

## The Effect of Motivation and Job Satisfaction on Performance Through Employee Engagement as a Mediating Variable

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### ABSTRACT

*Employee performance an important role in human resource strategy that can determine the success of a company in achieving its vision and mission. The purpose of this study was to measure more specifically the influence of work motivation, job satisfaction on employee engagement and the performance of permanent employees of PT. Federal International Finance. This type of research is quantitative with a purposive sampling technique distributed through a questionnaire to 170 respondents of permanent employees of PT. Federal International Finance, male and female with a work period of more than 4 years with staff positions. Primary data analysis was carried out using the Structural Equation Modeling (SEM) method. The results of this study indicate that work motivation and job satisfaction have a direct effect on employee engagement. Furthermore, work motivation and job satisfaction have a direct effect on employee performance. Next, employee engagement has a direct effect on employee performance. Then employee engagement is proven to be a mediation between the relationship between work motivation and job satisfaction on employee performance. This study contributes to the company in maintaining and improving employee performance to be able to motivate employees to increase their knowledge and maximize their potential in this company. Then the company can prioritize employees who have more skills and contributions to the company in providing compensation. For further research, the researcher suggests expanding the research area and looking for objects in other fields.*

**Keywords:** Work Motivation, Job Satisfaction, Employee Engagement, Employee Performance

### INTRODUCTION

Quality human resources are very important in a company because they determine the success or failure of a company in achieving its vision and mission. This is needed so that the company can manage the company optimally by improving the performance of its human resources in the company (Setyanti et al., 2021). Human resources in a company need to be professionally managed to achieve a balance between employee engagement and the demands and capabilities of the company's organization. This balance is the key for a company to develop productivity and progress (Natasya & Awaluddin, 2021). Many companies are beginning to realize that increasing individual productivity and organizational growth depends on a skilled, motivated, and flexible workforce, and many studies have shown that higher levels of employee engagement are significantly reduced (Sekhar et al., 2018). To achieve good performance, high work enthusiasm is needed because if you have high work enthusiasm, you will feel happy and pay full attention to your work. (Wuryani et al., 2021).

Employee performance is an important element that must be considered to improve a company. The employee performance required by a company is, of course, good and high-achieving employee performance for the benefit of the company (Pangastuti et al., 2020). Employee performance is closely related to the results of a person's work in an organization or company. Work results can involve quality, quantity, and timeliness; however, employee performance evaluation in a company organization is the key to employee development (Kuswati, 2021).

Good work motivation can have an impact on other individuals achieving goals that are in accordance with the company's vision and mission. In addition to high work motivation, it must be balanced with communication skills that must be fostered between employees. Without good communication, employees or between employees and leaders experience a deadlock in overcoming a problem in the company (Lestari et al., 2022). Work motivation is related to the strength and direction of behavior and the factors that influence people to behave in a certain way. Therefore, leaders need to consider work motivation. High employee work

motivation increases job satisfaction (Al et al., 2018). Motivated employees will be able to work more effectively and efficiently to achieve desired employee performance. One of the efforts that companies can make to increase employee engagement is to manage work motivation as much as possible (Fuadi & Setiawati, 2019).

Egenius et al. (2020) state that job satisfaction is the main support for improving and maintaining the overall results of an organization's work with efficient services and better employee engagement. Employees who are satisfied with their jobs make a significant contribution to the organization. Carvalho et al. (2020) explained employee satisfaction regarding how well an employee's work provides what is considered important and one of the main reasons for the continuity and success of employees in a company. Today, no business can survive without employee engagement; therefore, engaged employees are more productive, committed, and likely to stay with their company. They have a sense of energy, close involvement with their work, and the ability to handle the demands of their jobs well.

In addition, employee engagement makes employees feel in control and considers the workload sustainable (Oosthuizen et al., 2021). When employee engagement is involved in a job, it will affect the psychological characteristics of the employee, such as self-confidence and optimism, which will encourage employees further, which will encourage satisfaction (Al et al., 2018). found that many employees do not have employee engagement or high employee performance towards the company. The level of employee engagement with the company can be seen from the level of employee discipline, which is one of the characteristics of enthusiasm (Meswantri & Awaludin, 2018). Employee engagement and performance can be influenced by social unity, feelings of support from superiors, sharing information, shared goals and visions, communication, and trust. Employees need to feel valued and respected, realize that their work is important, and hear their thoughts are heard (Adhitama & Riyanto, 2020).

This study focuses on work motivation, job satisfaction, and employee engagement on employee performance, and discusses the relationship between the four variables simultaneously. Based on the description above, the purpose of this study is to determine the effect of work motivation, job satisfaction, and employee engagement on employee performance directly or indirectly. The final goal is to determine which variables of work motivation, job satisfaction, and employee engagement will later most dominantly affect employee performance at PT. Federal International Finance.

## LITERATURE REVIEW

### Work Motivation

According to Al et al. (2018), work motivation is a driving stimulus that creates enthusiasm, group work, effectiveness, and integration to achieve work dreams. Fuadi and Setiawat's (2019) work motivation is a condition that encourages others to carry out tasks according to their functions in the organization and have the ability to act and respond in achieving the goals and objectives of the organization. Carvalho et al. (2020) stated that success in solving various human resource problems can produce an effective organization because work motivation will make employees more satisfied, cooperative, and productive in the workplace. Pangastuti et al. (2020) provided employees with guidance, direction, resources, and rewards so that they remained inspired and interested in working according to the company's wishes. Wuryani et al. (2021) stated that work motivation is related to the delivery of service quality by improving employee performance and directing employees towards personal goals and cooperation. Motivated employees will be able to work more effectively and efficiently to achieve their desired performance. One of the efforts that companies can make to improve employee performance is to manage employee work motivation (Lestari et al., 2022).

### Job Satisfaction

According to Tepayakul and Rinthaisong (2018), employee job satisfaction is one of the most important drivers of service quality, productivity, and loyalty. Berliana et al. (2018) found that job satisfaction reflects a person's feelings at work, which can be seen from an employee's positive attitude towards their work and everything they encounter in their work environment. Job satisfaction refers to how much job satisfaction there is and will arise if an individual likes their work and environment. On the contrary, dissatisfaction will arise if they do not like their work, as stated by (Sutiyem et al., 2020). In line with Carvalho et al. (2020), employees with high job satisfaction can increase various efforts made at work, and job satisfaction tends to positively contribute to forming a more conducive organizational climate. Egenius et al. (2020) found that job satisfaction is a person's feeling that arises from the work done, which is considered adequate when compared to what has been done or the work given. Kara (2020) found that job satisfaction is the result of an individual's perception and evaluation of their job, influenced by their own

unique needs, values, and expectations, which they consider important. Lestari et al. (2022) stated that job satisfaction is a person's personal attitude towards their job and is described as a set of positive desires or feelings that people have towards their job and organization.

### Employee Engagement

According to Fuadi and Setiawati (2018), employee engagement is an employee who is bound to an organization with an awareness of the business context and who works with colleagues to improve work performance for the benefit of the organization. Referring to the definition by Sekhar et al. (2018), employee engagement is a simultaneous job and self-expression that someone likes in task behavior that encourages connections to work and others, personal presence (physical, cognitive, and emotional), and active and full role performance. Meswantri and Awaludin (2018) found that employee engagement is an emotional attachment to work and the organization, motivated and able to give their best abilities to help the success of a series of real benefits for the organization and individuals. Tepayakul and Rinthaisong (2018) believe that employee engagement is a positive and complete emotional and cognitive state related to work, including vitality, dedication, and focus. Sutyem et al. (2020) found that employee engagement is a workplace approach designed to ensure that employees are committed to the values and goals of their organization and motivated to contribute to the success of the organization. Adhitama and Riyanto (2020) defined employee engagement as one of the important issues that every association strives for among its workers and to ensure that workers put in 100 percent effort in their duties. Bai et al. (2023) stated that employee engagement is a very interesting concept, but it is not just about hard work; when employees really care about what they do and are committed to doing their best, they are motivated to work better.

### Employee Performance

According to Berliana et al. (2018), employee performance is the work result that can be achieved by a person or group of people in an organization in accordance with their respective authorities and responsibilities in achieving organizational goals legally, without violating the law, and in accordance with morals and ethics. According to Onsardi et al. (2019), employee performance is the quality and quantity of individual or group movements obtained from developing experiences and the desire to succeed. Employee performance is also the result of work in terms of the quality and quantity achieved by an employee in carrying out his duties according to the responsibilities given to him (Nasab & Afshari, 2019). According to Ramli et al. (2020), employee performance is a relevant action from an employee to do what must be done continuously, and will increase when employees try and succeed in doing faster and better according to the instructions that have been given. Hafidz and Nurdiansyah (2024) also defined employee performance as a predetermined standard that is used as evidence that someone has made maximum effort, and this work is a sign that someone has the potential to carry out more important tasks, such as the quality, speed, and accuracy of work. Work, initiative in work, and ability to work together.

## THEORETICAL FRAMEWORK AND HYPOTHESES

### The Relationship Between Work Motivation and Employee Engagement

Engidaw (2021) stated that employees who lack work motivation and employee engagement are likely to put little effort into work tasks, produce lower-quality work, avoid the workplace, and even leave their job. Al et al. (2018) stated that employee engagement depends on each individual's work motivation; when an employee is involved in a job, it will affect the employee's psychological characteristic, such as self-confidence and optimism. Bustasar et al. (2019) state that various types of work motivation equipment and rewards are prepared to increase employee efficiency during employee engagement in certain job roles. To remain competitive, organizations must encourage positive employee engagement as a strategic tool to achieve a competitive advantage. Fuadi and Setiawati (2018) argue that work motivation and employee engagement synergistically increase employee commitment, which ultimately has an impact on increased performance. Research (Engidaw, 2021; Bustasar et al., 2019) has shown that work motivation has a positive effect on employee engagement (Engidaw, 2021; Bustasar et al., 2019). Based on this statement, we propose the following hypothesis:

**H<sub>1</sub>:** Work Motivation Has a Positive Influence on Employee Engagement.

### Relationship between Job Satisfaction and Employee Engagement

Tepayakul and Rinthaisong (2018) state that there is a relationship between employee engagement and employee job satisfaction. The correlation results showed that job satisfaction and employee engagement are

positively related; thus, job satisfaction is an important driver of employee engagement. Putri et al. (2020) argued that employees are more productive if they have a commitment to the company that creates employee engagement and when their work makes them relatively satisfied and creates job satisfaction. (Anwar and Qadir (2017) stated that no business can survive without employee engagement; therefore, it is important to provide job satisfaction to employees in the form of awards or job promotions. Research (Tepayakul & Rinthaisong, 2018; Natasya & Awaluddin, 2021) has reported that job satisfaction positively influences employee engagement. Based on this explanation, the proposed hypothesis is as follows:

**H<sub>2</sub>:** Job Satisfaction has a positive effect on Employee Engagement.

### **Relationship between Work Motivation and Employee Performance**

Kuswati (2021) stated that increasing employee engagement can be achieved by increasing a company's work motivation. Wuryani et al. (2021) stated that leaders who have work motivation and good decisions are needed to achieve good employee performance so that organizational/company goals can be achieved. Prastiwi et al. (2022) argue that the birth of better work motivation in each employee opens up opportunities to improve employee work ethics so that it will have a big impact on improving employee performance and credit scores and good employee track records in the eyes of the company. Pangastuti et al. (2020) found that work motivation is related to the effect of work motivation on employee performance. Thus, in the future, it can contribute to company decision making to achieve common goals for both employees and the company. Previous research from (Wuryani et al., 2021; Prastiwi et al., 2022) has shown that work motivation has a positive influence on employee performance. Based on the literature above, the following hypothesis is proposed:

**H<sub>3</sub>:** Work Motivation Has a Positive Influence on Employee Performance.

### **Relationship between Job Satisfaction and Employee Performance**

Carvalho et al. (2020) stated that job satisfaction can be one of the main reasons for the continuity and success of a company and is one of the reasons that positively influences employee performance. In agreement with Berliana et al. (2018) the importance of employee welfare as well as improving work performance, discipline and work enthusiasm and motivating employees to work more productively, because in an organization, employee job satisfaction is often considered a strong determining factor in employee performance. Egenius et al. (2020) believe that job satisfaction has a direct impact on employee performance, which in turn has a direct impact on company performance and employee loyalty to the company. Lestari et al. (2022) can affect employee performance, including the provision of salaries, incentives, and bonuses received by employees. Job satisfaction is a reflection of the dedication and responsibility shown by employees' attitudes towards working hard. Job satisfaction is one of the main reasons for the continuity and success of a company. Research has shown that job satisfaction has a positive effect on employee performance (Berliana et al., 2018; Carvalho et al., 2020). Based on the literature presented above, we propose the following hypotheses:

**H<sub>4</sub>:** Job Satisfaction has a positive effect on Employee Performance.

### **Relationship between Employee Engagement and Employee Performance**

Hadi and Hanif (2022) stated that high employee engagement in an organization will increase job satisfaction and organizational commitment, reduce employee intentions to quit, and strengthen the occurrence of one of the factors that positively affect employee performance. Sekhar et al. (2018), with a high level of employee engagement, also expected to improve employee performance, productivity, task performance, organizational citizenship behavior, and affective commitment and continuity. Adhitama and Riyanto (2020) found that employee engagement has extraordinary involvement, increasingly gaining benefits, and focusing on the company where they work by carrying out the main vital tasks that drive employee performance and consistent improvement of employee achievement throughout the year. Meswantri and Awaludin (2018) state that the management and development of human resources in companies are expected to produce quality human resources and engage employees in the company so that they can work with high enthusiasm so that employee performance increases and company goals are achieved. Previous research from (Sekhar et al., 2018; Adhitama & Riyanto, 2020) proved the same results that employee engagement positively influences employee performance. Based on the literature above, the following hypothesis is proposed:

**H<sub>5</sub>:** Employee Engagement has a positive effect on Employee Performance.



## The Relationship Between Work Motivation and Employee Performance Through Employee Engagement

Work motivation and employee engagement synergistically make employees more committed, which ultimately improves employee performance (Fuadi & Setiawati, 2019). Employees will not work optimally if they do not have high work motivation from within themselves to excel in their work; therefore, it is necessary to encourage high work motivation from the company followed by good employee engagement, so employee performance will increase (Carvalho et al., 2020). Employees who have high employee performance when they have the ability, work motivation, and are willing to be involved in employee engagement in the team to obtain positive results for the company (Prastiwi et al., 2022). Research (Fuadi & Setiawati, 2019; Carvalho et al., 2020; Prastiwi et al., 2022) has shown that employee engagement mediates the effect of work motivation on employee performance. Based on this statement, we propose the following hypothesis:

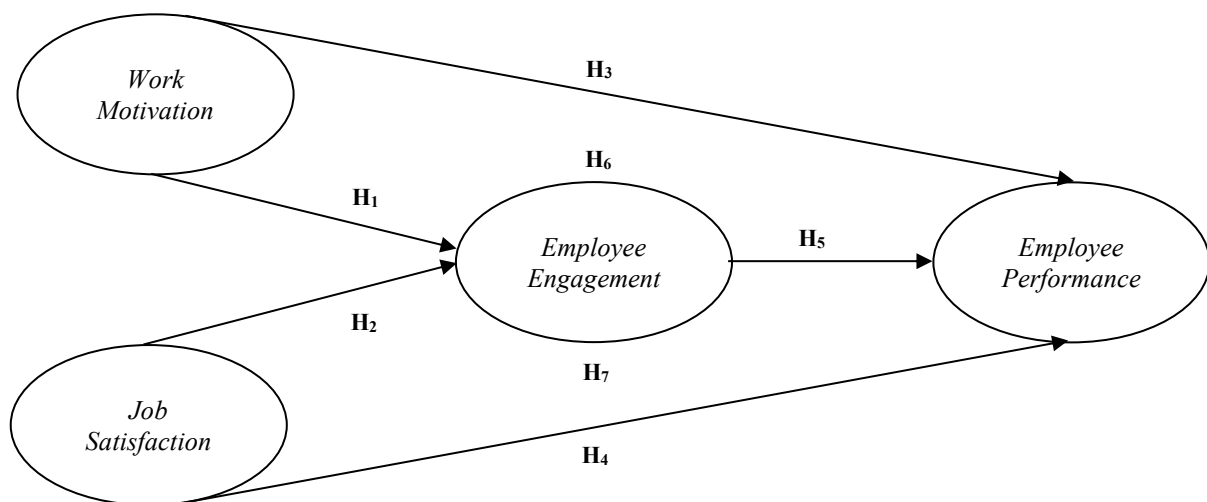
**H<sub>6</sub>:** Employee Engagement Mediates Work Motivation on Employee Performance.

## Relationship between Job Satisfaction and Employee Performance Through Employee Engagement

According to Egenius et al. (2020), job satisfaction is currently believed to have a direct influence on employee performance through solid employee engagement, which ultimately affects organizational performance. Employee engagement in a company can provide benefits in increase job satisfaction and minimize employee errors so that it can strengthen the occurrence of one of the factors that influences employee performance to be better (Hadi & Hanif, 2022). High employee engagement in an organization will increase job satisfaction, which has an impact on reducing employee intentions to quit, and ultimately, employee performance will definitely increase (Lestari et al., 2022). The conclusion of the study (Hadi & Hanif, 2022; Lestari et al., 2022) has proven that employee engagement mediates the effect of job satisfaction on employee performance. Based on this statement, we propose the following hypothesis:

**H<sub>7</sub>:** Employee Engagement Mediates Job Satisfaction on Employee Performance.

Based on the theoretical logic explanation above, the following research model was created:



**Figure 1.** Conceptual Framework

## RESEARCH METHOD

This study aims to test a theory or hypothesis to strengthen or reject the theory or hypothesis of previous research results. This study examines the causal relationship between variables, which is the direct or indirect influence of the independent variable on the dependent variable and the mediating variable on the dependent variable (Purwanza et al., 2022). The variables in this study included work motivation (X1), job satisfaction (X2), work engagement (Z), and employee performance (Y). The data used for analysis purposes in this study consisted of primary data obtained from distributing questionnaires using Google forms.

In this study, there are independent variables, namely work motivation and job satisfaction; a mediating variable, employee engagement; and a dependent variable, employee performance. Measurement of work motivation variables using indicators from Pangastuti et al. (2020), namely psychological needs, safety needs,

social needs, esteem needs, and the need for self-actualization. Measurement of job satisfaction variables using indicators from Sutyem et al. (2020), namely challenging job, compensation, supporting working conditions, supporting colleagues, and compatibility of personality with work. Measurement of work engagement variables using indicators from Meswantri and Awaludin (2018), namely vigor, dedication, and absorption. Measurement of employee performance variables using indicators from Kuswati (2021): quantity, quality, effectiveness, and timeliness.

A population is defined as a collection of all research objects consisting of individuals who are the source of data in a study and have certain characteristics (Purwanza et al., 2022). This research will be conducted at the PT. For Federal International Finance, a company engaged in collection services, the determination of the number of samples in the study uses the Hair et al. (2022) method formula, where the formula used is the minimum sample size of 10 x the number of statements of which there are 17 statements in this questionnaire, so that the sample size obtained was 170 respondents. The data collection technique used purposive sampling with the criteria of permanent employees of PT. Federal International Finance with a work period of more than four years and a staff position.

The analysis method used in this study employs Structural Equation Modeling (SEM PLS) to analyze the relationship between variables and measure the influence of one variable on another. In this study, data were collected using a questionnaire, with the scale used being a Likert scale containing 1 to 4 levels of answers. Therefore, a measuring instrument was used to measure the validity and reliability. Convergent and discriminant validity were used for validity testing. Convergent validity using the guidelines for loading factor values  $> 0.7$ , and Average Variance Extracted (AVE)  $> 0.5$  (Hair et al., 2022). Meanwhile, to test reliability, the guidelines for Cronbach Alpha  $> 0.7$  and composite reliability  $> 0.7$  were used. Furthermore, an inner model test was conducted to examine the relationship between the variable arrangement indicators. The measurements used were R-squared, path coefficient, and indirect effects. The R-square test guidelines were 0.75 indicating a strong model, 0.50 moderate and 0.25 weak. Guidelines for path coefficient values range from -1 to 1, with values closer to 1 or -1 indicating a stronger positive or negative relationship. For guidelines on significant indirect effects, a T-statistic value of  $\geq 1.96$  and a P value of  $\leq 0.05$  are used (Haryono, 2016).

## RESULTS AND DISCUSSION

Based on the results of the pretest on 30 respondents, there were four variables with Average Variance Extracted (AVE) values  $> 0.50$ , then Composite Reliability (Cr), and Cronbach's alpha  $> 0.70$ , so this test can be declared valid and reliable, so that the research can be continued.

The respondents in this study were permanent employees of PT. Federal International Finance with a work period of more than four years with a staff position, based on the results of the distribution of online questionnaires via Google forms obtained 170 respondents, consisting of 117 males (68.9%) and 53 females (31.1%). For the age range dominated by 24-29 years as many as 99 people or 58.2%, 29-37 years old as many as 30 people or 29.9%, 30-35 years old as many as 27 people or 15.9%, 18-19 years old as many as 26 people or 15.3%, 36-41 years old as many as 15 people or 8.8%; and over 41 years, as many as 3 people or 1.8%. Furthermore, the length of work of the respondents was dominated by 7-10 years as many as 76 people or 45.2%, length of work 4-6 years as many as 59 people or 35.1%, length of work 11-14 years as many as 30 people or 17.3%, and more than 15 years as many as 5 people or 2.4%. The level of education was dominated by high school (71 people, 42.2%), S1 (56 people, 33.1%), D3 (39 people, 29.1%), and S2 (4 people, 1.8%). The marital status of the respondents was dominated by those who were not married (95, 56.6%), already married (70, 41.1%), and divorced (5, 3%).

## Outer Model Test Results

**Table 1.** Results of Respondent Data Validity Test

<i>Variable</i>	<i>Indicator</i>	<i>Outer Loading</i>	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	<i>AVE</i>
Job Satisfaction	JS1	0.764	0.833	0.881	0.598
	JS2	0.781			
	JS3	0.782			
	JS4	0.745			
	JS5	0.793			

Variable	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Employee Engagement	EE1	0.793	0.759	0.815	0.595
	EE2	0.779			
	EE3	0.740			
Employee Performance	EP1	0.746	0.760	0.847	0.581
	EP2	0.751			
	EP3	0.751			
	EP4	0.800			
Work Motivation	WM1	0.772	0.809	0.865	0.563
	WM2	0.744			
	WM3	0.731			
	WM4	0.795			
	WM5	0.706			

Source: Researcher-processed data findings, 2025

The convergent validity value can be determined by looking at the loading factor value in the external loading table and can also be seen from the Average Variance Extracted (AVE) value. Hair et al. (2021) find that the fixed value that must be met to measure convergent validity is  $> 0.7$ , followed by factor loading and AVE with a value of  $> 0.5$ . In this study, the loading factor value obtained from 17 indicators was  $> 0.7$ ; therefore it was concluded that the 17 indicators were acceptable, and the AVE value was  $> 0.5$ .

The strength of discriminant validity indicated that one latent variable is different from the other latent variables (Hair et al., 2021). There are three methods to explain the discriminant validity test: the Heterotrait-Monotrait Ratio (HTMT), the Fornell Larckel criterion, and Cross Loading. The Heterotrait-Monotrait Ratio (HTMT) is a comparison of the average correlation of the measurement units of a variable with the geometric root of the average correlation of the measurement units. Henseler et al. (2015) suggested a different validity, namely, the Heterotrait Monotrait Ratio (HTMT) for each research variable  $< 0.90$ , which has good discriminant validity. In the results of this study, there were HTMT values that did not match the relationship between the EP and EE variables (1.101), WM and EE variables (1.000), and WM and EP variables (0.974), while the relationship between other variables showed values that met the standard  $< 0.9$ .

The Fornell-Larckel criterion shows that a latent construct can better explain the variance of its own indicators than the variance of other latent constructs (Hair et al., 2021). All variables in the measurements in this study meet these criteria.

The cross-loading value shows the correlation between the indicator and its construct, and other constructs. The correlation value of the indicator with the latent variable should be higher than the correlation value with other latent variables (Hair et al., 2021). Based on the statistical results, the cross-loading values of the WM, JS, EE, and EP measurements have higher values and are highly correlated with the main variables they measure compared with other variables, indicating that these variables have good discriminant validity.

The internal reliability of SEM-PLS can be measured by determining the Composite Reliability (CR). According to (Hair et al., 2021), the CR value can be considered reliable if it is greater than 0.7. Based on the statistical results, all latent variables (constructs) had reliability values greater than 0.70. Furthermore, the relationship between indicators was examined using collinearity statistic value (VIF). In the external VIF value table, a VIF value  $< 5$  indicates that there is no collinearity problem in the indicator (Hair et al., 2021). Statistics show that there is no multicollinearity problem in any indicator because the VIF value of all indicators is  $< 5$ .

The coefficient of determination value then explains the extent to which the independent variable can explain the dependent variable (Hair et al., 2021). Based on the calculation, it is known that the work motivation and job satisfaction variables explain 56.7% of the employee engagement variable, while the remaining 43.3% is explained by other variables not examined in this study. The work motivation, job satisfaction, and employee engagement variables can explain the employee performance variable by 70.0%, while the remaining 30.0% are explained by other variables not examined in this study.

## Inner Model Results (Hypothesis Testing)

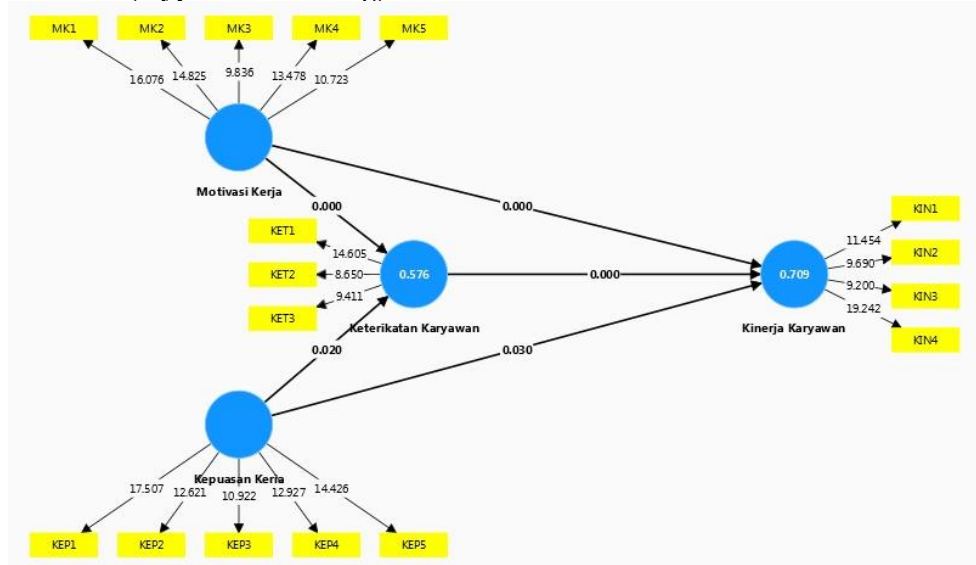


Figure 2. Hypothesis Test Results

Testing the internal model of a study (hypothesis testing) by looking at the results of the significance of the path coefficient. Hair et al. (2021) state that if the T-statistic is greater than the T-table (1.960) at the 5% level with a p-value < 0.05, it can be said to have a significant effect if the direction of the relationship is determined. When considering the original sample values.

Table 2. Direct Influence Test Results

	<i>Hypothesis</i>	<i>Original Sample (O)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>	<i>Information</i>
WM → EE	H <sub>1</sub>	0.559	5.484	0.000	The data support the hypothesis
JS → EE	H <sub>2</sub>	0.265	2.329	0.020	The data support the hypothesis
WM → EP	H <sub>3</sub>	0.351	3.799	0.000	The data support the hypothesis
JS → EP	H <sub>4</sub>	0.145	2.137	0.030	The data support the hypothesis
EE → EP	H <sub>5</sub>	0.439	4.929	0.000	The data support the hypothesis

Source: Researcher-processed data findings, 2025

Inner model testing (hypothesis testing) was performed by examining the results of path coefficient significance. If the T-statistic value is greater than the T-table (1.960) at the 5% level, with a p-value < 0.050, it can be said that there is a significant influence. Hypothesis testing, one of the influences of Work Motivation (WM) on Employee Engagement (EE), obtained T Statistic 5.848 > 1.960 with a p-value of 0.000 < 0.050; it can be said that there is a significant and positive influence between Work Motivation and Employee Engagement; thus, H<sub>1</sub> can be accepted.

Hypothesis testing of two influences of Job Satisfaction (JS) on Employee Engagement (EE) obtained T Statistic 2.329 > 1.960 with p-value 0.020 < 0.050, indicating a significant and positive influence between Job Satisfaction on Employee Engagement. Thus H<sub>2</sub> is accepted.

Hypothesis testing of three influences of Work Motivation (WM) on Employee Performance (EP) obtained T Statistic 3.799 > 1.960 with p-value 0.000 < 0.050, it can be said that there is a significant and positive influence between Work Motivation on Employee Performance. Thus H<sub>3</sub> is accepted.

Hypothesis testing of the four influences of Job Satisfaction (JS) on Employee Performance (EP) obtained T Statistic 2.137 > 1.960 with p-value 0.030 < 0.050, indicating a significant and positive influence between Job Satisfaction on Employee Performance. Thus H<sub>4</sub> is accepted.

Hypothesis testing of the five influences of Employee Engagement (EE) on Employee Performance (EP) obtained T Statistic 4.929 > 1.960 with p-value 0.000 < 0.050, indicating a significant and positive influence between Employee Engagement and Employee Performance. Thus H<sub>5</sub> is accepted.



**Analysis of Mediation Effects****Table 3.** Indirect Effect Test Results

	<i>Hypothesis</i>	<i>Original Sample (O)</i>	<i>T Statistics ( O/STDEV )</i>	<i>P Values</i>	<i>Information</i>
WM → EE → EP	H <sub>6</sub>	0.245	3.497	0.000	The data support the hypothesis
JS → EE → EP	H <sub>7</sub>	0.116	2.051	0.040	The data support the hypothesis

Source: Researcher-processed data findings, 2025

Then Hypothesis six tests the mediation effect of Employee Engagement (EE) between Work Motivation (WM) and Employee Performance (EP); the result of T-statistic 3.497 is greater than T-table (1.960) with a p-value of  $0.000 < 0.00$ . This means that Employee Engagement has a significant and positive mediating effect on the relationship between Work Motivation and Employee Performance. Thus H<sub>6</sub> is accepted.

Finally, Hypothesis seven tests the mediation effect of Employee Engagement (EE) on (JS) and Employee Performance (EP). The T-statistic result is 2.051, which is greater than the T-table (1.960) with a p-value of  $0.040 < 0.00$ . This means that Employee Engagement has a significant and positive mediating effect on the relationship between Job Satisfaction and Employee Performance. Thus, H<sub>7</sub> is accepted.

The first finding of this study proves that work motivation can increase permanent employees' engagement in PT. Federal International Finance, because employees are highly valued as workers in the company, they are very enthusiastic when doing their jobs. When employees are comfortable working in the company, it indicates that their environment is very positive towards their coworkers, so that in carrying out their work, employees are very enthusiastic. In addition, when employees receive many protection benefits from the company, they will always obey and follow the applicable standard operating procedures, thus increasing their sense of responsibility for their work. In their work, every employee feels needed not only as a co-worker but also as a friend, making the interaction between employees closer and supportive in achieving their work results. This finding is in line with previous studies that state that work motivation has an impact on employee engagement (Engidaw, 2021; Bustasar et al., 2019).

The results of further research prove that job satisfaction can increase permanent PT employees' engagement. This can be seen from several aspects of employee responses that they are happy with the work provided by the company, which can increase their enthusiasm when working. Employees also really like the work environment in their offices because the company provides work that suits their abilities and skills. In addition, employees receive compensation according to their respective responsibilities, so that they do their work according to the company's portion. When employees feel challenged by the tasks given, they feel such deep pleasure, because if there is a more difficult job, employees will still complete the job happily because they assume that every job given to them by the company is still within their responsibility. The results of this study are in line with those of previous studies that state that job satisfaction has an impact on employee engagement (Tepayakul & Rinthaisong, 2018; Anwar & Qadir, 2017).

This study also succeeded in proving that work motivation can impact employee performance. The results of this study proved that if employees feel appreciated working in a company, they tend to improve their performance. When employees feel comfortable working, they will always be disciplined in completing the work given by the company because the feeling of comfort makes their hearts calm when carrying out their work activities. If there is a problem at work, coworkers help them and provide the best solution, so that they are more confident in improving the performance of these employees in overcoming existing problems. When employees can maximize their potential, they can complete each job according to the deadline given by the company. The results of this study are in line with those (Pangastuti et al., 2020; Wuryani et al., 2021) who state that work motivation has an impact on employee performance.

The results also demonstrate that job satisfaction can improve the performance of permanent PT employees. Federal International Finance. When employees are happy with the work provided by the company, employee performance also increases, because satisfaction within employees can drive their performance higher, which allows them to work optimally. In addition, employees who like the work environment in the office due to coworkers who can always work together make employees in the middle of their activities, so that their work is always completed on time and their performance reputation as disciplined employees is maintained. Having friendly coworkers in the office also makes employees feel happy and can discuss when there are obstacles while doing work and provide solutions to each other professionally to be able to complete their work and improve performance together to achieve the desired results. Thus, the results

of this study are also in line with research conducted by (Carvalho et al., 2020; Egenius et al., 2020) who state that job satisfaction has an impact on employee performance.

This study also found that employee engagement can have an impact on the performance of permanent PT employees. Federal International Finance: This is because employees who are full of enthusiasm when doing their jobs are able to complete their work according to the deadline given by the company. Employees are also very enthusiastic about the work given by the company, so they have the potential to increase their performance. The sense of attachment between a worker and the work they have made them more confident in their own work and always responsible for their work. In addition, they feel they have high work engagement because they have flexibility in arranging work schedules and have coworkers who can be role models for them in carrying out their work. The results of this study are in line with those of previous studies that state that employee engagement impacts employee performance (Sekhar et al., 2018; Adhitama & Riyanto, 2020).

Other results have proven that employee engagement can mediate the relationship between work motivation and employee performance. The better the work motivation in the organization, the higher the employee performance through work engagement. When employees are enthusiastic about carrying out their work, they motivate their co-workers to maximize their potential in this company. In addition to employees being enthusiastic about their work, employees are also enthusiastic about providing constructive criticism to motivate them to improve their performance, so that motivated employees feel that they are needed not only as co-workers but also as friends in the organization. When employees are motivated and gain an understanding to improve their quality, they encourage each other to produce ideas with different suggestions, which can help them grow and develop so as to improve their performance to achieve personal and company goals. The results of this study are in line with previous studies that state that employee engagement can impact the relationship between work motivation and employee performance (Fuadi & Setiawati, 2019; Prastiwi et al., 2022).

The latest results prove that employee engagement can mediate the relationship between job satisfaction and the performance of permanent PT employees. Federal International Finance. The sense of attachment that grows between a worker and the job he/she has is the result of the influence of satisfaction obtained from his/her work. Employees feel job satisfaction because the company appreciates their performance by giving awards tailored to their skills. In addition, employees experience job satisfaction because they have coworkers who can provide solutions to the work problems they face. An employee who already feels engaged in his work will have higher satisfaction when they work, which can develop themselves, improve their performance, and then maintain it. Employees who feel challenged by the tasks given by the company have broad knowledge and can improve their performance and always give their best in completing the work. The results of this study are in line with previous studies that state that employee engagement can impact the relationship between job satisfaction and employee performance (Hadi & Hanif, 2022; Lestari et al., 2022).

## CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

This study examines the influence of work motivation and job satisfaction on employee performance mediated by engagement with permanent employees of PT. Federal International Finance, with staff positions as the object of research. This study explains how factors, such as work motivation and job satisfaction, affect employee engagement and performance. Based on the findings of this study, it can be concluded that in order to increase work motivation on employee engagement in permanent employees of PT. Federal International Finance, the company must prioritize employee facilities to provide a positive work environment so that employees can maximize their potential in the company. Furthermore, to increase job satisfaction with employees' engagement with permanent employees of PT. Federal International Finance, the company must provide employees with compensation according to their responsibilities because employees feel that the demands of the work in accordance with the company's standard operating procedures and employee skills are factors that cause them to be satisfied with their work. Then, in order to increase employee engagement in employee performance, each employee is required to work together to improve understanding and broaden their perspectives in improving and maintaining performance. Finally, we aim to increase the performance on permanent employees of PT. Federal International Finance, the company, must prioritize several employee engagements that are formed from work motivation and job satisfaction optimally and measurably.

This study has several limitations that can be improved and developed. First, the respondents were permanent PT employees. Federal International Finance has a work period of more than four years, with

limited staff positions for respondents. As a result, these findings do not represent all permanent PT employees. Federal International Finance in the company. Therefore, for further research, researchers should provide information to increase the number of respondents to obtain more comprehensive results. Second, the variables included in this study should continue to be developed so that other related variables can be used in different contexts. Therefore, researchers provide inputs for further research by including other variables. Third, there is autocorrelation in the HTMT value, which indicates that respondents were not focused on filling out the questionnaire. Therefore, for further research, the questionnaire section should be distributed in such a way that it does not interfere with filling out the questionnaire.

This study has several managerial implications for improving employees' performance. The research above shows that work motivation can have a direct impact on employee engagement. Next, employee engagement can have a direct impact on employee performance. Furthermore, work motivation can directly impact employee performance. Thus, employee engagement can act as a mediator between work motivation and employee performance. For others, job satisfaction has a direct impact on employee engagement. Furthermore, job satisfaction has a direct effect on employee performance. Additionally, employee engagement can mediate the relationship between job satisfaction and employee performance.

Based on these implications, it can be suggested that if one wants to improve employee performance among permanent employees of PT. Federal International Finance with staff positions, the company can focus on overcoming problems related to employee engagement formed from work motivation and job satisfaction optimally and measurably. For that, the company can consider several aspects, namely, maintaining and improving employee performance to motivate employees to increase their knowledge and maximize their potential. The company can then prioritize employees who have more skills and contributions to the company in providing compensation.

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