



## **RELATIONSHIPS BETWEEN WORK ENVIRONMENT AND EMPLOYEE ENGAGEMENT MEDIATE BY JOB SATISFACTION**

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### **ABSTRACT**

*This research examines impact of work environment on employee engagement, and more that the role of job satisfaction as a mediator. We are empirically test relations between work environment and employee engagement mediate by job satisfaction in a national private bank in Indonesia. The data from questionnaires on job satisfaction, work environment and employee engagement collected from s survey that we received from 893 respondent via online. The structural model is based on four construct, which tested using structural equation modelling (SEM) using IBM SPSS v25 and IBM AMOS v24.*

*An increase in work environment both positively relates to job satisfaction and employee engagement, and it shows also that job satisfaction mediate positively significant work environment to employee engagement. This research confirm that job satisfaction mediate work environment to employee engagement although it is never concluce yet from prom previous research. Work environment and job satisfactin both positively and significaly impact employee engagement and these constructs may strengthen employee engagement, as well as work environment impact to strengthen job satisfaction.*

***Keywords:*** Work environment, Job satisfaction, Employee engagement, mediation, SEM

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## INTRODUCTION

The concept of employee engagement has long been one of the prominent ideas in the field of human resources (HR). In general, employee engagement is seen not only as the key to personal and operational performance but also determines the success of the organization ((Nguyen & Pham, 2020). Employee engagement has become one of the top priorities for managers and human resource practitioners in organizations due to the implementation of activity restrictions. According to Memon et al.,(2018) work environment is basic part of employee engagement as mentioned by Harter et al. (Harter et al., 2002), Holbeche (2018), Lepine, and Crawford (2010) and they are support statement that high level of engagement is a result of workplace environment. Organizations make a lot of effort to reach high employee engagement condition on their employee, due to engaged employees will be more productive, mean while have to understand the significant effects of work environment and job satisfaction on employee engagement (Rahman et al., 2017). Employee will be feel well and respected means to healthy working environment, and as employee as well as person will contribute to greater job satisfaction (J. Lee, 2016; Singhal et al., 2015; Sirgy & Lee, 2018).

There has been known the important relationship between job satisfaction and employee engagement .(Taghipour & Dezfuli, 2013; Taheri et al., 2020). A lot studies argue the importance of job satisfaction, work environment and employee engagement, and eanwhile there is no research model explores the relationship between those all three concepts as a model. This contribution covers this gap and the core objectives of this research was to make empirical examination of the relationships between the construct of work environment, in terms of employee engagement mediate by job satisfaction among lower level position of private bank employee by empirically testing model that connects these three constructs in order to determines how they are relate.

The novelty of this research as the contribution of this study is to initiate role of job satisfaction the as mediator for work environment to employee engagement in which is very new aspect of the research and make examining empirically the relations between thse three construct. The other contribution is the research empirically examine the structural model that specically rarely foud n previous research and the object also made at the case of private banking employees, which can be useful for decision makers and human resource executive in order to develop human resource policies.

## LITERATURE REVIEW

In the following, the concepts used will be defined based on the analysis of previous literature and the conducted research, which will serve as a basis for hypothesis setting and further research work. We use occasionally term WE for work environment, JS for Job satisfaction and EE for employee engagement.

### Work Environment Overview

Scientists attempting to conceptualize the WE in its simplest form can be defined as the settings, situations, conditions and circumstances in which people work. This is further elaborated by Briner (2000) as a very broad category that includes physical settings (e.g., heat and equipment), characteristics of the job itself (e.g., workload, task complexity), broader organizational features (e.g., culture, history) and even aspects of extra-organizational settings (e.g., local labor market conditions, industrial sector, work-home relations) (Briner, 2000). According to Opperman (2002) cited in (2012) defines the WE as a composition of three main sub-environments that include: (1) technical environment; (2) human environment and (3) organizational environment.

It is explained that the technical environment refers to tools, equipment, technological infrastructure and other physical or technical elements of the workplace. The human environment includes peers, other people with whom employees come into contact, teams and work groups, interactional issues, leadership and management.

The human environment can be interpreted as a network of formal and informal interactions between colleagues; teams and boss-subordinate relationships that exist within the organizational framework. Schriver (Schriver, 2015) argues that in the interaction of the human environment there are aspects of organizational climate with the following components: 1). Leadership 2). Motivation 3). Communication 4). Decision Making 5). Goals. Schriver (2015) cited by Yusuf and Metiboba (2012) explained that interaction with such components (especially informal interaction), seems to be a medium for the dissemination of information and knowledge and cross-pollination of ideas among employees and it is known that interpersonal relationships of workers in the workplace tend to affect morale.

The organizational environment includes the systems, procedures, practices, values and philosophies that operate under management control. The organizational environment refers to the immediate tasks and external environment in which the organization obtains its inputs, processes them, and returns its outputs in the form of products or services for public consumption. External tasks and environments include factors such as the influence of suppliers, the role of customers, stakeholders, socio-cultural factors, national economy, technology, legislation, managerial policies, and philosophies. All of these greatly affect people's psyche and attitude towards work (Akintayo, 2012).

Kamanja et al., (2019a) divides the WE into 3 (three) namely a).Physical WE b). Psychological WE c).Social WE . The psychological WE characterizes the WE that is relevant to worker behavior, more precisely a set of WE characteristics that affect workers' feelings, thoughts, and behavior (Wood et al., 2020). Robak & Słocińska (2015) argued that the social WE is a special element of the WE that is used to fulfill the company's goals and build corporate social responsibility, especially among employees at the same time. It further argues that the fact that the interaction between the employee and his/her work is in the form of feedback, the analysis of the WE , especially its social aspects, becomes more significant, not only in terms of the formation of the efficiency and effectiveness of the employee, but also in the way the work shapes the personality and attitude of the employee, influencing his/her value system and intellectual, social and professional development (Robak & Słocińska, 2015). Oludeyi (2015) argues that what is meant by WE is the sum of the mutual relationships that exist between employees and employers and the environment in which employees work which includes technical, human and organizational environment. The WE is found to be the main link between employees and the work they do which when improved, provides superior employee motivation, satisfaction and performance. It is further recognized that it is difficult to isolate the WE from employees as it contributes effectively to the ultimate performance of employee engagement(Kamanja et al., 2019a).

Improving employee well-being will help improve the quality of the WE , covering how employees are treated at work in aspects such as health and safety, working conditions, stress reduction, bullying, and harassment (Armstrong & Taylor, 2020). The WE broadly covers aspects of the physical conditions of the workplace and how employees interact with their environment(Chandrasekar, 2011). According to Schaufeli (2012) the intensity and direction of the energy employees devote to achieving organizational targets, as well as their level of engagement, are all influenced by workplace climate, in particular by employees' psychological perceptions of their WE . According to Demerouti et al.,(2001), work aspects such as physical, psychological and social contribute to the achievement of work-related goals and employee performance, productivity and engagement. Pisanti et al., (2010) found a positive relationship between workplace social support and psychological well-being contributing to employee performance and engagement.

A set of properties of the WE , perceived directly or indirectly by employees, that are considered a major force in influencing employee behavior. Improving organizational engagement through the WE means developing a culture that encourages a positive attitude to work, increases interest and joy in the work people do, reduces stress, recognizes the importance of social interaction and, most importantly, pays attention to employee well-being (Armstrong & Taylor, 2020). Employee well-being depends on the quality of work life provided by their employer - the

WE and the feelings of satisfaction and happiness arising from the work itself (Armstrong, 2021). Kyko (2012) also identified six factors that contribute to a toxic WE that contributes to low worker productivity. These factors are: poor management, biased bosses, company policies, working conditions, interpersonal relationships, and salary. This is more likely to happen when workers have no control over their WE. Burnout can result in failure, absenteeism or leaving the organization (Armstrong & Taylor, 2020).

According to Gibson, Kojo & Nenonen (2012; 2017), the nature of the WE in an organization results from the existing leadership style and ongoing administrative practices. There is empirical evidence that there is a clear aspect of the WE that consistently affects job satisfaction, namely the intrinsic challenge that exists in the job itself. This is consistent with the general principle that mentally challenging work is the key to job satisfaction. Thus, an effective way organizations can increase their employees' job satisfaction is by increasing the mental challenge in their jobs, and an important way for most individuals to increase their own job satisfaction is to seek out mentally challenging jobs (Locke, 2007).

When employees do not like their WE, employees will respond in certain ways, for example, attempts to form unions is one specific behavior that may stem from job dissatisfaction (Robbins & Judge, 2022). Indicators of employee WE that are seen are: 1. Physical WE 2. Psychological WE 3. Social WE (Kamanja et al., 2019b)

### **Job Satisfaction Overview**

JS is 'an effective response by employees about work and this response is generated from individuals as a result of an overall comparison of actual circumstances with circumstances that are expected, needed, desired, or considered fair' (Lambert et al., 1999). According to Lee (1998), there are factors that affect a worker's JS in the form of job characteristics (e.g., autonomy and supervisory support) and work environment (e.g., working conditions). Other factors that influence JS include professional status (Lau & Chong, 2002), requirements (Hartrick and Hills, 1993) salary (Lum et al., 1998), administrative style and policies (Collins & Henderson, 1991) and social integration (Kekana et al., 2007; Mueller & McCloskey, 1990). Yalabik (2017) argues that satisfaction with various characteristics or aspects of work will be reciprocated by more positive attitudes such as work engagement.

An early definition by Locke (2009) on JS as an employee's pleasant or positive emotional state toward their work experience when they evaluate expectations. Previous understandings of JS focused on affective reflections of work, subsequently JS was viewed as an attitude (Zhu, 2012). According to Nasser (2011) JS is defined as an assessment of attitudes towards one's job and work context, and is an evaluation of the nature of work, perceived job characteristics, and emotional attachment at work with indicators: pay, job, promotion opportunity, supervision, co-workers (Nasser, 2011). The definition by Armstrong (2020) of JS is the attitude and feelings towards their work. While a positive attitude towards work indicates job satisfaction, a negative attitude indicates dissatisfaction (Kathure, 2018). However, in the perspective of attitudes towards job satisfaction, Jayaraman and Mahesh Kumar (2013) define JS as employees' attitudes towards their jobs, organizational rewards, and the social, organizational, and physical environment in which work is performed. From this definition, we can see how extrinsic factors such as organizational rewards begin to consider the construct of JS (Prasetyaningtyas et al., 2021).

According to Gibson et al., which is reinforced by Colquitt et al., (2018) by calling it overall JS which consists of: 1) Pay satisfaction 2) Promotion satisfaction, 3) Supervision satisfaction, 4) Co-worker satisfaction, 5) Satisfaction with work it self. Robbins & Judges (2022) mentions several reactions from employees who do not have job satisfaction, namely: 1) exit, if the employee is not satisfied with his job then he will decide to leave the organization and look for a new position or resign. 2) voice, if the employee is dissatisfied with his job but he tries actively and constructively to improve conditions, including suggesting improvements, discussing various problems with superiors, and carrying out various trade union activities. 3) loyalty, showing employee loyalty to the organization even in passive but optimistic ways waiting for conditions to improve, including

defending the organization when faced with external threats and trusting the organization/management to do what is right. (4) neglect, when employees passively allow things to get worse, including persistent absences or tardiness, lack of effort, and increased error rates.

### **Employee engagement Overview**

Ulrich in Schaufeli (2014) reveals two things: First, organizational human capital is becoming increasingly important due to the demands of more things to do with fewer employees. So, the organization's treatment of employees is becoming more important than ever before. Second, modern organizations need employees who are able and willing to invest in their work psychologically. It is no wonder that companies have become interested in EE at a time of great change in the world of work (W. Schaufeli, 2014).

EE is an important contributor to employee retention, customer retention and satisfaction, and performance (Schiemann, 2012). This implies that EE is one of the factors that support the creation of effectiveness and optimal performance in an organization. According to Schaufeli (2013, p. 1) (2013, p.1) it is said that: "employee engagement" and "work engagement" are typically used interchangeably." It can be said that the terms EE or work engagement are typically interchangeable. Work engagement is a condition where an individual feels happy, motivated, fulfilled, and feels positive about things related to their work ((Bakker et al., 2011). Engaged employees carry out their work with passion and energy (Kahn and Heaphy, 2013).

Based on more than 50 years of EE research, Gallup has learned that engaged employees lead to better company performance than other less engaged employees and occur across industries, all company sizes and all nationalities and in good and bad economic conditions.(Gallup consulting modif, 2020). Referring to Gallup's "State of the American Manager" report in 2015 found that only 30% of US workers are engaged in their jobs, and 13% globally (Clinton, 2016). By 2020 according to Gallup to 36% of U.S. employees are engaged in their jobs and workplaces and 20% globally (J. Harter, 2021). A study conducted by Dale Carnegie Indonesia in 2016 stated that out of 160 million workforce in Indonesia (BPS data in 2016) who are fully engaged 27%, partially engaged 59%, disengaged 9% (Carnegie, 2018).

Qualitatively it is important to identify the most common antecedents of what EE means. The most prominent antecedents in the literature, in no particular order, are as follows: (1) discretionary effort, (2) job satisfaction, (3) employee well-being, (4) trust in the organization, (5) organizational commitment, (6) turnover intention and (7) organizational support (V. Gupta and Agarwal, 2018). Gupta and Agarwal, 2018; Bailey et al., 2017; Brunetto et al., 2012; Rich et al., 2010; Saks, 2006). Engaged employees believe and support the organization's goals, have a sense of belonging, feel proud of the organization where they work and have a desire to develop and stay in the organization (Arnold B. Bakker & Leiter, 2010). W.B. Schaufeli (2013) defines engagement as a positive motivational condition associated with work characterized by vigor, dedication, and absorption. The definitions of the components of work engagement are as follows: Vigor is characterized by high levels of energy and mental endurance at work, a willingness to invest effort in one's work, and perseverance even in the face of adversity. Dedication refers to a strong attachment in one's work and experiencing a sense of importance, enthusiasm, inspiration, pride, and challenge. Finally, absorption is characterized by being fully concentrated and engrossed in one's work, where time passes quickly and one has difficulty disengaging from work (W. B. Schaufeli, 2013). A practitioner's view of the concept of engagement is put forward by Gallup (2004), that engaged employees will work with passion and feel a deep connection with the company they work for, they drive innovation and drive organizational progress. The characteristics of employees who show engagement will work with extra effort and more than what is expected. Vance in Schieman (2012a) states that engagement is the willingness of employees to work hard, be wholeheartedly bound to do the tasks specified and perform voluntary actions and only show a little behavior that is not liked by the company. Employees who have high engagement will work more passionately, energetically, and exert more effort. The above statement implies that individuals who have attachment are individuals who are motivated to do

positive things. Attachment is something that employees offer and cannot be 'required' as part of the employment contract or goal-setting process (Bridger, 2018).

## **Relevant Researches**

### **1. Work Environment and Employee Engagement**

When management adopts progressive HR policies that provide a more attractive, supportive and rewarding work environment, in accordance with social exchange theory, workers will respond with increased levels of attachment to the organization and their jobs and thus achieve higher levels of performance. Therefore, both the organization and its employees will benefit from the concept of "mutual gains" (Armstrong and Taylor, 2020). Improving employee well-being will help improve the quality of the work environment, encompassing how people are treated at work and in areas such as health and safety, working conditions, stress reduction, bullying and harassment (Armstrong and Taylor, 2020). A set of work environment properties, perceived directly or indirectly by employees, that are considered a major force in influencing employee behavior. Improving organizational engagement through the work environment means developing a culture that encourages a positive attitude to work, increases interest and joy in the work people do, reduces stress, recognizes the importance of social interaction and, most importantly, pays attention to employee well-being (Armstrong and Taylor, 2020).

Research by Mohd et al. (2016) on telecommunication companies stated that work environment is the most influential factor on work engagement. The results of research limited to private banks operating in Bhubaneswar by Bidya & Pravat (2019) stated that the work environment and self-evaluation at work have a positive effect on employee engagement. These findings provide useful insights and suggestions for the management in private banks to gain knowledge about developing an employee engagement approach among their employees by adopting a better environment in the organization as well as implementing HR practices related to employee morale and workplace self-evaluation.

Based on the previous description, it should be suspected that there is a direct influence of work environment on employee engagement.

### **2. Work Environment and Job Satisfaction**

Job satisfaction is one of the criteria for establishing a healthy organizational structure in the organization (Kaya, 1995). Job satisfaction is one of the criteria for establishing a healthy organizational structure in the organization. Job satisfaction has become the pillar on which employee performance depends. The most important goal among others of an organization is to exhaust the possibility of getting the best employee performance to achieve the set goals. (Bauer dan Erdogan, 2001).

According to Taheri et al., (2020), impact of working environment on job satisfaction work are provided by supporting component which mentioned here:

1. Physical working environment and with the supporting components are office decoration, desk position and sanitation and others
2. Social working environment with the supporting component are relationship coworker and relationship with supervisor
3. Seured working environment with the supporting component are job security working environment Financial working environment with the the supporting component are wage rate, motivation facilities, appreciation, logistic support. Taheri et al., (2020)

Taheri et al., (2020) stated that, without being supported by adequate facilities, the organization cannot run smoothly, while the work environment is a major issue concerning employees, it is concluded that attention needs to be paid to the work environment to achieve better job satisfaction. The results of research by Raziq & Maulabakhsh (2015) show a positive relationship between the work environment and employee job satisfaction and conclude with some

brief prospects that businesses need to realize the importance of a good work environment to maximize job satisfaction levels. The most significant empirical evidence that shows the deteriorating working conditions of an organization is related to low levels of job satisfaction (Kaya, 1995; Kafui Agbozo, 2017)..

Shalley et al., (2000) from the results of their research indicate that the presence of a work environment that encourages the creativity that the job requires will have a positive effect on job satisfaction and a negative effect on the intention to change jobs, in other words, higher job satisfaction and lower intention to leave are found for individuals whose work environment complements the creative requirements of their job. Research by Kafui Agbozo (2017) on the bank industry in Ghana concluded that the work environment has a significant effect on employee satisfaction and emphasized the need for management to improve the work environment of employees to increase productivity. Research by Imran Hunjra et al. (2010). in the Pakistani bank industry concluded a positive and significant relationship between job satisfaction and work environment practices.

Based on the previous description, it should be suspected that there is a direct influence of the work environment on job satisfaction.

### **3. Job Satisfaction and Employee Engagement**

Harter et al., (2002) from his research said that employee engagement is influenced by individual satisfaction and highlighted the relationship between employee engagement and job satisfaction and concluded that employee satisfaction and engagement are related to business performance which is an important factor for many organizations and that this correlation is common to companies. Employee engagement can be considered as a two-way relationship: on the one hand, the organization is responsible for expressing concern in the sense of obtaining employee engagement, and on the other hand, in response to this attitude, employees can decide the level of engagement they want to offer to the employer (Marin, 2021).

According to Lu et al., (2016), employee engagement is an individual dimension, and job satisfaction is the result of this dimension. Karanika-Murray et al. (2015), According to Karanika-Murray et al., (2015), that employees who are strongly and positively engaged with their work and show energy and dedication to their work, will have satisfaction with their jobs. Rayton dan Yalabik (2014) shows that job satisfaction mediates the relationship between psychological contract breach and employee engagement, indicating that engagement occurs when there is a feeling in the employee that the organization fulfills all its obligations and simultaneously the employee achieves job satisfaction. Garg concluded that job satisfaction is the main driver of work engagement.(Garg et al., 2018).

According to the results of Ali & Farooqi (2014) Ali & Farooqi's (2014) research in Pakistan revealed that job satisfaction has a significant effect on employee engagement. The results of research by Ngwenya and Pelser (2020) in the manufacturing sector in Zimbabwe show that job satisfaction has a positive effect on employee performance and employee engagement. The results of research (Vorina et al., 2017) in the public and non-public sectors in Slovenia confirm that the relationship between employee engagement and job satisfaction is positive and statistically significant.

Based on the previous description, it is reasonable to assume that job satisfaction has a positive direct effect on job engagement.

### **4. Relation of Work Environment to Employee Engagement and Job Satisfaction Mediation**

Some evidence from by previous research mention that there issignificant effect to work environment, job satisfaction, and employee performance Banking, educational institutions, and telecommunication industries in Pakistan proved the significant influence of work environment on employee job satisfaction. Managers recognize the work environment is very important to raise the level of job satisfaction. (Raziq dan Maulabakhsh, 2015). Jain dan Kaur (2014); Muguongo et

al., (2015) found a significant relationship between work environment and job satisfaction.

Research results by Idris et al., (2020) shows that job satisfaction has an impact on the work environment and employee performance. It also affects employee performance positively and significantly. Thus, job satisfaction can directly or indirectly mediate the relationship between work environment and employee performance. The results of this study include showing that work environment and job satisfaction have a positive and significant effect on employee engagement of Bukittinggi City Government.

Mediation analysis reveals the important role of job satisfaction in mediating the relationship between work environment and turnover intention, and this underscores the role of a supportive work environment, increased employee engagement and satisfaction as important antecedents in minimizing turnover intention (Andriani et al., 2023)..

Based on the previous description, it should be suspected that implicitly job satisfaction has a role as a mediator of job attachment.

## METHODOLOGY

### 1. Hypotheses

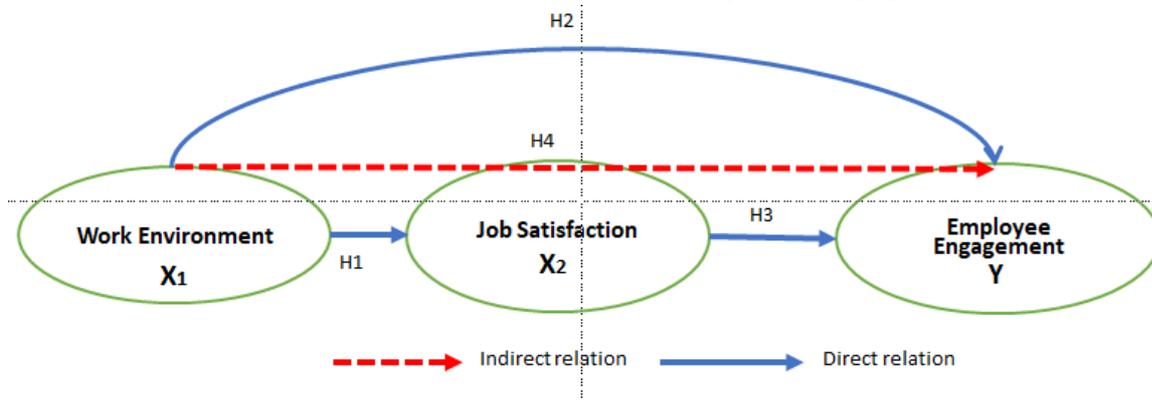
We formulated four hypotheses to test the relations between these three construct work environment, job satisfaction, and employee engagement. The hypotheses that tested mentioned in the model in Figure 1) below.

H1: Work environment positively related to job satisfaction.

H2: Work environment positively related to employee engagement.

H3: Job satisfaction is positively related to employee engagement.

H4: Job satisfaction is mediate work environment to employee engagement.



**Figure 1: Conceptual model withh the hypotheses (Source: Authors)**

### 2. Instruments

All of the instruments in three variabel were measured on a five-item scale. We used a five-point scale of Likert ranging from 1 (very disagree) to 5 (very agree).

Employee engagement was measured on a five item scale based on UWES (W. B. Schaufeli et al., 2006) The coefficient of reliability  $\alpha =$  was 0.960,. Job satisfaction was measured by using a five item scale developed by Nasser and cobined with Ramalho Luz (Nasser, 2011; Ramalho Luz et al., 2018). The coefficient of reliability  $\alpha =$  0.962,.

Work environment was measured on a five item scale based on various source (Agbozo et al., 2017; Briner, 2000; Kamanja et al., 2019b; Oludeyi, 2015). The coefficient of reliability  $\alpha =$

was 0968, respectively. To obtain data, we designed an online questionnaire, which was sent via e-mail in February until April 2023. We have used convenience sampling, where people who were lower level ranking position distribute by HRD survey. Application that we used to process and analyze data, we have used IBM SPSS and IBM AMOS Statistics 24.. Descriptive statistics are presented in Table 1.

**Table 1: Means and standard deviations of construct elements**

Construct	Mean	SD
Work environment	3,058	0,773
Job satisfaction	3,691	0,816
Employee engagement	3,859	0,674

### 3. Research setting and participants

The questionnaires was responded by a total of 893 banking employees at level 5, 6, 7 office rank, were men 503 (56%) were women 390 (44%). Based on marital status of respondents: 785 (77%) were married, 208 (23%) were single. We have also asked about the number of children where 137 (15%) had none, 238 (27%) had one child, 230 (26%) had two children, 80 (9%) had more than two children. According to the working period of respondent, where 339 (38%) has been less than 5 years, 253 (28%) has between 5 to 10 years, 201 (23%) has between 10 to 15 years, 47 (5%) has between 15 to 20 years, 53 (6%) has been more than 20 years. Bases on the educational respondents background : 4 (0.45%) had in senior high school, 74 (8%) Diploma, 782 (88%) Undegraduate, 33 (4%) had a M.Sc. or MBA. According to position office rank 5 are 96 (11%), were office rank 6 are 473 (53%), were office rank 7 are 324 (36%). According to the age of respondent, where 285(32%) less than 30 years old, 478 (54%) between 30 to 40 years old, 110 (12%) between 40 to 50 years old, 19 (2%) between 50 to 60 years old.

## RESULT AND DISCUSSION

The indirect effect of X1 on Y is .347. That is, due to the indirect effect of X1 on Y, when X1 goes up by 1, Y goes up by 0.347. This is in addition to any direct effect that X1 may have on Y. For further discussion of direct, indirect and total effects, see Ghozali(2014).

**Tabel 1. Standardized Direct Effects**

	X1	X2	Y
X2	0.670	-	-
Y	0.320	0.520	-

**Tabel 2. Standardized Indirect Effects**

	X1	X2	Y
X2	-	--	-
Y	0.347	-	-

Software package IBM AMOS allows us to testing our SEM (Ghozali, 2014). The standardized solutions and loading factor for the hypotheses tested in the model are presented in Figure 2.

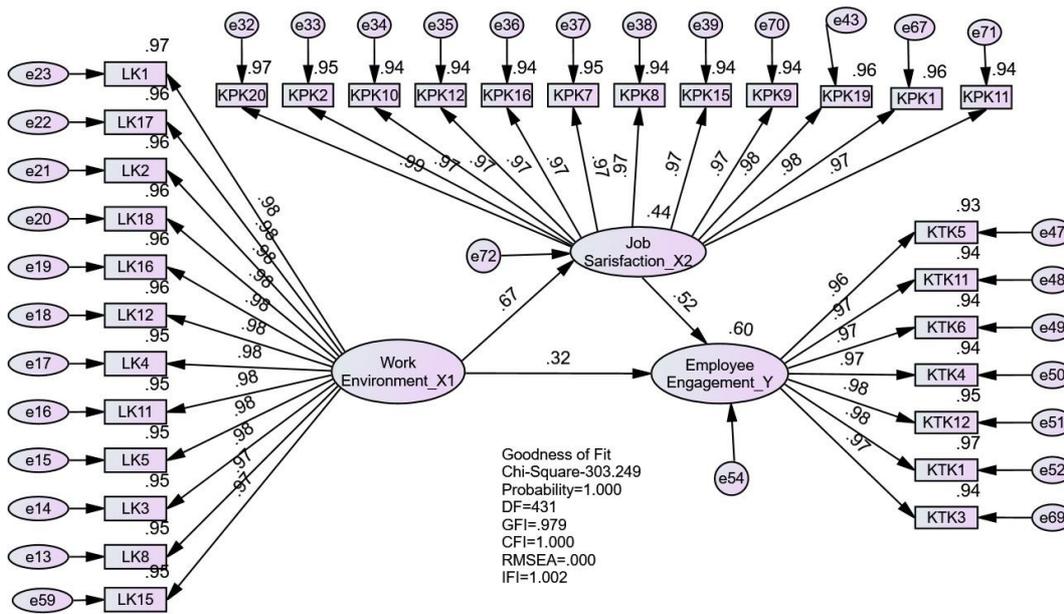


Figure 2: The standardized estimation and loading factor (Source: Authors)

Standardised estimation weights between work environment, job satisfaction, and employee engagement and mediation between work environment and employee engagement by job satisfaction. The use of SEM based on the standardized estimation confirm positive and statistically significant relations between work environment and job satisfaction, between work environment and between job satisfaction and employee engagement, whereas the mediation by job satisfaction of work environment to employee engagement are statistically significant.

Based on the standardized solutions there are four relations are positive and significant and we can therefore confirm H1, H2 and H3. Godness of fit indices for the model are as shown:  $cmin/df=0.704$ ,  $RMSEA=0.000$ ,  $GFI=0.979$ ,  $CFI=1.000$ ,  $IFI=1.002$ . This means that the whole model are statistically significance by  $P\text{-value}=0.000$ .

We intended to focus on job satisfaction as mediator of work environment to employee engagement in banking employee which is not yet research by others before and the indirect effect of work environment to employee engagement mediate by job satisfaction is 0.347 as mention Tabel 2.

Tebel 3. Mediation Test using Sobel Test

Input:	Test statistic:	Std. Error:	p-value:
a 0.66	Sobel test: 14.79881434	0.02274507	0
b 0.51	Aroian test: 14.79123988	0.02275671	0
$s_a$ 0.026	Goodman test: 14.80640045	0.02273341	0
$s_b$ 0.028	Reset all	Calculate	

## Discussion

The correlation results show that JS and EE are positively related, and JS playing as mediator role for EE (Malhotra & Jain, 2015; Tepayakul & Rinthaisong, 2018). A healthy WE where individuals feel comfortable and valued, both as employees and as individuals with personal lives is important for employee. In previous research we have not been able to find studies that specifically discuss onstruct of JS mediate r WE and EE . We have examined the relationship between WE , JS, EE and the role of JS as a mediator for WE and EE . This research is based on empirical evidence.

## CONCLUSION

From the result we can conclude that a higher level of WE has a positive effect on JS (H1) and JS is positively related to EE . (H2), and JS is positively related to EE . The three hypotheses above strengthen or are in line with the results of previous research. The results of research on the mediating role of JS in the relationship between WE to EE can be confirmed to be positive and significant. Most of the research focuses on three constructs, namely JS, WE and EE, the mean while we are not considering another determinant, as we do not include mentioning demographic variables, that we propose to consider for next research. The results of our research, however, bring up something new which brings the important impact of the role of JS on the WE and EE. The practical contribution of this research is also a deep insight into the relationships between the studied constructs. This paper has practical implications for HR professionals and heads of work organizations, as it emphasizes the important impact of the WE on JS.

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