

DOI: 10.5281/zenodo.11425194

THE EFFECT OF EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL COMMITMENT ON EMPLOYEE PERFORMANCE: THE MEDIATING ROLE OF JOB SATISFACTION

Ervina Azzahra¹, Alex Winarno^{2*} and Anita Silvianita³

^{1,2,3}Telkom University, Bandung, Indonesia

azzervina@gmail.com¹, winarno@telkomuniversity.ac.id, <https://orcid.org/0000-0001-8561-7875>²,
anitasilvianita@telkomuniversity.ac.id³

Received: 10/10/2025
Accepted: 10/11/2025

Corresponding author: Alex Winarno
winarno@telkomuniversity.ac.id

ABSTRACT

This study aims to analyze the mediating role of job satisfaction in the relationship between employee engagement and organizational commitment on employee performance at PT Telkom Indonesia. The study uses a quantitative approach with 221 respondents, and data analysis is conducted through SEM-SmartPLS. The results show that employee engagement and organizational commitment have a positive and significant effect on job satisfaction and employee performance. Job satisfaction was also found to mediate this relationship, meaning that engagement and commitment indirectly improve performance through increased job satisfaction. These findings emphasize the importance of strengthening human resource policies that can encourage involvement, emotional engagement, and job satisfaction in order to maintain high performance and organizational competitiveness.

KEYWORDS: Employee Engagement, Organizational Commitment, Employee Performance, Job Satisfaction.

1. INTRODUCTION

The World Economic Forum (2020) notes that 84% of organizations worldwide have accelerated the digitization of their workflows in response to technological disruption and the pandemic. It also projects that, within five years, more than half of employees will need retraining as technology reshapes job roles. Complementing this, McKinsey & Company (2021) reports that firms which effectively embed digital technologies and build digital HR capabilities are 2.5 times more likely to emerge as market leaders than those that do not.

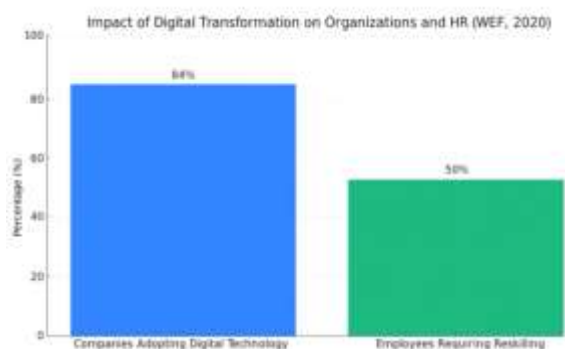


Figure 1: The Impact of Digital Transformation on Organizations.

Source: World Economic Forum(2020).

PT Telekomunikasi Indonesia is a state-owned enterprise providing information and communication technology (ICT) services and telecommunications networks across Indonesia. Amid intensifying digital competition, PT. Telkom Indonesia seeks to raise performance by strengthening integrated job satisfaction. Internal data for 2024 indicate an upward performance trend, with most Key Performance Indicators (KPIs) surpassing targets. Nevertheless, challenges remain at the individual level especially suboptimal creativity and innovation. Some employees are slow to adapt, show limited initiative toward digital opportunities, and exhibit high absenteeism and turnover. Consistent with Yusnita and Rahma (2024), organizational success is shaped not only by macro-level metrics but also by frontline employee performance that executes strategy.

In this context, job satisfaction is strategically pivotal because the organization's strong commitment and employees' emotional attachment help sustain successful outcomes. Improving performance thus requires attention beyond technical and structural levers to include psychological factors such as employee engagement and organizational commitment. Employee

engagement reflects a psychological condition in which employees feel invested in the firm's success and are motivated to exceed role requirements (Carpenter & Wyman, 2007), it is a positive force tying employees to the organization emotionally, cognitively, or physically (Winarno *et al.*, 2025; Kahn, 1990; Concelman, 2005). Recent work underscores its priority status, as engaged employees deliver greater productivity, innovation, and performance (Bakker & Demerouti, 2017). Organizational commitment, attitudes and behaviors reflecting attachment to organizational goals and values aligns with higher productivity, loyalty, and positive contributions (Meyer & Allen, 1991). Meanwhile, job satisfaction captures individuals' feelings toward their work, evident in positive attitudes toward tasks and the work environment; Kaswan (2017) synthesizes it as the extent of positive/negative evaluations of work facets and responses to varying job conditions.

2. LITERATURE REVIEW

2.1. Social Exchange Theory

Social Exchange Theory (SET) is among the earliest frameworks explaining social behavior through the exchange of valued resources. Its core elements include: (1) Resource exchange, the transfer of material or intangible resources to satisfy each party's needs (Homans, 1958), (2) Reciprocal obligation, a felt duty to return benefits received, which sustains ongoing relationships (Gouldner, 1960) and (3) Reciprocal norms, shared rules that encourage kindness to be repaid in kind, forming a foundation of trust (Cropanzano & Mitchell, 2005).

2.2. Organizational Behavior

Organizational behavior, per Dubrin (2019), examines human behavior at work, the person-organization interface, and the organization itself, with the goals of explaining, predicting, and managing employee actions. It is a distinct branch of management focused on individual and group behavior that directly or indirectly shapes organizational outcomes (Rino *et al.*, 2020). Griffin and Moorhead (2014) propose three lenses for understanding it: individual, interpersonal, and organizational. The individual level covers motivation, stress, decision making, productivity, performance, absenteeism, attitudes, and turnover.

2.3. Employee Engagement

Employee engagement often termed work engagement is a condition in which members identify with their roles and invest themselves physically, cognitively, and emotionally in

performance (Nabil et al., 2019; Robbins & Judge, 2022). Cognition concerns beliefs about the organization, leaders, and work conditions, emotion reflects feelings toward them; and the physical facet concerns energy expended in role execution. Gallup classifies employees as Engaged, Not Engaged, and Actively Disengaged (Tesavitra et al., 2019). Schaufeli et al. (2002) define three dimensions: Vigor, Dedication, and Absorption.

2.4. Organizational Commitment

Organizational commitment is a state in which employees align with an organization, wishing to maintain membership (Robbins & Judge, 2018). It reflects loyalty and striving toward organizational goals; higher commitment correlates with productivity and performance (Busro, 2018). Drivers include background (family, education, environment), individual (willingness, responsiveness), and organizational (motivation, leadership, culture) factors (Wahyudi & Salam, 2020; Wibowo et al., 2025). Mayer and Allen in Kaswan (2015) distinguish Affective, Continuance, and Normative commitment.

2.5. Job Satisfaction

Job satisfaction is the constellation of pleasant or unpleasant feelings about one’s job arising from interactions with the work environment and evaluative attitudes toward work (Priansa, 2017; Winarno & Silvianita, 2024). It reflects perceived adequacy of the job in meeting individual needs (Luthans et al., 2021) and comprises overall positive

or negative work attitudes (Armstrong & Taylor, 2020). Robbins and Judge (2018) highlight five dimensions: Pay, Career or Promotion, The Work Itself, Supervision, and Coworkers.

2.6. Employee Performance

Performance represents measurable work outcomes over a defined period relative to organizational standards (Rino et al., 2020). Kasmir (2020) outlines dimensions: Quality, Quantity, Timeliness, Cost emphasis, Supervision, and Interpersonal relations. A substantial body of research links employee engagement, organizational commitment, job satisfaction, and performance relationships that are frequently interpreted through the lens of Social Exchange Theory. The hypotheses in this study are as follows

- H1: Employee Engagement affects employee performance
- H2: Organizational commitment affects employee performance
- H3: Employee Engagement affects job satisfaction
- H4: Organizational commitment affects job satisfaction
- H5: Job satisfaction affects employee performance
- H6: Job satisfaction mediates the effect of employee engagement on employee performance
- H7: Job satisfaction mediates the effect of organizational commitment on employee performance

The purpose model in this study, shown at Figure 2.

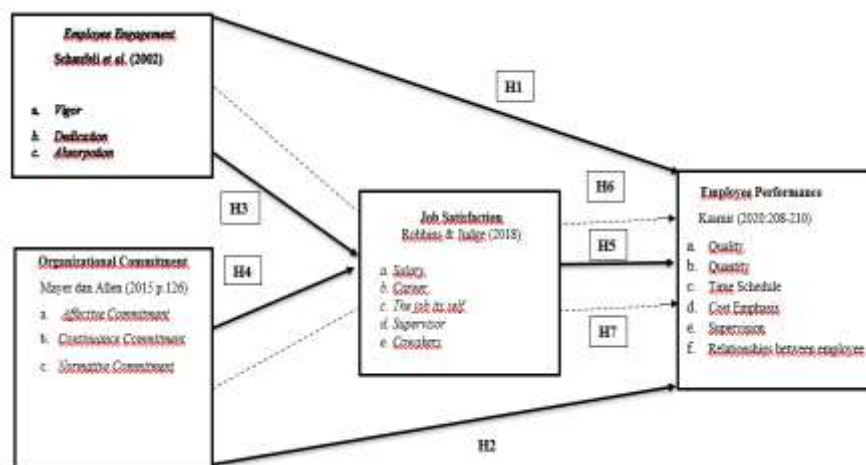


Figure 2: Proposed Model.
Source: Designed by the author for this research (2025)

3. METHODOLOGY

3.1. Population and Sampling Frame

The study targets all permanent employees of PT Telkom Indonesia as the population of interest. The sampling frame was constructed from the company’s

official HR roster, yielding 495 eligible staff during the study period. Only permanent employees were included, non-permanent workers like interns, contractors were outside scope

3.2. Studying Sample Procedure and Selection

A non-probability, convenience sampling approach was applied, meaning not every population member had an equal chance of selection. Invitations were distributed to employees, and participation was voluntary.

The final dataset comprised 221 usable responses obtained via the survey. This approach aligns with survey practice where samples from the population are used to examine relationships among variables (Sugiyono, 2014).

3.3. Measurement and Instrumentation

Data collection combined primary and secondary sources. Primary data were gathered through a structured questionnaire administered online like Google Forms to capture the study constructs.

Secondary information such as tabulated internal performance figures was drawn from organizational records and supported by literature review and managerial interviews for contextual interpretation and triangulation.

3.4. Structural Equation Modelling (SEM) Technique

Analysis employed PLS-SEM using SmartPLS 4.1. PLS-SEM is suited to predictive objectives and models with latent variables measured by indicators,

while being robust when classical regression assumptions (linearity, homoscedasticity, normality) are not fully met (Ghozali, 2021). Evaluation followed two stages: (1) measurement model assessment (indicator reliability, internal consistency, convergent and discriminant validity) and (2) structural model assessment like path coefficients such as, R^2 , f^2 , Q^2 , with significance tested via bootstrapping performance figures was drawn from organizational records and supported by literature review and managerial interviews for contextual interpretation and triangulation.

3.5. Design Method

The research adopts a quantitative design combining descriptive and causal/explanatory components. Descriptive analysis portrays population characteristics and observes phenomena systematically and accurately (Hardani *et al.*, 2020). Causal analysis investigates cause effect linkages between independent and dependent variables (Sugiyono, 2016). The operational method is a survey using questionnaires to empirically test the hypothesized relationships among constructs.

4. RESULTS

Table 1 summarizes the descriptive results for each variable. Organizational Commitment, Employee Performance, and Job Satisfaction each post the top percentage of 77% and fall into the “Good” category, while Employee Engagement follows at 76%, also classified as “Good.”

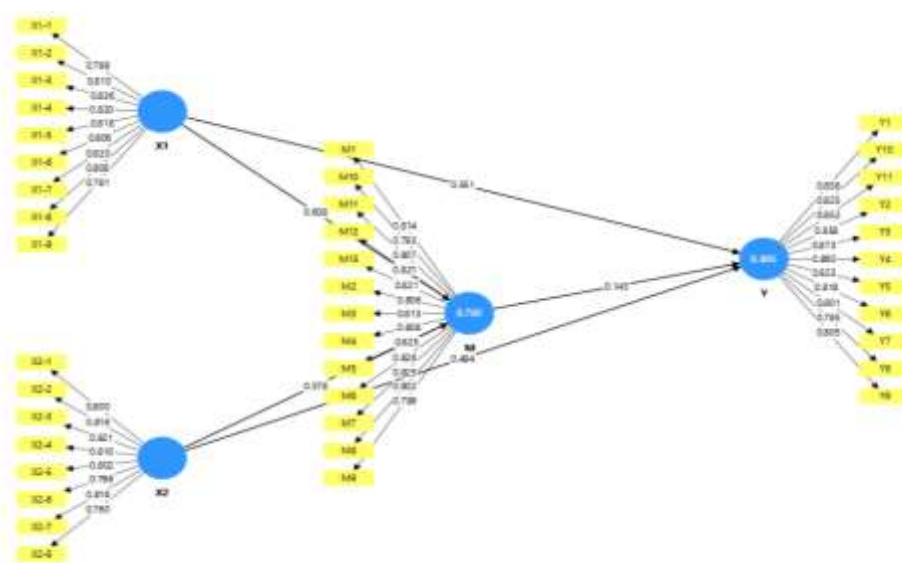


Figure 3. Outer Model Note: X1: Employee Engagement; X2: Organization Commitment; Y: Employee Performance; M: Job Satisfaction.

Source: Data processing using SmartPLS 4. (2025)

The outer model explains how latent variables relate to their indicators. Its assessment begins with Convergent Validity, evaluated through the Loading Factor and Average Variance Extracted (AVE). Next, Discriminant Validity is checked using the square

root of AVE and the Cross-Loading matrix. Finally, reliability is examined via Cronbach’s Alpha and Composite Reliability. The outer model for this study is illustrated in the figure below (see Figure 3).

Table 1: Descriptive Analysis Recapitulation.

Variable	Total Score	Ideal Score	%	Conclusion
Employee Engagement	7513	9945	76%	Good
Organization Commitment	6780	8840	77%	Good
Employee Performance	9398	12155	77%	Good
Job Satisfaction	11023	14365	77%	Good

Source: Data processing (2025)

In examining convergent validity, items are acceptable when their loadings are positive and ≥ 0.70 . Items with loadings between 0.40 and 0.70 may be kept if $AVE > 0.50$; items with loadings < 0.40 are

discarded (Hair et al., 2022). Because loadings indicate the strength of item–construct relationships, larger loadings denote the most representative indicators.

Table 2: Convergent Validity Test.

Variable	Dimension	Indicator	Outer Loading (>0.70)	Description
Employee Engagement	Vigor	X1-1	0,798	Valid
		X1-2	0,810	Valid
		X1-3	0,836	Valid
	Dedication	X1-4	0,820	Valid
		X1-5	0,818	Valid
		X1-6	0,806	Valid
	Absorption	X1-7	0,820	Valid
		X1-8	0,808	Valid
		X1-9	0,781	Valid
Organization Commitment	Affective Komitmen	X2-1	0,800	Valid
		X2-2	0,816	Valid
		X2-3	0,821	Valid
	Continuance Komitmen	X2-4	0,810	Valid
		X2-5	0,802	Valid
	Normative Komitmen	X2-6	0,766	Valid
		X2-7	0,816	Valid
		X2-8	0,760	Valid
Employee Performance	Quality	Y1	0,858	Valid
		Y2	0,858	Valid
	Quantity	Y3	0,873	Valid
		Y4	0,860	Valid
	Time Schedule	Y5	0,823	Valid
		Y6	0,818	Valid
	Cost Emphasis	Y7	0,801	Valid
		Y8	0,795	Valid
	Supervision	Y9	0,805	Valid
		Y10	0,825	Valid
	Relationship Between Employee	Y11	0,852	Valid
Job Satisfaction	Salary	M1	0,814	Valid
		M2	0,826	Valid
		M3	0,813	Valid
	Career	M4	0,808	Valid
		M5	0,825	Valid
		M6	0,826	Valid
	Job Itself	M7	0,825	Valid
		M8	0,802	Valid
		M9	0,796	Valid
	Supervisor	M10	0,793	Valid
		M11	0,807	Valid
	Cowokers	M12	0,821	Valid
		M13	0,821	Valid

Source: Data processing using SmartPLS 4.1 (2025)

Based on Table 3, Then, Average Variance Extracted (AVE) testing, with the requirement that the AVE value be ≥ 0.5 . If the AVE value is 0.5 or higher, it indicates that, on average, the construct explains more than half of the variation in the

indicators used to measure it. In other words, the construct adequately describes the indicator, because most of the variation in the indicator can be explained by the measured construct (Hair et al., 2022).

Table 3: Average Variance Extracted (AVE).

Variable	Average Variance Extracted (AVE)	Criteria	Description
Employee Engagement	0,657	0.5	Valid
Organization Commitment	0,639	0.5	Valid
Employee Performance	0,695	0.5	Valid
Job Satisfaction	0,660	0.5	Valid

Source: Data processing using SmartPLS 4. (2025)

After data processing using SmartPLS 4.1, convergent validity can be determined based on the AVE value for each variable used. All AVE values for

these variables exceed 0.5, indicating that each indicator forming the latent construct has strong convergent validity.

Table 4: Discriminant Validity Test (Fornell-Larcker Criterion).

Variable	Job Satisfaction	Employee Engagement	Organization Commitment	Employee Performance
Job Satisfaction	0,812			
Employee Engagement	0,654	0,811		
Organization Commitment	0,627	0,080	0,799	
Employee Performance	0,814	0,685	0,628	0,834

Source: Data processing using SmartPLS 4. (2025)

Table 5: Cronbach Alpha dan Composite Reliability.

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Terms	Description
Employee Engagement	0,935	0,936	0,945	≥ 0.7	Reliable
Organization Commitment (X ₂)	0,919	0,921	0,934	≥ 0.7	Reliable
Employee Performance (Y)	0,956	0,956	0,962	≥ 0.7	Reliable
Job Satisfaction (M)	0,957	0,957	0,962	≥ 0.7	Reliable

Source: Data processing using SmartPLS 4. (2025)

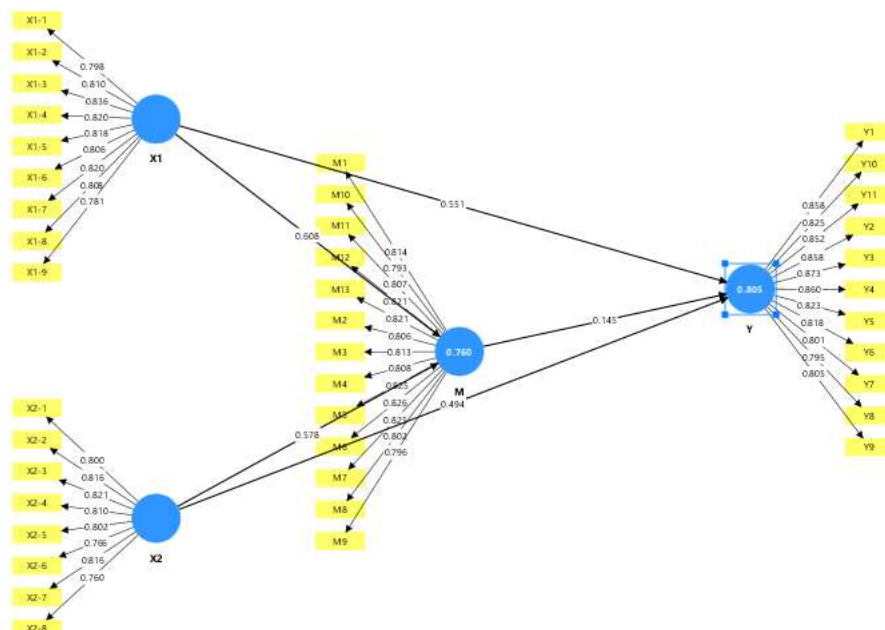


Figure 4: Inner Model. Note: X1: Employee Engagement; X2: Organization Commitment; Y: Employee Performance; M: Job Satisfaction.

Based on Table 4, it can be seen that the results of the Fornell-Larcker Criterion show that the AVE root value is greater than the correlations between other constructs. The method used to measure discriminant validity is to analyze the cross loading between indicators and constructs by comparing the correlation of indicators with their associated constructs with the correlation coefficient and other constructs. Based on Table 5 above, which shows the reliability test results, it can be seen that the composite reliability value of all research variables is > 0.7 and the Cronbach's alpha is 0.6. These results

indicate that each variable has met the composite reliability and Cronbach's alpha requirements, so it can be concluded that all variables have a high and good level of reliability and can proceed to other tests.

The inner model test is an evaluation of the structural model that aims to test the corrections between latent constructs. This second stage of model testing aims to describe the relationships created between the latent variables used in the study (Hair et al., 2023).

Table 6: Coefficient Determination R-square Test.

	R-square	R-square adjusted
Employee Performance	0,805	0,802
Job Satisfaction	0,760	0,757

Source: Data processing using SmartPLS 4. (2025)

For the R2 test results in the table above, the R-square value of the Job Satisfaction (M) variable is 0.760, which indicates that the Employee Engagement (X1) and Organizational Commitment (X2) variables are able to explain the Job Satisfaction variable by 76%, while the remaining 24% is influenced by other variables not included in this study. Therefore, it can be concluded that the model is considered strong. Meanwhile, the R-square value

of the Employee Performance variable is 0.805, which indicates that the Employee Engagement (X1), Organizational Commitment (X2), and Job Satisfaction (M) variables are able to explain 80.5% of the Employee Performance variable, while the remaining 19.5% is influenced by other variables not included in this study. Therefore, it can be concluded that the model is considered strong.

Table 7: Effect Size/F-square (F2) Test.

	Employee Engagement	Organization Commitment	Employee Performance	Job Satisfaction
Employee Engagement			0,612	1,528
Organization Commitment			0,521	1,382
Employee Performance				
Job Satisfaction			0,026	

Source: Data processing using SmartPLS 4. (2025)

Table 8: Stone-Geisser's (Q2) Test.

	Q ² predict	RMSE	MAE
Employee Performance	0,796	0,457	0,368
Job Satisfaction	0,754	0,502	0,396

Table 9: Path Coefficient & P Value.

Relationship	Path Coefficient	T statistics	P values	Results
Employee Engagement → Employee Performance	0,551	12,228	0,000	Accepted
Employee Engagement → Job Satisfaction	0,608	17,389	0,000	Accepted
Organization Commitment → Employee Performance	0,494	10,859	0,000	Accepted
Organization Commitment → Job Satisfaction	0,578	16,613	0,000	Accepted
Job Satisfaction → Employee Performance	0,145	2,741	0,006	Accepted
Employee Engagement → Job Satisfaction → Employee Performance	0,088	2,706	0,007	Accepted
Organization Commitment → Job Satisfaction → Employee Performance	0,084	2,712	0,007	Accepted

Source: Data processing using SmartPLS 4. (2025)

Based on Table 7, the analysis results, employee engagement and organizational commitment proved

to be the main drivers. Employee attachment to their work has a strong influence not only on performance

but also on job satisfaction. The same applies to organizational commitment: the higher the commitment, the better the performance and the more satisfied the employees are. Conversely, job satisfaction itself only provides a very small boost to performance. These findings suggest that improving performance is more effectively achieved by strengthening engagement and commitment, for example through challenging job designs, recognition of contributions, supportive leadership, and clarity of shared goals and values, while programs that focus purely on satisfaction (e.g., facilities or small incentives) tend to have little effect on performance without accompanying increases in engagement and commitment.

Based Table 8, the predictive testing, the model shows solid performance. For Employee Performance (Y), $Q^2_{\text{predict}} = 0.796$ (>0) indicates good generalization ability to out-of-sample data, while $RMSE = 0.457$ shows a relatively low average prediction error an indication that the model's predictions are close to the observations (refer to the RMSE principle: the smaller the better; Hair et al., 2022). For Job Satisfaction (M), a similar pattern emerges: $Q^2_{\text{predict}} = 0.754$ (>0) confirms adequate out-of-sample predictive power, and $RMSE = 0.502$ is still at a low error level, indicating good prediction quality (Hair et al., 2022). In summary, with positive Q^2_{predict} and low RMSE for both variables (Y and M), the model is suitable for predictive purposes, with slightly higher accuracy for employee performance ($RMSE 0.457$) than for job satisfaction ($RMSE 0.502$).

The results show that all tested relationships are positive and significant. Employee Engagement improves Employee Performance ($p = 0.000 < 0.05$)

and Job Satisfaction ($p = 0.000 < 0.05$). Organizational Commitment also encourages Employee Performance ($p = 0.000 < 0.05$) and Job Satisfaction ($p = 0.000 < 0.05$). In addition, Job Satisfaction itself has a positive effect on Employee Performance ($p = 0.006 < 0.05$). The effect of Employee Engagement on Performance also runs through Job Satisfaction (mediation: $p = 0.007 < 0.05$), as does Organizational Commitment on Performance mediated by Job Satisfaction ($p = 0.007 < 0.05$). Thus, strengthening engagement and commitment not only has a direct impact on performance, but also an indirect impact through increased job satisfaction.

5. CONCLUSION

Overall, all four variables fall into the "Good" category. Employee engagement covering vigor, dedication, and absorption suggests that PT Telkom Indonesia staff display strong drive, persistence, and focus in completing tasks. Organizational commitment affective, continuance, and normative is likewise strong, indicating a sense of belonging, responsibility to help resolve company issues, and willingness to contribute positively. Employee performance assessed through quality, quantity, timeliness, cost control, supervision, and interpersonal relations is rated good, reflecting outputs that match employees' expertise and careful execution of work. Job satisfaction spanning pay, career prospects, the nature of the job, supervisors, and coworkers is also favorable; compensation is perceived as commensurate with workload, and opportunities for career development are considered adequate.

REFERENCES

- Carpenter, M., & Wyman, O. (2007). *Engaged employees: The key to business success*. Oliver Wyman.
- Dubrin, A. J. (2019). *Principles of organizational behavior: An applied perspective* (9th ed.). Cengage Learning.
- Griffin, R. W., & Moorhead, G. (2014). *Organizational behavior* (9th ed.; A. Dianawati, Trans.). Jakarta: Salemba Empat.
- Hair, J. F., Hult, G. T., Ringle, C. M., & Sarstedt, M. (2022). *A primer on partial least squares structural equation modeling (PLS-SEM)* (3rd ed.). SAGE Publications Ltd.
- Kaswan. (2017). *Human resource management for organizational competitive advantage*. Bandung: Alfabeta.
- Luthans, F., Luthans, B. C., & Luthans, K. W. (2021). *Organizational behavior: An evidence-based approach* (14th ed.). McGraw-Hill Education.
- Manunggal, M. I. (2020). *Human resource management: Theory and application in organizations*. Yogyakarta: Deepublish.
- McKinsey & Company. (2021). *The new digital edge: Rethinking strategy for the postpandemic era*.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61–89.
- Nabil, M., Santosa, H., & Yuliana, D. (2019). Pengaruh employee engagement terhadap kepuasan kerja karyawan. *Jurnal Psikologi Industri dan Organisasi*, 7(1), 45–52.

- Pangarso, A. (2016). The effect of compensation on employee organizational commitment: A study of the Agency for Women's Empowerment, Child Protection, and Family Planning in West Java Province. *Valuta*, 2(2), 268–285.
- Pratama, I., & Silvianita, A. (2013). The effect of employee engagement on employee performance at PT Indonusa Telemedia (TelkomVision) Regional Office Bandung. *TEBS Library & Knowledge Center, Administrasi Bisnis*.
- Priansa, D. J. (2017). *Human resource management*. Bandung: Alfabeta.
- Rahardja, S. S., Luturlean, B. S., & Winarno, A. (2023). Exploring the impact of organizational commitment and employee green behaviour on green human resource management: Insights from construction companies. *6th LIMC 2023 Proceedings*, 17.
- Rino, M. R., Rahmadi, M., & Fadilah, R. (2020). *Organizational behavior: Theory and implementation*. Bumi Aksara.
- Robbins, S. P., & Judge, T. A. (2022). *Organizational behavior* (19th ed.). Pearson Education.
- Schaufeli, W. B., González-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two-sample confirmatory factor analytic approach. *Journal of Happiness Studies*, 3(1), 71–92.
- Sugiyono. (2017). *Quantitative, qualitative, and R&D research methods*. Alfabeta.
- Tesavitra, R., Siregar, A. M., & Nurhalim, A. (2019). *Modern human resource management*. Deepublish.
- Wahyudi, E., & Salam, R. (2020). *Organizational behavior: Theory and implementation in modern management*. Jakarta: Deepublish.
- Wibowo, I. A., Winarno, A., & Fakhri, M. (2025). The influence of e-recruitment on the intention of Gen Z to apply: The mediating role of employer branding. *Informing Science: The International Journal of an Emerging Transdiscipline*, 28, Article 21. <https://doi.org/10.28945/5518>
- Winarno, A., Gadzali, S. S., Kisahwan, D., & Hermana, D. (2025). Leadership and employee environmental performance: Mediation test from the job demands–resources model and sustainability perspective at the micro level. *Cogent Business & Management*, 12(1). <https://doi.org/10.1080/23311975.2024.2442091>
- Winarno, A., & Silvianita, A. (2024). The role of socially responsible human resource management in improving performance: An analysis of subjective well-being as a mediating variable. *Qubahan Academic Journal*, 4(3), 454–468. <https://doi.org/10.48161/qaj.v4n3a878>
- World Economic Forum. (2020). *The future of jobs report 2020*. <https://www.weforum.org/reports/the-future-of-jobs-report-2020>
- Yusnita, L., & Rahma, N. (2024). *Individual performance in digital organizations: Strategy and implementation*. Jakarta: Prenadamedia Group.