

MEASURING THE LEVEL OF EMPLOYEE ENGAGEMENT USING Q12 GALLUP: CASE STUDY IN PT SAFTA FERTI

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Abstract-Employee engagement is now becoming one of the popular measurement tool to diagnose the level of engagement in the company. Researcher interested in introducing engagement tools to start-up company that is currently using some HR practices are the recruitment and compensation. Employee engagement is developing models and quite a lot of models. But the author uses the earliest models which Q12 Gallup is relatively simpler more than the models that develop later. To measure employee engagement, Researcher using quantitative method with questionnaire for 39 respondents. The purpose of this final project is Identify factors that drive employee engagement in PT Safta Ferti. And Provide conclusion and of this research and give improvement recommendation based on the analysis results for PT Safta Ferti. To achieve the objective above the researcher using Q12 Gallup Theory, Aon Hewitt, and motivation theory by maslow. And to get the result the researcher using Methodology, Data Assessment and Analysis, Conclusion and Suggestion. And the conclusion of this research is three are new factor that drive of employee engagement in PT Safta Ferti, that are Career and development, Job Fit, and Social Support. By examining this research, researcher clarifies the process in which the key driver of employee engagement affects the level of employee engagement, and the result of this research is the most significant factor and the key driver factor for employee engagement in PT Safta Ferti is Career and Personal Development.

Introduction

As a start-up company, currently PT Safta Ferti apply the "people management" in the concept of "Human resources strategy" them. Because they only use a few "HR practice" the recruitment and compensation. When viewed from the total sales and employee, Performance and productivity of PT Safta Ferti has increased from year to year since the year 2011 to the year 2013, researchers are interested in discussing and analyzing the motivation and satisfaction of employees of PT Safta Ferti which has not been measured and analysis. Even show the productivity has increased, but the results of the interview, the company don't have done previous research on employee motivation and satisfaction. Therefore, researchers are trying to do measurements to determine the level of engagement

Theoretical Background

Definition of Personal Management

Personnel management refers to the functions that many employers now refer to Human Resources. That Human Resources staff perform relative to the organization's employees and include recruiting, hiring, compensation and benefits, new employee orientation, training, and performance

appraisal systems, developing and implementing policies and processes to create an orderly. (Susan M. Heathfield, 2014).

Definition Human Resource Management

HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. (Susan M. Heathfield. 2014).

Definition of Employee Engagement

Kenexa Consulting (2012) defines that employee engagement is about the extent to which employees are motivated to contribute to organizational success, and are willing to apply discretionary effort to accomplishing task important to the achievement of organizational goals.

Conceptual Model of Employee Engagement

Q12 Gallup

Gallup is one of the oldest consulting companies that create a system for employers to identify and also measure the workers engagement towards the company they work with The 12 Question

Aon Hewitt

Hewitt's engagement model (2013) prioritizes the areas for improvement based on their potential impact on engagement and, therefore, business performance.

Motivation Theory

Maslow wanted to understand what motivates people. Maslow (1943) stated that people are motivated to achieve certain needs. When one need is fulfilled a person seeks to fulfil the next one, and so on.

Methodology

This chapter will discuss about the stages and steps taken in order to get the research done. From the beginning the early stage of this research is preliminary research, theoretical study, questionnaire design, data collection, data analysis, result analysis, result analysis and conclusion and recommendation. to gather the data, researcher using questionnaire with 39 respondents. In order to determine the score of each statements, researcher using likert scale. The likert scale consist of four scales that can be selected by the respondents, the scale from 1-4.

Analysis

Result Analysis

In this sub-stage, the reliability, validity, multicollinearity, heteroscedasticity, normality, factor analysis, multiple linear regression will be tested using SPSS software.

Reliability Test

A data can be considered reliable if the test repeated it would produce the same results.

Table 1 Cronbach's Alpha Rule of Thumb and the Result of this research

Cronbach's Alpha	Internal Consistency		Factor	Reliability test	Consistency
$\alpha \geq 0.9$	Excellent		1.What Do I Get	0.79	Acceptable
$0.9 > \alpha \geq 0.8$	Good		2.What Do I Give	0.96	Excellent
$0.8 \geq \alpha \geq 0.7$	Acceptable		3.Do I Belong	0.97	Excellent
$0.7 \geq \alpha \geq 0.6$	Questionable		4.How Can We All Grow	0.93	Excellent
$0.6 \geq \alpha \geq 0.5$	Poor				
$0.5 > \alpha$	Unacceptable				

Table 4.1 shows reliability for Independent variable. A questionnaire can be decided as reliable. From the 39 questionnaires that being tested from 12 Question step one on theory Gallup, on factor 2,3,4 the Cronbach Alpha shows result of above 90 %, which means the data reliability excellent ($\alpha \geq 0.9$) and factor 1 of above 70% is acceptable ($0.8 \leq \alpha < 0.9$).

Validity Test

A questionnaire can be decided as valid if the question can reveal something that will be measured by that questionnaire. the correlation between each indicator shows significant result, which means each question indicator is valid.

Multicollinearity Test

Table 2 shows the multicollinearity test

Table 2 Multicollinearity
Coefficients^a

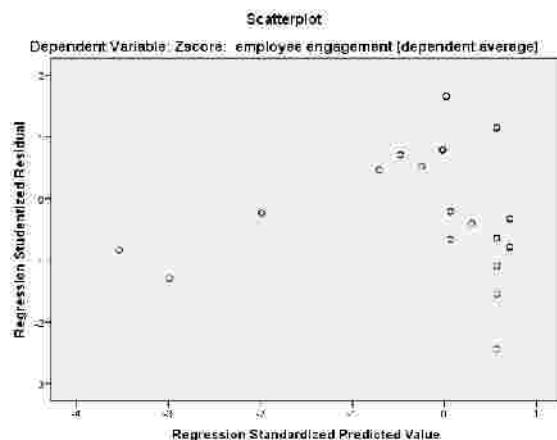
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.000	.127		.000	1.000		
Zscore: career and personal development	.693	.297	.684	2.332	.026	.188	5.324
Zscore: job fit	.602	.352	.594	1.709	.096	.134	7.471
Zscore: social support	-.661	.392	-.653	-1.686	.101	.108	9.274

a. Dependent Variable: Zscore: employee engagement (dependent average)

Based on the table, the VIF (Variance Inflation Factor) also shows the same result, almost all of the variable have VIF score less than 10. So, from the result above, it can be concluded that the multicollinearity among independent variables does exist. Because the multicollinearity does exist, the factor analysis test will be conducted in order to collect valid data.

Heteroscedasticity Test

Figure 1 Shows heteroscedasticity scatterplot.



From the scatterplots graph seen that the dots randomly spread both above and below the 0 on the y-axis it can be concluded that there is no heteroscedasticity in the regression model, so the regression model fit for use in this research.

Normality Test

Figure 2 shows histogram normality and figure 3 Shows plot normality. The t-test and F-test assume that the residual value is following normal distribution rule.

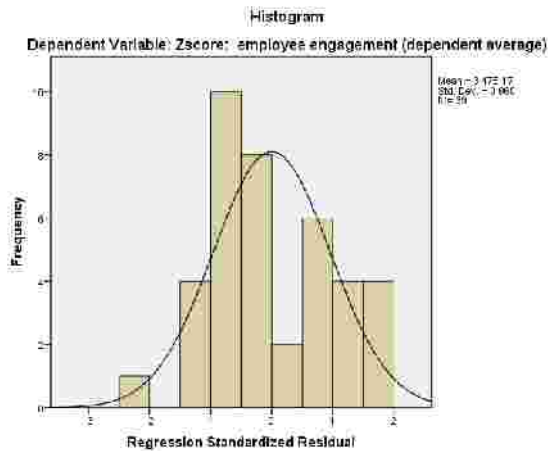


Figure 2 Histogram Normality

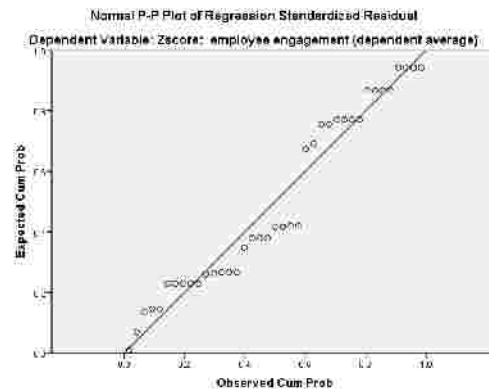


Figure 3 Plot Normality

Based on theory, the histogram shows that the data has normal distribution or bell-shaped figure and the plot also shows that data is scattered and aligned near diagonal line. Normal probability plot, it can be said as normal if the points are near and follow the diagonal line (Sarwono, 2013). This mean the regression model is fulfilled the normality assumption. In normal chart, plots probability coincide dots spread around the diagonal and this suggests that the residuals are normally distributed (Ghazali, 2006)

Factor Analysis

By factor analysis, the researcher can identify the dimension of a structure and then decide how far is variable can be explained by each dimension. After each dimension and variable's explanation are known, then those two prior purpose can be conducted, which are known as summarization and data reduction. Based on the research of Factor analysis, there are three new factor that the significant factor affecting for employee engagemen in PT Safta Ferti, there are Career and development (tools, communication, status, company goals, learning and development), Job Fit (jobdesc, opportunity, recognition, work colleague, work task), and social support (Friendliness and job fit).

Multiple Linier Regression

Based on the table 2, all of three (career and personal development, job fit, social support) are significant because the score are less than 0.05. it means that the dependent variable (employee engagement level) is affected by all of three new driver factors (career and personal development, job fit, social support) significantly.

§ Regression Model

From the multiple linear regression model, The model final equation of employee engagement for linear regression would be :

$$Y = 0.693X_1 + 0.602X_2 - 0.661X_3$$

With :

Y = Employee Engagement Level (dependent)

X₂ = Job Fit

X₁ = Career and personal Development

X₃ = Social Support

Result Interpretation

All of the result that have been analyzed using SPSS software in previous sub-stage will be interpreted clearly to get the researcher one step closer to the final conclusion and recommendation. From the distributed questionnaire, the researcher got the data as follows :

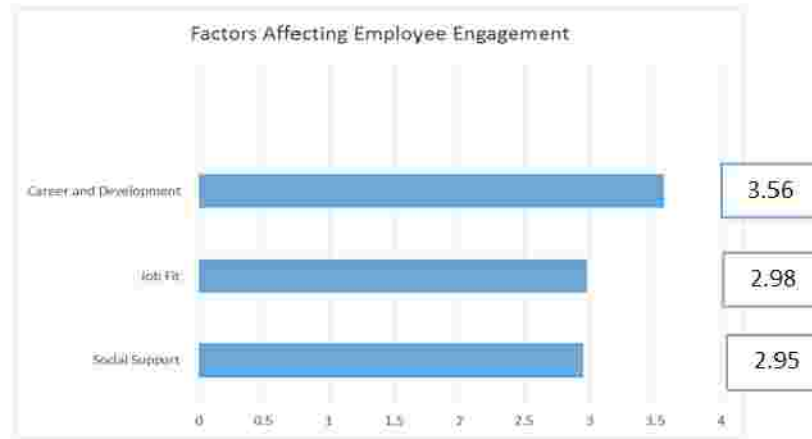


Figure 4 Factors affecting employee engagement

After analyzing the new factors, histogram can be made to see more clearly which factor that have the mostly score based on the result of questionnaire is career and development factor and followed by job fit and the lowest is social support.

The lowest score is from the social support factor, with consist of two variables. Friendliness explane condition where employee receive supporting relationship among colleague work are the condition of which the employee receive supporting relationship from people at work. Based on data of the research. The lowest score come from feedback. feedback talks about effective feedback given by PT Safta Ferti to improve performance given by supervisor or the other employee.

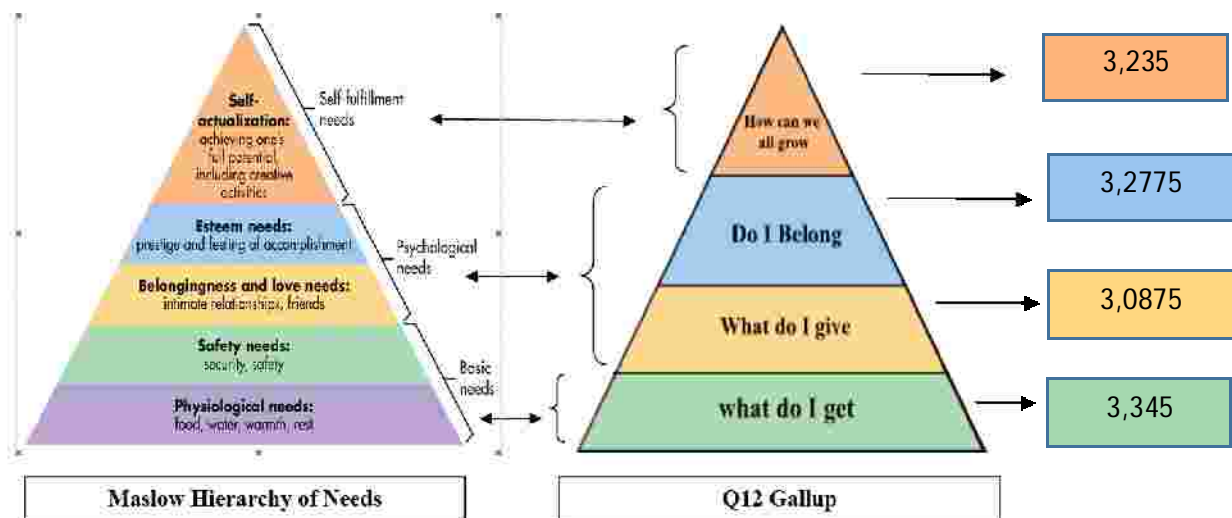


Figure 5 Correlation Maslow Hierarchy of Needs and Q12 Gallup

Based on the figure 5 shows the correlation and position of this research in PT Safta Ferti with Maslow Hierarchy of Need theory. However, in PT Safta Ferti can be found 3 factors, there are combination from

four step by Gallup based on the result of research to determine the level of employee engagement. The mostly factor that have high score in this research in PT Safta Ferti is career and development with 3,56 point of 4 from the result of questionnaire, and followed by job fit with score 2,98 of 4 and the last is social support with 2,95. Factor career and development that have variable: tools, communication, status, company goals, and learning and development.

Based on the research, the employee in PT Safta Ferti need give more treatment, especially in the three lowest variable that have lowest score on the result of questionnaire, there are status, recognition, and feedback. To increase the employee engagement level, the three variable need to be improved. If see based on three factors, the lowest factor is social support. That is show about the employee in PT Safta Ferti need to get social support.

Based on the research, that show about the condition in PT Safta Ferti. When the result will correlation with maslow hierarchy of need any an inefficient provision in the what do I give column, in maslow theory, that column is synergy with psychological needs. According to this theory, PT Safta Ferti need to improve psychological needs of employee. The point of psychological need by maslow is esteem needs (prestige and feeling of accomplishment) and belongingness and love needs (intimate relationship, friends). to make the diagram is balance for all factor, PT Safta Ferti need to improve on that point, expecially on the variable of What Do I Give. The score of recognition and status also low, that can be show the employee need to get recognition and status. To increase that score can do by give reward to the best employee.

Level of Engagement

Based on the regression model in below,

$$Y = 0.693X_1 + 0.602X_2 - 0.661X_3$$

The model can be shows the factor that more driver for employee engagement level, the higher is Career and Personal Development. Based on data, That show employee in PT Safta Ferti in level of engage. That the mean about Employees work with passion and feel profound connection to their company. But, the score of level engagement on the "social support" factor have negative score. The variable of Factor social support are friendliness and feedback. Based on the research shows negative correlation between level of engagement with social support factor. The mean if we increase social support, so can be decrease the level of engagement.

There are several possible causes factor into negative social support, some of which is the individualistic attitude of the culture for employees in PT Safta Ferti which is a manufacturing company where each employee has the duty and responsibility of which are closely related to the engine requires high concentration, so the rare interaction between each other intimately. This can lead to an individualist attitude that causes employees not familiar with feedback, be it receives feedback or give feedback.

Conclusion and Recommendation

Conclusion

Based on the regression model, the mostly factor that can be affect and driver to employee engagement in PT Safta Ferti is career and development and followed by job fit and the last is social support. Factor career and development that have variable: tools, communication, status, company goals, and learning and development. Based on that, can be defined about the variables of career and development that a mostly factor that can be more affect to employee engagement in PT Safta Ferti.

Table 5.2 Valuation decision

Score	Comment	Career and Personal Development		
2 – 2.5	Poor, critical to be improved	Variable	Score	Comment
2.5 – 3	Questionable, prior to be improved	Tools	3,67	Very good
3 – 3.5	Acceptable, need to be improved	Communication	3,54	Very good
3.5 – 4	Very good	Status	3,49	Acceptable, need to be improved
		Company Goals	3,54	Very good
		Learning and development	3,56	Very good
		Job Fit		
		Jobdesc	3,02	Acceptable, need to be improved
		Opportunity	3,10	Acceptable, need to be improved
		Recognition	2,80	Questionable, prior to be improved
		Work Colleague	2,92	Questionable, prior to be improved
		Work Task	3,07	Acceptable, need to be improved
		Social Support		
		Friendliness	3	Acceptable, need to be improved
		Feedback	2,90	Questionable, prior to be improved

Recommendation

Based on the conclusion, the researcher give some recommendation for PT Safta Ferti. All recommendation still need further research. Maintain and still increase the high score on the most significant factor affecting for employee engagement. PT Safta Ferti have to improvement in recognition. Recognition must be given by PT Safta Ferti to employee based on their performance or contribution within the organization.

PT Safta Ferti has to improvement in communication. By involving the employees as part of the organization, the engagement will be increased. The manager has to communicate properly to the employees by; (1) giving the information as detail as possible, (2) giving information to the employee before they got it from other sources, (3) answering all questions completely and honestly, (4) giving a space from them to talk. Need to be improvement on several variable that have lowest score in each factors, there are : status (career and personal development factor), recognition (job fit factor), and feedback (social support factor).

Even if PT Safta Ferti already give benefit for the employees, they won't get enough of it. It's better to discover each employee personal needs. For example the senior employees should be emphasized on health benefits, while the younger employees can get the free-time benefits to do their hobbies. It can also be a discounts, or vouchers for plane tickets for them who likes to travel. The benefits package should cover the basic benefit though, while the examples are just the specific bonuses. Such things can be more effective and make the employees happier. Besides that, the more benefit in psychological needs is important too, just like recognition and saying congratulation to their achievement.

For now, PT Safta Ferti don't already have reward system for employee, just have reward as a pay for extend time work. Based on the research, employee need to get reward for their best work and achievement. Beside that, the employee also need space to get their opportunity, recognition, work colleague, and communication. Because, on this research can be shows the score of What Do I give factor is lowest more than other factors. Beside the their getting, the employee need also phsycological need (maslow theory), if on Gallup Theory is "what do I give". This company can be increasing score this factor with give opportunity to employee, like a give opinion, and recognition for them. For increased the social support factor that have negative score in the result of regression, there are the analysis and recommendation for PT Safta Ferti :

- Based the results of the feedback scores are small, there are several possibilities occur: make develop individualist stance on employees due to complete the job required a high concentration so it doesn't have a collective culture.
- The way or method of giving feedback is not appropriate. This can be correlated with the age demographics of the employees of productive age that do not like to be criticized more, except in a proper way.

Some Recommendations that can be implemented in PT Safta Ferti namely:

- Improving methods of giving feedback
- Perform job rotation

PT Safta Ferti is a manufacture company, for long term mission it company need many employee. Employee is a one of capital of the company. So, human capital management is needed to applicated in this company. Because if the employee has high engagement in the company, there are can do the best of their work and that can be completed vision and mission the company that have tagline produce the product with high quality.

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