

## Using the Employee Engagement Approach to Improve Employee Performance in a Small Restaurant: A Case study of STS Restaurant

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### ABSTRACT

STS Restaurant is a small business in Indonesia, where the F&B sector is one of the fastest growing industries. Good internal management is one of the key factors that enables businesses to have competitive advantages. The problem is, however, after trying to implement HRM in STS Restaurant, there was still not any improvement in employee retention and performance. Moreover, it had high employee turnover rates in 2018 and 2019, 37.5% and 50% respectively, meaning the employee retention rate is low. Meanwhile, employee engagement has been shown to have a positive impact, namely more productive employees, better performance and they are less likely to leave the company. Therefore, using employee engagement as a framework, this research aimed to investigate what factors affect employee retention and performance in STS Restaurant in terms of employee engagement, and how to improve it. The qualitative research method and a descriptive analysis were used in this research. Primary data were gathered through interviews with all employees. Results suggest that work meaningfulness, performance, benefit, work environment, and growth opportunity promoted employee engagement in STS Restaurant. HR practices are proposed to be implemented to improve employee engagement, which is assumed to reduce employee turnover and increase performance.

**Keywords:** human resources practice, employee engagement, employee performance, small business.

### 1. INTRODUCTION

Food and beverage (F&B) industry is still one of the fastest growing industries in Indonesia. Each year the F&B sector shows significant growth. Kabupaten Bekasi as one of the most growing areas in Indonesia, mostly due to the growth of the industrial sector in Cikarang, is also experiencing a substantial growth rate in the F&B sector. The latest data shown, in 2018 Kabupaten Bekasi experienced 126% growth in the number of restaurants (Dinas Pariwisata Provinsi Jawa Barat, 2019). Another factor that has contributed to the growth of the F&B sector is the proportion of youth citizens in Indonesia. This segment has big buying power and is supported by their lifestyle of hanging out with friends and family especially in food establishments. The rise of online delivery service is also contributing to the growth of the F&B sector. F&B also has become one of the five sectors that will be prioritized through the Making Indonesia 4.0 program, which has potentially transformed it to become more efficient and able to compete globally (Ministry of Industry, 2018).

One thing that always poses a challenge in the F&B industry is that trends are always changing. What sells now might not be an interesting offer next year. Change management consequently needs to be put in place in this type of organization. To be able to implement change and innovation, good internal management is needed. Human resources management plays an important role in the organization. Moreover, in managing restaurants, customer service is important in determining the success of the company. With the increasing number of restaurants nowadays, people would prefer one that has a friendly service and knowledgeable employees.

In Cikarang, growth dynamics are quite significant due to the presence of new factories and also due to the relocation of local government offices to be concentrated in this area. STS Restaurant is one of the F&B businesses that is trying to participate in fulfilling those growing demands. As a small business, STS Restaurant should also manage its human resources management in the company to ensure that the company is running at its best.

STS Restaurant is one that specializes in Sate Tegal cuisine. The first restaurant was opened in 2017 and located in Cikarang, Kabupaten Bekasi. Based on the financial report, in its 3 years of operations from 2017-2019, the restaurant's revenue was stagnant. In comparison, a similar restaurant in the same area could have doubled the revenue, using a similar strategy such as doing online and offline promotion. When observed, apparently the strategy was not optimally implemented yet here. For instance, there were many missed online orders because they forgot to check the phone that day. In addition, for the offline promotion (such as spread out brochures to nearby cluster housing) was only done when there were not many activities or customers in the restaurant. Thus, this brochure distribution was not routinely. Moreover, the employee turnover rate in STS Restaurant was quite high. The turnover rate in 2018 was 37.5% and in 2019 was 50%. The reasons the employee resigned were primarily because they had to go back to their hometowns for family reasons and they were looking for more established jobs in factories. The implications of high turnover rate badly impacted the quality of service in the restaurant.

One of the human resource management concepts is employee engagement. This concept suggests that when an employee is engaged, they will be more productive, perform better and less likely to leave the company. This concept prompted a question to examine the factors affecting employee retention and performance in the STS Restaurant in terms of employee engagement and what the management could do to improve it. This research will be conducted to answer those two research questions.

## **2. LITERATURE REVIEW**

### ***2.1 Human Resource Practices Impacts on Restaurant Performance***

Human Resource management (HRM) is referred to as organizational activities and practices regarding the recruitment, development and management of its employees (Wall and Wood, 2005). According to Way (2002), HRM refers to the practices for selecting, developing, retaining and motivating employees. The purpose of HRM is to improve performance of the company's core competencies by creating and managing the performance of people in critical roles (Hall, 2008). Fulford & Enz (1995) emphasized in

his study that human resources could act as strategic partners and give restaurants a competitive advantage (Lado & Wilson, 1994). Rumman et al. (2020) conducted a study to look at the impact of three human resource practices on employee engagement and performance in a family restaurant. The results show that the HRD practices (employee training, employee empowerment, and employee promotion) were positively related to both employee engagement and employee performance.

Koys (2003) conducted a study in 28 restaurants that proved that HR results (employee satisfaction, organizational citizenship behaviour and controlling employee turnover) influenced business performance (financial performance and customer satisfaction). Another study also finds that employee engagement and visionary leadership positively affect restaurant measures on performance, which is customer and employee satisfaction (Cheema et al., 2015). Cho et al. (2016) suggested that restaurant management should provide employee support because workplace incivility could affect employee emotions and thus affect their service performances. Ruiz and Davis (2017) finds in their study that the most prominent strategies to retain millennial employees at restaurants are growth and advancement, positive working conditions and quality and influence of the supervisor, which is associated to their job satisfaction.

## **2.2 Employee Engagement**

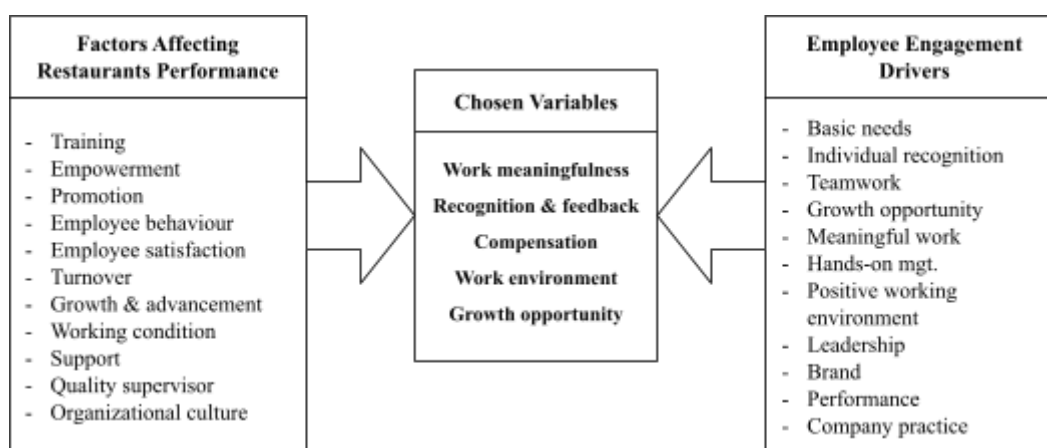
Employee engagement is employee's motivation, potency, understanding in a company's vision and belief they have the resources to get their job done (McShane & Von Glinow, 2010). Employee engagement is a different and unique behavior of the members of the organization related to their respective roles (Saks, 2006). Engagement levels vary depending on their perceptions of meaningfulness or benefits, the guarantee or safety of the situations, and the perceived ability or resources that they have (Kahn, 1990). Another reference defines employee engagement as a framework which connects employees to be able to do their work better and more energetically (Gruman & Saks, 2011). Employee engagement had a significant impact on employee performance (Anitha J., 2014). Wagner and Harter (2006) added that the engaged employees consistently prove to be more productive, profitable and less likely to leave their employers or companies. Companies that have a better employee engagement also concluded to be able to outperform their competitors (Seijts & Crim, 2006). Another study finds significant positive relations between three psychological conditions, namely meaningfulness, safety and availability, and employee engagement (Kahn, 1990; May et al., 2004). Seijts and Crim (2006) suggest that a leader could engage their employees through connecting and valuing them, providing meaningful work and career opportunities, communicating clear vision, conveying work expectations and providing feedback, giving praise and recognizing performance, informing employees contribution to company success, giving control on decision making, team collaboration, maintaining company credibility and creating confidence in a company.

There have been several models created to measure and improve employee engagement. Gallup models have four dimensions of employee engagement, namely basic needs, individual, teamwork, and growth. These four dimensions are then broken down into 12 questions (Gallup, Inc., 2014). Deloitte created a model that has five major elements that drives engagement that work together to make an irresistible organization. The 5 major elements of Deloitte model are meaningful work, hands-on management, positive work

environment, growth opportunities, and trust in leadership. Each of these elements has underlying strategies/factors that fit into a system and held together through culture (Bersin, 2015). The Hewitt model explains that the organizational drivers for employee engagement are brand, leadership, performance, the work, the basics, and company practices (Aon Hewitt, 2017, 2015). The model indicates if a company is able to manage those drivers they would achieve engagement outcomes known as say, stay, strive; and companies with higher engagement levels are found to have better talent, operational, customer, and financial outcomes.

### 2.3 Research Model

In this study, the variables were determined by comparing the factors that influence restaurant performance and factors influencing employee engagement, and also adjusted to the condition of small businesses. The list of factors affecting restaurant performance is shown in the left column in Figure 1 below, and the lists of employee engagement drivers are shown in the right column in Figure 1 below.



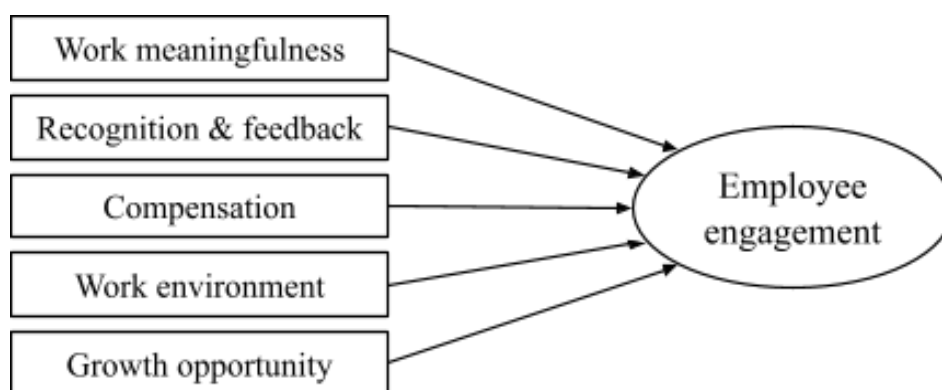
**Figure 1. Chosen variables used in this research**

(Source: Personal analysis, 2020)

By comparing both of the factors and variables, then we decided to choose 5 variables to be used in this research. The variables are work meaningfulness, recognition & feedback, compensation, work environment, and growth opportunity. These 5 variables were chosen because they are mentioned in both the left and right column. By measuring these variables we expected to understand the condition of employee engagement in STS Restaurant. The relationships between variables is shown in Figure 2 below. We conducted more exploration for each variable to define the meaning and to give us a better understanding of its correlation with employee engagement.

#### **Work Meaningfulness**

Gallup (2014) mentioned that employees will have engagement if they have a purpose and meaning from their work. Meaningfulness is one of the psychological conditions that determine employee engagement (Kahn, 1990; May et al., 2004).



**Figure 2. Research model**

(Source: Personal analysis, 2020)

If employees find themselves being worthy, have a sense of purpose, and empowered while doing their work, they could create better engagement and develop personal growth (Grumman & Saks, 2011; Aon Hewitt, 2015; Bersin, 2015; De Crom & Rothmann, 2018). Giving employees autonomy and tools to succeed at work is one way to empower them (Bersin, 2015; Ajayi, 2017).

### ***Recognition & feedback***

One study suggested that small businesses that manage their employee performance have more engaged employees (Tate, 2015). Feedback and recognition is one of the performance management activities. Employees who receive daily feedback on their performance are three times more likely to be engaged than employees who receive it once a year or less (Gallup, Inc., 2014). Feedback and recognition are also a part of the measurement of performance that drives employee engagement (Aon Hewitt, 2015; Bersin, 2015). Companies that recognize and praise employees' performance have at least 10% higher productivity and revenue (Gallup, Inc., 2014).

### ***Compensation***

Simmons (2018) found in his study that recognitions, rewards and incentives help to promote employee engagement. Fulfilling basic employee needs is one of the top drivers in employee engagement (Aon Hewitt, 2017) and an employee who is adequately compensated monetarily, is likely to stay with the organization (Antony, 2018). Rewards also come up as one of the top drivers of employee engagement in Aon Hewitt research (2017). It is important that organizations create fairness and transparency in giving compensation and benefits to employees (Aon Hewitt, 2017).

### ***Work Environment***

Co-worker and supervisor relations and supportive environment create psychological safety and good experience, which allows employees to be more engaged in their work (Kahn, 1990; May et al., 2004; Shuck et al., 2010). Communications also play an important role to promote engagement in a company (Bersin, 2015). Communication, diversity, and inclusion are parts of company practice that drive employee engagement (Aon Hewitt, 2015).

### ***Growth Opportunity***

Providing opportunities to learn shows evidence to play a significant role as part of an employee's engagement at work (Shuck et al., 2010; Gallup, Inc., 2014; Susomrith & Coetzer, 2019). Providing access to a wide range of work activities or facilitating a rotation between roles in the company is likely to make effective contributions to employees' learning (Coetzer & Perry, 2008; Bersin, 2015). Career opportunities are one of the drivers for improving employee engagement (Aon Hewitt, 2015; Bersin, 2015).

Based on the explanation above, sub-variables are created for each variable to better structure the research. The sub-variables are shown in the Table 1 below.

**Table 1. Research variables and sub-variables**

<b>Variables</b>	<b>Sub-variables</b>	<b>Source</b>
Work meaningfulness (WM)	Know work tasks compare to company goals (1)	Gallup, 2014; Hewitt, 2017; De Crom & Rothmann, 2018)
	Empowerment (2)	Deloitte, 2015; Ajayi, 2017; Hewitt, 2017
Recognition & feedback (RF)	Recognition on performance (3)	Gallup, 2014; Tate, 2015; Hewitt, 2017
	Feedback on performance (4)	Deloitte, 2015; Tate, 2015; Hewitt, 2017
Compensation (C)	Basic needs (5)	Gallup, 2014; Hewitt, 2017; Antony, 2018
	Rewards (6)	Deloitte, 2015; Hewitt, 2017; Simmons, 2018
Work environment (WE)	Co-workers relationships (7)	May et al., 2004; Shuck, 2010; Gallup, 2014; Deloitte, 2015
	Communication (8)	May et al., 2004; Deloitte, 2015; Hewitt, 2017
Growth opportunity (GO)	Personal growth & training (9)	Shuck, 2010; Gallup, 2014; Deloitte, 2015; Hewitt, 2017; Susomrith & Coetzer, 2019
	Career development (10)	Deloitte, 2015; Hewitt, 2017; Simmons, 2018

(Source: Personal analysis, 2020)

### ***2.4 Research Method***

The method used in this research is qualitative in nature. Generally, the qualitative method is used to describe a more complex and wide context of open ended questions in order to obtain a deeper understanding. Qualitative procedures include collecting from open-ended data, analysis of text or pictures, representation of information in figures and tables, and the findings are interpreted personally (Creswell, 2014).

In this study, the process of qualitative data collection was accomplished through conducting in-depth interviews with the founder of the company and also with the employees. Besides the interviews, data collection also was conducted by looking at the company's historical data such as financial reports, business process, the number of employees, the existing standard operating procedures, and other related data. This single case study research was carried out to survey the whole population, not using any sampling. The population in question is all STS Restaurant employees, which were only 7 people (1 manager and 6 employees).

The interview questions were based on the research model mentioned in the previous chapter. Both the manager and the employees were asked the same questions, but with slightly different perspectives. There were 13 questions written based on the 10 sub-variables in the models. However, before asking about the variables, informants were asked 3 questions about what drives their engagement with this company. The questions are open-type, which means all possibilities of answers are allowed, the interviewer will not lead the answer and could ask follow up questions if needed (Creswell, 2014).

### 3. DISCUSSION

#### 3.1 Result of Employee Engagement Driver in STS Restaurant

In the first part of the interview, the informants were asked about what makes them stay in this company, what motivates them to work, and what their overall impressions of working in the company are. Based on the answers in the interview, using a descriptive analysis, we focused on some of the data, sorted out the keywords and then organized and categorized them according to the research variables created previously (Creswell, 2014).

**Table 2. Keywords and frequency mentioned**

Variables	Keywords	Frequency mentioned	Relation
Work meaningfulness	Compatible, pride, the work	3	Related, moderate
Recognition & feedback	Responsibility	1	Related, weak
Compensation	Income, earnings	3	Related, moderate
Work environment	Comfortable, friends, caring, fun	8	Related, strong
Growth opportunity	Expand, learn, knowledge	4	Related, moderate
Other (personal reason)	Parents, close to home, personal	4	Related, moderate

(Source: Personal analysis, 2020)

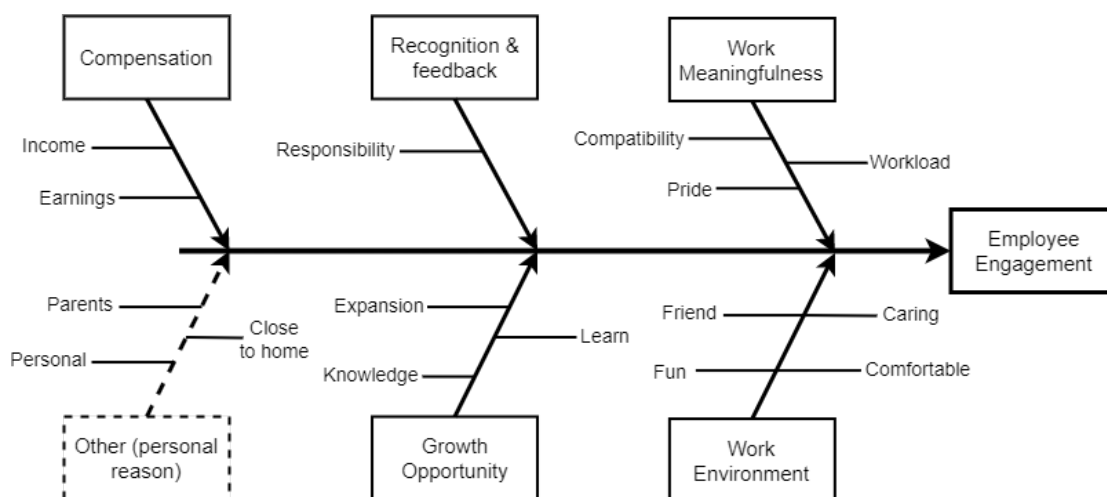
Without mentioning the variables prior to the interview, the informants' answers contain keywords related to the all variables studied. This table shows that all five variables are

indeed **related** with employee engagement in STS Restaurant. But each variable has a different strength of relations, based on frequency it was mentioned in the answer. Each variable defined by the keywords.

- Work meaningfulness affected employees' engagement defined by the compatibility of the work with their skillset, the workload of their job, and the pride it gives them from working in the company.
- Recognition and feedback affected employees' engagement defined by the employees' sense of responsibility for their work.
- Compensation affected employees' engagement defined by the employees need to have a source of income and earnings for them and their family.
- Work environment affected employees' engagement defined by the comfort and fun atmosphere at the workplace, the friendliness of the co-workers, and the caring manager.
- Growth opportunity affected employees' engagement defined by the opportunity to learn new skills in the company, the chance to obtain knowledge beneficial for them, and the employees' ambition to expand and grow the company.

The interesting thing is that personal reason is mentioned quite frequently by the informants. This factor is not included in the variables formulated in Chapter 2, but apparently it is one of the strong factors that drives the employee engagement. This is an external factor that could not be interfered by the company but still has to be taken into consideration.

To better understand the root drivers of employee engagement, a fishbone diagram is used to visualize the relationship between variables. The dotted line indicates external factors that also affect employee engagement in STS Restaurant, outside of the variables studied in this research.



**Figure 3. Fishbone diagram of employee engagement drivers in STS Restaurant**  
(Source: Personal analysis, 2020)

### 3.2 Results of Condition of Each Variable in STS Restaurant



Based on the interview results, the variable of employee engagement condition in STS Restaurant varied from poor to good. The variables that have not been implemented, felt or known at all by the employees appear to have caused poor conditions to the restaurant. The variables that have been implemented, to some degree, but could be improved seem to have caused fair conditions. Additionally, the variables that have been implemented, felt or known by the employees are considered to have caused good conditions. Below is the explanation of each variable.

**Work meaningfulness** : The employees of STS Restaurant know their work tasks according to their positions, but they do not know that their work contributes to the company goals. They only do their work because it is what they are told to do and because it is part of their responsibility as employees. Even though employee awareness of their contribution towards the company goals is one of the drivers for employee engagement (Bersin, 2015). Still, the employees feel that their work has a meaning and gives a positive impact on their personal lives. They also feel they have a certain degree of autonomy in doing their work. This condition suggests that STS Restaurant employees work more towards their personal gains, rather than for the company.

**Recognition & feedback** : There is no formal evaluation in STS Restaurant to recognize employee performance. They conducted informal meetings, but these happened irregularly. But informal meetings are actually more suitable for very small businesses compared to formal meetings (Lorenzet et al., 2006). Employees also do not get feedback on their performance. The only feedback they received was when an employee made mistakes and this type of feedback was given through verbal warnings. This lack of knowledge of their own performance could impact on employees' motivation to perform better the next time around (Tate, 2015), which in turn might lower their engagement towards the company (Gallup, Inc., 2014).

**Compensation** : The employees all received the same kind of compensation, just different in amount. Most of them felt that the current benefit is enough for them. When employee basic needs are fulfilled then they could be more engaged with the company (Aon Hewitt, 2017). As for rewards, there is only one kind of bonus that is given annually, which is THR and it is given at the time of Idul Fitri. The bonus is limited to those who have worked at least a year in STS Restaurant. Rewards have been one of the most important drivers for employee engagement (Aon Hewitt, 2017). Thus, the lack of reward system could lower the engagement level of STS Restaurant employees.

**Work environment** : All employees of STS Restaurant considered their co-workers as friends. Even with the manager, who is their superior, the employees could have a casual relationship but still showed respect to him. The supportive environment could help the employees to better express themselves which gives them better experience in the workplace (Kahn, 1990; Shuck et al., 2010). All employees also felt comfortable communicating with each other if there was a problem regarding work. They had no difficulty conveying their suggestions or comments about the STS Restaurant to the manager. The good relationship and communication fostered in the workplace, which creates a nice working experience for the employees, help improve their engagement towards the organization (Shuck et al., 2010).

**Growth opportunity** : Most employees felt they got training during their time working in STS Restaurant, mostly cooking or cashier. For the manager, he got management training at the beginning of the restaurant opening. Providing the opportunities to learn is positively related in improving employee engagement (Susomrith & Coetzer, 2019). Almost all employees thought that there was no career development in STS Restaurant. However, they also said that they did not expect to pursue a career there. This result is similar to a previous study, where lack of clear career path is one of the weakest HR implementation in small companies (Rivani & Raharja, 2018). A lack of career opportunities could lower the employee engagement in STS Restaurant (Bersin, 2015; Aon Hewitt, 2017; Simmons, 2018).

### 3.3 Comparison between the driver and condition

Comparing the condition of each variable with the defined driver is expected to create a better understanding of employee engagement in the STS Restaurant. Furthermore by doing this it would be possible to assess how the management should address each concern and what is the appropriate solution. The comparison is shown in Table 3 below.

**Table 3. Condition and relations of each variable of employee engagement**

Variable	Sub-var	Description	Condition	Relations	Defined driver
Work Meaningfulness	1	Know work task, but not related to company goal	Poor	Moderate	Job workload
	2	Personal benefit & have autonomy	Good		Work compatibility, pride
Recognition & feedback	3	Only informal and irregular meetings	Fair	Weak	Work responsibility
	4	Only if employee making mistakes	Poor		-
Compensation	5	Compensation considered enough	Fair	Moderate	As income source
	6	Only get annual bonus (THR)	Poor		-
Work Environment	7	Co-workers considered as friends	Good	Strong	Comfort, fun, friendly co-workers
	8	No difficulties communicating	Good		Caring manager
Growth Opportunity	9	Skill & management training	Fair	Moderate	Learn new skill, get knowledge
	10	Not existed, not expected	Poor		Ambition to grow the company

(Source: Personal analysis, 2020)

Employees of STS Restaurant felt that their work is meaningful for themselves and it is also one of the drivers for creating engagement. However, they did not know that their work

contributes to company goals, whereas when a company is successful it means that its employee will also prosper. Thus, if the employees are aware of this, it may be assumed they will have better engagement with the company (Bersin, 2015).

There were no recognition and feedback systems for employee performance in STS Restaurant, but since it had weak relations with employee engagement, it did not have much impact on the current state of employee engagement in STS Restaurant. Although there is a possibility that the relation is weak because of the poor existence of the variables in STS Restaurant. The compensation condition in STS Restaurant is considered to be fair and poor, but it has moderate relations with employee engagement. That means if the conditions were better, it was supposed to improve employee engagement (Aon Hewitt, 2017; Simmons, 2018).

Work environment in STS Restaurant was in good condition. This is in accordance with the strong relations it has with employee engagement. Nonetheless, the lack of performance review on employees could also contribute to creating this condition. Because employees do not get judged individually, they do not mind helping each other and even cover each other's positions at work. There is a possibility that if the performance review is regulated, it is likely that this will lower the working environment.

Growth opportunity has fair and poor conditions, but it has moderate relations with employee engagement. When comparing the findings from the interview, the employee mentioned that they learned not only hard skills (e.g. cooking) but also soft skills (e.g. teamwork) during their time working in STS Restaurant. This is interesting because the soft skills are not formally trained to the employees, but it came out as externalities of working in the company. Nevertheless, overall it can be assumed that if the training program were improved, it could boost the employee engagement (Gallup, Inc., 2014; Bersin, 2015). As for career development, because employees did not expect it to be possible but the relation is moderate, so it is yet still has to planned for future development.

Based on the explanation above, it is possible to define priorities and types of treatment for addressing the concern in each variable. Variables that have strong relations and good condition will have high priority and will be maintained. Variables that have moderate relations will have medium priority and variables that have weak relations will have low priorities. If the condition is good it will be maintained, if it is fair then it will be improved, and if it is poor then it will be solved. Table 4 below summarizes the priorities and treatments for these variables.

### ***3.4 Proposed Business Solution***

Based on the previous discussion, business solutions are proposed to address the problems in STS Restaurant. To improve work meaningfulness, employees must understand first that their work contributes to company performance (Gallup, Inc., 2014). Thus, it is not just personal gain but also company gains. To further empower the employees, besides giving employees autonomy to do their work tasks (Aon Hewitt, 2017), the company could start encouraging them to share their opinions and suggestions on how to make the company better (Antony, 2018).

**Table 4. Priority and treatment for each variable**

Variable	Sub-var	Condition	Relations	Priority & Treatment
Work Meaningfulness	1	Poor	Moderate	Medium priority, solved
	2	Good		Medium priority, maintained
Performance	3	Fair	Weak	Low priority, improved
	4	Poor		Low priority, solved
Benefit	5	Fair	Moderate	Medium priority, improved
	6	Poor		Medium priority, solved
Work Environment	7	Good	Strong	High priority, maintained
	8	Good		High priority, maintained
Growth Opportunity	9	Fair	Moderate	Medium priority, improved
	10	Poor		Medium priority, solved

(Source: Personal analysis, 2020)

The irregular meeting should be made regular, once a month meeting. The importance of having the performance evaluated is that the employee will be able to maintain and better their best performance time after time (Tate, 2015). Evaluation will be based on job, and the company has to start recognizing the work and appreciate ideas suggested by the employees (Lorenzet, 2006; Gallup, Inc., 2014). Based on these performance evaluation, management could start creating a salary scale so employees have the opportunity for a better compensation plan. To keep the fairness, the company should be transparent with the employee about this (Aon Hewitt, 2017). To further motivate employees, the company will give bonuses if they reach the annual target.

The restaurant should maintain the good working environment that already exists currently. The company could implement this as their company value (Koutroumanis et al, 2015), as early as from the hiring process (Bersin, 2015). It is also important to create an environment where employees are comfortable to give recognition from peer to peer, to free the manager from being the decision maker of who did good and who did bad (Bersin, 2015).

Coetzer and Perry (2008) concluded in the study that small businesses should find appropriate methods for employee learning by considering the market needs and business activity. Since the job requires employees to be able to cover one another, then the management needs to build an efficient infrastructure for training, where all employees could get the same basic training.

## 4. CONCLUSION

### 4.1 Conclusion

The conclusion of this research is reflected on its research question. After conducting the interviews with the employees of STS Restaurant, it was found that the factors affecting employee engagement are work meaningfulness, recognition and performance, compensation, work environment, growth opportunity and personal reason. Work environment is the most important factor because it shows a strong relationship with employee engagement and it is defined as the workplace comfort felt by the employees because of the friendly co-workers. This result confirms the existing hypotheses from multiple sources mentioned in the literature study, in terms of what drives employee engagement in a company. What is interesting is that, in this case of a small business, employees work more towards personal gains than for the success of the company.

Based on the engagement drivers mentioned above, this study proposes a number of proposed solutions to improve employee engagement in STS Restaurant, which in turn will also improve employee retention and performance (Wagner & Harter, 2006). To improve employee engagement, several programs should be made to solve, improve and maintain the conditions of each variable in STS Restaurant. In addition, the manager should be trained on employee engagement drivers, because managers play a significant role in promoting employee engagement.

#### **4.2 Recommendation**

The recommendations for future studies are as follows:

- Broad definitions of employee engagement create such a variety of interpretations. A deeper understanding of the case study conditions, such as the type and size of business, and the choosing of variables studied could give a better understanding of the concept of employee engagement.
- There are only five variables studied in this research, but this study recommends adding more variables into consideration, such as leadership, to measure its impact on employee engagement.
- This research assumes that employee retention is the result of employee engagement (Wagner and Harter, 2006; Aon Hewitt, 2017), thus solutions proposed here are also assumed to have an impact on employee retention in STS Restaurant. However, there could be other factors affecting employee retention, outside of the variables studied here. Thus, this study suggests that further research should be conducted to obtain a better understanding of the research area.

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