

# LEADERSHIP, MOTIVATION AND EMPLOYEE PERFORMANCE: THE ROLE OF EMPLOYEE ENGAGEMENT MEDIATION AT COVID-19 REFERRAL HOSPITALS IN MALANG CITY

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## Abstract

Businesses need to endure the economic downturn because of the COVID-19 pandemic's effects. The organization must continue to operate through its personnel. When the corona virus is a threat, workers must continue to be motivated to put in more effort. In order to further boost employee engagement, the company's leadership was also put to the test in terms of their ability to influence the workforce. This kind of research uses a survey approach and is quantitative in nature. This study was carried out at the Malang Covid Referral Hospital. Using proportionate stratified random sampling, 100 respondents made up the research sample. The findings indicate that: 1) motivation directly affects employee engagement; 2) motivation directly affects employee performance; 3) leadership directly affects employee engagement; 4) leadership directly affects employee performance; 5) employee engagement directly affects employee performance; 6) motivation directly affects employee performance through employee engagement as an intervening variable; and 7) leadership directly affects employee performance through employee engagement as an intervening variable.

**Keywords:** *Employee Engagement, Leadership, Motivation, Performance.*

## INTRODUCTION

The impact of the COVID-19 pandemic changed the way people interacted by maintaining distance and limiting shared activities, which resulted in the terms "work from office" and "work from home". People experience situations of uncertainty due to rapid change. They are worried about the spread of COVID-19 while on the job, which can lead to death, and about job continuity as company performance declines. They also have to adapt to a new lifestyle, such as being cleaner, keeping a distance, and communicating virtually. Employees in hospitals, especially nurses and health workers during the COVID-19 pandemic, continue to carry out their duties as they should in serving patients and try their best to maintain their market share which is increasingly fierce business competition.

Because more than twenty years of Gallup research shows that employee engagement significantly improves employee performance, employee engagement has been the subject of heated discussion in recent years. Employee engagement is an investment in physical, cognitive, and emotional energy made by workers, which has an impact on their performance (Robbins, 2015). According to Schwaufeli et al. (2002), employee involvement can increase company profits, increase consumer

satisfaction, reduce turnover, reduce employee complaints, increase productivity, reduce absenteeism, and reduce work accidents. According to Clifton and Harter (2020) of Gallup, there are three factors that affect the performance of a company's employees: managers give instructions to their teams, employees work according to their abilities, and employee engagement, where employees make more efforts voluntarily.

According to Khan in Robbins and Judge (2015), high levels of engagement at work are the physical, cognitive, and emotional contributions of workers to their performance. However, the Gallup Organization states that employee engagement is defined as employees who are deeply engaged with their work and are enthusiastic about it. The results of several studies on employee involvement in employee performance such as from Handoyo and Setiawan (2017), Firidinata (2017), and Victoria (2018). These results are in line with the findings of Lianasari et al. (2017), Paramarta and Kasih (2018), and Marinda (2018), which show that employee engagement has an impact on employee performance.

Motivation is a process that describes a person's strength, path, and perseverance to achieve a goal. Therefore, motivation is generally

associated with making an effort to achieve each goal (Robbins, 2015). In addition, it is related to how a person behaves in their workplace according to the organization's goals. Motivation or encouragement to work is very important to determine the low level of work in the company. The work of employees has a great influence on the success of a company (Luthans, 2006). Motivation can help a person work better to achieve the expected performance and get what he needs. Because motivation is the process that determines how much effort an employee will put in to complete their tasks. Basically, companies must motivate their employees if they want to achieve optimal performance in accordance with the set goals and targets. This will encourage employees to devote all their energy and thoughts to work.

Pinder defines motivation as the process that describes a person's strength, direction, and perseverance to achieve their goals, according to Robbins and Judge (2015). Therefore, motivation in general refers to the effort to achieve all goals, especially the organization's goals for work-related behavior. Strength shows how hard a person is trying. If used in a direction that corresponds to its strength, a large force will give a satisfactory result. Some research results related to the influence of motivation on employee engagement can be seen from the research of Paramarta and Kasih (2018) which has proven that there is an influence of motivation on employee engagement. In addition, it is in line with the results of Irianto's (2021) research which states that motivation has an effect on employee engagement. Meanwhile, the results of research related to the influence of motivation on employee performance from Hariyanto (2017) and Paramarta and Kasih (2018) have proven that there is an influence of motivation on employee performance. In addition, in line with the results of Victoria (2018) research, Pratama et.al. (2018), Saputra (2021), and Irianto (2021) who stated that motivation affects employee performance positively and significantly.

Leadership is the ability to influence a group towards the achievement of a vision or goal that has been set (Robbins, 2015). Leadership can be studied from three perspectives, namely the first traits approach, the second is the style approach, and the third is the contingency approach. One of the third approaches is transformational leadership in which leaders

inspire their followers to go beyond their own interests and who are capable of having a profound and extraordinary influence on their followers. Maxwell (2004) states that leadership is an influence. He believed that a true leader is one who considers himself a leader but has no followers. Maxwell divides leadership into five levels. The bottom is Position then Permit, Production, Human Development, and the top.

Robbins and Judge (2015) provide five categories of leadership theory: Trait Theory, Behavior Theory or Leadership Style, Contingency Theory, Leader-Member Exchange Theory, and Contemporary Leadership Theory. The development of leadership theory leads to this division. Studies have shown the influence of leadership on employee engagement. The study of Firidinata (2017), for example, states that the influence of leadership on employee engagement. The above results are in line with the research of Marinda (2018), Nurhawaena (2019), however, a study by Robbins and Judge (2015) shows the impact of leadership on employee performance. They state that leadership is the ability to influence a group to achieve a specific goal or vision. Thus, effective leadership will have an impact on employee performance. The researcher conducted a study entitled "Employ Engagement as a Mediator Variable of the Influence of Leadership and Motivation on Employee Performance of Covid-19 Referral Hospitals in Malang City" based on research phenomena and gaps related to leadership, motivation, and employee engagement on employee performance.

## RESEARCH METHODS

A quantitative approach is used in this study because the data collected is a specific population or sample and research instruments are used to analyze the data (Sugiyono, 2015). This study involved employees of hospitals that function as COVID-19 referral hospitals in Malang City, such as Syaiful Anwar Hospital, Lavallet Hospital, Persada Hospital, and Panti Nirmala Hospital.

The number of samples in this study refers to the opinion of Bahri and Zamzam (2014) who stated that the sample size in the Structural Equation Modeling (SEM) study is 5 times the number of indicators; Based on the operational definition table, the number of indicators is 19 so  $5 \times 19 = 95$  samples. However, based on this

calculation, the number of samples in this study will be made to 100.

The following is the conceptual framework used in this study:

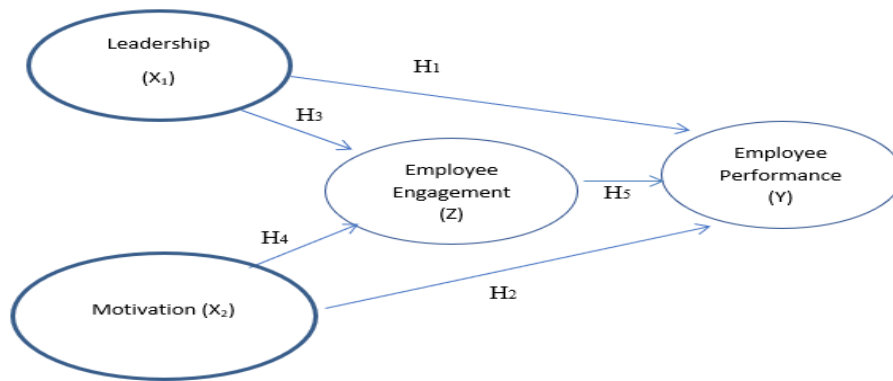


Figure 1: Conceptual Framework of the Research Model

This study uses the Structural-Partial Least Square Equation Model (SEM-PLS) as an analysis technique. The variables of this study are motivation, leadership, employee engagement, and employee performance. The model created by these variables will be tested using SEM-PLS. Furthermore, this method can be used to predict variables that affect the performance of employees of COVID-19 referral hospitals in the city of Malang.

**RESULTS AND DISCUSSION**

**Respondent Profile**

The description of the respondents of this study shows that based on gender, female respondents are more than men, this is quite

reasonable because hospitals are engaged in health services where jobs as nurses, midwives, nutritionists are very suitable for female gender. Respondents by age showed that most of the respondents were in the age range of 36-45 years, where this age range is a productive age with a mature emotional level so that they are able to serve patients well. Respondents based on education level showed that most of the hospital employees are bachelors and diplomas, this is in accordance with their competence to provide optimal health services to the community. Meanwhile, based on marital status, it shows that most of the respondents are married. In summary, the description of the respondents can be seen in the following table 1

Table 1. Profile of Research Respondents

Characteristics of Respondents	Sum	Percentage
<b>Gender</b>		
Man	28	28,00
Woman	72	72,00
Total	<b>100</b>	<b>100,0</b>
<b>Age</b>		
26 – 35	29	29,00
36 – 45	46	46,00
46 – 55	25	25,00
Total	<b>100</b>	<b>100,0</b>

<b>Education Level</b>		
SMA	7	7,00
Diploma	40	40,00
S1	48	48,00
S2	5	5,00
<b>Total</b>	<b>100</b>	<b>100,0</b>
<b>Marital Status</b>		
Unmarried	19	19,00
Marry	74	74,00
Widower / Widow	7	7,00
<b>Total</b>	<b>100</b>	<b>100,0</b>

Source : data processed, 2023

**Testing of Research Instruments**

The results of the validity test for all indicator items of all variables used in this study, both motivation, leadership, employee engagement, and employee performance variables, showed that the calculated r value was greater than the 5% level

table r value of 0.355, which indicates that all indicator items were valid.

As shown in the following table 2, all the variables tested in this study are considered reliable or trustworthy. This is due to the fact that all of the variables tested, including motivation, leadership, employee engagement, and employee performance, have a Cronbach's Alpha value greater than 0.6.

**Table 2 Reliability Test Results**

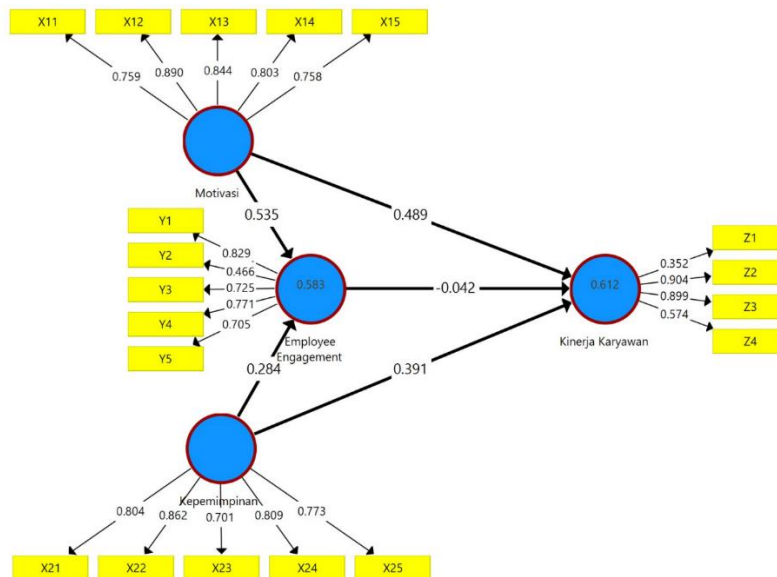
Variable	Cronbach's Alpha	Information
Motivation	0,945	Reliable
Leadership	0,948	Reliable
Employee Engagement	0,900	Reliable
Employee Performance	0,948	Relay

Source : data processed, 2023

**SEM PLS Analysis**

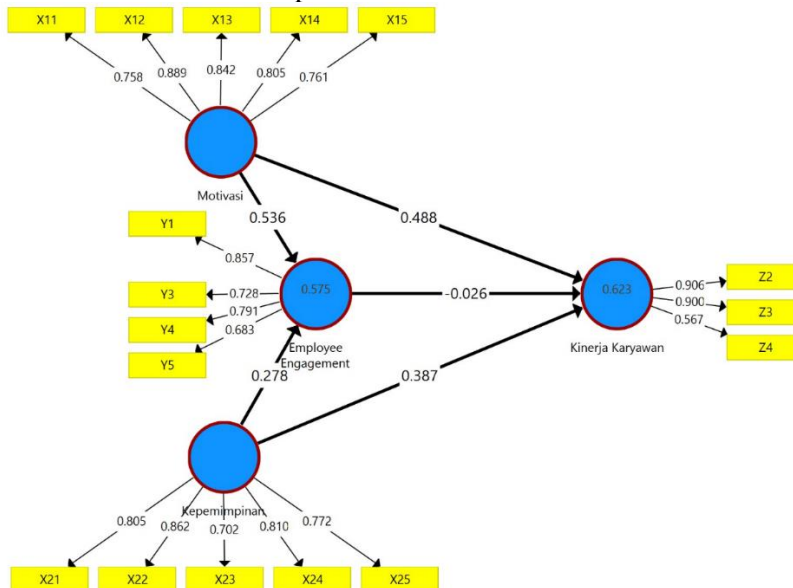
In this study, the influence of the Motivation and Leadership variables on Employee Performance at the Malang Covid-19 Referral Hospital with Employee Engagement as an intervening variable, was analyzed using the *Structural Equation Modelling – Partial Least Square* (SEM - PLS) analysis technique. Based on the operational definition of each research

variable, the Motivation variable is measured with 5 indicators, the Leadership variable is measured with 5 indicators, the Employee Engagement variable is measured with 5 indicators and the Employee Performance variable is measured with 4 indicators, so the specifications of the PLS model that will be estimated in this study are as follows



From the figure above, it can be seen that the Y2 indicator of the variable employee engagement and the Z1 indicator of employee performance are less insignificant because of the Cronbach alpha

value of 0.6, so it is necessary to conduct a comprehensive analysis by removing the two insignificant indicators above. The results of the retest are as follows:



**Hypothesis Testing**

The results of the hypothesis test of the direct influence between variables can be presented in the following table:

**Table 3. Direct influence test results**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Value
Motivation >> Employee Engagement	0,536	0,591	0,083	7,074	0,000
Employee Engagement >> Motivation	0,488	0,412	0,096	4,421	0,000

Performance						
Leadership >> Employee Engagement	0,278	0,366	0,081	4,539	0,000	
Employee Performance						
Leadership >> Employee Engagement	0,387	0,076	0,076	3,731	0,000	
Employee Engagement >> Employee Performance						
Employee Engagement >> Employee Performance	-0,026	0,470	0,114	4,162	0,000	

Source : data processed, 2023

From table 3 and figure 2 above, it can be concluded as follows:

1. There was a **positive influence** between the Motivation variable and the *Employee Engagement* variable with a coefficient of 0.536.
2. There was a **positive influence** between the Motivation variable and the Employee Performance variable with a coefficient of 0.488.
3. There was a **positive influence** between the Leadership variable and the *Employee Engagement* variable with a correlation coefficient of 0.278.

4. There was a **positive influence** between the Leadership variable and the Employee Performance variable with a coefficient of 0.387.
5. There was a **negative influence** between the *Employee Engagement* variable and the Employee Performance variable with a correlation coefficient of - 0.026.

Meanwhile, the results of the hypothesis test of the indirect influence between variables can be presented in the following table:

**Table 4. Indirect influence test results**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Value
Employee Engagement >> Motivation >> Employee Performance	0,278	0,277	0,075	3,688	0,000
Leadership >> Employee Engagement >> Employee Performance	0,174	0,173	0,059	2,930	0,004

Source : data processed, 2023

**DISCUSSION**

**1. The Effect of Motivation on *Employee Engagement***

The results of the analysis showed that motivation had a significant and positive effect on employee involvement at the Covid referral hospital in Malang, with an influence of 58.6%.

These results show that motivation is one of the factors that affect the high or low level of employee engagement. The higher the employee motivation, the higher the employee involvement. The results of this study are in line with the findings of research by Paramarta and Kasih (2018) and Irianto (2021), which show that

motivation is affected by employee engagement. The results of this study are in accordance with Maslow's (1943) idea that hierarchy is a structure of needs. This means that after meeting the first level of needs, the second level needs will be the most important, and so on until the fifth level is met. This is in line with Buckingham and Coffman of Gallup (1999) who analogize the journey of a new employee to becoming an employee involved with a mountain climbing trip: "What do I get?", "What do I give?", "Do I belong here?", and finally, "How can we all grow?". Thus, the increase in the level of Maslow's needs will be in line with the achievement of the new employee journey

## **2. The Effect of Motivation on Employee Performance**

The results of the analysis showed that motivation had a significant and positive effect on employee performance at the Covid referral hospital in Malang, with an influence of 40.6%. This shows that motivation is one of the factors that affect the high and low performance of employees: the higher the motivation of employees, the better their performance. The results of this study are in line with the findings of studies by Hariyanto (2017), Paramarta and Kasih (2018), Victoria (2018), Pratama et al. (2018), Saputra (2021) and Irianto (2021) which show that there is an influence of motivation on employee performance. The results of this study support Terry's (1997) theory that motivation is the desire that a person has to do something. Pinder in Robbins and Judge (2015) defines motivation in an organization as a process that describes a person's strength, direction, and perseverance in an effort to achieve a specific goal. Therefore, motivation in general is related to efforts towards each goal, especially organizational goals for work-related behaviors. Therefore, employees who have higher motivation will have better performance.

## **3. The Influence of Leadership on Employee Engagement.**

The results of the analysis showed that leadership had a significant and positive influence on employee engagement of Covid referral hospital employees in Malang, with a large influence of 36.7%. This shows that leadership is one of the factors that affect the high or low level of employee engagement, and a higher level of leadership indicates a higher level of employee engagement. The results of this study are in line

with the results of Firidinata (2017) research, which shows that the influence of leadership on employee engagement. The results of Marinda's (2018) research are also in line with the results of Nurhawaena's (2019) research, which found that leadership positively affects employee engagement. The results of this study support Maxwell's (2004) theory that leadership is an influence. According to Fleishman in Gibson et al. (1992), leadership is defined as an effort to influence others interpersonally through the process of communication to achieve certain goals. Employee engagement, according to Crabtree from Gallup (2004), is defined as employees who are passionate and have a strong relationship with their company. So, good leadership will affect employee participation.

## **4. The Influence of Leadership on Employee Performance**

The results of the analysis show that the performance of Covid referral hospital staff in Malang is significantly influenced by leadership. This shows that leadership is a factor that affects the high or low level of employee performance. Leadership will affect employee performance, good or bad. The results of this study are in line with the findings of previous research. According to Robbins and Judge (2015), leadership is defined as the ability to influence a group to achieve a specific goal or vision. Thus, effective leadership will have an impact on employee performance. These results are in line with Hariyanto (2017), Firidinata (2017), Victoria (2018), Marinda (2018), and Nurhawaena (2019), who found that leadership has a positive and significant influence on employee performance. However, the findings of this study are different from Pratama et al. (2018) and Saputra (2012) found that there was no significant influence on employee performance by leadership.

## **5. The Effect of Employee Engagement on Employee Performance**

The results of the analysis showed that employee involvement had a positive and significant effect on employee performance at the Covid referral hospital in Malang, with an influence of 47.7%. This shows that employee engagement is one of the factors that affect the high or low performance of employees; Higher employee engagement rates are proportional to overall employee performance. The results of this study are in line with the results of previous research by Lianasari et al. (2017), Paramarta and Kasih (2018),

Marinda (2018), Handoyo and Setiawan (2017), Firidinata (2017), and Victoria (2018) who found that employee involvement has an impact on employee performance. The results of this study are in line with Khan's opinion in Robbins and Judge (2015) that high worker engagement is a physical, cognitive, and emotional investment of workers into their performance. The Gallup organization describes worker engagement as employees who are fully engaged and enthusiastic about their work. So it can be said that employees will have better performance if they are more involved in their work.

#### **6. *Employee Engagement as an Intervening Variable Mediates the Influence of Motivation on Employee Performance.***

The results of the analysis found that employee involvement as an intervention variable partially mediated the influence of motivation on the performance of employees of Covid referral hospitals in Malang. The results of this study are in line with the findings of the research of Paramarta and Kasih (2018), Irianto (2021), which have shown that employee involvement as an intervention factor can affect employee motivation for their performance. The results of this study are in accordance with Maslow's (1943) idea that hierarchy is a structure of needs. This theory is in line with Buckingham and Coffman of Gallup (1999), who analogize the journey of a new employee to a mountain climb: "What do I get?", "What do I give?", "Do I belong here?", and finally "How can We all grow?" Crabtree from Gallup (2004) defines engaged employees as employees who work passionately and have a strong relationship with their company. So it can be concluded that high employee motivation will result in a higher level of employee engagement, which in turn will improve employee performance as well.

#### **7. *Employee engagement as an intervening variable mediates the influence of leadership on employee performance.***

The results of the analysis found that employee involvement as an intervention variable mediated the influence of leadership on the performance of employees of Covid referral hospitals in Malang. The study of Firidinata (2017) found that employee involvement as an intervention variable has a leadership influence on employee performance. The results of this study are in line with these

findings. In addition, this finding is in line with the results of research by Marinda (2018), and Nurhawaena (2019), who found that employee engagement as an intervention variable mediates the influence of leadership on employee performance. The results of this study support Maxwell's (2004) theory that leadership is an influence. According to Fleishman in Gibson et al. (1992), leadership is defined as an effort to influence others interpersonally through the process of communication to achieve certain goals. Employee engagement, according to Crabtree from Gallup (2004), is defined as employees who are passionate and have a strong relationship with their company. So, it can be concluded that good leadership will affect a high level of employee engagement, which in turn will improve employee performance

#### **CONCLUSION**

Based on the results of the research, several conclusions can be obtained as follows:

1. Motivation has a positive and significant effect on employee engagement of employees of covid-19 referral hospitals in Malang City. This shows that motivation is a factor that affects the high and low employee engagement. The higher the motivation in the company, the higher the employee engagement.
2. Motivation has a positive and significant effect on the performance of employees of covid-19 referral hospitals in Malang City. This shows that motivation is a factor that affects the high and low performance of employees. The higher the motivation in the company, the higher the employee's performance.
3. Leadership has a positive and significant effect on employee engagement of covid-19 referral hospitals in Malang City. This shows that leadership is a factor that affects the high and low level of employee engagement. The higher the leadership in the company, the higher the employee engagement.
4. Leadership has a positive and significant effect on the performance of employees of covid-19 referral hospitals in Malang City. This shows that leadership is a factor that affects the high and low performance of employees.



5. Employee engagement has a positive and significant effect on the performance of employees of covid-19 referral hospitals in Malang City. This shows that employee engagement is a factor that affects the high and low performance of employees. The higher the employee engagement in the company, the higher the employee performance.
6. Employee engagement as an intervening variable mediates the influence of motivation on the performance of employees of covid-19 referral hospitals in Malang City. G, with partial mediation. These results show that motivation drives employee performance through the formation of employee engagement.
7. Employee engagement as an intervening variable mediates the influence of leadership on the performance of employees of covid-19 referral hospitals in Malang City., with full mediation. These results show that leadership drives employee performance through the formation of employee engagement.

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