ANALYSING ENGAGEMENT OF OUTSOURCE EMPLOYEE STUDY CASE: PT BRAVO HUMANIKA PERSADA

Anugrah Nindya Putra and John Welly
School of Business and Management
Institute Technology Bandung, Indonesia
anugrah.nindya@sbm-itb.ac.id

Abstract- *Every organization has employees who work for them and build a connection with it. The longer employees work for an organization, the more they commit to the organization itself. This commitment that employee have can become the engagement for them. In PT Bravo Humanika Perkasa, there are a permanent employee with the agreement, and there are outsource employee. Outsourcing is not new in Indonesia, and the development is so high. But, even with the high development outsourcing in Indonesia, there are still many problems that have been seen. So this study aims to analyse the engagement of outsource employee in PT Bravo Humanika Perkasa. The sample used in this study is simple random sampling in the Jakarta, Bekasi, Tangerang, and Depok area with total respondents to 100 people. To see the relationship of independent variables on the dependent variable, multiple linear regression method is used. This result of this research is performed that consist of 11 variables which affect the engagement. From 11 variables, there are 3 variable with a very strong relationship with the level of employee engagement. Then there is an equation result from the regression method that used.*

Keywords: *engagement, PT Bravo Humanika Perkasa, Outsource employee, multiple linear regression,*

Introduction

Every organization have employees who work for them and build a connection with it. Organizations need and must have employees to run their business, and employees is the best asset that every company is always have. Employees barely do the work properly and do the work as hard as they can do to get the incentive that they always get, wages. Sometimes, the more hard they try, the more money they can get. This is the obligation that all employees have in this world. The longer employees work for organization, the more they commit to the organization itself. This commitment that employee have can become the engagement for them. According to Ali (2012), employee engagement is the level of commitment and involvement an employee has towards their organization and its values. This engagement intended physically & emotional feeling with a subjective during role performance, and this engagement became the standard of the employee that regulate an employee with the organization. Not every people has work permanently as a member in the organization. There has to be some contract to organize this situation. There are permanent employee with the agreement, and there are outsource. Outsource is not new in Indonesia. This data shown that outsourcing development is so high. Outsourcing development accompanied by *Undang – Undang Ketenagakerjaan Nomor 13 tahun 2003*. In addition, this Undang – Undang states that the needs to run the production is supplied by labor outsorcing.

Even with the high development outsourcing in Indonesia, there are still many problem that have been seen. There are also more pro and contra about this case until now. This study will take in PT. Bravo Humanika Persada (BHP), one of outsourcing company in Indonesia.The outsource employees in PT Bravo Humanika perkasa is work for other companies, and outsource employee is not working under the command of PT Bravo Humanika Perkasa. This situation makes the researcher want to analyze the engagement that the outsource employee have to the BHP.

According to the background and problem formulation, the objective of the studies are:
1.   To percieve the engagement drivers of outsource employee in PT Bravo Humanika Perkasa,
2.   Improve employee engagement based on the analysis result for PT Bravo Humanika Perkasa

Literature Review

There are many different perceptions about employee engagement. Based on the concept of employee engagement by Macey & Spencer, Employee engagement is an individual's sense of purpose energy, evident to others in the display of personal initiative, adaptability, effort, and persistence directed toward organization goals.
Engaged employees are fully present, and draw on their whole selves in an integrated and focused manner to promote their role performance. They are willing to do this because three antecedent conditions are met: employees feel psychologically safe in the presence of others to apply themselves in their role performances, they have sufficient personal resources available to devote to such performance, and their work is sufficiently meaningful that such personal investment is perceived as worthwhile

Conceptual Framework

The best HR strategies are focused on getting the best performance from employees. This mean this HR Strategy is makes employee to:
•   Know what employee have
•   Know what employee feel
•   Know what employees do
•   Know what the outcome (customer,operational, and financial)

If this HR Strategy are correctly designed, it will get the best employee performance which means get the best overall company performance as well.Based on Wright, P. M. (1992), The initial impact of HR practicesis on what employees have and feel. HR Strategy like recruitment, selection, is aimed to add the ability of certain skills, and enabling employees to effectively perform their jobs. The other HR practicesis like practice, along with rewards, performance management, and communicaction, gain company fairness and desirability. These perception is influence commitment, motivation, and engagement.Whats employees feel effect what they do and effect to all the outcomes in this strategy. This is why we need engagement. Employees that engaged in their work and committed to their organizations can give competitive advantages to the company.

Type of Employee Engagement
Based on Smitha Shed Ali (2013), there is three type of engagement. There are engaged, not engaged, and actively disengaged.
•   Engaged :
Engaged mean employees are the builder. They want to know the desired expectations for their role so they can meet and exceed them. They are naturally curious about their company and their place in it.

They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward

- Not Engaged:

Employees tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so they can do it and say they have finished. They focus on accomplishing task vs achieving an outcome. An employee who is not engaged tends to feels their contribution are being overlooked, and their potential is not being tapped. They often feel this way because they don't have productive relationships with their managers or with their coworkers.

- Actively Disengaged

The actively disengaged employees are the cave, dwellers. They are consistently against virally everything. They are not just unhappy at work, they are busy acting out their unhappiness. They sow seeds of negativity at every opportunity. Every day actively disengaged workers undermine what their engaged coworkers accomplish. The problems and tensions that are fostered by actively disengaged workers can cause great damage to an organization's functioning.

Aon Hewitt

The model that used for basis of the survey in this research is from Aon Hewitt's model of employee engagement. . The Aon Hewitt model examines both the individual's engagement outcomes and the potential engagement drivers that part of the organizational work experience. There are six variables and 19 driver that become the dependent variable in the research and three variable component of engagement as dependent variable.

Methodology

Sampling Method

Sampling method is used to determining the questionnaire in this research. The sampling size is determined by using the following Slovin's (1960) formula :

$n = N / (1 + N e^2)$

Where :

N : Population   =   1000 employees
d : The Error of Sampling   =   10%
n : Sample Size   =   100 respondents

Therefore based on the calculation above, the sampling size that will be used in this research is 100 respondents

Questionnaire Design

Questionnaire consist of several question. This question is based on the sub variable on Aon Hewitt engagement drivers method. This questionnaire use Likert Scale in order to determine the point of each question. The scale that will be used is from 1 to 4, which indicated:

1.   Strongly Disagree
2.   Disagree
3.   Agree
4.   Strongly Agree

This likert scale using a scale from 1 to 4 is to eliminate the ambiguity of neutral answer. This scale makes the answer clear.

Data Analysis

Validity and Reliability

Validity test is used to determine the accuracy of the data and the precision of the measurement instrument that the observer use to valid the data. The reliability test is used to look at the consistency of the question, how far the question can give the outcome as same as the sample. The data can be said reliable when the data give the same result when tested in the same group at different time or opportunity. When using validity and reliability test, it can be said valid if validity coefficient is bigger than > 0.256, and it can be said reliable when reliability coefficient is also bigger than > 0.256. This result of validity test and reliability test can be seen from the table below.

Table 4.2 Validity and Reliability

Variable		Validity Coefficient	r table	Validity	Reliability Coefficient	r table	Reliable
Performance	Career Opportunity	0.722	0.256	valild	0.93	0.256	reliable
	Learning Development	0.636	0.256	valild	0.93	0.256	reliable
	People Management	0.81	0.256	valild	0.93	0.256	reliable
	Performance Management	0.819	0.256	valild	0.93	0.256	reliable
	Reward & Recognition	0.806	0.256	valild	0.93	0.256	reliable
The Basics	Benefit	0.759	0.256	valild	0.93	0.256	reliable
	Safety	0.587	0.256	valild	0.93	0.256	reliable
	Work Life Balance	0.642	0.256	valild	0.93	0.256	reliable
	Work Environment	0.477	0.256	valild	0.93	0.256	reliable
Company Practice	Customer Focus	0.714	0.256	valild	0.93	0.256	reliable
	Diversity and Inclusion	0.562	0.256	valild	0.93	0.256	reliable
	Communication	0.711	0.256	valild	0.93	0.256	reliable
Employer Brand	Reputation	0.771	0.256	valild	0.93	0.256	reliable
	Company Responsibility	0.69	0.256	valild	0.93	0.256	reliable
	EVP	0.624	0.256	valild	0.93	0.256	reliable
Leadership	Senior & Business Unit	0.645	0.256	valild	0.93	0.256	reliable
Work	Collaboration	0.67	0.256	valild	0.93	0.256	reliable
	Empowerment	0.481	0.256	valild	0.93	0.256	reliable
Strive	-	0.338	0.256	valild	0.93	0.256	reliable

Normality
Normality test is used to determine the data taken from the population is distributed normally. Normal data also have a normal curve, and a good regression model is a normal or nearly normal distribution. There are many ways to test normality, but this research use Kolmogorov-Smirnov Test. Analysis of normality by Kolmogorov- Smirnov Test requires the normal curves when the value Asymp. Sig. (2-tailed) is above the maximum limit of error 0.05, and when the value Asymp. Sig. (2-tailed) is under 0.05, data is not distributed normally.

Table 4.3 Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parametersa,b	Mean	.0000000
	Std. Deviation	.43917621
Most Extreme Differences	Absolute	.111
	Positive	.052
	Negative	-.111
Kolmogorov-Smirnov Z		1.106
Asymp. Sig. (2-tailed)		.173

Multicollinearity

Multicollinearity test is used when there is a linear relationship or a high correlation between each independent variable in the regression model. Good regression model doest not have a correlation among independent variable. To know the relationship or a high correlation between each independent variable, the value of VIP must lest than 10. This condition is prove no multicollinearity.

Table 4.4 Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
Performance	Career Opportunity	.139	7.192
	Learning and Development	.249	4.017
	People Management	.118	8.471
	Performance Management	.199	5.021
The Basics	Rewards and Recognition	.108	9.239
	Benefit	.238	4.208
	Safety	.203	4.921

	Work life Balance	.182	5.506
	Work Environment	.378	2.647
Company Practice	Customer Focus	.139	7.185
	Diversity and Inclusion	.399	2.507
	Communication	.197	5.084
Employer Brand	Reputation	.215	4.661
	Company Responsibility	.288	3.472
	EVP	.394	2.539
Leadership	Senior & Business Unit	.217	4.606
Work	Collaboration	.144	6.951
	Empowerment	.404	2.475

Heteroscedasticity

Heteroscedasticity test is used to determine the error in the data. This error mean is the sub-population that have different variability from other. Heteroscedasticity has a condition where various error has a different meaning with some observation. Good multiple linear regression does not have a Heteroscedasticity. If the significance is above 0.05, there are no heteroscedasticity, and if the significance is under 0.05, there are heteroscedasticity. asticity.

Table 4.5 Heterosedasticity Test

Correlations

			Unstandardized Residual
Spearman's rho	Performance Career Opportunity	Correlation Coefficient	-.032
		Sig. (2-tailed)	.752
		N	100
	Performance Learning and Development	Correlation Coefficient	.036
		Sig. (2-tailed)	.720
		N	100
	Performance People Management	Correlation Coefficient	.004
		Sig. (2-tailed)	.965
		N	100
	Performance Performance Management	Correlation Coefficient	.032
		Sig. (2-tailed)	.751
		N	100
	Performance Rewards and Recognition	Correlation Coefficient	.005
		Sig. (2-tailed)	.959

	N	100
The Basics Benefit	Correlation Coefficient	-.029
	Sig. (2-tailed)	.773
	N	100
The Basics Safety	Correlation Coefficient	.014
	Sig. (2-tailed)	.887
	N	100
The Basics Worklife Balance	Correlation Coefficient	.043
	Sig. (2-tailed)	.669
	N	100
The Basics Work Environment	Correlation Coefficient	.026
	Sig. (2-tailed)	.799
	N	100
Company Practices Customer Focus	Correlation Coefficient	.053
	Sig. (2-tailed)	.598
	N	100
Company Practices Diversity and Inclusion	Correlation Coefficient	-.030
	Sig. (2-tailed)	.765
	N	100
Company Practices Communication	Correlation Coefficient	.086
	Sig. (2-tailed)	.396
	N	100
Employer Brand Reputation	Correlation Coefficient	.043
	Sig. (2-tailed)	.669
	N	100
Leadership	Correlation Coefficient	.055
	Sig. (2-tailed)	.586
	N	100
Employer Brand Company Responsibility	Correlation Coefficient	.006
	Sig. (2-tailed)	.954
	N	100
Employer Brand EVP	Correlation Coefficient	-.120
	Sig. (2-tailed)	.235
	N	100

		Correlation Coefficient	.077
Work Collaboration		Sig. (2-tailed)	.447
		N	100
Work Empowerment		Correlation Coefficient	-.036
		Sig. (2-tailed)	.719
		N	100
Unstandardized Residual		Correlation Coefficient	1.000
		Sig. (2-tailed)	.
		N	100

Multiple Linear Regression

Multiple Linear regression is used to analyze the relationship between independent variable with the dependent variable which be avowed with a mathematic and functional equation.

Table 4.6 Determination Coefficient
Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.836	.699	.632	.4855276

Based on the result above, the value of the correlation coefficient (R) is 0.836. This indicates that there is a very strong relationship between the variables and Strive.

Result

To see the effect of each factor on the engagement is using multiple linear regression analysis with the following equation.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + … + b_{18}X_{18}$$

Where "a" is constant, "x" is the factor and "b" is regression coefficient.

Table 4.7 Multiple Linear Regression

Based on the calculation in the table above, the multiple linear regression equation is obtained as follows :

$$Y = 0.698 – 0.456X_1 + 0.133X_2 – 0.126X_3 + 0.260X_4 – 0.470X_5 + 0.268X_6 - 0.075X_7 + 0.166X_8 + 0.260X_9 + 0.367X_{10} – 0.295X_{11} + 0.160X_{12} + 0.364X_{13} + 0.102X_{14} + 0.138X_{15} – 0.719X_{16} – 0.223X_{17} + 0.518X_{18}$$

From the equation of multiple linear regression, The independent variable that affect dependent variable is Empowerment, Customer Focus, Reputation, Benefit, Work Environment, Performance Management, Work life Balance, Communication, EVP, Learning and Development and Company Responsibility

Priority

Based on the data, it shown 11 independent variables that affect engagement Strive. To know the variable that significant to the Strive, sig. coefficient must below 0.05. If variable has > 0.05, it indicates that variable are not significant.

Table 4.8 Model & Significant Tabel

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
Constant		.698	.392	1.783	.078
Performance	Career Opportunity	-.456	.154	-2.953	.004
	Learning and Development	.133	.122	1.086	.281
	People Management	-.126	.162	-.776	.440
	Performance Management	.260	.123	2.104	.038
	Rewards and Recognition	-.407	.170	-2.395	.019
The Basics	Benefit	.268	.115	2.325	.023
	Safety	-.075	.126	-.591	.556
	Worklife Balance	.166	.133	1.250	.215
	Work Environment	.260	.096	2.711	.008
Company Practice	Customer Focus	.367	.158	2.317	.023
	Diversity and Inclusion	-.295	.096	-3.079	.003
	Communication	.160	.126	1.274	.206
Employer Brand	Reputation	.364	.120	3.043	.003
	Company Responsibility	.102	.128	.799	.427
	EVP	.138	.129	1.071	.288
Leadership	Senior & Business Unit	-.719	.196	-3.664	.000
Work	Collaboration	-.223	.204	-1.092	.278
	Empowerment	.518	.143	3.619	.001

Model	Sig.
Work Empowerment	.015
Company Practices Communication	.000
Company Practices Customer Focus	.003

The table above shows the model or independent variable and the significant that below 0.05. There are Empowerment with 0.015, Communication with 0.00 , and customer focus with 0.003 sig. The other variable is above 0.05, it means that the other variable is not too significant. After knowing the significant of the variable, then try to prioritize the variable. This prioritize is tried to rank the most variable that affect independent variable. To know that, Beta Standardize must converges by Zero-order in the coefficient table.

Table 4.9 Model with the Significant

Model	Standardized Coefficients	Correlation	Percentage
	Beta	Zero-order	
Work Empowerment	.220	.399	22%
Company Practices Communication	.385	.521	52%
Company Practices Customer Focus	.284	.453	33%

The table above shows the percentage of the variable after Beta Standardize have been converging by Zero-order in the coefficient table. There are 22% on Empowerment, 52% on Communication, and 33% on Customer Focus. From the table, we can conclude that Communication is the most affected variable to Engagement (Strive).

Summary Analysis
Aon Hewitt defines engagement drivers into 6 variable that include 22 sub variable on them and define 3 engagement outcome. Based on the questionnaire to the security that work for PT Bravo Humanika Perkasa, only 18 variable is considered valid and 1 engagement outcome that considered valid. 1 engagement outcome that considered valid is Strive. From the Multiple Linear Regression Test, it showed that there is 11 independent variables that affect the dependent variable. There are Empowerment, Customer Focus, Reputation, Benefit, Work Environment, Performance Management, Work life Balance, Communication, EVP, Learning and Development and Company Responsibility. From 11 independent variable, there are 3 variable that is significant.. The variable that significant is Communication, Empowerment, and Customer Focus. The higher priority to least is Communication, Customer Focus, and Empowerment.

Conclusion

1. In Aon Hewitt engagement model, there is 3 engagement outcome, Say, Stay and Strive. Based on the analysis data from outsourcing employee in PT Bravo Humanika Perkasa, only Strive variable is remained valid, and Outsource employee in PT Bravo Humanika Perkasa is Engaged.
2. The result from multiple linear regression is that 11 factors affecting employee engagement factor (strive factor) at PT Bravo Humanika Perkasa, which are : Empowerment, Customer Focus, Reputation, Benefit, Work Environment, Performance Management, Work life Balance, Communication, EVP, Learning and Development and Company Responsibility.
3. The most affected factor to employee engagement level from the most to the least is: Communication, Customer Focus and Empowerment.

Recommendation

1. PT Bravo Humanika Perkasa have to ensure the internal communication between outsource employee and the leader is tied. Speak 2 direction between employee and leader is one example of good communication between leader and sub coordinate
2. PT Bravo Humanika Perkasa must ensure that every outsource employee have one common goal, that is maintaining the safety of an enterprise.
3. PT Bravo Humanika Perkasa must give the security guard a certain degree of autonomy and decision-making regarding the specific organizational tasks. Although outsource employee not right for the autonomy and decision making, handle it with giving a security guard a responsibility that they can handle. An example is like teamwork. Make a team base on the security guard and give them the autonomy, so the responsibility is not taken to one people, this responsibility is shared and the load will be reduced for an employee.
4. Make that 3 aspects become the uniqueness of PT Bravo Humanika Perkasa to engage they employee. Also don't forget another 8 aspects like Reputation, Benefit, Work Environment, Performance Management, Work life Balance, EVP, Learning and Development and Company Responsibility, because that aspect also important even though not significant.

Reference

Aiken, L. S., West, S. G., & Pitts, S. C. (2003). Multiple linear regression. Handbook of psychology.

Bravo Humanika Perkasa (2000). "BHP Security : Your Security Partners". Retrieved 10 July 2015 from URL: http://www.bhpsecurity.com/index.php?_language=Indonesia&_mainNo=62&_cmsType=Kenapa %20BHP&_contentShow=Ascending&_contentType=Content%20Type&_link=&_pageBreak=0

Faishal, Akbar, 2011, Reviewing Outsourcing Controversy In Indonesia, Working Paper, Diponegoro University

Halvey, J. K., & Melby, B. M. (2007). Business process outsourcing: Process, strategies, and contracts. John Wiley & Sons.

Hoesodo, A. (2015). Seputar Masalah Tenaga Kerja di Indonesia. Retrieved July 10, 2015, from http://www.ajihoesodo.com/index.php?option=com_content&view=article&id=80:seputar-masalah-tenaga-kerja-outsourcing-di-indonesia&catid=2:hukum&Itemid=6

Hewitt, A. (2012). Making Employee Engagement Happen, Best Practices from Best Employees

Hewitt, A. (2014). Trends in Global Employee Engagement Report. URL: http://www.aon.com/human-capital consulting/thoughtleadership/talent_mgmt/2013_Trends_in_Global_Employee_Engagement. jsp. Accessed, 11.

Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. Industrial and organizational Psychology, 1(1), 3-30.

Muijs, D. (2010). Doing quantitative research in education with SPSS. Sage.

Republik Indonesia, Presiden, Undang – Undang Ketenagakerjaan Nomor 13 tahun 2003

Saks, A. M. (2006). Antecedents and consequences of employee engagement. Journal of managerial psychology, 21(7), 600-619

S. Syed Ali, A Study on Employee Engagement in Cochin International Airport Limited, A Study On Employee Engagement in Cochin International Airport Limited. 4 (2013) 24–47.

Tameswari Utoro, Dyta, 2014, Analysis of Employee Engagement in PT. Kaltim Prima Coal, Indonesia, Working Paper, Institute Technology Bandung

Tashakkori, A., & Teddlie, C. (Eds.). (2010). Sage handbook of mixed methods in social & behavioral research. Sage.

Tejada, J. J., & Punzalan, J. R. B. (2012). On the misuse of Slovin's formula.The Philippine Statistician, 61(1), 129-136.

Wright, P. M., & McMahan, G. C. (1992). Theoretical perspectives for strategic human resource management. Journal of management, 18(2), 295-320.

Yasar, I. (2011). Menjadi Karyawan Outsourcing. PT Gramedia Pustaka Utama