

Effect of Employee Engagement and Enjoyable Employee Experience on Employee Performance

¹Elperida Juniarni Sinurat, ²Lailan Tawila Berampu, ³Alfito

¹Universitas Methodist Indonesia

^{2,3}Universitas Medan Area, Indonesia

ABSTRACT

The purpose of this study was to determine the effect of employee engagement on employee performance through enjoyable employee experience. This type of research is quantitative research. The basic reason for using quantitative research is to test theory by collecting numerical data and analyzing it statistically. The location of this research is all government banks in the city of Medan, namely: Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI), Bank Mandiri, and Bank Tabungan Negara (BTN). The population of this study were all female permanent employees of the Marketing division of the BUMN Bank. The sample in this study used the requirements of SEM, namely $43 \times 5 = 215$. The sampling technique used was purposive sampling in which the sample was taken deliberately by the researcher with certain considerations. This research was conducted by SEM using PLS. The results showed that employee engagement had a significant effect on employee performance and enjoyable employee experience had a significant effect on employee performance.

Keywords: Employee engagement, enjoyable employee experience, employee performance.

Correspondence:

Lailan Tawila Berampu

Universitas Medan Area, Indonesia

Email: lailan_tawila@yahoo.com

INTRODUCTION

Digital transformation has changed the way of life, how it works and how businesses are organized and run. This change also has a bigger impact with the emergence of many uncertainties in a person's life that affect his work productivity. Deloit's (2019) research results on banking and financial services show that creating digital capability for employees is the most important technology aspect for banking and financial service organizations. Moreover, amidst the current decline in the performance of State-Owned Enterprises in Indonesia (Indonesian Financial Services Authority, 2019) BRI's credit performance is experiencing a slowdown in net profit growth, caused by various indicators, one of which is sluggish loan performance in 2018 which has an impact on not maximizing profits. the company (President Director of BRI, 2018). The same thing also happened to BNI, namely even though throughout 2019 the company was still able to distribute quite good credit, namely Rp. 556.77 trillion, an increase of 8.58% from Rp. 512.78 trillion in the previous year. But unfortunately, this growth is still far behind the 2017-2018 period which managed to grow 16.2% (President Director of BNI, 2018). Bank Mandiri also experienced a decrease in the company's net profit growth which was caused by a decrease in the credit growth rate of Bank Mandiri from 12.4% to 10.79% (President Director of Bank Mandiri, 2019). Meanwhile, of the four state-owned banks, the only one that has not published the 2019 financial report, at least until this article was written, is BTN. However, based on BTN's financial statements in the third quarter of 2019, it seems that this housing loan specialist bank will have the bleakest performance (Indonesian Financial Services Authority, 2019).

To face the challenges of banking digitization, superior Human Resources (HR) readiness is needed. Currently, the focus of HR has shifted towards building the organization of the future through digital connectivity so that organizations can share information transparently and share integrated digital experiences in the workplace. Thus, administrative work can be done faster, cheaper and easier. In addition, HR technology helps employees

connect with each other and feel a sense of belonging through personal relationships (Ulrich, 2019). A sense of belonging in the organization will greatly help employees to create positive emotions and energy at work. Employees are more satisfied and happier to work when employees can enjoy their duties and when employees work in pleasant conditions. Therefore, having fun can change the effect of workplace relations on employee trust on management and job satisfaction. Therefore, employees with high enjoyment levels will be able to provide superior service, reduce turnover opportunities, increase long-term benefits for the organization and increase employee engagement. The survey results from Gallup (2015) show that organizations whose employees have a high level of engagement have an impact on the decline. Based on this, getting employees who have high engagement is something the company really wants. However, amidst highly competitive market conditions and the inconsistency between demand and supply of labor, finding employees with these characteristics is not an easy task.

LITERATURE REVIEW

Employee Performance

Performance is a multi-dimensional concept. At the most basic level, Borman and Motowidlo (1993) distinguish between task and contextual performance. Task performance refers to the abilities of the individual with which the individual performs activities that contribute to the 'technical core' of the organization. These contributions can be direct (eg in the case of production workers), or indirect (eg, in the case of managers or staff personnel). Performance achievement is about producing rewarded work. An employee can be an individual or a group of people who are involved in collaborative efforts. The current level of performance depends holistically on 6 components: (1). context, (2). knowledge level, (3). skill level, (4). identity level, (5). personal factors, (6) and fixed factors.

Employee Engagement

The concept of employee engagement has generated great interest in both the academic and practitioner realms. The theory that explains engagement is Lewin's Theory, 1952. In the Handbook, and in the broader literature. There are various ways in which the main principles of these theories can help explain the emergence of employee engagement. For example, the COR theory, where this theory explains how employees seek to acquire and protect resources and why they can work more effectively when they have access to a variety of individual resources and jobs. The term engagement itself is difficult to find for its equivalent in Indonesian (Adryanto, 2016), in general engagement refers to an employee's strong relationship, both intellectually and emotionally to work, organization, superiors or colleagues who then encourage the employee to voluntarily show extra effort in their work (The Conference Board Study of Employee Engagement, 2006). However, the most quoted definition of engagement is that of Schaufeli *et al.*, (2002), which defines engagement as a "positive state of mind, a feeling of satisfaction with work-related organizations and is characterized by enthusiasm, dedication and ease of adaptation. On the other hand, Schaufeli *et al.*, (2006) added that engagement is a combination of affective-cognitive that is more persistent, focuses on certain objects, focuses on events, focuses on self, and is related to employee behavior in the organization."

Enjoyable Employee Experience

The employee experience itself consists of two parts, namely (1) positive experience and (2) negative experience. According to (Plester *et al.*, 2012 and Tews *et al.*, 2012) positive experience has an effect on achievement, while negative experience has an effect on organizational cynicism (Warren and Finemen, 2007). In this study, the author does not discuss negative experience further, but the author only focuses on positive experience because positive experience, besides having a positive impact on achievement, can also produce magical boldness, genius power and engagement with employees (Collan, 2017). To maintain engagement in an organization, a leader role is needed, so that employee engagement can stay awake and continue to

grow (Crant, 2014). According to (Collan, 2017) employee engagement consists of (1) engage mind which has an impact on employee performance and (2) Engage heart which has an impact on employee passion. The employee experience variable itself consists of two parts, namely (1) positive experience and (2) negative experience. According to (Plester *et al.*, 2012 and Tews *et al.*, 2012) positive experience has an effect on achievement and enjoyment, while negative experience has an effect on organizational cynicism (Warren and Finemen, 2007). Positive experience is also referred to as short-term engagement experience (Abercht, 2012). In contrast to Abercht, which calls positive experience a short-term engagement experience, according to (Barbara and Plester, 2016), positive experience has an effect on short-term engagement experience. However, previous researchers agreed that enjoyment has a positive effect on employee performance (Rasyid *et al.*, 2015; Patel and Desai, 2014).

METODE PENELITIAN

This type of research is quantitative research. The basic reason for using quantitative research is to test theory by collecting numerical data and analyzing it statistically. Therefore, quantitative research generally involves the instruments used to collect data and quantitative methods are usually concerned with making generalizations about the population under investigation (Zikmund *et al.*, 2010). Studies that establish causal relationships between variables can be called explanatory studies. The emphasis here is on studying a situation or problem to explain the relationship between variables (Saunders, *et al.*, 2003). Explanatory studies are designed to test whether one event causes another (Hair *et al.*, 2003). This research is descriptive in nature. The data has been collected through questionnaires from female marketing staff, aiming to understand the most important factor of predictor variables affecting the performance of female marketing employees at BUMN Banks.

RESULT AND DISCUSSION

Hasil penelitian

1. Outer model

Table 1: Loading factors item (standardized loading)

Latent Variable	Manifest Variable	Standardized Loading	Information
Kinerja Pegawai	I ₂	0.633	Valid
	I ₃	0.747	Valid
	I ₄	0.795	Valid
	I ₅	0.767	Valid
	I ₆	0.807	Valid
	I ₇	0.661	Valid
	I ₈	0.633	Valid
	I ₁₀	0.702	Valid
	I ₁₂	0.609	Valid
Employee Engagement	I ₂₁	0.737	Valid
	I ₂₂	0.943	Valid
	I ₂₃	0.809	Valid

Latent Variable	Manifest Variable	Standardized Loading	Information
<i>Enjoyable Employee Experience</i>	I ₁₃	0.789	Valid
	I ₁₄	0.677	Valid
	I ₁₅	0.805	Valid
	I ₁₆	0.899	Valid
	I ₁₇	0.836	Valid
	I ₁₈	0.922	Valid
	I ₁₉	0.898	Valid
	I ₂₀	0.572	Valid

Based on Table 1, it shows that all indicators of employee performance, employee engagement and enjoyable employee experience in the table have a loading factor

above 0.5. This shows that all indicators on employee performance variables are valid.

2. Inner model

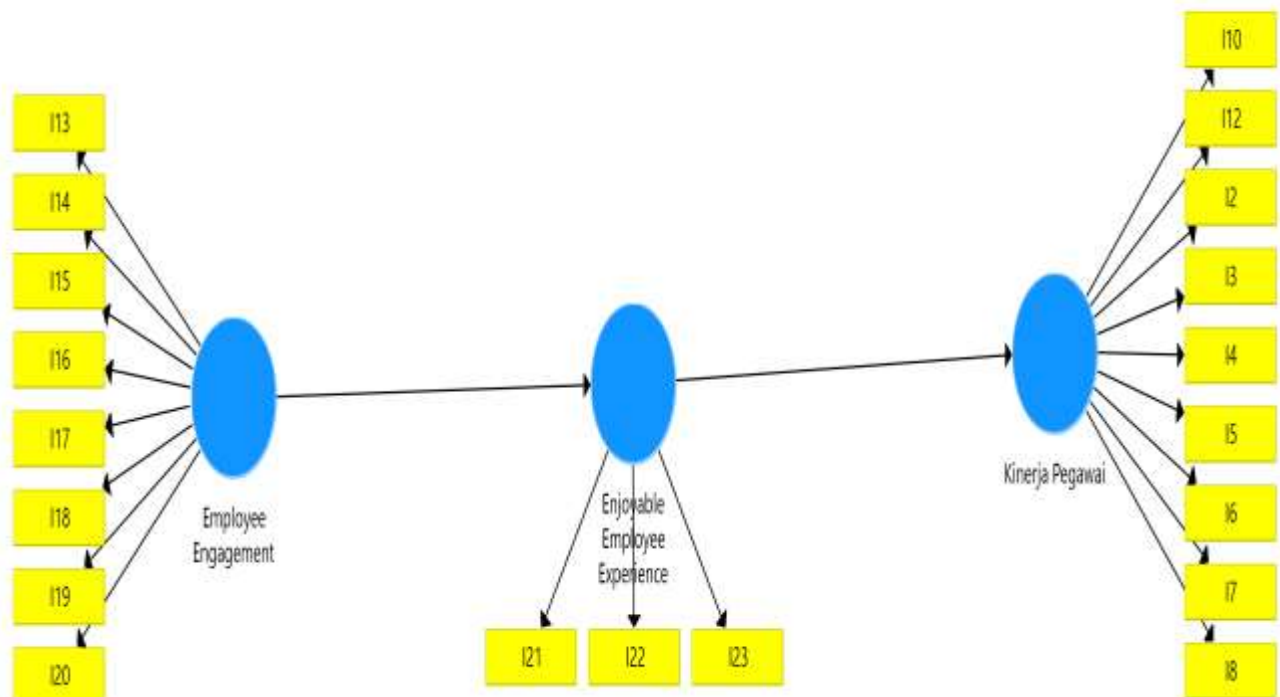


Figure 1: Structural model conceptual framework (inner model)

Table 2: Variable Determination Coefficient

No	Variable Laten	R Square	R Square Adjusted
1	Enjoyable employee experience	0.389	0.384
2	Employee Performance	0.572	0.564

Based on table 2, the R Square Adjusted Enjoyable employee experience shows a value of 0.384, which means that 38.4% of the latent construct variability of Enjoyable employee experience can be explained by Employee engagement. The R Square Adjusted value of

Employee Performance shows a value of 0.564, which means that 56.4% of the variability of the latent constructs of Employee Performance can be explained by Employee Engagement and Enjoyable Employee Experience.

3. Evaluation of Direct and Indirect Structural Models

a. Direct Structural Model Evaluation (Direct)

Table 3: evaluation of direct structural models

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Employee Engagement-> Enjoyable Employee Engagement	0,637	0,643	0,041	15,708	0,000
Enjoyable Employee Engagement-> Employee Performance	0,619	0,607	0,064	9,707	0,000

DISCUSSION

1. Employee Engagement has a significant effect on Enjoyable Employee Engagement.

The results of this study indicate that enjoyable plays a role in engagement. Employee engagement is associated with positive psychology and emotions such as happiness, joy and enthusiasm. Likewise, enjoyable in this research is considered positive and is associated with pleasure, joy and happiness. Both enjoyable and engagement are related to having fun and positive emotions at work. Enjoyable is synonymously defined as pleasure, but of course employees at the Bank experience this sense of enjoyment through various types of positive things in the office.

Employee enjoyable experience shows that positive feelings allow employees to enjoy carrying out their duties. This creates a positive effect on the employee's mood which will then carry over to the employee's assignment or job. This enjoyable experience function creates new energy for employee engagement in completing work. Therefore, a pleasant experience at work encourages greater engagement with employees. Carrying out daily work based on pleasure helps create positive conditions for employees.

2. Enjoyable Employee Experience has a positive and significant effect on employee performance.

The results of the study indicate that joy at work means engaging in activities that are not specifically related to fun work and pleasure at work is a key element for improving organizational performance and effectiveness. The concept of pleasure at work can be found in the publication Patel and Desai (2013). Pleasure at work has been promoted as a key element for a productive environment (Karl and Peluchette, 2006). Research shows that having fun at work can increase productivity and performance (Morrison, 2012). Having fun at work is even considered an important factor in letting go of the problems and worries of daily work life. Joy comes with joy, happiness and happy workers are productive workers. Employees must be productive in their workplace and pleasure at work makes them productive workers (Patel & Desai, 2013). Bank Mandiri's Head of IT Application Development agrees with this, where in the digital era of industry 4.0 a comfortable, conducive and supportive work atmosphere is needed to support collaboration in the development of more agile IT solutions (Mandiri Magazine, 2020). Supported by the concept of open space, entertainment areas, and meeting room layouts with video conferencing technology,

Mandiri Digiclub is expected to build good employee engagement and bring project teams that are not only super happy, but also super productive, so that they can deliver the outcome of innovative solutions. and customer oriented.

CONCLUSION

1. Employee Engagement has a positive and significant effect on Enjoyable Employee Experience. fun at work helps build trust between managers and employees. It helps individuals enjoy job assignments, enables them to redesign job characteristics and enables organizations to create better workplaces. For this reason, the Leader must cultivate a work culture based on fun, calm and happiness.

2. Enjoyable Employee Experience has a positive and significant effect on employee performance, when the leader has determined pleasure at work, the impact is that the employee's pleasant experience is higher on trust in the company, which generates new energy to start work. For this reason, the Leader must pay attention to this by creating the concept of pleasure in the workplace, which is not limited by a saturated culture. To support this, the leader can create a pleasant work climate by perfecting, modifying and adding to the old work program.

DAFTAR PUSTAKA

1. Bolman, L. G., & Deal, T. E. 2014. *How great leaders think: The art of reframing*. San Francisco, CA: Jossey-Bass.
2. Borman, W.C and Motowidlo S.J. 1993. Expanding the Criterion Domain to Include Elements of Extra Role Performance. San Francisco
3. Borman, W.C and Motowidlo, S.J. 1997. Task Performance and Contextual Performance: The Meaning for Personnel Selection Research. *Human Performance Journal*. 10: 99-109
4. Karl, K. & Peluchette, J. 2008. Give them something to smile about: A marketing strategy for recruiting and retaining volunteers. *Journal of Non-profit & Public Sector Marketing*, 20, 91-96.
5. Karl, K., & Peluchette, J. 2006. How does workplace fun impact employee perceptions of customer service quality? *Journal of Leadership & Organizational Studies*, 13(2), 2-13.
6. Patel, B., and Desai, T. 2013. Effect of Workplace Fun on Employee Morale and Performance.

- International Journal of Scientific Research, 2(5), 323-326.
7. Plester, B. A. & Orams, M. B. 2008. Send in the clowns: The role of the joker in three New Zealand IT companies. *Humor. International Journal of Humour Research*, 21(3), 253-281.
8. Plester, B.A. 2009. Crossing the line: Boundaries of workplace humour and fun. *Employee Relations*, 31(6), 584-599.
9. Plester, B.A., & Sayers, J. G. 2007. Taking the piss: The functions of banter in three IT companies. *Humor. International Journal of Humor Research*, 20(2) 157 -187.
10. Plester, B.A., Winkvist, J. & Cooper-Thomas, H. 2012.*The Fun Paradox*. Paper presented at British Academy of Management conference, Cardiff, Wales, September 11-13, 2012.
11. Tews, M.J., & Burke-Smalley, L.A. 2017. Enhancing training transfer by promoting accountability in different work contexts: An integrative framework. In K.G. Brown (Ed.), *The Cambridge handbook of workplace training and employee development*. (pp. 201-227). New York, NY: Cambridge University Press.
12. Tews, M.J., Michel, J.W., & Bartlett, A. 2012. The Fundamental role of workplace fun in applicant attraction. *Journal of Leadership & Organizational Studies*, 19(1), 105-114.
13. Ulrich, D. 2019. Digital HR: What Is It and What's Next? <https://www.linkedin.com/pulse/digital-hr-what-whats-next-dave-ulrich>
14. Warren, S., & Fineman, S. 2007. 'Don't get me wrong, it's fun here, but...' Ambivalence and paradox in a 'fun' work environment. In R. Westwood & C. Rhodes (Eds.), *Humour, work and organisation*, (pp. 92 -112). London: Routledge.