

The Influence of Communication on Employee Engagement Through Job Satisfaction of MSMEs in Jakarta

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Abstract

This study examines the influence of communication on employee engagement through job satisfaction in MSMEs in Jakarta using PLS-SEM with 150 respondents. Results show that communication significantly increases job satisfaction ($\beta=0.497$) and employee engagement ($\beta=0.249$), while job satisfaction strongly predicts engagement ($\beta=0.406$) and acts as a partial mediator with an indirect effect of 0.202. The structural model explains 32.8% of the variance in employee engagement, indicating that communication and job satisfaction jointly shape engagement outcomes. Theoretically, this research strengthens Social Exchange Theory and the Job Demands Resources framework by demonstrating that clear, open, and consistent communication functions as a key organizational resource that fosters positive psychological states and enhances employee engagement within the MSME context, an area still underexplored in Indonesia. Practically, findings emphasize the need for MSME owners to build transparent, responsive, and two-way communication systems to improve satisfaction and sustain employee engagement. Structured communication practices not only support daily coordination but also nurture trust, motivation, and commitment, which are essential for strengthening MSME performance.

Keywords: Communication, Employee Engagement, Job Satisfaction, MSMEs

DOI : <http://dx.doi.org/10.32503/jmk>.

Article History : Article received (November 2025); revised (December 2025); accepted (December 2025)

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Introduction

In an increasingly competitive business environment, the success of organizations, including Micro, Small, and Medium Enterprises (MSMEs), depends not only on marketing strategies or financial capabilities but also on the effectiveness of internal communication between management and employees. Organizational communication serves as a means of conveying vision, targets, policies, and work directions, so that all members of the organization have a common understanding and work towards uniform goals.

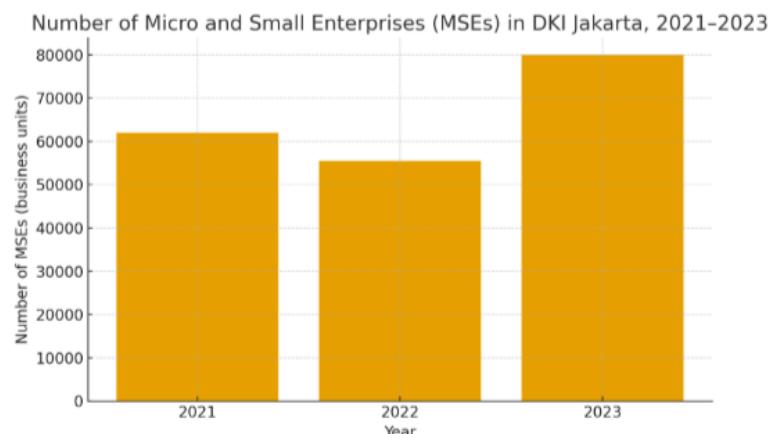


Figure 1. MSME data in Jakarta by BPS Provinsi

Source: Analyzed BPS

Based on data from the Jakarta Provincial Statistics Agency (Jakpreneur, 2024) and (Maheswara, 2024), the number of MSMEs has continued to grow each year. However, this rise in quantity has not been matched by improvements in managerial capacity, particularly in terms of implementing effective workplace communication. Many MSMEs have simple organizational structures and informal communication patterns, so that understanding of work often flows in only one direction and has the potential to cause misunderstandings.

Job satisfaction itself is seen as an important factor in increasing employee engagement. Employees who feel valued, cared for, and given clear direction show higher work motivation and stronger loyalty to the organization. Wandy Zulkarnaen, (2019) found that open internal communication increases job satisfaction and ultimately strengthens employee attachment. (Nasrah et al., 2025) echoed this sentiment, emphasizing that in the context of MSMEs, effective communication is the main driver of job satisfaction.

Although many studies support a positive relationship between communication, job satisfaction, and employee engagement, some studies report different results. For example, Priya et al., (2024) found that internal communication does not always have a significant effect on engagement under certain conditions. This inconsistency indicates the need for further study on the mediating role of job satisfaction in the relationship between communication and engagement.

From an SME management perspective, this research is crucial because employee engagement has a direct impact on productivity, workforce retention, and long-term business sustainability. Recent studies, such as those by Ramirez-Lozano et al. (2023), emphasize that effective communication strategies can enhance job

satisfaction and engagement in small businesses. Similar conclusions are reflected internationally, Ltd et al. (2025) demonstrate that communication-driven job satisfaction contributes significantly to engagement in SMEs across emerging economies. However, these findings have not been widely tested in the context of Indonesian MSMEs.

Unlike previous studies that have focused more on the technology sector and large companies (Sulistyani & Nugroho, 2024), this study examines MSMEs in Jakarta explicitly, which have been understudied from the perspectives of communication relationships, job satisfaction, and engagement. Additionally, this study examines the role of job satisfaction as a mediating variable, thereby providing a more comprehensive understanding of how communication can increase engagement in MSMEs.

Literature Review

Communication

Communication refers to the exchange of information, ideas, and meaning between individuals or groups, aiming to foster mutual understanding. In an organisational setting, communication plays a vital role in shaping coordination, decision-making, and achieving organisational goals. Prior research emphasizes that effective communication supports a positive work climate and increases productivity, whereas unclear information may trigger frustration and decrease employee motivation (Prasetya Yuditio et al., 2024)

From the perspective of Organisational Communication Theory, communication determines the quality of workplace relationships, role clarity, and perceptions of fairness. Two-way communication allows employees to express opinions and receive constructive feedback. In the context of the Job Demands–Resources (JD-R) Model, communication serves as a job resource that reduces uncertainty, prevents stress caused by role ambiguity, and fosters comfort at work. Social Exchange Theory (SET) further explains that positive communication signals organisational support, encouraging employees to reciprocate through loyalty, commitment, and engagement. Therefore, in this study, communication is positioned as an antecedent that enhances job satisfaction and subsequently increases employee engagement.

Employee Engagement

Employee engagement refers to a psychological condition in which employees demonstrate enthusiasm, dedication, and a willingness to contribute fully to organisational success (Dinillah & Sabil, 2022). Engaged employees show high energy, persistence, attention to detail, and a strong sense of belonging to the organisation. They not only fulfill their job responsibilities but are also motivated to exceed expectations.

Within the JD-R Model, engagement emerges when employees receive relevant job resources such as supervisor support, feedback, and transparent communication. These resources stimulate motivation, which in turn increases energy and commitment to work. Meanwhile, SET views engagement as a positive response from employees who feel valued and supported. In this study, employee engagement represents the outcome of effective communication and increased job satisfaction.

Job Satisfaction

Job satisfaction describes an employee's emotional response toward their job as a whole, including work activities, coworkers, and organisational practices (Yumhi, 2021). Employees experience satisfaction when their expectations related to meaningful tasks, autonomy, recognition, salary, benefits, and working conditions are fulfilled. Intrinsic satisfaction arises from the work itself, while extrinsic satisfaction relates to rewards and external work factors (Kuruway, 2021).

Based on the JD-R Model, job satisfaction increases when employees receive sufficient job resources, one of which is clear and effective communication. Communication reduces ambiguity and supports emotional security, shaping a favourable work atmosphere. Through the lens of SET, when employees perceive communication as a form of organisational support and respect, they respond with positive emotions, one of which manifests as job satisfaction. In the context of this study, job satisfaction functions as a mediating variable that links communication to employee engagement.

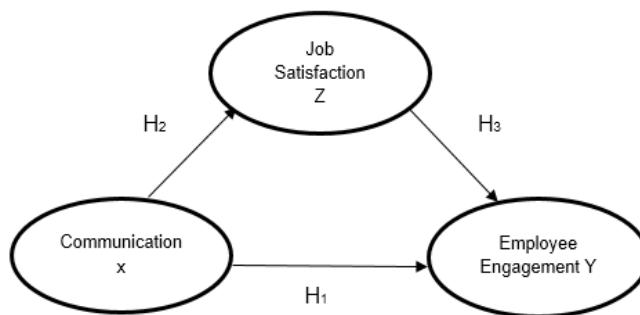


Figure 2. Conceptual Research Model

Source: Analyzed Data (2025)

Based on the conceptual framework, the following hypotheses are formulated: H1 indicates that communication is a stimulus that shapes positive employee perceptions. H2 indicates that job satisfaction produces psychological conditions that support engagement. H3 indicates that some communication effects are not mediated but directly increase engagement.

Methodology

This study employs a quantitative, causal research design to investigate the impact of communication on employee engagement, with job satisfaction serving as a mediating variable. The research procedure includes model specification, measurement instruments, sampling techniques, and data analysis methods.

In this model, communication is positioned as an independent variable, job satisfaction as a mediating variable, and employee engagement as a dependent variable. This framework refers to (Baron & Kenny, 1986), which explains that mediating variables serve to transmit or strengthen the influence of independent variables on dependent variables. To test the direct and indirect effects in the

framework, this study uses SmartPLS, which allows simultaneous testing of structural models and measurement models.

Population and Sample

The population in this study consists of owners and employees of micro, small, and medium enterprises (MSMEs) that operate within the Jakarta area. The sampling technique applied was purposive sampling, whereby respondents were selected based on specific criteria relevant to the research objectives. The criteria include:

1. Respondents must be employees or owners of MSMEs located in Jakarta.
2. Respondents must have worked for a minimum of six months to ensure adequate exposure to internal communication practices.
3. Respondents must be Indonesian citizens aged 18–55.

Data for this study were gathered using an online questionnaire distributed via Google Forms, resulting in 150 usable responses. All items in the questionnaire were rated on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Informed Consent

This research adhered to established ethical guidelines. Participation was entirely voluntary, and no respondent was subjected to any form of pressure or obligation. Before filling out the questionnaire, participants received clear information regarding the study's objectives, its potential contributions, and what their involvement would entail. Informed consent was obtained by having respondents click the "I am willing to participate" option at the beginning of the survey.

Table 1. Research Construct

Variable	Indicator	References
Communication (X)	<p>X1 = My supervisor conveys information clearly and in an easy-to-understand manner.</p> <p>X2 = I feel that the information provided by management is always complete and accurate.</p> <p>X3 = Communication between employees and management is two-way (mutual listening).</p> <p>X4 = I receive quick feedback when I express my opinions or raise issues.</p> <p>X5 = The communication atmosphere at work encourages good working relationships.</p>	(Prasetya Yuditio et al., 2024)

Employee Engagement (Y)	Y1 = I am enthusiastic about doing my job every day. Y2 = I feel motivated to give my best performance for the company. Y3 = I am willing to work beyond my responsibilities when necessary. Y4 = I feel that I am an important part of the company's success. Y5 = I am proud to work at the MSME where I currently work	(Dinillah & Sabil, 2022)
Job Satisfaction (Z)	Z1 = I am satisfied with the work environment at the SME where I work. Z2 = I feel that the work I do is in line with my abilities and skills. Z3 = I am satisfied with the compensation (salary/incentives) I receive from the company. Z4 = My relationships with my coworkers are good and supportive. Z5 = Overall, I am satisfied with my job at this SME.	(Yumhi, 2021)

Source: Analyzed Data (2025)

A sample of 150 respondents is considered adequate for PLS-SEM analysis. Following Hair et al., (2021), the minimum required sample must exceed ten times the number of structural paths, which is fulfilled in this study.

Table 2. Demografi Responden

Respondents Criteria	Category	Number of Respondents	Percentage (%)
By Gender	Female	99	66%
	Male	51	34%
By Age Category	18–25	69	46%
	26–35	57	38%
	36–45	21	14%
	46–55	3	2%
According to Working Experience	1 year	38	25.3%
	1 - 3 years	77	51.3%
	4 - 6 years	23	15.3%
	7 - 10 years	12	8%
According to Position	MSME Owner	58	38.7%
	MSME Employee	92	61.3%
According to Type of MSME	Food and Beverage (FnB)	56	37.3%
	Services	38	25.3%

Retail	25	16.7%
Beauty	29	19.3%
Others	2	1.4%

Source: Analyzed Data (2025)

According to the table, 66% of respondents were women and 84% were aged 18–35, indicating that most MSME entrepreneurs and workers in Jakarta are young. Most respondents had been working for 1–3 years (51.3%), worked in MSMEs (61.3%), and worked in the food and beverage sector (37.3%), indicating that the F&B sector is the most dominant business field. The sample size of 150 respondents also fulfilled the minimum criteria required for conducting PLS-SEM analyses.

Table 3. Collinearity Statistics (VIF)

	VIF
Communication X -> Employee Engagement (Y)	1.328
Communication X -> Job Satisfaction (Z)	1.000
Job Satisfaction (Z) -> Employee Engagement (Y)	1.328

Source: Analyzed Data (2025)

To verify the absence of multicollinearity among the constructs, a Variance Inflation Factor (VIF) assessment was performed. All VIF values were below the commonly accepted cutoff of 3.3, indicating that multicollinearity was not a concern in the model. This criterion is consistent with the guidelines outlined by Hair et al., (2021).

Result and Discussion

Convergent validity was examined to see how well the indicators measured the intended concepts. After analysing the data with Smart PLS 4.0, all indicators exhibited loading scores above 0.70, indicating that they satisfy the criteria for convergent validity and are suitable for further analysis.

Table 4. Outer Loadings

Communication X	Employee Engagement Y	Job Satisfaction Z
X1	0,806	
X2	0,850	
X3	0,835	
X4	0,888	
X5	0,859	
Y1	0,860	
Y2	0,893	
Y3	0,881	
Y4	0,890	
Y5	0,855	
Z1		0,823
Z2		0,835
Z3		0,830
Z4		0,826

Z5	0,814
Source: Analyzed Data (2025)	

The results presented in Table 4 indicate that all indicators exhibit loading values exceeding 0.70, demonstrating that each item effectively measures its respective construct. Theoretically, this finding aligns with (Hair et al., 2021), who explain that indicators with high loading scores provide a strong representation of their underlying latent variables.

Table 5. Costruck Reliability and Validity

	Cronbach's alpha	Composite reliability (rho_c)
Communication	0,902	0,927
Employee Engagement	0,924	0,943
Job Satisfaction	0,884	0,915

Source: Analysed Data (2025)

Table 5 shows that all constructs have Cronbach's Alpha >0.60 and Composite Reliability >0.70, indicating that internal consistency and construct reliability are met. These results support the internal reliability standards according to Hair et al., (2021) .In the context of MSMEs, this indicates that the instrument used can be relied upon to assess employee perceptions of communication, satisfaction, and engagement. The scientific contribution is to provide empirical validity that the PLS-SEM instrument can be reliably used in research on MSMEs in Jakarta.

Table 6. Average variance extracted (AVE)

Average Variance Extracted
0,719
0,768
0,682

Source: Analysed Data (2025)

Based on Table 6, the AVE values for all constructs are greater than 0.50 (0.682–0.768), indicating that more than 50% of the variance in the indicators is explained by their respective constructs. These results support Hair et al., (2021) theory regarding convergent validity. In the context of MSMEs, the indicators used can accurately and relevantly reflect employee perceptions for the development of HR management strategies. Scientifically, this adequate AVE strengthens the reliability of the measurement model in MSME research.

Table 7. Cross Loading

	Communication X	Employee Engagement	Job Satisfaction Z
X1	0,806	0,299	0,371
X2	0,850	0,411	0,446
X3	0,835	0,409	0,401
X4	0,888	0,413	0,447
X5	0,859	0,364	0,433

Y1	0,268	0,860	0,400
Y2	0,441	0,893	0,488
Y3	0,449	0,881	0,492
Y4	0,384	0,890	0,445
Y5	0,401	0,855	0,480
Z1	0,403	0,381	0,823
Z2	0,402	0,476	0,835
Z3	0,466	0,452	0,830
Z4	0,384	0,445	0,826
Z5	0,390	0,427	0,814

Source: Analyzed Data (2025)

Table 7 shows that all indicators have the highest loading on the corresponding construct, indicating that discriminant validity is fulfilled. Theoretically, this ensures that each construct is significantly different and does not overlap. In the context of MSMEs, the indicators of communication, job satisfaction, and employee engagement can be clearly distinguished, so that each construct can be interpreted accurately.

Table 8. Direct effect

	Original sample (O)	T-statistics	P values
Communication X -> Employee Engagement Y	0,249	3.260	0,001
Communication X -> Job Satisfaction Z	0,497	7.935	0,000
Job Satisfaction Z -> Employee Engagement Y	0,406	5.751	0,000

Source: Analyzed Data (2025)

The results in Table 8 show that communication has a positive effect on employee engagement ($\beta = 0.249$) and job satisfaction ($\beta = 0.497$), while job satisfaction also increases employee engagement ($\beta = 0.406$). These findings confirm that effective communication can increase job satisfaction and employee engagement, which is highly relevant for MSMEs in Jakarta. For small business owners, strengthening internal communication means increasing employee motivation, loyalty, and performance. These results are in line with previous studies showing that internal communication plays an important role in building job satisfaction and employee engagement (Dinillah & Sabil, 2022).

Table 9. Indirect Effect

	Original sample (O)	T statistics	P values
Communication X -> Job Satisfaction Z -> Employee Engagement Y	0,202	4.591	0,000

 Engagement Y

Source: Analyzed Data (2025)

As presented in Table 9, communication significantly influences employee engagement indirectly through job satisfaction, with an effect value of 0.202. This indicates that communication not only builds engagement directly, but first increases employee job satisfaction, which then encourages them to be more involved in their work. Since both the direct and indirect paths are significant, job satisfaction functions as a partial mediator (Ramadhi et al., 2023).

This mediating role can be explained through two main theories. Social Exchange Theory (SET) explains that when employees receive clear and appreciative communication, they interpret it as a form of organisational support. This support creates feelings of satisfaction, which ultimately leads to engagement. In other words, job satisfaction is the initial psychological reaction that precedes engagement in MSMEs.

In the Job Demands Resources (JD-R) Model, communication is regarded as a job resource that offers role clarity, emotional support, and facilitates the flow of information. These resources increase motivation and work comfort, which results in satisfaction (Santos & Sousa, 2024). When satisfaction increases, employees become more enthusiastic and involved in their work.

Table 10. Total Effects

	Original sample (O)
Communication X -> Employee Engagement Y	0,451
Communication X -> Job Satisfaction Z	0,497
Job Satisfaction Z -> Employee Engagement Y	0,406

Source: Analyzed Data (2025)

Table 10 shows that communication has a total effect of 0.451 on employee engagement through job satisfaction in Jakarta MSMEs. Communication not only has a direct impact but also indirectly strengthens employee engagement through increased job satisfaction (total effect of communication → job satisfaction = 0.497; job satisfaction → engagement = 0.406). These results align with previous studies (Santos & Sousa, 2024) and indicate that effective internal communication can increase employee satisfaction and engagement in MSMEs. Theoretically, these findings support the SET and JD-R Models, which emphasize that communication as a job resource enhances employee motivation and engagement, while also providing important empirical evidence for HRM practices in Jakarta SMEs.

Determination value R²

The coefficient of determination, or R-squared, reflects the extent to which the independent variables account for the variance observed in the dependent variable within the research model. A higher R-squared value implies that the independent variables

have stronger explanatory power over the dependent variable. Since each construct has a different number of indicators, this analysis uses the Adjusted R-Square. This adjusted measure, generated through the SmartPLS algorithm, is presented in the following Table.

Table 11. Coefficient of determination

	R-square	R-square adjusted
Employee Engagement Y	0,328	0,318
Job Satisfaction Z	0,247	0,242

Source: Analyzed Data (2025)

Table 11. The results show that Communication and Job Satisfaction together explain 32.8% of the variance in Employee Engagement. This means that these two factors play a significant role in increasing the engagement of MSME employees in Jakarta. Communication also explains 24.7% of the variance in Job Satisfaction, emphasizing the importance of effective communication in creating job satisfaction.

Substantively, the R^2 value of 0.328 falls into the moderate category, indicating that communication and job satisfaction are important foundations for MSME employee engagement. However, there is still a 67.2% variation in employee engagement, influenced by factors such as individual traits, organizational culture, and local economic conditions. Thus, to optimize employee engagement, MSME actors in Jakarta need to combine communication strategies and improvements in work satisfaction with attention to external factors that affect employee performance.

Table 12. path coefficients

	Original sample (O)	T statistics (O/STDEV)	P values
X communication - > Y employee engagement	0,249	3.260	0,001
X communication - > Z job satisfaction	0,497	7.935	0.000
Z job satisfaction - > Y employee engagement	0,406	5.751	0.000

Source: Analyzed Data (2025)

This research examines how communication influences employee engagement, with job satisfaction acting as the mediating factor. The SmartPLS analysis indicates that communication has a meaningful indirect effect on employee engagement via job satisfaction, with a coefficient of 0.202. The T-statistic of 4.591 and a P-value of 0.000, far below the 0.05 threshold, indicate that this indirect relationship is statistically significant. These outcomes confirm that job satisfaction

mediates the relationship between communication and employee engagement in Jakarta's MSMEs.

The analysis also demonstrates that communication significantly affects job satisfaction (path a), with a coefficient of 0.497. Similarly, job satisfaction significantly influences employee engagement (path b), shown by a coefficient of 0.406. The direct pathway from communication to employee engagement (path c') also remains significant, with a coefficient of 0.249. According to the mediation requirements established by Baron & Kenny, (1986), all criteria for mediation have been satisfied. Since the direct effect (c') of 0.249 is smaller than the total effect (c) of 0.451 yet still statistically significant ($p < 0.05$), the results show that job satisfaction acts as a partial mediator between communication and employee engagement.

Interpretation

The results show that effective communication in Jakarta MSMEs directly increases employee engagement and, through job satisfaction, indirectly strengthens it. Clear and consistent communication from leaders helps employees feel informed and valued, which raises their job satisfaction and, in turn, their engagement. These findings align with MARIN, (2021) and Sulistyani & Nugroho, (2024), who highlight the psychological pathway through which communication shapes employee outcomes.

In the MSME context, where structures are simple and interactions are frequent, high-quality communication is an essential, low-cost strategy to support employees. The findings demonstrate that job satisfaction serves as a partial mediator in the relationship between communication and employee engagement. This outcome also broadens the applicability of organizational behavior theories within the context of MSMEs.

Hypothesis Testing

The hypotheses in this study were statistically evaluated using the bootstrapping procedure in SmartPLS 4.0. The hypothesis testing centered on evaluating the path coefficients within the inner model, which indicate the strength and significance of the relationships among the variables (Priya et al., 2024).

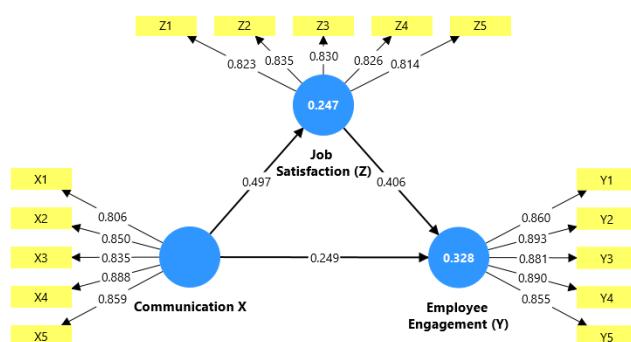


Figure 3, Path Coefficients of the Outer and Inner Models in PLS SEM

Source: Smart PLS Output Results

Figure 3 shows that all variables exert positive and significant effects, indicating that every hypothesis formulated in this study is empirically supported. The detailed results are presented in Table 13.

Table 13. Research Hypothesis Results

Hypothesis	Path coefficient	T statistics	Sig.	Results
Communication has a substantial effect on employee engagement.	0,249	>2,01 3.260	< 0,05 0,001	Received
Communication also demonstrates a significant positive influence on job satisfaction.	0,497	7.935	0.000	Received
Job satisfaction, in turn, plays an important role in enhancing employee engagement.	0,406	5.751	0.000	Received

Source: Analyzed Data (2025)

Based on the results in Table 13, all relationships among the latent variables exhibit T-statistics greater than 1.96 and P-values below 0.05. These findings indicate that every relationship tested in the model is both positive and statistically significant. Therefore, all assumptions made in this research model are proven. This means:

H1: How Communication Affects Employee Engagement

The results indicate that the connection between Communication and Employee Engagement has a coefficient of 0.249, with a T-statistic of 3.260 and a P-value of 0.001. These findings confirm that communication exerts a positive and statistically significant effect on employee engagement. This means that when communication between managers and employees in small business environments is better, employee engagement tends to be higher. Employees who receive clear messages, feel that their opinions are valued, and receive positive feedback from their leaders tend to be more enthusiastic, loyal, and committed to the company. These findings align with the results of studies by Dinillah & Sabil, (2022) and Priya et al., (2024), which indicate that effective communication within a company can increase employee motivation and their relationship with the organisation. This shows that communication has a positive and significant effect on employee engagement (Pirrotta et al., 2025).

H2: How Communication Affects Job Satisfaction

The link between Communication and Job Satisfaction shows a coefficient of 0.497, accompanied by a T-statistic of 7.935 and a P-value of 0.000. This represents the strongest effect among all relationships examined in the study (Santos & Sousa, 2024), suggesting that communication plays the most significant role in enhancing job satisfaction among MSME employees. These findings show that when an organisation has a strong communication system where information is clear, people

share openly, and there is feedback from leaders, employees tend to be more satisfied with their jobs. In small and medium-sized enterprises, effective communication creates a respectful, supportive workplace that enables everyone to work better together. These results are consistent with findings from other studies, such as Wandy Zulkarnaen, (2019), which also found that internal communication increases job satisfaction across industries.

H3: How Job Satisfaction Affects Employee Engagement

The study also highlights a significant link between Job Satisfaction and Employee Engagement. With a coefficient value of 0.406, a t-statistic of 5.751, and a p-value of 0.000, the findings confirm that job satisfaction positively and substantially influences employee engagement. Employees who feel content with their work, whether due to a supportive environment, recognition for their efforts, or positive relationships with coworkers, are generally more motivated in performing their duties and show greater commitment to the organisation.

High job satisfaction makes employees feel like they are part of the organisation and want to contribute more to the company. This is consistent with the study by Sutanto et al., (2024), which also concluded that job satisfaction serves as a key psychological driver influencing both employee engagement and their commitment to the organisation.

Conclusion

The findings of this study indicate that communication has a significant impact on job satisfaction and employee engagement within MSMEs in Jakarta. When communication is delivered clearly, openly, and consistently, whether through accurate information, effective coordination between leaders and staff, or continuous feedback, it helps build a more positive and supportive work atmosphere. Employees who view their leaders as transparent, responsive, and genuinely attentive tend to feel more valued and satisfied in their roles. This heightened level of satisfaction ultimately strengthens their engagement and commitment to the organisation.

This study shows that job satisfaction serves as an important bridge between communication and employee engagement. Other variables were not included. These include leadership style, organizational culture, and external factors that could potentially influence communication, satisfaction, and engagement. These findings are consistent with organisational communication theory and work motivation theory, which emphasise that effective communication can strengthen interpersonal relationships, foster a sense of belonging, and reduce turnover. In addition, the findings align with the mediation model proposed by Baron & Kenny, (1986), which suggests that job satisfaction acts as a partial mediator. This is demonstrated by the finding that communication continues to show significant effects on employee engagement, both directly and through its indirect pathways.

From a theoretical standpoint, the findings of this study offer new insights into the role of internal communication in enhancing employee satisfaction and engagement, especially within the MSME context, which has been relatively underexplored in global academic literature. On the practical side, the results also deliver an important message for MSME owners and managers in Jakarta. Improving communication quality, strengthening information disclosure, providing constructive feedback, and creating a supportive work environment will help

increase overall job satisfaction and employee engagement. By improving communication, even small organisations can foster a more positive work culture, which ultimately impacts employee loyalty, productivity, and organisational performance.

However, this research has certain limitations. Since the study was carried out exclusively within the MSME context in Jakarta, the results may not be entirely generalizable to other industries or locations. In addition, this study did not include other variables such as Leadership style, organisational culture, or other external factors that may also influence the relationship between variables. Therefore, further research is recommended to expand the scope to different sectors or regions, to include additional moderating or mediating variables, and to use a longitudinal research design to capture changes in communication, satisfaction, and employee engagement over time.

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