The Influence of Employee Engagement, Work Environment and Job Characteristics on Job Satisfaction and Performance

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Abstract:
The purpose of this study is to ascertain the relationship between job features, job satisfaction, and employee performance. This study employs an associative research type with a quantitative methodology. In this study, 115 people made up the sample, which was collected through saturation sampling. A questionnaire was used to collect the data, and the path analysis test was used to assess it. The findings indicated that employee work satisfaction is significantly influenced by employee involvement. The findings demonstrated that employee job satisfaction is significantly influenced by the workplace. Employee work happiness is significantly influenced by job features. Employee performance is significantly impacted by employee engagement. Employee performance is significantly impacted by the workplace. Job characteristics have a significant effect on employee performance. Job satisfaction has a significant effect on employee performance.

Keywords: Employee Engagement, Work Environment, Job Characteristics, Job Satisfaction, Employee Performance.

Introduction
Indonesia has a very large workforce, considering that Indonesia has the largest population in Southeast Asia. The Minister of Manpower, highlighted the increasingly dynamic and rapid industrial world, currently the Indonesian workforce is considered to have to prepare themselves in accordance with existing developments. The development of existing technology has an impact on the changing character of work. The Minister also invited all parties to jointly encourage increased access and quality of job training at work training centers (BLK) so that human resources become skilled so that they can enter the job market. This is because, he said, if Indonesian human resources have sufficient skills and are in accordance with the times, it will be easier to get a job and a good income so as to reduce poverty, social inequality and unemployment.

The Regional Financial and Asset Management Agency (BPKAD) of East Java Province in Surabaya is one of the Government-owned agencies that has the task of preparing the formulation of regional financial and asset management policies which include the preparation of the APBD draft, APBD stipulation, APBD implementation, APBD changes, APBD administration, accounting for regional finances and assets, accountability for the implementation of the APBD, fostering the administration of Regency / City financial management, and fostering the financial management of the Regional Public Service Agency (BLUD).

One of the keys to winning the competition in the era of globalization is to manage employees. The task of human resource managers in managing employees includes how efforts might be made to increase employee job satisfaction. Job satisfaction is an important consideration for employees to be loyal and stay with a company. Employee job satisfaction is an interesting topic to be studied in a research. Some previous studies provide interesting information about the determinants of employee job satisfaction. One of them is the research by Narottama and Surya, whose findings show that job characteristics and financial compensation have a direct, positive, and significant impact on employees' job satisfaction, as well as an indirect, positive, and significant impact
on job characteristics and financial compensation and employee performance through job satisfaction. The problem that arises is that not all employees feel high job satisfaction. Given the number of employees who often complain about the increasingly heavy workload that is not proportional to the salary they receive, the lack of facilities that can improve employee welfare makes employees feel less satisfied with current working conditions. Performance has an impact on an organization's continuous operations, and higher performance from employees will considerably aid in the growth of the company or organization. Performance is the degree to which objectives are met when specific activities are carried out. Performance management is the total process used to raise employee productivity, which includes the productivity of each person and each work group inside the firm. Sedarmayanti states that employee performance has a close relationship with productivity because it is an indicator in determining how to achieve a high level of productivity in an organization. In connection with this, efforts to conduct performance appraisals in an organization are important. The evaluation of an employee's performance takes into account a number of factors, including the work's quality, promptness, initiative, capacity, and communication. The degree of organizational performance may be measured using these five factors.

In contrast, satisfied workers will be able to work well, enthusiastically, and actively, and can perform better than unsatisfied workers. Unsatisfied workers will never experience psychological satisfaction, and eventually, negative attitudes or behaviors will emerge and can lead to frustration. Empirically, low employee job satisfaction can be caused by many factors including employee engagement, work environment, and job characteristics. Attachment or engagement is a form of attachment between members and their organization because they enjoy doing their work, they get trust from superiors, and feel their contribution is valued in the organization, then the attachment is manifested by contributions that exceed what the organization expects of them. Albrecht states that employee engagement is a state of employees who are directly psychologically involved with their work. Employees will be physically, cognitively, and emotionally involved while showing their performance or performance at work. This study aims to determine the effect of employee engagement, work environment and job characteristics on job satisfaction and employee performance.

Literature Review

Attachment or engagement is a form of attachment between members and their organization because they enjoy doing their work, they get trust from superiors, and feel their contribution is valued in the organization, then the attachment is manifested by contributions that exceed what the organization expects of them. Albrecht states that employee engagement is a state of employees who are directly psychologically involved with their work. Employees will be physically, cognitively, and emotionally involved while showing their performance or performance at work. Employee engagement is the emotional, cognitive and physical attachment of workers which then motivates them to complete tasks with satisfaction and enthusiasm. Employee engagement is defined by Macey et al. as the appreciation of goals and focus of energy displayed by employees, which manifests as initiative, flexibility, effort, and perseverance that contribute to company goals. Work engagement occurs when an employee has positive feelings about his job, is willing to get involved and devote his energy to the achievement of organizational/company goals, lives the work done with enthusiasm. An engaged employee will feel loyal and care about the future of the organization. The employee has a willingness to make extra efforts to achieve organizational goals.

Organizational productivity and employee job satisfaction are based on job qualities, and these factors are crucial to the success and survival of an organization. A well-designed job will be able to draw in and keep workers in times of increased competition while motivating them to deliver high-quality goods and services. According to Simamora, work characteristics are a strategy for job enrichment. The goal of the job enrichment program is to create occupations that support jobholders' demands for growth, recognition, and responsibility. Job enrichment enhances responsibility, autonomy, and vertical job loading while also adding a source of job happiness. According to Robbins and Judge, job characteristics indicate how much decision-making the employee makes on the job, and how many tasks the employee must complete. The level of responsibility, the diversity of duties, and the degree to which the work itself has features that can please people are all considered job characteristics. Basically, every job must have its own characteristics. Between one job and another there may be similar characteristics but it is certain that the majority of jobs have different characteristics.

One of the elements that is crucial to achieving the best possible work results is job happiness. A person who is highly satisfied with their employment will have a good attitude toward their work, whereas a person who is
not highly satisfied with their job will have the opposite attitude. According to Robbins and Judge, a favorable attitude toward work that results from an assessment of its attributes, which is extremely wide, is the definition of job satisfaction. In contrast, satisfied workers will be able to work well, enthusiastically, and actively and can perform better than unsatisfied workers. Unsatisfied workers will never experience psychological satisfaction, and eventually, negative attitudes or behaviors will emerge and lead to frustration. Mathis and Jackson define job satisfaction as a favorable emotional state resulting from an assessment of one's work experience. When these expectations are not satisfied, job discontent results. There are several elements to job happiness. The phases that are typically noted include opportunities for promotion, compensation, recognition, and the connection between supervisors and employees. Job satisfaction is a gauge of the organization's continued commitment to employee growth. Therefore, work happiness must continue to be a priority since no manager can realistically expect to be able to make all employees happy in their positions. In order to assess an employee's attitudes and conduct at work, as well as to improve their job performance, it is necessary to meet their varied requirements, wants, and desires.

Performance may have an impact on an organizational organization's continuous operations, and greater performance from employees will significantly aid in the growth of the organization or organizations. Performance is the degree to which objectives are met when specific activities are carried out. Performance management is the total process used to raise employee productivity, which includes the productivity of each person and each work group inside the firm. Numerous internal and external organizational elements affect employee performance as well as individual, group, and employee performance. The relationship between motivation and loyalty and performance. A person has to be capable and have a particular amount of willingness in order to execute a task or job. Without a clear grasp of what to accomplish and how to achieve it, a person's willingness and abilities are ineffective.

According to Rivai, performance is the sincere behavior that each individual demonstrates as a job success attained by employees in line with their role in the company. Or to put it another way, a company's efforts to achieve its goals depend heavily on employee performance. Simamora, meanwhile, claims that employee performance is defined as an indication of an employee's capacity for generating anything based on knowledge, attitudes, abilities, and motivation. Since they are directly tied to an institution's or organization's productivity, management issues are always given attention. Ability and willingness are the major characteristics that affect performance; it is known that many people have the ability but lack the willingness to perform at their best. Employee performance, according to Mangkunegara, is the outcome of the quality and quantity of work that an employee or employee achieves while doing his duties in line with the obligations assigned to him. Employee performance is the work that an individual or group of individuals produces. Employee performance has a significant impact on an organization's or business's ability to advance. The outcomes or degree of completion of the tasks given to or imposed upon employees can be used by a manager to gauge the effectiveness of employee performance, providing a common goal for a project that enables workers to finish it with the best outcomes.

Methodology

This study was carried out at the East Java Province's Regional Financial and Asset Management Agency (BPKAD). Due to the restricted number of samples, the complete population was utilized as a sample in this study. The population consisted of all workers who were considered active and registered as employees up to 115 employees. This study employs an associative research type with a quantitative methodology. A questionnaire that has previously undergone testing for validity and reliability and was deemed valid and reliable with an alpha value greater than 0.6 was used to collect the data for this investigation. In this work, path analysis was used to examine the data. In this work, path analysis was used to examine the data.

Results

This study uses path analysis to prove the effect of employee engagement, work environment, and job characteristics on job satisfaction and employee performance. Based on the calculation results or the results of path analysis, a structural equation model \( Y_1 = 0.424 + 0.108 X_1 + 0.272 X_2 + 0.560 X_3 \) can be made. Some things that can be known from equation 1 resulting from this research are:
When the independent variables, namely the employee engagement variable, the work environment, and the job characteristics, are equal to zero, the regression line and the Y1 axis, which displays the average employee job satisfaction, meet at a constant value of 0.424. Employee work satisfaction is significantly influenced by employee involvement, as indicated by the path coefficient X1 of 0.108 with a significance level of 0.048. With the assumption that the other independent variables, namely the work environment variable and job characteristics, are constant, this suggests that if the employee attachment variable (X1) increases by 1 unit, employee job satisfaction will increase by 0.108.

The X2 path coefficient of 0.272 with a significance of 0.000 indicates that the work environment (X2) has a significant effect on employee job satisfaction. This means that if the work environment variable increases by 1 unit, employee job satisfaction will increase by 0.272, assuming that the other independent variables, namely the employee attachment variable and job characteristics, are constant. The path coefficient X3 of 0.560 with a significant value of 0.000 indicates that job characteristics (X3) have a significant effect on employee job satisfaction at the Regional Financial and Asset Management Agency (BPKAD) of East Java Province in Surabaya. This means that if the job characteristics variable increases by 1 unit, employee job satisfaction will increase by 0.560 with the assumption that the other independent variables, namely the employee attachment variable and the work environment, are constant.

The second equation was tested, and the result was Y2 = 0.241 + 0.345 X1, 0.295 X2, 0.243 X3, and 1.255 Y1. The constant of 0.241, which is the intersection of the regression line and the Y2 axis, which displays the average employee performance when the independent variables, namely employee engagement, work environment, job characteristics, and job satisfaction, are equal to zero, is one thing that can be known from equation 2 resulting from this study. The employee engagement variable (X1) has a considerable impact on employee performance, according to the path coefficient X1 of 0.345 with a significance level of 0.000.

The work environment (X2) has a considerable impact on employee performance, according to the path coefficient X2 of 0.295 with a significance level of 0.005. The job qualities (X3) have a considerable impact on employee performance, according to the path coefficient X3 of 0.243 with a significance level of 0.030. The relationship between work happiness and employee performance is considerable, as shown by the path coefficient Y1 of 1.255 with a significance level of 0.000. Accordingly, if we assume that the other independent variables, such as employee engagement, work environment, and job characteristics, are stable or constant, employee performance will improve by 1.255 if the job satisfaction variable increases by 1 unit.

With a significance value of 0.048, or sig. 0.05, the employee engagement variable (X1) significantly and positively affects work satisfaction (Y1), and the regression path coefficient is 0.108. Employee job satisfaction will improve by 0.108 if the employee engagement variable grows in a more positive direction by 1 level, according to a unidirectional link shown by the positive sign of the X1 regression path coefficient. The first hypothesis put out is supported by these findings, which show that employee involvement has a considerable impact on employee work satisfaction.

With a significance value of 0.000, or sig. 0.05, the work environment variable (X2) significantly and positively influences job satisfaction (Y1), and the regression path coefficient value is 0.272. Employee job satisfaction will improve by 0.272 if the work environment variable grows in a more positive direction by 1 level, according to the unidirectional association shown by the positive X2 regression path coefficient sign. These findings support or accept the second premise that the workplace environment has a major impact on employee job satisfaction.

With a significance value of 0.000, or sig. 0.05, the work characteristics variable (X1) significantly and positively influences job satisfaction (Y1), and the regression path coefficient value is 0.560. This implies that employee work satisfaction will improve by 0.560 if the job characteristics variable grows in a more positive direction by 1 level. Employee work satisfaction will improve by 0.560 if the job characteristics variable grows in a more favorable direction by 1 level, according to a unidirectional link shown by the positive sign of the regression path coefficient X3. The third hypothesis is supported or accepted by these findings, which show that work characteristics have a considerable impact on employee job satisfaction.

Employee performance (Y2) is positively and significantly influenced by the employee engagement variable (X1), with a significance level of 0.000, or sig. 0.05, and a regression path coefficient value of 0.345. Employee performance will only rise by 0.345 if the employee engagement variable grows by 1 level in a more positive direction, according to the unidirectional link shown by the positive X1 regression path coefficient sign. The fourth
hypothesis put out is supported or accepted by these findings, which show that employee involvement significantly affects employee performance.

Employee performance (Y2) is positively and significantly influenced by the work environment (X2), with a significance level of 0.005 (sig. 0.05) and a regression path coefficient of 0.295. Employee performance will rise by 0.295 if the work environment variable grows in a more positive direction by 1 level, according to the unidirectional link shown by the positive X2 regression path coefficient sign. These findings support the fifth hypothesis, which states that the workplace environment has a major impact on employee performance.

With a significance value of 0.030, or sig. 0.05, the job characteristics variable (X3) has a positive and significant impact on employee performance (Y2), and the regression path coefficient value is 0.243. Employee performance will improve by 0.243 if the work characteristics variable grows in a more favorable direction by 1 level, according to a unidirectional link shown by the positive sign of the Y1 regression path coefficient X3. These findings show that the job characteristics variable significantly affects employee performance, proving or accepting the sixth hypothesis that was put out.

Employee performance (Y2) is positively and significantly influenced by the job satisfaction variable (Y1), with a significance value of 0.000, or sig. 0.05, and a regression path coefficient value of 1.255. Employee performance will rise by 1.255 if the work satisfaction variable grows in a more favorable direction by 1 level, according to a unidirectional link shown by the positive sign of the Y1 regression path coefficient. These findings support the seventh hypothesis, which states that work happiness has a major impact on employee performance.

The squared multiple correlation (R2) value for the work satisfaction measure is 0.976 according to the calculation findings. This indicates that employee engagement variables (X1), work environment variables (X2), and job characteristics variables (X3) may account for 97.6% of the variation in employee job satisfaction (Y1). While the employee performance variable's squared multiple correlation (R2) value is 0.945. This indicates that the variables of employee engagement (X1), work environment (X2), job characteristics (X3), and job satisfaction (Y1) may account for 96% of the variation in employee performance (Y2).

Based on the calculation of direct effects and indirect effects, for more details, it is described as follows:

Directly there is a positive and significant effect of employee engagement variable (X1) on job satisfaction (Y1) of 0.108 with a significance of 0.048. Directly there is a positive and significant effect of work environment variables (X2) on job satisfaction (Y1) of 0.272 with a significance of 0.000. Directly there is a positive and significant effect of job characteristics variables (X3) on job satisfaction (Y1) of 0.560 with a significance of 0.000. Directly there is a positive and significant effect of employee engagement variable (X1) on employee performance (Y2) of 0.345 with a significance of 0.000.

Directly there is a positive and significant effect of work environment variables (X2) on employee performance (Y2) of 0.295 with a significance of 0.005. Directly there is a positive and significant effect of job characteristics variable (X3) on employee performance (Y1) of 0.243 with a significance of 0.03. Directly there is a positive and significant effect of job satisfaction variable (Y1) on employee performance (Y2) of 1.255 with a significance of 0.000.

Employee engagement variable (X1) has a positive indirect influence on employee performance (Y2) through work satisfaction (Y1), with a significant effect of 0.108 x 1.255 = 0.135. Employee engagement has a favorable and substantial indirect effect of 0.135 on employee performance. Employee engagement has a substantial direct impact on performance, with a 0.345 correlation. This demonstrates that the effect of employee engagement (X1) on employee performance (Y2) is weakened or minimized by job satisfaction as an intervening variable, demonstrating that the direct impact of employee engagement on employee performance is greater than the indirect impact of employee engagement through job satisfaction.

Workplace environment factors (X2) have a positive indirect influence on employee performance (Y2) through job satisfaction (Y1), with a significant effect of 0.272 x 1.255 = 0.341. The workplace environment has a favorable and significant indirect influence on employee performance of 0.341, which is both. Despite the fact that the work environment has a significant and direct influence on employee performance (0.295).

This demonstrates that the influence of the work environment (X2) on employee performance (Y2) is strengthened or expanded by job satisfaction (Y1) as an intervening variable. This indicates that, as opposed to directly, the workplace environment has a higher and more important impact on employee performance through job satisfaction.

The work characteristics variable (X3) has a positive indirect influence on employee performance (Y2) through job satisfaction (Y1), with a significant effect of 0.560 x 1.255 = 0.703. Job features have a favorable and
strong indirect influence on employee performance with a value of 0.703 (Sarwono). Although the direct impact of work factors on employee performance is strong and equals 0.243. This demonstrates that the influence of work qualities (X3) on employee performance (Y2) is strengthened or expanded by job satisfaction (Y1), an intervening variable. This indicates that work features directly impact employee performance less than job characteristics' indirect impact on employee performance through job satisfaction.

Discussion

It has been demonstrated or agreed upon that employee involvement significantly affects work satisfaction. This is demonstrated by the fact that the employee engagement variable's (X1) regression path coefficient on work satisfaction (Y1) is 0.108 (Sig. = 0.048 Significant). Employee job satisfaction will therefore rise by 0.108 if the employee engagement variable changes (increases) in a more favorable direction by 1 level. The employee's work happiness increases with how well the respondent's (employee's) perception of employee engagement is. The findings of this study, which demonstrate a substantial relationship between employee involvement and work satisfaction, provide empirical support for Wibawa and Soedarsono's findings. According to Wibawa and Soedarsono's research, employee involvement simultaneously has a strong good influence on work satisfaction and a considerable negative effect on intention to leave the company. This implies that employee work satisfaction is significantly influenced by employee involvement.

The second hypothesis, that the work environment variable has a major impact on employee job satisfaction, is either verified or deemed acceptable. This is demonstrated by the fact that the work environment variable's (X2) regression path coefficient on job satisfaction (Y1) is 0.272 (Sig. = 0.000 Significant). Employee job satisfaction will therefore rise by 0.272 if the work environment variable changes (increases) in a more positive direction by 1 level. The higher the employee's rating of the working environment, the more satisfied they are with their jobs. The findings of this study, which demonstrate that the workplace has a considerable impact on employees' job satisfaction, provide empirical support for Wibowo et al. and Wibawa and Winaringsih's findings. The study's findings by Wibowo et al. indicate that both the physical and non-physical work environments have a significant impact on employees' job satisfaction, whereas the non-physical work environment also has a somewhat favorable and important influence, in addition to the physical work environment. According to the results of Winaringsih's study, there is a strong correlation between these factors and employee job satisfaction. The work environment, leadership, and communication all have a positive and substantial impact on this factor. This indicates that an employee's job happiness is significantly influenced by the workplace.

The third hypothesis, that the work characteristics variable influences employee job satisfaction, is either verified or acceptable. This is demonstrated by the fact that the job characteristics variable (X3)'s regression path coefficient on work satisfaction variable (Y1) is 0.560 (Sig. = 0.000 Significant). This indicates that employee work satisfaction will rise by 0.560 if the job characteristics variable changes (increases) in a more favorable direction by 1 level. The higher the employee's rating of the job requirements, the more satisfied they are with their work. The findings of this study, which demonstrate that job characteristics have a significant impact on employee job satisfaction, provide empirical support for Narottama and Surya's findings, which found a direct, positive, and significant relationship between job characteristics and financial compensation and employee job satisfaction.

The fourth claim, that the employee engagement variable significantly affects employee performance, is either demonstrated or deemed acceptable. This is demonstrated by the fact that the employee engagement variable's (X1) regression path coefficient on employee performance (Y2) is 0.345 (Sig. = 0.000 Significant). Accordingly, if the employee engagement variable shifts (increases) in a more favorable direction by 1 level, employee performance will likewise increase by 0.345, and the effect is considerable. The employee will perform at a greater level the more favorably they perceive their level of involvement. The findings of this study, which indicate that employee involvement significantly affects employee performance, conceptually concur with Handoko's assertion and practically back up Ramadhan and Sembiring's findings. Additionally, Handoko stated that an organization performs better the more attached its members are. High degrees of attachment are linked to a number of advantages, including increased productivity, higher firm profitability, high work quality, increased efficiency, low turnover, decreased absenteeism, and reduced employee fraud and mistakes. Employee engagement has a large impact on employee performance, with a total effect of 76.6%, according to Ramadhan and Sembirin's research.
The fifth hypothesis, that the work environment variable has a major impact on employee performance, is either verified or deemed acceptable. This is demonstrated by the regression path coefficient of 0.295 (Sig. = 0.005 Significant) between the work environment variable (X2) and employee performance (Y2). Accordingly, if the work environment variable grows (changes) in a more favorable direction by 1 level, employee performance will likewise increase by 0.295, and the effect is considerable. Employee performance increases in direct proportion to how well they rate their workplace. The findings of this study, which demonstrate that the workplace has a significant impact on employee performance, empirically corroborate those of Budianto and Katini’s study, which found that the agency’s work environment can have a significant impact on employee performance.

The sixth hypothesis, that the job characteristics variable has a major impact on employee performance, is either verified or acceptable. This is demonstrated by the fact that the job characteristics variable (X3) has a regression path coefficient of 0.243 (Sig. = 0.030 Significant) on employee performance (Y2). This suggests that employee performance will rise by 0.243 if the job characteristics variable changes (increases) in a more favorable direction by 1 level, and the effect is significant. Employee performance is higher when respondents rate work aspects more favorably. The findings of this study, which demonstrate that job characteristics have a significant impact on employee performance, provide empirical support for Narottama and Surya’s finding that job characteristics and financial compensation have an indirect impact on employee performance through employee job satisfaction.

The seventh hypothesis, that the work happiness variable significantly affects employee performance, is either verified or deemed acceptable. This is demonstrated by the fact that the work satisfaction variable’s (Y1) regression path coefficient on employee performance (Y2) is 1.255 (Sig. = 0.000 Significant). Employee performance will therefore rise by 1.255 if the work satisfaction variable changes (increases) in a more favorable direction by 1 level. The higher the performance displayed by employees, the higher the respondents’ ratings of job happiness.

Conclusion

The following findings and recommendations based on hypothesis proving and debate might be made in light of the description and analysis in the preceding chapters: (a) According to the study's findings, employee involvement significantly affects work satisfaction, with more or better engagement resulting in higher job satisfaction. (b) The findings of the study indicate that employee job satisfaction is significantly influenced by the workplace, with a positive correlation between job satisfaction and workplace quality. (c) The findings of the study indicate that work characteristics have a considerable impact on employee job satisfaction, with a positive correlation between job features and employee job satisfaction. (d) The findings of the study indicate that employee engagement has a considerable impact on employee performance, with a positive correlation between employee engagement and performance. (e) The findings of the study indicate that the working environment has a substantial impact on employee performance, with a positive relationship between work environment quality and employee performance. (f) The study’s findings indicate that employee performance is significantly influenced by work features, with greater performance being associated with better job qualities. (g) According to the study’s findings, employee performance is significantly influenced by work satisfaction, with higher performance being associated with higher job satisfaction.

References


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