

Is Work Engagement More Important than Job Satisfaction to Increase Employee Synergy and Performance? Studies at State-Owned Companies in Indonesian

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Abstract

This study aims to investigate how job attitudes, specifically employee satisfaction and engagement, affect both synergy and performance among employees. The research was conducted at a state-owned enterprise (BUMN) in Jakarta, which manages ports across Indonesia and operates in four regional areas nationwide. The study utilized a quantitative design with a survey method, and sampling was performed through a census, taking all workers as the unit of analysis with a response rate of 91.3% (6,378 respondents out of 6,986 workers). Both job attitude components simultaneously predict employee synergy by 66% and performance by 65%. Employee engagement had a higher path coefficient in predicting both employee synergy and performance compared to employee satisfaction. This supports the view that employee engagement more significantly represents an individual's psychological aspects towards their organization and the tasks associated with their work roles, indicating that high employee engagement reflects a robust psychological attachment—physical, cognitive, and emotional—and plays a more significant role in influencing performance. Employee satisfaction and engagement are two crucial job attitude components for workers and should continue to be a focus in the state-owned company to maintain their attachment to the organization and enhance their contribution and optimal performance. The findings of this research reinforce the viewpoint that differentiates the two; employee engagement is more related to the psychological aspects and the nature of the relationship between workers and the organization, whereas employee satisfaction pertains to the positive-negative affective process, or satisfaction-dissatisfaction regarding what is received from the company, both in terms of rewards and recognition, whether intrinsic or extrinsic.

Keywords: Employee Engagement, Employee Performance, Employee Satisfaction, Employee Synergy.

1. Introduction

Merujuk kepada triple bottom-line dari Elkington (1997), maintaining the presence of employees, their positive attitudes and behaviors, and safeguarding their productivity are critical factors for a company's survival or business continuity. In the field of industrial and organizational psychology, these attitudes and behaviors of employees in the workplace are a significant focus in human resource management. These work attitude components, either collectively or individually, influence the formation of workplace behaviors in the antecedent and consequence model of work attitude (Truxillo et al., 2016). This model elucidates that antecedent factors influence the formation of primary work attitudes such as employee engagement and satisfaction, which in turn affect work behaviors like employee absenteeism,

individual performance, team performance, organizational citizenship behavior, and turnover rates. The organizational behavior model was also developed by Colquitt et al. (2017), which describes employee performance as an individual outcome formed from individual mechanisms that occur from organizational factors, group dynamics, and employee characteristics themselves.

This is especially pertinent for management in companies, specifically where the research was conducted, reflecting the company's condition post-merger in 2021. The employee satisfaction and engagement survey results for 2023 report only a slight increase in the employee satisfaction and engagement indices, an insignificant rise from 4.16 to 4.19 on a scale of 1 to 5. Meanwhile, employee performance drivers such as job performance, contextual performance, and adaptability had relatively high indices. However, some drivers showed relatively low figures, including understanding of the company's mission, workplace relationships, supervisor support, job demands, discretionary effort, teamwork, and post-merger effectiveness. Comparatively, this company offers higher salary levels and other rewards than other state-owned enterprises and even some multinational companies in the same industry in Indonesia.

2. Literature Review

Work attitude is an abstraction derived from an employee's feelings and beliefs about their job, the organization, supervision, or other aspects of the workplace (Truxillo et al., 2016). The components of work attitude employed in this study are employee satisfaction, organizational commitment, and employee engagement (Truxillo et al., 2016). Theoretically, workplace attitudes are defined by Uhl-Bien et al. (2014) as "A predisposition to respond in a positive or negative way to someone or something in one's environment," which implies a tendency to react either positively or negatively to one's surroundings. This theory is an advancement of the previous attitude theory proposed by Rosenberg and Hovland (1960), known as the "Three-Component Model of Attitudes," encompassing cognitive, affective, and behavioral components. The cognitive process at work involves what is known, experienced, and felt by an individual, which leads to the affective process where one might feel positively or negatively, subsequently influencing their actions.

The Affective Events Theory by Weiss (2002) further explains the mechanism through which attitudes and employee behaviors form, highlighting how individual differences and the work environment exert a strong influence. Incidents experienced by employees while working also affect their affective processes, which then influence their behavior. Schematically, the Antecedent Attitudes and Workplace Behaviors model from Truxillo et al. (2016) identifies factors that influence work attitudes and their consequences on workplace behaviors. According to this model, antecedent factors of work attitudes include job characteristics, leadership, stress or pressure, perceived organizational support, fairness, personality, and person-environment fit. These attitudes, in turn, impact work behaviors, including employee performance, company loyalty or organizational citizenship behavior (OCB), absenteeism, employee turnover, and team performance.

Mechanistically, the antecedent and consequence model of work attitudes by Truxillo et al.

(2016) elucidates factors influencing the formation of work attitudes, stemming from individual factors like personality, stress levels, or person-environment fit, or from organizational factors like job characteristics, leadership, perceived organizational support (POS), and fairness. Organizationally, this research employs the main theory of organizational behavior from Colquitt et al. (2017), which describes individual outcomes such as job performance and organizational commitment as consequences of individual mechanisms at the workplace formed by three components: organizational mechanisms, including culture and structure; group mechanisms, including leadership behavior and style, leadership strength and influence, work processes, and team characteristics; and influences from individual characteristics, such as personality, cultural values, and employee capabilities.

The organizational behavior theory from Colquitt et al. (2017), as depicted in Figure 1 below, is used in the context of this research at the state-owned enterprise, to more deeply analyze the results of the employee satisfaction and engagement survey for 2023, following the merger of three state-owned logistics and port management and development companies, previously managed regionally with each having its own corporate entity. The work programs carried out during and after the merger process are expected to accelerate the formation of synergy and employee performance, yet the survey results have not yet shown a significant improvement in the satisfaction and engagement indices, as the primary antecedent factors of organizational and group mechanisms from individual outcomes, particularly in enhancing employee performance.

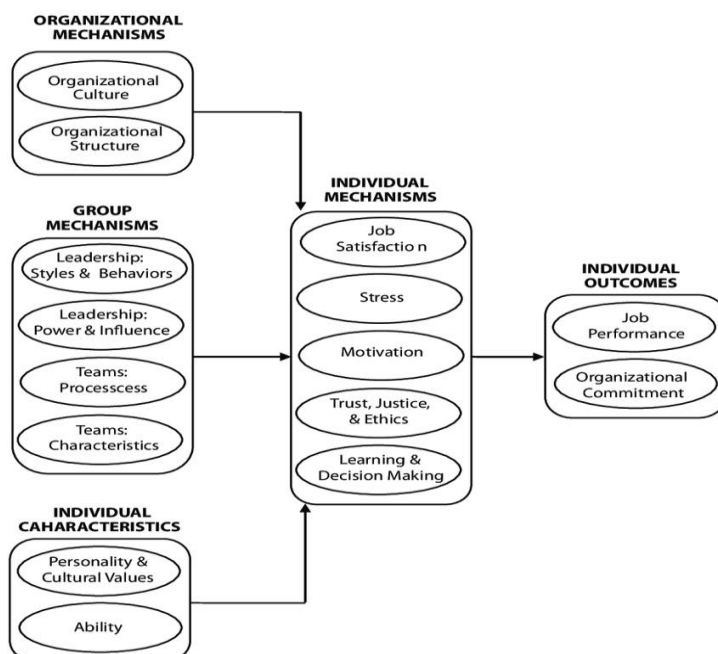


Figure 1. Organizational Behavior Model (Colquitt et al., 2017)

From this model, it can be understood how antecedent factors influence the formation of employee work attitudes, and this process will have consequences on employee behavior in the workplace, particularly their performance, alongside other behaviors such as organizational

citizenship behaviors (OCB), absenteeism, and turnover. Understanding this model is crucial for companies to investigate both individual and organizational antecedent factors in forming work attitudes and how these impact employee performance. This is vital for developing human resource management strategies and, specifically, for managing retention of top employees, thereby enabling the company to maintain their contributions and productivity.

2.1 Employee Satisfaction

Leading experts such as Maslow and Herzberg have emphasized the importance of fulfilling various employee needs that can determine their behavior at work. Maslow (1943) introduced the theory of motivation known as the hierarchy of needs, ranging from lower needs such as physical survival and safety (e.g., compensation and working conditions) to higher needs (e.g., recognition and achievement). Herzberg (1968), in his article "One more time: How do you motivate employees?", referred to lower hierarchy needs as extrinsic needs or hygiene factors, and the higher needs as intrinsic needs or motivational factors.

Locke (1976) defined employee satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences," or in other words, employee satisfaction as an individual's contentment with their job. Unlike other affective reactions, such as mood, employee satisfaction is related to specific sources. Weiss (2002) also defined employee satisfaction as an evaluative attitude of an individual, whether positive or negative, towards a job or job situation. Therefore, employee satisfaction is an affective reaction of an individual to their job, whether directly related to the job or external to it. Chao, et al. (2015) in their research, used three dimensions to measure employee satisfaction derived from Herzberg's "Hygiene and Motivational Factors" theory, namely 1) Extrinsic, which includes factors outside the job, such as satisfaction with compensation and benefits; 2) Intrinsic, which involves factors directly related to the job, such as satisfaction with the job itself and job performance; and 3) General, which covers environmental factors such as satisfaction with the work environment, work systems, and other forms of welfare.

2.2 Employee Engagement

Employee engagement has become a popular construct for researchers and practitioners exploring work attitudes and employee behaviors in the workplace. Various studies have been conducted to investigate employee engagement and its implications on employee work behaviors at companies, and efforts continue to develop the most effective models. Kahn (1990) defines employee engagement as the state in which members of an organization identify themselves with their work, and in a state of engagement, individuals involve and employ themselves, expressing physically, cognitively, and emotionally while working. Employee engagement as a work attitude is also defined by Schaufeli and Bakker (2004) as a state of high positive energy, affective motivation combined with a high level of dedication and a strong focus on work.

Kahn further states that personal employee engagement is a state where employees "bring" themselves to work, investing their personal energy and experiencing emotional connections

with their jobs. In this view, the work role represents an opportunity for individuals to apply themselves behaviorally, enthusiastically, and expressively, both holistically and simultaneously. Thus, Kahn's (1990) concept of employee engagement is fundamentally a motivational concept representing the active allocation of personal resources towards tasks associated with work roles. An employee may feel proud and loyal, becoming a strong supporter of the company, or working extra to complete tasks. Later, Rich et al. (2010) used three dimensions of employee engagement adapted from Kahn's (1990) Physical Aspect of Engagement, Rothbard's (2001) Cognitive Aspect of Engagement, and the Emotional Aspect of Engagement from Russell & Barrett (1999).

2.3 Employee Synergy

Employee synergy is crucial in striving for a high-performance work system within a company, especially as the challenge to maintain higher performance standards grows. Such a high-performance system requires a specific configuration of structures, practices, and work processes. It also involves particular human resource policies and practices to enhance employee skills, knowledge, motivation, and flexibility, and necessitates the support of other systems such as communication and information systems, technical systems, and measurement systems (Gephart, 2023). According to Gephart (2023), when building a high-performance work system, a company must encourage change, establish vision, mission, and strategy, create communication and engagement strategies, redesign or reorganize the organization, plan implementation, apply systems, monitor and evaluate progress, and refresh the organization.

Employee synergy within a company refers to the ability of employees to cooperate effectively and produce balance in the work process. It includes the ability of employees to support each other, collaborate, and respect differences of opinion to achieve company goals. Good employee synergy can enhance productivity, balance, and well-being in the workplace. In this context, employee synergy also involves mutual trust, embodying the company's vision and mission, and the capacity to collaborate effectively.

Employee synergy can affect company performance in several ways: 1) Balance, where employee synergy allows employees to work together effectively and produce a balance in the work process, which can enhance productivity and achieve company goals; 2) Work quality, where employee synergy can improve work quality as coordinated and focused employees can better complete tasks and achieve high work standards; 3) Motivation, where employee synergy can boost employee motivation because they feel collaborative and valued by the company, which can enhance productivity and performance; 4) Work health, where employee synergy can affect work health as a good working environment can reduce job stress and improve work comfort; 5) Technology use, where employee synergy can enable the company to use appropriate technology to optimize work processes and enhance productivity; 6) Morale, where employee synergy can boost employee morale because they feel conditioned and valued by the company, which can enhance performance and reduce work incapacity.

Overall, employee synergy can influence company performance by improving productivity, work quality, motivation, work health, technology usage, and employee morale. Therefore,

companies should value and support employee synergy to create an effective and inclusive work environment.

2.4 Employee Performance

In general, performance is defined as the completion of tasks by applying knowledge, skills, and abilities. Performance is defined as a function of an individual's ability, skills, and effort in a given situation (Porter & Lawler, 1968); performance as behavior or actions of an individual relevant to the goals of the organization (Campbell et al., 1990). Meanwhile, Ramawickrama et al. (2017) define performance as the extent to which an employee performs their duties and responsibilities, with results measured by criteria such as the quantity of work and the quality of work.

Performance is the behavior of an individual that demonstrates a positive attitude towards their organization (Ramawickrama et al., 2017). Performance is also defined as a function of an individual's ability, skills, and effort performed in a situation (Porter & Lawler, 1968). Similarly, according to Campbell et al. (1990), performance is also an employee's relevant actions towards achieving the company's goals, all of which are associated with good organizational commitment among employees (Campbell et al., 1990).

Borman and Motowidlo (1993) distinguish between task performance, which relates to the advancement of work outcomes, and contextual performance, which relates to how someone understands their job in context. Koopmans et al. (2014) use a reflective construct of job performance with three dimensions: 1) Task Performance, 2) Contextual Performance, and 3) Counter-Productive Work Behavior. In measuring performance, many researchers do not use the dimension of counter-productive work behavior, considering that counterproductive behavior is a construct difficult to integrate with theories of knowledge and skills as antecedents of performance. The idea of counterproductive behavior is inherently contradictory (Motowidlo and Kell, 2013).

2.5 Employee Satisfaction, Employee Engagement, Synergy, and Employee Performance

Employee satisfaction and engagement are two crucial work attitude components in companies, especially in state-owned enterprises (SOEs), where both are key metrics for management goals to enhance employee synergy and performance. Meanwhile, to build employee synergy, efforts from the company are required to establish a high-performance work system. The company must encourage change, set vision, mission, and strategy, create communication and engagement strategies, redesign or reorganize the organization, plan implementation, apply systems, monitor and evaluate progress, and refresh the organization (Gephart, 2023).

Research on the relationship between job satisfaction and performance has been reported by several researchers, providing evidence of significant effects of job satisfaction on performance, such as studies reported by Bowling et al. (2015), Awan et al. (2014), Dizgah et al. (2012), Platis (2015), Shaju et al. (2017), Demir et al. (2009), Aslan et al. (2017), and research by Dizgah et al. (2012). Regarding employee engagement, Rakhim (2008) identified antecedent factors of employee engagement in SOEs as job resources such as the work environment, work

atmosphere, career opportunities, recognition, experiences, and challenges of the job and personal resources, including employees' self-efficacy. It was also reported that millennial workers in SOEs need job crafting to integrate work and personal life to enhance their performance.

Further, research by Tahir (2013) identified the importance of employee engagement as a work attitude component, crucially used in SOEs for several reasons: 1) Enhancing company performance, where employees who feel engaged with the company tend to be more productive and contribute more; 2) Increasing Employee Loyalty, where engaged employees tend to be more loyal and less likely to move to other companies; 3) Reducing Employee Turnover: Employee engagement can help reduce turnover, where engaged employees are less likely to leave the company; 4) Improving Human Resource Quality: Employee engagement can enhance the quality of human resources in the company, where engaged employees tend to be more enthusiastic and dedicated in their work; and 5) Enhancing Company Image, where employee engagement also becomes a factor that can improve the company's image.

Research by Chin (2024) strengthens the link between work engagement, performance, and productivity, stating that in these turbulent times, having strong employee engagement is an asset for any organization. If employees feel engaged, they are likely to try harder in their performance, thus enhancing productivity levels. Organizational performance also benefits from this. It was also reported by Muhangi (2017) that increasing job satisfaction and work engagement leads to acceleration in improving performance and organizational commitment. Therefore, the investigation of these two components of work attitude aims to examine the influence of employee satisfaction and engagement, individually or together, on employee synergy and performance. Additionally, the study also examines the mediating role of employee synergy in the effects of employee satisfaction and engagement on performance.

Based on the theoretical references explaining the relationships among the research variables and empirical evidence from previous research, the conceptual model of this study investigates the interactions of work attitudes towards synergy and employee performance in this SOE, proposing five direct influence hypotheses and two indirect influences, namely:

H1: The presence of an influence of employee satisfaction on employee synergy

H2: The presence of a significant influence of employee satisfaction on employee performance

H3: The presence of a significant influence of employee engagement on employee synergy

H4: The presence of a significant influence of employee engagement on performance

H5: The presence of a significant influence of employee synergy on performance

H6: The mediating role of employee synergy in the influence of employee satisfaction on employee performance

H7: The mediating role of employee synergy in the influence of employee engagement on employee performance through.

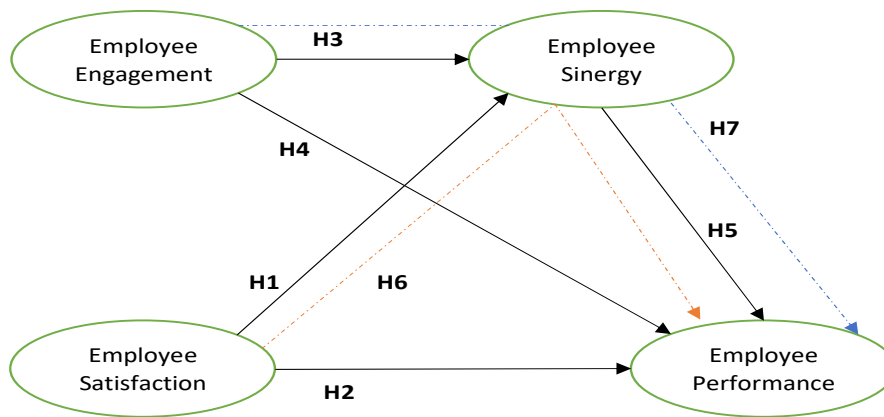


Figure 2. Model of Research Concept and Hypotheses

3. Research Method

A quantitative research design is employed in this study through a survey method, conducting a series of hypothesis-testing data analyses to generalize conclusions. The conceptual model framework is constructed on the basis of theoretical foundations and supported by previous research. Based on the theoretical underpinnings used, this study employs a multidimensional construct for all variables, namely employee satisfaction, employee engagement, employee synergy, and employee performance. Indicators used reflect at both the first-order and second-order levels for all variables. The type of scale used for variables (constructs) is the ordinal scale, specifically a 5-point Likert scale.

The research was conducted at a state-owned enterprise in Jakarta that manages ports across Indonesia. This company operates in several regions in Indonesia to manage port services. The population includes all employees at the headquarters, in four regional offices, and in various subsidiaries throughout Indonesia. Sampling was conducted using a census method, taking all members of the population as units of analysis. The number of respondents is 6,378 out of 6,986 employees, yielding a response rate of 91.3%.

Statistical analysis techniques began with analyzing the demographics of respondents and the descriptive variables of the study using SPSS statistical software. Subsequently, data analysis continued using PLS-SEM, which is a structural equation modeling (SEM) analysis with a Partial Least Square (PLS) method approach, utilizing WarpPls 8.0 software.

4. Finding and Discussion

4.1 Descriptive Analysis

The demographic profile of the respondents is predominantly male at 88%, while females account for only 12%. This proportion is due to the male demographic dominance across all regions, branches, and subsidiaries. Meanwhile, based on the age group of respondents who are Generation X (Gen-X), aged over 42 years, they account for 40%, Generation Y (Gen-Y/Millennials) aged between 28 – 42 years comprise 52%, and Generation Z, aged 20 – 27,

make up 34 respondents or only 1%. It is evident that in this company, Millennials or Gen-Y already outnumber Generation X, and if combined with Gen-Z, they account for 53%.

Table 1. Demography of Respondents

Item of Demography		N	%
Age Group	Gen-X	3,011	47%
	Gen-Y	3,334	52%
	Gen-Z	34	1%
	Total	6,379	100%
Gender	Male	5,157	88%
	Female	1,222	12%
	Total	6,379	100%
Work Service	1 - 5	516	5%
	6 - 10	1,679	14%
	11 - 15	2,233	18%
	16 - 20	420	12%
	21 - 25	940	31%
	26 - 30	501	17%
	> 30	90	3%
	Total	6,379	100.0%
Total Responden		6,379	100.0%

This generational composition certainly will influence employee attitudes in the workplace, as explained by the theory from Mannheim (1952) and generational theory studies by Strauss & Howe (1991), Macky et al., (2008), and a study by Kwiecińska et al., (2023) on generational differences in the workplace. Theoretically, generational differences arise due to significant impacts on the environment where human socialization occurs. These differences affect the development of personality, values, beliefs, and expectations, which once developed, remain stable throughout life.

Meanwhile, looking at tenure based on the length of service grouped within a range from 1 year to 10 years, there are 2,195 respondents or 34.4%, tenure of 11 – 20 years comprises 2,653 or 41.6%, and the remainder, those with over 20 years of service, totals 1,531 respondents or 24%. This grouping shows that the tenure of employees in the company is dominated by those with over 10 years of service, accounting for 65.6%, with the rest having less than 10 years of service. This proportion can illustrate the overall picture of employee work attitudes, including job satisfaction and engagement.

The descriptive statistics for the variables, showing that respondents gave an almost identical average score of 4.2 for all research variables, with the same standard deviation of 0.5. Based on these scores, it can be inferred that the employees of the company exhibit high engagement and satisfaction, and both employee synergy and performance are also high following the merger two years ago. The difference in employees' tenure has significant implications for performance and job satisfaction.

Table 2. Descriptive of Variable

Interval Value	Category	Distribution of Frequency							
		Employee Satisfaction		Employee Engagement		Employee Synergy		Employee Performance	
		N	%	N	%	N	%	N	%
4,21 -5,00	Very High	2,803	43.9%	3,627	56.9%	2,381	37.3%	2,890	45.3%
3,41 -4,20	High	3,191	50.0%	2,428	38.1%	3,487	54.7%	2,926	45.9%
2,61 -3,40	Moderate	362	5.7%	276	4.3%	460	7.2%	496	7.8%
1,81 -2,60	Low	14	0.2%	37	0.6%	41	0.6%	46	0.7%
1,00 -1,80	Very Low	9	0.1%	11	0.2%	10	0.2%	21	0.3%
Total		6,379	100%	6,379	100%	6,379	100%	6,379	100%

Previous research indicates that tenure has a positive influence on work attitudes, where employees with longer tenure tend to exhibit better work attitudes. Better work attitudes may include higher job satisfaction, stronger organizational commitment, and more effective performance. Table 2 shows that only a small fraction of respondents gave very low or low scores for each variable, with job satisfaction being low at 0.2% and very low at 0.1%; work engagement and synergy scoring the same at low 0.6% and very low 0.2%; and performance low at 0.7% and very low at 0.3%. The demographic and descriptive variable analysis above will be crucial for explaining the hypothesis testing in the results of the second-order SEM analysis.

4.2 Analysis with PLS-SEM

Based on the PLS-SEM analysis, the construct variable analysis can be seen from the composite reliability values of each dimension. The employee satisfaction construct in the study uses a unidimensional approach, namely the driver reward & recognition, hence it has loading factors, composite reliability, Cronbach's alpha, and AVE values all at 1.000. The employee engagement construct utilizes three dimensions: discretionary effort, intention to stay, and pride. Meanwhile, the employee synergy construct uses two dimensions: alignment and communication, and the employee performance construct also uses two dimensions: adaptability and performance.

The first-order analysis results, testing the validity and reliability of variable constructs, show that all drivers in each research variable meet the required criteria with loading factors above 0.7 (>0.7), composite reliability and Cronbach's Alpha above 0.7 (>0.7), and AVE and Full Collin. VIP values below 3 (<3.3), indicating no multicollinearity among the variable constructs.

Further, looking at the AVE values produced by each construct, all are >0.5 , meaning all constructs meet the criteria for convergent validity. Similarly, the composite reliability values produced by each construct dimension are also very good, >0.7 , thus meeting the criteria for internal consistency reliability, indicating no multicollinearity issues among indicators. Next, the discriminant validity of the latent constructs in the study will also be tested. One way to assess discriminant validity is by comparing the correlation among variables with the square root of the extracted variance.

This study, in addition to testing hypotheses, also aims to find a model that fits the original data, which is very useful for measuring model quality. To evaluate this model fit, it must follow

criteria recommended by experts. Table 4 below explains each fit measure based on the general results output above, where the cut-off P-value for APC, ARS, and AARS recommended as an indication of model fit must have a significance level of 5% (≤ 0.05), while the output above shows values of APC, ARS, and AARS at a significance level of $P < 0.001$, indicating a very good model. For Symson's Paradox (SPR), the resulting value is 1, R-squared Contribution Ratio (RSCR) is 1, Statistical Suppression Ratio (SSR) is 1, and Nonlinear Bivariate Causality Direction Ratio (NLBCDR) also yields a value of 1, indicating that the SPR index, SSR model index, RSCR index, and NLBCDR are ideal, overall meaning there are no causality issues within the model. The AVIF and AFVIF are two model fit measures used to test collinearity problems within the PLS model. The recommended values for these measures should be ≤ 3.3 (ideal) or ≤ 5 (acceptable), and as per the output above, there are no multicollinearity issues in the model.

Table 3. General Results of Structural Model Measurement

No	Model Fit dan Quality Indices	Nilai	Keterangan
1	Average path coefficient (APC)	0,354	$P < 0,001$
2	Average R-squared (ARS)	0,655	$P < 0,001$
3	Average adjusted R-squared (AARS)	0,654	$P < 0,001$
4	Average block VIF (AVIF)	2,314	diterima jika ≤ 5 , idealnya $\leq 3,3$
5	Average full collinearity VIF (AFVIF)	2,832	diterima jika ≤ 5 , idealnya $\leq 3,3$
6	Tenehause GoF (GoF)	0,731	kecil $\geq 0,1$, sedang $\geq 0,25$, besar $\geq 0,36$
7	Symson's paradox ratio (SPR)	1,000	diterima jika $\geq 0,7$, idealnya = 1
8	R-squared contribution ratio (RSCR)	1,000	diterima jika $\geq 0,9$, idealnya = 1
9	Statistical suppression ratio (SSR)	1,000	diterima jika $\geq 0,7$, idealnya = 1
10	Nonlinier bivariate causality direction ratio (NLBCDR)	1,000	diterima jika $\geq 0,7$, idealnya = 1

The Goodness of Fit (GoF) produced is 0.583 (≥ 0.36), indicating a good model fit, which demonstrates that the predictive power of the model is very strong. For SPR, it is an index measure that indicates causality issues; ideally, this index should be equal to 1 or ≥ 0.7 (acceptable), meaning there are no causality problems within the model. RSCR is an index used to measure the extent to which a model is free from negative R-squared contributions, ideally, this index should be 1 or ≥ 0.9 (acceptable), indicating that there are no negative R-squared contributions within the model. SSR is an index to measure the extent to which a model is free from statistical suppression effects. Suppression issues arise when a path coefficient has a higher value compared to the correlational relationship connecting the two variables. An acceptable SSR value is ≥ 0.7 , meaning 70% or more of the paths within the model are free from statistical suppression.

Table 4. Latent Variable Coefficients

No.	Variable	R-square	Adj. R-square	Composite reliability	Average variance extracted	Full Collinearity VIF
1	Job Satisfaction			1.000	1.000	1.000
2	Job Engagement			0,891	0,731	2.984
3	Employee Synergy	0,660	0,660	0,856	0,748	3.304
4	Performance	0,649	0,649	0,882	0,788	2.823

NLBDCR is an index used to measure the extent to which the nonlinear bivariate coefficients of relationships supported for causal hypotheses within the model. An acceptable NLBDCR value is ≥ 0.7 , meaning that 70% or more of the paths related within the model support reversing the hypothesis of weak causality. Based on the results of the general output above, the values of SPR, SSR, RSCR, and NLBDCR all equal 1 (acceptable), indicating that there are no causality issues within the model.

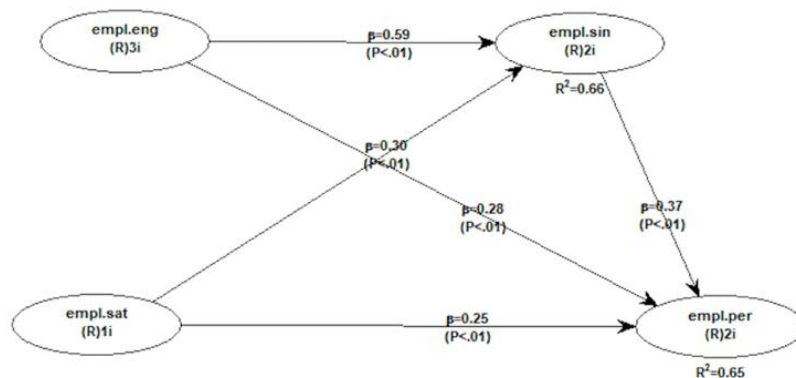


Figure 3. Structural Model Analysis Results

4.3 Hypotheses Testing Results

Figure 3 above shows the results of the structural model analysis using PLS, detailing the path coefficients and their significance. Schematically, the detailed results of the structural model measurement are presented in Figure 3. Meanwhile, Table 6 below explains the results of the structural model analysis, which then can be used as the basis for drawing conclusions about the hypothesis testing proposed in this study.

The Impact of Employee Satisfaction on Employee Synergy. The hypotheses testing results report an influence of employee satisfaction on employee synergy with a structural coefficient of 0.296 and a P-value < 0.001 . this indicates a significant positive influence of employee satisfaction on employee synergy. This means that increasing employee satisfaction at the SOE will enhance employee synergy. Considering the relatively low coefficient value of 0.296, it can be said that the employee satisfaction construct has a substantial effect on directly enhancing employee synergy.

Impact of Employee Satisfaction on Performance. The hypothesis test reports a structural coefficient of 0.247 and a P-value < 0.001 for the impact of employee satisfaction on performance. This indicates a significant positive effect of employee satisfaction on employee performance. Higher employee satisfaction at the SOE results in higher employee performance. Given the relatively low coefficient value of 0.247, it can be said that the employee satisfaction construct has a substantial impact on directly enhancing employee performance.

Table 5. Hypotheses Testing Results

Hipotesis	Path	Path coefficients	p-value	Description
H1	The presence of an influence of employee satisfaction on employee synergy	0,296	< 0.001	Accepted
H2	The presence of a significant influence of employee satisfaction on employee performance	0,247	< 0.001	Accepted
H3	The presence of a significant influence of employee engagement on employee synergy	0,586	< 0.001	Accepted
H4	The presence of a significant influence of employee engagement on performance	0,277	< 0.001	Accepted
H5	The presence of a significant influence of employee synergy on performance	0,367	< 0.001	Accepted
H6	The mediating role of employee synergy in the influence of employee satisfaction on employee performance	0,109	< 0.001	Accepted
H7	The mediating role of employee synergy in the influence of employee engagement on employee performance through	0,215	< 0.001	Accepted

Impact of Employee Engagement on Employee Synergy. The hypotheses testing reports an impact of employee engagement on performance with a structural coefficient of 0.586 and a P-value < 0.001 . With a P-value < 0.05 and a positive coefficient, this indicates a positive and significant impact of engagement on performance, meaning increased employee engagement at the SOE will enhance their performance. Given the relatively low coefficient value of 0.586, it can be said that the employee engagement construct has a significant impact on directly enhancing their performance.

Impact of Employee Engagement on Performance. The hypotheses testing reports an impact of employee satisfaction on performance with a structural coefficient of 0.277 and a P-value < 0.001. With a P-value < 0.05 and a positive coefficient, this indicates a positive and significant impact of engagement on performance, meaning increased employee engagement at the SOE will boost their performance. Considering the relatively low coefficient value of 0.277, it can be said that the employee engagement construct has a considerable impact on directly boosting their performance.

Impact of Employee Synergy on Performance. The hypotheses testing reports an impact of employee satisfaction on performance with a structural coefficient of 0.367 and a P-value < 0.001. With a P-value < 0.05 and a positive coefficient, this indicates a significant positive impact of synergy on performance, meaning increased synergy among Gen-Y and Gen-Z employees at the SOE will enhance their performance. Given the relatively low coefficient value of 0.367, it can be said that the employee synergy construct has a substantial effect on directly improving their performance.

Indirect Impact of Employee Satisfaction on Performance Through Employee Synergy. The indirect effect of employee satisfaction on employee performance through employee synergy yielded a structural coefficient of 0.109 and a P-value < 0.001. With a P-value < 0.05 and a positive coefficient, this indicates a significant positive mediating role of employee synergy in the effect of employee satisfaction on performance. Since the direct impact of employee satisfaction on performance is significant, the mediating role of employee synergy is partial in the effect of job satisfaction on employee performance.

Indirect Impact of Employee Engagement on Performance Through Employee Synergy. The indirect effect of employee satisfaction on employee performance through employee synergy yielded a structural coefficient of 0.215 and a P-value < 0.001. With a P-value < 0.05 and a positive coefficient, this indicates a significant positive mediating role of employee synergy in the effect of employee satisfaction on performance. Since the direct impact of employee engagement on performance is significant, the mediating role of employee synergy is partial in the effect of job satisfaction on employee performance.

The employee engagement construct, with three indicators—discretionary effort, intention to stay, and pride—shows relatively similar values with high loading factors of 0.840, 0.867, and 0.858, respectively. However, given the relatively higher loading factor of the intention to stay driver compared to the other two, referencing Kahn (1990) and Schaufeli & Bakker (2004), it can be stated that employee engagement at the company is characterized by a high degree of physical engagement, where employees work with high intensity, exerting full effort and energy, striving hard to work and complete tasks well.

Meanwhile, the employee synergy construct is represented by the alignment and communication drivers with equal loading factors of 0.888, and according to Gephart (2023), these drivers indicate a strong push for employee synergy at PT. Pelindo (Persero). The analysis of the variable construct drivers is balanced by the adaptability and performance drivers with identical loading factors of 0.864. Referring to Borman and Motowidlo's (1993) definition that

performance is related to task completion and how one contextually understands their work, it can be stated that employees at the SOE have good performance, indicated by high task completion and adaptability.

The SEM analysis reveals a significant positive influence of employee satisfaction on employee synergy, meaning an increase in employee satisfaction at the SOE will enhance employee synergy. The same influence applies to employee performance; employee satisfaction has a significant positive impact on performance. This result aligns with employee satisfaction research suggesting that when individuals are satisfied with their work, directly or indirectly, they are expected to improve their performance (Weiss, 2002). This is also consistent with findings from Bowling et al. (2015), Awan et al. (2014), Dizgah et al. (2012), Platis (2015), Shaju et al. (2017), Demir et al. (2009), and Aslan et al. (2017), where significant evidence of the impact of employee satisfaction on performance was reported.

Hypotheses testing with SEM analysis also shows a positive and significant influence of engagement on employee synergy, meaning increased employee engagement at the SOE will boost their synergy. The influence of employee engagement on performance also shows a significant positive impact, i.e., increased employee work engagement will significantly enhance performance. Referring to Kahn (1990) and Schaufeli & Bakker (2004), employee engagement represents a psychological commitment to the organization and to the tasks associated with one's work role, suggesting that high employee engagement at the SOE reflects significant psychological, physical, cognitive, and emotional attachment, having a greater role in influencing performance.

The path coefficients from employee engagement and satisfaction to performance are relatively higher, though not large, at 0.28 and 0.25, respectively, suggesting the company should pay attention to work engagement while maintaining employee satisfaction levels. These figures show that both the employee engagement and satisfaction constructs have equally effective predictor coefficients on employee performance. For the company, enhancing performance requires equal attention to both employee satisfaction and engagement. The company should give equal priority to managing these work attitudes.

However, the variables differ in their effects on employee synergy, where employee engagement has a higher impact coefficient of 0.586 compared to job satisfaction at 0.296. This means employee engagement has a higher predictive value for building employee synergy post-merger. Increased employee engagement will have a positive impact on synergy and performance, which is crucial as the company recently underwent a merger to build merger-effectiveness and employee performance. This research aligns with Anitha (2014), which also provided empirical evidence of significant influence of employee engagement on performance, and with Cesario et al. (2017), reporting the significance of employee engagement as the best predictor of performance.

Weiss (2002) emphasized that employee engagement differs from other affective reactions, particularly employee satisfaction, which is related to specific sources and defined as an evaluative attitude, positive or negative, toward a job or work situation. It is noted that employee

satisfaction fundamentally differs from employee engagement, where engagement implies activation, while satisfaction is more akin to satiation, hence employee satisfaction is described as an evaluative description of work conditions or characteristics. An employee may feel proud and loyal, becoming a strong supporter of the company, and may work extra to complete tasks.

The research model describes two predictor models: the employee synergy model with two independent variable predictors—employee satisfaction and engagement—explaining 66% of employee synergy, with the remaining 34% determined by other variables outside the model. The employee performance model is explained 65% by three predictors: job satisfaction, work engagement, and employee synergy, with the remaining 35% explained by other variables outside the model. The employee synergy construct has a stronger influence of 0.37 compared to the other two constructs, employee satisfaction (0.25) and engagement (0.28). It can be explained that if these three constructs are well-managed by the company, they will simultaneously have a positive and significant impact on employee performance.

In the analysis of indirect effects, employee synergy provides partial mediation in the impact of both employee satisfaction and engagement on employee performance. The indirect path coefficient from the mediating role of employee synergy on the effects of employee satisfaction and engagement on the endogenous variable of employee performance shows a significant impact, yet because the direct effects of employee satisfaction and engagement on performance are positive and significant, the mediating role of employee synergy is only partial. This means that without employee synergy, the constructs of employee satisfaction and engagement independently have a significant direct impact on performance. This can explain the post-merger company situation that both employee satisfaction and engagement are equally important for building employee synergy and performance. The creation of good employee synergy will help significantly enhance performance, either partially or as a whole, previously both the job satisfaction and work engagement variables individually and together had a real impact on enhancing employee performance. It can also be said that in enhancing employee performance, it is necessary to build employee synergy together, both within smaller work units and across organizations or companies, especially for companies undergoing mergers or acquisitions.

Research Limitations. This study developed a model on the impact of employee satisfaction and engagement on synergy and performance in the context of a company post-merger. Future research could be conducted in both private companies and other state-owned enterprises (SOEs), across different industries and broader geographic scopes, particularly in companies operating under normal conditions, or those not in a post-merger situation, to provide a more extensive generalization of findings and recommendations.

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