The effect of employee motivation and employee engagement on job performance mediated by job satisfaction

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**Abstract**

This study aims to investigate the effect of employee motivation and employee engagement mediated by job satisfaction on job performance. This study employs exploratory research with a quantitative approach. The population in this study consisted of all employees of retail company X. The sampling technique used was saturated sampling, and the number of research samples was 150. Data was collected through surveys and documentation, and the instrument was tested using Likert scales. The data was analysed using Structural Equation Model Partial Least Squares (SEM-PLS) modelling. The results of this study indicate that employee motivation can increase job performance, while employee engagement cannot increase job performance. Furthermore, the findings revealed that employee motivation can increase job satisfaction while employee engagement cannot. Job satisfaction can increase job performance. Job satisfaction can mediate the effect of employee motivation on job performance, but it cannot mediate the effect of employee engagement on job performance. According to the findings of this study, Company X should be able to provide motivational stimulus to employees by increasing salaries and work incentives, as well as increasing training and developing employee skills, so that workers can work effectively and efficiently.

**Introduction**

Human resources are one of the capitals and play an important role in the success of the organisation. Human resources are also a very valuable factor in achieving organizational goals, so organizations are fully responsible for human resource management. Human resource management is always related to human management through activities within the organisation and its operational functions. Wilson et al., (2012) state that human resource management is a process of planning, organising, preparing personnel, and supervising operational functions to achieve company goals. The quality of human resources in the company can affect the company's performance results, so human resource management is part of the business strategy (Wau & Purwanto, 2021).

Given the importance of human resources, Cai & Rodriguez, (2023) state that human resources are the most valuable asset in a company. Thus, a failure in human resource management can disrupt the achievement of organizational goals (Rayadi, 2012). Organizations can make efforts to properly direct employees, which will encourage productivity and increase employee performance (Tjiptono & Diana, 2001) Individual, group, or organizational goals achieve performance in both qualitative and quantitative terms (Karahan & Tetik, 2012). Thus, the organization's high and low performance is dependent on the high and low performance of its employees (Aydin & Ceylan, 2009).

Retail is a business activity that involves selling or trading a product or service directly to consumers (Handoyo, 2018). One of the driving sectors of the Indonesian economy is retail. Based on data published by the Business Competition Supervisory Commission in 2021, the retail industry has the highest level of business competition. These competitive conditions undoubtedly force businesses to continuously increase their performance in order to compete in the market. Retail companies that want to stay competitive and
compete in the market frequently set aggressive sales targets to stimulate company performance. The retail company X has its headquarters in Kediri City and 16 locations throughout the region. As part of their strategy to compete in a crowded market, retail company X frequently sets lofty sales goals. However, efforts to meet such lofty goals do not always yield positive results. Goal setting theory also states that setting too high of goals can reduce motivation and job performance (Locke & Latham, 2013).

The failure of the company to meet sales targets demonstrates that the company's poor performance is closely related to the role and human resources it has. According to Ayers, (2015) company performance is always in line with the job performance of the company's human resources. Having productive and high-performing human resources can certainly give a company an advantage in the market, so companies must be able to identify factors that affect job performance. According to (Reizer et al., 2019), employee motivation is a factor that can affect job performance.

Motivation and job performance are inextricably linked. Self-determination theory (SDT) is one theory that supports the link between motivation and job performance. According to (Deci et al., 2017) SDT is a motivation theory that states that individual job performance is influenced by the individual's motivation to do a particular job. According to SDT, if an individual has a high level of performance, the individual is likely to have high motivation, where motivation is the foundation that encourages the individual to achieve a high level of performance. As a result, in order to validate self-determination theory, this study investigates the impact of employee motivation on job performance.

In addition to confirming self-determination theory, there are still research gaps or inconsistencies from previous studies regarding employee motivation and job performance, which also form the basis for more research to test the influence relationship between the two variables. Previous research has shown that employee motivation has a significant effect on job performance (Forson et al., 2021). Similarly, research by (Prabowo & Yulianti, 2022), but (Panjaitan & Kustiawan, 2022); (Wijsman et al., 2018) claims that employee motivation has no effect on job performance.

Another factor that influences job performance is employee engagement (Ahakwa et al., 2021). (Rothmann, 2016) defines employee engagement as an individual's level of engagement to his role in a specific job that creates a sense of satisfaction. Employees with high employee engagement perform better than employees with low employee engagement. Employees who are emotionally attached to their jobs are more likely to be active, efficient, and happy at work, and they are less likely to leave their company (Krishnaveni & Monica, 2018). Allen's Engagement theory explains the relationship between employee engagement and job performance, stating that the greater an individual's employee engagement, the higher his job performance (Meyer & Allen, 1997).

In addition to validating Engagement theory, there are inconsistencies in previous research results that serve as the foundation for future research on these two variables. According to research by (Ahakwa et al., 2021) and (Subiyanto et al., 2022), there is a significant influence between employee engagement and job performance. However, research by (Sadiq et al., 2022) and (Kim & Koo, 2017) indicates that employee engagement has no significant effect on job performance. To explain why previous studies' results were inconsistent, a study was conducted again on the variables of employee motivation and employee engagement on job performance, and the variable job satisfaction was proposed as a mediating variable.

This study includes job satisfaction variables as mediators that bridge the gap between employee motivation and employee engagement on job performance. According to (Qureshi et al., 2017), job satisfaction is a positive attitude toward one's work in an organization or company. Job satisfaction can also be interpreted as a type of psychological condition that arises in employees while working.

Positive affect theory states that an individual's job performance can be affected by positive emotions they experience, such as contentment with their current employment (Fredrickson, 2009). This is also supported by (Wijaya & Suwandana, 2022), which states that an individual's job satisfaction affects the individual's job performance. As a result, it is critical to consider the role of job satisfaction in bridging the gap between employee motivation, employee engagement, and job performance.

Employees of retail companies in the Kediri Regency area are the research subjects in this study. The research object was chosen because it has general characteristics of the retail industry sector, namely the condition of fierce market competition so that the results of this study can be generalised and applied more broadly. Furthermore, the limited academic literature that uses the Kediri district location as a research location is one of the reasons why the Kediri district was chosen as the research location, with the hope that this research will contribute to the underrepresented local literature in the context of academic research.

Based on existing data and research gaps, the purpose of this study is to investigate "The Effect of Employee motivation and Employee engagement on Job Performance mediated by Job Satisfaction."

Literature Review

Theoretical and Conceptual Background

Work Performance

Job performance is a value concept that the organization expects to be an individual behaviour in carrying out tasks according to organizational standards that have certain evaluation components (Motowidlo et al., 1997). The outcome of a job function or activity
carried out by an individual in an organization, either independently or in a group, over a specific period is defined as performance (Pabundu, 2014). Job performance can also be defined as the outcomes obtained by an individual over a specific period for the completion of tasks, such as standard work results, targets, or target criteria that have been determined and agreed upon (Rivai, 2005). Based on this understanding, it is clear that job performance is the result of work activities completed by an individual within an organization within a specific time frame. The ability and experience of an individual can reflect the individual's job performance. If the individual has sufficient ability and experience, the individual's job performance will be good, and vice versa. Three factors—individual, psychological, and organizational—influence how well a job is performed, according to (Simamora, 2014).

**Employee motivation**

Motivation is a resource force that drives and controls human behavior. (Robbins & Judge, 2017) define motivation as a process that explains an individual's intensity, direction, and persistence in pursuing their goals. Meanwhile, (Luthan, 2011) defines motivation as a psychological construct that plays an important role in explaining individual behavior through the mediation process between the individual's actions and environment. According to this definition, motivation is a psychological condition possessed by an individual that influences that individual's actions in achieving their goals. Motivation comes from two sources: intrinsic motivation and extrinsic motivation (Gary, 2015).

**Employee Engagement**

Employee engagement is the level of involvement and commitment of employees to the company, their work, and their coworkers. Employee engagement, according to (Gallup, 2013) is an emotional commitment that employees have to the organization and its goals. Furthermore, (Federman, 2009) explains that employee engagement is a measure of the emotional and intellectual connection that employees have with their company, their role, and the people with whom they work. Employee engagement, as defined above, provides an overview of how well employees feel connected to the company and how well they collaborate with their coworkers. Employees who are highly engaged are more likely to support company goals, be more productive, and stay with the company in the long term. (Gary, 2015) states that several factors, such as the quality of one's relationships with superiors, opportunities for self-development, decision-making involvement, physical and mental well-being, corporate culture, reward and recognition, workload and work-life balance, and clear communication and expectations, all have an impact on employee engagement.

**Job Satisfaction**

Job satisfaction is defined (Robbins & Judge, 2017) as an individual's attitude toward various aspects of the job that they currently hold. Job satisfaction can manifest as cognitive, affective, and evaluative attitudes resulting from an assessment or experience with the individual's work. Job satisfaction reflects how members of an organization feel about their jobs. According to Veithzal in Nabilah, (2020) the nature of job satisfaction is essentially individual. An individual's level of job satisfaction will always differ from that of other people. Discrepancy theory, Justice theory, Need fulfilment theory, Two-factor theory, and Positive affective theory are some of the theories that are frequently applied in human resource management to understand job satisfaction, according to (Griffin, 2020).

**Empirical Review and Hypothesis Development**

**The effect of employee motivation on job satisfaction**

Employee motivation has a significant effect on job satisfaction (Megawati et al., 2022). Employee motivation is closely related to job satisfaction. The findings of this study agree with those of (Ali & Anwar, 2021) and (Asnah et al., 2021) who found that employee motivation has a positive and significant effect on an individual's job satisfaction. As a result, the following hypotheses are proposed in this study:

**H1**: There is a significant effect of employee motivation on job satisfaction

**The effect of employee engagement on job satisfaction**

Employee engagement has a significant effect on job satisfaction (Edgar, 2022). The employee engagement that an individual has to the job currently owned is closely related to the sense of satisfaction with the individual's job. The results of this study are in line with research by (Ali & Anwar, 2021), (Tamrin, 2021), and (Stol et al., 2022) which state that employee engagement has a positive and significant effect on job satisfaction owned by an individual. As a result, the following hypotheses are proposed in this study:

**H2**: There is a significant effect of employee engagement on job satisfaction

**The effect of employee motivation on job performance**

Employee motivation affects job performance significantly (Forson et al., 2021). An individual's employee motivation is closely related to the performance that individuals produce when carrying out their jobs. The findings are supported by (Subiyanto et al., 2022), (Tamrin, 2021), and (Prabowo & Yulianti, 2022), which state that employee motivation has a positive and significant effect on job performance. As a result, the following hypothesis is proposed in this study:

**H3**: There is a significant effect of employee motivation on job performance.
The effect of employee engagement on job performance

Employee engagement has a significant impact on job performance (Subiyanto et al., 2022). The employee engagement that a person has in his current job is closely related to the performance that the individual produces when performing his work. The findings of this study are consistent with the findings of (Ahakwa et al., 2021) who found that employee engagement has a positive and significant effect on an individual's performance. Thus, the following hypotheses are proposed in this study:

H4: There is a significant effect of employee engagement on job performance

The effect of job satisfaction on job performance

Job satisfaction has a significant impact on job performance (Wijaya & Suwandana, 2022). Job satisfaction is directly related to job performance. The findings of this study are consistent with findings by (Arya & Supartha, 2022), (Nemteanu & Dabija, 2021) and (Alsafadi & Althahat, 2021) that employee job satisfaction has a positive and significant effect on an individual's performance. As a result, the following hypothesis is proposed in this study:

H5: There is a significant effect of job satisfaction on job performance

The effect of employee motivation on job performance mediated by job satisfaction

According to (Megawati et al., 2022), employee motivation has a significant effect on job satisfaction. An individual's level of employee motivation is closely related to his or her level of job satisfaction. (Wijaya & Suwandana, 2022) discovered that job satisfaction has a significant effect on job performance. According to this study, an individual's job satisfaction is closely related to the performance that the individual produces while performing his job. Based on the findings of these two studies, it is proposed that job satisfaction serves as a mediator in the relationship between employee motivation and job performance. As a result, the following hypotheses are proposed in this study:

H6: Job satisfaction can mediate the significant effect of employee motivation on job performance.

The effect of employee engagement on job performance mediated by job satisfaction

(Edgar, 2022) demonstrates that employee engagement has a significant effect on job satisfaction. The employee engagement that an individual has to the job that he or she currently holds is closely related to the individual's sense of job satisfaction. According to (Alsafadi & Althahat, 2021) research, job satisfaction has a significant effect on job performance. This study demonstrates that an individual's job satisfaction is closely related to the performance that the individual produces while performing his job. Based on the findings of these two studies, it is proposed that job satisfaction is a mediating variable that mediates the relationship between employee engagement and job performance. As a result, the hypotheses proposed in this study are as follows:

H7: Job satisfaction can mediate the significant effect of employee engagement and job performance.

Research and Methodology

This study employs an explanatory research method to objectively test the theory by examining the relationship between each variable using statistical procedures and a quantitative approach. The population in this study consisted of all employees of X retail company, with a population of 150 employees. The saturated sampling technique was used in this study. Saturated sampling refers to the use of all members of the population as research samples. In this study, all employees of retail company X at 10 branches in Kediri City were used as a research sample, namely 150 employees divided into several job positions such as store crew (124), marketing crew (16), and store supervisor (10).

![Figure 1: Conceptual Model of the Study; Source: Authors 2023](image-url)
The data used in the study was derived from survey results and documentation. A Likert scale is used in the submitted questionnaire to determine the extent to which respondents give their opinions on a predetermined scale. The data was analyzed using structural equation modeling partial least squares (SEM-PLS). PLS data analysis is used because the concept is to test the modified results of several research models to provide an overview of the variables studied (Garson, 2016). In this study, the employee motivation variable employs indicators from (Kuvaas et al., 2017). Employee engagement employs indicators from (Diedericks & Rothmann, 2013). Furthermore, Job performance employs indicators adapted from (Nan et al., 2018) and Job Satisfaction employs indicators adapted from (Nanjundeswaraswamy, 2019).

Finding And Discussion

Respondents in the study are employees of one of Kediri City's retail companies, referred to as X retail company. Respondent characteristic variables include gender, age, latest education, and work position. The research sample included 150 employees who completed an online questionnaire as part of the data collection process. The demographics of respondents yielded the following results:

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>66</td>
<td>44</td>
</tr>
<tr>
<td>Female</td>
<td>84</td>
<td>56</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 – 25 years</td>
<td>62</td>
<td>41.3</td>
</tr>
<tr>
<td>26 – 30 years</td>
<td>49</td>
<td>32.6</td>
</tr>
<tr>
<td>31 – 35 years</td>
<td>29</td>
<td>19.3</td>
</tr>
<tr>
<td>36 – 40 years</td>
<td>10</td>
<td>6.6</td>
</tr>
<tr>
<td>Background Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMA / SMK Sederajat</td>
<td>97</td>
<td>64.6</td>
</tr>
<tr>
<td>S1</td>
<td>48</td>
<td>32</td>
</tr>
<tr>
<td>S2</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Work Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Crew</td>
<td>124</td>
<td>82.6</td>
</tr>
<tr>
<td>Marketing Crew</td>
<td>16</td>
<td>10.6</td>
</tr>
<tr>
<td>Store Supervisor</td>
<td>10</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Source: Author 2023

Based on the table above, it shows that the majority of respondents are female (56%), which shows that women are more interested in working in retail companies than male employees. Furthermore, respondents in this study were dominated by workers aged 20-25 years (41.3%), indicating that individuals aged 20-25 years are more interested in working in retail companies than individuals over the age of 30 years. This is also a productive age for working. Then, based on the Last Education, which is dominated by SMA / SMK Graduates (64%), this shows that work in this business unit requires competent skills and knowledge from college graduates. In addition, based on Job Position, most respondents have a position as a store crew (82.6%). This demonstrates that higher job positions necessitate a longer career path to achieve, implying that job position is related to employee engagement.

Descriptive Statistic and Correlation

This study uses variables of employee motivation, employee engagement, job performance, and job satisfaction can be seen in table 2 along with the results of the average value of respondents' answers equipped with the standard deviation of each variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee motivation</td>
<td>4.19</td>
<td>0.74</td>
</tr>
<tr>
<td>Work Engagement</td>
<td>3.24</td>
<td>0.88</td>
</tr>
<tr>
<td>Job Performance</td>
<td>3.73</td>
<td>0.88</td>
</tr>
<tr>
<td>Job Satisfactions</td>
<td>3.94</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Source: Author 2023
Measurement Model Analysis

To test the quality of the data, this study uses convergent validity and discriminant validity tests with the constructs to be measured for the initial research scale development values between 0.50 to 0.60 are values that are considered sufficient (Ghozali & Latan, 2015). In more detail the results of the validity and reliability tests can be seen in table 3 below.

Table 3: Validity Analysis

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicator</th>
<th>Convergent Validity</th>
<th>Discriminant Validity</th>
<th>AVE</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loading Factor</td>
<td>Result</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee motivation</td>
<td>X1.1</td>
<td>0.664</td>
<td>Valid</td>
<td>0.540</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.524</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.770</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.797</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.5</td>
<td>0.735</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.6</td>
<td>0.758</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>X2.1</td>
<td>0.594</td>
<td>Valid</td>
<td>0.510</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.1</td>
<td>0.618</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.1</td>
<td>0.611</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.4</td>
<td>0.687</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.5</td>
<td>0.644</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.6</td>
<td>0.710</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.7</td>
<td>0.720</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.8</td>
<td>0.695</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.9</td>
<td>0.676</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Performance</td>
<td>Y1.1</td>
<td>0.532</td>
<td>Valid</td>
<td>0.541</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.2</td>
<td>0.714</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y1.3</td>
<td>0.711</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y1.4</td>
<td>0.694</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y1.5</td>
<td>0.865</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y1.6</td>
<td>0.768</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y1.7</td>
<td>0.862</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y1.9</td>
<td>0.683</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>Z1</td>
<td>0.682</td>
<td>Valid</td>
<td>0.574</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Z2</td>
<td>0.817</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z3</td>
<td>0.849</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z4</td>
<td>0.812</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z5</td>
<td>0.800</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z6</td>
<td>0.784</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z7</td>
<td>0.637</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Z8</td>
<td>0.649</td>
<td>Valid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author 2023

Based on table 3, it shows that the loading factor value (convergent validity) of each item on the employee motivation, employee engagement, job performance and job satisfaction is said to be valid. So, it is concluded that all items in each variable have performed their measurement functions appropriately and precisely with the SmartPLS measuring instrument.
Table 4: Reliability Analysis

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee motivation</td>
<td>0.847</td>
<td>0.868</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>0.804</td>
<td>0.815</td>
</tr>
<tr>
<td>Job performance</td>
<td>0.892</td>
<td>0.900</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.876</td>
<td>0.893</td>
</tr>
</tbody>
</table>

Source: Author 2023

Based on table 4 above, it can be concluded that the data used in this study are reliable. The threshold value for reliability is 0.70 (Ghozali & Latan, 2015). In table 4 it can be seen that each variable has a Cronbach’s alpha and composite reliability value greater than 0.7. So that the items used in this study are reliable.

Structural Model Test

Testing the structural model (inner model) aims to determine the suitability of a model which can be seen from the value of the coefficient of determination ($R^2$), predictive relevance ($Q^2$) and goodness of fit model (GoF). The test results for the coefficient of determination ($R^2$) the ($R^2$) value of the job satisfaction variable is 0.727, this value proves that the job satisfaction can be explained by employee motivation and employee engagement by 72.7% while the rest or 27.3% is explained by other variables that are not part of this study. The $R^2$ value on the job performance variable is 0.560 so it can be seen that the job performance can be explained by employee motivation and employee engagement by 56% while the rest or 44%.

The $Q^2$ test results yield a value of $Q^2$ of 0.893, which means that this research model has predictive relevance. Job Motivation, Job Engagement, and Job Satisfaction, by 89.3% while the remaining 10.7% is the contribution of other variables that are not part of this research model. The Goodness of Fit test aims to measure the accuracy of a research model that is built based on the research variables as a whole. Based on the results of GoF calculations, it produces a value of 0.1, so it can be concluded that the structural model of this study in general has strong predictive properties. The goodness of fit (GoF) above shows that the model in this study is robust, so hypothesis testing can be done.

Hypothesis Test

This study has a hypothesis test, namely the direct effect test and the mediating effect test. The following are the results of the hypothesis test

Table 5: Direct Effect Test Results

<table>
<thead>
<tr>
<th>Path Coeff</th>
<th>t-Statistic</th>
<th>P-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee motivation → Job Satisfaction</td>
<td>0.739</td>
<td>17.033</td>
<td>0.002</td>
</tr>
<tr>
<td>Employee engagement → Job Satisfaction</td>
<td>0.032</td>
<td>0.582</td>
<td>0.000</td>
</tr>
<tr>
<td>Employee motivation → Job Performance</td>
<td>0.236</td>
<td>2.470</td>
<td>0.024</td>
</tr>
<tr>
<td>Employee engagement → Job Performance</td>
<td>0.010</td>
<td>0.237</td>
<td>0.000</td>
</tr>
<tr>
<td>Job Satisfaction → Job Performance</td>
<td>0.659</td>
<td>9.353</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Author 2023

The table above shows that employee motivation has a significant effect on job satisfaction ($p = 0.739, t = 17.033$) so that H1 is accepted. In addition, employee engagement has no significant effect on job satisfaction ($p = 0.032, t = 0.582$) so that H2 is rejected. Furthermore, employee motivation has a significant effect on job performance ($p = 0.236, t = 2.470$) so that H3 is accepted. Then, employee engagement has no significant effect on job performance ($p = 0.617, t = 11.746$) so that H4 can be rejected and job satisfaction has a significant effect on job satisfaction ($p = 0.659, t = 9.353$) so that H5 is accepted. Then, the results of mediating testing are as follows:

Table 6: Indirect Hypothesis Testing

<table>
<thead>
<tr>
<th>Path Coeff</th>
<th>t-Statistic</th>
<th>P-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee motivation → Job Satisfaction → Job Performance</td>
<td>0.487</td>
<td>7.008</td>
<td>0.028</td>
</tr>
<tr>
<td>Employee Engagement → Job Satisfaction → Job Performance</td>
<td>0.021</td>
<td>0.578</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Author 2023
Employee motivation has a positive and significant effect on job satisfaction. Motivation possessed by an individual can increase the job satisfaction of an individual (Hasibuan, 2007). The results of this study also confirm that the higher the motivation possessed by an employee, the higher the job satisfaction possessed by the employee. Motivation from within an individual grows along with the feelings of pleasure that the individual has when carrying out his work. The results of this study also confirm the two-factor theory which states that individuals will feel satisfied with their current job when the individual goes through a process to fulfill a need consisting of satisfying factors and maintaining factors (Griffin, 2020). Based on the results of the study, it can be seen that the feeling of enjoyment, pleasure and gratitude for the work they have acts as a satisfying factor for employees of retail company X. As for what acts as a maintaining factor, it is the employees of retail company X. Meanwhile, what acts as a maintaining factor is salary, bonuses, and benefits. Therefore, companies need to manage the level of motivation possessed by employees through strategies and policies that are able to maintain or increase the motivation possessed by each employee. The research results generated by this study are in line with research by (Megawati et al., 2022), (Jamal Ali & Anwar, 2021), and (Asnah et al., 2021).

Employee engagement has no positive or significant impact on job satisfaction. The results of this study provide findings that employees of retail company X still do not have a strong engagement to the job they currently have. Emotional engagement illustrates that employees of retail company X still do not have high pride in the work they currently have, are less excited when working, and are less comfortable at work. The results of this study contradict the fulfillment of needs theory. In the fulfillment of needs theory, an individual's job satisfaction will arise when the needs of that individual are met by the company (Griffin, 2020). The needs of employees of retail company X have basically been met because employees have received various benefits for work in accordance with applicable regulations and policies. However, in reality, employees of retail company X still do not have an engagement to retail company X. The results in the study also have results that are opposite to the results of research by (Edgar, 2022) and (Stol et al., 2022). Research by (Edgar, 2022) has a research object of Health center employees with a sample size of 80 respondents, while research by (Stol et al., 2022) has a research object of programmer employees of one of the IT companies with a sample of 155 respondents. Differences in industry characteristics of the object of research can cause differences in research results (Ghozali, 2020). However, the results of this study are in line with research by (Noufal & Dewie, 2021) shows that employee engagement does not have a positive and significant effect on job satisfaction.

Employee motivation has a positive and significant effect on job performance. Motivation possessed by an individual can increase the performance that the individual produces while working (Subiyanto et al., 2022). The results of this study also confirm that the higher the employee's motivation, the better the employee's performance in fulfilling his duties and responsibilities. The motivation possessed by employees of retail company X arises more from within the self than outside the self. This is in accordance with the reality in the field, where employees of retail company X still do not feel any factors from outside themselves that can increase motivation when they work. According to Djamarah, (2018) several factors that can be stimulants to increase employee motivation from outside the employee include appropriate rewards, constructive feedback, or social emotional support. The perception of the stimulant factors given to each individual that are perceived to be lacking makes individuals less externally motivated is the underlying reason that employees of retail company X are less externally motivated and more internally motivated. Furthermore, the findings in this study also support the findings in research by (Wijisman et al., 2018). The results of this study confirm Self-determination theory which states that intrinsic motivation will arise and grow in an individual when the individual fulfills one of the 3 basic psychological needs, namely competence, autonomy, and social relationships. The results in this study are in line with research by (Forson et al., 2021) and (Subiyanto et al., 2022). However, it should be noted that the motivation possessed by employees comes more from the personal self of the employees themselves, therefore the company needs to formulate better strategies and policies so that it can change the perceptions of employees who are lacking in external motivational stimulants currently, thus it is hoped that retail company X will be able to maintain or increase the motivation possessed by each employee externally even better.

Employee engagement does not have a positive and significant effect on job performance. The results of this study provide findings that employees of retail company X still do not have a strong engagement to the job they currently have. Employees of retail company X have good performance, this is evidenced by the employees of retail company X who in carrying out their work can achieve quality, quantity, and timely standards. Simamora, (2014) states that there are several factors that affect the performance of an individual when carrying out a job including the individual's personal factors, psychological factors, and organizational factors so that, it can be stated that the good performance of retail company X employees is the result of a combination of competent individual abilities, positive psychological factors, and working conditions at the retail company X itself. The activities undertaken by employees of retail company X have little impact on the bond between employees and their work so that, retail company X employees still see work only as a form of responsibility with certain returns that must be done to get these returns. In addition, Engagement Theory, it can be seen that the greater the work engagement owned by an individual, the higher the job performance he has (Meyer & Allen, 1997). The results of this study are in accordance with the facts in the field where employees of retail company X at work lack enthusiasm,
dedication, or commitment in carrying out their work. The results in this study contradict research by (Subiyanto et al., 2022). The results of this study then provide a fact that work engagement does not always affect the performance of individuals. Work engagement owned by an individual does not necessarily make an individual have good performance as well. This research supports research by (Kim & Koo, 2017) and (Sadiq et al., 2022).

Job satisfaction has a positive and significant effect on job performance. The results of this study provide findings that a sense of satisfaction with the work currently owned by employees of retail company X has an effect on the performance owned by employees when carrying out work. X retail company employees have good performance, this is evidenced by X retail company employees who in carrying out their work can achieve quality, quantity, and timely standards. X retail company employees have a high sense of satisfaction with the work currently owned. This research also confirms equity theory and positive affectivity theory. Based on these two theories, it can be seen that an individual will have good performance on a job if the individual is satisfied with the rewards he receives. The results of this study are in accordance with the facts in the field where the job satisfaction of employees of retail company x is largely the role of the rewards provided by the company. The results in this study then also support several previous studies such as research by (Wijaya & Suwandana, 2022), (Arya & Supartha, 2022), and (Alsafadi & Alhat, 2021) which provide results that there is a positive and significant effect on the relationship between job satisfaction and job performance. The direct effect between job satisfaction possessed by employees and the performance produced at work is due to an individual will expend better effort and act and behave more positively in carrying out a responsibility when the individual has satisfaction with their work. Good performance owned by employees of retail company X is the result of good job satisfaction as well, therefore companies must be able to manage job satisfaction owned by their employees by formulating various strategies to maintain and increase job satisfaction by paying attention to the dimensions of job satisfaction itself.

Job satisfaction can mediate the effect of employee motivation on job performance. The results also state that the effect between employee motivation on job satisfaction and job satisfaction on job performance shows significant, so that it can be concluded that job satisfaction acts as a partial mediation in this study. This shows that the motivation possessed by employees of retail company X can increase their performance with or without job satisfaction. The results of this study are also in line with research by (Reizer et al., 2019) showed that job satisfaction can mediate the relationship between employee motivation and job performance. This study also supports research by (Megawati et al., 2022), (Ali & Anwar, 2021), and (Asnah et al., 2021), namely employee motivation has a significant effect on job satisfaction. In addition, the research also supports research by (Wijaya & Suwandana, 2022), (Arya & Supartha, 2022), and (Alsafadi & Alhat, 2021) which provide results that there is a positive and significant effect on the relationship between satisfaction and job performance.

Job satisfaction cannot affect the relationship between employee engagement and job performance because there is no positive and significant relationship between employee engagement and job performance. Job satisfaction cannot mediate the relationship between employee engagement and job performance because there is no influence between employee engagement and job satisfaction and performance in this study. This shows that job satisfaction and performance owned by employees of retail company X are not influenced by their work engagement. The results of this study are different from research by (Subiyanto et al., 2022). The results of this study indicate that employee engagement does not always affect one's performance. The absence of a significant influence between employee engagement on job satisfaction and employee engagement on job performance results in not mediating ability of job satisfaction on the relationship between employee engagement and job performance. The results of this study are in line with research by (Kim & Koo, 2017) and (Sadiq et al., 2022). There are several other factors that further influence the performance produced by an individual such as declarative knowledge or knowledge of work, procedural knowledge or knowledge of the flow of work processes, and motivation possessed by individuals (Campbell, 1990).

Conclusions

Based on the results of research and discussion regarding the effect of employee motivation and employee engagement with mediation of job satisfaction on job performance, it can be concluded that employee motivation has a significant effect on job satisfaction and job performance. This indicates that the employee motivation of employees of retail company X is able to increase job satisfaction and job performance. Moreover, the results also found that employee engagement does not have a significant effect on job satisfaction and job performance. This indicates that the employee engagement of employees of retail company X is not able to have a significant effect on job satisfaction and job performance. Job satisfaction has a significant effect on job performance. Job satisfaction is able to mediate the effect of employee motivation on job performance. This shows that the better employee motivation is managed, it will be able to increase the job performance of employees. However, job satisfaction is not able to mediate the effect of employee engagement on job performance. This shows that employee engagement does not always affect a person's performance.

This research makes theoretical contributions by bolstering previous theories and research, and applicative research contributes to Company X in order to create a employee motivation stimulus and design various strategies so that employees are satisfied with their work so that employees can increase their performance in the Company. One way to do this is by increasing salaries and incentives, increasing training and developing employee skills and increasing employee participation in various problem solving and decision making in the company.
The limitation of this study is that it employs a quantitative survey method with a questionnaire as a data collection tool. This method has limitations in revealing deeper and more comprehensive insights into employee motivation, employee engagement, job satisfaction, and employee performance in the retail industry. This method has a natural weakness in that it is dependent on the honesty and accuracy of respondents in filling out the questionnaire. Furthermore, this study was conducted over a short period of time, only one week. This time period cannot capture the dynamics and changes that occur in work motivation, employee engagement, job satisfaction, and employee performance in the retail sector. It also cannot assess the long-term impact of employee motivation. As a result, future research is expected to increase the number of respondents who fill out the questionnaire in order to perfect this research. Furthermore, future research is expected to be able to broaden the scope of research and add and examine other variables such as organizational culture, leadership, work environment, and work stress that can improve job performance.

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Conflicts of Interest: The authors declare no conflict of interest

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