

PERSONAL SKILLS AND EMPLOYEE ENGAGEMENT IN PERFORMANCE IMPROVEMENT

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Abstract

This study aims to see the extent to which employee engagement plays a role in mediating the relationship between personal skills and the performance of private employees in the Karimun district. The population used was 80 respondents selected based on random sampling techniques for testing data analysis techniques using Smart PLS and trying direct and indirect relationships. The results of this study are: Skill directly influences employee engagement with a power of 0.854, which means that if the skill increases by one unit, then employee engagement can increase by 85.4%, and the effect is positive. Furthermore, skill directly influences performance with an influence of 1,039. Employee engagement affects the performance of -0.087 even though it is negative. Moreover, skill on performance through employee engagement positively influences 0.767.

Keywords: Skill, Employee Engagement, Performance

INTRODUCTION

Employee involvement in an organization is an essential factor in improving company performance. Employee engagement is when employees feel emotionally involved in their work and have a sense of ownership of the company's success (J., 2014; Sun & Bunchapattanasakda, 2019). Emotionally engaged employees are highly motivated and tend to work more effectively, efficiently and productively (Adiguzel & Sonmez Cakir, 2022; Ghosh et al., 2020). However, to achieve high employee engagement, adequate skills and abilities are required (Ismail et al., 2019; Nazir & Islam, 2017). Employees with adequate skills and abilities will feel more confident in carrying out their duties, increasing their involvement in work (Basit, 2020; Bendoly & Prietula, 2008; Sambasivan et al., 2009).

Adequate skills and abilities are essential to improve employee performance (Sambasivan et al., 2009; Sriruecha & Buajan, 2017). Employees with adequate skills and abilities tend to complete their tasks better and faster and can contribute more to the company's success (Stanfield, 2020). In globalization and fierce competition, adequate skills and abilities are becoming increasingly important for employees and companies (Van Laar et al., 2020). Companies that can provide adequate training and skill development to their employees tend to have an edge in retaining qualified employees and improving company performance (Miller & Miller, 2020). Therefore, companies need to invest time and resources in the skill development of their employees (Ghosh et al., 2020; Huang, 2023).

This study is warranted considering the employee engagement crisis organizations face today.

For example, surveys report declining employee engagement worldwide, especially in the Asian region (e.g., China, India, Japan and Indonesia). According to the survey, employee engagement has declined in the Asian region from 65% in 2016 to 63% in 2017 (Aon Hewitt, 2017; Scott, 2017). As such, this study attempts to carry out our duties as management researchers to elucidate the drivers of employee engagement and guide managers on practices that can enhance employee engagement and help us effectively address this substantial global challenge (Basit, 2020).

Related to the importance of employee skills and involvement in improving company performance, several problems may arise if employee skills and involvement are not appropriately managed (Basit, 2020; Kulkarni et al., 2020). These problems include: 1). Employees with inadequate skills and abilities will find it challenging to carry out their duties properly, which can hinder the company's overall performance. 2). Employees not emotionally involved in their work tend to be less motivated and less productive. This can hinder the company's progress and complicate competing with other companies in the market. 3). Employees who do not feel valued and respected by the company tend not to be motivated to improve their performance. This can result in qualified employees leaving the company and seeking better job opportunities elsewhere. 4). Companies not investing in employee training and skills development will likely lag in technology and innovation. This can hinder a company's ability to adapt to market changes and maintain a competitive advantage in the future.

Companies must take skills management and employee engagement seriously to overcome these problems. This can be done by providing adequate training and skills development, opportunities to participate in decision-making, recognizing employee achievements, and creating a positive and supportive work environment. (Kulkarni et al., 2020). Skills management and employee engagement can also help companies improve the quality of the products or services and customer satisfaction (Basit, 2020). Employees who are emotionally involved in their work will tend to care more about the quality of the products or services they produce and will work more diligently to ensure customer satisfaction (Calvo & Reio, 2018; Slåtten & Mehmetoglu, 2011). In addition, skills management and employee engagement can help companies develop a positive work culture. A positive work culture can help increase employee satisfaction, reduce employee turnover rates, and improve the company's reputation in the eyes of customers and the general public (Gevaert et al., 2022; Miller & Miller, 2020).

Employee engagement is based on employee trust and comfort in the company (Azevedo et al., 2021; Kulkarni et al., 2020). Communication and commitment are two critical roles if you want to create bonding between employees. This approach is needed by a company, especially for companies with tens to hundreds of workers. This is necessary for the chances of increasing the success of the company and improving the performance of the company (Smith & Webster, 2017). However, it is not uncommon for several companies, primarily HR, to ignore this employee engagement. So the atmosphere in the office feels uncomfortable whether you feel jealous, jealous, teasing each other or even distrusting each other between colleagues (Rita et al., 2018). This hurts work; the work atmosphere becomes tense, and tends to bring each other

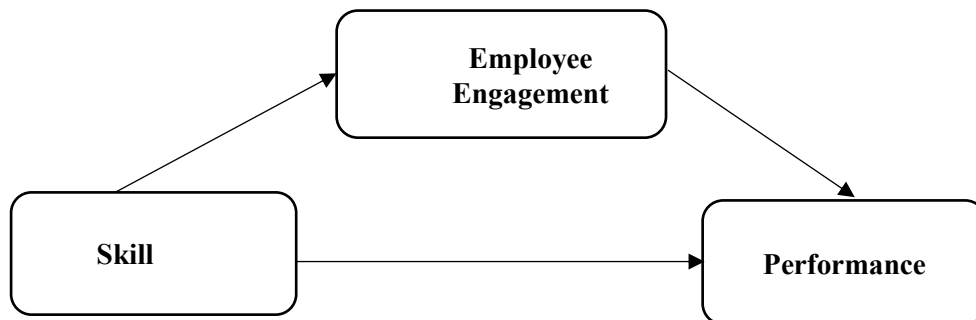
down. This is a challenge for every company because this is not only a problem for employees but will also directly impact the company (Çetin & Aşkun, 2018).

Apart from being good for co-worker relations, it turns out that employee engagement also has a positive influence on company management (Calvo & Reio, 2018; Ismail et al., 2019). Positive behavior from employees will undoubtedly increase their performance results (Osman et al., 2016). Moreover, that increase results from mutual support and good cooperation between co-employees. When there is good bonding within the company, an employee can feel proud and loyal to working for the company (Azhar Mohd Harif et al., 2022). Then they will become part of a company ready to handle clients and always give their best in completing each job. This will attract ideas from employees, which can be positive and good ideas to improve product or service marketing (Chen et al., 2020; Eroğlu & Kiray, 2020).

So that the company can expect a steadfast commitment from each of its employees to make the risk of employees being absent, lazy, and having problems at work less (Nazir & Islam, 2017); the ultimate goal is, of course, to increase productivity in the company (Bendoly & Prietula, 2008; Karkoulian et al., 2020). Seeing whether the bonding between employees is good can be seen from how big the attendance at the office is. Usually, poor bonding will make an employee go lazing around in the office or, more often, for holidays. This, of course, disrupts the company but also severely impacts employees. Of course, an HR cannot control his employees by coming to the office individually. Besides requiring time, it is also less effective (Abdullah et al., 2018).

Companies must also pay attention to employees' digital skills in today's digital era. Digital skills are required to operate technology used in business, such as software and applications used for data management, marketing and sales. Employees with adequate digital skills can assist companies in optimizing the use of technology, increasing efficiency and effectiveness, and accelerating business growth (Van Laar et al., 2020). In order to improve employee skills and engagement, companies can adopt a holistic employee development approach (Basit, 2020; Kulkarni et al., 2020). This approach involves developing technical and non-technical skills and employee engagement and motivation aspects. Through this approach, companies can ensure that their employees have sufficient skills and are emotionally involved in their work, which can help improve overall company performance (Ghosh et al., 2020).

In addition, companies also need to pay attention to factors that affect employee motivation, such as a safe and comfortable work environment, salary according to industry standards, and a clear career path (Reizer et al., 2019). This can help increase employee motivation and improve company performance (Manolopoulos, 2008). In addition, companies also need to pay attention to factors that can affect employee skills and performance, such as changes in technology and an increasingly complex work environment (Bendoly & Prietula, 2008; Smith & Webster, 2017). Companies must ensure that employees receive adequate training and skills development to adapt to these changes (Kulkarni et al., 2020). Companies must consider interrelated aspects and build holistic programs to overcome problems between skills, employee engagement, and performance. By doing so, companies can improve employee and overall company performance (Basit, 2020; Calvo & Reio, 2018; Wang & Chen, 2020).



METHODS

The approach used in this study is quantitative research, and data collection is carried out using a questionnaire related to changes in mindset, human resource development, and economic growth. The population used in this study were private employees in Karimun Regency, with as many as 80 respondents. A sampling technique using random sampling technique; this study used a quantitative approach.

RESULTS AND DISCUSSION

Results

The results of the initial test model of the relationship between skill and employee performance mediated by the Employee Engagement variable are as follows:

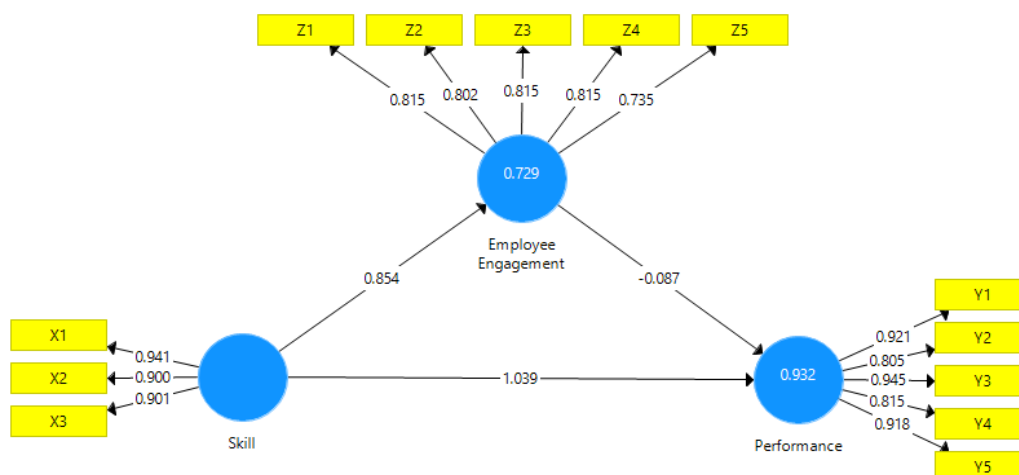


Figure 1: Results of the PLS Algorithm

From the results of Figure 1 above, it can be seen that each indicator of each variable tested has a validity level above the set standard, equal to 0.7. Moreover, this also states that each indicator

has its role in each relationship between indicators.

Convergent validity test

The validity of reflective indicators can be tested by looking at the relationship between the indicator score and the constructive score.

Table 1: Convergent validity result

	Employee Engagement	Performance	Skill
X1	0.802	0.918	0.941
X2	0.834	0.805	0.900
X3	0.707	0.921	0.901
Y1	0.707	0.921	0.901
Y2	0.592	0.805	0.693
Y3	0.725	0.945	0.911
Y4	0.689	0.815	0.779
Y5	0.802	0.918	0.941
Z1	0.815	0.415	0.525
Z2	0.802	0.918	0.941
Z3	0.815	0.633	0.656
Z4	0.815	0.407	0.516
Z5	0.735	0.552	0.539

Source: Smart PLS data processing

Table 1 above shows that each indicator of each variable used in this study already has a relationship (indicator score and construct score). From these results, it can also be explained that each reflective indicator is valid, and the researcher can proceed to the next stage.

Reliability test

Table 2: Reliability test

Construct	Composite reliability	Chronbach alpha	AVE	Note
Employee Engagement	0.897	0.863	0.635	Reliable
Performance	0.946	0.928	0.779	Reliable
Skill	0.938	0.901	0.836	Reliable

Source: Smart PLS data processing

A reliability test ensures that each indicator used in this study is consistent and reliable. Table 2 shows that each variable index used in this study has consistency and reliability and does not change even after repeated measurements, indicating that each design index is reliable and very consistent. Researchers can also make decisions by looking at the confidence value that has a value greater than or equal to the specified standard of 0.70, and all designs have a value greater

than or equal to the standard that has been used. Then compare the Cronbach's alpha value with the study configuration, and the traditional Cronbach's alpha value used is 0.60. It can be seen that the values plotted from this study are already higher than the standard Cronbach alpha set values.

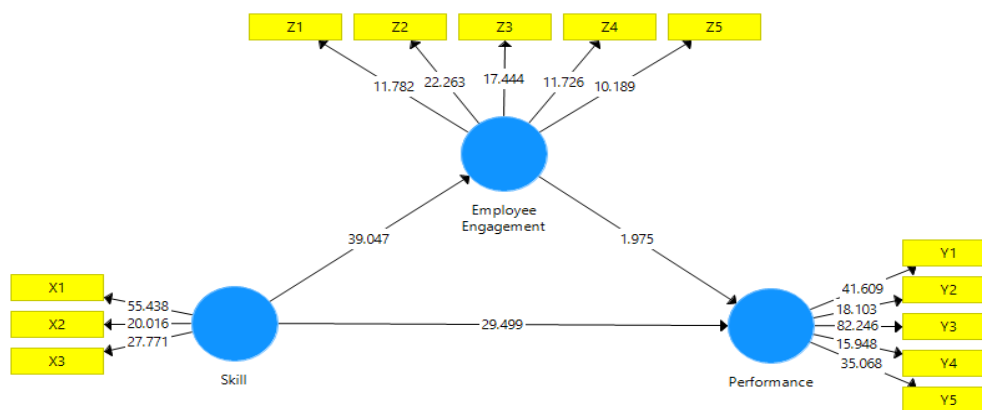


Figure 2: Bootstrapping result

Impact Test

Table 3: Influence Test Results

Hypothesis	Variable		Direct Effect	Indirect Effect	Total Effect	t -Values (>1.96)	Note
	Exogenous	Endogenous					
1	Skill	Employee engagement	0.854	-	0.854	39.047	Significant
2	Skill	Performance	1.039	-	1.039	29.499	Significant
3	Employee engagement	Performance	-0.087	-	-0.087	1.975	Significant
4	Skill → Employee engagement	Performance	0.854	-0.087	0.767	0,965	Significant

From the results of Table 3 above, it can be explained that Skill directly influences employee engagement with an effect of 0.854, which means that if skill increases by one unit, employee engagement can increase by 85.4%, and the effect is positive. Furthermore, skills directly influence performance with an effect of 1.039. Employee engagement influences the performance of -0.087 even though it is in a negative direction. Furthermore, skill on performance through employee engagement has a positive effect of 0.767.

DISCUSSION

Companies can do several things to overcome the problems between skills, employee involvement, and performance, including 1). Training and skills development according to employee needs: Companies must evaluate employee skill needs and provide appropriate training and development. This can help improve employee skills and improve company performance. 2). Creating employee engagement programs: Companies need to create employee engagement programs that can increase employee motivation, such as employee recognition programs, employee participation programs in decision-making, and work-life balance programs. 3). provide a safe and comfortable work environment: Companies need to ensure that the work environment is safe and comfortable for employees. This can help increase employee motivation and well-being and improve overall company performance. 4). Provide fair salary and career path: Companies must ensure that the salary offered follows industry standards and provides a clear career path for employees. This can help increase employee motivation and improve company performance. 4). Using the right technology: Companies can use technology such as LMS, PMS, employee engagement platforms, and data analytics to facilitate the management of skills and employee engagement efficiently and effectively.

Companies need to pay holistically attention to employee development and interrelated aspects to overcome the problems between skills, employee involvement, and performance. By doing so, companies can improve employee performance and overall company performance.

In addition, companies can also do other things to improve employee skills, engagement, and performance, such as: First, improve communication and feedback: Companies need to ensure that communication between employees and management goes well. This can help employees understand the vision and mission of the company and provide helpful feedback to improve performance. Second, promote a positive work culture: Companies must create a positive and inclusive one. This can help increase employee motivation and improve overall company performance. Third, appropriate incentives: Companies must provide appropriate incentives according to employee performance. This can help increase employee motivation and improve company performance. Fourth, provide adequate facilities and infrastructure: Companies need to ensure that the facilities and infrastructure provided are adequate and by the needs of employees. This can help improve employee performance and improve overall company performance. Fifth, develop good leadership: Companies need to ensure that company management has good leadership and understands the needs and motivations of employees. This can help increase employee engagement and improve company performance. Sixth, implementing a skills development strategy: Companies need to implement an appropriate skills development strategy, such as listing the skills required for each position, determining the required training and development for each employee, and identifying mentors who can assist employees in developing their skills. Seventh, create an employee engagement plan: Companies need to develop an employee engagement plan that includes mentoring programs, work-life balance programs, leadership development programs, and employee appreciation programs. Eighth, provide clear career opportunities: Companies must provide clear career opportunities for employees, such as career paths and leadership development programs. This

can help increase employee motivation and improve company performance. Ninth, use the right performance metrics: Companies need to use the right performance metrics to measure employee performance, such as productivity, quality, and efficiency. This can help employees understand the expected performance standards and provide helpful feedback to improve performance. Tenth, provide quality feedback: Companies must provide quality feedback to employees regularly, both formally and informally. This can help increase employee engagement and provide helpful feedback to improve performance.

Companies must take a holistic and integrated approach to overcome problems between skills, employee engagement, and performance. Companies must pay attention to these interrelated aspects and take appropriate steps to improve employees' skills, engagement and performance. By doing so, companies can improve employee performance and overall company performance.

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