



Factors That Affect Employee Engagement of Bank AAA

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ABSTRACT

The purpose of this study is to examine positive impact of organization culture, job satisfaction, and job training to employee engagement of Bank AAA. The survey method done is using online questionnaire where this study needs the sample from Bank AAA's employee. The approach used is PLS SEM with Smart PLS 3.0 program. The result stated that organization culture, job satisfaction, and job training had positive impact on employee engagement.

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1. Introduction

In the modern era that everything moving fast, every company need to handle any changes & obstacles as fast as possible and move forward. Many strategies done to strengthen company where one of them is investing in employees which formed as training, compensation, salary, and many more. Every investment done by the company to it's employee is one of company's effort to increase employee's competencies. In other way, company need it's employee engagement. Employee engagement becomes important to every company all over the world, because the most valuable asset from the company is it's employee. Realizing it's valuable asset are it's employee, company have to develop it's employee and maintaining them in order to be loyal to company. The company that aware & put concern to it's employee engagement will becoming the superior company than it's competitors. [1] There are two potential investment cost will be rose to company in order to enhancing employee's capability & performance: tangible and intangible cost. Tangible cost that company paid relatively measurable in currency. But the intangible cost is the opposite. Employee engagement itself is categorized as intangible cost.

[2] Employee engagement level is known by factors such as increasing in productivity, increasing in profitability, increasing of quality of work, increasing of efficiency, less turnover, less absent, less fraud case, increasing in customer satisfaction, increasing of employee satisfaction, and less complaint to equal employment opportunity in company. If the company wants to enhance the employee engagement, they need to understand what makes employee committed to company. Seeing the financial industry, especially in banking, there's a big change in this industry that usually interacted conventionally with customers but now is transforming into digital relationship to customer. The change is supported by pandemic that exist since the beginning of 2020 where every company done social distancing and it's employee is ordered to work everywhere. Banking industry need to be adapted to this situation to keep giving the best service to it's valuable customers.

In this situation, as the bank that exist since August 10th 1995 and the biggest private bank in Indonesia Bank AAA have a big challenge in maintaining it's employee. Per 2019, Bank AAA had 24,789 employees that comes from every background. Bank AAA through Human Capital Management Division need to be aware everything that impact to it's employee engagement. From daily activities as employee of Bank AAA, there are some components of employee engagement seen in this company such as pride of company, feeling comfort of the company's norms, knowing company's goals, etc. The researcher made early questionnaires that measure the employee engagement. The result is 53% respondents doesn't feel engaged enough with Bank AAA, with the level of employee engagement endanger Bank AAA. This research is the development of various research about employee engagement done before. The researcher focused on identifying if organization culture, job satisfaction, and job training affect Bank AAA employee engagement.

2. Literature Review and Submission of Hypotheses

2.1. Employee Engagement

Employee engagement became the interesting topic in human resource management. [2] The engagement itself refers to commitment and motivation. Motivation level strongly affected by external factors such as expectation to get bonuses. Engagement is also defined as an effort to strengthen team member to work as their role: in engagement, people able to express themselves physically, cognitively, and emotionally during doing their role. [2] The engaged employee is categorized as: employee that able to give new ideas, enthusiastic, having initiatives, actively seeking way to improving themselves, colleagues, and company, consistently surpassing the target, always courage and skeptic to everything, supporting colleagues, optimistic, facing the challenge and keep focus, and committed to company.

[2] There are some things to enhancing employee engagement: feeling respected, feeling trusted, understanding of company's goal, feeling proud of job, chance to get personal & career development, having interesting work to be done, and many more. There are some things to make the employee feels disengaged: when supervisor take over the job, unrealistic expectation, lack of coaching and support, incompetent leader, feeling not appreciated, negative critics, no freedom of speech, and many more. [3] Truss said some strategies to enhancing employee engagement in human capital context: company development, training, and employee career development.

2.2. Organization Culture

[4] Organization culture refers to the system that set and hold by members in organization and make differentiation to other organization. There are seven main characteristics that catch the main of organization culture: innovation and taking risk is the level where employee is pushed to be innovative and willing to take risk, attention to details is the level where



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employee is expected to produce something precision and put attention to every detail, result oriented is the level where the management is result oriented than process oriented in achieving the target, personal oriented is the level where every decision that management made for result done by personal in company, team oriented is the level where in every task need a teamwork than individual work, aggressive is the level where employee have aggressive and competitive behavior, and the last is stability where organization activity creates stability in company's growth.

2.3. Job Satisfaction

Job satisfaction is important in enhancing employee engagement where employee engagement itself is created when employee feels able to fulfill the responsibility and feeling satisfied with their job. [5] Job satisfaction represents of what employee's feeling and what employee's imagination to their job. [4] Robbins & Judge said that job satisfaction is the positive feeling of the result of job. Satisfied employee is having positive feeling of his job. There are two popular approaches in measuring job satisfaction: single global rating and calculation of every aspect in job. [4] The things that build job satisfaction are: work condition is where the company that serves training, variations, independency, and control make the employee feel satisfied with their job, the personality also acts importantly to build job satisfaction, the salary, and the corporate social responsibility (CSR).

2.4. Job Training

[5] Need to be known that there are two basic knowledge that important to company. First, explicit knowledge such as information that relatively communicated and majority taught in job training. Second, tacit knowledge that only can be gathered by experience. The more experienced or the more training that employee got, they will have better tacit knowledge. [6] Employee development program have to be arranged carefully and based on scientific method rely on company's current and future needs.

[4] There are some types of job training: basic knowledge training to fulfill task and responsibility, technical skill training that specifically set to enhancing employee's technical skill, problem solving training to sharpening logic thinking and creating alternatives, interpersonal skill training to enhance interaction with colleagues, civility training in order to make employee more polite, and ethic training for deepening ethic and values embraced by company. [7] Schmidt use 3 indicators to measure job training: employee satisfaction to the given training, employee's feeling to the given training, and the support from company to employee to join the training.

2.5. Relationship Between Organization Culture & Employee Engagement

Organization culture become something that differentiates between one company and another, and that thing make every person have their own consideration to join to a company. Human capital management division need to benchmarking another organization culture in the same industry, then decide what to be implemented in company. Octaviani & Fakhri (2016) said that there's positive impact from organization culture and the statement is supported by researches done by Soeharso & Nurika (2020) and Bija (2020). If the organization culture got better, the employee engagement also raising.

H1: Organization culture has positive impact to employee engagement

2.6. Relationship Between Job Satisfaction & Employee Engagement

The satisfied employee creates more performance improvement, organizational citizenship behavior, increasing customer satisfaction and life-satisfaction. Generally, employee will be satisfied with their job if the company can facilitate the employee needs to support the work. The facility to be given by the company should be considered based on work needs & employee's own needs. Job satisfaction affects the employee engagement positively based on researches done by Bija (2020), Dewinda *et al.* (2020), and Yuswardi (2019). The company need to be aware of every aspect that affect it's employee satisfaction and the job satisfaction measurement have to be measured periodically.

H2: Job satisfaction has positive impact to employee engagement

2.7. Relationship Between Job Training & Employee Engagement

Research done by Yuswardi (2019), Sentoso (2019), Pratama & Wismar'ain (2018), and Dayona & Rinawati (2016) stated that there's positive impact of job training to employee engagement in a company. It means that every company have to give the updated knowledge and competencies to it's employee.

H3: Job training has positive impact to employee engagement

3. Measurement Model

Convergent validity is tested by factor loading point. The convergent validity point shows the relationship between variables and their indicators, outer loading is enough if the point is greater than and same as 0.5 and if the point is greater than 0.7 is highly related. The composite reliability (CR) point is used for testing construct reliability, if the point is greater than and same as 0.7, the variable is reliable [8]. Average variane extracted also become one of criteria and inf the point is greater than and same as 0.5, the variable is reliable and able to be analyzed further. Hair said that researcher need to be careful if want to remove the indicator that below 0.7.

Table 1

Construct Evaluation

	Construct and Item	Outer Loading
Organization Culture (CR: 0.818 & AVE: 0.534)		
B02	At work, I am required to be a conscientious person	0.550
B04	On the other hand, the company where I work is also oriented towards each individual	0.748
B05	At the company where I work, working in a team is something that is needed	0.784
B07	The activities at the company where I work support the company's growth	0.812
Job Satisfaction (CR: 0.878 & AVE: 0.590)		
KK1	I am satisfied with the salary given to me by the company	0.715



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	Construct and Item	Outer Loading
KK2	I am satisfied with the promotion that the company gave me	0.789
KK3	I am satisfied with my current co-workers	0.754
KK4	I am satisfied with my current boss	0.771
KK5	I am satisfied with the work I am currently doing	0.809
Job Training (CR: 0.954 & AVE: 0.635)		
PK1	The training provided by the company meets my needs	0.815
PK2	I am satisfied with the amount of training provided	0.783
PK3	I am able to apply what is taught in training to work	0.812
PK4	The training provided is in accordance with my job	0.797
PK5	I am looking for opportunities that can be obtained from training	0.765
PK6	I see job training as a sustainable endeavor	0.800
PK7	I am proactively looking for ways to improve the results of the training received	0.752
PK8	I can understand the goals set for my current and future position	0.789
PK9	The company provides planned and purposeful training	0.849
PK10	Each division provides opportunities for employees to attend training	0.767
PK11	The company pays attention to the personal and professional development of employees	0.805
PK12	The company encourages employees to take the provided training	0.821
Employee Engagement (CR: 0.959 & AVE: 0.578)		
EE1	I am proud of the company I work for	0.764
EE2	I recommend where I work to others	0.769
EE4	I feel that I am important in the company	0.702
EE5	I support every activity/policy held in the company that leads to positive change	0.770
EE6	I feel trusted by my manager	0.693
EE8	I am treated fairly where I work	0.743
EE9	I was given the responsibility in doing the task	0.742
EE10	I was given an award for my work	0.750
EE11	I have values that I believe in in the company	0.807
EE13	The values espoused by the place where I work are in line with the values I believe in	0.799
EE14	I am comfortable with the norms where I work	0.817
EE15	I feel my abilities match my role in the company	0.760
EE16	I know the company's goals	0.771
EE17	I realize that my role affects the achievement of the company's goals	0.741
EE18	The companies I work for work together to satisfy customers	0.753
EE19	I realize that my actions may affect other jobs within the company	0.734
EE20	I get information about the progress of the company where I work	0.796

Table 2 shows the result of discriminant validity using cross loading points. The correlation of item in a variable have to be bigger than it's correlation to another variable.

Table 2
Discriminant Validity

Item	Cross Loading			
	Organization Culture	Job Satisfaction	Job Training	Employee Engagement
B02	0,550	0,236	0,311	0,304
B04	0,748	0,476	0,492	0,563
B05	0,784	0,439	0,468	0,520
B07	0,812	0,472	0,609	0,644
KK1	0,406	0,715	0,542	0,504
KK2	0,473	0,789	0,581	0,624
KK3	0,438	0,754	0,536	0,551
KK4	0,425	0,771	0,503	0,577
KK5	0,461	0,809	0,601	0,612
PK1	0,523	0,617	0,815	0,617
PK2	0,481	0,605	0,783	0,616
PK3	0,570	0,575	0,812	0,653
PK4	0,527	0,591	0,797	0,643
PK5	0,489	0,522	0,765	0,626



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Item	Cross Loading			
	Organization Culture	Job Satisfaction	Job Training	Employee Engagement
PK6	0,536	0,543	0,800	0,671
PK7	0,498	0,541	0,752	0,633
PK8	0,555	0,588	0,789	0,689
PK9	0,602	0,626	0,849	0,720
PK10	0,512	0,543	0,767	0,617
PK11	0,528	0,575	0,805	0,695
PK12	0,505	0,548	0,821	0,660
EE1	0,584	0,563	0,605	0,764
EE2	0,554	0,603	0,640	0,769
EE4	0,523	0,529	0,568	0,702
EE5	0,592	0,537	0,690	0,770
EE6	0,471	0,583	0,544	0,693
EE8	0,522	0,669	0,617	0,743
Item	Organization Culture	Job Satisfaction	Job Training	Employee Engagement
EE9	0,550	0,587	0,626	0,742
EE10	0,504	0,655	0,592	0,750
EE11	0,488	0,588	0,669	0,807
EE13	0,558	0,647	0,668	0,799
EE14	0,598	0,664	0,670	0,817
EE15	0,553	0,584	0,642	0,760
EE16	0,612	0,473	0,615	0,771
EE17	0,519	0,470	0,586	0,741
EE18	0,557	0,480	0,620	0,753
EE19	0,527	0,484	0,594	0,734
EE20	0,588	0,532	0,651	0,796

Table 3 below is known as R-Square that shows how much these variables explain employee engagement.

Table 3
R-Square

Variables	R-Square (R ²)
Employee Engagement	0,765

Table 4
Hypotheses Evaluation

Hypotheses	Standardized Path Coefficients	p-value	Decision
H ₁ : Organization culture has positive impact to employee engagement	0.266	0.000	Supported
H ₂ : Job satisfaction has positive impact to employee engagement	0.273	0.000	Supported
H ₃ : Job training has positive impact to employee engagement	0.449	0.000	Supported

4. Discussion

Result for H₁ shows that organization culture has positive impact on employee engagement, it indicates that Bank AAA's organization culture able to direct every employee to be engaged to Bank AAA. The result is same with previous research done by Octaviani & Fakhri (2016), Soeharso & Nurika (2020), and Bija (2020).

Result for H₂ shows that job satisfaction has positive impact on employee engagement, it indicates that Bank AAA's employee agree that job satisfaction will increasing employee engagement. The result is same with previous research done by Bija (2020), Dewinda *et al.* (2020), and Yuswardi (2019).

Result for H₃ shows that job training has positive impact on employee engagement, it indicates that Bank AAA's employee aware that job training is a need to improve knowledge and skills in order to fulfill the company needs and Bank AAA had given every job training needed by employee. The result is same with previous research done by Yuswardi (2019), Sentoso (2019), Pratama & Wismar'ain (2018), and Dayona & Rinawati (2016).

5. Conclusion

The hypotheses of this research show that organization culture, job satisfaction, and job training giving positive impact to employee engagement. The company have to do some approaches to know and understand it's employee deeper to know the engagement level of each employee to company.

6. References

Please submit the manuscript to the Open Journal System at <http://jsi.cs.ui.ac.id/> and should there be any question, please mail your question by email to editor:jmas@iocscience.org. The communication between the authors and the editors



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