

THE ROLE OF EMPLOYEE ENGAGEMENT VARIABLE: IT'S IMPACT OF THE WORK ENVIRONMENT TOWARDS EMPLOYEE PERFORMANCE

(A Case Study at Culinary Tourism Sector in the City of Surabaya)

J.E Sutanto¹, Hari Minantyo², Moses Soediro³

Universitas Ciputra Surabaya, Indonesia^{1,2,3}

Email Correspondent: je.sutanto@ciputra.ac.id

Abstract: Study this aims for the impact of working environment on employee performance through employee engagement and scope of study on culinary tourism sector in the city of Surabaya. Design/ methodology/approach - This research method uses quantitative methods, and the population is all businessmen at the culinary sector in the city of Surabaya. The data collection method in this study used the research instrument method which was distributed to 55 respondents. Meanwhile, for data processing using the SmartPLS program. Findings – The results of this study found that there are a significant and positive impact on environment work to performance employee through employee engagement. Practical/implementation - This study confirms that businesses in the culinary sector during this pandemic are still quite promising, both online purchases and visits to culinary locations. Original/value - The results of this study contribute to increasing the amount of literature in the culinary sector, both on a city scale, district, or regional and even national scale in Indonesia.

Keywords: Culinary sector, Employee engagement, Employee performance, Environment work.

1. Introduction

Growth tourism in Indonesia can say develop enough fast, thing this proven with a lot object continuous tourism, appear in the public (Utami et al., 2016). The Central Statistics Agency (BPS) has provided cumulative data on the number of foreign tourists visiting Indonesia and recorded was 212,332 visits in May 2022. This figure increased by more than 91.19% compared to the previous month which was 111,057 visits in Figure 1.

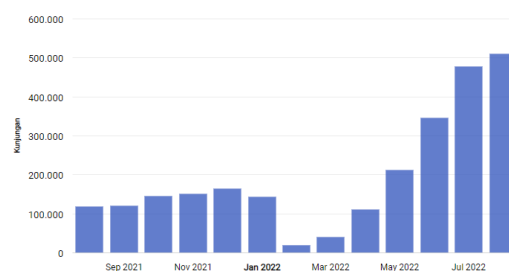


Figure 1. Foreign Tourist Visits to Indonesia in 2022

According to (Peng et al, (2015; Chiu & Yeh 2012) culinary tourism is a journey which includes the activity of consuming local food from an area; a trip with the main purpose of enjoying food and drinks and or visiting a culinary activity (Song et al., 2016). The tourism sector has made a major contribution and is one of the sectors that contributes to economic growth in Indonesia as well as several developing countries. (Gatt & Falzon,2014). Therefore, the tourism sector has the potential and at the same time contributes to economic growth, while its implementation uses such as: foreign currency income, attracting international investment, increasing tax revenues, and creating jobs, thereby reducing unemployment (Jayathilake, 2013; Kadir & Karim, 2012; Cheng et al., 2013; Chang & Mcaleer, 2012; Kusni et al., 2013)

The working environment conditions in the culinary business sector were not carried out by recruiting large numbers of employees on the grounds of maximizing the workforce there. Researchers managed to get results from several comments from guests at culinary locations in the form of criticism and suggestions. Consumers also pay attention to the performance of the employees who serve them, from service, work speed to employee responsiveness. This is of course a problem experienced by businesses in the culinary sector. This is of course a problem experienced by entrepreneurs in the culinary sector, meaning that good employee performance is needed.

Table 1. Results of the Preliminary Survey of Employees

Aspect Selected Employee	Number of Votes Rating First	Percentage (%)
Employee performance	6	17.15
Incentive	3	8.57
Culture Organization	3	8.57
Work Environment	9	25.71
Employment Engagement	8	22.86
Motivation Work	4	11.43
Facility Work	2	5.71

Source: Processed Data (2022)

Based on the preliminary survey, by taking a sample of 35 respondents, it can be seen in Table 1, that the very dominant variable is the reference for researchers in determining the variables to be studied.

2. Literature Review

Before researcher continue study this more far away, there a number of studies before with the same topic that can be made as reference:

According to Arianto and Kurniawan (2020) with destination for knowing influence motivation and environment work to performance employees. Research results show environment work give influence on performance employees. The relationship with study this is usage variable environment work to performance employees. Nafiudin (2020) with destination for knowing the impact of employee engagement and internal communication on performance employees. Research results showing employee engagement gives impact on performance employees. The relationship with study this is usage employee engagement variable on performance employees. Saengchai et al. (2019) with destination for knowing

influence environment work, training and development and co-worker relations to performance employee with employee engagement as mediation. Research results show environment work give influence on performance employees, employee engagement also has an effect to performance employees, as well as occur connection mediation Among environment work to performance employee through employee engagement. Mangkunegara (2016), stated that environment work is elements organization as system social who has strong influence inside formation behavior individuals in the organization and influence to performance organization. Cintani and Noviansyah (2020), who became indicators of employee engagement are: (1) Vigor, (2) Dedication, absorption. Mangkunegara (2016) performance employee is results work good by quality nor the quantity achieved by a person in doing Duty in accordance with not quite enough the answer given to him.

Framework

In study this arranged in background, formula future research will be shared becomes two are (1) Foundation theoretical, (2) Study empirical and from second explanation above will produce hypothesis, and statistical test. Hafeez et al. (2019) which results environment work give impact on performance employees. Test with method quantitative show significant value on the variable environment work on performance employees. According to Cintani and Noviansyah (2020) which resulted in employee engagement giving impact on performance employees. Test with method quantitative show significant value on variable of employee engagement on performance employees. Dajani (2015 and Putri & Tempest, 2020), whose results environment work give influence on employee engagement. Test with method quantitative show score which is significant on the variable environment work on employee engagement. Thesiasari et al. (2019) that is environment work give impact on performance employee through employee engagement. Test with method quantitative show existence mediation of employee engagement in connection variable environment work to performance employees.

3. Research Methods

Population and Sample.

Population is all businessmen at the culinary sector in the city of Surabaya. The number of samples used in this study were 55 respondents, while retrieval technique sample in study this is use nonprobability sampling with the sampling technique was purposive sampling (Sugiyono, 2017).

Test the Validity and Reliability.

Validity Test.

According to Ghazali (2021), validity test to measure of a research instrument validity. As a research instrument is valid if the instrument can reveal something that will be measured of the questionnaire. How to test the validity? The test of it's using the SPSS program.

Reliability Test

How to see far the consistency of the results of a study when it is done repeatedly. The higher the level of reliability, the more reliable the research is. Sugiyono (2017) states that a good reliability coefficient value > 0.7 (good enough), if coefficient value > 0.8 (good).

Measurement of validity and reliability is absolutely done, because if the instrument used is not valid and reliable, it is certain that the research results will not be valid and reliable.

4. Research Results and Discussion

4.1. Research Results

Data Analysis

Test validity this has conducted with spread questionnaire to 30 respondents in different places, but equivalent with the place to be researched in culinary business sector. Variable working environment (X) has 5 items questionnaire; employee engagement (M) has 6 items questionnaire, as well as variable employee performance (Y) with 8 items, statements the has Fulfill condition that is score significance < 0.05 , so that could conclude statements X, M, and Y are valid. third variable has score corresponding Cronbach alpha with condition that is > 0.6 . The three also have score more Cronbach alpha tall from Cronbach alpha if item deleted, then could concluded that third variable declared reliable. Study this is study with method quantitative and using Structural Equation Modeling approach. variable shared Becomes two type that is variable manifest and latent variables. Partial Least Square (PLS) is one of the tools frequent analyses used for developing causal model linear relationship of exogenous latent variable (X) with endogenous latent variable (Y) which has nature parametric with Support low theoretical (Garson, 2016). PLS model evaluation is carried out with evaluate the outer model and inner model. The measurement model (outer model) is something defining latent variables and indicators (Solimun, 2015). While the inner model is a model that describes connection between latent variable with latent variable, or between latent variable with variable exogenous (Solimun, 2015).

Hypothesis Testing

Outer Model

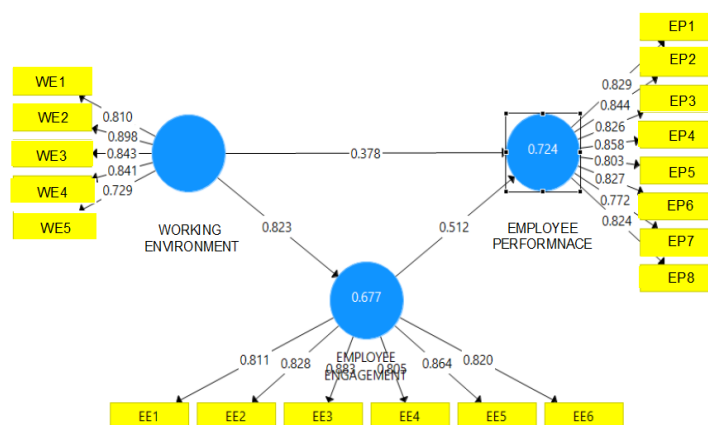


Figure 1. Outer Model
Source: Data Processed of Smart PLS 2022

Reliability Indicator

Convergent Validity

Table 2. Construct Validity PLS Test Results

	Employee Engagement	Average Variance Extracted (AVE)
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EE1	0.811	0.698
EE2	0.828	
EE3	0.883	
EE4	0.805	
EE5	0.864	
EE6	0.820	
EP1	0.829	0.678
EP2	0.844	
EP3	0.826	
EP4	0.858	
EP5	0.803	
EP6	0.827	
EP7	0.829	
EP8	0.844	
WE1	0.810	0.682
WE2	0.898	
WE3	0.843	
WE4	0.841	
WE5	0.729	

Source: Processed Data SmartPLS 2022

Based on Table 2, the mean variance with a value > 0.5 is used as validity determinant. If a value < 0.5 then it is not valid. In the PLS test results, it can be seen that the AVE values of the three variables have met the requirements, which are greater than 0.5. So it can be concluded that the three variables are declared valid.

Discriminant Validity.

Table 3. Cross Loading Test Results

	Employee Engagement	Employee Performance	Work Environment
EE1	0.811	0.598	0.734
EE2	0.828	0.565	0.660
EE3	0.883	0.706	0.766
EE4	0.805	0.674	0.691
EE5	0.864	0.775	0.688
EE6	0.820	0.791	0.581
EP1	0.746	0.829	0.645
EP2	0.765	0.844	0.640
EP3	0.603	0.826	0.626
EP4	0.675	0.858	0.730
EP 5	0.635	0.803	0.645
EP6	0.644	0.827	0.681
EP7	0.661	0.772	0.676
EP8	0.677	0.824	0.618
WE1	0.688	0.721	0.810

WE2	0.751	0.756	0.898
WE3	0.688	0.696	0.843
WE4	0.696	0.592	0.841
WE5	0.556	0.500	0.729

Source: Processed Data SmartPLS 2022

The results of the cross loading test in Table 3 show that the indicator results for each variable are the largest value when compared to the results of indicators for other variables, so that they are in accordance with the provisions and it stated statements in this study are valid.

Composite Reliability

Table 4. Composite Reliability

	Cronbach's Alpha	Composite Reliability
Employee Engagement	0.913	0.933
Employee Performance	0.932	0.944
Work Environment	0.883	0.914

Source: Processed Data SmartPLS 2022

Composite reliability, states that a latent variable can be said to have good reliability if the composite reliability value greater than 0.7 and Cronbach's alpha value is greater than 0.7. In the results of the construct reliability test in Table 4.7, it can be seen that the composite reliability value is in accordance with the provisions, which is greater than 0.7. So it can be concluded that the three variables are declared reliable.

In Table 4, it can be seen that the three variables have a Cronbach alpha value that is in accordance with the provisions, which is greater than 0.7, so this result can strengthen the conclusion that the three variables are declared reliable.

Inner model

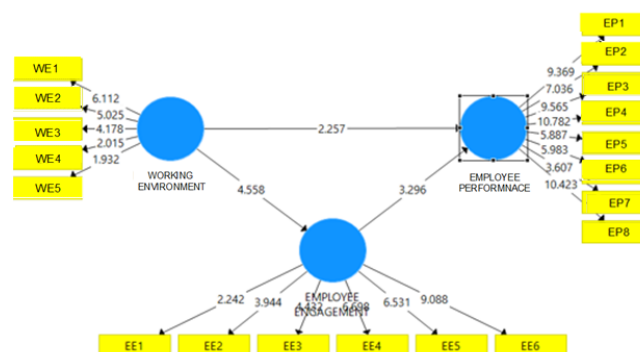


Figure 2. Inner Model

Source: Data Processed of Smart PLS 2022

R Square

R Square statistics explains the variance in the endogenous variable explained by the exogenous variable (Ghozali, 2021). The R-Square value obtained for employee performance is

0.724, while the R-Square value for employee engagement is 0.677. Both have high values because and are close to 1, it can be said to have a strong impact.

Q Square

Q square (Q^2) measures the observation of generated value the model and its parameter estimates are good or not. If the results found the value of $Q^2 > 0$, then the model has predictive relevance, however, if the value of $Q^2 \leq 0$, then the model lacks predictive relevance.

$$\begin{aligned} Q^2 &= 1 - (1 - R_1^2) \times (1 - R_2^2) \\ &= 1 - (1 - 0.400) \times (1 - 0.359) \\ &= 1 - (0.600) \times (0.641) \\ &= 1 - 0.3846 \\ &= 0.6154 \end{aligned}$$

The results of the Q-Square calculation above, which is 0.6154, this means that the diversity of the research data is 61.54%. While can be explained that 38.46% are factors outside this research model.

Statistic T test

Table 5. Statistic T-Test Results

	<i>Original Sample (O)</i>	<i>T Statistics (O/STDEV)</i>	Remarks
Employee engagement → Employee performance	0.512	3.296	Positive & significant
Work environment → Employee engagement	0.823	4.558	Positive & significant
Work environment → Employee performance	0.378	2.257	Positive & significant

Source: Processed Data SmartPLS 2022

The cut-off value of the T-test is 1.96, where if the T value is obtained above 1.96 it will produce a significant effect of one variable on the other variables. Based on Table 4.9, the following conclusions can be drawn:

- The impact of the work environment on employee performance
The result of the T statistic of the work environment on employee performance is 2.257 which is in accordance with the provisions, which is greater than 1.96. In addition, it has a p- value < 0.05 , so it that the work environment has an impact on employee performance.
- The effect of employee engagement on employee performance
The result of the T statistic of employee engagement on employee performance is 3.296, which is in accordance with the provisions, which is greater than 1.96.
- The impact of the work environment on employee engagement
The result of the T statistic of the work environment on employee engagement is 4.558, which is in accordance with the provisions, which is greater than 1.96. In addition, it has a p - value < 0.05 , it has an impact on employee engagement.

4.2. Discussion

By the definition of loading factor is big correlation indicator with its latent construct. Has the appropriate loading factor and AVE values with condition i.e., at least 0.5, so that could conclude that whole statement in study this is valid. Cross loading results indicator to each variable is score biggest if compared with results indicator to variable else, so that in accordance with conditions and can declared that whole statement in study this is valid. Reliability test conducted with see composite reliability value of block indicators that measure construct. Reliability test can also strengthen with Cronbach's Alpha third variable have appropriate value with provision that is bigger from 0.7, so that results this could strengthen conclusion that third variable declared reliable.

The interpretation of R-Square on PLS-SEM is the same with interpretation on regression. Both have high value because and is close to 1, then could declared have strong impact. Based on Q- Square calculation results above that are of 0.6154, With thus, that study this could declared has 48 good predictive relevance models because have more value large and close to 1. The cut-off value of the T-test is 1.96, where if T values obtained above 1.96 will be produce impact significant from variable one to variable other coefficient path on environment work to performance employee lower than coefficient track environment work to performance employee as well as employee engagement with performance employees, then could concluded that occur mediation partially.

From the results of the T test data, impact variable environment work to variable performance employees and impact variable environment work to employee engagement variable already exceed score limit, employee engagement variable has an effect to variable performance employees, research this there is impact from environment work to performance employee with employee engagement as mediation. Impact mediation taking place is mediation partially, so that could conclude that environment work has impact positive and significant to performance employees, employee engagement has impact to performance employees, environment work has influence positive and significant on employee engagement, and this in line with research that has been carried out by researchers before.

5. Conclusions and Suggestion

5.1. Conclusion

Based on results statistical and descriptive data analysis, concluded that environment work and employee engagement impact on employee performance (Fangohoi & Sitorus, 2018). Environment work take effect to employee engagement. Occur mediation partial in relationship environment work take effect on employee performance with employee engagement as variable mediation.

5.2. Suggestion

Need notice is given job to employee already truly in accordance with their job desk and already in accordance with SOPs. Study next can-do study with the same variable, however, can use different method like method qualitative for deepen results or findings research. Besides that, no there is wrong if research is also carried out on different objects as well as in different cities, with Thus, research next can get more characteristics varied

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