# ANALYZING THE RELATION BETWEEN EMPLOYEE ENGAGEMENT AND EMPLOYEE PERFORMANCE AT HOTEL GRAN PURI MANADO

# MENGANALISA HUBUNGAN ANTARA KETERIKATAN KARYAWAN DAN PERFORMA KARYAWAN DI HOTEL GRAN PURI MANADO

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Abstract: This research is qualitative analysis interview, the population are the employees who has worked for a long period in Hotel Gran Puri Manado, and the sample using snowball sampling. The variables used in this research were taken from the literature to determine the relation between employee engagement and employee performance. The data were gathered through interview with the informants. The result showed that the employees are engaged with the company and showed a positive bond with the company which results in their vision to contribute to the company, to improve it and feeling the sense of returning the favor to the company. The conclusion that can be drawn from this research are employee engagement is very important for every organization because it could increase employee performance and productivity, the employees in Hotel Gran Puri Manado have shown that they have a motivation in doing their job. This research recommends Hotel Gran Puri Manado should provide a clear career path for every employee without differentitate each employee and always keep examining the employee who have worked extra hard when giving a bonus.

**Keywords:** employee engagement, employee performance.

Abstrak: Penelitian ini merupakan wawancara kualitatif, populasi adalah karyawan yang telah bekerja dalam waktu lama di Hotel Gran Puri Manado, dan sampel menggunakan snowball sampling. Variabel yang digunakan dalam penelitian ini diambil dari literatur untuk mengetahui hubungan antara keterlibatan karyawan dan kinerja karyawan. Data dikumpulkan melalui wawancara dengan informan. Hasilnya menunjukkan bahwa karyawannya terlibat dengan perusahaan dan menunjukkan ikatan positif dengan perusahaan yang menghasilkan visi untuk berkontribusi pada perusahaan, untuk memperbaikinya dan merasakan rasa membalasnya kepada perusahaan. Kesimpulan yang dapat ditarik dari penelitian ini adalah keterlibatan karyawan sangat penting bagi setiap organisasi karena dapat meningkatkan kinerja dan produktivitas karyawan, para karyawan di Hotel Gran Puri Manado telah menunjukkan bahwa mereka memiliki motivasi untuk melakukan pekerjaan mereka. Penelitian ini merekomendasikan Hotel Gran Puri Manado harus memberikan jalur karir yang jelas bagi setiap karyawan tanpa membedakan setiap karyawan dan selalu terus memeriksa karyawan yang telah bekerja ekstra keras saat memberikan bonus.

Kata Kunci: keterikatan karyawan, kinerja karyawan.

## INTRODUCTION

# **Research Background**

Hotel is an establishment that provides paid lodging on a short-term basis. Facilities are provided in many range - from a modest-quality mattress in a small room to a large suites with bigger and higher-quality things. Small, lower-priced hotels may offer only the most basic guest services and facilities. Larger, higher-priced hotels may provide additional guest facilities such as a swimming pool, business centre (office equipment), childcare, conference and event facilities, tennis or basketball courts, gymnasium, restaurants, day spa and social function services.

The primary purpose of hotels is to provide travelers with shelter, food, refreshment. Those services and goods is offered on a commercial basis that are customarily furnished within households but unavailable to people on a journey away from home. Historically, hotels have also taken on many other functions, which is serving as a business exchanges, centers of sociability, places of public assembly and deliberation, decorative showcases, political headquarters, vacation spots, and permanent residences.

Service is the main focus of hotel, and when the service is being provided there must be a structural management. Management are the organization and coordination of the activities of a business in order to achieve defined objectives. Management is often included as a factor of production along with machines, materials, and money. According to the management guru Peter Drucker (2008), the basic task of management includes both marketing and innovation. Management consists of the interlocking functions of creating corporate policy and organizing, planning, controlling, and directing an organization's resources in order to achieve the objectives of that policy.

Management is important for a hotel, since only with management a hotel can be operated effectively. Management is run by employees. Employee is an individual who works part-time or full-time under a contract of employement, whether oral or written, express or implied, and has recognized rights and duties. Employee are the heart of hotels, because the activities in a hotel depends on them. Most hotel establishments are run by a General Manager who serves as the head executive - the head of departments who oversee various departments within a hotel, middle managers, administrative staff, and line-level supervisors. The organizational chart and volume of job positions and hierarchy varies by hotel size, function and class, and is often determined by hotel ownership and managing companies. Management cannot run without employees. Good employees can give a good impact to the sustainability of the company, the company can be said succeed if it can make their employees feel engaged with the company because they will be loyal and work wholeheartedly and have the intention to make the company to be more successful. Employee engagement is a property of the relationship between an organization and its employees. An "engaged employee" is defined as one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests. An engaged employee has a positive attitude towards the organization and its values. And also good employee can be seen from their performance, good employee have high standard of working.

Manado is a city with rapidly-growing area and located in the eastern part of Indonesia, it is also regarded as a strategic place to be in the most northern part of Indonesia. One of the growing sector is tourism, Manado is providing a great opportunity as an Indonesian tourism gateway, and also, Manado has many tourism destinations that can be visited. Many companies investing in Manado are seeing a great opportunities in the tourism sector, and to support tourism in Manado there must be a convenience facilities for the tourists which is a hotel.

Hotel is the most important place that tourists need, and in Manado there are many type and standards of hotels - from 1 star to 5 stars. A lot of hotel brands have been opened in Manado, such as Gran Puri Manado Hotel, Mercure, Novotel Hotel, Sintesa Peninsula Hotel, Arya Duta Hotel, Four Point Hotel and many more, they compete to be the best hotel in Manado.

The researcer want to do the research hotel gran puri manado because the hotel are the 4 star hotel that longest run the management in manado and as the first international standard hotel in manado. In late 1997, they opened the hotel under the name of Hotel Century Manado and was managed by the Century International Hotels chain. Due to the need to have more independence and flexibility in the new millennium, they decided to manage the hotel by ourselves, and that was the rebirth of Hotel Gran Puri Manado. PT. Gapura Utarindo International acts as the new management of this hotel starting on the first January of 2001.

Hotel Gran Puri Manado Manado is a Business and Leisure hotel which consisted of 152 rooms and located at the city center of Manado. In addition, it meets the international hotel standards. This hotel was designed as a bright and modern hotel in North Sulawesi to accommodate the large overseas and domestic markets. Particular

emphasis has been placed on the interiors and the decors of the hotel's furniture. Thus, the hotel can best be described as a contemporary hotel with a touch of classic Indonesian accents. To reach the standard achievements of the hotel, they offer services and facilities such as 24 hours coffee shop, club, swimming pool, exotic spa, conference and banquet room, supermarket and department store, and many other preferences. Gran Puri Manado Hotel is a hotel that operated since a long time ago in Manado and has helped the world of tourism and business in Manado as a room service provider for tourists and businessmen. During this time they have employees who has worked for longtime in this hotel, so they have experience and memories with this hotel. They also understand the ins and outs of this hotel, employee that worked for longtime may have engage with this hotel but is their work erformance affect to be increased or not, so it is very interesting to know about employee engagement effect on the employee performance of this hotel.

Based on the explanation above, it's very interesting to do research about this, and this research will study about how the relation between employee engagement and employee performance at Gran Puri Manado Hotel.

# **Research Objectives**

Based on the fundamental problem that exist in this research the objectives of this research are as follows:

To know the Relation between Employees' Engagement and Employees Performance in Hotel Gran Puri Manado.

# THEORETICAL FRAMEWORK

# **Human Resource Management**

Human resource management is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices (Bratton and Gold, 2007). Human resource management (HRM) refers to the policies and practices involved in carrying out the human resource aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations (Dessler, 2007).

# **Employee Engagement**

Robinson, D., Perryman, S., and Hayday, S. 2004 define employee engagement as "a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee."

# **Employee Performance**

Employee performance is defined as the outcome or contribution of employees to make them attain goals (Herbert, John and Lee, 2000). Aguinis (2009) described that "the definition of performance does not include the results of an employee's behavior, but only the behavior themselves. Performance is about behavior or what employees do, not about what employees produce or the outcomes of their work". Employee performance may be taken in the perspective of three factors which makes possible to perform better than others, determinants of performance may be such as "declarative knowledge", "procedural knowledge" and "motivation" (McCloy, Campbell, and Cudeck, 1994).

#### RESEARCH METHOD

#### Type of Research

This research is qualitative analysis interview method and to explore employee engagement on employee performances at the Hotel Gran Puri Manado. A qualitative research emphasizes the qualities of entities, processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity or frequency (Denzin and Lincoln, 2000).

#### Place and Time of Research

This research and interview conducted in Hotel Gran Puri Manado from June until August 2017.

#### **Population and Sample**

The target population for the study included all the employee who work for a longtime in the Hotel Gran Puri Manado. The sample of this research is 13 employees in Hotel Gran Puri Manado.

#### **Data Collection Method**

According to Sekaran and Bougie (2009) Primary data are data gathered for research from the actual site of occurrences of events. In this research, researcher will collect primary data through in-depth interview method. According to Doolan and Froelicher (2009) secondary data analysis is a flexible approach and can be utilized in several ways, it is also an empirical exercise with procedural and evaluative steps, just as there are in collecting and evaluating primary data. The secondary data in this research were gathered from articles, several journals as the literature review, books regarding to the study of this research.

#### **Operational Definition**

# **Employee Engagement**

Employee engagement is based on trust, integrity, two way commitment and communication between Gran Puri Manado Hotel and its members. It is an approach that increases the chances of business success, contributing to Hotel Gran Puri Manado and individual performance, productivity and well-being.

# **Employee Performance**

Employee Performance can be measured and seen in the achievement of Hotel Gran Puri Manado. The performance of employees is an important aspect that supports the success of Hotel Gran Puri Manado and improving the quality of employees is needed.

# Validity and Reliability Test

The reliability in qualitative data analysis includes category and interjudge reliability (Sekaran and Bougie, 2013): Category reliability relates to the extent to which judges are able to use category definition to classify the qualitative data. Well defined categories will lead to higher category reliability.

Interjudge reliability is a degree of consistency between coders processing the same data.

According to Sekaran and Bougie (2013), the validity in qualitative research was defined as the extent to which an instrument measures what it purports to measure.

# RESULT AND DISCUSSION

#### **Table 1 Coding Categorizing**

Question	Criteria	Interpretation
2	Work environment	Opperman (2002) states that working environment is a
		composite of three major sub environments: the technical
		environment, the human environment and the organizational
		environment.
		In Hotel Gran Puri Manado, all of the informant regarded the
		working environment in the office as fun. 10 out of 13
		informants answered fun, while the three others answered only
		"good".

company

Work motivation According to Peklar and Bostjancic (2012) work motivation is the steering force behind whether or not an employee opts to promote or advance personal or professional interests. As the theory concludes – that work motivation is a steering force, in Hotel Gran Puri Manado, the main steering force is to obtain income. 7 out informants answered this, where the others answered to have a career and to learn something. 4 What employees love the In Hotel Gran Puri Manado, there are several things that most employee loved the most. But the most dominant is the togetherness with staff, or the feeling of family in the daily office life. Sinha (2001) stated that employees' performance is depending 5 Impact of attachment toward on the willingness and also the openness of the employees itself work performance on doing their job. All of the informants answered yes to this question. This means there is an attachment happened between one and the company. And this attachment produce an impact to her/his working performance 6 **Employee Retention** Employee retention (ER) is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project (Sandhya and Kumar, 2011) The dominant thing that holds the employee to keep on working the company (retention) is the working environment. 8 informants answered that they feel the suitability and comfortability of company's working environment is the most affecting factor. 7 Desire to improve the Meyer and Herscovitch in Hassan (2012) noted that work

commitment is a force that binds an individual to a course of

action of relevance to one or more targets.

The desire of employees to improve the company, to make the company grow displays the work commitment, which is the force that relevant with company targets.

When asked the question, all of the informants answered yes, that they have the desire, and the dominant reason is the feeling of returning the favor. 6 of the informant answered this while the 7 others has varied answers.

8 Causes of work satisfaction

Job Satisfaction is a general expression of employee positive attitudes built up towards their jobs. Employee maintain an attitude towards their jobs as a result of different features of their job, social status that they've gained about their jobs and experiences in their job environment..

The cause of this satisfaction in work is dominantly financial rewards. 9 informants answered that the received salary and financial grants is what makes them satisfied when working in Hotel Gran Puri Manado.

9 Emotional Attachment

Most often employee engagement has been defined as emotional and intellectual commitment to the organization or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004)

Answers of all informants concluded that generally there is an Emotional Attachment between the employee and the company. 9 informants answered yes, while the others answered no. The main cause of this attachment is time invested by the employee, which means they have already worked for a long time in Hotel Gran Puri Manado and it makes them feel attached.

Source: Data Processed, 2017

#### **Discussion**

#### **Employee Engagement in Hotel Gran Puri Manado**

Employee engagement is the level of commitment and involvement an employee has towards his/her organization and its values. It has been defined more completely as the time when employees feel positive emotions toward their work, find their work to be personally meaningful, consider their workload to be manageable, and have hope about the future of their work (Saks, 2006).

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Employee engagement is a property of the relationship between an organization and its employees. An "engaged employee" is defined as one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests. An engaged employee has a positive attitude towards the organization and its values.

There is a bridge between the concept of 'job satisfaction' and employee engagement with the definition which describes - employee's involvement with, commitment to, and satisfaction with work. Employee engagement is also a part of employee retention. In other words, highly-engaged employee will be more likely to keep on working in the company.

There are four key principles on which the strategies are proposed. They include employee involvement and participation, internal communication, recognitions and rewards, and career development. If the organization implements successfully, the maximum of employee engagement will be gained within the organization (Kulkalyuenyong, 2016).

Generally, the employees in Hotel Gran Puri Manado possess positive attitude and positive emotion towards the company, most of the employee have high commitment and high initiative to help the company to operate, and even grow better. Even further, the employees in Hotel Gran Puri Manado showed positive bond with the company which results in their vision to contribute to the company, to improve it and feeling the sense of returning the favor to the company.

Related to the aspect of employee motivation to work in the company, the form of motivation is still a self-centered motivation. It means that the motivation is currently limited to what employee can gain from the company (i.e. Money, financial grants, experience and knowledge) and has not yet reach the level of work-centered motivation, which to perform the work for the sake of the company. This indicates that the company is regarded as the center of the resource for the employee, which means the employees sees the company as the place to work because of the received payment and the obtained knowledge. Despite most of the informants have worked above 3-4 years in Hotel Gran Puri Manado, most of them work to gather resources such as money and knowledge.

The company did not play the side where it can turn the employees' current motivation into work-based motivation, which most of the work motivation is to empower the company, not just the employee. Hotel Gran Puri Manado also did not create the environment where it promotes competition, so the employees could realize their talent is being competed and the motivation is not only for resources, but to implement their talent. Most often employee engagement also has been defined as emotional and intellectual commitment to the organization. In Hotel Gran Puri Manado, emotional commitment of the employees is being shown. The main reason why the employees are emotionally committed because the company took care its employee by providing permanent contract, adjustable income, adequate payment and other financial needs for its employees. The company concerns its employee's welfare.

Related to intellectual commitment, Hotel Gran Puri Manado is considered as successfully finding the right people in the right place. It is shown by the testimony of the informants, which explained that they enjoyed the process of the work, and that their work fits the job description and they are able to adjust with the work rhythm of the company.

Related to satisfaction aspect, the source of satisfaction in work in Hotel Gran Puri Manado is distincted into several source. Some part of the data implies that the source of satisfaction in Hotel Gran Puri Manado is external reward. The external reward consists of financial reward, promotion reward and feedbacks. Financial rewards is when the employee feel satisfied when his good work is compensated with suitable income, and promotional reward, where the employee is promoted because of his work. And the last, feedbacks, where the superiors/fellow workers provide verbal feedbacks to the employee and the feedbacks are the thing that made the employee satisfied in work.

In Hotel Gran Puri Manado, it is true that the employees are having emotional attachment with the company. Their commitment and their behavior in work are impacted with emotional bond with the company they are working for. The root of attachment is caused by the time and energy that have been invested by the employees. Most of the employees have worked in the company for a long time and some of them worked there since the beginning of their career. The employees felt they have found their comfort zone and financial security, and they are thinking, if they were about to find another place to work, they will feel fear and uncertain because of the new beginning in a new place.

Employee Engagement in relation with Employee Performance in Hotel Gran Puri Manado.

The important way to enhance employee performance is to focus on fostering employee engagement. There is a positive relationship between engagement and individual performance (Mone and London, 2010; Halbesleben, 2010). According to Saks (2006), employee engagement could affect business results through individual performance as engagement.

Csikszentmihalyi (1982), Which implies being 'Psychologically present', Where an employee is so mentally, physically and emotionally involved in their work that they are unaware of the passage of time at work. Gallup Found that employees are more productive and contribute more financially to the organization if they feel involved in, and are committed to the organization (Gallup Cited in Levinson, 2007).

In Hotel Gran Puri Manado, the emotional attachment that existed between employees and the company are affecting the employees work performance. Most of their task in work are done with the feeling of ownership or sense of belonging. Some of the employees also see the task they are doing to grow the company, as something they do for further financial benefits. The financial benefits in the future could be regarded as what they will receive in the future if the company grows, in other words, their salary will be increased if the company makes more profit. The spirit of earning more money made the employees emotionally bonded to make the company even growing more. Research has shown that self-efficacy is positively linked to work performance, in that individuals with higher self-efficacy are more likely to be proactive in initiating work, and show sustained effort and determination in their pursuit to achieve the task, even when problems occur (Bandura 1986, cited in Luthans and Peterson, 2002).

The employee engagement that affects their performance is also appeared in how they perform their daily tasks in the job. Employees in Hotel Gran Puri Manado tended to have high initiative, proactive attitude, and dedication. Employees in this company show high initiative through letting their own belongings to be used by the company for company needs and they are able to finish the job on target without the instructions from bosses. Related to initiative, proactive attitude also appeared among the employees that most of them showing proactivity in meetings of their departments, and proactively giving suggestions in meetings. The commitment and dedication also being shown by employees in Hotel Gran Puri Manado. In practice, they admitted to be motivated to work extra hours if needed by the company, and they have no problem taking other work's responsibility which is outside their job description. Based to the statement that they are driven to improve the company, the employees showed that they have the mission to make the company grow.

#### **CONCLUSION AND RECOMMENDATION**

# Conclusion

Based on the result and analysis, the conclusion given in this research is as follows:

- 1. Employee engagement is very important for every organization because it could increase employee performance and productivity. This research found that in Hotel Gran Puri Manado the employee is engaged with the company, and this occurs because the role of the organization. The employee feel satisfied to work in Gran Puri Manado and this is caused by some factors such as the workplace environment where all the employee feel like a family and external rewards that Gran Puri Manado have provided, i.e financial reward, promotions and feedbacks. This made the employees more engaged with the company and it affects their performance.
- 2. When the employees in Hotel Gran Puri Manado feel engaged with the company, their performance increases. It appeared in how they perform their daily tasks in the workplace and they tended to have a high initiative when doing some stuffs, become proactive, have a commitment, have a dedication for the company and they can do and finish the daily tasks without always having an instructions from their boss.
- 3. The employees in Hotel Gran Puri Manado have shown that they have a motivation in doing their job especially because of salary and they have worked in Hotel Gran Puri Manado for a long period of time. They also avoid all the things that make the company to suffer loss or disadvantage and they really want the company to grow and improve because it will benefit the employee.

#### Recommendation

Based on the result and analysis, the recommendation given in this research is as follows:

1. Hotel Gran Puri Manado should provide a clear career path for every employee without differentiate each employee or division, so the employee feel they have a purpose and a good career in Gran Puri Hotel Manado.

- Gran Puri Hotel Manado must provide income according to the burden of job or position and give what is owed to the employees on time and provide a dispensation or reward especially for they who worked hard or have completed the tasks that should be done by other employee.
- 2. Hotel Gran Puri Manado should always keep examining the employee who have worked extra hard and those who are not when giving a bonus. This is intended to create fairness for all employee. Hotel Gran Puri Manado should maintain and improve all the good aspects of work environment that made the employee keeps on work there for a long time. The environment could be the supporting facility, the atmosphere in the workplace, the understanding of the company and all the dispensation.

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