

THE IMPACT OF EMPLOYEES' MOTIVATION AND ENGAGEMENT ON EMPLOYEES' PERFORMANCE OF MANUFACTURING COMPANIES IN JAKARTA INDONESIA

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Abstract: Empirical research has been conducted on employee's perception of the impact of employees' motivation and engagement on employees' performance in Manufacturing Companies in Jakarta Indonesia. The purpose of this paper is to gain better understanding on the effective approach to improve employee performance by increasing motivation and engagement of employees in the manufacturing companies. The higher motivation and stronger engagement, can lead to higher satisfaction of the employees and stronger loyalty to the company. This study examines three hypotheses, and empirical research has been conducted in manufacturing companies in Jakarta.

Data collection has been collected through surveys and interviews directly to the respondents (the plant head, senior managers and employees in manufacturing companies). This research involved 184 employees as respondent from 4 manufacturing companies in Jakarta, Indonesia. The research method is field survey with convenient sampling and interviews with some senior managers. The data are analyzed by Structural Equation Modeling (SEM), Lisrel program.

The findings of research are: (a) Motivation positively and significantly effect on employee performance directly and indirectly through engagement as intervening variable; (b) Motivation positively and significantly effect on employee engagement; (c) Engagement positively and significantly effect on employee performance. However, the constraints of this research are: (a) characterized by cross sectional and perceptual analyzes; (b) the location all of the company involved is in Jakarta.

The managerial implication of this research is that they need to improve and coordinate policies, rules, procedures related to the contents of motivation better than the method how to engage of the employees, in order to sustain high motivation. Motivation is basic approach and basic reason for employees to join, stay and work effective. Based on that reasons management must to know and understand the effective way to strengthen their motivation. Even the engagement of employees is hard or difficult to build but effectively impacted to employees' performance. Management approach to emphasize on employees' orientation is effective as one of strategies to create positive engagement of the manufacturing company in Indonesia in this time being.

The theoretical implications of this research are that motivation at manufacturing company is one of the approaches to build the engagement and as positive method to improve the employee

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performance, not the other way around. Engagement is intangible assets and fragile, which is part of human resource approach to be given attention as it has positive implication to performance and sustainable growth of the company.

Keywords: Motivation, employee engagement, performance of the employee.

1. INTRODUCTION

Employee motivation and engagement are critical sources for employees' high performance both in manufacturing and services companies (Boss, 2014; Kwenin, Muathe, and Nzulwa, 2013; Reilly, 2014; McMullen, 2013; Trus, Shantz, Soane, Alfes, Delbridge, 2013). Such motivation and engagement have to be generated by effective leadership with clear managerial concepts are critical to influence the employee behavior to bring company to success performance (Boss, 2014; Johnson & Nandy, 2015)

Theoretically the impulse of financial incentives such as salary and bonuses (financial rewards) as well as other 'intangible' rewards will give sustainable spirit to the employees to work with high commitment, dedication, diligent and happy which will have a positive impact on engagement and performance of the employee. Some of the above concepts have been studied in different industry by Uzonna (2013) in the banking industry in Cyprus; Kwenin, et. al., (2013) in Vodafone Ghana; Zameer Ali, Nizar & Amir (2014) in food industry in Pakistan; Desai, Majumdar & Prabhu (2010) in car manufacturing and IT organization in Indian businesses.

In this paper we will study and analyze the role of employee's motivation and engagement in manufacturing company. It is believed that financial and nonfinancial rewards or incentives received will influence the motivation and the engagement level of the employee to the company with long-term impact. Finally, directly and indirectly all these antecedents will increase their performance as reflected on their job satisfaction, loyalty to the company, and their output.

2. THEORITICAL FRAMEWORK

Companies increasingly realize the important of their work forces to sustain corporate growth, especially in the midst of environmental uncertainty and fierce competition (Bao & Analoui; 2011; Gupta, Ganguli, and Ponnampalasa, 2015). Hence, it calls for clear alignment of the individual workforce and the organization, especially through motivation and engagement (van Marrewijk; Joanna Timmers , 2003).

Motivation

Motivation has an important role in encouraging someone to do the work to achieve their personal or group or company goals. The executive leaders and managers

of the companies need to apply effective methods or approaches to influence the employee motivation in order to achieve better performance. Motivation of the employees can be sourced from internal (intrinsic) and external (extrinsic) value for the organization (Zamer, et. al., 2014).

Authors and researchers explained the concepts of motivation from different angles, three of them are: Abraham Maslow (1954), who developed the concept of motivation since 1940s, and explained that the motivation for someone to do something driven by a series of stages of need, as follow: (a) biological and physiological needs, such as: air, water, food, sex, sleep, etc; (b) Safety needs, such as protection, security, law, order, stability, etc; (c) Social needs (belongingness and love needs), such as friends, family, relationship, work group, etc; (d) Esteem needs, such as: achievement, status, self esteem, responsibilities, reputation, confidence, achievement; (e) Self-actualization needs (personal goals and fulfillment), such as: creativity problem solving; spontaneity, authenticity. In 1969, Clayton P Alderfer simplified Maslow's theory to be three categories, as existence needs (physiological and safety needs), relatedness needs (belonging needs) and growth needs (self esteem and self actualization). While, Frederick Herzberg (1966) with his two-factors theory developed in 1959s known as the hygiene theory. He suggested that people have two sets of factors affecting motivation, namely (a) hygiene factors, they are extrinsic factors and this factors determine dissatisfaction, such as salary or remuneration, job security and working conditions; (b) motivators, they are intrinsic factors and this factors determine satisfaction such as sense of achievement, recognition, responsibility, and personal growth. Furthermore, David McClelland (1961) identified three basic needs, which are: needs for achievement; needs for affiliation and need for power. McClelland's theory explains the inspiration human needs to be met or avoid failure (Zamer et. al., 2014; Aworemi et. al., 2011).

According to Chaunday & Sharma (2012) basically motivation word is derived from 'motive', which covers need, wants and desire of persons. So the employees' motivation means the process in which organization inspires employees with the shape of rewards, bonus, and others for achieving the organizational goals (Zamer et. al., 2014). In the other word to achieve the objectives of the company, the leaders and managers have a significant role to encourage and motivate their employees to work better, enthusiastic, engage and able to improve their career and existence or proudness (Vnouckova & Klupakova, 2013; Uzonna, 2013). The authors and researchers define 'motivation' from a different angle depending on their objectives to be achieved or difference of studies, such as Decenzo, (2001) defines motivation as a result of interaction between the circumstances, and every individual has a different motivation, situations and cultures. While, Lawler (1986) define a motivation is a conscious process, which is the result of individual choices

about what will and will not to do in certain situations. And Kreitner (1995) says that motivation as a psychological process that gives behavior purpose and direction to be achieved. Aworemi, Abdul-Azeez & Durowoju (2011) defines motivation as an internal force that drives individuals to meet personal and organizational objectives. This means that employees are behaving partly driven by personal objectives such as to development of career, higher income, better facilities received, bonuses, awards, titles or other intrinsic rewards (Lunenborg, 2011; Omotayo; Paul, Falola & Hezekian, 2014). In Aworemi et. al., (2011) research findings mentioned that the working condition, interesting work and a good pay is the key factor that motivates employees to work. But according Reib (2008), motivation could also impact on the high turnover of employees of the companies (Vnouckova & Klupakova, 2013).

Referring to the above explanation and for interest in this study in manufacturing companies, the motivation is defined as emotional factors that can encourage their own to do some work to achieve or fulfill their personal needs and desires, groups and organizations or companies in general. Motivation is reflected in some aspect, among others are salary, bonus, facilities, leader's support, job security, and career opportunities.

Employee Engagement

To survive and sustainable growth in the rapid business development and tight competition, the company have to manage their human resources effectively, encourage the employees to keep their high commitment and strong engagement to the company (Markos and Sridevi, 2010). Beside of the employee motivation, Harvard Business Review in 2013 reported the results of a study of 568 entrepreneurs from five countries, namely North America, Asia, Europe, MEA, and South / Central America, explained that the employee engagement to the company is an important thing to be maintained and improved, because it can encourage successful effort for the company (HBR-Report, 2013). It means that if the company is able to build and maintain as well as keep the employee engagement are strong, it is believed the employee and the company will have a good performance. Another reviewed have been done by Markos and Sridevi, (2010); Siddanta & Roy (2010) and Truss, Shantz, Soane, Alfes, Delbridge, (2013) summaries that the employee engagement can improve the performance of the employees.

According to Kahn, (1990); Purcell, (2006); Rich, Lepine, & Crawford, (2010) Engagement is defined as the attachment actions of members of the organization to carry out their role of work better. It means that an employee is said to be involved and bound if he could freely express himself physically, cognitively and emotionally

in his official role consistent with the organizational goal (Gupta; Ganguli & Ponnampalnam; 2015). Other researchers have reviewed the application of the concept of engagement at the workplace such as Arrowsmith & Parker (2013); Francis, Ramdhony, Reddington & Staines (2013); Jenkins & Delbridge (2013); Schaufeli, & Salanova (2008); Schein (1990); Townsend, Wilkinson, & Burgess (2014), They essentially define the engagement as the involvement of emotional, physical and cognition on the employee's job, and their level of employee engagement in their workplace can be seen from their passion and dedication (Gupta, et. al., 2015). Therefore if the employees have high spirit and dedication, they also can express themselves physically and emotionally in their official role or responsibilities. It means that the employees have a strong engagement or high attachment to the company and it believed will improve their performance.

From different point of view, the research finding of Thomas, (2009) and Seijts GH, Crim D (2006), show that the motivation of a person can also affect their engagement to the company. This research finding is also supported by Siddhanta & Roy (2010) that it is important to enhancing the employee engagement in 21st century workforce, because high employee engagement can improve productivity, profitability, customer focus and other positive impacts to the company. In other words, we can say that the strong employee engagement had a positive impact on individual and company performance. This statement also supported by the results of a study conducted Shuck (2013), that if the engagement to the company is higher so employees will perform better (Gupta, et. all. 2015; Kurniawati & Meiliana Intani, 2016).

In order to build, improve and maintain the employee engagement, Boss (2014), proposed 3 things to do by leaders to build and sustain employee engagement to the company, that are : (a) consistency, the leaders have to consistent in providing guidance and instruction to employees; (b) communication, the leaders need to communicating vision, mission strategy and policy of the company as well as its impact on employees; and (c) combat or clear out rumors, which means that the leaders have to explain the background of his decision and policies, and no added negative interpretation. While, Bevan (2011) mentioned 10 steps to build the employee engagement, that are (a) commit to the long run; (b) establish a benchmark; (c) involve everyone; (d) prepare and train managers; (e) ask and listen; (f) align other processes; (g) show people a future; (h) ingrain the cultural change; (i) lead from the top; (j) assessed and course-correct.

In addition, Reilly (2014) mentions 5 method to improve the employee engagement, as follow: (1) use the right employee engagement survey; (2) focus on engagement at the local and organizational levels; (3) select the right managers;

(4) coach managers and hold them accountable for their employees engagement; (5) define engagement goals in realistic. Also, previous results of a study of 400 companies have been done by McMullen (2013), and proposed eight recommendations to improve employee engagement, as follow: (a) make a business case for engaging employees; (b) measure engagement and take action on survey results; (c) make managers accountable for engagement; (d) connect people with the future; (e) go beyond a compensation to a total rewards mindset; (f) involve employees and managers in reward design and launch; (g) use engagement matrices in performance criteria; (h) communicate the value of what you have.

Based on the above explanation to support this study a strong employee engagement is defined as the involvement of emotional, physical, and the mindset of employees in the workplace significantly, to be able to express their ideas and take actions to achieve an individuals, groups and organizations goals. The employee engagement can be seen in some aspects, are the perception of procedural justice, job characteristics, good communication, leadership and management support, and work environment.

Performance of the Employees

Many factors affect the performance of employees at the manufacturing and services companies, which are sourced from internal or external domain (Kenichi & Kreitner, 2003). Employee performance can be reflected from the height of togetherness and the level of employee satisfaction (Zuriekat, Salameh & Alrawasdeh, 2011; Pandla, 2016), also the concept of rewards that are implemented (Tze San, Mei Theen & Boon Heng, 2012). Even though many factors influence employee performance, but this study will emphasize on motivation and employee engagement as dominant factors in influencing the performance of employees and believed would affect the performance of the company. Beside the financial, nonfinancial interest or other rewards and the management support (Zamer et. al., 2014; Uzonna, 2013) that the high employee engagement also will strengthen the spirit of employees to improve their performance (Albdour & Altarawneh, 2014; Trus, Shantz, Soane, Alfes, & Delbridge, 2013; McMullen, 2013; Ram & Prabhakar, 2011).

Based on above explanation and for purposes of this study, performance of the employee is defined as results obtained from a series of activities and efforts of the employees in the company, and their performance can be seen in some aspects, such as job satisfaction, loyalty, career paths and levels of involvement or responsibility in the work. The followings are operational definitions of the variables of this study as measurement in the empirical field study.

Definition of Operational Research

No.	Variable observe	Definition of Variable	Instruments	Reference
1	Motivation	Motivation define as an emotional factors that can encourage their own to do some work to achieve or fulfill their personal needs and desires, groups and organizations or companies in general.	salary; bonuses; career opportunities; Job security; Leaders support	Zamer, et. al., 2014; Lunenburg, 2011; Omotayo; Paul, Falola & Hezekian, 2014; Aworemi, et. al., 2011 Reib, 2008; Vnouckova & Klupakova, 2013.
2	Employee Engagement	Employee engagement defined as the involvement of emotional, physical, and the mindset of employees in the workplace significantly, to be able to express their ideas and take actions to achieve an individuals, groups and organizational goals.	Good communication; Perception fairness of procedural; Job characteristic; Company support.	Trus, et. al., (2013); McMullen, 2013; Albdour & Altarawneh, 2014; Modaff, DeWine, & Butler, (2011).
3	Performance of the employee	Performance of the employee defined as results obtained from a series of activities and efforts of the employees in the company	Employee satisfaction; Employee loyalty Career path or promotion; Employee Involvement in higher responsibility.	Zuriekat, Salameh & Alrawasdeh, 2011; Tze San, Mei Theen & Boon Heng, 2012.

Referring to the above explanation, it can be proposed research model to analyze the link among observed variables, namely motivation, employee engagement and employee performance, can be seen in Figure 1 as follows:

Research Model

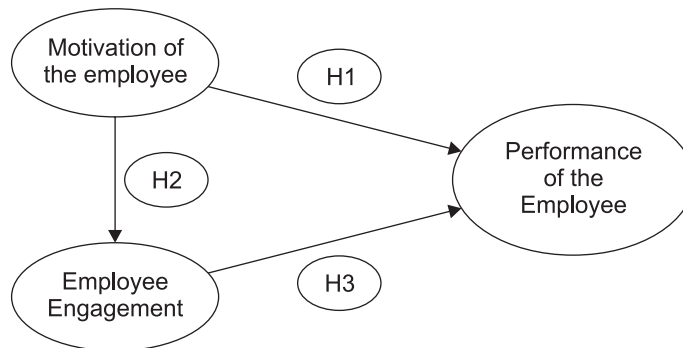


Figure 1. Research Model

3. RESEARCH HYPOTHESIS

Based on the above research model, we can propose 3 hypothesis as follows:

A. Motivation and Employee's Performance

Zamer et. al., (2014) explain theoretically that motivation has important role in public or private companies. Motivation is categorized in two groups: monetary such as salaries, bonuses, wages; as well as non-monetary such as working condition, job status, job security, job enrichment. While employee's performance is categorized in three dimensions; namely, job productivity, job quality, job accomplishment. The research finding in the beverage industry in Pakistan shows that motivation plays a vital role toward the performance of the employees (Zamer et. al., 2014). Based on Aworemi et. al., (2011) research finding of wide range of companies (education, hotels, retails, manufacturing, services, transportation) in Nigeria, they suggested that working condition, interesting work, and good pay are key factors to higher employee motivation.

Motivation has long been known as very important factor for an organization because of following benefits: puts human resources into action; improves level of efficiency of employees; leads to achievement of organizational goals; builds friendly relationship; leads to stability of work force (Aworemi et. al., 2011). However, motivation has been taken for granted by many managers. According to Dugguh (2014) based on his research findings in cement manufacturing company in Nigeria show that low productivity occurs because poor employee motivation, and it implies that motivation has link to productivity since motivated employees are productive employees. This finding supports the earlier research on manufacturing companies by Olko (1977), Nwachukwu (2002), Okigbo (1991) and Nwarah (1991) that to enhance productivity needs to go through motivation and job satisfaction (Dugguh, 2014).

Another evidence that workers of manufacturing firms in Nnewi, Nigeria show that they are poorly motivated, therefore low productivity, so tangible reward such as salary need to be increased via promotion, overtime allowance, and holiday with pay (Chuwuma & Okafor, 2014). Also finding by Muogbo (2013) that extrinsic motivation given to workers in an organization of manufacturing firms in Anambra State has a significant influence on the workers performance. Referring to research finding by Uzonna (2013) shows that employees' motivated by position, cash rewards and more responsibility induce higher performance. Based on the above results, employees' motivation have a prime role to improve the performance of the employees of manufacturing companies in Jakarta Indonesia. Hence, we propose the hypothesis as follow:

H1: There are positive impact between motivation and performance of the employee at manufacturing companies in Jakarta Indonesia.

B. Employee's Motivation and Employee's Engagement

Motivated and engaged employees tend to contribute more in term of organizational productivity and support in maintaining a higher commitment level leading to the higher customer satisfaction (Mehta & Mehta, 2013). Many authors have tried to identify factors leading to employee engagement and tried to determine the drivers that will increase employee engagement. Penna (2007) come up with a new model they called "Hierarchy of engagement" which resembles Maslow's need hierarchy model, and in the bottom line there are basic needs of pay and benefits. Once an employee is satisfied these needs, then the employee looks to opportunities development, such as the possibility for promotion and then leadership style (Markos & Sridevi, 2010).

But Blessing White (2006) has found that almost 60% of surveyed employees want more opportunities to grow forward to remain satisfied in their jobs, and strong manager-employee relationship is a crucial ingredient in the employee engagement and retention formula (Markos & Sridevi, 2010). And Development Dimensions International (DDI, 2005) states that a manager must do 5 things to motivate or create a highly engaged workforce: align efforts with strategy; empower; promote and encourage teamwork and collaboration; help people grow and develop; provide support and recognition where appropriate.

Furthermore, Perin (2003) identifies the top ten work place attributes which will result in employee engagement, the top three among the ten drivers are senior management's interest in employee's well-being; challenging work and decision making authority (Markos & Sridevi, 2010). And Kumar (2012) mentioned that some factors can motivate employee to get strong engagement, such as empowerment, equal opportunities & fair treatment, pay & benefits, health & safety, job satisfaction; communication; training development and career (Mehta & Mehta, 2013; Robinson, Perryman & Hayday, 2004). Based on above explanation, we believed that if the employee's motivation is high then their feeling valued and involved or employee's engagement is stronger. Hence, we propose the hypotesis as follow:

H2: There are positive impact between motivation and employee engagement at manufacturing companies in Jakarta Indonesia.

C. Engagement and Employee's Performance

Kahn in 1990 published on the terminology of employee engagement for the first time, and described it as being different from other employee role constructs such as job involvement, commitment or intrinsic motivation; and he asserted that employee engagement focuses on how psychological experiences of work can shape the process of people presenting and absenting themselves during task performance (Desai, Majumdar and Prabhu, 2010). They defined engagement as the level of commitment and involvement on employee towards his organization as their

values. Their research finding on car manufacturing and IT services in Bangaluru, India shows that engagement has direct impact on the employee's productivity (Desai et. al., 2010).

But Macey & Schneier (2008) explained that employee engagement is the positive feeling that employees have towards their jobs and also the motivation and effort they put into it, and Khan (1990, 1992), Luthans & Peterson, (2002) conceptualized the employee engagement to be two dimensions: a) cognitive engagement, it means worker aware of his mission at work and his role in organization; b) emotional or physical engagement, it means the worker empathizes with other at work and connects with coworker (Desai, et. al., 2010). In addition Robinson, Perryman & Hayday (2004) defined employee engagement as a positive attitude held by the employee towards the organization and values, and an engage employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization (Markos & Sridevi, 2010).

Furthermore, Woodruffe (2006) and Lockwood, (2006) explained that employee engagement has been linked to superior performance and higher levels of organizational commitment (Desai et. al., 2010). This statement support the research finding by Nowarck (2006) on meta-analysis of over 7939 business units in 38 companies show the relationship between employee satisfaction-engagement and business unit outcomes of customer satisfaction, profit, productivity and employee turnover (Desai et. al., 2010). Employee engagement also have benefits at the individual level, as Maitland (2005) reported that employee engagement can help to achieve the greater income and turnover and Corporate Leadership Council (CLC, 2004) stated that engagement also can motivate the employee to greater effort and productivity, and Harter, Schmidt and Keyes (2003) mentioned a greater profitability (Desai et. al., 2010). Based on the above explanation and findings are believed that strong employees engagement would like to increase the chance of the employees to have better performance of manufacturing companies in Jakarta Indonesia. Hence, we propose the hypotesis as follow:

H3: There are positive impact between employee engagement and employee's performance at manufacturing companies in Jakarta Indonesia.

4. RESEARCH METHOD

Data Collection

In collecting data, we use survey method and interviews some leaders of 4 manufacturing companies in Jakarta Indonesia as the sample. Survey in this research used questionnaires as instrument and compiled based on literature and focus group discussion that had been done earlier. And some of the questionnaires were adopted from earlier research but modify to adjust the topic and current situation.

Respondents of this research are all employees of 4 manufacturing companies, still active at least in 5 years or more. Respondents are not determined by sex, economy status, and originality. Respondents is determined by convenience sampling method. They answered directly in front of the researcher and gave it back after completing on the same day.

Total questionnaire distributed proportionally to four companies was 200 copies. Complete questionnaire collected were 200 copies (100%) but after sorting/select only 184 copies (92%) ready to analyze. Respondents used Likert scale with range 1-5 to assess the questions/statements. Number 1 is representing very un-flavor answer, and 5 is very flavor questions/statement. This research used Structural Equation Modeling (SEM) program LISREL 9.2 to analyze the data collected.

5. ANALYSIS AND DISCUSSION

Results analysis by SEM program Lisrel 9.2 shows that Reliability Construct (RC) score is **0.805** and above; and Variance Extracted (VE) score is **0.5** and above. It means that the reliability of the structural variable model as a whole meet the statistical requirement. Also results analyses of Goodness Of Fit (GOF) index supports the hypotheses test as proposed, mean all index of GOF are Good of fit, the absolute fit measure show that RMSEA score is 0,048, and GFI as 0,949. It indicates the level of good appropriateness model, the other side of incremental fit measure, all index state score = 0,90, this meant there are level of good of fit between model and the data. Furthermore, generally for the whole model have a good level of fit. Summary of research and hypotheses test is presented in Table 1.

Table 1
Summary of Analyses Hypotheses Results

<i>Hypothesis</i>	<i>Structure Path</i>	<i>Standardized Coefficient</i>	<i>t-value</i>	<i>Description</i>	<i>Conclusion</i>
H1	MOTIVE → PERFORM	0,36	3,32	Significant	Correlated
H2	MOTIV → ENGAGE	0,61	6,56	Significant	Correlated
H3	ENGAGE → PERFORM	0,36	4,03	Significant	Correlated

Discussion of the Findings

Hypothesis 1: Test analysis of H1 shows that employees' motivation have positive and significant impact to employee performance of the manufacturing companies in Indonesia, the result show *t-value* is 3,32 and the standard coefficient 0,36, that is, H1 is accepted. In other words, based the results that good salary (pay), bonuses, career opportunities, job security and leaders support are a good tools to motivate the employee to work better, have a better performance and feeling happy/satisfy with his/her job and more loyal to the company. It believed if the performance of

the employees is good (happy & satisfy and loyal) then will give the positive impact to company performance. This finding supports previous research about the impact of motivation to employee performance, such as Uzonna (2013) in the Creditwest Bank Cyprus; Zameer et. al., (2014) in Beverage industry of Pakistan; Omotayo, et. al., (2014) in Nigerian Banking Industry; Dugguh (2014) in cement manufacturing companies in Nigeria; Chukwuma & Okafar (2014) in manufacturing companies in Nnewi; Muogbo (2013) in some selected firms in Anambra State Nigeria.

Hypothesis 2: Test analysis of H2 show that employees' motivation positively and significantly impacted to employee engagement of the manufacturing companies in Jakarta Indonesia, the result show *t*-value is 6,56 and the standard coefficient 0,61, that is H2 is accepted. The meaning of it is a good communication, perception fairness of procedural, job characteristics and management or leaders support are very appropriate tools to improve engagement because all of variables effective to encourage the employees to have a good feeling & involved and build stronger engagement. This findings support authors concepts and researchers previously that employee motivation positively and significantly needed to build stronger employee engagement, such as Swathi (2013) studied of effecting employee engagement factors; Gupta et. al., (2015) there are 3 factors of employee engagement are implicit benefits, organizational culture & organizational policies;

Hypothesis 3: Test analysis of H1 shows that employees' engagement is positively and significantly impact ed to employee performance of the manufacturing companies in Indonesia, *t*-value is 4,03 and the standard coefficient 0,48, that is H3 is accepted. This findings support the authors and researchers previously that employee engagement have a positive and significant impact to employee performance, such as Markos & Sridevi (2010) studied that employee engagement is the key to improving performance; HBR report (2013) the impact of engagement to performance; Desai et. al., (2010) finding research in car manufacturing and IT organization in Bengaluru India; Trus et. al., (2013) review of the impact of employee engagement to performance; Siddanta & Roy (2010) that employee engagement is effective to improve employee commitment & involvement to work together to achieve the common goals (such as productivity, profitability and focus on the customer); Ram & Prabhakar (2011) reported the finding result that there are any relationship between employee engagement and work outcomes; Albdour & Altarawneh (2014) their finding is showing the relationship between employee engagement and organizational commitment and their impact on organizational performance as a whole.

As above mentioned we can conclude that employee engagement is positive attitude and many benefits from of it such as effective to improve commitment, as a diver of organizational effectiveness, higher productivity, customer satisfaction and lower employee turnover (Sundaray, 2011; Albdour & Altarawneh, 2014).

6. CONCLUSION

The findings of this research shows that all hypothesis proposed are accepted or supported by the data. It means there is positive and significant impact between employee's motivation to employee performance (H1); employee's motivation to employee engagement of the company (H2); and employee engagement to employee performance in manufacturing companies (H3). This study agrees and supports an earlier research that has been done by Zuriekat, Salama & Alrawashdeh (2011); as well as the research in services company performed by Teen & Heng, (2012) and the study of theory by Swathi (2013).

The result of analysis shown that interesting work, job security, good pay, bonuses, and management support is effective variables to improve motivation of the employees of manufacturing company. And necessary to consider that work environmental and co-workers, and all of this were able to motivate the employees to work better. Finally, when the employees' motivation is high will be reflected on their job satisfaction, better career, higher responsibility and feeling involved.

Good communication, fairness in implementation of procedural, work based on their competencies, high support from leaders also have a big chance to support the employees to be more active, comfortable, creative, strong team and believed all this impacted positively and significantly to be higher engagement to the company or vice versa. And all proven if the motivation of employee high and keep their engagement always strong, so their performance will improve, and believed that individual performance have positive impact on company's performance remains high.

Also all findings of this study support several previous studies, among others are: the role of motivation and commitment of leaders and managers to successful employees (Digalwar, 2005; Murugesan. Kumar & Kumar, 2012), awareness of the need to build employee engagement is strong against the company (Cua, McKone & Schroeder, 2001; Markos & Sridevi, 2010; Desai, Majumdar & Prabhu, 2010), and the success of employee performance is reflected in the high range of indications rewards of financial and non-financial as well as satisfaction and loyalty to the company (Kaplan & Norton, 1992; 1993; Lebens & Euske, 2006).

Limitations of this research are related to location, this research had been done in the same area even in different business manufacturing, and the respondents only from four companies also cross sectional research. Future research is recommended on specific and certain business manufacturing but in different place, also for workers level as respondents.

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