

# The Effect of Employee Engagement on Employee Performance with Job Satisfaction as an Intervening Variable in Expeditionary Companies

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**ABSTRACT:** Expeditionary Company is a company engaged in providing services in the form of collection, management, warehousing, and delivery of goods. Thus, an expedition company is a company engaged in the delivery of goods, express couriers, and logistics. Along with the increasingly fierce competition between these service providers, the company must compete in the face of business competition. Employee engagement is a determining factor in achieving high performance. The purpose of this study was to determine the effect of the employee engagement variable on employee performance through job satisfaction as an intervening variable at shipping companies (SiCepat, JNE, TIKI, J&T and ID Express) in the city of Metro Lampung. This research is quantitative research with an explanatory approach or known as explanatory research and analyzed using the SPSS 20 tool. The data used in this study were obtained from the results of questionnaire testing on 201 employees spread over the shipping company that became the object of research, namely Sicepat, JNE, Tiki. , J&T and ID Express in Metro Lampung City. The results obtained from this study are that employee engagement has a significant effect on employee performance through job satisfaction. This means that employee performance is influenced by the job satisfaction felt by employees so that employees will feel engaged, and employees will show better employee engagement. The implication of this research is that the shipping companies Sicepat, JNE, Tiki, J&T and ID Express in Metro Lampung City further instill the concept that employees are part of the company, and can give appreciation and appreciation for the contributions that have been made by employees. This is so that employee engagement and employee satisfaction that affect performance can still be maintained and can be improved again.

**KEYWORD:** Employee Engagement, Employee Performance, Job Satisfaction

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## I. INTRODUCTION

Company competition in shipping services in Indonesia is currently getting tougher, of course every company must face this competition. The most important asset that must be considered is the management of human resources [1]. Effective management of human resources can make employee performance better, because if the company can relate well to employees, employees will provide feedback to the company. One of the attitudes that can make the best contribution is engagement. Employee engagement is a concept and working method designed to ensure that employees are committed to achieving the goals and values of the company where employees work. Employee engagement can also contribute to the success of the company and can increase a sense of self-worth [2]. In the business world, employee engagement is the main factor because it can trigger employee performance to contribute better. An employee who is engaged in the company will be aware of the responsibilities given and can influence the employee to motivate fellow co-workers in achieving the success of a company [3].

Employees who have a high level of engagement will have a high emotional attachment to the company, so that it will have an effect on completing work and tend to have satisfactory work quality. Research surveys on employee engagement conducted in Southeast Asia found that only 8% of employees in Indonesia were declared engaged, while 77% of employees were declared not engaged, and 15% were stated to be actively disengaged.

Expeditionary companies engaged in transportation and delivery of goods in the city of Metro Lampung include Sicepat, JNE, J&T, Tiki, and ID Express. To improve performance results, the company has realized the importance of employee engagement to achieve high performance. From the observations of the five shipping companies, they often conduct employee engagement surveys as feedback for improving the management of company relationships with employees to provide a better picture and condition of engagement in a work team.

One indication of the low level of employee engagement in shipping companies in Metro Lampung is the lack of work discipline. One example of the lack of work discipline that occurs in the five companies is the high level of employee absenteeism in coming to work. The level of employee absenteeism creates a decrease in employee performance, causing the company to suffer losses. The increase in employee absenteeism tends to increase every year, and is above the standard set by the company, which is 0.31% to 0.42%. The increase in the data is caused by several factors including the lack of a sense of satisfaction possessed by employees, resulting in a lack of enthusiasm experienced by employees.

Job satisfaction is closely related to a person's attitude towards his own work. Feelings of satisfaction at work can have a positive impact on behavior, such as the level of discipline and morale that tends to increase [4]. Job satisfaction is also related to outcomes such as performance, so that if job satisfaction is higher, it will lead to enthusiasm at work. Thus a person will more easily achieve high performance.

The satisfaction felt by employees at work is an indication that employees have feelings of pleasure in carrying out work duties. Job satisfaction is also a positive attitude towards various situations in the workplace for the company, employee job satisfaction must get attention and fulfillment, this is the task of company leaders. For employees, job satisfaction is an individual factor and a means to achieve work productivity. So that in the scope of human resource management, job satisfaction factors provide benefits both for the company, employees, and for the community.

Based on the description above, the objectives to be achieved are as follows:

1. To determine the effect of employee engagement on the performance of the shipping company employees of Metro Lampung City.
2. This study aims to determine the effect of job satisfaction on the performance of the shipping company employees of Metro Lampung City.
3. This study aims to determine the effect of employee engagement on job satisfaction of shipping company employees in Metro Lampung City

To determine the effect of employee engagement on employee performance through job satisfaction in the shipping company of Metro Lampung City.

## **II. LITERATURE REVIEW**

Engagement is a concept designed to ensure employees are committed to achieving company goals. Employee engagement contributes to the success of the company in order to be able to increase a sense of self-worth. [5]. The application of the concept of employee engagement will have strength with clear evidence of trust and fairness based on mutual respect, both of which have promises and commitments that can be fulfilled [6]. Employee engagement is also important for anyone who manages or leads a company, because this concept provides the tools needed to ensure employees do their best work. This concept is also used to develop employee policies.

Employee engagement has become a high priority for all organizations, as to turn a company into a success requires high competence and high employee involvement. High employee involvement to ensure customers have an unforgettable experience, be innovative and make products more attractive, create better quality to produce, stay up to date with rapid field changes, be collaborative and flexible [7]. Employee engagement shows how much employees identify with their work and are emotionally committed to their work and have the ability to do work [8].

Schaufeli and Bakker divide the three elements of employee engagement, namely, vigor, dedication, and absorption. Vigor is shown by employees through their physical and mental strength when doing the assigned tasks. Vigor can be seen from the high level of power and mentality at work, daring to complete the work with all his might, seriousness in carrying out the given task, not giving up and persisting when facing difficulties in completing work. Dedication is shown by employees emotionally towards their work. Judging from the enthusiasm of employees when working, they are proud of the work they do and are proud of their place of work. Employees who have a high sense of dedication unite themselves with their work because they see their work as a valuable experience. Absorption is described by the behavior of employees who devote their full attention to their work. Employees who have high absorption feel that time passes quickly when they are doing tasks so it is difficult to get away from their work [10].

The role of employees is very influential in achieving the success of an organization. The role is obtained from the employee's performance which is defined as the result or achievement to fulfill the responsibility in completing the requirements of a job given to him [11]. Employee performance is defined as the success of work by a person in an organization by being responsible for each authority to achieve the goals of the organization or joint company in accordance with the law, norms and ethics [12].

Measurement of the increase or decrease in employee performance can be viewed from several aspects by the company. These aspects must be owned by every company as a benchmark for its employees in order to improve individual performance and company performance. Performance is basically what employees do or

don't do [13]. Bernadin and Russell stated that there are six criteria that can be used to measure performance, [14], namely:

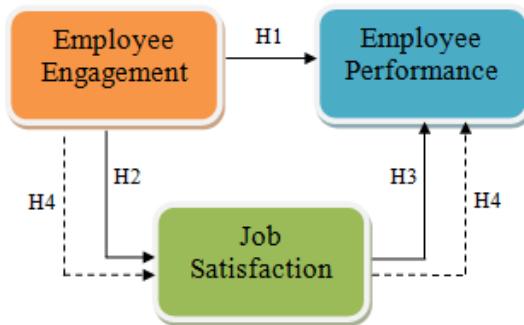
1. Quality
2. Quantity
3. Timeliness
4. Cost Effectiveness
5. Need for Supervision
6. Interpersonal Impact

Job satisfaction is a feeling of relief because you like the work you are doing because it is related to the nature of the job duties, the results obtained, and the form of supervision received. Job satisfaction is an employee's thinking that produces a perception of how high the level of benefits from their work [15]. Job satisfaction is an attitude or feeling towards things that are pleasant or unpleasant about the assessment of each appropriate job [16]. Low job satisfaction will cause various negative impacts, such as decreased morale and enthusiasm for work, decreased work discipline,

According to Herzberg and Robbins, there are two theories which state that satisfaction and dissatisfaction are driven by motivational factors and hygiene factors [18]. Motivational factors are aspects of work that make someone want to appear and give satisfaction to that person. Motivation factors consist of achievement, recognition, work itself, advancement, and growth. While hygiene factors are aspects of the work environment consisting of company policy, interpersonal relative (relationship with boss, subordinate, and peers), working conditions, money, work security [18].

The framework of thought in this study explains how much influence employee engagement has on employee performance through job satisfaction. Based on this statement, a framework of thought was developed as follows:

**Figure 1: Research Framework**



The research hypothesis used in this study describes theory-based predictions so that it is possible to link theory with observation.

### **III. RESEARCH METHOD**

This type of research is explanatory research, namely research that looks at the influence that exists between each research variable by testing the hypotheses that have been formulated. This research will be conducted on an expedition company in Metro Lampung City. The population in this study were all expedition employees in Metro Lampung City, amounting to 446 employees. With calculations using the Slovin formula, the population taken is 210 respondents. However, in this study only 201 respondents whose data can be processed. The effect of variable X on variable Y with variable Z as a mediation was measured using multiple linear regression analysis. Multiple linear regression instruments were also tested through validity tests, reliability tests, classical assumption tests, and path analysis. The t-test was used to partially test the effect of employee engagement on performance with job satisfaction as the intervening variable. And the f test was conducted to find out how far the independent variables together can influence the dependent variable.

### **IV. RESULT AND DISCUSSION**

The discussion of the results of this study was conducted by testing the data instruments namely validity test, reliability test, classical assumption test namely normality test, linearity, heteroscedasticity, multicollinearity, and hypothesis testing namely, coefficient of determination test, f test, t test and path analysis.

#### A. Validity test

Item analysis was carried out, which correlated the score of each item with the variable score. The technique uses Pearson correlation. Each question item is considered valid if the r count is more than r tables. Based on the results of data processing, the results of the validity test on employee engagement (X), employee performance (Y) and job satisfaction (Z) have a calculated r value (item corrected-total correlation) greater than r table. Therefore, all statements for variables X, Y, and Z are declared valid.

#### B. Reliability Test

Reliability testing in this study was carried out by calculating the value of Cronbach's Alpha from each of the variables tested. If the value of Cronbach's Coefficient Alpha is greater than 0.6, then the answers from the respondents to the questionnaire as a measuring tool are considered reliable. If the value of Cronbach's Coefficient Alpha is less than 0.6, then the answer is not reliable. The results of the reliability test can be seen in table 4.9 below.

**Table 1. Reliability Test**

No	Variable	ralpha	critical	Results
1	<i>Employee Engagement</i>	0.947	0.600	Reliable
2	Employee performance	0.945	0.600	Reliable
3	Job satisfaction	0.969	0.600	Reliable

Table 1. above shows the results of data processing, it can be seen that the reliability coefficient of the employee engagement instrument is 0.947, employee performance is 0.945, and job satisfaction is 0.969. The three variables in this study after being tested for reliability resulted in a Cronbach's Alpha value greater than 0.600, this indicates that the three research variables are reliable.

#### C. Classic Assumption

##### 1. Normality test

**Table 2 Normality Test**  
**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		201
Normal Parameters <sup>a,b</sup>	Mean	0.000000
	Std. Deviation	11.15640167
Most Extreme Differences	Absolute	0.048
	Positive	0.022
	Negative	-0.048
Test Statistic		0.048
Asymp. Sig. (2-tailed)		0.200 <sup>c,d</sup>

Table 2 above shows the results of the one-sample Kolmogorov-Smirnov test variable (X) namely employee engagement and variable (Z) namely job satisfaction with the variable (Y) namely employee performance can be declared normal, the basis of this statement is to look at the significance value generated, namely of 0.200 which means greater than 0.05 then the data under study is normally distributed.

##### 2. Linearity Test

**Table 3. Linearity Test**

Model	Sig	Results
X against Y	0.000	linear
X against Z	0.000	linear
Z against Y	0.010	linear

Table 3 above concludes that from the processed data above, all the test models carried out in this study are linear, this can be seen from all test values for linearity sig < 0.05.

#### D. Hypothesis testing

##### 1. Coefficient of Determination

**Table 6. Coefficient of Determination**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.489 <sup>a</sup>	0.239	0.232	11.213	1.509

Table 6 shows that the coefficient of multiple determination is 0.232. These results can be interpreted that 23.2% of the performance of employees at shipping companies (SiCepat, JNE, J&T, Tiki, ID Express) in Metro Lampung City is influenced by the two independent variables consisting of employee engagement and satisfaction. While the rest is influenced by other variables that are not included in the research model.

##### 2. F Uji test

**Table 7. F . test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7839.189	2	3919.595	31.177	0.000 <sup>b</sup>
	Residual	24893.060	198	125.723		
	Total	32732.249	200			

Table 7 shows that Fcount (31.177) > Ftable and the p-value of the F test results is 0.000. Because the p-value is smaller than the significant level = 5% or (0.000 < 0.05), then H0 is rejected, which means that employee engagement simultaneously has an effect on performance.

##### 3. t Test

**Table 8. t Test  
Coefficients<sup>a</sup>**

Model	B	Std. Error	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
(Constant)	39.753	5.874			6.768	0.000	
X_Employee_Engagement	0.196	0.075		0.171	2.617	0.010	
Z_Kepuasan_Kerja	0.261	0.042		0.408	6.258	0.000	

a. Dependent Variable: Y\_Kinerja

Table 8 shows the multiple regression model for the performance of the influencing factors, namely employee engagement and job satisfaction as follows:

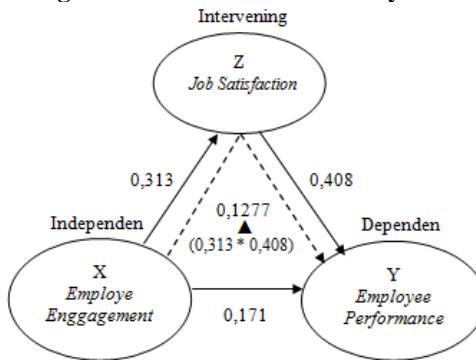
$$Y = 0.171 X + 0.408 Z$$

Table 4.16 shows the p-value of the t-test results of the employee engagement and job satisfaction variables <0.05, it can be concluded that the variable employee engagement and job satisfaction partially have a significant effect on performance.

#### E. Path Analysis

The results of this path analysis based on the results of the regression output indicate a direct and indirect relationship. Based on these results, overall the influence trajectory can be arranged as follows:

**Figure 1. Path Coefficient Analysis**



The path coefficient model in Figure 1 can be arranged into a path model that influences each other. This path model is called Path Analysis. The results of the path analysis show that employee engagement can have a direct effect on performance and can also have an indirect effect, namely from employee engagement to job satisfaction (as an intervening variable) and then to performance. The magnitude of the direct effect of employee engagement on performance is 0.171, then the magnitude of the direct effect of employee engagement on job satisfaction is 0.313, and the magnitude of the direct influence of job satisfaction on performance is 0.408. While the magnitude of the indirect effect must be calculated by multiplying the indirect coefficient, namely  $(0.313) \times (0.408) = 0.1277$ . Because the coefficient of direct influence is greater than the coefficient of indirect influence, it can be said that the actual relationship has a direct effect. This shows that job satisfaction mediates the effect of employee engagement on performance.

The hypotheses in this study are as follows:

#### 1. Hypothesis 1. Employee Engagement(X) on Employee Performance (Y)

The results showed that the beta coefficient ( $\beta$ ) was 0.171 and  $p = 0.010$ , this indicates that hypothesis 1 is supported, namely that there is a positive influence between employee engagement (X) on employee performance (Y). Based on the results of the analysis, it can be concluded that a high sense of engaged will support high employee performance, and organizations with high levels of engaged employees will be superior to competitors in terms of profitability. Engaged employees will give their company a competitive advantage including high productivity. The results of this study are also supported by previous research conducted by Anitha (2014), Lewuici et al (2016), Nazir et al (2017, Meswantri et al (2018),

#### 2. Hypothesis 2. Effect of Employee Engagement (X) on Job Satisfaction (Z)

The results showed that the beta coefficient ( $\beta$ ) was 0.313 and  $p = 0.000$ , this indicates that hypothesis 2 is supported, namely that there is a positive influence between employee engagement (X) on job satisfaction (Z). Based on the results of the analysis, it can be concluded that employee engagement plays a vital role in job satisfaction and job satisfaction has a positive value on employee engagement Company. The results of this study are also supported by previous research conducted by Tjepal et al (2015), Madan et al (2015), Andrew et al (2012), Garg (2014), Javed et al (2017), Lianasari et al (2017) , where the six researchers show that employee engagement has a positive and significant effect on job satisfaction.

#### 3. Hypothesis 3. Job Satisfaction (Z) on Employee Performance (Y)

The results showed that the beta coefficient ( $\beta$ ) was 0.408 and  $p = 0.000$ , this indicates that hypothesis 3 is supported, namely that there is a positive influence between job satisfaction (Z) on employee performance (Y). Based on the results of the analysis, it can be concluded that the higher the satisfaction of the Expeditionary Company employees (Sicepat, JNE, Tiki, J&T and ID Express) in Metro Lampung City, the better the performance provided, and vice versa. Satisfied employees are productive employees for an organization. The results of this study are also supported by previous research conducted by Fadlallh et al (2015), Khan et al (2012), Yuena et al (2018), Siengthai et al (2016), where the four researchers also showed that job satisfaction had a positive and significant effect on job satisfaction. employee performance.

#### 4. Hypothesis 4. Job Satisfaction (Z) Mediates the Effect of Employee Engagement (X) on Employee Performance (Y)

The results of the study explain that the variable job satisfaction mediates the effect of employee engagement on employee performance through calculations by transferring the indirect coefficient, namely

(0.313) x (0.408) = 0.1277. The calculation results show that the indirect coefficient value is smaller than the direct coefficient value. Therefore, it is stated that hypothesis 4 is supported, namely job satisfaction mediates the effect of employee engagement on employee performance. The results of the assessment can be concluded that employee engagement affects performance with job satisfaction as one of the components in it. When employees feel that they are part of an organization, their identity with the organization will increase. Identity and relationship with the company develops a commitment that will ultimately improve employee performance.

## V. CONCLUSION AND SUGGESTIONS

The results of the data analysis that have been described above concludes that job satisfaction mediates the effect of employee *engagement* on employee performance on Expeditionary Company (Sicepat, JNE, Tiki, J&T and ID Express) in Metro Lampung City. The conclusions that have been described above, convey some suggestions namely the leadership of the Expeditionary Company in Metro Lampung City can provide direction and motivation so that employees are enthusiastic and never give up at work, so that employees are engaged and take part in the success of the company, so that employees do not act indifferent at work and do not think about changing places of work. In addition, it is expected that the company's leadership can provide motivation to fellow employees to establish harmony and close relationships between employees, so that fellow employees can appreciate the work given and are able to work together between work groups. And ways to maintain existing performance by providing satisfaction to employees, such as providing an objective work assessment and providing rewards for the work done. This is intended so that employee engagement and job satisfaction that have affected employee performance can still be maintained and can be further improved.

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