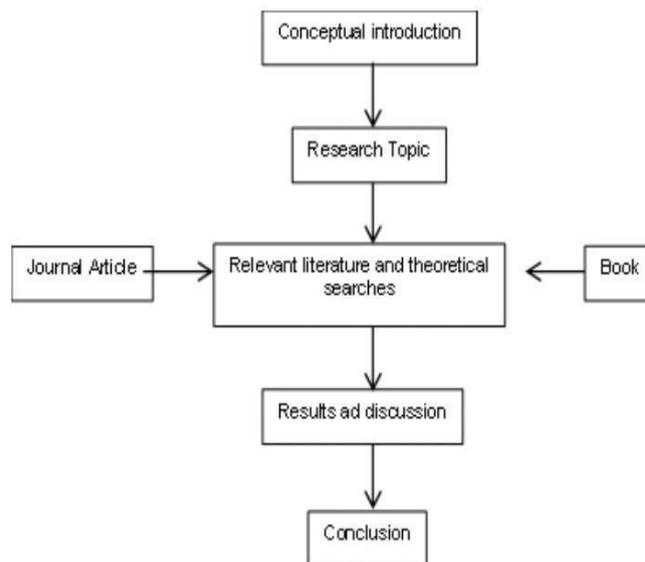


Figure 3.1 Plan of Literature Review
Source: Prepared by the Author, 2022

The literature review literature source must pay attention to a good reputation. This literature review research can be detailed in the list of data sources as follows.

Table 3.1 List of Literature Review

No	Author, Year	Type of Literature	Reputation
1	(Azmy, 2021)	Jurnal	- Sinta 2 DOAJ
2	(Noercahyo et al., 2021)	Jurnal	- Sinta 2 DOAJ
3	(Ganyang & Lestari, 2013)	Jurnal	Sinta 4
4	(Sun, 2019)	Jurnal	- Harvard Library ZBW German National Library of Economics
5	(Miawati, Sunaryo, & Yusnita, 2020)	Jurnal	Sinta 3
6	(Abraham, 2012)	Jurnal	- Research Gate Stanford Libraries
7	(Rachmawati, 2013)	Jurnal	Sinta 5
8	(Yudi, Badia, & Afriadi, 2017)	Jurnal	Sinta 4
9	(Dandona, 2016)	Jurnal	- Scirus - Academia.edu International Scientific Index
10	(Supartha & Sintaasih, 2017)	Book	ISBN
11	(Febriansyah & Henndy Ginting, 2020)	Book	ISBN
12	(Indrasari, 2017)	Book	ISBN
13	(Saraswati & Lie, 2018)	Book	ISBN

Source: Prepared by the author, 2022

The analytical technique used in this research is using annotated bibliography. The UCSC Universitas Library (2013), is annotated which means a simple conclusion from an article, book, journal, and other scientific writings, while a bibliography is a list of bibliographic sources.

RESULT AND DISCUSSION

The results of the research and the discussion in this subsection provide a literature review as well as the research objectives.

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Employee Engagement to Job Satisfaction

The process of employees getting job satisfaction can be seen by how much the company provides facilities or work support in the company. This process can be explained that the needs of employees being met in the workplace. Work needs are very important to facilitate the work of employees.

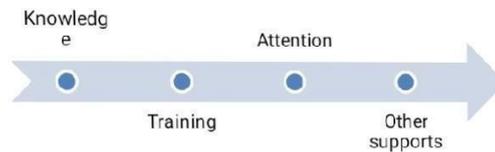


Figure 4.1 The process of employees getting job satisfaction

Employees are generally required to be on target in working in accordance with the job description at the beginning of starting a work contract. Employees who can quickly overcome all problems in their work are employees who have the agility to overcome them. Employees do not get pressure but will provide cooling and solutions if everything can be centralized.



Figure 4.2 Employee Engagement as Central

Employee engagement as a center can be explained that all matters regarding work activities in an organization can be carried out without depending on the work of one employee. Employee engagement can make employees feel satisfied. Employee engagement is an activity that is just natural due to the need for cooperation and assistance from other people to provide solutions to organizational company work problems. Satisfaction can be seen from the difference in employee feelings, if there is no difference then it cannot be declared that the employee is satisfied. Employee engagement can be done and has an influence on job satisfaction which can be described as follows:



Figure 4.3 Relationship of Employee Engagement to Job Satisfaction

It can be interpreted that the position of employee engagement can affect Job Satisfaction. Employees have the flexibility, rewards, opportunities, and support from superiors in doing their work. Heavy work will be light on employee engagement. Employee engagement can make employees feel satisfied.

Employee Engagement on Compensation

Compensation is one of the factors in building motivated employees. In addition, due to employee compensation, such as being given rewards for their work achievements. This indicates that there has been employee engagement. Ganyang & Lestari (2013) provide the concept of compensation. It can be reviewed that compensation can be said to be giving money which is usually called wages. Employees basically work in certain companies, namely, the goal is to earn money to support families and individuals. On the other hand, companies that carry out activities for profit also really need employees. As a form of gratitude for the organization's company for its employees, compensation is a must for companies to pay their workers. From the concept point of view, it can be described as follows:

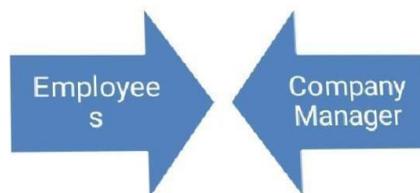


Figure 4.4 Relationship between employees and the company

At first glance, it appears that such a situation is like the north and south magnetic poles attracting each other. This level also illustrates that there is a strong bond between the company and its employees. The more the company cares, the more employees will care. On the other hand, if the company is indifferent, employees will feel alienated and feel like they are not motivated to work.

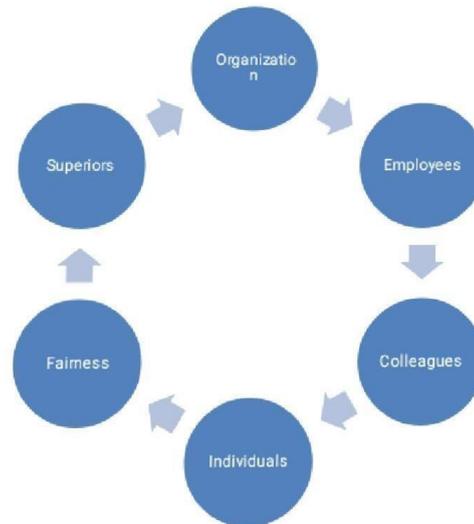


Figure 4.5 The Cycle of Corporate Justice

The cycle of corporate justice is interrelated with the above aspects. Employees have their respective roles in the company. Employees can be assessed directly by their superiors in their work. This is a step for employee engagement that intersects between superiors and subordinates. Employee engagement can prevent fraud or deviation from superiors. The provision of compensation can be assessed. Fairness and impropriety can be carried out as an evaluation of superiors in processing compensation figures.

Employee Engagement to Employee Performance

The company organization really wants employee performance to be done well. Employee performance which can be called employee performance is an important element in the company. Employees need to be managed for the effectiveness of a human resource. The factors that encourage employees to have employee engagement with their company are as follows:

1. Employees feel needed by the company. The company provides the same responsibilities with each of the jobs it carries out. Employees also mean those who are part of the company. Employees with the company feel that respect and have a relationship will be a family that can communicate with each other and provides reviews or dedication. Employee contributions are needed by the company, this involvement can be reciprocated with compensation so that employees feel that the work they have done so far is not in vain. Employees become satisfied if their desires are achieved nothing other than compensation This will grow and develop employees with the company synergizing to closely with each other and running company activities, then the desired company goals can be achieved.
2. Employees want maturity in the career they are living. If the work is passed, the presence of employee engagement can make employees feel at home and highly dedicated. The company should provide opportunities for employees in career development.
3. The high relationship between the company and its employees will have an effect of employee engagement which can affect employee performance. The close relationship between superiors and subordinates is indeed not good, but for the

- sake of the company's goals, they have closeness in the sense that they cannot be separated from work problems in realizing each other's performance.
4. Employees align the right strategy in the company's development efforts. On the other hand, companies can be tricked into getting involved in the company's strategic efforts. In addition, introducing and synergizing by forming a team. Employees who are experiencing difficulties need to be helped and need to be supported.
 5. Concern for employees needs to be packaged properly. It can be done by providing job challenges, as well as having the authority to make decisions as a factor to encourage employee engagement.
 6. Robinson et al. (2004) state that the driving factors for employee engagement are: involvement and having mutual respect, which can include decision making. Employees can argue, provide opportunities, and care for each other.
 7. Communication needs to be improved if the company wants a good climate. The existence of employee communication is certainly involved in the development of the company. Communication is very important for the realization of important information that may not have existed before or already exists can be conveyed and is important news for the progress of the company.
 8. Employee engagement said that his position was an outcome of employee personal characteristics such as knowledge, skills, abilities, temperament, attitude, and personality and organizational context such as leadership, physical workplace settings, social settings at work, and implementation of human resource management. This directly affects people, processes, and performance contexts
 9. Compensation can make employees happy. This can give a sign that the existence of compensation can encourage attraction between the company and employees as well as work and co-workers. Of course, in providing compensation or wages it is necessary to make the right adjustments.

Employee Engagement to Employee Performance through Job Satisfaction

Employee engagement is more complex in measuring the work experience of employees. the existence of an organizational company is solely for the benefit of the organization, namely, to achieve organizational goals.



Figure 4.6 Stairs of Management Functions (Stages)
(Source: processed by the researcher, 2022)

The planning function is the initial activity before the implementation is carried out. A well-thought-out plan can direct an organization to achieve its goals. The implementation of all management functions can be more efficient and effective in the success of the organization, namely by increasing employee engagement. On the other hand, employees who are dissatisfied with their work usually argue that the compensation

given is not in accordance with their workload, especially in terms of finances or wages given.

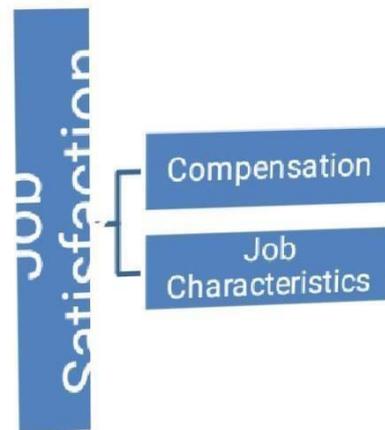


Figure 4.7 Conceptual Model of Job Satisfaction

The picture above can be explained that the characteristics of the work must be in accordance with the compensation given. Inappropriate compensation results in employee dissatisfaction in doing their work. On the other hand, if the compensation can go hand in hand with the load or job characteristics, the employees will be satisfied in their job. Satisfied employees can give positive behavior and of course, can suppress the success of the company.

Factors that can increase job satisfaction can be seen from: (1) achievement, (2) recognition of achievement, (3) challenging work, (4) increased responsibility, and (5) growth and development.

Job satisfaction is employee satisfaction with the work that has been done at the company. Employees who are satisfied with their work will provide maximum feedback to improve employee performance. Thus, employees are more engaged in carrying out their work. One of the supporting employees to feel satisfied is compensation. Compensation is a reward for employees at a particular workplace or company. All forms of additional reward compensation, the increasing sense of satisfaction, and improving employee performance. The data obtained that satisfaction influences employee performance by 45.6%, while compensation influences employee performance by 40.2% (Hardiyana & Nurhadian, 2016). Employee engagement can be increased by using the process of satisfying employees and providing compensation. The employees are sufficient and there are no pressure problems for the work they are doing. Thus, the work carried out can be maximized and can form a good employee performance. Employees provide a high and positive engagement as a result of satisfaction and appropriate compensation and will show the success of employees in the organization.

CONCLUSION

Based on the literature review, it can be concluded as follows:

- 1) Employee engagement has an influence on job satisfaction. The concept is that employee engagement can make employees feel that they are not alone and not burdensome, so employee engagement can eradicate difficult work problems. Employees get flexibility, opportunities, and knowledge and can control their emotions with high employee engagement;
- 2) Employee engagement has an influence on compensation. The existence of employee engagement, managers can evaluate every job of employees. Due to the closeness of employee engagement between employees and the company,

compensation can be controlled according to the composition of the employee's work;

- 3) Employee engagement has an influence on employee performance. The concept is that the higher the employee engagement, the more aggressive, punctual employees, increased motivation, measurable quality, and productivity. Employee engagement can make employees more responsive, stay, and involved, so that employee performance is getting better and easier for employees to control.
- 4) Employee engagement has an influence on employee performance with job satisfaction and compensation as mediating role. High employee engagement can create better employee performance. Employee engagement can make employees satisfied, usually, compensation is given by employees who are more enthusiastic in showing their performance.

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