

MAPPING AND IMPROVING EMPLOYEE ENGAGEMENT DRIVER FACTOR AT PT. XYZ

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Abstract. PT. XYZ is a state-own oil and Gas Company of Indonesia. Founded in 13 September 2005, PT. XYZ is a company that runs an upstream business activity of oil and natural gas in Indonesia, covering exploration and exploitation. Based on PT. XYZ performance realization report, their employee engagement sector has scored 75% out of 100%. Based on that data, PT. XYZ left 25% room for improvement in Employee Engagement sector. The main point of this research is to mapping the employee engagement driver factor in the company in order to increase the employee engagement level of the company. In order to know which driver factor which have the most significant impact of the employee engagement, this research use a synthesis of employee engagement framework from ASTD, Gallup, and DDI. This research use questionnaire to gather the data and analyzed by SPSS. The result of this research was Job Fit became the most significant employee engagement driver factor in PT. XYZ. Based on that result, the suggestion plan for PT. XYZ was to apply the competency-based management and competency-based human resource to make a strong competency-based foundation in the company.

Keywords : employee engagement, driver factor, employee performance, competency-based management, competency-based human resource.

Introduction

As a part of an organization, each division should share the same meaning to fulfil the company's target as a team. In order to realize that target, each division has to have a same vision with the company and maintain their top performance level. The division's performance itself very related to motivational level of the member in that division. So, it is important to maintain the top performance of each individual member of division by maintain their motivational level. The motivational level can be maintained by increasing the level of engagement of every employee to the company. By feeling engaged, the employee will give their best for the importance of their company.

PT. XYZ, as an object of this research is a state-own oil and Gas Company of Indonesia. PT. XYZ is a company that runs an upstream business activity of oil and natural gas in Indonesia, covering exploration and exploitation. PT. XYZ also conducts the other supporting activities to their main business activities, both direct and indirect support.

Based on PT. XYZ performance realization report, their employee engagement sector has scored 75% out of 100%. One of the causal aspects of their not maximum employee engagement is their turn-over rate which reaches 36%. Based on that data, PT. XYZ left 25% room for improvement in Employee Engagement sector. The main point of this research is to mapping the employee engagement driver factor in the company. This information will be used to make an improvement of the current driver factor by some treatments. Due to the relating issue to the employee motivation and performance, employee engagement is very crucial in order to maintain the company's

performance and achieve the production target. According to Robbins (1996) in book Performance Appraisal chapter 2 explained that "performance as a function of the interaction between ability (A), motivation (M), and opportunity (O)" (Veithzal Rivai et.al., 2011:14).

$$\text{Performance} = f(A \times M \times O)$$

As shown as the formula above, the level of employee performance is affected by factors of abilities (A), motivation (M) and performance opportunities (O). Based on the formula above, there are a positive relation between performance, abilities, motivation and opportunities. So in order to increase the employee's performance, the company should pay attention to their abilities, motivation and opportunities; and one way of doing it is by increasing the employee engagement.

This research used Mercer's Employee Engagement Model by interviewed ten employees in PT. XYZ and find out that there is some employee that has 2 out of 5 score in their organizational belief aspect, which indicate a quite low level of employee engagement. Through Mercer's Employee Engagement Model, this research can get an information whether the PT. XYZ employee engagement level are in Satisfied, Motivated, Committed or Advocate level.

Based on the data above, this research concludes that there is some room for the improvement of the employee engagement in PT. XYZ. In order to make an improvement in employee engagement level, the driver factors of their employee engagement has to be found first. It is important in order to get the better understanding of the specific relation between each of the driver factors to the employee engagement itself. With that data, this research can found the most influence driver factor of PT. XYZ employee engagement.

Research Methodology

Research framework

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There are several framework of employee engagement, such as Gallup (Gallup, 2006), The American Society for Training & Development (ASTD, 2008), and Development Dimensions International (DDI, 2005). This research will try to develop a synthesis framework from the Gallup, ASTD and DDI employee engagement framework. The main reference of this conceptual framework is ASTD (American Society of Training and Development). Meanwhile, other framework like DDI (Development Dimension International) and Gallup will be added to this research as a compliment.

Based on three models of employee engagement, which are: Gallup (Gallup, 2006), The American Society for Training & Development (ASTD, 2008), and Development Dimensions International (DDI, 2005), this research combines the entire framework into ten different variables, which are:

Social Support, Job Fit, Role Fit, Career Support, Recognition of Competence, Intra Departmental Relation, External Relation, Working Condition, Job Satisfaction, and Work Engagement. Figure that will explain this research's framework of employee engagement can be seen in figure 1.



Figure 1 Conceptual Framework

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Motivation Framework

Work motivation is an important aspect in any organization settings that is why every organization goes for a different kind of motivation strategies to engage their employees for better outcomes. According to the results of the tests which has been conducted by Waseem Khan and Yawar Iqbal, proved that motivation has a strong positive impact on employee engagement (Khan, Waseem and Yawar Iqbal, 2013). Based on that data, we can conclude that we need to pay attention to the employee's motivation aspect in order to increase the employee engagement level of the employee.

Motivation is the reason and causes within a person that impact his or her direction, intensity, and persistence of their conscious act (McShane & Glinow, 2009). There are some theories that used in this research that related to motivation aspect. One of the theory is Maslow's Hierarchy of Needs. Maslow's Hierarchy of Needs is an idea that suggested by Abraham Maslow, a psychologist, in 1943. This theory became one of the earliest theory of human needs and become a reference to a people who wants have a people based research. Maslow used the conditions Physical, protection, belongingness and love, respect, self-actualization, and self-transcendence needs to explain the design that human motivations commonly shift through (Maslow, 1970).

McClelland (McClelland, D. C, 1976) divide motivation of people's need into three parts, need for achievement, need for affiliation, and need for power. Need for achievement is driven by a need to succeed (Rad & Levin, 2003). Personal ambition, accomplishment, and a need to be good at on every single thing they do are additional attributes of an achievement-oriented individual.

Questinnaire Design

There are two kinds of variables in this research conceptual framework, independent (X), and dependent (Y). Dependent variable is the engagement factor and the condition when employee already engaged. Independent variable is the supporting engagement factor, represent the level of support of the company to make their employee feels engage. This research has 9 independent variables, which are: Social Support, Job Fit, Role Fit, Career Support, Recognition of Competence, Intra Departmental Relation, External Relation, Working Condition, and Job Satisfaction. The Work Engagement will become the dependent variable. This 10 variable will lead into some operationalizing variable then will transform into some statement. Then, that statement will be used to make a questionnaire and will be delivered to the sample of this research. The progress of the questionnaire design can be seen in table 1.

Table 1 Questionnaire Design

Dimension	Definition	Operational Variables	Statement
Career Support	Terdapat dukungan positif bagi individu dalam organisasi	Pengembangan Kemampuan	Saya memiliki kesempatan untuk mengembangkan kemampuan diri didalam karir saya Saya mendapat umpan balik dari performa saya
		Kriteria Performa	Terdapat kriteria performa yang jelas dalam pekerjaan saya
Recognition of Competence	Adanya pengakuan kompetensi individual dalam organisasi	Pengakuan	Saya mendapat pengakuan atas kontribusi saya
		Kewenangan	Saya memiliki kewenangan untuk membuat keputusan
Intra Departmental Relations	Adanya hubungan baik antar internal departemen dalam organisasi	Relasi	Saya memiliki relasi yang baik dengan kolega saya Pimpinan divisi saya mewedahi anggota divisi untuk mencari dan mengemukakan ide untuk kemajuan divisi Saya memiliki sahabat di tempat kerja
		Komunikasi	Pimpinan divisi saya menjelaskan visi dari divisi yang dipimpinnya dengan jelas
Working Conditions	Adanya kondisi kerja yang positif dalam organisasi	Atmosfir	Saya merasa pekerjaan saya cukup terjamin dalam perusahaan ini
External Relations	Adanya hubungan baik keluar pada organisasi ini	Relasi	Saya memiliki hubungan yang baik dengan divisi lain diluar divisi saya bekerja Perusahaan memberikan keleluasaan bagi saya untuk berinteraksi dengan orang diluar perusahaan sejauh pekerjaan saya memanfaatkan kemampuan saya secara penuh
Job fit	Adanya kecocokan dalam pekerjaan pada individu dalam organisasi	Kompeten	Saya merasa kompeten dan sangat mampu untuk menangani pekerjaan saya Saya dapat memenuhi seluruh tanggung jawab pekerjaan yang dibebani kepada saya
		Menantang	Pekerjaan saya merupakan pekerjaan yang cukup menantang bagi saya
Role fit	Adanya kecocokan dalam peranan individu dalam organisasi	Bangga	Saya bangga akan identitas yang diberikan oleh pekerjaan saya
		Identitas	Saya merasa pekerjaan saya cocok dengan kepribadian saya
Social Support	Adanya dukungan secara sosial terhadap individu dalam organisasi	Bantu	Saya membantu rekan saya yang kesulitan dalam menyelesaikan pekerjaannya Rekan kerja saya langsung membantu saya apabila saya mendapat kesulitan
Job Satisfaction	Adanya suatu kepuasan individu terhadap pekerjaan dalam organisasi	Nyaman	Saya merasa nyaman bekerja di posisi saya saat ini Saya mendapat rasa percaya dan rasa nyaman saat bersama kolega saya
		Puas	Gaji saya adil jika dibandingkan dengan kolega saya yang memiliki kemampuan dan pengalaman yang sama dengan saya
Work Engagement	Adanya sebuah keterikatan individu terhadap pekerjaannya dalam organisasi	Inspirasi	Pekerjaan saya menginspirasi saya
		Antusias	Saya sangat antusias dengan pekerjaan saya
		Bangga	Saya bangga dengan pekerjaan saya

Sampling Method

This research use stratified random sampling as the survey method. A stratified random sample is a population sample that requires the population to be divided into smaller groups, called "strata". Random samples then are taken from each stratum, or group. The "strata" of this research is divided into three parts, which are: Senior Manager / Manager level, Senior Employee level, and Employee level.

This research uses Slovin Method in order to define the sample size of the research. The formula is:

$$n = N / (1 + N \times e^2)$$

n : Sample Size; N : Population Size; e : Error Tolerance

$$= 680 / (1 + 680 \times 0,1^2)$$

$$= 87 \text{ People.}$$

Based on that formula, the questionnaire delivered to 87 samples of PT. XYZ employees. The sample divided into the three different strata as shown as table 2.

Table 2 Research Strata

Strata	Population	Sample
Senior Manager / Manager	109	13
Senior Employee	135	18
Employee	436	56

Data Process and Analysis

This research measures the validity and reliability of the data by using Cronbach's Alpha. The data should state as a valid and reliable data in order to make a valid and reliable result. This research also used Multiple Linear Regression method to find the relationship between 9 independent variables to 1 dependent variable. After analyzing the data, this research can conclude the most influence driver factor at PT. XYZ due to the biggest influence toward the dependent variable.

Data and Analysis

Data Collection

This research gathered primary data by distribute the questionnaire in PT Pertamina EP. The questionnaires have been distributed offline directly to the research respondent. Research respondent of this research is limited into three groups, which are: Senior Manager / Manager level, Senior Employee level, and Employee level. Total respondents of this research are 87 persons.

Respondent Demography

The respondent of this research was based on the scope of limitation of the research, which was employee of PT. XYZ and between Senior Manager / Manager level, Senior Employee level, and Employee level. The demography of 87 respondents was divided into Years of Service and Job Level. Figure 2 shows the data of respondent by years of service. This research divided years of service into three parts, which are: 0 to 10 years of service, 11 to 20 years of service, and over 20 years of service. From 87 respondents, 54 respondents (62%) have 0 to 10 years of service, 24 respondents (28%) have 11 to 20 years of service, and 9 others (10%) have above 20 years of service in PT. XYZ.

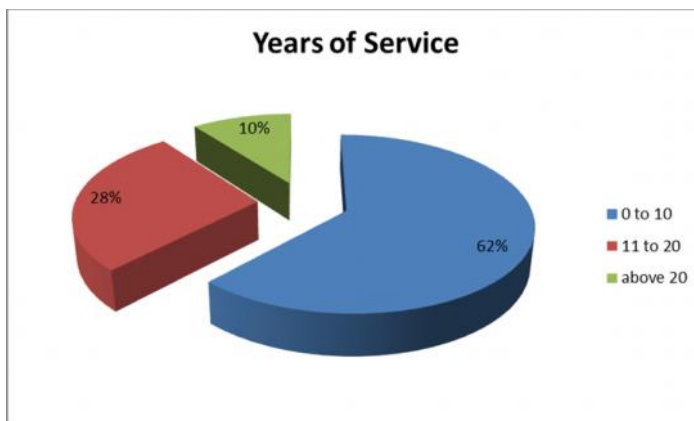


Figure 2 Years of Service Distribution Chart

Figure 3 shows the data of respondent by their job level. This research divided job level into three parts, which are: Senior Manager / Manager level, Senior Employee level, and Employee level. From 87 respondents, 15 respondents (17%) have Senior Manager / Manager level, 18 respondents (21%) have Senior Employee level, and 54 others (62%) have Employee level.

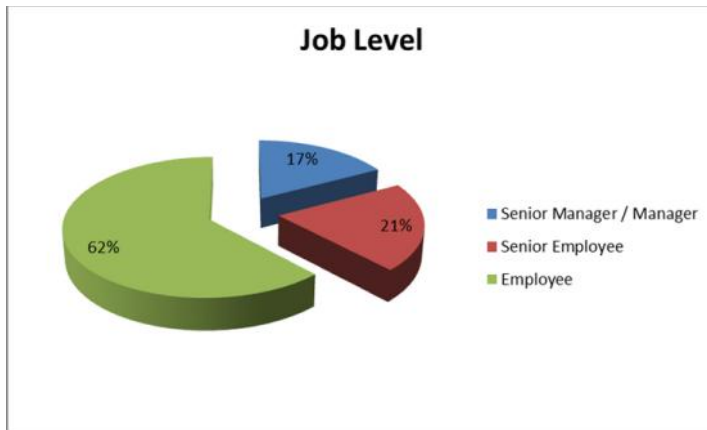


Figure 3 Job Level Distribution Chart

Test Analysis

There are four tests that must be conducted in advance before conducting the multiple linear regression. These four tests are: validity and reliability, autocorrelation, multicollinearity, and heteroscedasticity. There are three subjects that need to be measured in order to make sure whether the data of the research is valid and reliable or not. The three subjects are: Validity Test, Reliability Test, and Content Validity Test.

This research uses SPSS to measure the validity of the data that has been gathered from respondents. After calculation using SPSS, all of the data that has been gathered from respondents by questionnaire in this research is 100% valid and there is no missing question in this data.

To measure the reliability of the data, this research uses Cronbach's Alpha reliability test. Cronbach's Alpha reliability test is used in order to ensure that this research fulfills the reliability aspect of the research. Cronbach's alpha is a measure of internal consistency associated with the scores that can be derived from a scale or the composite score of the data. This formula will measure how closely related a set of items are as a group. From the calculation in SPSS, from all of the 9 independent variables, this research has 0,862 in Cronbach's Alpha scale. This score is more than 0,6 boundary, so this research is considered as a reliable research.

Table 4.3 below shows whether each of the dimensions in the questionnaire has a good content validity or not. The validity of the content on the research's dimension was shown by the correlation between each of the dimensions to other dimensions. This correlation was shown in the Corrected Item Total Correlation column. A valid dimension should have more than 0,2 point in their Corrected Item Total Correlation.

Table 3 Item-Total Statistics

	Scale Mean if Deleted	Scale Variance if Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CareerSupport	36,6044	5,754	,556	,851
RecognitionOfCompetence	36,7174	5,779	,532	,853
IntraDepartmentalRelations	36,5220	5,498	,732	,833
ExternalRelations	36,6887	5,773	,544	,852
JobFit	36,5077	5,618	,796	,831

RoleFit	36,6427	5,651	,570	,850
SocialSupport	36,4990	5,950	,590	,848
JobSatisfaction	36,4320	5,638	,757	,833
WorkingCondition	36,4818	6,109	,346	,873

Based on that three measurements above, which are: Validity Test, Reliable Test, and Content Validity Test, the data that gathered in this research can be stated as a valid and reliable data.

Multiple Linear Regression

Multiple Linear Regression used to determine the relationship between all of the nine driver factors (X) and work engagement (Y).

Table 4 Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,919 ^a	,844	,826	,14922

- a. Predictors: (Constant), WorkingCondition, ExternalRelations, RecognitionOfCompetence, CareerSupport, SocialSupport, RoleFit, JobSatisfaction, JobFit, IntraDepartmentalRelations
- b. Dependent Variable: WorkEngagement

After finding that all of the Social Support, Job Fit, Role Fit, Career Support, Recognition of Competence, Intra Departmental Relation, External Relation, Working Condition, and Job Satisfaction dimensions have a contribution to employee engagement level as a driver factor in PT. XYZ, this research makes a smaller group which contain a variable that have a significant contribution to be an employee engagement driver factor in PT. XYZ. The dimensions of this group should have less than 0,05 on their significant level. The result of grouping process can be seen in table 5.

Table 5 Multiple Linear Regression Result (sig < 0,05)
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error				Beta	Zero - order	Partial	Part	Tolerance
1 (Constant)	,673	,252		2,676	,009					
ExternalRelations	,096	,048	,122	1,995	,049	,632	,218	,090	,541	1,850
JobFit	,556	,068	,578	8,162	,000	,766	,674	,366	,401	2,491

RoleFit	,123	,046	,163	2,697	,009	,635	,289	,121	,553	1,808
SocialSupport	-,154	,055	-,160	-2,787	,007	,429	-,298	-,125	,612	1,633
JobSatisfaction	,430	,066	,460	6,500	,000	,757	,588	,292	,402	2,485
WorkingCondition	-,159	,050	-,212	-3,183	,002	,296	-,335	-,143	,452	2,213

a. Dependent Variable: WorkEngagement

This group of dimension consider as the significant driver factor of the employee engagement due to the least than 0,05 significant point that the data have. Based on that data above, this research has a new linear regression equation for the significant variable only to be an employee engagement driver factor at PT. XYZ. The multiple linear regression equation is obtained as follows:

$$Y = 0,673 + 0,096x_1 + 0,556x_2 + 0,123x_3 - 0,154x_4 + 0,430x_5 - 0,159x_6$$

Where:

Y = Work Engagement

X₁ = External Relations

X₂ = Job Fit

X₃ = Role Fit

X₄ = Social Support

X₅ = Job Satisfaction

X₆ = Working Condition

Based on that six most significant driver factors above, this research makes a top three priority that have the biggest importance score. These three driver factors from the most important are Job Fit, Job Satisfaction, and Role Fit. Job Fit became the most significant driver factor compared to other eight driver factors. This condition make Job Fit should have the biggest attention from PT. XYZ Human Resource division. Job Fit will become the first priority in PT. XYZ Human Resource in order to increase their employee engagement level.

Implementation Plan

Job Fit became the first priority employee engagement driver factor at PT. XYZ. Therefore Job fit should have the biggest attention in order to increase the employee engagement level of the company. According to the questionnaire design of this research, job fit has two operational variables, which are: Competent and Challenging. Job Fit also has four statements that related to it. This research will take that two operational variables and four statements as a base to make an improvement recommendation plan of employee engagement at PT. XYZ.

Competency Based Improvement Plan

Due to this research, competency-based plan will be needed by PT. XYZ in order to significantly increase their employee engagement level. Competency-based management supported with competency-based human resource will be the best available for PT. XYZ. This plan can provide a strong competency-based foundation for the company. Based on the questionnaire design, job fit has three statements under the competent operational variable. Those three statements are: full utilization of employee's skills, confident to be able and competent to do all the tasks, and feels responsible to the task that is trusted to. Skill utilization is one of the issues that can be improved in PT. XYZ. Based on the questionnaire result, full skill utilization has score 4,6 out of 5, which mean PT. XYZ already put their attention to utilize their employees skills. But with that score above

indicate that there is some room for improvement in this aspect of job fit. In order to improve skill utilization aspect, PT. XYZ should pay their attention to several points below, which are:

- **Effective Communication** --- One of the key elements to improve employee skill utilization is by increasing the employee involvement level in the company. The involved employee should give a constructive point of view and suggestion for the company. One of the key elements of effective employee involvement in an organization is communication. Effective communication both up and down the hierarchy, across departments and within individual departments is quite important both to the company and to the employee.
- **Open Way Communication** --- Open way of communication can make a new thoughts, ideas and development in various zones. Employees that know and aware to the essential issue of their organizations can concentrate on making improvements and spotting opportunities for development that can help further achievement. At the point when employees know their thoughts will be looked for after, that their direct supervisor will be responsive to their input, they are more likely to contrib
- **Involved middle top management** --- To create an engaged and flexible employee, company requires a team of managerial level employee that has passion and can encourage that passion in others. That management team then have to perform an outstanding performance and give an example of determination in their job. The lower class employee will find it easier to believe the importance of working hard after seeing that kind of example. Therefore the management approach to skills utilization has to go beyond lip service and deliver, as without evidence of involvement by leaders, team members will not buy into the approach.
- **Open Culture** --- It is essential to recognize the components which are important for the effective implementation of skills utilization practices. The key change in presenting these practices is to apply open culture system, which encourage communication and dialog between all of the employees. Genuine type of communication between all of the employees is very important for positive change to happen as every single employee must feel that they have the chance to be heard and that the organization values their insight.
- **Transfer Knowledge** --- Transfer knowledge makes a company to create, organize, or distribute knowledge and make sure that the same knowledge available for future users. Through Transfer knowledge, employee can have a better understanding of company knowledge in more specific perspective. Like knowledge management, transfer knowledge is considered to be more than just a communication problem.

Confidence level is one of the attribute that can be improved in PT. XYZ. Based on the questionnaire result, confidence level has score 4,5 out of 5. That score indicated that PT. XYZ already put their attention to utilize their confidence level, but there is some room for improvement in this aspect of job fit. In order to improve confidence level aspect, PT. XYZ should pay their attention to several points below, which are:

- **Employee Involvement** --- High employee involvement practices energize a more prominent level of trust and communication between managerial level employee and lower level employee through including them more in the company. High involvement will make a result of high degree of empowerment and increase the loyalty level of the employee to the company. Involving employees in the business, making it 'more than a vocation', can permit managerial level employee and lower level employee to work more closely with elevated amounts of trust and communication over the business. Along these lines, higher amounts of employee contribution include practices which allow employee to have more prominent control over how they approach their own particular part inside of the business. In the same time, it also can expand the understanding level and comprehension of how the business works. This sort of approach cans also expanding the level of confidence of lower level employee because of the

chance of having direct communication to the higher level employee.

- Flat Organizational Structure --- Common practice which allowed employee to increase their confidence is called flat organizational structure. Flat management structure makes every single employee takes responsibility for their own jobs, client or project as early as possible, with senior managers only becoming involved if any issues arise. With this kind of system, their flat structure allows company to have a rapid communication up and down the hierarchy and importantly ensures that messages are not diluted or ignored by layers of management.

Responsibility level is one of the attribute that can be improved in PT. XYZ. Based on the questionnaire result, confidence level has score 4,6 out of 5. That score indicated that PT. XYZ already put their attention to their employee responsibility level, but there is some room for improvement in this aspect of job fit. In order to improve responsibility level aspect, PT. XYZ should pay their attention to several points below, which are:

- Open Door Policy --- Company that has an open doors policy with ready access to the direct supervisor on any issue will provide the company with fast way of vertical type of communication inside the company. This system will ensure that any development can be quickly communicated up or down the business. With this fast type of communication, all employee and supervisor can get information about who responsible to what task and vice versa.
- Monthly Update Statements --- An effective way to distributing information to all employees is through regular monthly update statements from the board, either through email or put up on staff noticeboards. This statement will keep the employees informed about developments in performance and progress. This statement can also be used as an accountability report of specific projects or issues.
- Responsibility Practices --- Practices that conducted by company which can increase employees control over their own tasks can increase employees motivation to undertake those tasks. Giving them autonomy to make their own decisions will empower them to take responsibility for their own actions.
- Transparency of Roles and Responsibilities --- It was widely recognized that transparency in role and responsibilities was becoming more important as the business grew. It is because, when the business grew, the roles of the employee will be more specific than before and the responsibilities will get bigger. Therefore a company must set clearly defined job roles which allow employee to understand where they are in the business relative to others in terms of their roles and responsibilities.

Challenge level is one of the attribute that can be improved in PT. XYZ. Based on the questionnaire result, challenge level has score 4,6 out of 5. That score indicated that PT. XYZ already put their attention to the tasks challenge level for their employee, but there is some room for improvement in this aspect of job fit. In order to improve challenge level aspect, PT. XYZ should pay their attention to several points below, which are:

- Improvement Circles --- Improvement circles is a challenging system of the company that targeted potential employee to develop their problem solving skills. Improvement circle used to improve elements of the businesses performance of the employee. These improvement circles are led by individuals that projected as potential future leaders for the company. This employee then selects the mix of equal and lower level employee to join the team. Participation of this team is voluntary and the team will assigned to specific issue before presenting their recommendations to the board and then the company as a whole. Improvement circle force each of team members to think outside of their own job junction for the sake of the team. Communicating with other member and completing the assignment at the same time become the most challenging process in this system.
- Freedom of Work --- Middle level staff should be given considerable freedom around their work. They are should have a specification of what is needed and when but then given a high degree of

scope to design something that is appropriate. Employee can become very challenged yet attached to the settings and characters of this system. This system will make an employee to have a passion to the project that they handle so giving them greater scope to develop these as they see fit is seen to lead to a higher quality output. Each individual employee are expected to manage their own workload which requires them to be motivated and self-directed. The company could only emphasizes the employee that they have to take the initiative and go beyond the minimum in order to get the job done.

- Personal Development Plan --- in order to make a challenging task, company can operates a comprehensive performance management process, with an individual's personal development review on a monthly or quarterly basis. The company has needed to overcome concerns in regarding to the hidden motivation for presenting this performance management process as employees were worried that appraisal and execution monitoring would basically make ready for redundancies. Management has needed to work close by staff representative, including unions, to clarify the positive parts of these execution practices. This is combined with an approach which rewards success while those who are under-performing are not criticized but encouraged and assisted to enhance future performance. Any gap between genuine performance and expected performance is crossed over by a personal development plan which sets out targets and prizes if these are met.

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