

## Fostering Employee Engagement through Leadership and Perceived Organizational Support: Mediating Role of Employee Satisfaction in Travel Companies

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### Abstract

Employee engagement becomes the most important driving factor for a company's business processes due to its ability to increase the positive employees' motivation, and both individual and companies' performances. Some studies explain the positive influence of leadership and POS on employee engagement, though, some research results otherwise. This inconsistency is predicted due to another variable that mediates the influence of leadership and POS on employee engagement. This study aims to analyze the direct and indirect influence of leadership and POS on employee engagement with employee satisfaction as a mediation variable. Data were collected by using a questionnaire instrument distributed to a total of 77 employees of the travel company. Data was analyzed using SEM PLS with the assistance of Smart PLS software. The results showed that only leadership and employee satisfaction have a direct and significant effect on employee engagement. In contrast, POS has no direct effect on employee engagement, due to the inexistence of the supporting process, such as employees' intrinsic and extrinsic motivation. Employee engagement therefore could be an antecedent factor toward employee satisfaction or performance. Both leadership and POS had a positive and significant indirect influence on employee engagement by being mediated by employee satisfaction.

**Keywords:** Leadership; perceived organisational support; employee satisfaction; employee engagement

## Introduction

In business processes, resource factors significantly impact a company's performance (Shin & Konrad, 2017). Not only the level of management but all employees involved in business processes determine the company's success according to its duties and roles. Employees are the company's key stakeholders and assets that play a crucial role in determining the company's performance (Sohail & Jang, 2017). Employee engagement becomes the most important driving factor in an organisation's business processes because it becomes a great motivator for positive behavior (Preethi & Valliappan, 2015; Extremera et al., 2018). Employees who have a strong involvement in the company always support and strive to implement every company policy optimally and be the driving force of the company's success. Employee engagement has always been associated with positive effects because it predicts employee performance (Christian et al., 2011; Wake & Green, 2019) Employees involved with the company tend to be highly motivated, focused, and dedicated to achieving the company's goals to have good performance. Employee engagement impacts personal and organisational productivity, organisational behavior, management effectiveness, and customer satisfaction, thus positively impacting organisational performance (Blomme et al., 2015; Wake & Green, 2019). Lambert et al. (2021) explain that employee involvement directly or indirectly affects the company's operational and financial performance. By considering the importance of employee engagement, the company's leaders formulate and implement the various programs and strategies and measure them accurately to increase employee engagement (Shrotryia & Dhanda, 2019). Some studies are conducted to identify the factors that influence employee engagement.

Some factors influence employee engagement, one of which is leadership factors. Even leadership is a significant factor that influences employee work engagement. According to (Decuyperre & Schaufeli, 2020), leaders can influence employee engagement in three ways, covering emotional influence (interpersonal affective), social interaction (cognitive interpersonal), and role modeling (interpersonal behavior). Leaders are role models and become the foundation for employee behavior (Chen & Hung-Baesecke, 2014). Effective communication between leaders and employees can be a trigger to increase employee engagement in achieving company goals.

The findings of previous research explain the positive influence of leadership on employee engagement (Du Plessis & Boshoff, 2018; Enwereuzor et al., 2018; Decuyperre & Schaufeli, 2020; Khan et al., 2021) either directly or indirectly through various policies and working practices. Although various studies explain the positive relationship of leadership to employee engagement, other studies explain that leadership does not affect employee engagement (Song et al., 2013). A study of 284 teachers in the United States also showed that leadership variables did not affect employee engagement. These findings suggest that the leadership variable does not consistently influence employee engagement. Research by Zhang et al. (2014) even shows that certain types of leadership negatively influence employee engagement with companies. This inconsistency is due to other variables mediating the influence of leadership variables on employee engagement. Satisfaction is a variable that allegedly mediates leadership variables to employee engagement (Rabiul & Yean, 2021). Research conducted by (Salau et al., 2018) on employees at Fast Moving Consumer Goods (FMCGs) Firms in Nigeria using SEM analysis also supports the influence of leadership on employee engagement by being mediated by employee satisfaction.

In addition to leadership factors, the support and attention of the company or management to the needs and well-being of employees become factors that affect employee engagement. Perceived organisational support (POS) refers to the employees' perceptions of

how companies value contributions, show concern for well-being, and meet their social-emotional needs (Eisenberger et al., 2001). Employees with POS have a solid cognitive and emotional assessment (Byrne & Hochwater, 2008) and demonstrate satisfaction. Company support reflects employees' trust that the company provides encouragement and values employee contributions. Employees tend to demonstrate good work engagement and higher performance as reciprocal norms to assist the company in achieving its business goals (Eisenberger et al., 2001; Imran et al., 2020; Alshaabani et al., 2021) and good performance in the company (Yang et al., 2020). This statement aligned with the research finding of (Rhoades & Eisenberger, 2002) that low POS results in poor behavior and performance and negatively impacts mental health and work engagement.

Like leadership, POS does not consistently positively and significantly influence employee engagement. POS contributes positively to employee engagement (Alshaabani et al., 2021; Yang et al., 2020), but some studies produce the opposite data (Lartey et al., 2019), so it should be considered that the presence of other variables also mediates POS relationships to employee engagement. Various studies place employees as stakeholders and essential assets for companies that have an essential role in providing good performance for the company (Sohail & Jang, 2017). The level of employee satisfaction influences the harmonious relationship between companies, leaders, and employees (Jun et al., 2017). In a service company, employees who are satisfied with their work provide quality service for consumers and form positive relationships with their customers to provide satisfaction and increase customer loyalty. Employee dissatisfaction with work can be seen from several indicators, including negative behavior in the workplace, low performance, and high turnover rates (Ashton, 2018). In the concept of a service-profit chain, company management places employees as internal customers who must also get satisfaction, hoping that later they can contribute positively to the company.

A study by Wen et al. (2019) found that employee satisfaction encourages employee involvement and indicates a higher attachment to the company (Preethi & Valliappan, 2015). Employee satisfaction involves physical and emotional satisfaction in response to work environment factors. Employees who feel satisfied tend to be highly motivated and productive at work and more involved in achieving company goals. Therefore, ensuring employee satisfaction is a crucial factor for the company's leadership and management.

Tourism is one of the sectors most affected by the COVID-19 pandemic. According to UNWTO, data said the decline in international tourist travel fell by 74% during 2020. Various travel restrictions affect the mobility of travelers from one area to another or one country to another. The decline in tourist trips paralyzed the tourism sector and resulted in losses of companies engaged in the tourism sector.

Nationally, the COVID-19 pandemic affected Indonesia's number of tourist visits. Tourist visits through all entrances amounted to 4,052,923 in 2020 or decreased by 74.84% compared to 2019. Until April 2021, the number of tourist visits only reached 508,929 tourists or down 45% compared to the same period in 2020 and decreased by 89.89% compared to 2019. The decrease in the number of tourist visits to Indonesia impacts the decline in revenue and sustainability of travel companies. Faced with uncertain conditions, the role of leaders and organisations in determining strategic policies for the company to survive becomes a crucial factor. Strategic policies must be formulated to be able to find solutions to every problem that arises for the company. On the other hand, employees who have high engagement with the company remain committed.

By considering the magnitude of the influence of employee engagement in the achievement of company performance and goals, it is essential to measure the influence of factors that affect employee engagement levels. This research aims to predict the effect of

leadership variables and corporate support on employee satisfaction and engagement. As travel companies' difficulties are seen as difficulties that must be faced together (collegial responsibility), through this study it is hoped that the management of travel companies highlights the necessity of factors affecting the employees' engagement.

## **Literature review**

### ***Employee engagement***

Employee engagement indicates the commitment and willingness of employees to be involved in the organisation to achieve the company's goals. An engaged employee demonstrates hard-working behavior to improve performance for the organisation's benefit (Preethi & Valliappan, 2015). Employee engagement is an emotional and intellectual connection employees have to their work, organisation, leadership, or colleagues who influence to increase discretionary efforts in their work (Gibbons, 2006). It shows a high work spirit, dedication, and focus on work (Loerbroks et al., 2017; Schaufeli et al., 2002). High spirits are manifested in the form of energy and resilience, i.e., the willingness to invest effort in one's work and to persevere in work-related tasks. Dedication is characterized by substantial involvement, enthusiasm, and pride in the work. Focus on work is indicated by feeling happy and tied to work.

The discussion of employee engagement involves the interaction of three factors, including cognitive commitment, emotional involvement, and behaviors that arise from employee relationships with their organisations. Employees with a cognitive commitment understand the task and its role. Emotional engagement refers to the emotional attachment to others, such as colleagues and leaders, and empathy and caring for others. Employee behavior also demonstrates a strong desire to stay in the organisation despite better offers elsewhere, willingness to take the time to go the extra mile when the company needs it, and advocates for colleagues and others to grow the company (Zhang et al., 2014).

Wake and Green (2019) mentions three attributes used to identify employee involvement: motivation, advocacy, and involvement. The motivation that grows from within (intrinsic motivation) becomes the drive to do or achieve something. Employees who are motivated will be dedicated to their work and always want to grow and develop together to achieve their goals. Advocacy is concerned with the company's presence, in understanding the needs and wants of employees, including when employees experience problems. It is also related to the growth of employee self-esteem towards his work. Employee involvement shows behavior to contribute to organisational improvement. This is reflected in employee engagement in decision-making by actively working to improve management and relationships with leaders. According to Loerbroks et al. (2017), engagement in work is characterized by three dimensions, including (a) high energy levels and work-related perseverance, (b) dedication indicates emotional engagement and enthusiasm in work, and (c) absorption with a fully focused on work. Employees who have a solid engagement to work tend to have an energetic and effective relationship with their work and always feel able to handle the job's demands well (Schaufeli et al., 2006).

### ***Leadership***

Leadership is the most strategic component in an organisational system (Samanta & Lamprakis, 2018), and leaders have an essential role in determining a company's performance (Aga, 2016). Leaders have a role in formulating strategic policies within the company, so it is explained that there is a correlation between leadership and strategic plans that constructively contribute to the organisation's success (Srivastava et al., 2006; Kumar & Sharma, 2018). Leaders must have the ability to respond to external and internal conditions to be formulated in adaptive strategic policies, be able to survive crises, make changes, mobilize resources, and handle conflicts in

achieving the company's vision and mission, as well as providing feedback for employee performance (Antonakis & House, 2014). Internally, the leader is required to be a role model for his subordinates while empowering his subordinates to implement company ideas and policies (Sohail & Jang, 2017). Effective leadership simultaneously minimizes conflicts within the company that can develop into unhealthy conditions for the company's progress (Ågotnes et al., 2018).

Various studies are widely conducted to discuss the types of leadership and how it contributes to the performance of the company (Aga, 2016; Bass et al., 2003; Robert & Vandenberghe, 2021; Wisse & Sleebos, 2016). (Stafford, 2010) describes three types of leadership: transactional, transformational, and laissez faire. Transformational leadership inspires employees to commit to a common vision and goal for an organisation or unit, motivates them to become innovative problem solvers, and develops leadership capacity for employees through coaching, mentoring, and providing challenges and support (Bass & Riggio, 2006). In transactional leadership, employees tend to accept and agree with leaders in exchange for rewards, rewards, or avoidance of disciplinary action. Awards and recognition are given when employees can carry out their roles and duties well. Transactional leaders do not focus on forwarding vision, commit to existing procedures, and refuse to develop ideas to improve organisational effectiveness and efficiency. They focus on the personal motives and interests of others, not the common interests of the team and organisation (Samanta & Lamprakis, 2018).

The third type of leadership is laissez faire, which avoids making decisions, does not utilize its power, and rejects its responsibilities. This type of leadership has no understanding of their duties, so are unable to decide, guide and resist interference in the event of a problem. This type of leader frees employees to perform tasks the way they want, regardless of the results set (Samanta & Lamprakis, 2018)

Di Fabio and Peiró (2018) identify four critical leadership dimensions: ethical leadership, mindful leadership, servant leadership, and sustainable leadership. In ethical leadership, leaders must behave reasonably, and consistently with the values held, uphold ethical standards, and always show concern and concern for others. In addition, leaders are expected to give full attention, realize their role, and be able to manage emotions even when under pressure (mindful). Leaders are also required to pay attention to employees' personal/professional interests, meeting the needs of employees based on moral responsibility towards them (servant leadership). For corporate sustainability, leaders must have the concept of sustainability leadership and integrate other essential aspects for optimal human resource development from a long-term perspective.

### ***Perceived organisational support (POS)***

The organisational support used by Kim et al. (2020) is the level at which organisation values and cares for its employees, actively help them when problems arise, and is proud of their achievements. Organisational support can be a fair attitude, adequate income, favorable work arrangements, opportunities to engage in decision-making, opportunities for a career, recognition of performance and achievement, support of colleagues, and sound managerial relationships (leadership support) (Ahmed & Nawaz, 2015; Sarfraz et al., 2019).

It is reasonable when the company provides good treatment, and then as a form of reciprocal norms, employees also support the company. Employees' organisational support fosters an obligation to care for the company. The realization of caring is demonstrated through a more outstanding affective commitment to help the company achieve its goals (Eisenberger et al., 2001).



### ***Employee satisfaction***

Employee job satisfaction is an important issue in total quality management, defined as emotions, feelings, or attitudes toward fun or unpleasant aspects of work and work environments based on personal perception (Alonderiene & Majauskaite, 2016). Satisfied employees tend to be highly motivated and work more effectively and efficiently, more productively, to impact the company's business performance positively. The research finding is in line with research (Matzler et al., 2004; Preethi & Valliappan, 2015), which explains that employee job satisfaction positively affects the company's performance.

Given the importance of the company guaranteeing employee satisfaction, employee satisfaction measurement and improvement become essential. According to Matzler et al. (2004) seven attribute factors that can be used to measure employee job satisfaction include leadership, tasks/jobs, relationships between colleagues, remuneration, a sense of responsibility to work, company, and recognition of employee achievement/performance. At the same time, Preethi and Valliappan (2015) mention measurement attributes of employee satisfaction, including responsibility, safety management, workplace, and resource availability.

### **Theoretical foundation and hypothesis development**

Leadership is an important factor in organisational effectiveness (Zengin et al., 2018). Leader behavior becomes a source of motivation and factors that have a hand to create a good work environment, to encourage the creation of job satisfaction and employee involvement in achieving company goals and organisational performance (Salau et al., 2018). Some of the results of the predecessor's research explain that leadership contributes positively to employee engagement (Decuyper & Schaufeli, 2020; Enwereuzor et al., 2018; Li et al., 2021; Rabiul & Yean, 2021).

#### ***Hypothesis 1: Leadership positively affects employee engagement***

Most of the research explains the positive contribution of leadership to employee engagement (Decuyper & Schaufeli, 2020; Enwereuzor et al., 2018; Li et al., 2021; Rabiul & Yean, 2021). But research conducted by (Song et al., 2013) of 284 teachers in the United States showed that principal leadership only affected the increase in teacher knowledge but had no impact on increasing teacher engagement with schools. Inconsistency of leadership influence on employee engagement is thought to be due to other variables that mediate the relationship. Research conducted by Amor et al. (2020) also explains the existence of mediation variables that affect the contribution of leadership to employee engagement. Research by Rabiul & Yean (2021) describes the satisfaction variable as a variable of leadership mediation towards employee engagement.

#### ***Hypothesis 2: Employee satisfaction positively mediates the relationship between leadership and employee engagement***

POS is one of the crucial factors that positively affect employee affection and commitment to the company. The higher the employees' perceived organisation support, the more they show commitment and positive behavior toward the company (Alshaabani et al., 2021). An employee with positive commitment demonstrates working more efficiently to improve the company's performance. POS thus positively affects employee engagement (Al-Omar et al., 2019; Imran et al., 2020). Yang et al. (2020) supported the research result that perceived organisational support can indirectly increase employee morale, dedication, and engagement.

***Hypothesis 3: POS positively affects employee engagement***

Many previous studies' findings explain that POS positively affects employee engagement (Ahmed & Nawaz, 2015; Alshaabani et al., 2021; Imran et al., 2020). Other research also explains that POS indirectly affects employee engagement by being mediated by other variables (Yang et al., 2020). The study findings (Lartey et al., 2019) explain that POS positively contributes to satisfaction. Thus it can also be suspected that the satisfaction variable becomes a variable of POS relationship mediation and employee engagement.

***Hypothesis 4: Employee satisfaction positively mediates the relationship between POS and employee engagement***

Leadership and employee satisfaction are two interrelated things. When employees are satisfied with their work, it is associated with effective leadership (Ashton, 2018; Robinson et al., 2008; Samanta & Lamprakis, 2018). Employee acceptance of leadership affects employee satisfaction (Ashton, 2018). In short, leadership significantly influences employee satisfaction (Antonakis & House, 2014; Asgari et al., 2019).

***Hypothesis 5: Leadership positively affects employee satisfaction***

Both employee satisfaction and engagement indicate a higher attachment to the company (Preethi & Valliappan, 2015). Employee satisfaction involves physical and emotional satisfaction in response to working environment factors and encourages them to get involved (Wen et al., 2019). Employees who feel satisfied tend to be highly motivated and productive at work and more involved in achieving company goals. Therefore, ensuring employee satisfaction is a crucial factor for the company's leadership and management. Preethi and Valliappan's research (2015) showed a robust correlation (0.837) between employee satisfaction variables and employee engagement. The positive influence of employee satisfaction on employee engagement is reinforced by Wen et al. (2019), who explained that job satisfaction is an essential factor that influences work engagement and reinforced by Davies et al. (2018), who explained that the better / higher employee satisfaction, the higher employee work engagement.

***Hypothesis 6: Employee satisfaction positively affects employee engagement***

On the other hand, POS also affects the satisfaction or absence of employees. Rahiman and Kodikal (2017) define job satisfaction as a positive or pleasurable emotional state resulting from appreciating one's work or experience. Employees' perception of the company values of their contribution to the company and pay attention to their welfare tend to have a higher job satisfaction value. Some researches show that perceived organisational support contributes positively to job satisfaction (Ahmed & Nawaz, 2015; Choi, 2019; Lartey et al., 2019). Perceived organisational support and employee satisfaction are two essential factors needed to improve employee performance and company performance. Employee satisfaction is demonstrated through attitudes and committed behavior towards the company. Zumrah and Boyle (2015) state that POS influences employees' attitudes and work behaviors. If employees feel the company's attention and support for their needs and well-being, they give confidence by behaving and behaving positively towards the company as a form of compensation to the company. Literature review shows that perceived organisational support is one of the work environment factors that becomes a predictor affecting employee satisfaction (Lartey et al., 2019; Maan et al., 2020).

**Hypothesis 7: POS positively affects employee satisfaction**

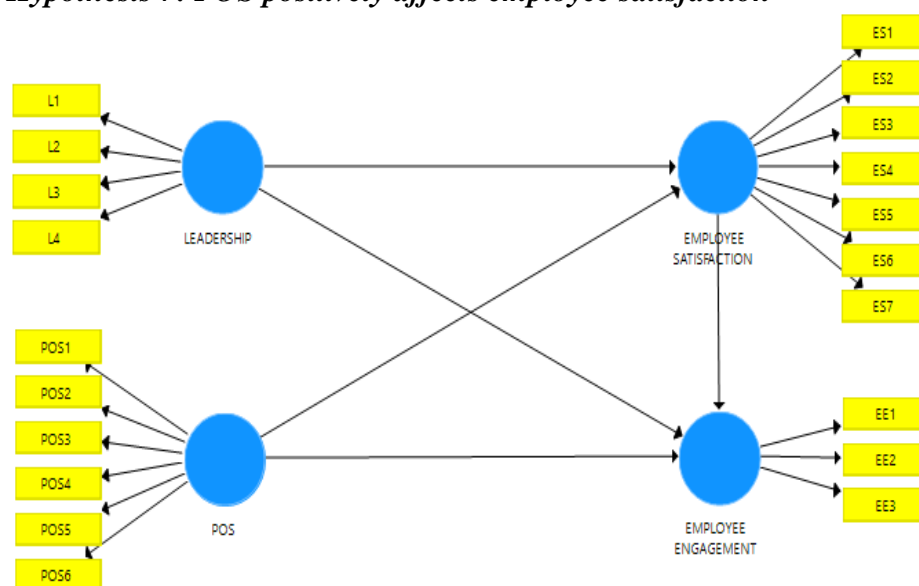


Figure 1. Research framework

**Research method**

The research uses a quantitative approach to analyze the effect of leadership and perceived organisational support to foster employee satisfaction and engagement. Data collecting instrument uses a questionnaire that adopts Di Fabio & Peiró (2018) on leadership, Eisenberger et al. (2001) on POS, Matzler et al. (2004) on employee satisfaction, and Shrotryia & Dhanda (2019) for employee engagement variables. The measurement scale uses Likert with continuum values from strongly disagree (=score 1) to strongly agree (=score 5). Research's locus is at travel companies in Jakarta and its surrounding areas (Jabodetabek). The research involves about 77 employees of travel companies as respondents, following the criteria of respondents number based on calculations ten times the number of the largest formative indicators used to measure a construct (Hair et al., 2017). Data analysis using SEM-PLS with the assistance of Smart PLS software. As stated by Hair et al. (2014), SEM-PLS is suitable to predict structural relationships between variables. This SEM-PLS analysis method can deal with modeling problems in social science research, such as data abnormalities. SEM-PLS analysis is a non-parametric approach, so it is possible to produce estimates still even though the sample size used is small and does not need to meet the assumption of multivariate normality (Sholihin & Ratmono, 2020).

**Results and discussion**

Out of seventy-seven respondents, 32.47% were male and 67.53 were female. Working experience-wise, 11.69% have less than two years of experience, 31.17% have 2-5 years of experience, and 57.14% have than five years of experience.

Table 1 Respondents' profile

Criteria	N	%
Gender		
Male	25	32.47
Female	52	67.53
Working Experience		
< 2 years	9	11.69
2 - 5 years	24	31.17
> 5 years	44	57.14

Source: Compiled by the authors (2021)



### The assessment of measurement model

SEM-PLS analysis is carried out in two stages: measurement and structural model analysis. Through validity and reliability testing, the measurement model analysis aims to specify the relationship between latent variables (constructs) to manifest variables (indicators). Validity and reliability testing uses multi-criteria to reduce the measurement error rate to have more accurate measurement results.

Validity refers to the accuracy of the measuring instrument to the measured concept so that it measures what should be measured (Tarjo, 2021) by using convergent validity and discriminant validity criteria. Convergent validity analyzes loading factors as a constructal correlation value with indicators and Average Variance Constructed (AVE) values. High loading factors indicate constructs' ability to explain the indicator (Sholihin & Ratmono, 2020). The minimum expected value for the loading factor is  $> 0.708$  (Henseler et al., 2014). AVE shows the average loading squared from construct indicators. The expected AVE value  $> 0.5$  is considered to have good enough validity to explain latent variable constructs (Hair et al., 2014); Henseler et al., 2014) due to its capability to explain more than half of the variants of its indicators (Sholihin & Ratmono, 2020).

The results show the loading value of the indicators  $> 0.70$ , except POS4 (Figure 2). The loading factor value of  $> 0.7$  indicates the ability of the construct to explain the indicator well. While the indicator with a loading factor value of  $< 0.7$  is eliminated. Convergent validity with AVE values shows that the entire construct has an AVE value of  $> 0.5$  (Table 1) to conclude to have good convergent validity.

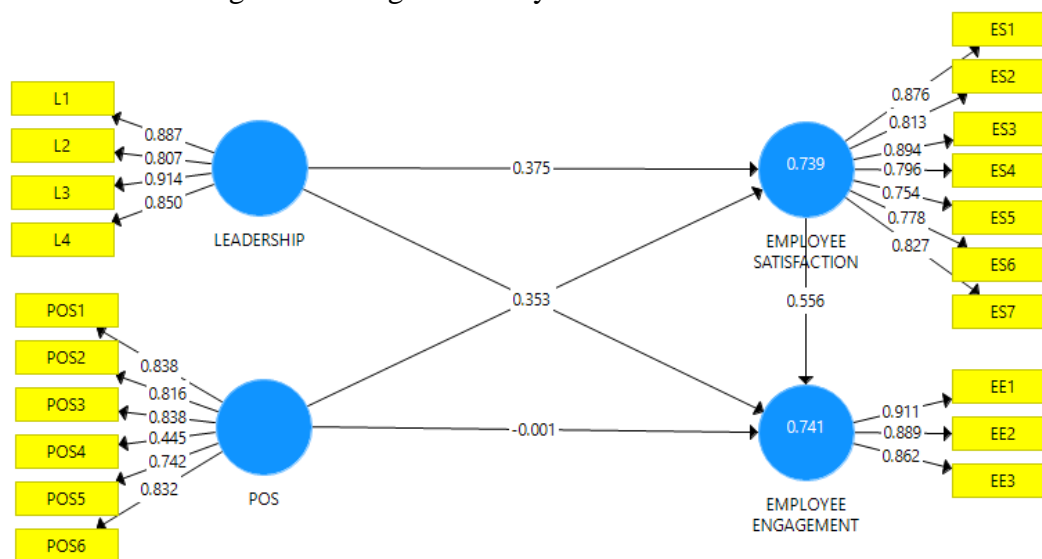


Figure 2. Measurement Model

Discriminant validity testing uses cross-loading values to examine the correlation of indicators to their constructs compared to other constructs. Construct indicators should have greater loading factors following their construct than other constructs. The test results showed no existing problem with the validity of the discriminant because the loading factor of all indicators to the construct was greater than against other constructs (Table 2). We conclude that indicators can explain the concept of theory well over its latent variables.



Table 2. Cross-loading

	<b>EE</b>	<b>ES</b>	<b>L</b>	<b>POS</b>
<b>EE1</b>	0.911	0.716	0.705	0.658
<b>EE2</b>	0.889	0.829	0.733	0.711
<b>EE3</b>	0.862	0.656	0.655	0.575
<b>ES1</b>	0.811	0.876	0.748	0.769
<b>ES2</b>	0.721	0.813	0.694	0.679
<b>ES3</b>	0.713	0.894	0.727	0.701
<b>ES4</b>	0.642	0.796	0.577	0.748
<b>ES5</b>	0.605	0.753	0.539	0.613
<b>ES6</b>	0.640	0.779	0.565	0.532
<b>ES7</b>	0.625	0.827	0.618	0.698
<b>L1</b>	0.757	0.739	0.887	0.653
<b>L2</b>	0.541	0.529	0.807	0.566
<b>L3</b>	0.760	0.763	0.914	0.702
<b>L4</b>	0.633	0.643	0.850	0.670
<b>POS1</b>	0.691	0.692	0.699	0.841
<b>POS2</b>	0.508	0.619	0.475	0.815
<b>POS3</b>	0.534	0.678	0.512	0.841
<b>POS5</b>	0.501	0.601	0.604	0.736
<b>POS6</b>	0.718	0.770	0.738	0.843

Notes: EE = Employee Engagement; ES = Employee Satisfaction; L = Leadership; POS = Perceived Organisational Support

Construct reliability test to measure the consistency of constructs in taking measurements (Ovan & Saputra, 2020). There are two criteria for reliability testing; composite reliability and Cronbach alpha. The requirement of composite reliability and Cronbach alpha values are  $> 0.7$ . The measurement results showed that the entire construct had a composite reliability value and Cronbach alpha  $> 0.8$ , so it was concluded that the construct had excellent consistency in making measurements (Table 3)

Table 3. Convergent Validity

<b>Latent Variables</b>	<b>Indicators</b>	<b>Loading Factor</b>	<b>Composite Reliability (CR)</b>	<b>Alpha Cronbach</b>	<b>AVE</b>
<b>L</b>	L1	0.887	0.922	0.888	0.748
	L2	0.807			
	L3	0.914			
	L4	0.850			
<b>POS</b>	POS1	0.841	0.909	0.875	0.666
	POS2	0.815			
	POS3	0.841			
	POS5	0.736			
	POS6	0.843			
	ES	0.876			
ES2	0.813				
ES3	0.894				
ES4	0.796				
ES5	0.753				
ES6	0.779				
ES7	0.827				
<b>EE</b>	EE1	0.911	0.918	0.866	0.788
	EE2	0.889			
	EE3	0.862			

Multicollinearity testing is carried out to assess the possibility of collinearity between constructs by looking at the Variance Inflation Factor (VIF) value. VIF value must be  $< 5$  to assure no collinearity between constructs (Hair et al., 2014). The test results showed that all constructs had a VIF value of  $< 5$ , so it was concluded that there was no multicollinearity problem (Table 4).



Table 4. Collinearity Testing

	EE	ES	L	POS
EE				
ES	3.942			
POS	3.505	2.300		

### *The assessment of structural model*

The inner model testing was performed to analyze the causality relationship between exogenous and endogenous latent variables, through the bootstrapping procedure, by seeing at standardized root mean square residual (SRMR) and normal fit index (NFI) values. SRMR is the square root value of the difference between the residual of the sample covariance matrix and the hypothetical covariance model, used to assess the match of the observed relationship. The SRMR value should be  $< 0.08$  to have a model fit (Hu & Bentler, 1999). NFI has a range of values between 0 and 1. The closer to 1, the fitter the model is (Bentler & Bonett, 1980). The measurement results showed the value of SRMR  $0.077 < 0.08$  and the NFI value 0.778 close to 1 so the model was concluded to fit (Table 5).

Table 5. Model Fit

	Estimated Model
SRMR	0.077
d_ ULS	1.114
d_ G	0.735
Chi-Square	291.728
NFI	0.778

### *Hypotheses testing*

Table 6 shows that leadership has a significant direct influence on employee satisfaction and engagement. The t value  $> 1.96$  and  $p < 0.05$  so  $H_1$  is accepted. Path coefficient values range from +1 to -1. Getting closer to the number 1 indicates a powerful influence. The coefficient of the leadership variable path to employee satisfaction of 0.368 means that each increase of one unit to leadership impact employee satisfaction by 0.368 or 36.8% (Table 6). The coefficient of leadership path to employee engagement of 0.345 also means that the increase of one unit in the leadership variable also affects the increase in employee engagement by 34.5% (Table 6).

POS variables have only a direct and significant effect on employee satisfaction variables, as evidenced by t-value of 5,122 or  $> 1.96$  and p-value of  $0.000 < 0.05$ . Different results are shown in the influence of POS variables on employee engagement with t statistical values of  $0.197 < 1.96$  and p values of  $0.844 > 0.05$ . These results explain that the POS variable has no significant effect on the student engagement variable,  $H_a$  is rejected, and  $H_0$  is accepted. POS variables have a fairly good influence on employee satisfaction as evidenced by a path coefficient value of 0.553 or 55.3% (Table 6)

Variable employee satisfaction has a significant direct influence on employee engagement, evidenced by t-value of 3,203  $> 1.97$  and p-value  $0.001 < 0.05$ . These results show that  $H_a$  was accepted and  $H_0$  was rejected. Based on the data results looking at structural relationships between latent variables, it can be explained that leadership has a positive and significant influence of 0.198 on employee engagement by mediating satisfaction, evidenced by a value of t of  $> 1.96$  and p-value  $< 0.05$ . The same results in POS variables also positively and significantly influence employee engagement by being mediated by employee satisfaction. It can be concluded that exogenous latent variables both affect endogenous latent variables positively and significantly by being mediated by employee satisfaction variables, so  $H_0$  is



rejected, and  $H_a$  is accepted. The better the leadership and POS, the more influential the increase in employee engagement due to employee satisfaction (Table 6)

The total influence of leadership on employee engagement is 54.3%, which means that if leadership increases by one unit, then employee engagement can increase directly and indirectly through employee satisfaction by 54.3%. The total effect of POS variables on employee engagement is 0.326, which means that an increase of one unit on POS has a direct or indirect impact through employee satisfaction on the increase in employee engagement by 32.6% (Table 6).

Table 6. Structural Model Testing

Relationship Between Constructs	Path Coefficient	T Statistics	P Values	Conclusion
H <sub>1</sub> : L → EE	0.345	2.495	0.013	significant
H <sub>2</sub> : L → ES → EE	0.198	2.814	0.005	significant
H <sub>3</sub> : POS → EE	0.028	0.197	0.844	Not significant
H <sub>4</sub> : POS → ES → EE	0.298	2.254	0.025	significant
H <sub>5</sub> : L → ES	0.368	3.182	0.002	significant
H <sub>6</sub> : ES → EE	0.538	3.203	0.001	significant
H <sub>7</sub> : POS → ES	0.553	5.122	0.000	significant

The ability of exogenous constructs in explaining endogenous constructs (model predictive strength) is calculated in the coefficient of determination in the form of  $R^2$  values. The coefficient of determination values ranges from 0 to 1, where the closer to 1, the greater the level of predictive accuracy. Coefficients of determination of 0.75, 0.50, and 0.25 are categorized as predictive power at substantial, moderate, and weak levels. It is recommended to use an adjusted value of  $R^2$  to avoid biased values (Hair et al., 2014). Data shows that leadership variables and POS simultaneously have a significant ability to explain the diversity of employee satisfaction variables by 73.9% in substantial categories. Exogenous latent variables and moderation variables simultaneously also contributed positively and significantly by 73.0% to employee engagement variables and were substantial.

Analyze the relevance level of a construct model to measure how well the observation value produced by the model and also the estimation of its parameters is done by looking at the values  $Q^2$ , using criteria 0.02 (small), 0.15 (medium), and 0.35 (large). If the value  $Q^2 > 0.05$  it can be concluded that a construct model is relevant, which means that the exogenous latent variable used in predicting endogenous latent variables is considered appropriate. Based on the results of the research data obtained, all values  $Q^2 > 0.35$  so it can be concluded that exogenous latent variables are considered appropriate in predicting latent endogenous variables (Table 7)

Table 7. Coefficient of Determination and Predictive Relevance

Variables	$R^2$ adjusted	T statistics	P-value	$Q^2$
EE	0.730	11.235	0.000	0.568
ES	0.739	13.553	0.000	0.490

The orientation of a company's business processes is to make a profit. Company profits can be obtained if the company's performance shows good performance. One of the factors that affect the company's performance is the involvement of employees in the company. The company has a positive impact when employees are involved (Suong et al., 2019). Conversely, employees who do not feel owned by the company generally do not have a harmonious relationship with the company and fellow employees. Therefore, employee engagement factors are seen as essential motivators that influence employee positive behavior (Extremera et al., 2018; Preethi & Valliappan, 2015) and is a predictor of employee performance, thus affecting the productivity of the company (Christian et al., 2011; Wake & Green, 2019). Wake and Green

(2019) also mentioned that the employees who are happy with the organisations' policy on health care show more engagement by recommending their organisations to others to work at.

The results of the data analysis showed that employee involvement in travel companies was in the category of excellent and good. The employees mostly understand the company's vision, mission, and goals, and work with the oriented achievement of these goals. Employees also stated that they have an emotional attachment to the company and feel part of it. Emotional attachment is indicated by a commitment to work and company and pride in work. Commitment and love for the company encourage the growth of high motivation in work and strive to be productive to contribute the best to the company. Engagement is also manifested in the form of a desire to develop and involvement in the company's activities. Thus it can be explained that employee involvement in travel companies encourages them to behave positively by working hard, being focused, and being responsible towards the company, thus impacting the improvement of the company's performance. These findings are in line with the research findings of Loerbroks et al. (2017) that found in the service-oriented organisations, the more engaged an employee toward their workplace is, the better association they have with the customers. Schaufeli et al. (2002) examined that employees who feel involved in the company have a high working spirit, dedicated, and focused on work so that it positively affects the company's performance (Preethi & Valliappan, 2015).

The results showed that employee engagement was directly influenced by employee satisfaction. Most respondents respond positively toward employee satisfaction attributes (leadership, work, interaction and working relationships with colleagues, income, responsibility for work, work infrastructure, and company recognition) through satisfied and very satisfied responses. The employee's working period also evidences the employees' satisfaction with travel companies as the working period or low turnover intention is an indicator of employee satisfaction levels (Ashton, 2018). Data shows that 57.14% of employees have a working period of more than 5 years, and about 5.2% of them have a working life of more than 10 years. The data proves that satisfied employees have a strong involvement in the company. Thus it can be concluded that employee satisfaction contributes positively to increased employee engagement. The more satisfied the employee, the more they involve in the company. These findings are in line with the results of previous research that explained that employee satisfaction is positively and significantly influential on employee engagement (Davies et al., 2018; Preethi & Valliappan, 2015; Wen et al., 2019). Wen et al (2019) also stated that the management of the organization should enforce regulations on work conditions and environment optimally to improve employees' satisfaction and engagement.

The results explained that leadership factors increase employee engagement with the company, either directly or indirectly. Even leadership becomes one of the attributes to measure employee engagement towards companies. The data showed a positive response toward travel companies' leadership. Respondents evaluate the ethical behavior of leaders. Leaders are also considered to have concern and empathy for the wants and needs of employees (accommodative), including those related to personality and career development. Leaders can formulate and implement various policies that follow the wants and needs of employees. Leaders can create a conducive work climate to create good interaction between employees and minimize the occurrence of unhealthy competition. Employees' positive perception of leadership in the company directly affects employee engagement to improve employee and company performance. These findings align with previous research relating to the positive impact of leadership on employee engagement (Decuypere & Schaufeli, 2020; Enwereuzor et al., 2018; Li et al., 2021; Rabiul & Yean, 2021).

Human resource factors are an essential aspect in achieving a company's success. Leadership plays a vital role in influencing and directing its employees through policies and



regulations that are accommodative and support the needs of employees. Reasonably perceived leadership influences employee satisfaction. The perception of employees that companies value contributions and care for social, economic, and emotional well-being is also an essential factor in fostering employee satisfaction, which ultimately contributes to employee engagement. Employees with high engagement have positive behavior, motivation, and commitment to work optimally to achieve company goals. For employees of travel companies as tourism service providers, positive behavior includes continuing to strive to provide the best service, build positive relationships with consumers, and guarantee consumer satisfaction to increase consumer loyalty. Providing the best service and ensuring customer satisfaction becomes an integral part of supporting success to achieve the company's goals. High employee engagement is expected to support leaders to improve the ability of travel companies in the face of current bad situations.

Good leadership also affects employee satisfaction and indirectly also affects employee engagement. The ability of leaders to formulate and implement policies that favor employees behaving reasonably and ethically becomes a driver of growing employee satisfaction. Employee satisfaction can be demonstrated through support for leadership and company policies. These findings follow the results of previous studies (Antonakis & House, 2014; Asgari et al., 2019; Ashton, 2018; Robinson et al., 2008; Samanta & Lamprakis, 2018) explain the positive and significant contribution of leadership to improving employee satisfaction. It is also mentioned that the management of organisations should have a consistent improvement strategically to be able to adopt the cooperative culture and achieve high effectiveness and efficiency (Samanta & Lamprakis, 2018).

The result shows that POS has no direct influence on employee satisfaction in travel companies due to the inexistence of the supporting process, including sufficient employees' intrinsic and extrinsic motivation. The finding is contradictory to the previous studies that POS contributes directly to increasing employee engagement (Al-Omar et al., 2019; Imran et al., 2020; Yang et al., 2020). Yang et al. (2020) also discovered that POS is positively connected with work engagement. This study argues that it is possible employee engagement could be an antecedent factor toward employee performance or satisfaction. Therefore, further study is recommended to analyze the employee engagement variable as moderating variable.

### **Conclusion and recommendation**

Employee engagement indicates the emotional and intellectual connection that employees have with the company. Employees with high involvement have strong motivation, dedication, focus, and a commitment to be able to show good individual performance in achieving company goals. Employee engagement is an important factor that needs to be continuously improved for the sake of the company's performance. Leadership and POS are thought to be factors that contribute directly to increasing employee engagement. Leadership and POS are also considered to have an indirect effect on employee engagement by mediating employee satisfaction. The results showed that leadership and employee satisfaction have a significant direct influence on increased employee engagement. Leadership and POS also have an indirect influence on employee engagement by mediating variable employee satisfaction.

The implications of this study show that increasing employee engagement requires a leadership figure who can establish communication effectively, be a role model for employees, and have leadership attributes that include ethical, mindful, servant, and sustainability. Therefore, it is important for management to strengthen leadership attributes. Leadership that is increasingly perceived both have a direct or indirect effect on employee involvement. Leadership that behaves fairly, accommodates, meets the needs and interests of employees, and fosters employee satisfaction, which ultimately also impacts employee engagement. Corporate

support embodied in the form of company policies and rules should also be oriented to the interests and needs of employees. With regards to the findings of this study where travel company employees are concerned, it is necessary for the management to improve the leadership attributes, and POS to foster employee satisfaction and engagement.

The study still uses a limited number of respondents and data dissemination coverage. For this reason, further research is recommended to involve more respondents and a wider scope of data dissemination in order to get a more detailed picture of the results. This research only focuses on the study of management in the scope of travel companies. Therefore, future studies are expected to be able to conduct studies on a wider organisational scope.

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