



The Effects of Company's Core Values, Transformational Leadership, Work Environment, And Compensation On Employee Engagement At PT Starinvestama' Employee

Adam Gumilar Prabowo¹⁾; Maretno Sibarani²⁾

Universitas Pamulang, Tangerang Selatan, Indonesia

E-mail: ¹⁾adamgumilar1310@gmail.com; ²⁾maretnosibarani4@gmail.com

Abstract: PT Starinvestama is an life insurance company established in 1985 while undergoing a transformation since 2019 by touching including changes in leadership structure and management, core values, development of activities, work environment and investment of manpower from multinational. Research on PT Starinvestama aims to determine the effect of Core Values, Transformational Leadership, Work Environment, Compensation on Employee Engagement, especially line management employees. Method The research is quantitative using a questionnaire with a Likert scale. The sampling technique is non-probability sampling with purposive method sampling, for all employees. Results research shows Transformational Leadership, Work Environment and Compensation has a significant effect on Employee Engagement, while the Core Values does not have a significant effect.

Keywords: Core Values, Transformational Leadership, Work Environment, Compensation, Employee Engagement.

INTRODUCTION

Many studies have revealed the fact that a company with employees who have a high level of engagement or engagement has a positive impact on company performance, among others in terms of productivity, profitability, customer loyalty, and customer satisfaction. In addition, it is also explained from a research that high levels of employee engagement can be found in companies with double-digit growth rates above the average. (Coffman, 2000; Coffman and Gonzalez Molina, 2002; Towers Perrin Talent Report, 2003; Ellis and Sorensen, 2007).

Established in 1985. PT Starinvestama is known as a leading company providing financial planning and protection services in Indonesia. To be able to grow even more rapidly, starting from 2019 PT Starinvestama has transformed in various fields, including a management reshuffle by recruiting many new professionals from well-known companies in Indonesia, or from other subsidiary companies under the auspices of the same parent company. The presence of new professionals at PT Starinvestama is expected to have a positive impact on changes and developments in management that are more modern, aggressive and productive. The process of Change Management and leadership

transformation which was previously led by several Managing Directors is now being changed by being led by several Chiefs, then changes in management communication patterns where previously the flow and communication media were very limited, now many channels and communication media are used.

Employee engagement is critical to the company's long-term growth and increasing profitability in an increasingly competitive industry. In recent years, the increasingly fierce industry competition has resulted in many companies needing to restructure their strategies to increase their existence. Employees in a company are not only part of carrying out company functions, but also become valuable assets in the company's success. In order to realize the success of the company, the company's valuable assets, namely employees, need to have full engagement in the company. Companies must also encourage the creation of employee engagement in their work so as to improve company performance.

Based on some of the results of the interviews above, the researchers found low employee engagement as indicated by the behavior of employees who are less focused at work, less enthusiastic and enthusiastic at work which has an impact on decreasing employee productivity and performance. This is certainly troubling for companies that hope that employees can help the company realize company goals. The lack of employee engagement of PT Starinvestama is influenced by the perception of employees who feel they are not getting fair compensation compared to their colleagues and influenced by the leadership style applied by the leaders of each team or each division. The leadership style applied in the company has not been fully appropriate in motivating and influencing employees in realizing company goals, thus causing a lack of employee engagement which can have a negative impact on the company.

To see the effect and impact on employee engagement conditions, based on literature references, the researcher examines three conditions for further research at PT Starinvestama, namely: first, PT Starinvestama has had employee behavior guidelines based on the Core Values set by management on based on the belief that with employee behavior that displays these Core Values, PT Starinvestama's vision and mission can be achieved. Thus, it will be known how far the influence of the appearance of Core Values behavior on Employee Engagement. Second, based on the management and leadership transformation that has taken place since 2019 in which PT Starinvestama has recruited many new leaders, we want to know the impact of this leadership on PT Starinvestama Employee Engagement. Third, PT Starinvestama wants to know how employees perceive the Work Environment and Compensation provided so far and their impact on Employee Engagement. From the above conditions, the researcher was moved to conduct research to help provide answers to the situation that occurred in the form of seeing the influence of the variables as discussed with PT Starinvestama.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Company's Core Value

According to Schein (2004), the combination of core values, beliefs, and norms has an impact on the way employees behave, think and feel in the organization. In general, organizational management associates a value or norm of the company with their customers and nowadays many organizations have a value statement as part of the organizational culture design. For example, core values that are translated in the form of customer care behavior will produce a unique competitive source and support the success of the company's strategy. Many researchers find core values have an impact on organizational success. Lešnik (2006) says that organizations will succeed when organizational goals are aligned with core values and organizational employees are aligned with these core values. For organizations, core values exist to be lived and practiced (implemented) by employees. Core values provide guidance in employee behavior to be implemented in daily work locations to be consistent and appropriate, know the priorities of the organization's interests and can be confident in making decisions (Freeman, 2014).

In several studies (Sullivan et al., 2002; Posner, 2010) Organizational core values have an impact on company performance, including supporting effective organizational operations, superior financial results and overall organizational success (Van Lee, Fabish & McGraw, 2005), while Gruys, Stewart, Goodstein, Bing and Wicks (2008) emphasize profitability as an output that arises from the performance of core values and shared among employees. They also argue that shared values build a strong organizational culture and contribute to increased ethical performance in organizations. Then, Sullivan et al. (2002) stated that companies led by strong core values will outperform (in terms of income growth, job creation rate, share price growth, performance growth and lower turnover) companies that do not have core value strengths. Organizations driven by core values are more likely to gain a competitive advantage.

Schein (2004) describes three (3) dimensions of organizational core value variables, these are

1. Artifacts, consists of the physical appearance of the culture such as information on the vision statement, mission and main values, organizational structure, work environment. According to Schein (2004) Artifacts are representative of culture but have limitations to understand because they are mere symbols so they are strongly influenced by interpretation of observations, aka have the potential to be biased to understand.
2. Espoused Beliefs & Values is the result of group learning, where values and beliefs are tested by applying them as problem solving, as a solution.
3. Basic Assumptions is a set of basic assumptions that underlie it, non-negotiable subconscious values and beliefs. A person may display rejection, blame, or distorting behavior when new values are introduced. That is why organizational change is very difficult because it is related to beliefs stored in the subconscious.

Based on the literature review above, the research uses the measurement of the behavioral dimensions of the core values of the organization, namely Artifacts, Espoused Beliefs & Values, and Basic Assumptions. And based on the explanation of the previous research above, the researcher proposes the following hypothesis:

H1: There is a significant effect of the Company's Core Values partially on employee engagement in PT Starinvestama employees.

Leadership

Bass and Riggio (2006) and Drucker (2007) say that organizational success is caused by company performance, employee satisfaction and employee commitment, where some researchers suggest that leadership that helps and motivates teams to be more competitive is using effective leadership. Based on the literature, two types of leadership are considered effective (Bass and Riggio, 2006; Kouzes and Posner, 2007; Yukl, 2009; Sadeghi & Pihie, 2012) namely transformational leadership and transactional leadership. From several studies on leadership, it is found that the implementation of Transformational Leadership has a positive impact on organizational performance (Bass and Riggio, 2006; Kouzes and Posner, 2007; Yukl, 2009).

Nemanich and Keller (2007) conducted a study on transformational leadership on 447 employees of multinational firms that are going through a merger process with other companies, finding the fact that the behavior of superiors who display transformational leadership has a positive effect on employee acceptance in the acquisition and merger process, as well as job satisfaction. work and performance. Kieu (2010) examined 151 companies in the IT industry and presented the results that transformational leadership is the strongest predictor that has an impact on employee performance and satisfaction, if it goes through the process of building commitment, empowerment and demands a high degree of respect and trust from leaders. Then Tims, Bakker and Xanthopoulou (2011) measured the effect of transformational leadership and employee engagement on 42 employees and their superiors in two different organizations in the Netherlands. The results show that employees become more engaged (eg dedication, acceptance, more optimism) towards their superiors

Bass and Riggio (2006) explain that there are 4 component dimensions to Transformational Leadership, they are:

1. Idealized Influence. The characteristics that appear are leaders who become role models, share their vision and main values and are able to translate that vision in an effort to make their followers believe.
2. Inspirational Motivation. Characteristics that motivate by guiding, boosting team spirit, enthusiastic and optimistic, inspiring and motivating followers, committed to achieving goals.
3. Intellectual Stimulation. Characteristics in which the leader dares to take risks, values the ideas of his followers, stimulates and encourages creativity, develops, trains, prioritizes learning, engages in discussions to solve team problems, is enthusiastic and optimistic, inspires and motivates followers, is committed to achieving goals.
4. Individual Consideration. Characteristics that respect the needs of followers, act as mentors or coaches for their subordinates, listen and care about the needs or concerns of subordinates, empathize and support, open communication, respect and celebrate the results of individual contributions.

Based on the literature review above, this research is stated to use the Transformational Leadership measurement which is more in line with the situation and conditions that occur at PT Starinvestama, and uses the variable dimensions, namely idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. And based on the explanation of the previous research above, the researcher proposes the following hypothesis:

H2: There is a partial significant effect of Transformational Leadership on Employee Engagement at PT Starinvestama employees.

Work Environment

Miles (2001) and Harter et al (2002) suggest that there is a significant influence between the Work Environment and Employee Engagement. Working environment conditions play an important role for employees in terms of whether they want to continue working in the organization. A safe work environment can attract job seekers to apply to a company because of course the majority of people want to work in a safe workplace. This is also supported by studies from Miles (2001), Holbeche & Springett (2003), May et al. (2004), Rich et al. (2010), and Anitha (2014) who also found that the Work Environment aspect did indeed affect the condition of Employee Engagement. Organizations that play a role and show concern for the needs and feelings of employees, get positive feedback because employees realize the company's attention to their comfort in work, opportunities to develop new skills and solve problems.

According to Lane, Esser, Holte, Lane & Anne (2010), different factors in the work environment such as wages, working hours, autonomy given to employees, organizational structure and communication between employees and management can also affect job satisfaction. Moos (2008) released the fourth edition of the Work Environment Scale which was created to measure the social work environment in an industry or work environment. The background for the design of this measurement scale is to determine the condition of the work environment in which a person is active (work) so that he can evaluate productivity, measure job satisfaction, clarify employee expectations and aspirations so that it can become a healthy and engaged work environment. The following is a description of the Work Environment Scale scale:

Table 1. Work Environment Subscale Description

| No | Variable | Description |
|---|--------------------|---|
| Relationship Dimension | | |
| 1 | Involvement | The extent to which employees care and are committed to their work in the work environment. |
| 2 | Peer Cohesion | The extent to which employees are friendly and willing to support each other in the work environment. |
| 3 | Supervisor Support | The extent to which management supports and encourages employees to support each other in the work environment. |
| Personal Growth or Goal Orientation Dimension | | |
| 4 | Autonomy | How much employees are encouraged to be independent and make |

| | | |
|----|------------------|---|
| | | their own decisions in the work environment |
| 5 | Task Orientation | The extent to which good planning, efficiency and getting the job done in the work environment are emphasized |
| 6 | Work Pressure | The extent to which work pressures and urgent time pressures seem to dominate in the work environment. |
| | | System Maintenance and Change Dimension |
| 7 | Clarity | The extent to which employees know what is expected in their routine work and how rules and policies are openly communicated in the work environment. |
| 8 | Control | The extent to which management uses rules and pressures to control employees in the work environment. |
| 9 | Innovation | How much emphasis is placed on variety, change, and new approaches in the work environment? |
| 10 | Physical Comfort | The extent to which the physical environment contributes to a pleasant work environment |

Source: Work Environment Scale (Moss, 2008)

Based on the literature review above, this study uses the variable dimensions of the work environment scale mentioned above. And based on the explanation of the previous research above, the researcher proposes the following hypothesis:

H3: There is a significant effect of the work environment partially on employee engagement in PT Starinvestama employees.

Compensation

Anitha (2014) states that compensation is one of the factors that influence employee engagement and believes that employee engagement can increase profits if employees are satisfied with aspects related to their work, including in this case the compensation received. Abel (2013) states that the condition of employee engagement can arise from feelings that assess that employees get superior compensation for their work assignments. Compensation is a form of intrinsic and extrinsic rewards that employees receive after completing their tasks or work targets (Martocchio, 2015). Milkovich (2014) adds the definition of compensation is a reward received by employees based on whatever the employee does at work. Hwang & Kleiner (2002) state that the purpose of compensation is to ensure that employees receive consistent work assignments according to the Workers' Compensation Act. Many empirical studies provide strong evidence that a good compensation system is a competitive strategy and increases employee commitment, motivation and retention (Harter, 2002; Dessler, 2005; Vance, 2006; Zaman et al, 2011).

According to Rothwell and Kazanas (2003) defines compensation as a feedback received by employees in the form of financial and non-financial. Ghosh (in Stumpf et al, 2013) explains that financial compensation is an important part of the talent retention strategy, especially in accordance with market conditions, in order to meet the expectations of talented employees. Play-Gorvine (2014) also supports this view by stating that the importance of financial compensation in accordance with market conditions will affect the level of employee turnover, because if employees feel their financial compensation is low, employees perceive the organization does not appreciate contributions to the organization.

Based on the literature review above, the research uses the measurement of the dimensions of financial compensation with the salary variable and the measurement of the dimensions of non-financial compensation with the variables of appreciation, self-development, and empowerment. And based on the explanation of the previous research above, the researcher proposes the following hypothesis:

H4: There is a significant effect of partial compensation on employee engagement in PT Starinvestama employees.

The Effects of Company Core Values, Transformational Leadership, Work Environment, and Compensation on Employee Engagement

Employee Engagement is most often defined as an emotional and intellectual commitment to the organization (Baumruk, 2004; Richman, 2006; Shaw 2005). Meanwhile, according to Frank et al (2004) defines it as the amount of effort shown by employees in their work. Truss et al (2006) define employee engagement simply as 'passion to work'. And the definition of Employee Engagement according to human resource consultants (in the National HRD Network, 2011) includes Tower Perrin which is how far employees put more effort into their work, then Hay Group defines it as a condition that stimulates employees to work enthusiastically and brings organizational success, then Aon Hewitt defines it as an intellectual and emotional commitment to the organization, and Gallup describes it as engagement and enthusiasm for work. In measuring the level of employee engagement in the organization, Harter et al. (2006) explain the importance of defining and clarifying the needs of employees is the most basic and is the responsibility of an employee manager. Harter et al. (2006) added that it is important for leaders to meet the needs of employees so that they do their work optimally with the aim of maximizing efficiency. Gallup Consultants (2004) designed an engagement survey and found a critical influence between employee engagement, customer loyalty, business growth and profitability. The Gallup survey designed a 12-item questionnaire that measures 4 (four dimensions) namely basic need, management support, teamwork, growth. There is a high correlation in public companies with high employee engagement with predictions of the financial element, namely high earnings per share (EPS).

Gallup research results show that companies with more than 4 highly engaged employees have a 2.6 times higher EPS score than companies with fewer highly engaged employees. This finding according to Ott (2007) is measurably reliable because the company has been compared with similar industries according to the time pattern of EPS when explored. Meanwhile, other studies also explain how companies with high levels of employee engagement usually outperform competitors, generate superior financial revenue, and low employee turnover rates (Baumruk, 2004; Towers Perrin, 2003, Gibbons, 2006; Harter, Schmidt Killham, & Asplund, 2006). In the research report Aon Hewitt (2013) presents several findings, among others, globally it is found that around 4 out of 10 employees are not engaged, and 2 out of 10 employees are actively disengaged; a company that has a high level of employee engagement has a positive impact on its revenue growth; and the increasing number of companies investing in key drivers of Employee Engagement, including career opportunities, organizational reputation and compensation.

Another finding is that based on the generation of employees (millennials, generation X, baby boomers), career opportunities and organizational reputation are ranked 1 and 2 as engagement drivers. Aon Hewitt (2015) uses the 3S concept in measuring Employee Engagement, they are: SAY where employees consistently say positive things about the company, colleagues and customers, STAY where employees have a desire to stay, work, and be part of the company and STRIVE, namely employees exert extra effort and engage in their work to contribute to the success of the business. It is believed that employees need these three elements to be fully engaged. For example, it is difficult to say that employees are engaged if they are trying to go above and beyond but don't really want to stay with the organization — or vice versa, if employees want to stay with the organization but are not trying to go any further. The results of the study show that the behavior of engaged employees shows positive results to drive the main business, namely the impact on customer satisfaction, operational efficiency, and revenue growth. There is also convincing evidence that employee attitudes and behavior have a strong correlation with customer satisfaction and an indirect effect on financial performance. Based on the literature review above, the research uses employee engagement measurements from the AON Hewitt model with Say, Stay and Strive variables.

Similar research conducted by Thesiasari F. D. R. in his research entitled "The Influence of Leadership, Work Environment and Compensation on Employee Performance Through

Employee Engagement at CV. Struggle Steel Surabaya” mentions the factors that can affect employee performance, namely leadership, work environment, compensation and employee engagement which are the intervening variables in this study. The results obtained from this study are the leadership variable has no effect on employee performance at CV Perjuangan Steel, either directly or indirectly. Work environment and compensation variables have an influence on employee performance, both direct and indirect effects through employee engagement.

Ferdiansyah M. conducted a study to determine the effect of transformational leadership style, compensation and training programs on employee engagement. He stated that transformational leadership style had a positive and significant effect on employee engagement and compensation had a positive and insignificant effect on employee engagement. Meanwhile, the Training Program has a positive and insignificant effect on Employee Engagement. The finding in this study is that the use of Employee Engagement as a moderating variable is proven to provide a significant level of probability of the influence of the Leadership Style variable on Employee Performance and the moderating variable is proven to have the effect of increasing the probability significance of the Employee Engagement variable on Employee Performance.

Isabel Buil, Eva Martínez, Jorge Matute conducted a study to find out the effect of the relationship between Transformational Leadership and Employee Performance.

Based on the previous research review mentioned above, the researcher proposes the following hypothesis:

H5: There is a significant effect of the Company's Core Values, Transformational Leadership, Work Environment and Compensation simultaneously on employee engagement in PT Starinvestama employees.

METHODS

Research Methodology

The associative research method used in this study which has the meaning of research conducted to find the influence between variables with other variables. Researchers set a goal to determine the effect of one variable with another variable. The limitation of the objectives of the research model here is to determine the effect of the variables of the Company's Core Values, Transformational Leadership, Work Environment and Compensation, on Employee engagement in the operational work line employees of PT Starinvestama. The following is the design of the research method:

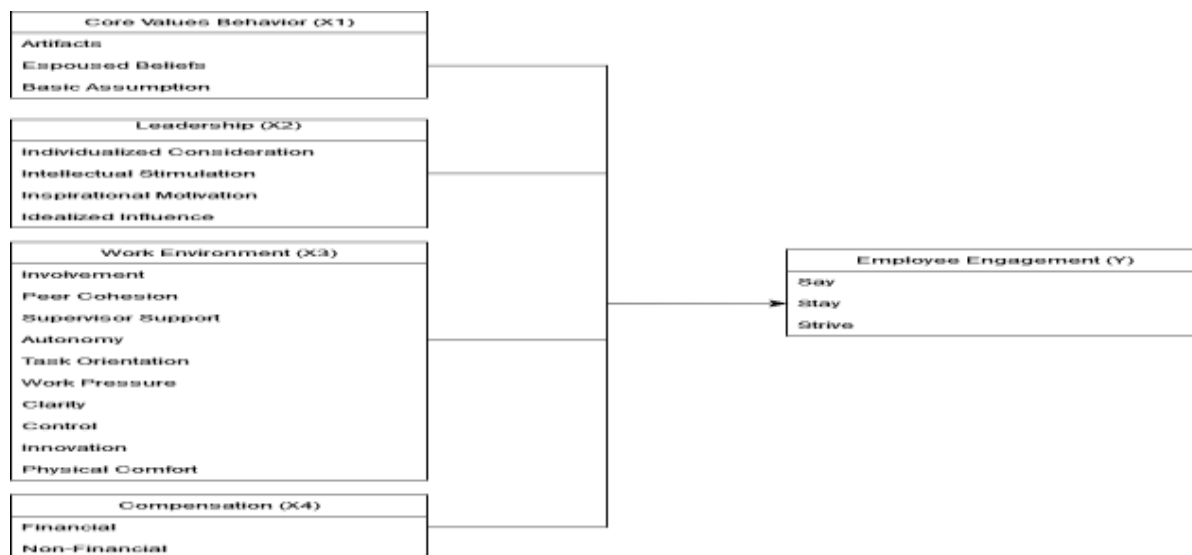


Figure 1. Research Methodology Design

Research Design

This study uses a quantitative research method with a questionnaire research type. Quantitative research methods are research methods used to examine certain populations or samples, with data collection using research instruments, while data analysis is in the form of statistical data to test established hypotheses (Sekaran and Bougie, 2010). According to Zikmund et al. (2010), the purpose of questionnaire research is to collect primary data from research subjects and besides that it is a means that is considered fast in its implementation, cheap and efficient from the aspect of the cost of the process, accurate in assessing information about a population, and easy to administer. Regarding the time horizon of this study, it is cross-sectional, which according to the definition of Sekaran and Bougie (2010) is data collection that is only done once (can be in a few days, weeks or months). The following is a Research Design table for each hypothesis.

Table 2. Research Design

| Research purposes | Types of research | Research methods | Time Horizon |
|-------------------|-------------------|------------------|-----------------|
| Purpose 1 | Quantitative | Questionnaire | Cross-Sectional |
| Purpose 2 | Quantitative | Questionnaire | Cross-Sectional |
| Purpose 3 | Quantitative | Questionnaire | Cross-Sectional |
| Purpose 4 | Quantitative | Questionnaire | Cross-Sectional |

Operational Variable Definition

Sekaran and Bougie (2010) explain that the operationalization of variables is everything in any form that has been determined by the researcher to be studied in order to obtain information related to it and then conclusions can be drawn. Variable operationalization table consists of several parts: variables, definitions, dimensions and scale/measurement model. According to Zikmund et al (2010), the measurement scale used in this study is the Interval scale, which means that there are distance differences and similarities in the quantities contained in the variables. While the measurement scale models in this study are based on Sekaran and Bougie (2010), which uses a Likert scale designed to examine how strongly the research subjects agree or disagree with one statement. The Likert scale uses a 5-point scale: Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree.

Tabel 3. Tabel Operasional Variabel

| Variable | Definition | Dimension | Scale/Measurement Methods |
|----------------------------------|---|--|---------------------------|
| Company Core Value Behavior (X1) | Three (3) levels of core value variables (Schein, 2004) 1. Artifacts, for example info on vision, mission and core values, 2. Espoused Beliefs & Values, values and beliefs that are tested to solve organizational problems. 3. Basic Assumptions a set of basic assumptions that underlie; non-negotiable subconscious values and beliefs. | Artifacts Espoused Beliefs & Values Basic Assumptions | Interval/Like rt Scale |
| Transformational Leadership (X2) | 4 (four) Transformational Leadership (Bass and Riggio, 2006): 1. Individual Consideration A role model, sharing a vision and core values, translating that vision to make followers believe. | Individualized Consideration Intellectual Stimulation Inspirational Motivatio Idealized | Interval/Like rt Scale |

| | | | |
|-------------------------|---|---|------------------------|
| | <p>2. Inspirational Motivation Showing motivation by guiding, increasing team spirit, full of enthusiasm and optimism, inspiring and making followers excited, committed to achieving goals.</p> <p>3. Intellectual Stimulation Dare to take risks, appreciate ideas, stimulate and encourage creativity, develop, train, prioritize learning, involve in discussions to solve problems.</p> <p>4. Individual Consideration Appreciate the needs of followers, as a mentor/trainer of their subordinates, listen and care about the needs or concerns of subordinates, empathize and support, open communication, respect and celebrate the results of individual contributions</p> | Influence | |
| Work Environment (X3) | <p>Moss (2008) released a Work Environment Scale consisting of Relationship (Involvement, Peer Cohesion, Supervisor Support), Personal Growth or Goal Orientation (Autonomy, Task Orientation Work Pressure) and System Maintenance and Change (Clarity, Control, Innovation, Physical Comfort). Autonomy</p> | <p>Involvement Peer Cohesion Supervisor Support Autonomy Autonomy Work Pressure Control Clarity Innovation Physical Comfort</p> | Interval/Like rt Scale |
| Compensation (X4) | <p>Rothwell and Kazanas (2003) define compensation as a feedback received by employees in the form of financial and non-financial.</p> | <p>Financial Compensation Non-Financial Compensation</p> | Interval/Like rt Scale |
| Employee Engagement (Y) | <p>Hewitt (2015) uses the 3S concept in measuring Employee Engagement, namely: SAY where employees consistently say positive things about the company, colleagues and customers, STAY where employees have a desire to stay, work, and be part of the company and STRIVE, where employees exert extra effort and engage in his work to contribute to the success of the business.</p> | <p>SAY STAY STRIVE</p> | Interval/Like rt Scale |

This study uses a questionnaire data collection technique that contains a number of questions (for demographic data collection) and statements to line management employees of PT Starinvestama as the object of research. Respondents are given assurance of confidentiality protection for convenience and openness in filling out. The questionnaire used

in this study is private and was made using a Likert scale with the following weights (Sekaran & Bougie, 2010):

From this description, it can be determined that the employee population of PT Starinvestama recorded in 2021 is 49 employees. Related to this research, the population of PT Starinvestama employees is 49 employees

The number of respondents who participated in this study were 33 employees of PT Starinvestama, aka about 66% of the total population.

RESULT AND DISCUSSION

According to the criteria of the research population, the employees of PT Starinvestama. The distribution of questionnaires to get the minimum target respondents is done through Google. forms: (<https://forms.gle/s9sYTMCGwhbJpCzu6>). The population in this study is 59 employees and the respondent is 37 employees out of a total of 49. The following is the number of respondents who participated (responding to the questionnaire distributed).

Table 4. Respondent Profile Table

| Position | Population | Men Population | Women Population | Contract Employee Population | Permanen Employee Population |
|------------|------------|----------------|------------------|------------------------------|------------------------------|
| Staff | 12 | 8 | 4 | 5 | 7 |
| Supervisor | 8 | 3 | 5 | 1 | 7 |
| Manager | 10 | 8 | 2 | 1 | 9 |

Descriptive Statistical Analysis

This section provides a descriptive statistical analysis. This research questionnaire uses a Likert scale form for the dependent and independent variables used in this study. These statements relate to the behavior of Core Values, Transformational Leadership, Work Environment, Compensation and Employee Engagement. The questionnaire contains a total of 50 items which are divided into 10 items to represent each of these variables. Respondents were asked to provide an assessment according to the conditions or situations that occurred/they felt regarding the behavior of Core Values, Transformational Leadership, Work Environment, Compensation and Employee Engagement. Questionnaire using a Likert scale with a value of 1 to 5, where a score of 1 indicates Strongly Disagree, 2 10 indicates Disagree, 3 indicates Doubtful, 4 indicates Agree, and 5 indicates Strongly Agree. The following is a table of Descriptive Statistics test results.

Table 5. Descriptive Statistical Analysis Table

| Variable | Range | N | Min | Med | Max | Mean | STD Deviation |
|-----------------------------|-------|----|-----|-----|-----|-------|---------------|
| Core Value Behavior | 1 – 5 | 37 | 34 | 40 | 45 | 39,9 | 3.99 |
| Transformational Leadership | 1 – 5 | 37 | 44 | 50 | 55 | 50 | 4.48 |
| Work Environment | 1 – 5 | 37 | 36 | 42 | 50 | 43 | 4.24 |
| Compensation | 1 – 5 | 37 | 31 | 43 | 50 | 43.83 | 4.86 |
| Employee Engagement | 1 – 5 | 37 | 32 | 43 | 50 | 43.16 | 4.87 |

Min: Minimum, Med: Median, Max: Maximum

Range Column

In the table 5 above, the range column shows the range of scores used, namely a score range of 1 to 5 in a total of 50 questionnaire items for five variables (Core Values,

Transformational Leadership, Work Environment, Compensation and Employee Engagement).

N Column

Shows the total number of respondents who filled out the questionnaire, which is 37 respondents.

Minimum and Maximum Column

Among the five variables, the Compensation variable obtained the lowest total score (score 31), meaning that there were respondents who when assessing and providing the lowest total score for the questionnaire assessment in the item items of the variable. For the maximum total score, there are three variables (score 50) namely Work Environment, Compensation and Employee engagement. The analysis of these results is that the Core Value Behavior variable gets the lowest evaluation compared to other variables, so it can be interpreted that there are indications of respondents responding negatively compared to the other four variables.

Median Column

The number in the column can be interpreted as a boundary between showing an attitude of (strongly) disagreeing and an attitude of (strongly) agreeing. For the core value variable, it can be seen that the critical value as a differentiator between respondents who agree and disagree is a total score of 40. Then it can be interpreted that the prevailing situation is:

1. If the respondent's answer score produces a total score below 40, then the respondent gives an assessment of (strongly) disagrees and is in doubt regarding the questions asked.
2. If the respondent's answer score produces a total score of 40, then the respondent gives an assessment (strongly) agrees with the questions asked.

Mean Column

Meanwhile, the average value (Mean) the highest is in the Transformational Leadership behavior variable (score 50) and the lowest is in the Core Value Behavior variable (score 39.9). It can be analyzed that the average respondent gives a more positive evaluation of the Transformational Leadership variable than the Core Value variable which is evaluated the lowest compared to the other four variables..

Deviation Standard Column

Meanwhile, the highest standard deviation value with a score of 4.87 is in the Employee Engagement variable, which means it is relatively far away from 0 so it can be said that the distribution of data, especially on this variable, is quite diverse. It can be analyzed that the respondents gave varied evaluations and this could be due to the uniqueness of employee engagement characteristics from one employee to another.

Multiple Regression Analysis

The conclusions of the multiple regression analysis model are as follows:

1. The R value of 0.992 in the table above can be interpreted as the degree of correlation between the behavioral variables of Organizational Core Values (X1), Transformational Leadership (X2), Work Environment (X3), and Compensation (X4) on Employee Engagement variables (Y) to employees of PT Starinvestama. The meaning of the number 0.992 indicates a very strong correlation level.
2. The R Square value in the table above is 0.993, this means that 99.3% of the Employee engagement variable (Y) of PT Starinvestama management line employees is influenced by the behavior of the organization's Core Values (X1), Transformational Leadership (X2), Work Environment (X3), and Compensation (X4). While the remaining 0.9% is influenced by variables outside this study.

Hypothesis

H0: There is no significant effect between the behavior of the organization's Core Values (X1), Transformational Leadership (X2), Work Environment (X3), and Compensation (X4) on the Employee Engagement variable (Y).

H1: There is a significant influence between the behavior of the organization's Core Values (X1), Transformational Leadership (X2), Work Environment (X3), and Compensation (X4) on the Employee Engagement variable (Y).

Decision

Sig = 0,000 < 0,05; thus H0 is rejected.

This means that with a significant level of ANOVA which refers to a value of 0.000 which is smaller than Sig 0.05 (H0 is rejected), it can be stated that the level of behavior of Organizational Core Values (X1), Transformational Leadership (X2), Work Environment (X3), and Compensation (X4) together have an effect on the Employee Engagement variable (Y) on employees of PT Starinvestama.

Discussion of Research Results

From the results of the study using the four hypothesis tests above, it is known that the variables that have a significant influence on the employee engagement variable are the behavioral variables of Transformational Leadership (X2), Work Environment (X3), and Compensation (X4). Based on the results of the correlation test can prove that:

1. Transformational Leadership (X1) is the variable with the second rank in giving a very strong influence of 96.9% on Employee Engagement. The results of the hypothesis test are also supported by a study of 34 previous studies, including Kieu (2010) which found the results of research in which Transformational Leadership style became the strongest predictor in building employee engagement because it correlated with employee satisfaction. As well as the results of research from Tims, Bakker and Xanthopoulou (2011) which found research results where employees become more engaged with superiors who display Transformational Leadership behavior.
2. Work Environment (X3) has a very strong influence of 93.2% on Employee Engagement. Thus the results of the H1 hypothesis test on this variable are in accordance with the findings of previous research studies, including those from Gruys, Stewart, Goodstein, Bing and Wicks (2008) which state that the work environment in addition to contributing to increased performance, also supports engagement, especially in the ethical aspect. organization, among others, sharing among employees. Similarly, according to Awadh and Saad (2013) that the development of the work environment of an organization will have an impact on the commitment of employee performance contributions. Sullivan et al (2002) is the same as the impact of Employee Engagement, namely contributing to company performance, providing superior financial results and overall organizational success.
3. Compensation variable (X4) as the largest variable which gives a very strong influence of 92.1% on Employee Engagement. Previous research studies support the results of this hypothesis test where according to Anitha (2014) it is stated that compensation is one of the factors that influence employee engagement because it creates aspects of satisfaction (or dissatisfaction) related to compensation received by employees. Likewise, from various empirical studies that explain that companies with a good compensation system will be a competitive strategy in increasing employee commitment, motivating and retaining (Harter, 2002; Dessler, 2005; Vance, 2006; Zaman et al, 2011). Finally, Milkovich et al (2004) asserted that a poor compensation scheme certainly has an impact on employee engagement failure, especially when finding perceptions of injustice, inconsistent and resulting in employee dissatisfaction (which can ultimately have an impact on employee resignation).

The three variables mentioned above have a unidirectional correlation (together) and have a significant effect, it can be interpreted that the stronger the Transformational Leadership behavior, the higher the appearance of the Work Environment, and the higher

the Compensation variable, the higher the level of engagement in line management employees. PT Starinvestama will increase as well.

In terms of the Core Value variable has a very strong correlation with Employee Engagement, but it is stated that it does not have a significant effect on increasing Employee Engagement in PT Starinvestama management line employees, based on multiple regression testing which produces a value of 0.157 or greater than the significance test level of 0.05 ., and the results of the standard Beta coefficient show a score of 0.023 which is interpreted to have a very weak correlation between the two variables. The results of the analysis test are not in accordance with the literature review and some previous research results which state that Core Value Behavior affects Employee Engagement. There are several proposed analyzes related to the test results which do not have a significant effect. First, from the results of descriptive statistical tests, the maximum total score for the Core Value variable is the lowest (45) compared to the other four variables (50). Second, the results of the standard deviation showed the lowest (3.99) compared to the other four variables. These results explain that the majority of respondents have an indication of the similarity of evaluation responses to the Core Values, which when associated with the maximum total score (45) it can be concluded that they are in a condition not totally agree with the statement items of the Core Value variable questionnaire. So the analysis above can be used as the basis for explaining why the test results for the Core Value Behavior variable are declared not significant enough to affect the Employee engagement variable.

CONCLUSIONS

From the description in the result discussion, the following conclusions can be drawn:

1. Core Value Behavior has a very strong correlation but does not have a significant effect on the level of engagement of PT Starinvestama employees. Based on the conclusions above, if PT Starinvestama wants to improve productivity through improving the quality of engagement, it can focus on the implementation aspect of employee behavior based on the Organization's Core Values.
2. Transformational leadership has a significant and direct influence on employee engagement. The higher the quality of Transformational Leadership, especially Transformational Leadership displayed by the leaders, it will have an impact on the higher level of Employee Engagement in PT Starinvestama employees.
3. Compensation has a significant and direct effect on Employee Engagement. The higher the compensation given by the company; it will have an impact on the level of Employee Engagement for PT Starinvestama employees.
4. Work Environment has a significant and direct influence on Employee Engagement. The higher the Work Environment behavior displayed, the higher the level of Employee Engagement in PT Starinvestama's employees

Based on the conclusions above, if PT Starinvestama wants to improve productivity through improving the quality of employee engagement, it can focus on the implementation aspect of employee behavior based on the organization's Core Values, namely ROTI (Result, Organization, Teamwork, Implementation), then the leaders at the line level. management can display leadership behavior, especially oriented to the type of Transformational Leadership, and increase compensation standards. Comparison of the situation at PT Starinvestama especially in 2020 and 2021 where there was a decrease, among others, in aspects of customer complaints (related to products), the level of discipline in employee work behavior, findings from audit operations, employee turn-over rates and reports on the number of issues of employee complaints. Internal is according to Engagement theory which explains the impact of influence on company performance in that area.

REFERENCE

- Anitha, J. (2014). *Determinants of employee engagement and their impact on employee performance*. International Journal of Productivity and Performance Management, 63(3), 308-323
- Aon Hewitt (2015). Model of Employee Engagement.
- Aon Hewitt (2017). Trends in Global Employee Engagement
- Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership* (2nd ed.). Mahwah, NJ: Lawrence Erlbaum.
- Buil I., Martínez E., Matute J. (2019), “Transformational leadership and employee performance: The role of identification, engagement and proactive personality”, International Journal of Hospitality Management, Vol. 77, pp. 64-75.
- Dessler.G (2005). *Human resource management*. New Jersey: Prentice Hall
- Drucker, P. F. (2007). *Management: Tasks and responsibilities practices*. New Brunswick.
- Ellis C. M., and Sorensen A. (2007). *Assessing Employee Engagement: The Key to Improving Productivity*. *Perspectives*, 15 (1).
- Fajri, C., Rahman, Y. T., & Wahyudi, W. (2021). MEMBANGUN KINERJA MELALUI LINGKUNGAN KONDUSIF, PEMBERIAN MOTIVASI DAN PROPORSIONAL BEBAN KERJA. *SCIENTIFIC JOURNAL OF REFLECTION: Economic, Accounting, Management and Business*, 4(1), 211-220.
- Ferdiansyah M. (2018), “Analisis Pengaruh Gaya Kepemimpinan Transformasional, Kompensasi dan Program Pelatihan terhadap Employee Engagement Serta Dampaknya terhadap Kinerja Karyawan Di PT Angkasa Pura II (Persero)”, *JURNAL DINAMIKA MANAJEMEN DAN BISNIS*, Vol. 1 No. 2, pp. 1-23.
- Frank, F.D., Finnegan, R.P., & Taylor, C.R. (2004). *The race for talent: retaining and engaging workers in the 21st century*, Human Resource Planning, 27(3), 12-25
- Harras, H., Sugiarti, E., & Wahyudi, W. (2020). Kajian Manajemen Sumber Daya Manusia Untuk Mahasiswa.
- Indriyani A. U. (2017), “Effect of Compensation and Benefit to Employee Engagement through Organisation Brand in Indonesia’s Startup Company”, *Jurnal Manajemen Teori dan Terapan | Journal of Theory and Applied Management*, 10(1), pp. 83-92.
- Kouzes, J. M., & Posner, B. Z. (2007). *The leadership challenge: How to get extraordinary things done in organization*. San Fransisca: Jossey - Bass
- Kustaji, Hartati C. S., Soenarmi S. (2020), “Pengaruh Budaya Organisasi Dan Transformasional Leadership Terhadap Kinerja Melalui Kepuasan Kerja Pegawai Bappeda Bojonegoro”, *Jurnal Mitra Manajemen*, Vol. 4 No 5, pp. 679-842.
- Lesmana, R., Sunardi, N., & Kartono. The Effect of Financing and Online Marketing on MSMEs Income Increasing at Intermoda Modern Market BSD City Tangerang Selatan. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 5(7), 25-34
- Lesmana, R., Sunardi, N., Hastono, H., & Widodo, A. S. (2021). Perceived Quality Membentuk Customer Loyalty via Brand Equity pada Pengguna Smartphone Merek Xiaomi di Tangerang Selatan. *Jurnal Pemasaran Kompetitif*, 4(2), 157-167
- Lesmana, R., Sutarman, A., & Sunardi, N. Building A Customer Loyalty Through Service Quality Mediated by Customer Satisfaction. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 5(3), 38-45

- Lestari S. P., Sutrisna A. (2020), “*Pengaruh Komitmen Dan Lingkungan Kerja Terhadap Engagement Karyawan SMK YASBU Al-Qomariah Tasikmalaya*”, *Jurnal Ekonomi Perjuangan (JUMPER)*, Vol .1 No. 2, pp.127-136.
- Luftman, J. N. (2004). *Managing the information technology resource. Leadership in the information age*. Upper Saddle River, NJ: Prentice Prentice Hall.
- Milkovich, G., Newman, J., Gerhart, B. (2011). *Compensation*. New York: McGrawHill Irwin.
- Moss (2008) *Work Environment Scale Manual: Development, Applications, Research*. 4th edition. Mind Garden, Inc.
- Nasidi Y., Makera A. U., Kamaruddeen A. M., Jemaku I. M. (2019), “*Assessing the Impact of Work Environment on Employee Engagement among Non-Academic Staffs of the University*”, *SEISENSE Journal of Management*, Vol. 2 No. 1, pp. 57–68.
- Nemanich, L. A., & Keller, R. T. (2007). *Transformational leadership in an acquisition: A field study of employees*. *Leadership Quarterly*, 7(3), 385-425.
- Oh, J., Cho, D. and Lim, D.H. (2018), “*Authentic leadership and work engagement: the mediating effect of practicing core values*”, *Leadership & Organization Development Journal*, Vol. 39 No. 2, pp. 276-290.
- Pradipta, Andrie. (2019), “*Pengaruh authentic leadership terhadap work engagement yang dimediasi oleh practicing core values pada karyawan PT Dayin Mitra Tbk, Jakarta*”, Jakarta, FEB - Usakti
- Schein, E. H. (2004). *Organizational culture and leadership*. San Francisco: JosseyBass
- Sullivan, W., Sullivan, R., & Buffton, B. (2002). *Aligning individual and organisational values to support change*. *Journal of Change Management*, 2(3), 247.
- Thesiasari, F. D. R. (2019). *Pengaruh Kepemimpinan, Lingkungan Kerja Dan Kompensasi Terhadap Kinerja Karyawan Melalui Employee Engagement Pada CV. Perjuangan Steel Surabaya*. *Jurnal Menejerial Bisnis*, 2(3), 243–252.
- Wahyu, W., & Salam, R. (2020). *KOMITMEN ORGANISASI (Kajian: Manajemen Sumber Daya Manusia)*.
- Wiyanto H., Akbar M., Buchdadi A. D. (2020), “*The role of transformational leadership on employee engagement in a beverage distributor company in Indonesia*”, *International Journal of Innovation, Creativity and Change*, Vol. 12 No. 10, pp. 384-400.
- Zikmund, W. G., Babin, B.J., Carr, J. C., & Griffin, M. (2010). *Business Research Method*. Mason, Ohio: Cengage Learning.