



LINKING JOB SATISFACTION TO EMPLOYEE PERFORMANCE THROUGH ORGANISATIONAL COMMITMENT: EVIDENCE FROM BANK X IN BANDUNG

Agung Augustrianto¹, Gunawan²

^{1,2}Fakultas Ekonomi, Universitas Kebangsaan Republik Indonesia.

Correspondence Email: agungimpreza70@gmail.com

ABSTRACT

The goal of this study was to look at how a person's job happiness affects their performance at work by employing organisational commitment as a mediating variable among Bank X employees in Bandung. The study was aimed to be explanatory and use quantitative methodologies. Purposive sampling was used to collect data, and questionnaires were delivered to 80 selected respondents. SmartPLS 4 software is used to analyse data using a structural equation (SEM) model. The study's findings show that job satisfaction has a favourable and significant effect on organisational commitment and employee performance. Furthermore, organisational commitment has a major impact on employee performance, and work satisfaction has been shown to moderate the relationship between performance and job satisfaction. These findings indicate that better job satisfaction might boost employee performance and commitment to the business. This study demonstrates that controlling work happiness and strengthening organisational commitment are critical for improving employee performance, particularly in the banking sector.

ARTICLE INFO

Article History:

Submitted/Received 28 Jul 2025

First Revised 06 Aug 2025

Accepted 14 Aug 2025

First Available online 27 Aug 2025

Publication Date 01 Sep 2025

Kata Kunci:

Job Satisfaction; Organisational Commitment; Employee Performance.

1. INTRODUCTION

Employee performance is a key factor in the success of a business, especially in the banking industry, which is very competitive, has new technologies coming out all the time, and has to deal with changing rules and higher consumer expectations for service and efficiency. In this situation, how well employees do their jobs is very important for banks to stay in business and stay competitive. Campbell et al. (1993) assert that performance is shaped by the interplay of motivation, skills, and environmental factors. The concrete embodiment of performance is the employees' capacity to effectively complete their duties and obligations, which ultimately determines service quality and organizational success.

Job satisfaction is one of the most important things that affects how well employees do their jobs. This includes things like pay, career growth, relationships with co-workers, and the overall work environment. Luthans (2015) defines job satisfaction as a favourable emotional condition arising from the evaluation of workplace experiences, whereas Robbins and Judge (2019) characterize it as a positive disposition towards work influenced by rewards, working environment, and social connections. Empirical research indicates that employees exhibiting more job satisfaction are generally more motivated, loyal, and productive (Greenberg & Baron, 2020; Dessler, 2020). However, job satisfaction alone does not always directly translate into improved performance.

Organizational commitment serves as a vital mediating component to address this disparity. corporate commitment denotes the psychological allegiance and fidelity of employees to their organization, impacting their readiness to contribute to corporate objectives (Robbins & Judge, 2019). Meyer and Allen (1997) categorize organizational commitment into three dimensions: affective, continuance, and normative. Employees that are really committed to their organization tend to be more motivated, do better work, and feel like they belong, which helps both the individual and the. Previous research has substantiated that organizational commitment serves as a mediator in the relationship between job satisfaction and performance (Badrianto & Astuti, 2023; Rosna et al., 2023).

The Indonesian banking industry is going through one of the most exciting and competitive times in its history. The fast pace of digital change has changed what customers demand from banks, making them come up with new ways to offer quick, safe, and easy-to-use financial services. Regulatory frameworks are also getting stricter to make sure the economy stays stable. This means that banks have to keep changing how they do business and what they do. Moreover, the rise of financial technology (fintech) companies has made the competition even tougher by giving people other options that are typically more flexible and advanced than traditional banking services. In this environment, banks are not only competing with each other on the products and services they offer, but also on how good they treat their customers. Service quality, efficiency, and dependability are substantially determined by employee performance, especially for frontline and operational workers that deal directly with consumers. Therefore, employees are a very important source of competitive advantage. High levels of staff performance can boost consumer trust and loyalty, which are key to staying in business in a crowded market.

So, in a market like this, how well people do their jobs is very important for the long-term health and success of institutions. Employee performance is the tangible result of each worker's efforts to complete their duties and responsibilities according to the standards set by the organization. The performance of employees in a highly competitive banking industry such as Bank X in Bandung is essential for the quality of service and competitiveness of the company. Job satisfaction and organizational commitment are acknowledged as critical factors that affect employee performance, since individuals who are satisfied and dedicated are more inclined to achieve exceptional achievements and positively impact corporate objectives.

This study aims to investigate the correlation between job satisfaction and employee performance by evaluating the mediating effect of organizational commitment among employees of Bank X in Bandung. This research seeks to elucidate the impact of job satisfaction on employee performance, examine the degree to which organizational commitment serves as a mediating factor in this relationship, and furnish empirical evidence to support strategies aimed at enhancing employee performance by improving both job satisfaction and organizational commitment.

2. RESEARCH METHODS

The objective of the investigation was to investigate the correlation between employee performance, organizational commitment, and employment satisfaction in the financial services sector. The study was conducted at a private bank in Bandung, Indonesia. The research was conducted over a five-month period, commencing in February and concluding in June 2025, to ensure that there was ample time for data capture, verification, and analysis.

The selected bank's employees, who represent a variety of departments and employment levels, comprise the population of this research. Through purposive sampling, 80 employees were selected as respondents from this population. This sampling method was deemed suitable because it guarantees that only individuals who satisfy specific criteria are included in the study. These criteria include the following: participants must have been employed for a minimum of six months, possess sufficient work experience to offer valuable insights, and be willing to complete the questionnaire in its entirety.

The study utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) version 4 to examine the proposed hypotheses, a method esteemed for its efficacy in assessing intricate interactions among latent variables. The principal tool for data collection was a standardized questionnaire utilizing a five-point Likert scale, allowing respondents to articulate their opinions and attitudes concerning job satisfaction, organizational commitment, and employee performance with precision.

The questionnaire items, which have four questions for each variable, were further refined and adapted from the validated measurement scales developed by Kim and Yeo (2025), thereby guaranteeing their reliability in capturing the constructs under study and their relevance to the research context. The research offers a rigorous and systematic approach to comprehending the way in which attitudinal factors, such as satisfaction and commitment, influence performance outcomes in the banking industry by implementing this methodological framework.

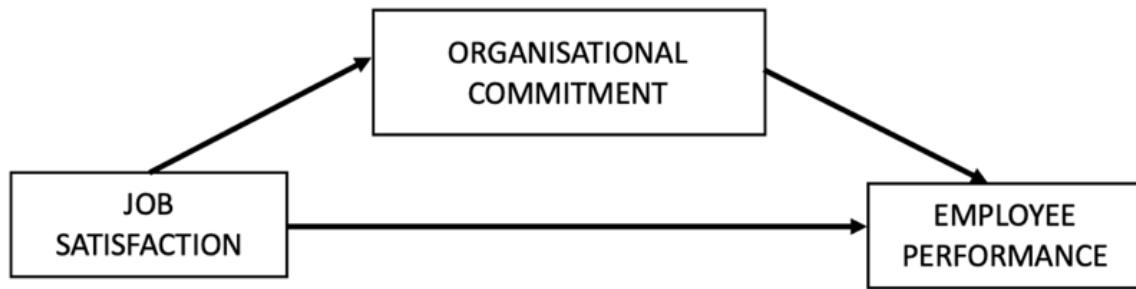


Figure 1.1 Theoretical Framework

H1: Job Satisfaction has a significant effect on Employee Performance

H2: Job Satisfaction has a significant effect on Organizational Commitment

H3: Organizational Commitment has a significant effect on Employee Performance

H4: Organizational Commitment mediates the relationship between Job Satisfaction and Employee Performance

3. RESULTS AND DISCUSSION

3.1 RESULT

This section delineates the empirical outcomes of the study, obtained from the statistical analysis performed utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM) version 4. The analysis was conducted to evaluate the presented hypotheses concerning the links between work satisfaction, organizational commitment, and employee performance. Prior to analyzing the path coefficients and significance values, the measurement model was initially assessed to confirm the reliability and validity of the research equipment. After the measurement model satisfied the requisite criteria, the structural model was evaluated to determine the robustness and importance of the proposed relationships. The findings are presented as path coefficients, t-statistics, and p-values, which together reveal the direction and strength of the correlations among the examined constructs. This part systematically presents the outcomes, establishing a clear foundation for evaluating the support of the given hypotheses and the impact of work satisfaction and organizational commitment on employee performance in the banking sector.

Based on the calculation using SEM-PLS, the bootstrapping process was used to look at the path coefficients, standard deviations, t-statistics, and p-values of the latent variables to see how they were related to each other. The importance of each path was determined by the criterion that a t-statistic over 1.96 (at a 5% significance level) and a p-value below 0.05 signify a statistically significant relationship.

Table 1.1 Path Coefficient

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
JS-> EP	0,522	0,527	0,086	6,158	0,000
JS-> OC	0,626	0,628	0,078	8,043	0,000
OC-> EP	0,309	0,306	0,095	3,262	0,001

Source: Author's own work (2025)

The study showed a strong positive relationship between job satisfaction and employee performance, with a t-statistic of 6.158 and a path coefficient of 0.522. Additionally, job satisfaction (JS) exerts a substantial positive effect on organizational commitment (OC), evidenced by a coefficient of 0.626 and a t-statistic of 8.043 ($p < 0.001$). This indicates that employees who are satisfied with their jobs are more likely to be committed to the organization. Furthermore, organizational commitment (OC) significantly affects employee performance (EP), with a coefficient of 0.309 and a t-statistic of 3.262 ($p = 0.001$). This finding indicates that organizational commitment plays a key role in enhancing employee performance. In general, the results show that job satisfaction not only has a direct effect on employee performance but also an indirect effect through organizational commitment. This supports the idea that organizational commitment is a middle ground between job satisfaction and employee performance.

Table 1.2 Indirect Effect

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
JS -> OC -> EP	0,184	0,193	0,067	2,888	0,004

Source: Author's own work (2025)

The study shows that Job Satisfaction (JS) has an indirect effect on Employee Performance (EP) through Organizational Commitment (OC). The path coefficient is 0.184, and the t-statistic is 2.888 with a p-value of 0.003.

Table 1.3 Total Effect

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
JS -> EP	0,616	0,720	0,065	9,351	0,000
JS -> OC	0,524	0,628	0,078	7,055	0,000
OC -> EP	0,309	0,306	0,095	3,262	0,001

Source: Author's own work (2025)

The path analysis results demonstrate that job satisfaction (JS) has a strong and significant positive effect on employee performance (EP), with an original sample coefficient of 0.616 and a t-statistic of 9.351 ($p < 0.001$). This indicates that higher levels of job satisfaction substantially improve employee performance. Job satisfaction (JS) also has a big effect on organizational commitment (OC), with a coefficient of 0.524 and a t-statistic of 7.055 ($p < 0.001$). This research implies that contented employees are more inclined to cultivate a heightened commitment to the organization. Also, organizational commitment (OC) has a favorable effect on employee performance (EP), with a coefficient of 0.309 and a t-statistic of 3.262 ($p = 0.001$). This illustrates that devotion to the organization is a crucial part of improving employee performance. These findings collectively underscore that job satisfaction exerts both a direct and significant influence on employee performance, as well as an indirect enhancement via organizational commitment, so validating the mediating function of organizational commitment in this context.

3.2 DISCUSSION

The structural model of the current study indicates a significant positive influence of job satisfaction (JS) on employee performance (EP), with the original sample coefficient increasing from 0.522 to 0.723 across the two datasets, both at $p < 0.001$. This indicates that employees with higher job satisfaction exhibit significantly improved performance outcomes. This finding is consistent with previous empirical evidence, which indicates that job satisfaction improves both individual and organizational effectiveness by enhancing effort, motivation, and engagement. This indicates that employees with higher job satisfaction exhibit significantly improved performance outcomes. This finding is consistent with previous empirical evidence, which indicates that job satisfaction improves both individual and organizational effectiveness by enhancing effort, motivation, and engagement.

Job satisfaction significantly influences organizational commitment (OC), exhibiting a consistent coefficient of around 0.626 across both models ($p < 0.001$). The literature positions job satisfaction as a significant predictor of affective commitment, highlighting that satisfied employees exhibit greater emotional and normative alignment with their organization.

Furthermore, organizational commitment substantially enhances employee performance (coefficient of 0.309, $p = 0.001$), indicating a robust mediation route. Moreover, organizational commitment significantly boosts employee performance (coefficient of 0.309, $p = 0.001$), pointing to a meaningful mediation pathway. Specifically, job satisfaction contributes to performance both directly and indirectly through organizational commitment. This dual role reinforces the assertion that organizational commitment is a crucial mediator in the relationship between job satisfaction and employee performance, aligning with theoretical models of organizational behavior that suggest commitment transforms motivational energy derived from satisfaction into performance.

Jufrizen et al. (2022) discovered that work satisfaction and organizational commitment mediate the effect of person–organization fit on performance, indicating that

these attitudinal characteristics are crucial for converting alignment into measurable results. Similarly, Prasetyaningrum and Hendarsjah (2022) identified mediating roles of job satisfaction and organizational commitment in the relationship between P-O Fit and employee performance, thereby strengthening the framework of indirect impact.

These trends collectively validate the comprehensive mediation concept of organizational commitment in the relationship between job satisfaction and employee performance. Employee satisfaction fosters a deeper commitment to the organization, therefore enhancing overall performance.

However, there are several limitations, even though this study offers significant insights into the correlation among job happiness, organizational commitment, and employee performance within the banking sector. First, the survey was performed in a single private bank in Bandung, utilizing a sample of 80 respondents. Although this sample size was adequate for PLS-SEM analysis, it constrains the generalizability of the findings to other banking institutions or sectors. Subsequent study should incorporate larger and more heterogeneous samples, encompassing several banks, both private and public, and extending to other service industries to improve external validity.

Second limitation is, this study depended exclusively on self-reported surveys, which may be vulnerable to common method bias and social desirability bias. Respondents may have provided answers they deemed socially acceptable instead of accurately representing their true sentiments or behaviors. To address this restriction, subsequent research can apply a mixed-methods approach, integrating survey data with interviews, focus group discussions, or supervisor assessments of employee performance. This kind of triangulation would make the results richer and give a better picture of the links being researched.

Third, the model's scope was confined to job satisfaction, organizational commitment, and personnel performance. Although these are essential variables, employee performance is affected by a wider array of elements, including leadership style, work engagement, organizational culture, perceived organizational support, job involvement, and psychological capital. Future research should broaden the paradigm by include these additional variables as either mediators or moderators. Perceived organizational support may enhance the relationship between job satisfaction and commitment, but leadership style could influence the conversion of satisfaction into performance results.

Fourth, the study ultimately employed measurement items modified from Kim and Yeo (2025), which have been previously verified in other situations. Nevertheless, the adaptation process may not comprehensively encompass all characteristics pertinent to the Indonesian banking system. Subsequent study may enhance and authenticate context-specific measuring scales, so ensuring greater cultural and industry pertinence.

This research underscores the significance of job satisfaction and organizational commitment as determinants of employee performance; however, future investigations should expand their scope by utilizing larger and more diverse samples, adopting longitudinal and mixed-methods approaches, integrating additional variables, and accounting for cultural differences. By overcoming these constraints, future research will advance a more nuanced and comprehensive knowledge of how businesses can cultivate

contentment and commitment to eventually improve individual and organizational performance.

4. CONCLUSION

This study aimed to investigate the impact of job satisfaction on employee performance, both directly and indirectly, via the mediating influence of organizational commitment, within a private bank in Bandung. The study empirically validates these correlations, reinforcing current organizational behavior theories and providing practical proof that employee attitudes are essential determinants of organizational success. The following conclusion summarizes the key insights derived from the analysis, outlines their theoretical and managerial significance, and identifies directions for future inquiry.

The research conducted with PLS-SEM version 4 definitely indicates that job satisfaction exerts a robust and statistically significant positive influence on employee performance. Employees who have higher job satisfaction typically exhibit increased motivation, engagement, and productivity, resulting in enhanced individual performance.

Moreover, job satisfaction was determined to strongly affect organizational commitment. This indicates that when employees are content with their working conditions, remuneration, acknowledgment, and career prospects, they are more inclined to cultivate a deeper emotional attachment and loyalty to their firm. Consequently, corporate commitment has been demonstrated to positively influence employee performance. This indicates that employees who are dedicated to their organization not only remain longer but also enhance their contributions towards accomplishing organizational objectives. Collectively, these findings validate the mediation function of organizational commitment in the correlation between job satisfaction and employee performance. Job satisfaction directly impacts performance and indirectly influences it by cultivating more organizational commitment, hence improving performance. This dual approach underscores the strategic significance of ensuring employee satisfaction and commitment, as these elements collaboratively enhance performance outcomes.

Theoretically, the study reinforces established organizational behavior theories that assert job attitudes, including satisfaction and commitment, are critical indicators of employee performance. The results are also consistent with prior empirical studies that report similar findings across different sectors, thereby adding further evidence to the robustness of this relationship.

The study provides significant implications for human resource management within the banking sector. Organizations ought to prioritize policies and practices that bolster job satisfaction, such as equitable reward systems, supportive supervision, opportunities for professional development, and a conducive working environment. Since these initiatives are likely to augment both satisfaction and organizational commitment. By using this strategy, banks and other service organizations can cultivate a more committed workforce that operates at an elevated performance level, hence enhancing organizational competitiveness.

Nevertheless, the study is not without limitations. The research was limited to a single private bank in Bandung with a relatively small sample size of 80 respondents, which

may restrict the generalizability of the findings to other contexts. Future research should replicate the study with larger and more diverse samples across various industries or geographical regions, incorporating additional mediating or moderating variables such as work engagement, perceived organizational support, or leadership style. This would offer a more thorough comprehension of the mechanisms connecting job happiness, commitment, and performance.

Ultimately, this study highlights the necessity for organizations, particularly in the banking sector, to recognize that employee job satisfaction and commitment are not merely desirable outcomes but strategic imperatives. By fostering a work environment that promotes satisfaction and nurtures commitment, organizations can unlock higher levels of employee performance, which in turn enhances competitiveness, long-term sustainability, and overall organizational success. This study also conclusively demonstrates that job satisfaction is a significant determinant of employee performance, influencing it both directly and indirectly via organizational commitment. By fostering employee satisfaction and commitment, firms can achieve elevated performance levels, hence facilitating long-term success.

5. REFERENCES

- Badrianto, Y., & Astuti, D. (2023). Peran Kepuasan kerja sebagai Mediasi pada Pengaruh Komitmen Organisasi terhadap Kinerja Karyawan. *Jurnal Ekonomi & Ekonomi Syariah* Vol 6 No 1, Januari 2023, 841-848. <https://doi.org/10.36778/jesya.v6i1.1013>
- Campbell, J. P., McCloy, R. A., Oppler, S. H., & Sager, C. E. (1993). A theory of performance. In N. Schmitt & W. C. Borman (Eds.), *Personnel Selection in Organizations* (pp. 35–70). San Francisco: Jossey-Bass.
- Dessler, G. (2020). *Human Resource Management* (16th ed.). Pearson.
- Greenberg, J., & Baron, R. A. (2020). *Behavior in Organizations*. Pearson.
- Jufrizen, J., Khair, H., Siregar, A. P. W., & Hawariyuni, W. (2022). Person-organization fit and employee performance: Mediation role job satisfaction and organizational commitment. *Jurnal Organisasi dan Manajemen* 19(2), 360 – 378. <https://doi.org/10.33830/jom.v19i2.5861.2023>
- Kim, L., & Yeo, S., F. (2025). From side effects to work attitudes influencing customer service quality: moderating impacts of work experience in banking industry. *International Journal of Quality & Service Sciences*, (17) 5, 1 – 19. <https://doi.org/10.1108/IJQSS-04-2024-0040>
- Koo, B., Yu, J., Chua, B-L., Lee, S., Han, H. (2019). Relationships among Emotional and Material Rewards, Job Satisfaction, Burnout, Affective Commitment, Job Performance, and Turnover Intention in the Hotel Industry. *Journal of Quality Assurance in Hospitality & Tourism*. 371-401. <https://doi.org/10.1080/1528008X.2019.1663572>
- Luthans, F. (2015). *Organizational Behavior: An Evidence-Based Approach* (12th ed.). McGraw-Hill.
- Meyer, J.P., & Allen, N.J. (1997). *Commitment in the workplace: Theory, research, and application*, Thousand Oaks, CA: SAGE Publications.
- Prasetyaningrum, T., & Hendarsjah, H. (2022). The mediation role of job satisfaction and organizational commitment in the relationship between person-organization fit and employee performance. *Business Review and Case Studies*. <https://doi.org/10.17358/brcs.3.1.74>
- Robbins, S. P., & Judge, T. A. (2019). *Organizational Behavior* (18th ed.). Pearson.
- Rosna, R., et al. (2023). Pengaruh Kepuasan Kerja dan Komitmen Organisasional terhadap Kinerja Karyawan Melalui Motivasi Kerja sebagai Variabel Mediasi (Suatu Kajian Studi Literatur Manajemen Sumber Daya Manusia). *Jurnal Ekonomi Manajemen Sistem Informasi*. 4, 3 (Jan. 2023), 571–579. <https://doi.org/10.31933/jemsi.v4i3.1326>