



THE EFFECT OF INTERNAL COMMUNICATION AND EMPLOYEE WELL-BEING ON EMPLOYEE PERFORMANCE, MEDIATED THRU EMPLOYEE ENGAGEMENT (STUDY AT PT WUZA)

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Abstract: In general, this study is to analyses employee performance impacted by communication and well-being. This study aims to analyses the effect of internal communication and employee well-being on employee performance through employee engagement mediation. The number of samples was determined using the Slovin formula and the results were found to be 97 samples. This study uses a quantitative analysis approach with data collection methods through questionnaires given to 220 respondents. The data analysis method in this study is the Structural Equation Model (SEM) with the Smart PLS analysis tool. The results show that internal communication has no significant effect on employee engagement, internal communication has a significant effect on employee performance, employee well-being has a significant effect on employee engagement, employee well-being has a significant effect on employee performance, employee engagement has no significant effect on employee performance, employee engagement does not mediate internal communication on employee performance and employee engagement does not mediate employee well-being on employee performance.

Keywords: Internal Communication, Employee Well Being, Employee Performance and Employee Engagement.

INTRODUCTION

The condition of rapid business growth is not followed by the readiness and availability of skilled workers, so there are still gaps. Based on the Mercer report citing data from the Central Statistics Agency in 2020, it is predicted that there will be a shortage of experts at the senior management level by 6% compared to 2011. Meanwhile, at the middle management level, the gap in the availability of human resources has increased significantly from 2011 which was only 13 % to 56% in 2020. While at the beginner level, previously in 2011 there was sufficient resources of 5%, in 2020 it is predicted that there will be a shortage of 17%.

Seeing the condition of the labour market in Indonesia, which is large, it is make sense that there is a talent war going on. This makes people become a crucial asset that needs to be managed properly by the company so that job satisfaction and employee performance

can be realized. However, there are still many people problems in the company that often arise, such as absenteeism, disharmony with superiors, giving a bad influence (toxic employee), turnover, employee performance and low employee engagement levels.

Talking about employee engagement, citing a Gallup report in the journal entitled "State of The Global Workplace" in 2017, that the number of employee engagement in the world is considered very low, on average only 15% of employees feel engaged, the rest 85% of employees in the world feel disengaged or even actively disengaged at all. Meanwhile, in Southeast Asia, only 19% of employees feel engaged, the remaining 70% are not engaged and 11% are active and not at all engaged. This research was conducted at PT WUZA which is domiciled in West Jakarta and is a subsidiary of a large consumer product business group headquartered in India. Has become part of the business of a multinational company in 2007. The company has its own production facilities in Salatiga, Central Java and operates through more than 90 distributors spread throughout Indonesia. The company directly employs more than 520 employees (as of August 2021).

This company once every two years measures employee engagement to employees with a minimum working period of 6 months, start from minimum supervisor level. This survey was conducted by a 3rd party using 6 engagement indicators; discretionary effort, inspiration, intent to stay, pride, and advocacy. For 3 consecutive years, 2016, 2018 and 2020, overall engagement at PT WUZA has increased from 79% to 83%, then increased to 85%. However, several dimensions have decreased, such as the People dimension, there has been a consistent decline from 2016, 2018 and 2020 from 77% to 75% and then down to 72%.

If we look more deeply at the People dimension, the decline can be seen in the customer-service spirit indicators and superior indicators, especially the influence of the relationship between superiors and subordinates (managers). More over with the environment dimension, although in general it has increased from 70% to 79%, the indicators of work security, integrity, and especially work balance have consistently decreased. This is reinforced by survey data on employee anxiety during the pandemic. From the data obtained, 46% of employees feel insecure when they have to work from the office, 37% of health protocol procedures are normal and 10% are inadequate.

In the other hand, with the communication indicator, although it has increased from 2018 but is still below 2016. Regarding the communication, rewards and recognition indicators, in the two years the previous survey period was always in the 5 lowest indicators, namely the results of the survey in 2018 and 2016, and This is a concern that needs to be taken seriously.

In the end, this condition can be seen in the results of PT WUZA's annual performance, which annually measures employee performance through a performance appraisal mechanism. Referring to the rating norms, the annual performance appraisal is divided into three categories, more than expected target, meet with the target and less than the target. Looking at the data on the results of the annual performance appraisal, it shown that there was a decrease in the group of employees who were above the expected target, which was 6.3% of the total employees in FY19-20 to 5.3% in FY20-21. Additionally, the group of employees who meet with the target, was a decrease from 53.8% to 33.05%. This can be seen in table 1 below.

Table 1. Performance Rating Comparison
RATING PERCENTAGE COMPARISON

SAP (Significantly Above Plan)				OP (On Plan)		BP (Below Plan)			
OSC (1 - 1.4)		ECC (1.5 - 2.3)		HVC (2.4 - 3.1)		MCE (3.2 - 4)		USC (4.1 - 5)	
FY19-20	FY20-21	FY19-20	FY20-21	FY19-20	FY20-21	FY19-20	FY20-21	FY19-20	FY20-21
0.00 %	0.00 %	6.3%	5.30 %	53.8%	33.05 %	6.9%	5.72 %	0.00 %	0.00 %

Resource: Performance result processed by researcher, 2021

Based on previous research conducted by Lau Hui Bao et al, (2020) which explains that communication affects employee engagement. However, it is different from the research results of Muhammad Ramaditya (2020) which explains that communication has no impact on employee engagement align with research on the effect of internal communication with performance. Based on the results of research conducted by Ong Choon Hee et al, (2019), it is proven that internal communication through routine work coordination, evaluation, collaboration between departments and a common understanding of the organization's direction will help in improving performance. Contrast to the results of research by Josua Ridel Tombokan et al, (2019) which stated that internal communication does not directly affect performance.

Meanwhile, the effect of welfare on employee engagement can be seen from the research results of Nor Fauzina Ibrahim et al, (2020) which states that there is a relationship between the welfare perspective and employee engagement, where engagement is a predictor of engagement. Contrast to Elisa Kurniadewi's research (2016) which states that psychological capital has no effect on employee engagement. Meanwhile, regarding the effect of welfare on performance, it can be seen from the results of Yasir Mansoor Kundi's (2020) research which shows that psychological well-being has a beneficial effect on employees' affective commitment, which in turn improves their job performance. This is different from the results of research from Ariesto Patria Sabil (2021) which states that there is no influence and relationship between employee welfare and performance.

On the other hand, Agnes Wahyu Handoyo & Roy Setiawan (2017) show that there is a high level of influence on employee engagement on performance. However, this is different from the results of research by Aldy Renaldy (2021) which explains that employee engagement does not significantly affect employee performance.

LITERATUR REVIEW

Internal Communication

Internal communication is operationally defined as the exchange of information, both informal and formal, between management and employees within the organization. Communication is operationally defined as the technology and systems used to send and receive messages. Communication can include newsletters, circulation materials, surveys, emails, suggestion boxes, etc. (Balakrishnan and Masthan, 2013). Organizational internal communication can also be explained as the process of creating and exchanging messages in a network of mutually influential relationships in order to answer the need for coordination and respond to changing situations (Khomahrial Romli, 2014).

Romli (2011) explains that organizational internal communication is the process of delivering messages between organizational members that occur for the benefit of the organization, such as communication between leaders and subordinates, between peers, and so on. The internal communication process can be in the form of interpersonal communication or group communication (Romli, 2011). Eva Tariszka Semegine (2012) a

professor from Hungary divides organizational internal communication into vertical, horizontal, and diagonal communication.

Employee Well-Being

Employee well-being is a unit of individual welfare on a job that is influenced by the work environment (Rizky & Sadida, 2019). According to Purba (2019), employee wellbeing is the right of employees or groups of employees to share their membership in the organization in the form of indirect rewards. Employee well-being can be said to be a balance between the efforts made by employees and the compensation they get. The lack of balance between the two causes low welfare for employees (Sadida & Fitria, 2018).

Employee wellbeing is described as the level of overall employee welfare both in physical and psychological aspects. Zheng (2015: p627) suggests that employee wellbeing is not only related to employee perceptions and feelings about work and life satisfaction, but is also closely related to psychological experiences and levels of satisfaction with work and personal life of the employee concerned.

From several definitions of employee wellbeing above, it can be concluded that employee wellbeing is a sense of well-being that employees get from their work which is related to work calm, work spirit, dedication, discipline, and a loyal attitude towards the company. To be able to find out how the manifestation of employee well-being Zheng (2015: p627) can be seen from three main dimensions; subjective well-being, workplace well-being, and psychological well-being.

Employee Engagement

According to Hughes and Rog in Nafiudin (2020), employee engagement is the relationship between the high emotional and intellectual feelings possessed by employees towards their work, organization, manager, or co-workers who have an influence in making more contributions to the organization.

Meanwhile, according to Robinson, Perryman and Hayday in Nafiudin (2020) employee engagement is an individual employee's positive attitude towards the organization and organizational values. An employee who has a high level of engagement to the organization, they have an understanding and concern for the running of the organization's operations, are able to work together to improve the achievement of the work unit/organization through cooperation between individual employees and management. Employee engagement is defined as a positive two-way relationship between employees and the organization. Both parties are aware of each other's roles and needs, and know how to support each other to meet these needs. Employees and organizations involved will go the extra mile for one another because they see the reciprocal benefits of investing in their relationships (Chiumento in Anitha J, 2013).

Based on the theoretical explanation above, it can be concluded that employee engagement is a feeling of engagement both physically, emotionally and intellectually so that employees are willing to work extra miles. Based on Schaufeli and Bakker in Nafiudin (2020), employees who have high engagement have a characteristic known as 3S (Say, Stay, Strive). As defined by Schaufeli, the characteristics of employee engagement can be seen from vigor, dedication, and absorption.

Employee Performance

According to Simamora in Sulaksono (2019), performance is the level of employee work results in achieving the given worker requirements. In other words, performance is the result of employee work both in terms of quality and quantity based on predetermined work standards. Meanwhile, according to Wibowo in (Kristanti, 2019) performance is the result of

work that has a strong relationship with the organization's strategic goals, customer satisfaction, and contributes to the economy.

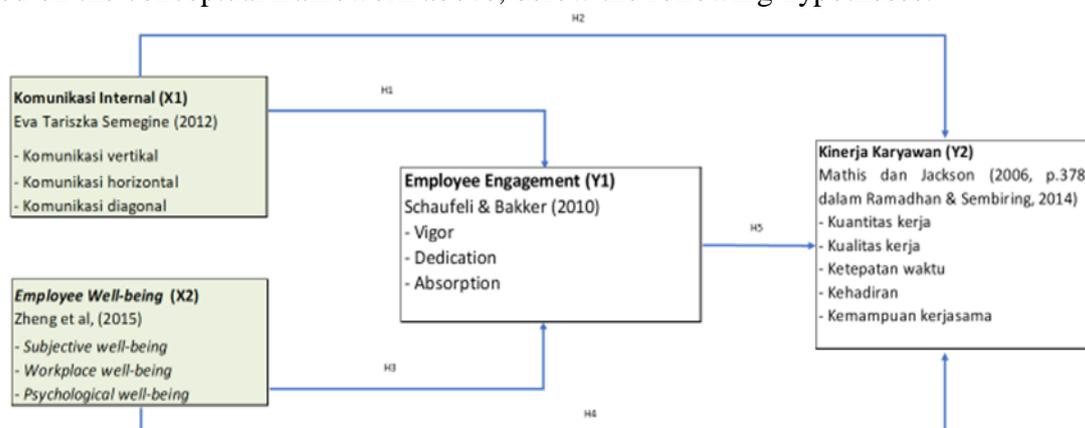
While Kasmir (2016: 182) explains that performance is the result of work and work behaviour that has been achieved in completing the tasks and responsibilities given within a certain period, usually one year. Performance can be measured by the ability of employees to complete the tasks and responsibilities given. Meanwhile, Simamora (2015: 339) explains that performance refers to the level of completion of tasks that make up work. Based on the theoretical description above, employee performance can be concluded as employee behaviour when doing a job or task, which can provide a result for the organization. Employee performance concerns the achievement of each employee in accordance with organizational regulations, requirements and expectations. Employee performance can also be said to be the result of the ability, effort, and perception of the task of the employees. This can help in increasing the productivity of the organization by increasing the efficiency and effectiveness of tasks.

According to Mathis and Jackson (2006, p.378 in Ramadhan & Sembiring 2014) describes several indicators used in measuring employee performance; Quantity of work, Quality of work, Punctuality, Attendance, and Ability to work together.

Theoretical Framework and Hypotheses

Based on the description of the theory and research variables above, it can be described that the formulation of this research model is as shown in Figure 2.2 below.

Based on the conceptual framework above, below the following hypotheses:



Picture 1. Conceptual Framework

H1: Internal communication has a significant and effect on employee engagement

H2: Internal communication has a significant and effect on employee performance

H3: Employee well-being has a significant and effect on employee engagement

H4: Employee well-being has a significant and effect on employee performance

H5: Employee engagement has a significant and effect on employee performance

H6: Employee engagement has a significant effect on mediating internal communication on employee performance

H7: Employee engagement has a significant effect on mediating employee well-being on employee performance

RESEARCH METHOD

This study uses a causal research design that is to analyse the causal relationship between the variables that are the object of the study in accordance with the existing hypothesis. While the method used in this research is quantitative. According to Sugiyono

(2018:35) quantitative research is used to provide an overview of each variable by analysing the effect of the independent variable on the dependent variable, with the aim of testing the hypothesis. The method for obtaining data in this research is through a survey, namely the collection of information by compiling a list of questions posed to respondents through a questionnaire. The quantitative approach is taken because the data that will be used to analyse the influence between variables is expressed in numbers (Prayitno 2010:7). The variables to be studied are the variables of internal communication, employee well-being, employee engagement and employee performance.

Population and Sample

In this study, the population was 220 PT WUZA employees with supervisor to manager levels who were recorded as active until August 2021. The sample was part of the population (Sekaran and Bougie, 2017:266). The sample must have the same characteristics as the population. This is because the conclusions of the study are based on population group data.

The sampling technique that will be used by the researcher is probability sampling or a sampling technique that provides equal opportunities for each element (member) of the population to be selected to become a sample member (Sugiyono, 2018) with proportionate stratified sampling.

In this study, the sample to be taken is PT WUZA employees with a minimum working period of 6 months starting from August 2021 with supervisor level and above. Because the population in this study is known, the researchers calculated the sample size using the Slovin formula (Sugiyono, 2016:81). From the results of calculations that have been carried out, it was obtained that 97 samples were taken from the 220 population of PT WUZA employees with a minimum working period of 6 months starting from August 2021 with a supervisor level and above.

Data Analysis

The data analysis method used in this study is to use the Smart PLS software version 3.0 Partial Least Square (PLS) is a structural equation study with a variance basis which together test the measurement model and test the structural model. To test the validity and reliability, the measurement model is used, while the causality test is carried out using a structural model.

FINDINGS AND DISCUSSION

Respondents Characteristics

Respondents in this study are 112 PT WUZA employees from supervisory level and above with a minimum working period of 6 months (starting in August 2021). Characteristics of respondents are distinguished by gender, age, years of service, level and department. From gender, it was found that the majority of respondents were male as much as 69 (62%) while female employees amounted to 43 (38%).

Based on age, the majority of respondents were aged over 41 years as many as 54 people (48%) and the rest were aged 31-40 years as many as 41 people (37%), then aged 20-30 years there were 17 people (15%), and none who are less than 20 years old. In terms year of service, it was found that the majority of respondents had more than 10 years of service, where as many as 42 people (38%) and the rest were fairly evenly distributed, where 18 people worked more than 7-10 years (16%), then more than 3 years of service. -7 years there are 27 people (24%), and less or equal to 3 years there are 25 people (22%). Based on the level, the majority of respondents were at the supervisory level where there were 56 people

(50%) and the rest were at the executive or assistant manager level as many as 24 people (21%), and at the manager and senior manager level there were 32 people (29%).

Meanwhile, based on the department, the majority of respondents are in the sales department where there are 46 people (41%) and the rest are spread in the skin care department as many as 20 people (18%), then marketing as many as 11 people (10%), factory employees, research, and finance are the same. -the same are 8 people (7%) while HRGA is 7 people (6%) and IT is 4 people (4%).

Descriptive Statistical Analysis of Research Variables

The table of descriptive statistical analysis results can be seen in Table 1 below.

Table 1. Descriptive Statistics Variable Results

Variabel	Average
Internal Communication (X1)	3.99
Employee Well-Being (X2)	3.93
Employee Engagement (Y1)	4.26
Employee Performance (Y2)	4.14

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

From table 1 above, it can be seen that the results of the survey respondents answered for internal communication on average at 3.99 (scale 5), then employee well-being on average was at 3.93 (scale 5), while employee engagement averaged 4.26 (from scale 5) and employee performance is on average 4.14 (from a scale of 5).

Measurement Model Test Results (Outer Model)

Convergent Validity Test

The value of convergent validity is the value of the loading factor on the latent variable with its indicators. In this study using a limit of 0.5, so the indicator with a loading factor value above 0.5 is declared valid. The following are the results of the validity test.

Table 2. Convergent Validity Test with Loading Factor

Variable	Item	Nilai Outer Loading	Outer Loading Min Score	Result
Internal Communication (X1)	KI1	0,770	0,5	Valid
	KI2	0,705	0,5	Valid
	KI3	0,744	0,5	Valid
	KI4	0,854	0,5	Valid
	KI5	0,774	0,5	Valid
	KI6	0,663	0,5	Valid
	KI7	0,720	0,5	Valid
	KI8	0,764	0,5	Valid
Employee well-being (X2)	EWB1	0,536	0,5	Valid
	EWB2	0,880	0,5	Valid
	EWB3	0,773	0,5	Valid
	EWB4	0,700	0,5	Valid
	EWB5	0,718	0,5	Valid
	EWB6	0,620	0,5	Valid
	EWB7	0,862	0,5	Valid
	EWB8	0,816	0,5	Valid
	EWB9	0,685	0,5	Valid
	EWB10	0,809	0,5	Valid

Variable	Item	Nilai Outer Loading	Outer Loading Min Score	Result
	EWB11	0,754	0,5	Valid
Employee engagement (Y1)	EE1	0,768	0,5	Valid
	EE2	0,870	0,5	Valid
	EE3	0,852	0,5	Valid
	EE4	0,878	0,5	Valid
	EE5	0,883	0,5	Valid
	EE6	0,825	0,5	Valid
	EE7	0,754	0,5	Valid
	EE8	0,824	0,5	Valid
	EE9	0,848	0,5	Valid
Employee Performance (Y2)	KK1	0,605	0,5	Valid
	KK2	0,724	0,5	Valid
	KK3	0,511	0,5	Valid
	KK4	0,902	0,5	Valid
	KK5	0,773	0,5	Valid
	KK6	0,852	0,5	Valid
	KK7	0,845	0,5	Valid
	KK8	0,863	0,5	Valid
	KK9	0,861	0,5	Valid
	KK10	0,815	0,5	Valid

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

From the table above, it can be seen that all items with the loading factor value (outer loading) are all above 0.5. So the items are declared valid.

Convergent Validity Test with Average Variance Extracted (AVE)

Convergent validity can also be known through Average Variance Extracted (AVE). Another way that can be used to examine convergent validity is to compare the square of the AVE for each construct with the correlation value between the constructs in the model. The acceptable AVE value must be greater than 0.5 (Ghozali and Latan, 2015).

Table 3. Convergent Validity Test with Average Variance Extracted (AVE)

Variable	AVE Value	Min	Result
Internal Communication (X1)	0,564	0,500	Valid
Employee well-being (X2)	0,559	0,500	Valid
Employee engagement (Y1)	0,697	0,500	Valid
Employee Performance (Y2)	0,615	0,500	Valid

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

Based on Table 3 above, it can be seen that all variables produce an Average Variance Extracted (AVE) value greater than 0.5. Thus the indicator is declared valid to measure the dimensions or variables.

Discriminant Validity Test

Discriminant validity is a cross loading factor value that is useful for knowing whether the construct has an adequate discriminant or not.

Table 4. Discriminant Validity Test (Cross Loading)

Item	Komunikasi Internal	Employee Well-Being	Employee Engagement	Kinerja Karyawan	Ket.
KI01	0.770	0.342	0.148	0.484	Valid
KI02	0.705	0.393	0.159	0.338	Valid
KI03	0.744	0.470	0.244	0.453	Valid
KI04	0.854	0.495	0.134	0.567	Valid
KI05	0.774	0.371	0.043	0.489	Valid
KI06	0.663	0.355	0.028	0.364	Valid
KI07	0.720	0.419	0.156	0.385	Valid
KI08	0.764	0.350	0.241	0.536	Valid
EWB01	0.374	0.536	0.107	0.246	Valid
EWB02	0.515	0.880	0.294	0.487	Valid
EWB03	0.392	0.773	0.282	0.429	Valid
EWB04	0.326	0.700	0.422	0.281	Valid
EWB05	0.304	0.718	0.416	0.268	Valid
EWB06	0.174	0.620	0.299	0.146	Valid
EWB07	0.502	0.862	0.242	0.650	Valid
EWB08	0.486	0.816	0.440	0.516	Valid
EWB09	0.376	0.685	0.104	0.378	Valid
EWB10	0.465	0.809	0.165	0.540	Valid
EWB11	0.344	0.754	0.209	0.528	Valid
EE01	0.259	0.332	0.768	0.203	Valid
EE02	0.132	0.294	0.870	0.151	Valid
EE03	0.140	0.311	0.852	0.224	Valid
EE04	0.146	0.274	0.878	0.244	Valid
EE05	0.171	0.346	0.883	0.265	Valid
EE06	0.187	0.368	0.825	0.264	Valid
EE07	0.053	0.164	0.754	0.121	Valid
EE08	0.131	0.264	0.824	0.287	Valid
EE09	0.207	0.328	0.848	0.310	Valid
KK01	0.303	0.395	0.192	0.605	Valid
KK02	0.405	0.315	0.266	0.724	Valid
KK03	0.348	0.269	0.303	0.511	Valid
KK04	0.507	0.551	0.247	0.902	Valid
KK05	0.481	0.423	0.352	0.773	Valid
KK06	0.561	0.529	0.224	0.852	Valid
KK07	0.499	0.498	0.193	0.845	Valid
KK08	0.503	0.508	0.159	0.863	Valid
KK09	0.605	0.502	0.232	0.861	Valid
KK10	0.517	0.453	0.132	0.815	Valid

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

Based on the measurement of cross loading, it can be seen that overall the indicators of all dimensions on all variables result in loading on their dimensions (bold font) greater than the loading values on other dimensions. Thus it can be stated that each indicator is able to measure the latent dimension that corresponds to the indicator.

Reliability Test

Reliability test is a tool to measure a questionnaire which is an indicator of a variable or construct. The reliability test was carried out using the Internal consistency method. The reliability of the research instrument in this study was tested using composite reliability and Cronbach's Alpha coefficient. The following is the data analysis results from the Cronbach alpha test, Composite reliability, and AVE value.

Table 5. Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	Min	Result
Internal Communication (X1)	0,889	0,912	0,700	Reliable
Employee well-being (X2)	0,920	0,932	0,700	Reliable
Employee engagement (Y1)	0,946	0,954	0,700	Reliable
Employee Performance (Y2)	0,927	0,940	0,700	Reliable

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

The test results based on the table above show that the results of composite reliability and Cronbach's alpha show a satisfactory value, namely the value of each variable is above the value of 0.70. This shows the consistency and stability of the instrument used is high. In other words, all the constructs or variables of this study have become a fit measuring instrument, and all the questions used to measure each construct have good reliability.

Structural Model Test (Inner Model)

Testing the structural model by looking at the significance of the relationship between constructs or variables according to Siswoyo (2017:374). This can be seen from the path coefficient which describes the strength of the relationship between variable constructs. The sign or direction in the path (path coefficient) must be in accordance with the hypothesized theory, Structural model tests are carried out to assess the coefficient of determination (R²), Effect Size (f²), Predictive Relevance Value (Q²), T-statistics.

Table 6. Tabulation Results of the Direct Effect Hypothesis Testing

Hypothesis	Std Coefficient	T Statistic	P-value	Remarks
H1 Internal Communication (X1) → Employee engagement (Y1)	0,005	0,036	0,971	Not supported
H2 Internal Communication (X1) → Employee Performance (Y2)	0,428	3,578	0,000	Supported
H3 Employee Well-being (X2) → Employee Engagement (Y1)	0,365	3,156	0,002	Supported
H4 Employee well-being (X2) → Employee Performance (Y2)	0,318	2,413	0,016	Supported
H5 Employee Engagement → Employee Performance	0,084	0,832	0,406	Not Supported

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

Table 7. Tabulation Results of the Indirect Effect Hypothesis Testing

Hypothesis	Std Coefficient	T Statistic	P-value	Remarks
H6 Internal Communication (X1) → Employee Engagement (Y1) > Employee Performance (Y2)	0,000	0,025	0,980	Not Mediating
H7 Employee Well-being (X2) → Employee Engagement (Y1) > Employee Performance (Y2)	0,031	0,708	0,479	Not Mediating

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

R Square

Table 8. Results of R Square Value

Variabel	R Square	R Square Adjusted	Ket.
<i>Employee Engagement (Y1)</i>	0.135	0.119	<i>Weak</i>
Kinerja Karyawan (Y2)	0.471	0.456	<i>Moderate</i>

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

Based on Table 8 above, the following results can be seen, the R-Square value of the employee engagement variable is 0.135. This R-square value means that the variability of the employee engagement construct which can be explained by the variability of the construct of internal communication and employee well-being is 13.5%, while the rest is explained by other variables outside the research.

The R-square value of the employee performance variable is 0.471. This R-square value means that the variability of the construct of employee performance which can be explained by the variability of the constructs of internal communication, employee well-being, and employee engagement is 47.1% while the rest is explained by other variables outside the research. With this it can be said that the effect is strong.

Effect Size (f^2)

This equation formula is used to find out whether the endogenous latent variable is strongly influenced by the exogenous latent variable. If the result of the value of f^2 produces a value of 0.02 then the effect of the exogenous latent variable is small, the value of 0.15 means that the effect of the exogenous latent variable is moderate, and the value of 0.35 means that the effect of the exogenous latent variable is large.

Table 9. Results of F Square Value

Variable	R Square	R Square Adjusted	Remarks
<i>Employee Engagement (Y1)</i>	0.135	0.119	<i>Weak</i>
Employee Performance (Y2)	0.471	0.456	<i>Moderate</i>

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

Predictive Relevance (Q^2)

Q^2 is also known as Stone-Geisser. This test is performed to show the predictive capability of the model if the value is above 0. The Q^2 test is calculated using Ms Excel. Obtained results: 0.542. Because the value is more than 0 then the model has predictive relevance.

Goodness of Fit Index (GoF)

To evaluate the overall structural and measurement model. This GoF index is a single measure used to validate the combined performance of the measurement model (outer model) and structural model (inner model).

Table 10. Test Results of Fit Model

Fit Summary	Saturated Model	Estimated Model
SRMR	0.085	0.085

Source: Data processed by the researcher with Smart PLS version 3.0, 2022

From the output above, it can be seen that the SRMR value is 0.085 so that the model is appropriate or has met the criteria for the goodness of fit model.

Discussion

Internal Communication Has No Significant Effect on Employee Engagement

This is in line with previous research conducted by Ramaditya (2020) which explained that communication has no effect on employee engagement. Communication plays a role in equalizing the steps of movement and activities between companies and employees and becomes a medium that automatically supports work effectiveness. Employee engagement is not determined by the communication factor but by other factors.

If we refer the study and looks at the descriptive statistical data on the characteristics of the respondents, especially on the character of age and year of service, it is known that respondents with age over 41 years dominated the majority or 48% of the total sample and working years over 10 years also dominated the majority or 38% of the total sample, according to the researcher, this will impacted to the existence of independence in work and awareness of work patterns that have been formed to be able to work well together so that it becomes less influential on engagement.

Additionally if we look at the results of the descriptive statistical test of the respondent's perception of internal communication variables, the lowest value is on the horizontal communication dimension, especially on the indicators of mutual support, then the diagonal communication dimension, especially on the cross-functional communication indicator and the vertical communication dimension, especially on the feedback indicator. This can also be seen in the correlation matrix between dimensions where the lowest value is in the horizontal communication dimension to the absorption and dedication dimensions. Therefore, it is necessary to improve communication lines and good cooperative relationships among teams so that mutual support efforts can be realized. Therefor with the improvement of cross-functional communication lines, especially with the head of the department so that decision making can be done quickly. There is also constructive feedback and consistent reviews of the team.

Internal Communication Has Significant Effect to Employee Performance

This is in line with the results of research conducted by Ong Choon Hee et al, (2019) proving that internal communication through routine work coordination, evaluation, collaboration between departments and a common understanding of organizational direction will help in improving performance. More Ong Choon Hee at al. (2019) in his research also strengthens that the more organizations open up communication and regularly the managers provide clarity of direction will help employees improve their performance.

This is also supported by the research results of Dr. Wallace Nyakundi Atombo & Deborah Kemunto Momanyi (2020) who proved that the flow of communication between superiors and subordinates, communication with colleagues and communication between departments will help in improving performance. In addition, with communication, it facilitates coordination and improves good cooperation (Dimas Okta, 2016).

The findings in this study explain that the influence of internal communication on employee performance is supported by the vertical communication dimension, especially on the indicators of clarity of work instructions, in addition to the horizontal communication dimension, especially on indicators of coordination with other teams and collaboration to solve problems. This has an impact on employee performance, especially on the dimensions of attendance and cooperation ability. The role of superiors in this matter and the team's initiative to learn and cooperate are the determining factors.

Employee Well-Being Has Significant Effect to Employee Engagement

This is in line with the research results of Nor Fauzina Ibrahim et al, (2020) which states that there is a relationship between the welfare perspective and employee engagement,

where engagement is a predictor of engagement. The same thing was previously obtained from the research results of Kaisa C. Wieneke et al, (2019) which explained that organizations that have a commitment to employee welfare and job satisfaction have a high level of employee engagement.

The findings in this study also explain that the influence of employee well-being on employee engagement is supported by the work place well-being dimension where this has an impact on employee engagement, especially on the dedication dimension. This means that if employees get a work balance, the opportunity to develop professionally and careers and get appreciation, it will certainly increase the employee's energy to have the desire to work more, work meaningfully and have enthusiasm for work, and vice versa. The results of this study are in line with Dominus Abun et al. (2020) which explains that workplace well-being such as job satisfaction, organizational appreciation for employees, life balance, leadership attention, job autonomy, competency needs and relatedness needs are proven to be able to increase employee work engagement.

Employee Well-Being Has Significant Effect to Employee Performance

This is in line with the results of research from Yasir Mansoor Kundi (2020) which shows that psychological well-being has a beneficial effect on employees' affective commitment, which in turn improves their job performance. This research is also supported by Akhmad Mitakhul Hudin & Meita Santi Budiani (2021) who explain that welfare in the workplace can support an increase in employee performance, the higher the level of welfare the higher the resulting performance.

The findings in this study also explain that there is an influence of employee well-being on employee performance, supported by the psychological well-being dimension where this has an impact on employee performance, especially on the dimensions of attendance and cooperation. This means that if employees get facilities to have good self-acceptance, be confident in their abilities, have a high enthusiasm to learn something new, and have a passion to grow and develop, it will have an impact on the spirit to always be present or go to work, have good cooperative relationships with co-workers which in turn has an impact on improving performance.

Employee Engagement Has No Significant Effect to Employee Performance

This is in line with previous research conducted by Aldy Renaldy (2021) which explains that employee engagement does not significantly affect employee performance. By looking at the factor of the employee's working period for a long time in the same section, then the level of age that is mature enough, this makes the influence of engagement not have much effect on performance. Employees feel that performance factors are strongly influenced by organizational culture such as values, involvement and organizational mission and job satisfaction such as work environment, facilities and infrastructure and benefits.

Refer to results of the study and looking at descriptive statistical data on the characteristics of respondents, especially on the character of age and tenure, it is known that respondents with age over 41 years occupying the majority or 48% of the total sample and working years over 10 years also occupying the majority or 38% of the total sample, this according to the researcher is also a supporting factor that does not affect employee engagement on performance. So that what needs to be improved is the vigor dimension, especially on the energy level and employee stamina for attendance and work focus.

Internal Communication Has No Significant Effect to Employee Performance Through Employee Engagement

Referring to the results of research from Ramaditya (2020) which explains that internal communication has no effect on employee engagement. This is because employees perceive communication to be an automatic and mechanical medium in synergies and coordination in running the organization. Likewise, Larkin (1994) also argues that communication is an important element in the company in order to realize organizational goals, so that communication does not affect employee engagement.

The findings in this study also show that the horizontal communication dimension, especially on the indicators of mutual support, then the diagonal communication dimension, especially on the cross-functional communication indicator and the vertical communication dimension, especially on the feedback indicator, have an impact on the absorption and dedication dimensions.

While employee engagement has no effect on employee performance, this is in line with the results of Rizqi Adhyka Kusumawati's research (2017), which explains that low appreciation and control dimensions also contribute to the low impact on performance. Another factor that also has an impact is the sample which is dominated by respondents with a long working period of more than 10 years, which can also contribute to the absence of the influence of attachment on performance where employees feel they are in a comfort zone.

This is also in line with research findings where employee engagement does not play a role in mediating internal communication on employee performance where the majority of respondents in this study have worked over 10 years and are more than 41 years old.

Employee Well-Being Has No Significant Effect to Employee Performance Through Employee Engagement

An interesting finding in this study explains that the low dimensions of vigor, especially on the energy and stamina indicators, and the dedication dimension, especially on the enthusiasm indicator, affect the low quality of work, namely accuracy. And if this is related to an explanation where employee engagement has no effect on employee performance, such as the results of Rizqi Adhyka Kusumawati's research (2017), due to age and years of service, then this has relevance.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results of research and discussion, the researcher found several conclusions that can be drawn from research on the effect of internal communication, employee well-being on employee performance mediated by employee engagement at PT WUZA employees, as follows: 1) Internal communication has no effect on employee engagement. 2) Internal communication has an effect on employee performance. 3) Employee well-being has an effect on employee engagement. 4) Employee well-being has an effect on employee performance. 5) Employee engagement has no effect on employee performance. 6) Internal communication has no effect on employee performance through employee engagement. 7) Employee well-being has no effect on employee performance through employee engagement.

Recommendation

Based on the results of the analysis and the discussion and some of the conclusions above, there are some recommendation that can be given in order to complete the research results as follows:

For Company

- 1) It can be seen from the strongest dimension which is indicated by the correlation of the horizontal communication dimension with the ability to cooperate. This shows that in general PT WUZA employees from supervisory level and above have the awareness and ability to coordinate and work together in a good team to support the implementation and completion of tasks quickly and have the commitment and desire to solve problems at work. Employees also do not hesitate to discuss with a team if they find obstacles and need support in decision making if they feel necessary. In this case, in order to maximize collaboration between teams and also improve performance, superiors need to provide clear directions and targets, monitoring and evaluating both directly and periodically. In order for superiors to have an awareness of responsibility in team development, training is also needed on how to manage a good and effective team.
- 2) It can be seen from the strongest dimension shown by the correlation of the dimensions of workplace well-being with dedication. This shows that if PT WUZA employees from supervisory level and above are given a work balance between personal and professional life and get opportunities for development and career advancement, this will significantly impact the employee's desire to give more energy, thoughts and time to the company, as well as employees will feel that their work is meaningful and have high work enthusiasm and enthusiasm. In this case, company management needs to pay attention to work programs that can provide work balance in the form of flexible working, as well as facilities and infrastructure and benefits that directly affect mental health such as health, fitness and recreation facilities. Apart from that, it is also necessary to provide development opportunities for employees by facilitating training programs that are both personal development and those that support work ability, as well as those who have good work performance given appreciation in the form of career movements and rewards, both monetary in nature (salary increases, allowances and other benefits) and non-monetary (certificates, official bonds, awards).
- 3) It can be seen from the strongest dimension, which is indicated by the correlation of the psychological well-being dimension with attendance. This shows that PT WUZA employees from supervisory level and above have good self-confidence to be able to carry out their duties and functions, have a high desire to learn and employees also feel that they have support, a positive environment and openness. In this case, in order to maximize employee performance, company management needs to pay attention to the policy of appreciation, appreciation and recognition of the existence of employees, this can be in the form of long service awards, awards for outstanding employees, as well as providing spaces for actualization of employee interests and talents.

Research Limitations

In practice, this research has limitations, including:

- 1) The research sample is not wide enough, so there may be data that have not been fully obtained.
- 2) Objectivity or honesty of respondents in filling out the questionnaire
- 3) Respondents interest in filling out the questionnaire
- 4) Restricted movement (social distancing) during this pandemic, causes researchers difficult to meet and interact with respondents.

For Further Researchers

Suggestions from researchers for further researchers are:

- 1) Can use a wider sample and more research objects wider again.
- 2) Explore other variables that can influence employee engagement and employee performance such as leadership, organizational culture, motivation and employee benefits.

- 3) Explore other dependent variables related to organization citizenship behaviour, turnover intention, business sustainability, and organization growth.

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