

The Relationship between Salary Satisfaction, Interpersonal Relationships, and Job Flexibility to Employee Engagement

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Abstract

Employee engagement has become a critical determinant of organizational sustainability, particularly within the increasingly competitive professional services sector. This study examines the influence of salary satisfaction, interpersonal relationships, and work flexibility on employee engagement among 150 permanent employees working in consultancy and technology firms in Jakarta. Utilizing a quantitative design and Structural Equation Modeling–Partial Least Squares (SEM-PLS), the results reveal that all three predictors—salary satisfaction ($\beta = 0.421$, $p < 0.001$), interpersonal relationships ($\beta = 0.354$, $p < 0.001$), and work flexibility ($\beta = 0.298$, $p < 0.001$)—significantly and positively impact employee engagement. Instrument testing demonstrates strong reliability and validity, with Cronbach's Alpha values exceeding 0.839 and AVE values above 0.75, confirming robust convergent validity. Despite these statistically significant relationships, the descriptive findings indicate relatively low mean scores across all variables (mean ≈ 2.0 – 2.1), suggesting employees hold suboptimal perceptions regarding compensation fairness, relational support, and flexibility policies. These insights point to the importance for organizations to improve compensation transparency, cultivate supportive interpersonal climates, and institutionalize flexible work arrangements. The study contributes to the organizational behavior literature by jointly assessing psychological, relational, and structural drivers of employee engagement within emerging digital work environments. It underscores the need for aligned human resource strategies to foster more consistent and sustainable engagement levels among professional service employees.

Keywords: *Salary Satisfaction; Interpersonal Relationships; Work Flexibility; Employee Engagement.*

Introduction

In today's increasingly dynamic and knowledge-driven economy, employee engagement has emerged as a critical determinant of organizational performance, innovation capacity, and long-term resilience. Within professional service sectors—such as consultancy, finance, and information technology—rapid digitalization and the shift toward flexible or hybrid work models have redefined how employees interact with their work, colleagues, and organizations. Consequently, employee engagement is not merely a psychological construct but a strategic organizational asset directly linked to productivity, client satisfaction, and competitive advantage. Despite the heightened emphasis on optimizing human capital, empirical evidence on the specific antecedents of employee engagement in Jakarta's professional service sector remains limited (BPS, 2024).

A central problem highlighted in this study is the noticeable gap between organizational interventions and employees' actual engagement experiences. While existing literature extensively explores job design, leadership styles, and psychological empowerment, other critical variables, such as salary satisfaction, interpersonal relationships, and job flexibility—remain inconsistently examined, particularly in emerging economies (Harisandi, 2025). Recent findings show that employees in Jakarta's knowledge-intensive industries perceive these three factors as suboptimal, demonstrated by an engagement mean score of only 2.0 (SD = 1.55) on a 5-point scale (Ode Novi Anggraeni et al., 2025).

The conceptual foundation of employee engagement lies in the work of Schaufeli et al. (2002), who define engagement as a positive and fulfilling work-related state characterized by vigor, dedication, and absorption. Building on Kahn's (1990) seminal theory, subsequent scholars—including Siddika (2025) and Ravhudzulo & Eresia-Eke (2025) emphasize that psychological meaningfulness, availability, and safety are shaped by contextual and cultural factors. However, the extent to which tangible workplace conditions, such as compensation fairness, interpersonal climate, and flexibility shape these psychological states remains underexplored in Indonesian settings.

Compensation constitutes one of the most influential organizational factors shaping employee motivation and retention. Shen et al. (2025) emphasize that perceived fairness in salary structures directly influences job satisfaction and organizational loyalty. Yet, research integrating compensation equity into the employee engagement framework within Southeast Asian professional services remains scarce. Similarly, interpersonal relationships play a vital role in workplace functioning. Studies by Akintoye (2025) and Malik et al. (2025) reinforce Baumeister and Leary's (1995) "Need to Belong" theory, suggesting that positive workplace relationships foster emotional security and enhance engagement. However, localized evidence demonstrating how interpersonal dynamics influence engagement in Indonesia remains limited (Harisandi, Hurriyati et al., 2025).

Job flexibility, which expanded significantly in the post-pandemic era, is supported by the Job Demands-Resources (JD-R) theory (Albrecht et al., 2015). While flexibility is widely associated with improved well-being and engagement, its impact depends heavily on organizational culture, managerial support, and clarity of expectations (Chan & Marafa, 2014). These conditions vary widely across Jakarta's consultancy and technology sectors (Harisandi, Yahya, & Purwanto, 2025), resulting in uneven employee experiences.

Anchored in these theoretical and empirical gaps, this study investigates the following research questions:

1. To what extent does salary satisfaction influence employee engagement in Jakarta's professional service firms?
2. How do interpersonal relationships shape engagement levels among permanent employees in this sector?
3. What role does job flexibility play in determining engagement outcomes within consultancy and technology companies?

This research is significant for several reasons. First, it empirically examines engagement antecedents within the under-researched Indonesian professional service context, offering localized insights that global studies often overlook. Second, it integrates psychological (relationships), structural (flexibility), and economic (salary) dimensions, thereby providing a holistic model of engagement. Third, the use of Structural Equation Modeling–Partial Least

Squares (SEM-PLS) strengthens methodological rigor and enables a detailed assessment of each variable's predictive contribution (Harisandi, Yahya, Chandra et al., 2025).

The paper is structured as follows: Section 2 reviews theoretical constructs and empirical literature on employee engagement and its antecedents. Section 3 outlines the research methodology, including sampling, instrumentation, and analytical procedures. Section 4 presents descriptive findings and inferential SEM-PLS results. Section 5 discusses these findings in relation to prior literature. Section 6 concludes with key insights and practical recommendations for organizations in Jakarta's consultancy and technology sectors.

By bridging established theoretical frameworks with evolving workplace challenges, this study contributes to contemporary engagement discourse by emphasizing the importance of salary satisfaction, interpersonal relationships, and work flexibility. It highlights the critical yet often overlooked deficiencies in their implementation within emerging economies, particularly Indonesia's rapidly developing professional service landscape.

Literature Study

Employee Engagement

Employee engagement is a central construct in organizational behavior, reflecting the psychological and emotional investment individuals place in their work roles. According to Schaufeli (2002), employee engagement is defined as a positive and fulfilling work-related state of mind characterized by three dimensions: vigor, which refers to high levels of energy and resilience; dedication, which includes enthusiasm, a sense of significance, and pride; and absorption, referring to deep concentration and immersion in work tasks.

The foundational theory of engagement can be traced to Kahn (1990) (as further elaborated by Ravhudzulo & Eresia-Eke, 2025), who proposed that engagement is shaped by three psychological conditions: meaningfulness, safety, and availability. When employees perceive their work as meaningful, feel psychologically safe, and have sufficient physical, emotional, and cognitive resources, they are more likely to invest themselves fully in their roles. Subsequently, engaged employees demonstrate higher levels of performance, commitment, and resilience in navigating workplace challenges (Siddika, 2025).

Salary Satisfaction

Salary satisfaction is considered one of the most influential determinants of employee engagement. Grounded in Equity Theory (as noted by Jiang et al., 2025), employees evaluate fairness in compensation by comparing their inputs—such as skills, experience, and effort—to the outcomes they receive, including salary and benefits. Perceptions of injustice or inequity often led to dissatisfaction and diminished motivation, which may ultimately lower engagement levels.

Conversely, studies such as Le et al. (2025) underscore that fair, transparent, and competitive compensation enhances job satisfaction, motivation, and organizational commitment—key antecedents of engagement. In contemporary organizational contexts, salary functions not only as monetary remuneration but also as a symbolic indicator of recognition and the value an organization places on employee contributions. Shen et al. (2025) further emphasize that when employees feel adequately rewarded for their work, they are more likely to reciprocate through higher levels of engagement.

Interpersonal Relationships

Interpersonal relationships in the workplace significantly shape employees' psychological experiences and engagement levels. Drawing on Need to Belong Theory (Baumeister & Leary, 1995), humans possess an inherent motivation to form meaningful and lasting social connections. Scholars such as Malik et al. (2025) highlight that positive interpersonal interactions strengthen employees' sense of inclusion, trust, and emotional support.

Healthy workplace relationships—characterized by mutual respect, open communication, effective collaboration, and constructive conflict resolution—contribute to elevated morale and psychological safety. As noted by Akintoye (2025), supportive social climates enhance employees' emotional well-being, making them more likely to be committed and engaged. Empirical studies, including Wardani et al. (2025), affirm that employees who feel valued and connected within their teams display stronger engagement and discretionary effort.

Work Flexibility

Work flexibility encompasses employees' autonomy in managing work hours, locations, and leave arrangements. Within the Job Demands–Resources (JD-R) Model (Bakker & Demerouti, 2007), job resources such as flexibility play a crucial role in reducing strain and enhancing motivation. Flexible work arrangements support a healthier work-life balance, reduce burnout, and allow employees to manage personal responsibilities alongside professional tasks.

Research by Allen et al. (2013) demonstrates that flexibility reduces work-family conflict, increasing job satisfaction and engagement. In the post-pandemic knowledge economy, flexibility has shifted from a benefit to an expectation. As noted by Chung & van der Horst (2020), organizations that fail to provide flexible work options often experience lower engagement and higher turnover intentions. In Jakarta's consultancy and technology sectors—where workloads are dynamic and project-based—flexibility is increasingly essential for sustaining employee motivation and long-term engagement.

Research Questions

The importance of employee engagement in promoting creativity, corporate productivity, and worker well-being is becoming more widely acknowledged. In professional service industries, pay, workplace social connections, and flexible work schedules can significantly impact how people perform their jobs. Employees who are satisfied with their salaries feel appreciated and adequately compensated, which may strengthen their emotional and psychological ties to their work. Positive interpersonal relationships produce a supportive work environment that fosters teamwork and a sense of belonging. On the other hand, work flexibility enables workers to manage their personal and professional obligations, which may lessen burnout and improve concentration.

H1: There is a positive relationship between salary satisfaction and employee engagement.

H2: There is a positive relationship between interpersonal relationships and employee engagement.

H3: There is a positive relationship between work flexibility and employee engagement.

Research Methodology

This study adopts a quantitative explanatory approach using a cross-sectional survey design to examine the relationship between employee engagement, salary satisfaction, interpersonal relationships, and work flexibility among permanent employees in Jakarta's professional service sector, particularly within consultancy and technology firms. The research aims to investigate how these organizational and interpersonal factors contribute to the level of employee engagement in a rapidly evolving work environment.

The population in this study consists of all permanent employees working in the professional services sector in Jakarta, particularly those employed in consultancy and technology companies. The sampling technique used is purposive sampling, with specific inclusion criteria:

- Respondents must be permanent employees
- Work in the professional service industry
- Be willing to complete a structured online questionnaire

Based on the minimum sample size requirements for Structural Equation Modeling using Partial Least Squares (SEM-PLS) that is, at least ten times the largest number of indicators in any single construct a total of 150 respondents were obtained who met the research criteria and fully completed the questionnaire.

Data collection was conducted through an online questionnaire using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The research instrument was developed based on previously validated scales that have been widely used in organizational behavior studies. Specifically:

- Employee Engagement was measured using the Utrecht Work Engagement Scale (UWES) (Albrecht et al., 2015).
- Salary Satisfaction was measured using the (Hà et al., 2025) pay satisfaction scale.
- Interpersonal Relationships in the workplace were measured using the Workplace Relationship Quality (WRQ) Scale (Phogat, 2022).
- Work Flexibility was measured using the Work Flexibility Scale developed by (Muhamad Fauzan Sabani, 2025)

Each instrument underwent a content validity evaluation by experts in human resource management and organizational psychology to ensure the appropriateness and relevance of the indicators in the Indonesian professional context.

Data analysis was carried out using Structural Equation Modeling based on Partial Least Squares (SEM-PLS) with the help of SmartPLS 3.0 software. This technique was chosen for its suitability in predictive modeling and its ability to handle complex relationships between multiple latent variables. The study investigates direct and indirect effects between variables, with employee engagement serving as the dependent variable, while salary satisfaction, interpersonal relationships, and work flexibility act as the independent variables.

Table 1.
Demographic Sample

Demographic Characteristic	Frequency	Percentage
Gender		
-Male	86	57%
-Female	64	43%
Age		
- 20 - 30 years	20	13%
- 31 - 40 years	60	40%
- 41 - 50 years	45	30%
- 51 years above	25	17%
Employment Status		
- Permanent Employees	150	100%
- Contract Employee	0	0%
- Freelance	0	0%
Industry Type		
-Management / Finance / HR Consultancy	77	51%
-Information Technology / Software Development	69	46%
-Legal Services	4	3%
Education		
- Senior High School	4	3%
- Diploma (D3)	16	11%
- Bachelor (S1)	103	69%
- Postgraduate (S2/S3)	27	18%
Experience		
-<1 year	15	10%
-1-3 years	50	33%
-4-6 years	45	30%
->6 years	40	27%
Position		
-Staff/Junior	70	47%
-Supervisor/Team Leader	45	30%
-Manager	25	17%
-Eksekutif/Senior Management	10	7%

Source: Results Processing Data by Authors (2025)

According to the demographic information in Table 1, men comprised 57% of the study's respondents, while women comprised 43%. Although a few more men working in the professional services sector were surveyed, this indicates a well-balanced gender distribution. The majority of respondents (40%) were between the ages of 31 and 40, followed by those between the ages of 41 and 50 (30%) and those 51 and over (17%). Just 13% of participants were between the ages of 20 and 30. These numbers show that most respondents are

experienced professionals in the middle to late stages of their careers, which raises the data's reliability, especially in research on participation and behavior in the workplace.

All respondents (100%) had permanent job status, which complies with the sample requirements and guarantees that the information acquired is related to steady, long-term employment conditions in professional organizations. Participants' industry backgrounds were primarily in information technology or software development (46%) and management, finance, and HR consulting (51%), with a minor percentage (3%) employed in legal services. This industrial variety contributes to a more representative view across various organizational cultures and job functions by reflecting the larger makeup of Jakarta's professional services sector.

The majority of respondents (69%), followed by postgraduate degrees (18%) and diploma-level education (11%), had a bachelor's degree as their educational background. Only a small percentage (3%) finished senior high school. This suggests a base of respondents with a high level of education, which is typical in formal work environments in the technology and consulting sectors. 33% of respondents reported having one to three years of job experience, 30% reported having four to six years, and 27% reported having more than six years. Ten percent have fewer than a year's experience. This distribution demonstrates that most participants had sufficient time in their businesses, guaranteeing well-informed answers about involvement, job conditions, and organizational rules.

About half of the respondents were employed at the staff or junior level (47%), followed by managers (17%), supervisors or team leaders (30%), and a lesser proportion in executive or senior management positions (7%). This hierarchical distribution offers operational and strategic viewpoints on the variables under study and insightful information from multiple organizational levels.

Overall, the sample's demographics show a diverse yet pertinent respondent profile suitable for investigating the connections between workplace relationships, job flexibility, employee engagement, and pay satisfaction in Jakarta's professional services industry.

Table 2.
Research Questions

Variable	Dimension	Statement	Outer Loading
Salary Satisfaction (X1)	Pay Level	SS1: The basic pay I receive is adequate for me.	0.802
	Benefits	SS2: I am happy with the perks I receive from the employer, including health insurance and paid time off.	0.876
	Pay Raises	SS3: My performance is reflected in the pay raise I receive.	0.901
	Pay Structure & Administration	SS4: This company's payroll system is transparent and equitable.	0.884
	Trust & Respect	IR1: My coworkers respect my viewpoint.	0.802

Interpersonal Relationships (X2)	Open Communication	IR2: If there is an issue, I can readily discuss it with my coworkers.	0.881
	Support & Cooperation	IR3: My coworkers encourage me to finish assignments.	0.903
	Conflict Resolution	IR4: Workplace disputes are settled amicably.	0.884
Work Flexibility (X3)	Time Flexibility	WF1: I can choose my working hours.	0.803
	Flexibility in Location	WF2: I can choose to work from other places, including my house.	0.882
	Allow for Flexibility	WF3: I have no trouble setting up leave when it's required.	0.905
	Support Managers for Flexibility	WF4: Employer is in favor of flexible work schedules.	0.885
Employee Engagement (Y)	Vitality	EE1: I have a lot of energy when working.	0.903
	Dedication	EE2: My work is something I'm proud of	0.911
	Absorption	EE3: When working on my tasks, I am attentive.	0.792

Source: Results Processing Data by Authors (2025)

All of the indicators used to measure the constructs of Salary Satisfaction (X1), Interpersonal Relationships (X2), Work Flexibility (X3), and Employee Engagement (Y) have loading values above the 0.70 threshold, according to the results of the outer loading analysis shown in Table 2. This suggests that each indicator has strong convergent validity and is suitable for inclusion in the structural model (Hair et al., 2018). In particular, the four indicators (SS1–SS4) that make up the Salary Satisfaction construct have outer loading values between 0.802 and 0.901, meaning that all of the components pay level, benefits, pay increases, and payroll system fairness are legitimate representations of the construct as a whole.

All four interpersonal relationships indicators (IR1–IR4) likewise displayed high outer loadings between 0.802 and 0.903, demonstrating the reliability of the dimensions of support, open communication, trust and respect, and conflict resolution. The Work Flexibility construct is comparably well-represented, whose indicators (WF1–WF4) have outer loading values between 0.803 and 0.905. These findings demonstrate that factors including geographical choices, flexible work schedules, simple leave planning, and managerial assistance significantly impact the latent variable. Finally, the three indicators (EE1–EE3) for employee engagement, which encompass important qualities including vitality, devotion, and absorption, also showed appropriate loading values between 0.792 and 0.911.

These findings demonstrate that every indicator reliably assesses the latent construct it is designed to measure and substantially contributes to the measurement model. As a result, the model satisfies the validity requirements and may be used to assess the proposed correlations between variables in further detail.

Results and Discussions

Descriptive Statistics

According to the descriptive statistics shown in Table 3, the variable employee engagement has the lowest average (mean = 2.0; SD = 1.55), while salary satisfaction, interpersonal relationships, and work flexibility all have the same average score (mean = 2.1) with standard deviations ranging from 1.57 to 1.58. These findings suggest that respondents generally exhibit low agreement or favorable perceptions of the four constructs examined in this study. According to the continuously low mean values across categories, employees in the professional service sector studied, especially in Jakarta, may not enjoy ideal working conditions regarding pay, interpersonal support, workplace flexibility, or role engagement. This could indicate structural problems with company culture or policy that need management's attention.

Additionally, the moderate to high diversity in respondents' perceptions is reflected in the standard deviation values ranging from 1.55 to 1.58. This suggests that although some workers may have had positive experiences, others may have expressed discontent or disengagement, suggesting that HR rules are not consistently applied or have the same effect across people or departments. Kim, Malhotra, and Narasimhan (2005) state that standard deviation shows the degree of variance across responses, whereas mean values aid in illustrating a construct's central tendency. Therefore, to promote higher and more consistent levels of engagement within their workforce, companies must create more focused and inclusive methods to improve relationship quality, workplace flexibility, and employee satisfaction.

Table 3.
Descriptive Statistics

Variable	Mean	Standard Deviation
Salary Satisfaction	2.1	1.57
Interpersonal Relationships	2.1	1.57
Work Flexibility	2.1	1.58
Employee Engagement	2.0	1.55

Source: Results Processing Data by Authors (2025)

Validity and Reliability Analysis

Each construct's validity and reliability outcomes, as determined by Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE), are shown in Table 4:

- **Salary Satisfaction:** The indicators consistently measure the fundamental idea of wage satisfaction, as indicated by Cronbach's Alpha = 0.839 and Composite Reliability = 0.903. Good convergent validity is indicated by an AVE value of 0.758, which is higher than the suggested criterion of 0.50 and indicates that the construct accounts for more than 75% of the variance in the indicators.
- **Interpersonal Relationships:** This construct exhibits extreme reliability, with Cronbach's Alpha = 0.891 and CR = 0.925, indicating that the indicators reliably capture interpersonal dynamics in the workplace. Given that the latent construct accounts for significant variance, the AVE of 0.754 further suggests good convergent validity.
- **Work Flexibility:** This construct is dependable, as seen by its consistent answers across all indicators (Cronbach's Alpha = 0.889 and CR = 0.923). This construct's excellent

convergent validity is confirmed by its AVE of 0.751, which shows that the latent variable accounts for the bulk of the variance in the indicators.

- Employee Engagement: This construct shows high internal consistency and reliability with Cronbach's Alpha = 0.892 and Composite Reliability = 0.925. The indicators represent the latent engagement variable, as evidenced by the AVE of 0.756, which satisfies the convergent validity criteria.
 - All of the constructs satisfy the suggested standards put forward by Hair et al. (2014, 2018), namely $AVE > 0.50$, $Composite\ Reliability > 0.70$, and $Cronbach's\ Alpha > 0.70$. This demonstrates that the study's measurement model is reliable and valid and may be used confidently for structural model analysis and further hypothesis testing.

Table 4.
Validity and Reliability

Construct	Cronbach's Alpha	Composite Reliability	AVE
Salary Satisfaction	0.839	0.903	0.758
Interpersonal Relationships	0.891	0.925	0.754
Work Flexibility	0.889	0.923	0.751
Employee Engagement	0.892	0.925	0.756

Source: Results Processing Data by Authors (2025)

Direct Effect Analysis

Based on Table 5, which presents the results of the direct relationship testing using Partial Least Squares (PLS), the following is an explanation of the significant relationships between variables in this study:

Salary Satisfaction → Employee Engagement:

Original Sample (O) = 0.421, T-Statistic = 6.477, and p-value = 0.000. This result shows a positive and statistically significant effect, indicating that salary satisfaction contributes significantly to increased employee engagement. In other words, when employees feel that their salary is fair, performance-based, and supported by a transparent compensation structure, their psychological involvement and enthusiasm toward work tend to increase. This aligns with motivation-hygiene theory (Emexidis et al., 2025; Pajor & Szeberényi, 2025) which asserts that salary is a fundamental factor influencing workplace motivation and engagement (Chukwuka & Onokero Imide, 2025).

Interpersonal Relationships → Employee Engagement:

Original Sample (O) = 0.354, T-Statistic = 5.803, and p-value = 0.000. The analysis reveals a significant positive relationship, suggesting that a supportive, communicative, and respectful work environment enhances employee engagement. This finding supports the view of (Belgasm et al., 2025) who emphasized that meaningful interpersonal interactions promote psychological safety and foster higher levels of employee involvement and dedication (Fardiansyah et al., 2024).

Work Flexibility → Employee Engagement:

Original Sample (O) = 0.298, T-Statistic = 4.257, and p-value = 0.000. This also indicates a statistically significant and positive effect, showing that greater flexibility in work arrangements (such as time and location) is associated with higher employee engagement.

Flexibility helps employees balance professional and personal responsibilities, increasing their satisfaction and psychological attachment to the organization. This is consistent with findings from (Muhamad Fauzan Sabani, 2025; Yossi Fitriani & Chandra Wibowo Widhianto, 2024), who suggested that flexible work environments improve job attitudes and performance outcomes.

All of the above path coefficients meet the criteria for statistical significance ($p < 0.05$), and the T-statistics are well above the critical value of 1.96, indicating robust support for all three hypotheses. Therefore, salary satisfaction, interpersonal relationships, and work flexibility are essential antecedents of employee engagement in the professional services sector studied.

Table 5.
Direct Effect

Path	Original Sample	Sample Mean	Standart Deviation	T-Statistic	p-value	Result
SS -> EE	0.421	0.427	0.065	6.477	0.000	Significant
IR -> EE	0.354	0.349	0.061	5.803	0.000	Significant
WF -> EE	0.298	0.305	0.070	4.257	0.000	Significant

Source: Results Processing Data by Authors (2025)

Conclusions

Based on the data analysis results, this study concludes that all three independent variables salarySatisfaction, Interpersonal Relationships, and Work Flexibility—have a positive and statistically significant influence on Employee Engagement among permanent employees working in the professional services sector in Jakarta. The most substantial direct effect was found in the relationship between Salary Satisfaction and Employee Engagement, indicating that perceptions of fair, performance-based, and transparent compensation significantly increase employees' energy, dedication, and absorption at work. Similarly, the role of Interpersonal Relationships proved crucial; supportive, respectful, and communicative work environments enhance employee commitment and emotional connection to their work. Work Flexibility also demonstrated a meaningful contribution to engagement, showing that flexible time, location, and leave policies allow employees to balance work-life demands, resulting in better psychological engagement.

However, descriptive analysis revealed that the average perception across all variables remains low (mean between 2.0 and 2.1 on a 5-point scale), indicating that existing practices in compensation, interpersonal management, and work flexibility are still perceived as suboptimal. Additionally, moderate-to-high response variability suggests inconsistency in policy implementation and employee experience across departments or roles.

Recommendations

To foster stronger and more consistent levels of employee engagement, organizations in the professional service sector—especially consulting and technology companies in Jakarta—are advised to focus on the following strategic areas:

- Enhance Compensation Transparency and Fairness: Management should review and improve salary structures to ensure alignment between performance and pay. Implementing regular evaluations, performance-based bonuses, and transparent communication regarding payroll policies can significantly boost employee trust and motivation.
- Strengthen Workplace Interpersonal Climate: Initiatives such as team-building programs, peer appreciation systems, and conflict resolution training should be integrated into HR practices to promote a culture of respect, support, and open communication. This will improve psychological safety and strengthen engagement.
- Promote Inclusive and Supportive Flexible Work Policies: Organizations should formalize flexible work arrangements by enabling hybrid work options, adaptable schedules, and responsive leave management systems. Leaders should be trained to support flexibility while maintaining accountability, as flexibility is a known driver of well-being and engagement.
- Monitor and Personalize HR Implementation: Given the variability in employee experiences indicated by the standard deviations, HR departments must conduct regular pulse surveys to detect gaps in employee perception and adapt policies accordingly. Tailored HR interventions should consider departmental differences and individual needs.
- Invest in a Holistic Engagement Framework: Beyond salary, relationships, and flexibility, employee engagement is shaped by purpose, growth opportunities, and recognition. Thus, a long-term strategy should include career development programs, leadership pipelines, and a recognition culture to ensure sustained employee commitment.

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