



The Influence of Motivation, Employee Development and Teamwork on Employee Performance through Employee Engagement in Service Industry Employees

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Article Info

Article history:

Received 10 March 2024
Received in revised form 5 April 2024
Accepted 25 May 2024

Keywords:

Teamwork
Employee Development
Motivation
Employee Performance
Employee Engagement

Abstract

Objective: to analyze the influence of motivation, employee development and teamwork on employee performance through employee engagement in service industry employees. Research Method: The type of research method used in this research is descriptive quantitative with a cross sectional design using a questionnaire. The research sample was selected using convenience sampling and snowball sampling methods with a total of 120 respondents consisting of service industry employees in Jakarta and Kalimantan. Data analysis used to test the hypothesis uses Structural Equation Model (SEM) with the software used is SMART-PLS 3 to test direct effects, and SMARTPLS 3.0 Bootstrapping to test indirect effects. Research Results: Motivation, employee development and teamwork have a positive effect on employee engagement. Employee development, teamwork and employee engagement have a positive effect on employee performance. Motivation has a negative effect on employee performance. Employee development has no effect on employee performance through employee engagement. Motivation and teamwork influence employee performance through employee engagement. Managerial Implications: Evaluation material for companies in the service sector that want to improve employee performance by increasing employee motivation, employee development, teamwork and employee engagement.

Introduction

The current development of business competition means that companies need to focus more on paying attention to success factors both externally and internally. Internal factors for the success of business competition are influenced by how companies can optimize the assets they own. Employees are the main company asset because they are the driving force of the company itself. Companies need to pay attention to aspects that influence the internal and external conditions of employees so they can work optimally, one of the measuring tools is employee performance.

Employee performance is no longer just about evaluating employee performance, more than that it is used to encourage productivity, accelerate development and increase engagement. In recent years, Human Resources (HR) management has focused on optimizing costs and technology adoption. Now is the time when HR management needs to focus more on employees and work experiences that can support better performance (PWC, 2022). Companies must be able to create and organize more activities such as meetings between internal departments to build strong bonds between managers and employees (Hee et al., 2019). Communication between teams plays a very important role in building optimal employee performance. This communication is one part of employee engagement.

Employee engagement is an important factor to help companies achieve their goals, one of which is gaining a competitive advantage in their industry (Thwe & Fernando, 2023). This statement is directly proportional to previous research which found a significant influence of employee engagement on employee performance (Mughal, 2020). Discussing employee engagement cannot be separated from other interrelated factors, including teamwork, employee development and motivation. Discussing aspects that influence employee performance cannot be separated from employee motivation. Motivation can be interpreted as a force both from within and outside a person that encourages work behavior in accordance with certain provisions, intensity and time period (Sukardi, 2021). Motivation has a positive and significant effect on employee performance (Paas & Pattiruhu, 2020).

Employee development has a special role in improving employees' abilities to produce higher performance. Employees with better capabilities are expected to be more skilled at solving problems that arise in their work. Companies have an obligation to improve this capability with a development plan that is tailored to the needs of the organization. Employee development refers to systematic management practices that aim to strengthen employees' talents, skills, experience, knowledge and capabilities so that they can increase efficiency in their work (Aruoren & Echewa, 2023). There are benefits from training and development on employee performance which helps organizations to maintain competitive advantages, increase job satisfaction, and reduce employee turnover (Sothy, 2019).

Currently, teamwork is a crucial factor for the success of a company as a team in creating more massive employee involvement in making the company have better productivity (Thwe & Fernando, 2023). Bonding between workers is considered an important aspect in building employee engagement and there is a significant relationship between teamwork and peer support on employee engagement (Mughal, 2020). This research is motivated to try to overcome the limitations of previous research results, which suggest that future studies can use other variables to improve employee performance and the need to conduct research in different sectors and regions to increase the universality of previous research results.

Literature Review

Motivation, Employee Development, Teamwork, Employee Engagement, dan Employee Performance

Motivation is defined as the force that makes a person act towards a certain goal (Indahingwati et al., 2019). Motivation is a force both originating from within oneself and from outside a person that encourages work behavior in accordance with certain provisions, intensity and time periods which are related to intrinsic and extrinsic motivation in carrying out work (Sukardi, 2021). Motivation has a positive effect on employee engagement, and employee engagement mediates the positive effect of motivation on employee performance of PDAM Tirta Satria employees, Banyumas Regency (Abdurrahman et al., 2019). There is a positive relationship between the influence of motivation on employee performance (Hameed et al., 2023).

Employee development is a systematic management practice aimed at strengthening employees' talents, skills, experience, knowledge and capabilities to increase their efficiency at work (Aruoren & Echewa, 2023). Employee development is defined as the process of growing and developing skills and competencies as well as building new things aimed at maintaining the company's business (Chahar et al., 2021). Teamwork is a process where team members interact with each other and combine available resources to complete tasks (Nobahar et al., 2023). Trusting interpersonal relationships and a supportive team contribute to employee engagement (Mughal, 2020). There is a significant influence between teamwork and employee

engagement (Mughal, 2020). There is a positive influence between teamwork on employee performance which is mediated by employee engagement (Setyawan et al., 2021).

Employee engagement is part of employee motivation activities which are assumed to direct employees to work enthusiastically and achieve the company's goals or objectives (Savitri et al., 2023). Employee engagement can be described as how employees show commitment, emotional bonding, focus on long-term goals, and physically, emotionally and cognitively towards their work (Othman et al., 2019). Employee performance refers to something produced by employees, both financially and non-financially, which has a direct relationship to the company's performance and success (Thwe & Fernando, 2023). Employee performance is the work results achieved by employees according to their role in the organization in accordance with predetermined standards (Pertwi et al., 2021). Employee development has an influence on employee engagement, and employee engagement has an indirect influence from employee development variables on employee performance (Kosali, 2023). There is a relationship between employee development and employee performance (Sothy, 2019). There is a positive relationship between employee engagement and employee performance (Thwe & Fernando, 2023).

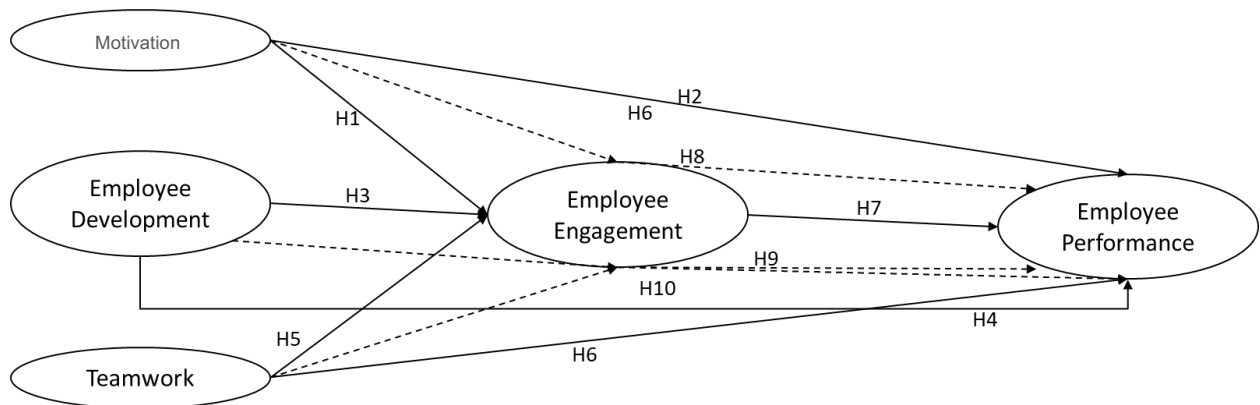


Figure 1. Research Framework

The hypothesis used in this research is:

H1: Motivation influences employee engagement

H2: Motivation influences employee performance

H3: Employee development influences employee engagement

H4: Employee development influences employee performance

H5: Teamwork influences employee engagement

H6: Teamwork influences employee performance

H7: Employee engagement influences employee performance

H8: Motivation influences employee performance which is mediated by employee engagement

H9: Employee development has an effect on employee performance which is mediated by employee engagement

H10: Teamwork has an effect on employee performance which is mediated by employee engagement

Methods

The type of research method used in this research is descriptive quantitative with a cross sectional design. The independent variables studied are employee development and motivation. The dependent variable in this research is employee performance, and the mediating variable in this research is employee engagement. The research sample was selected using convenience sampling and snowball sampling methods with a total of 120 respondents consisting of service industry employees in Jakarta and Kalimantan. The questionnaire indicators consist of 29 total statement items for all variables. All variables and indicators are measured using an interval scale with Likert scale measurements using 5 selected scores, 1 indicating strongly disagree, and 5 indicating strongly agree. Data analysis used to test the hypothesis uses Structural Equation Model (SEM) with the software used is SMART-PLS 3 to test direct effects, and SMARTPLS 3.0 Bootstrapping to test indirect effects.

Result and Discussion

Respondent Profile

The respondent profile shows that the respondents were dominated by the female gender, 61 people (50.8%). Based on age, respondents were dominated by 31–40-year-olds as many as 63 people (52.5%). Based on last education, respondents were dominated by 88 people with a last education of D4/S1 (73.3%). Based on their current experience working at the company, respondents were dominated by employees who had worked 1-5 years with a total of 50 people (41.7%). Based on current positions, respondents were dominated by managers and staff, each numbering 34 people (28.1%).

Validity and Reliability Test

Table 1. Outers Loading

Outers Loading	Motivation (X1)	Employee Development (X2)	Teamwork (X3)	Employee Engagement (M)	Employee Performance (Y)
ED1		0.740			
ED2		0.817			
ED3		0.849			
ED4		0.735			
EE1				0.644	
EE11				0.666	
EE2				0.668	
EE3				0.717	
EE4				0.642	
EE5				0.816	
EE6				0.816	
EE7				0.832	
EE8				0.829	
EP1					0.872
EP2					0.875
EP3					0.817
EP4					0.841
M1	0.753				
M2	0.824				

M3	0.810				
M4	0.826				
M5	0.788				
M6	0.689				
T1			0.796		
T2			0.870		
T3			0.900		
T4			0.784		
T5			0.830		
T6			0.734		

Source: Data processed using PLS, 2024

Based on table 1, the outer loading findings reveal that the outer loading value is greater than 0.6.

Table 2. Average Variance Extracted

	Riders-riders Steering Dieikstraik (AiVEi)
Motivation (X1)	0.613
Employee Development (X2)	0.619
Teamwork (X3)	0.674
Employee Engagement (M)	0.549
Employee Performance (Y)	0.725

Source: Data processed using PLS, 2024

Apart from observing the outer loading value, it can be determined through another method, namely by looking at the AVE value. Each indicator is said to be valid if it has an AVE value above > 0.5 . Based on table 2, it is known that all AVE values of the variables above are > 0.5 . This shows that all variables are accurate.

Meanwhile, the results of the reliability test use Cronbach's Alpha value. A variable is declared reliable if the Cronbach's alpha value is > 0.7 .

Table 3. Cronbach's Alpha

	Cronbach's Alpha
Motivation (X1)	0.873
Employee Development (X2)	0.797
Teamwork (X3)	0.902
Employee Engagement (M)	0.896
Employee Performance (Y)	0.876

Source: Data processed using PLS, 2024

Based on the table above, it shows that the Cronbach's Alpha value for each variable is > 0.7 , so it can be concluded that all variables have a high level of reliability.

Descriptive statistics

Respondents' responses to variables are explained using the average value of each variable as a measurement of the respondent's answers to the research variables used. The following are descriptive statistics or conclusions about the characteristics of the respondents' answers for each of the research variables.

Table 4. Summary of Descriptive Statistics

NO	Variable	Variable Total Overall Mean
1	Motivation (X1)	3.78
2	Employee Development (X2)	3.96
3	Teamwork (X3)	4.23
4	Employee Engagement (M)	3.98
5	Employee Performance (Y)	4.46

Source: Data processed by Ms. Excel, 2024

Hypothesis test

In this study there were seven hypotheses tested. Hypothesis testing in this research

Using SEM analysis, the software used is SMART-PLS 3 to test direct effects, and SMARTPLS 3.0 Bootstrapping to test indirect effects.

Table 5. Direct Effects

Hypothesis	Variable	Coefficient	Standard Deviation	T Value	P Values
H1	The influence of motivation on employee engagement	0.417	0.087	4.781	0.000
H2	The influence of motivation on employee performance	-0.070	0.113	0.619	0.536
H3	The influence of employee development on employee engagement	0.121	0.085	1.421	0.156
H4	The influence of employee development on employee engagement	0.113	0.086	1.309	0.191
H5	The influence of teamwork on employee engagement	0.364	0.081	4.492	0.000
H6	The influence of teamwork on employee engagement	0.107	0.116	0.915	0.361
H7	The influence of employee engagement on employee performance	0.498	0.128	3.883	0,000

Source: SMARTPLS 3 YEARS, 2024

H1: In hypothesis testing, the Path Coefficients value for the motivation variable is 0.417, then the Path Coefficients value is > 0 , for the t value it is 4.781 then the t value is > 1.96 , and finally the P-Values value is $0.000 < 0.05$. Based on these findings, it can be concluded that motivation has a positive and significant effect on employee engagement. This means that every increase in motivation will increase employee engagement by 41.7%.

H2: In hypothesis testing, the Path Coefficients value for the motivation variable is -0.070, then the Path Coefficients value is < 0 , for the t value it is 0.619 then the t value is < 1.96 , and finally

the P-Values value is $0.536 > 0.05$. Based on these findings, it can be concluded that motivation has no effect on employee performance.

H3: In hypothesis testing, the Path Coefficients value for the employee development variable is 0.121, then the Path Coefficients value is > 0 , for the t value it is 1.421 then the t value is < 1.96 , and finally the P-Values value is $0.156 > 0.05$. Based on these findings, it can be concluded that employee development has a positive effect on employee engagement by 12% or is not significant.

H4: In hypothesis testing, the Path Coefficients value for the employee development variable is 0.113, then the Path Coefficients value is > 0 , for the t value it is 1.309 then the t value is < 1.96 , and finally the P-Values value is $0.191 > 0.05$. Based on these findings, it can be concluded that employee development has a positive effect on employee performance by 11% or is not significant. H5: In hypothesis testing, the Path Coefficients value for the team work variable is 0.364, then the Path Coefficients value is > 0 , for the t value it is 4.492 then the t value is > 1.96 , and finally the P-Values value is $0.000 < 0.05$. Based on these findings, it can be concluded that team work has a positive and significant effect on employee engagement by 36.4%.

H6: In hypothesis testing, the Path Coefficients value for the team work variable is 0.107, then the Path Coefficients value is > 0 , for the t value it is 0.915, then the t value is < 1.96 , and finally the P-Values value is $0.361 > 0.05$. Based on these findings, it can be concluded that team work has a positive effect on employee performance by 10.7% or is not significant. H7: In hypothesis testing, the Path Coefficients value for the employee engagement variable is 0.498, then the Path Coefficients value is > 0 , for the t value it is 3.883 then the t value is > 1.96 , and finally the P-Values value is $0.000 < 0.05$. Based on these findings, it can be concluded that employee engagement has a positive and significant effect on employee performance by 49.8%.

Table 6. Indirect Effects

Hypothesis	Variable	Coefficient	Standard Deviation	T Value	P Values
H8	The influence of motivation on employee performance through employee engagement	0.208	0.080	2.590	0.010
H9	The influence of employee development on employee performance through employee engagement	0.060	0.044	1.361	0.174
H10	The Influence of Teamwork on Employee Performance through employee engagement	0.181	0.055	3.266	0.001

Source: Output SmartPLS 3.0 Bootstrapping (2024)

H8: Employee engagement which mediates motivation and employee performance is proven by a Path Coefficients value of 0.208, a P-Values value of 0.010, so the P-Values value is < 0.05 . Thus, it can be said that motivation influences employee performance through employee engagement by 20.8%. H9: Employee engagement does not mediate employee development and employee performance as evidenced by the Path Coefficients value of 0.060, the P-Values value of 0.174, so the P-Values value is > 0.05 . Thus, it can be said that employee development has no effect on employee performance through employee engagement. H10: Employee engagement which mediates team work with employee performance is proven by a Path

Coefficients value of 0.181, a P-Values value of 0.001, so the P-Values value is <0.05 . Thus, it can be said that team work has an effect on employee performance through employee engagement of 18%.

Conclusion

Based on the data analysis and discussion that has been carried out, in this study it can be concluded that all research hypotheses are supported, except for the sixth and ninth hypotheses. In this research, the results showed that employee development had no indirect effect through employee engagement on employee performance. However, employee development and teamwork have an influence on employee engagement and employee performance. However, motivation has no effect on employee performance. Increasing employee performance can be achieved by increasing employee motivation, employee development and employee engagement by companies or organizations.

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