



Analysis of the Effect of Employee Engagement Mediated Human Resources on Developer Companies in Batam City

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Article History:

Submit:
2022-10-27

Publish:
2022-12-08

Abstract

Employee involvement usually affects human resources at company developers in Batam City. The study's primary objective was to identify the factors that most affected employee performance via the medium of employee engagement. The variables of training & development, compensation & benefits, leadership, recruitment & selection, and awards & recognition. The sample of this research are employees of a developer company in Batam City, where the sample acquisition is 384 data. In addition, the SmartPLS 3.2.9 program will be used to analyze the data samples. The test data obtained in this study, namely the direct test, showed that employee engagement was positively and significantly influenced by employee performance, and training & development, while compensation & benefits, leadership, recruitment & selection and reward & recognition were not. The direct test also shows that employee engagement is positively and significantly affected by employee performance, while the independent variable is not. The indirect test results through independent variables did not succeed

in mediating employee engagement on employee performance.

Keywords: Employee Engagement, Human Resources, Developer Companies, Batam City

1. Introduction

In the current generation, business developments that are running in Indonesia have greatly increased due to globalization in the economic field which is spreading widely and increasing opportunities for foreign businesses from abroad to enter Indonesia.

Globalization has caused industrial services of various types such as the telecommunications, transportation, financial, and tourism industries to develop very rapidly. Companies in Indonesia must improve the performance and performance of company employees. If employees have good performance, then employees can achieve the goals and targets set by the company. Job performance can be improved in various ways, namely by guiding style, fairness in organization, compensation and benefits, as well as several work programs that have been determined by the company.

The dependence of a successful company on the performance of employees in each company. Success and success are determined by how the company manages it. This makes all companies aware of the importance of human resources, which have the potential for human resources to have a mindset, behavior and habits determined by their environment. Employee performance is a good achievement of as it pertains to a person doing his job. The performance of an employee is an important key to increasing the success of a company.

When employees show positive performance and performance for individuals, employees will involve themselves in all activities in the company by carrying out the employee engagement stage. Employees will feel unified and want to learn everything in the company so that they can improve the performance and performance of each employee.

Employees see an organization treats employees fairly and correctly, so that employees will be more supportive by giving more energy and time to work and evoking the nature of their involvement in the company's work

program. The security provided by the company will increase the employee's job performance. In addition to the security felt by employees, leadership also gets a positive relationship with its employees directly¹.

Leaders can interact face to face with coworkers will make employees feel valued as family members in the company. Leaders in groups can model something that builds motivation and enthusiasm for employees. This motivation and enthusiasm can help achieve company goals and targets.

There is a problem with the global economic slowdown which has caused the target of selling houses in Batam City to decline. Previously, every housing sale in Batam City could reach 10 thousand units per year. However, in July 2017 the sales of houses only reached 7-8 units, because people's purchasing power was decreasing. In addition, this condition was followed by an increase in land rental prices in Batam City. An increase in rental prices can create a new negative impact, namely an increase in house prices, so that housing prices are too expensive for people to buy even though people are very interested. The cause of the decline in property prices occurred because Batam is still in the stage of economic recovery.

Entering 2020 in February, property prices in Batam City decreased by 2.47% from small house types which fell by 3.02%, 3.16% for medium house types and 1.27% for large house types. The main cause of the decline in house prices in Batam City is due to the COVID-19 conditions that are spreading throughout the world, so Batam City developer companies attack the community with attractive home sales promotions such as free installments and so on. However, the people's income has also decreased drastically since the pandemic virus hit, the developer company also did not get many interested buyers from the results of the spread of the house sales promotion, and there were also cancellations of home purchases by people who were in the middle of paying off the house they bought due to insufficient income²

In that year, employees working at a developer company were experiencing a serious situation, where there was an increase in cheap prices but also difficulties in selling houses at prices that continued to increase. So there is a disturbance in the minds of the employees of the developer company, so the

¹ Iddagoda, Y. A., and Opatha, H. H. D. N. P. "Relationships and Mediating Effects of Employee Engagement: An Empirical Study of Managerial Employees of Sri Lankan Listed Companies." *SAGE Open*, 10 No. 2 (2020). <https://doi.org/10.1177/2158244020915905>

² (<https://batampos.co.id/2020/02/27/ayo-beli-rumah-harga-properti-sedang-turun-nih/>).

employees think they don't want to involve themselves too much into company affairs, keep working at the company but with a passive mindset and don't want to know what will happen to the company until the company's financial condition is stable and can increase income employees or thinking about quitting their jobs and looking for new job vacancies.

Leaders are also an important source of building energy and strength in order to improve relations between organizations and compete with other competitors. Leaders have their own unique way of leadership in leading their members in the company.

When employees feel engagement with the company and take supportive actions that move forward for the company, then employee engagement will affect the employee job performance. Employees will also try to keep the company growing. Employee Engagement has a major influence in determining the job performance of company employees³

There are several companies that pay little attention to employee engagement behavior, so that the company's atmosphere is filled with various feelings such as discriminating against each other, jealousy, feelings of selfishness, rivalry and distrust of one another, and other negative feelings. An uncomfortable work environment relationship will cause many employees to feel that they are not considered by their company. Apart from being the main cause, the level of stress experienced by employees while working in an unsupportive corporate environment, this negative influence can damage the relationship between fellow employees in the company⁴.

Employee performance will increase along with aspects of the environment around their work. There are physical and non-physical work situations, physical work situations include all objects related to the physical aspect. In addition, the non-physical work environment includes work situations that can be reached through the five senses including smell, taste,⁵

³ Sendawula, K., Nakyejwe Kimuli, S., Bananuka, J., and Najjemba Muganga, G. "Training, employee engagement and employee performance: Evidence from Uganda's health sector." *Cogent Business and Management*, 5 No. 1 (2018): 1–12. <https://doi.org/10.1080/23311975.2018.1470891>

⁴ Sendawula, K., Nakyejwe Kimuli, S., Bananuka, J., and Najjemba Muganga, G. "Training, employee engagement and employee performance: Evidence from Uganda's health sector." *Cogent Business and Management*, 5 No. 1 (2018): 1–12. <https://doi.org/10.1080/23311975.2018.1470891>

⁵ Sendawula, K., Nakyejwe Kimuli, S., Bananuka, J., and Najjemba Muganga, G. "Training, employee engagement and employee performance: Evidence from Uganda's health sector." *Cogent Business and Management*, 5 No. 1 (2018): 1–12. <https://doi.org/10.1080/23311975.2018.1470891>

Benefits are a form of compensation received by employees indirectly. Provision of benefits to employees begins with the vision and mission of a company and also the strategy of the company. Providing benefits is also a way for company managers to be able to retain employees who are reliable at their jobs⁶.

The company definitely wants to have employees who have soft skills, therefore the company implements employee empowerment as a strategy to provide opportunities for employees to make and make decisions. The empowerment that is carried out still involves company leaders. This is done to see the potential of one employee with other employees.

Recognition is often known as a program from the company where the company gives awards to employees who have good abilities. Giving awards can be a motivation and increase employee involvement in the company besides that, we can also get to know employees who excel in the company. To get this award employees must work to achieve company targets⁷

With the descriptions that have been described, the authors are encouraged to carry out further research, because the issues that occur are very interesting so that it is easy to obtain data and information so that the authors can analyze about companies in the field of developers towards employees in the company at this time. Therefore, the author raises the title “Analysis of the Influence of Human Resources Mediated by Employee Engagement at Developer Companies in Batam City”.

2. Literature Review

Employee Performance

Employee performance is an indication of how well a company is able to accomplish its objectives⁸ Employee success is defined as one or more individuals

⁶ Jurek, P., and Besta, T. “Employees’ self-expansion as a mediator between perceived work conditions and work engagement and productive behaviors.” *Current Psychology*, 40 No. 6 (2021). <https://doi.org/10.1007/s12144-019-00241-w>

⁷ Vuong, B. N., and Sid, S. “The impact of human resource management practices on employee engagement and moderating role of gender and marital status: An evidence from the Vietnamese banking industry.” *Management Science Letters*, 10 No. 7 (2020). <https://doi.org/10.5267/j.msl.2019.12.003>

⁸ Kerdpitak, C., and Jermstittiparsert, K. “The impact of human resource management practices on competitive advantage: Mediating role of employee engagement in Thailand.” *Systematic Reviews in Pharmacy*, 11 No. 1 (2020). <https://doi.org/10.5530/srp.2020.1.56>

doing their tasks successfully. is defined and evaluated by the organization's senior management. Performance is a group of actions shown by someone in carrying out their duties⁹. Generally performance is something that is done for employees in carrying out their duties or work.

Relationship between Training and Development on Employee Engagement

Training and development are planned efforts used to develop one's knowledge, skills and attitudes through learning. This training and development is an important tool for maintaining and improving the quality of organizational performance which needs to be planned and should not be done haphazardly¹⁰. Training or training is an important part of HR in developing employee activities and supporting them both physically and mentally which aims to increase productivity.¹¹ The findings of ¹² ¹³prove that Training and Development tends to be able to provide a significant positive influence on Employee Engagement. The research findings of ¹⁴prove that Training and Development tends to be able to give a significant negative effect on Employee Engagement.

H1 : Training and Development has positive and significant effect on Employee Engagement.

The relationship between Compensation and Benefits to Employee Engagement

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- ⁹ Saad, M. M., Gaber, H. R., and Labib, A. A. "Investigating the impact of human resource management practices on employee engagement, and the moderating role of strategy implementation in Egypt." *SA Journal of Human Resource Management*, 19 (2021). <https://doi.org/10.4102/SAJHRM.V19I0.1412>
- ¹⁰ Sendawula, K., Nakyejwe Kimuli, S., Bananuka, J., and Najjemba Muganga, G. "Training, employee engagement and employee performance: Evidence from Uganda's health sector." *Cogent Business and Management*, 5 No. 1 (2018): 1–12. <https://doi.org/10.1080/23311975.2018.1470891>
- ¹¹ Kerdpitak, C., and Jernsittiparsert, K. "The impact of human resource management practices on competitive advantage: Mediating role of employee engagement in Thailand." *Systematic Reviews in Pharmacy*, 11 No. 1 (2020). <https://doi.org/10.5530/srp.2020.1.56>
- ¹² Vuong, B. N., and Sid, S. "The impact of human resource management practices on employee engagement and moderating role of gender and marital status: An evidence from the Vietnamese banking industry." *Management Science Letters*, 10 No. 7 (2020). <https://doi.org/10.5267/j.msl.2019.12.003>
- ¹³ Nugroho, M. A., and Hidayati, L. L. A. "Pengaruh Brand Association, Brand Awareness, Brand Image, Brand Trust dan Consumer Satisfaction Terhadap Brand Loyalty Produk Smartphone Merek Xiaomi Di Magelang." *UMMagelang Conference Series* (2020), 566–584.
- ¹⁴ Wushe, T., and Shenje, J. "The antecedents of employee engagement and their effect on public sector service delivery: The case study of government departments in harare." *SA Journal of Human Resource Management*, 17 (2019).

Many young people nowadays continue to struggle as they transition from subpar living situations to better ones and from lower to higher schooling because they believe that this is the only way to guarantee a good future.¹⁵ Therefore, employees who work more need to be paid more to motivate their performance. Therefore, the income or benefits that employees get are expected to trigger a positive attitude of employees. The findings of ¹⁶prove that Compensation and Benefits tends to be able to give a significant positive effect on Employee Engagement. The research findings of ¹⁷¹⁸prove that Compensation and Benefits tends to be able to give a significant negative effect on Employee Engagement.

H2 : Compensation and Benefits has positive and significant effect on Employee Engagement.

The relationship between Leadership and Employee Engagement

Leadership is a process of influencing that is carried out by a leader on his subordinates to achieve organizational goals. With good leadership, it will produce good results in the performance of ¹⁹. Leadership has often been found in any company and is one of the solutions for companies to improve performance, a leader will be said to be a leader if he is trusted and followed by his subordinates. Leadership can go in 2 directions, namely between a leader influencing his subordinates or vice versa subordinates influencing a leader²⁰.

¹⁵ Jurek, P., and Besta, T. "Employees' self-expansion as a mediator between perceived work conditions and work engagement and productive behaviors." *Current Psychology*, 40 No. 6 (2021). <https://doi.org/10.1007/s12144-019-00241-w>

¹⁶ Dajani, M. A. Z. "The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector." *Jouranal of Business and Management Sciences*, 3 No. 5 (2015).

¹⁷ Wushe, T., and Shenje, J. "The antecedents of employee engagement and their effect on public sector service delivery: The case study of government departments in harare." *SA Journal of Human Resource Management*, 17 (2019)

¹⁸ Tammubua, M. H. "Brand Loyalty in Higher Education Institution: The Effects of Brand Awareness and Brand Association Moderated by Brand Identity." *Journal of Economics, Entrepreneurship, and Innovation*, 2 No. 1 (2021), 37–47. <https://doi.org/10.31960/ijoeei.v2i1.1041>

¹⁹ Iddagoda, Y. A., and Opatha, H. H. D. N. P. "Relationships and Mediating Effects of Employee Engagement: An Empirical Study of Managerial Employees of Sri Lankan Listed Companies." *SAGE Open*, 10 No. 2 (2020). <https://doi.org/10.1177/2158244020915905>

²⁰ Dajani, M. A. Z. "The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector." *Jouranal of Business and Management Sciences*, 3 No. 5 (2015).

The research findings of ²¹prove that Leadership tends to be able to give a significant positive effect on Employee Engagement. The research findings of ²² prove that Leadership tends to be able to give a significant negative effect on Employee Engagement

H3 : Leadership has positive and significant effect on Employee Engagement.

Relationship between Recruitment and Selection on Employee Engagement

Selective recruitment is advantageous for finding the right candidates who are able to handle the various job requirements with the required skills and experience, which is appropriate to the context, ensuring that they have the required skills and qualities needed to deal with the dynamics of the surrounding culture so as to avoid unexpected thing. It is stated that the company is required to hire the right person for the position as an employee who will then have the desire for other jobs. The findings of ²³ ²⁴prove that Recruitment and Selection tends to be able to give a significant positive effect on Employee Engagement.

H4 : Recruitment and Selection has positive and significant effect on Employee Engagement.

The relationship between Reward and Recognition towards Employee Engagement

Reward and compensation systems will make employees more motivated and excited to work when there is a strong relationship between their performance and the rewards they will receive. Because awards and recognition are rewards for work and employee performance, both of these will result in an

²¹ Iddagoda, Y. A., and Opatha, H. H. D. N. P. "Relationships and Mediating Effects of Employee Engagement: An Empirical Study of Managerial Employees of Sri Lankan Listed Companies." SAGE Open, 10 No. 2 (2020). <https://doi.org/10.1177/2158244020915905>

²² Wushe, T., and Shenje, J. "The antecedents of employee engagement and their effect on public sector service delivery: The case study of government departments in harare." SA Journal of Human Resource Management, 17 (2019).

²³ Vuong, B. N., and Sid, S. "The impact of human resource management practices on employee engagement and moderating role of gender and marital status: An evidence from the Vietnamese banking industry." Management Science Letters, 10 No. 7 (2020). <https://doi.org/10.5267/j.msl.2019.12.003>

²⁴ Kalhor, R., Khosravizadeh, O., Kiaei, M. Z., Shahsavari, S., and Badrlo, M. "Role Of Service Quality, Trust and Loyalty In Building Patient-Based Brand Equity: Modeling For Public Hospitals." International Journal of Healthcare Management, 14 No. 4 (2021), 1389–1396. <https://doi.org/10.1080/20479700.2020.1762053>

increase in organizational performance. Relevant pay is an effective motivator and sends a clear message about expectations of high levels of performance that will be rewarded. By recognizing employees, employees will feel motivated so that they can improve employee performance and employee satisfaction. The findings of ²⁵prove that Reward and Recognition tends to be able to give a significant positive effect on Employee Engagement.

H5 : Reward and Recognition has positive and significant effect on Employee Engagement.

The relationship between Employee Engagement and Employee Performance

Employee engagement plays an important role in individual and organizational success. It can see the success of employees and organizations, financial performance, and customer loyalty. There are benefits from employee involvement, namely increasing morale, reducing accidents or unexpected things, being committed to achieving organizational goals and having a strong sense of attachment between customers so that they can please customers. The findings of ²⁶ ²⁷prove that Employee Engagement tends to be able to give a significant positive effect on Employee Performance.

H6 : Employee Engagement has positive and significant effect on Employee Performance.

3. Method

This research uses quantitative methods. Quantitative method is a traditional research method that has been used for a long time. Since the quantitative approach is grounded on positivism, it may also be referred to as

²⁵ Saad, M. M., Gaber, H. R., and Labib, A. A. "Investigating the impact of human resource management practices on employee engagement, and the moderating role of strategy implementation in Egypt." *SA Journal of Human Resource Management*, 19 (2021). <https://doi.org/10.4102/SAJHRM.V19I0.1412>

²⁶ Dajani, M. A. Z. "The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector." *Jouranal of Business and Management Sciences*, 3 No. 5 (2015).

²⁷ Ramadhan, T. S., and Farida, E. "Keputusan Pembelian Dipengaruhi oleh Kesadaran , Kualitas , Asosiasi dan Loyalitas Merek Melalui Kepercayaan Merek Kamera Sony Pada Komunitas Fotografi di Malang Universitas Islam Malang." *IQTISHODUNA*, 16 No. 2 (2020), 131-146.

a positivistic methodology. Quantitative research method data in the form of numbers and to produce conclusions from the quantitative method descriptive statistical analysis is carried out. Data from surveys through questionnaires. The population in this study are housing developer workers in Batam City. The sample criteria in this study are housing developers and domiciled in Batam City. The method of analysis of this research uses Smart PLS 3 software. Data analysis uses the SEM (Structural Equation Modeling) method.

4. Result and Discussion

Table 1 Outer Loading Test

Korelasi Indikator dengan Variabel	Outer Loading	Keterangan
CB1 <- Compensation & Benefit	0,626	Valid
CB2 <- Compensation & Benefit	0,663	Valid
CB3 <- Compensation & Benefit	0,824	Valid
CB4 <- Compensation & Benefit	0,794	Valid
CB5 <- Compensation & Benefit	0,803	Valid
EE1 <- Employee Engagement	0,705	Valid
EE2 <- Employee Engagement	0,737	Valid
EE3 <- Employee Engagement	0,841	Valid
EE4 <- Employee Engagement	0,848	Valid
EE5 <- Employee Engagement	0,765	Valid
EP1 <- Employee Performance	0,681	Valid
EP2 <- Employee Performance	0,692	Valid
EP3 <- Employee Performance	0,737	Valid
EP4 <- Employee Performance	0,782	Valid
EP5 <- Employee Performance	0,819	Valid
LS1 <- Leadership	0,804	Valid
LS2 <- Leadership	0,640	Valid
LS3 <- Leadership	0,646	Valid
LS5 <- Leadership	0,885	Valid

RR1 <- Reward & Recognition	0,830	Valid
RR2 <- Reward & Recognition	0,695	Valid
RR4 <- Reward & Recognition	0,786	Valid
RR5 <- Reward & Recognition	0,633	Valid
RS1 <- Recruitment & Selection	0,773	Valid
RS2 <- Recruitment & Selection	0,854	Valid
RS3 <- Recruitment & Selection	0,907	Valid
RS5 <- Recruitment & Selection	0,634	Valid
TD2 <- Training & Development	0,733	Valid
TD3 <- Training & Development	0,739	Valid
TD4 <- Training & Development	0,775	Valid
TD5 <- Training & Development	0,749	Valid

Sumber: Data primer diolah (2022)

The table above shows that all the correlation indicators with variables have fulfilled the conditions > 0.60, as a result it can be said that the questionnaire or indicator is declared valid. Meanwhile, there were four indicators removed in the leadership, reward & recognition, recruitment & selection, and training and development variables on the grounds that these four indicators showed unfavorable results and affected the data testing stages.

Table 2 Construct Reliability and Validity

Pernyataan Variabel	Cronbach's Alpha	Composite Reliability	AVE
Compensation & Benefit	0,809	0,861	0,557
Employee Engagement	0,843	0,886	0,610
Employee Performance	0,802	0,860	0,554
Leadership	0,786	0,835	0,564
Recruitment & Selection	0,816	0,874	0,638
Reward & Recognition	0,741	0,827	0,547
Training & Development	0,741	0,837	0,562

Source: Primary data processed (2022)

Average Variance Extracted value that must be achieved to meet the convergent validity criteria to be declared valid is 0.533 In the Average Variance Extracted (AVE) table, all latent variables have an AVE value of more than 0.5 so that all latent variables pass the convergent validity test. By using Cronbach's Alpha and the Composite Reliability, validity is assessed. A Cronbach's Alpha and Composite Reliability rating of > 0.7 is considered to be acceptable and recommendable for use in declaring a research variable to be trustworthy. Composite reliability and Cronbach's Alpha of 0.6 are still deemed to be above threshold for validity. We use Cronbach's alpha and a composite reliability measure to both had values greater than 0.6 across all 34 variables used, indicating that they are all credible.

Table 3 Direct Effect Test Results

Affect	T-Statistics	P-Values	Conclusion
Compensation & Benefit -> Employee Engagement	0,587	0,558	H2 = Tidak Signifikan
Compensation & Benefit -> Employee Performance	0,295	0,768	H8 = Tidak Signifikan
Employee Engagement -> Employee Performance	1,977	0,049	H6 = Signifikan
Leadership -> Employee Engagement	0,317	0,752	H3 = Tidak Signifikan
Leadership -> Employee Performance	1,131	0,258	H9 = Tidak Signifikan
Recruitment & Selection -> Employee Engagement	2,712	0,007	H4 = Signifikan
Recruitment & Selection -> Employee Performance	1,167	0,244	H10 = Tidak Signifikan
Reward & Recognition -> Employee Engagement	0,434	0,664	H5 = Tidak Signifikan
Reward & Recognition -> Employee Performance	1,064	0,288	H11 = Tidak Signifikan
Training & Development -> Employee Engagement	2,106	0,036	H1 = Signifikan

Affect	T-Statistics	P-Values	Conclusion
<i>Training & Development -> Employee Performance</i>	0,683	0,495	H7 = Tidak Signifikan

Hypothesis 1

Table 3 shows the results of the test which stated that training & development had a direct effect on employee engagement, It is clear from the T-Statistic of 2.106 and the P-Value of 0.036 that there is a positive and statistically significant correlation between training and worker productivity. The acquisition of these results can indicate that training and development on employee performance is very good which aims to increase and link employee involvement to be professional. The research findings are consistent with ²⁸proving that Training and Development tends to be able to give a significant positive effect on Employee Engagement. The research findings are inconsistent with ²⁹proving that Training and Development tends to be able to give a significant negative effect on Employee Engagement.

Hypothesis 2

Through table 3, it can be presented the test results which stated that compensation & benefits did not have a direct effect on employee engagement, The T-Statistic is 0.587, and the P-Value is 0.558, therefore there is a relationship between compensation & benefits on employee engagement with a non-significant impact. Findings like this suggest that workers in Batam City’s development firms have a dismal opinion of the perks and pay they get. bonuses and incentives given to employees in the company. The research findings are inconsistent with ³⁰proving that Compensation and Benefits tends to be able to give a significant negative effect on Employee Engagement.

²⁸ Vuong, B. N., and Sid, S. “The impact of human resource management practices on employee engagement and moderating role of gender and marital status: An evidence from the Vietnamese banking industry.” *Management Science Letters*, 10 No. 7 (2020). <https://doi.org/10.5267/j.msl.2019.12.003>

²⁹ Wushe, T., and Shenje, J. “The antecedents of employee engagement and their effect on public sector service delivery: The case study of government departments in harare.” *SA Journal of Human Resource Management*, 17 (2019).

³⁰ Wushe, T., and Shenje, J. “The antecedents of employee engagement and their effect on public sector service delivery: The case study of government departments in harare.” *SA Journal of Human Resource Management*, 17 (2019).

Hypothesis 3

Table 3 shows the test results which state that leadership has an indirect effect on employee engagement, The P-Value of 0.752 and the T-Statistic value of 0.317 point in this direction. One possible interpretation of the findings is that the between leadership and employee engagement has an insignificant effect. The acquisition of these results can be indicated that leadership in employee engagement is still unstable, so there is a need for supporting company activities in order to improve leadership in companies for the better. The research findings are not in line with ³¹proving that Leadership tends to be able to give a significant positive effect on Employee Engagement.

Hypothesis 4

Table 3 shows findings from surveys and experiments indicating a correlation between recruitment and selection practices and employee engagement the results of the T-test (2.712) and the probability-level test (0.07). As a result, it can be interpreted that the relationship between recruitment & selection has an influence on employee engagement. positive significant. The acquisition of these results can be indicated that the company provides decent work by paying attention to all contents so that workers who are carrying out tasks can feel comfortable at work, not only that with other effects of recruitment and selection, namely employees work even more to achieve company targets by so there is good reciprocity between employees and the company. The research findings are consistent with ³²proving that Recruitment and Selection tends to be able to give a significant positive effect on Employee Engagement.

Hypothesis 5

Through table 3, the test results can be presented which stated that T-test findings (0.434) and probability-level test results (0.664) are consistent with the idea that rewards and recognition have an indirect impact on employee

³¹ Iddagoda, Y. A., and Opatha, H. H. D. N. P. "Relationships and Mediating Effects of Employee Engagement: An Empirical Study of Managerial Employees of Sri Lankan Listed Companies." *SAGE Open*, 10 No. 2 (2020). <https://doi.org/10.1177/2158244020915905>

³² Vuong, B. N., and Sid, S. "The impact of human resource management practices on employee engagement and moderating role of gender and marital status: An evidence from the Vietnamese banking industry." *Management Science Letters*, 10 No. 7 (2020). <https://doi.org/10.5267/j.msl.2019.12.003>

engagement. that there is a relationship between reward & recognition towards employee engagement insignificant effect. The acquisition of these results can be indicated that the appreciation and recognition of employee involvement has not been carried out properly, so it is necessary to increase employee involvement in work optimally so that the awards and recognition given to workers run smoothly. The research findings are inconsistent with ³³proving that Reward and Recognition tends to be able to give a significant positive effect on Employee Engagement.

Hypothesis 6

Table 3 shows the results of the test which stated that Employee engagement has a clear correlation with employee performance, as shown by the T-Statistics of 1.977 and the P-Values of 0.049. The outcome is interpretable. that the relationship between employee engagement and employee performance has a significant positive influence . The acquisition of these results can be indicated that employees who have good employee engagement can lead to an increase in employee performance relations activities and activities at developer companies in Batam City. The research findings are consistent with ^{34 35}proving that Employee Engagement tends to be able to give a significant positive effect on Employee Performance.

Hypothesis 7

Table 3 shows Given that the T-Statistic is 0.683 and the P-Value is 0.495, the results of the test suggesting that training and development have an indirect effect on employee performance can be interpreted as showing that there is a relationship between training and development and employee performance, albeit a weak one. The results obtained indicate that training and development

³³ Saad, M. M., Gaber, H. R., and Labib, A. A. "Investigating the impact of human resource management practices on employee engagement, and the moderating role of strategy implementation in Egypt." *SA Journal of Human Resource Management*, 19 (2021). <https://doi.org/10.4102/SAJHRM.V19I0.1412>

³⁴ Dajani, M. A. Z. "The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector." *Jouranal of Business and Management Sciences*, 3 No. 5 (2015)

³⁵ Ramadhan, T. S., and Farida, E. "Keputusan Pembelian Dipengaruhi oleh Kesadaran , Kualitas , Asosiasi dan Loyalitas Merek Melalui Kepercayaan Merek Kamera Sony Pada Komunitas Fotografi di Malang Universitas Islam Malang." *IQTISHODUNA*, 16 No. 2 (2020), 131-146.

for employee performance has not been optimally implemented, because it is necessary to improve employee performance so that training and development can be structured based on employee performance. The results of the research findings are not in line with ^{36 37}proving that Training and Development tends to be able to give a significant positive effect on Employee Performance

Hypothesis 8

Through table 3, it can be presented that the test results stated that compensation & benefits did not have a direct effect on employee performance,

T-statistics of 0.295 and P-values of 0.768 allow us to draw the following conclusion: that the relationship of compensation & benefits to employee performance has an influence not significant. The acquisition of these results can be indicated that the performance of employees at developer companies in Batam City is felt to be very poor, such as the lack of bonuses and incentives given to employees within the company. The research findings are inconsistent with ^{38 39}proving that Compensation and Benefits tends to be able to give a significant negative effect on Employee Performance.

Hypothesis 9

Through table 3, the test results can be presented which state that leadership has an indirect effect on employee performance, The T-Statistics of 1.131 and the P-Values of 0.258 allow us to draw the following conclusion: that the relationship between leadership and employee performance has an insignificant effect. The results obtained indicate that employee leadership is less aligned with employee performance, so it is necessary to improve leadership on employee performance

³⁶ Vuong, B. N., and Sid, S. "The impact of human resource management practices on employee engagement and moderating role of gender and marital status: An evidence from the Vietnamese banking industry." *Management Science Letters*, 10 No. 7 (2020). <https://doi.org/10.5267/j.msl.2019.12.003>

³⁷ Nugroho, M. A., and Hidayati, L. L. A. "Pengaruh Brand Association, Brand Awareness, Brand Image, Brand Trust dan Consumer Satisfaction Terhadap Brand Loyalty Produk Smartphone Merek Xiaomi Di Magelang." *UMMagelang Conference Series* (2020), 566–584.

³⁸ Wushe, T., and Shenje, J. "The antecedents of employee engagement and their effect on public sector service delivery: The case study of government departments in harare." *SA Journal of Human Resource Management*, 17 (2019).

³⁹ Tammubua, M. H. "Brand Loyalty in Higher Education Institution: The Effects of Brand Awareness and Brand Association Moderated by Brand Identity." *Journal of Economics, Entrepreneurship, and Innovation*, 2 No. 1 (2021), 37–47. <https://doi.org/10.31960/ijoei.v2i1.1041>

in the company. The research findings are inconsistent with ⁴⁰proving that Leadership tends to be able to give a significant negative effect on Employee Performance.

Hypothesis 10

Through table 3, the test results can be presented which stated that recruitment & selection has an indirect effect on employee performance, Results from the T-tests show a significance level of 1.167, and the P-values indicate a level of 0.244, suggesting that this result can be explained as follows: that the relationship between recruitment & selection and employee performance is not significant. The results obtained indicate that the recruitment and selection of employees still cannot involve the performance of employees at the company, so it is necessary to improve the relationship between recruitment and selection of workers at the company in order to increase employee performance more optimally. The research findings are inconsistent with ⁴¹ ⁴²proving that Recruitment and Selection tends to be able to give a significant positive effect on Employee Performance.

Hypothesis 11

Through table 3, the test results can be presented which stated that reward & recognition has an indirect effect on employee performance, As can be observed from the T-Statistics with the number 1.064 and the P-Values with the number 0.288, as a result it can be interpreted that there is a relationship between reward & recognition and employee performance insignificant effect. The results obtained indicate that rewards and recognition for employee performance have not been implemented optimally, because it is necessary to

⁴⁰ Wushe, T., and Shenje, J. "The antecedents of employee engagement and their effect on public sector service delivery: The case study of government departments in harare." *SA Journal of Human Resource Management*, 17 (2019).

⁴¹ Vuong, B. N., and Sid, S. "The impact of human resource management practices on employee engagement and moderating role of gender and marital status: An evidence from the Vietnamese banking industry." *Management Science Letters*, 10 No. 7 (2020). <https://doi.org/10.5267/j.msl.2019.12.003>

⁴² Kalhor, R., Khosravizadeh, O., Kiaei, M. Z., Shahsavari, S., and Badrlo, M. "Role Of Service Quality, Trust and Loyalty In Building Patient-Based Brand Equity: Modeling For Public Hospitals." *International Journal of Healthcare Management*, 14 No. 4 (2021), 1389–1396. <https://doi.org/10.1080/20479700.2020.1762053>

improve employee performance so that rewards and recognition can be applied according to employee performance. The research findings are inconsistent with ⁴³proving that Reward and Recognition tends to be able to give a significant positive effect on Employee Performance.

Table 4 Indirect Effect Test Results

Affect	T-Statistics	P-Values	Conclusion
Training & Development -> Employee Engagement -> Employee Performance	1.384	0,167	H12 = Tidak Signifikan
Reward & Recognition -> Employee Engagement -> Employee Performance	0,410	0,682	H16 = Tidak Signifikan
Compensation & Benefit -> Employee Engagement -> Employee Performance	0,497	0,620	H13 = Tidak Signifikan
Recruitment & Selection -> Employee Engagement -> Employee Performance	1,521	0,129	H15 = Tidak Signifikan
Leadership -> Employee Engagement -> Employee Performance	0,288	0,774	H14 = Tidak Signifikan

Hypothesis 12

In looking at the indirect effect through table 4, the test results can be presented which state that training & development on employee performance is mediated by employee engagement, According to the calculated T-Statistic of 1,384 and the calculated P-Value of 0.167, the outcome may be understood as follows: that the relationship is not directly by training & development on employee performance there is no significant effect, and it is not successfully mediated by employee engagement.

⁴³ Saad, M. M., Gaber, H. R., and Labib, A. A. "Investigating the impact of human resource management practices on employee engagement, and the moderating role of strategy implementation in Egypt." SA Journal of Human Resource Management, 19 (2021). <https://doi.org/10.4102/SAJHRM.V19I0.1412>

Hypothesis 13

In looking at the indirect effect through table 4, the test results can be presented which state that compensation & benefits on employee performance are mediated by employee engagement, Since the T-statistic is 0.497 and the P-value is 0.620, we may infer that the result is significant. that the relationship is not directly by compensation & benefits on employee performance there is no significant effect, and it is not successfully mediated by employee engagement.

Hypothesis 14

In looking at the indirect effect through table 4, the test results can be presented which state that a T-statistic of 0.288 and a P-value of 0.774 show that the effect of leadership on worker productivity is mediated by that of the leader's ability to inspire and motivate his or her workers that there is an indirect relationship by leadership on employee performance has an insignificant effect, and it is successfully mediated by employee engagement.

Hypothesis 15

In looking at the indirect effect through table 4, the test results can be presented which stated that recruitment & selection on employee performance is mediated by employee engagement, T-statistics of 1.521 and P-values of 0.129 indicate that this finding is significant, allowing us to draw the following conclusion: that the relationship is not directly by recruitment & selection on employee performance has no significant effect, and is successfully mediated by employee engagement.

Hypothesis 16

In looking at the indirect effect through table 4, the test results can be presented which state that reward & recognition on employee performance is mediated by employee engagement, seen from the T-Statistics with a score of 0.410 and P-Values with a score of 0.682, that means it's open to various interpretations that the relationship is not directly by reward & recognition on employee performance there is no significant effect, and it is not successfully mediated by employee engagement.

5. Conclusion

The result can be interpreted that the relationship between compensation & benefits on employee engagement has an insignificant effect. Thus the relationship of compensation & benefits to employee performance has an insignificant effect. Thus the outcome suggests that there is a considerable positive correlation between employee engagement and performance. As a result, there is little connection between leadership and employee engagement. As a result, there is little correlation between leadership and employee performance. Therefore, there is a strong beneficial impact of the link between recruiting and selection on employee engagement. As a result, there is no correlation between hiring and selection processes and employee performance. Thus the relationship between reward & recognition on employee engagement has an insignificant effect. Thus the relationship between reward & recognition on employee performance has an insignificant effect. Thus the relationship between training & development on employee performance has a significant positive influence. Thus employee performance and training and development have little bearing on one another. Employee engagement does not effectively moderate the indirect link between training and development and employee performance, which has a minimal impact. Employee engagement therefore fails to properly moderate the indirect link between reward & recognition on employee performance, which has a negligible impact. Thus the indirect relationship by compensation & benefits to employee performance has an insignificant effect, and unsuccessfully mediated by employee engagement. Thus the indirect relationship by recruitment & selection has an insignificant effect on employee performance, and successfully mediated by employee engagement. Thus the indirect relationship between leadership on employee performance has an insignificant effect, and is successfully mediated by employees engagement.

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