The impact of job satisfaction on organizational commitment with employee engagement as moderating variable

Muthia Roza Linda,† Sutiyem‡, Dessy Trisnianti‡, Riza Yonita§, Suhery∥

†Faculty of Economy, Management Department, Universitas Negeri Padang, West Sumatra, Indonesia.
‡,§Management Department, Sekolah Tinggi Ilmu Ekonomi Perdagangan, Padang, Indonesia.
∥Information System Department, Universitas Putra Indonesia YPTK, Padang, Indonesia.

*Corresponding Author email: muthia@fe.unp.ac.id

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ABSTRACT

The purposes of the study are to analyze; 1) the impact of job satisfaction on banking employee's organizational commitment, 2) the impact of employee engagement on organizational commitment, 3) the impact of job satisfaction on employee engagement, and 4) the indirect effect of job satisfaction on organizational commitment of banking employees in Padang with employee engagement as a moderating variable. The type of research is causative research, which aims to see how far the independent variables affect the dependent variable. The research data was collected came from 180 employees who worked in banking, in which they had more than 2 years of experience. Then the data to analyze using the structural equation modeling (SEM) approach with Smart PLS 3.0 software. The results showed that: 1) Job satisfaction has not a direct effect on organizational commitment in banking employees in Padang; 2) Employee engagement has a direct and significant effect on organizational commitment of banking employees in Padang; 3) Job satisfaction has a direct and significant effect on employee engagement banking employees in Padang and 4) Job satisfaction has an indirect and significant influence on employee organizational commitment when mediated by employee engagement. The contribution of this study is expected to provide information for companies in developing and improving employee attitudes to have a high commitment to the company. This is intended so that employees can contribute to providing excellent service to increase organizational competitiveness.

Keywords: Organizational Commitment; Job Satisfaction; Employee Engagement

1. INTRODUCTION

Human resource has an important role in a company. It is an asset to determines the progress of a company. Therefore, human resources must be able to make a good contribution to achieve the target desired by a company. However, of course, it takes a strong commitment of all employees. One of the things that have an important influence in improving employee performance is commitment. The same opinion was expressed by Anis, Syamsul, & Muzakkii, (2019) that companies that have employees with high commitment will provide great benefits for the companies. This is because employee work commitment to a company can be interpreted as the employee's emotional bond
with the company which includes job involvement, loyalty, and feeling of trust in the company's values. (Sopiah, 2008).

Many factors can affect employee commitment to the organization, one of them was revealed by Coetzee & Botha (2005) states the factors that influence a person's organizational commitment are based on a multidimensional approach, namely: personal factors, situational factors, and position factors, and positional factors. In addition, employee engagement is a major determinant of organizational commitment. However, engagement is different from organizational commitment, which refers to the attitude and bond of someone towards his/her organization. Engagement is not an attitude but is the level at which someone pays attention and is tied to perform in his/her role (Susanti, 2013).

Previous research stated that job satisfaction, job expectations, and personal characteristics have a positive influence on employee commitment in an organization (Susanti, 2013). In addition, Mathis, Jackson, & Valentine (2015) Reveal there are things that are interesting and important from job satisfaction; The fundamental thing is the impact of job satisfaction on employee work commitment. A workforce that is committed to the organization, then it may be more productive. In general, employees who are relatively satisfied with their work have a strong commitment to the organization. This has a positive impact on organizational commitment and increases loyalty (Johan & Devie, 2014).

The topic of the Employee commitment in recent years is the topic of the most discussed companies and well-known business media (Saks, 2006). The impact of employee engagement practices is directly related to increased company profitability. It also builds value and employee productivity and is able to encourage employees to get out of their comfort zone. Understanding the positive effects of employee engagement, the researchers conducted a study on the extent to which employee engagement was practiced in banking, which in the future will be able to increase the profitability of all banking institutions throughout Indonesia. Much previous research has examined the effect of job satisfaction on organizational commitment (Liu & Bellibas, 2018; Anis & Syamsul, 2019) and employee engagement measures for organizational commitment (Kotzé & Nel, 2020; Rameshkumar, 2020). However, from previous studies, the object of research is more often done to employees of hospitals, hotels, and schools. There are still few who examine the organizational commitment of banking employees, although this is a matter that has quite an impact on the banking industry because employees who work in banking are also faced with a large workload with excessive workload even on holidays.

The focus of research goals is to provide information for companies to develop and improve employee attitudes to have a strong commitment to the organization. How the Practice of employee engagement was applied so that it affected the increase in profitability. This will be able to build a new role model for banking in Indonesia, so it is expected that from this study the understanding and knowledge of the practice of employee engagement for banking companies throughout Indonesia will be gained.
2. LITERATURE REVIEW

2.1. ORGANIZATIONAL COMMITMENT

According to Robbins & Timothy (2016), organizational commitment is the degree of engagement of an employee to exert all efforts on behalf of his/her organization. Thus, organizational commitment includes the elements of loyalty to the company, employee job involvement, and employee identification of company values and goals. Also, Fitria & Linda (2020) states that organizational commitment refers to the readiness of employees to work hard, to accept and realize the goals of the organization, and to stay in the organization in all situations and conditions. Employees have a high commitment to the company, can identify goals, objectives in the organization and survive in the organization (Cahya & Wibawa, 2016). Then, the results of Susanti (2013) conducted in banking industry also proved that the variables of organizational commitment, intention to leave, OCBO and OCBI were the consequences of employee engagement variable for both job engagement and organization engagement dimensions.

Additionally, a study conducted by Cahya & Wibawa, (2016) at Bali Rani Hotel proves that job satisfaction had a positive and significant effect on organizational commitment. Therefore, a company or an organization can see that Job satisfaction affects employee loyalty to the company and increases their desire to achieve organizational goals.

Mowday, Porter & Steers (2002) identified three forms of organizational commitment:

1. Affective commitment, related to the emotional connection between members and the organization, identification with the organization, and involvement of members in activities in the organization.

2. Normative commitment (moral commitment), related to the feeling of engagement to stay in the organization.

3. Continuance commitment (economical or qualitative), related to the awareness of members of the organization that they will suffer losses if they leave the organization.

2.2. JOB SATISFACTION ON ORGANIZATIONAL COMMITMENT

Job satisfaction is one's feeling towards his/her job (Ahmad, 2002). Job satisfaction can be measured through various dimensions, but in general, the dimensions of job satisfaction are job satisfaction itself, salary, recognition, the relationship between supervisors and employees, and opportunities to progress. Meanwhile, according to Robbins & Timothy (2016), 5 factors support job satisfaction, namely:

2.2.1. The mentally challenging work

Employees tentatively like the work that gives them opportunities to make use of their skills and abilities and offers a variety of tasks that provide freedom and feedback on how they deal with them.
2.22. The appropriate compensation

One of the most important things in observing the relationship between compensation and job satisfaction is the perception of justice. A fair determination can be based on the number of work demands and responsibilities, the severity of work, the skill level of individual employees, and the standard of salary.

2.23. The supporting working conditions

Employees have concerns for work environment both for personal comfort and for facilitating their duties. Employees prefer an environment that is not dangerous or does not bother people in their work environment with their duties/work.

2.24. The supporting colleagues

For most employees, working also fulfills the need for social interaction with colleagues. Therefore, it is not surprising that having colleagues who are friendly, understanding, and supportive will increase job satisfaction.

2.25. The compatibility of personality with work

The compatibility of employee personality with his/her type of work will result in a higher level of satisfaction. This will lead to a greater opportunity to succeed in his/her work.

2.3. Employee Engagement

According to Robbins & Timothy (2016), states that employee engagement is the involvement, satisfaction, and enthusiasm of individuals with the work they do. Johan & Devie (2014) defined employee engagement as a positive action of employees’ attitudes to the organization and its values. So that Employees who have a positive attitude will be able to know or understand what the organization needs for its. Johan & Devie (2014) mentioned that employees who care about context business and work together with colleagues will improve performance for the benefit of the company where they work. This is in line with Johan & Devie (2014) who states that employee engagement is the main key in encouraging the organization to achieve its best performance. Furthermore, Johan & Devie (2014) confirmed that employee engagement is in accordance with employee commitment and satisfaction with the work itself.

Characteristics of employee engagement are the characteristics that are considered to be able to influence individuals’ engagement within a company. Then, according to Schaufeli & Bakker (2004), there are three characteristics in employee engagement, as follows:

1. Vigor is characterized by a high level of energy, mental toughness at work, a desire to put effort into work, and also endurance in facing adversity.

2. Dedication is characterized by enthusiasm, inspiration, pride, and challenges.

3. Absorption is characterized by full concentration and feeling pleased when being involved in work so that time will seem to run quickly even if employees are facing problems.
2.4. Hypotheses

The research hypothesis consists of:

H1: Job Satisfaction has a positive and significant effect on Organizational Commitment.

H2: Employee Engagement has a positive and significant effect on Organizational Commitment.

H3: Job Satisfaction has a positive and significant effect on Employee Engagement.

H4: Job Satisfaction has a positive and significant effect on Organizational Commitment with Employee Engagement as a moderating variable.

To be able to enhance commitment to an organization the organization needs to know what things cause or increase commitment. Previous studies have indicated that job satisfaction, job expectations and personal characteristics have a positive effect on employee commitment to the organization. Employee engagement is the engagement of employees to the organization. Employees who have employee engagement in their work have high mental endurance and full energy when working, so it can affect their commitment to work. Fig. 1 shows a conceptual framework of research:

![Conceptual Framework of Study](image)

3. Research Method

The study conducted by the authors was causative. According to Idris (2006), Causative research is to research the causal relationship of an independent variable to the dependent variable. This study was a survey study with one of the advantages lies in the generalization, the more respondents participate, the better it is (Kerlinger & Lee, 2000). The number of respondents for this study was as many as 185 employees. The sample of this study using a purposive sampling technique. Data collection was carried out using a purposive sampling method Where respondents have worked in banking for more than 2 years. This study used questionnaires as the instrument for data collection. The data that had been collected were analyzed using a data analysis method with SmartPLS software. PLS (Partial Least Squares) is a variance-based analysis of structural equation (SEM) that can simultaneously test a structural model, among them conducted convergent validity is seen in the reflective indicator of the loading factor value of each construct indicator. To
assess convergent validity is usually used the rule of thumb: the condition of the loading factor value must be more than 0.7 for confirmatory research or 0.6 – 0.7 for exploratory research with value average variance extracted (AVE) must be bigger than 0.5.

4. RESULTS AND DISCUSSION

4.1. CONVERGENT VALIDITY

To test convergent validity, the rule of thumb is usually used with conditions that the loading factor value must be higher than 0.7 and the Average Variance Extracted (AVE) value must be higher than 0.5. The following table 1 shows loading factor value for each indicator:

<table>
<thead>
<tr>
<th>Item</th>
<th>Employee Engagement</th>
<th>Job Satisfaction</th>
<th>Organizational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE1</td>
<td>0.784</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE10</td>
<td>0.783</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE11</td>
<td>0.792</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE12</td>
<td>0.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE13</td>
<td>0.798</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE14</td>
<td>0.790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE15</td>
<td>0.809</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE3</td>
<td>0.707</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE4</td>
<td>0.797</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE5</td>
<td>0.802</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE6</td>
<td>0.780</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE7</td>
<td>0.754</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE8</td>
<td>0.763</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE9</td>
<td>0.807</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KK1</td>
<td></td>
<td>0.774</td>
<td></td>
</tr>
<tr>
<td>KK10</td>
<td></td>
<td>0.752</td>
<td></td>
</tr>
<tr>
<td>KK2</td>
<td></td>
<td>0.805</td>
<td></td>
</tr>
<tr>
<td>KK3</td>
<td></td>
<td>0.797</td>
<td></td>
</tr>
<tr>
<td>KK4</td>
<td></td>
<td>0.850</td>
<td></td>
</tr>
<tr>
<td>KK5</td>
<td></td>
<td>0.757</td>
<td></td>
</tr>
<tr>
<td>KK6</td>
<td></td>
<td>0.763</td>
<td></td>
</tr>
<tr>
<td>KK7</td>
<td></td>
<td>0.729</td>
<td></td>
</tr>
<tr>
<td>KK8</td>
<td></td>
<td>0.814</td>
<td></td>
</tr>
<tr>
<td>KK9</td>
<td></td>
<td>0.705</td>
<td></td>
</tr>
<tr>
<td>KO11</td>
<td></td>
<td></td>
<td>0.716</td>
</tr>
<tr>
<td>KO2</td>
<td></td>
<td></td>
<td>0.749</td>
</tr>
<tr>
<td>KO3</td>
<td></td>
<td></td>
<td>0.719</td>
</tr>
<tr>
<td>KO6</td>
<td></td>
<td></td>
<td>0.758</td>
</tr>
<tr>
<td>KO9</td>
<td></td>
<td></td>
<td>0.726</td>
</tr>
</tbody>
</table>

Source: Primary Data Processing (2020)

Based on the convergent validity testing presented above, there were several items eliminated, namely EE2, KK11, KO1, KO10, KO12, KO4, KO5, KO7, and KO8 because they had
loading factor lower than 0.7. Then, the measurement of construct validity was done by seeing the reliability of data by noting the values of Cronbach's alpha, rho-A, and composite reliability higher than 0.7, and seeing the validity of data by noting the AVE value ≥ 0.5. The results of construct validity can be seen in Table 2.

**Table 2. Construct Validity dan Reliability**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.951</td>
<td>0.958</td>
<td>0.956</td>
<td>0.607</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.926</td>
<td>0.929</td>
<td>0.938</td>
<td>0.602</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.788</td>
<td>0.792</td>
<td>0.854</td>
<td>0.539</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processing (2020)*

The results of the final structural model showed that the AVE value of all variables met the required rule of thumb (AVE > 0.50). If referring to the rule of thumb, the required outer loading value is 0.70, then all indicators in this study were considered valid because each indicator met the requirements for outer loading value > 0.70 and Cronbach's alpha value > 0.70.

### 4.2. Discriminant Validity

Discriminant validity measurement can be done in two ways, namely by using cross loading table and by comparing AVE square roots.

**Table 3. Square Roots of AVE**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Employee Engagement</th>
<th>Job Satisfaction</th>
<th>Organizational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.779</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.445</td>
<td>0.776</td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.175</td>
<td>0.071</td>
<td>0.734</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processing (2020)*

From the output results shown in Table 3, the diagonal comprises the square roots of AVE and the values below the inter-construct correlations. So, the square roots of AVE were higher than the correlation values. Therefore, it can be concluded that the estimated model was valid because it met the criterion of discriminate validity.

### 4.3. R-Squared

After the estimated model had met the criterion of discriminant validity, the structural model (inner model) was then tested. Structural model testing was done by seeing the R-squared value which was the goodness-of-fit test of the model. The following is the table 4 of R-squared values in this study:

**Table 4. R-Squared Values**

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.198</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.031</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processing (2020)*
The table above shows that the R-squared value of the organizational commitment (Y) variable was 0.031. This means that job satisfaction and employee engagement contributed to the organizational commitment by 3.1% while the rest was explained by other variables. Likewise, from the table above, it can be seen that the R-squared value of the employee engagement variable was 0.198. Therefore, it can be concluded that employee engagement got a contribution to 19.8% of job satisfaction.

4.4. Goodness of Fit

According to Hair et. al., (2014), a model is said to be fit if it has SRMR value <0.11. SRMR value in this study was 0.075. The value was lower than 0.11, meaning that this research model met goodness of fit. Fig. 2 shows structural model.

4.5. Discussion

![Fig. 2. Structural Model](image)

4.6. Direct Effect

The testing could be carried out by seeing the results of path coefficient in Table 5 which will be explained below.

<table>
<thead>
<tr>
<th>No</th>
<th>Hypothesis</th>
<th>Ori. Sample</th>
<th>Sample Mean</th>
<th>Std. Dev.</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Job Satisfaction -&gt; Organizational Commitment</td>
<td>-0.009</td>
<td>-0.008</td>
<td>0.100</td>
<td>0.087</td>
<td>0.931</td>
</tr>
<tr>
<td>H2</td>
<td>Organizational Commitment -&gt; Employee Engagement</td>
<td>0.179</td>
<td>0.199</td>
<td>0.089</td>
<td>2.016</td>
<td>0.044*</td>
</tr>
<tr>
<td>H3</td>
<td>Job Satisfaction -&gt; Employee Engagement</td>
<td>0.445</td>
<td>0.456</td>
<td>0.061</td>
<td>7.266</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processing (2020)*

*Significance Level 0.05*, Level 0.10**
4.6.1. The Direct Effect of Job Satisfaction on Organizational Commitment

Based on Table 5 above regarding the results of inter-construct correlations, it shows that job satisfaction had a negative and insignificant effect on organizational commitment with a parameter coefficient of -0.009, insignificance at alpha 0.05 or alpha 0.1, and p-value of 0.931. This could also be proven by considering the t-statistic of 0.087 which had the value lower than t-table (t-calculated 1.031 < t-table 1.96). Thus, the first hypothesis in this study was rejected, namely, there is no direct effect of job satisfaction on organizational commitment.

The rejection of this research hypothesis was because the organizational commitment of banking employees in Padang was not influenced by job satisfaction. Being satisfied or dissatisfied at work for the employees did not affect their commitment to the company. Their organizational commitment had been formed since they began working in the company. Before working, the employees already knew that working as a bank officer would take up a considerable amount of time, with a high level of work stress. The employees were committed to their work because they thought that working is a necessity for them, and they need it to assure their prosperity. So, whether the work they were doing at that time was satisfying or not, creating organizational commitment was not a problem for them, therefore the goals of the organization were still achieved and their responsibilities at work were still well-done. This indicated that other factors influenced the organizational commitment of the employees aside from the job satisfaction they felt.

This result of the study is not in accordance with the finding of previous studies. Based on empirical studies conducted by Hsiao & Chen (2012) and Kotzé & Nel (2020) employees would be increasingly committed to the organization if they felt satisfied with their work. However, this result of the study is in line with the result of the study conducted by Mariyanti (2014) that job satisfaction had a negative and insignificant effect on employee organizational commitment.

4.6.2. The Direct Effect of Employee Engagement on Organizational Commitment

Based on Table 5 regarding the results of inter-construct correlations, employee engagement had a positive and significant effect on organizational commitment at alpha 0.05 and alpha 0.1 with a parameter coefficient of 0.179 and a p-value of 0.044. This could also be proven by considering t-statistic of 2.016 which had a value higher than t-table (t-calculated 13.839 > t-table 1.96). Thus, the second hypothesis in this study was accepted, namely employee engagement has a significant effect on organizational commitment.

Employees who have employee engagement to their work have high mental endurance and full energy when working so that it can affect their commitment because they feel that they have responsibilities for their work. Therefore, employees who are engaged in their work will stay in the company because for them doing their duties is an obligation. As stated by Agyemang & Ofei (2013) employee engagement has a positive and significant influence on organizational commitment.
This result of the study supports the result of studies conducted by Albdour & Altarawneh (2014); Geldenhuys, Laba & Venter (2014); Simons & Buitendach (2013); Lolitha & Jhonson (2015) that employee engagement was positively correlated to organizational commitment. The subsequent study used the theory of Schaufeli, & Bakker (2004) which was also used in the study conducted by Geldenhuys, Laba & Venter (2014).

4.6.3. The Direct Effect of Job Satisfaction on Employee Engagement

Based on Table 5 above regarding the results of inter-construct correlations, job satisfaction had a positive and significant effect on employee engagement at alpha 0.05 or alpha 0.1 with a parameter coefficient of 0.445 and a p-value of 0.000. This could also be proven by considering a t-statistic of 7.266 which had the value higher than t-table (t-calculated 7.044 > t-table 1.96). Thus, the third hypothesis in this study was accepted, namely job satisfaction has a significant effect on employee engagement. This portrays that job satisfaction obtained by employees will lead to their feeling of pleasure or enthusiasm at work. They will have a positive attitude, initiative, care, persistence, and a sense of responsibility. They will feel engaged in their work. Robbins & Timothy (2016) explains that employee engagement will come up when employees feel connected to their work, are satisfied with their work, and are enthusiastic about their work. Also, employee engagement is employees’ positive attitude with motivation both cognitively and comprehensively, confidence, and pleasure at work. Such positive attitudes indicate that they have high job satisfaction and will tend to have high engagement, and vice versa if employees’ job satisfaction is at a low level, they will tend to have low engagement (Robbins & Timothy, 2016).

This result of the study is in line with the result of the study conducted by Rugiayanto (2018) that job satisfaction had a positive and significant effect on employee engagement. Additionally, this result of the study is also in accordance with the result of the study conducted by Hasibuan (2019) that employee satisfaction had a positive and significant effect on employee engagement.

4.6.4. The Indirect Effect

After testing the above hypothesis, the next step was testing the indirect effect of the variables used. The results of the analysis are shown in Table 6. The model used in this study was full mediation. It means that an independent variable can directly affect a dependent variable through or involving a mediating variable. The presence or absence of indirect effect between variables could be seen from the indirect relationship between job satisfaction and organizational commitment through the variable of employee engagement.

Table 6. Indirect Effect

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Ori. Sample</th>
<th>Sample Mean</th>
<th>Std. Dev.</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction -&gt; Organizational Commitment</td>
<td>-0.009</td>
<td>-0.008</td>
<td>0.100</td>
<td>0.087</td>
<td>0.931</td>
</tr>
<tr>
<td>Job Satisfaction -&gt; Employee Engagement -&gt; Organizational Commitment</td>
<td>0.080</td>
<td>0.091</td>
<td>0.043</td>
<td>1.843</td>
<td>0.065**</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processing (2020) Significance Level 0.05 *, Level 0.10**
Job satisfaction had an important role in organizational commitment. Although job satisfaction did not have a direct effect on organizational commitment, it had an indirect effect (alpha 10%) with employee engagement as the mediating variable. It indicated that the employees who had job satisfaction could provide an influence on the organizational commitment by creating employee engagement for the employees who had job satisfaction, thereby ensuring higher productivity in the organization and higher intention to stay in the organization. Job satisfaction that leads to the creation of higher employee engagement is likely to build organizational commitment (Field & Buitendach, 2011).

Based on the table above, it can be seen that the direct effect between the variables of job satisfaction and organizational commitment was 0.931 (not significant at alpha 0.05 and 0.10 because 0.931 > 0.05). Meanwhile, for the indirect effect between job satisfaction and organizational commitment, it was 0.065 (significant at 0.10 because 0.065 < 0.10). In this test, the value of the indirect effect was higher than that of direct effect. So, the model in this study was called full mediation because the mediating variable namely employee engagement could mediate the relationship between the independent variable i.e. job satisfaction and the dependent variable i.e. organizational commitment, meaning that the fourth hypothesis in this study was accepted. From the calculation of the coefficients on direct effect and indirect effect, it can be concluded that the indirect effect is better in this study because it is seen from the coefficient (0.080) higher than the coefficient of direct effect (-0.009). The other conclusion that can be drawn in this study is that job satisfaction can increase organizational commitment if mediated by employee engagement. This is because the value of the indirect effect was higher than that of the direct effect between the variables of job satisfaction and organizational commitment.

This result of the study is in line with the result of the study conducted by Deepa, Palaniswamy & Kuppusamy (2014). They conclude that once employees feel job satisfaction, they will become involved in their work or it will lead to employee engagement, and eventually, they will be committed to the organization, which in turn it will have an impact on increasing organizational and employee productivity.

5. CONCLUSION

Based on the results of the study and the discussion that have been raised in the previous chapter, several conclusions can be drawn in this study, as follows:

1. Job satisfaction does not directly affect the organizational commitment of banking employees in Padang. This indicates that the organizational commitment of banking employees in Padang is not influenced by their job satisfaction. This study found that sig. value of job satisfaction on organizational commitment was 0.931 > 0.05.

2. Employee engagement has a direct and significant effect on the organizational commitment of banking employees in Padang. This shows that higher employee engagement is felt by employees, the more increasing their organizational
commitment becomes. This study revealed that sig. value of employee engagement on organizational commitment was 0.044 < 0.05.

3. Job satisfaction has a direct and significant effect on employee engagement of banking employees in Padang. This indicates that the amount of employee engagement is influenced by how high job satisfaction is felt by employees. The higher job satisfaction is, the higher employee engagement is. This study uncovered that sig. value of employee engagement on organizational commitment was 0.000 < 0.05.

4. Job satisfaction has an indirect and significant effect on employee organizational commitment when mediated by employee engagement. This shows that employee organizational commitment will be formed if job satisfaction felt by employees can increase employee engagement. This study discovered an indirect relationship between job satisfaction and organizational commitment with sig. value of employee engagement on organizational commitment was 0.000 < 0.05.

Based on the results of the research obtained, the implication of this research that can be suggested for the company is that the company management pays more attention to the wants and needs of employees, such as in the work itself, namely by giving jobs or assignments to employees that are by the abilities of these employees, so that employees will be more motivated to do a good job and be able to complete it on time so that organizational goals can be achieved. To increase job satisfaction the company should provide justice to all employees in terms of salary suitability. Organizational commitment is further enhanced as an effort to increase employee loyalty by giving awards according to their contribution and giving confidence to employees that they are part of the company.

Reference:


