# ANALYSIS OF FACTORS AFFECTING EMPLOYEE ENGAGEMENT IN STARTUP COMPANIES (TRAVELOKA, TIKET.COM AND PEGIPEGI)

**Dosriani Saragih[1], Dewi Susita[2], Widya Parimita[3]**

[1]State University of Jakarta, Indonesia
[2]State University of Jakarta, Indonesia
[3]State University of Jakarta, Indonesia

**Abstract**

This research aims to observe human resource management policies to form employee engagement, especially in the millennial generation. The time for conducting this research is April to November 2023. This research uses a quantitative approach using non-probability sampling and purposive sampling techniques. Overall, 210 data were obtained with the criteria being that the respondents were permanent employees, had worked for three years and worked in a startup company. The data analysis technique used in this research is Structural Equation Modeling (SEM) using SMARTPLS. The results of this research state that five direct hypotheses and two indirect hypotheses are accepted

**Keywords:** Employee Engagement; Ethical Leadership; Self-Efficacy; Work Climate.

## 1. Introduction

The Industrial Era 4.0, where everything is digital, requires many changes in the activities of business organizations. Business activities need every company to adapt digitally to grow, develop, and even progress. Companies operating in the field of digital technology innovation are startup companies. Startup is the term for a startup or newly established company based on digital technology. The technology being developed is a solution to society's needs through applications, websites, and other digital products.

Linked to employment, human resource management is essential to pay attention to, especially by startup companies, as drivers of Indonesia's digital business. At the same time, the Ministry of Communication and Information is also preparing Indonesian talents to have digital skills at the secondary level through the Digital Talent Scholarship Program.

According to BPS (2022), 25,87% of the productive age employees in Indonesia are now the millennial generation. The millennial generation is already familiar with technological and digital developments, which makes it easier for them to obtain all kinds of information and resources needed, which causes them to become a generation that is always trying to look for new opportunities. Unfortunately, according to Gallup data, company employee engagement tends to be low. Based on the presentation, in 2022, only 34% of employees will be engaged in their office. This figure decreased by 5% from 2021 (Inc, 2022).
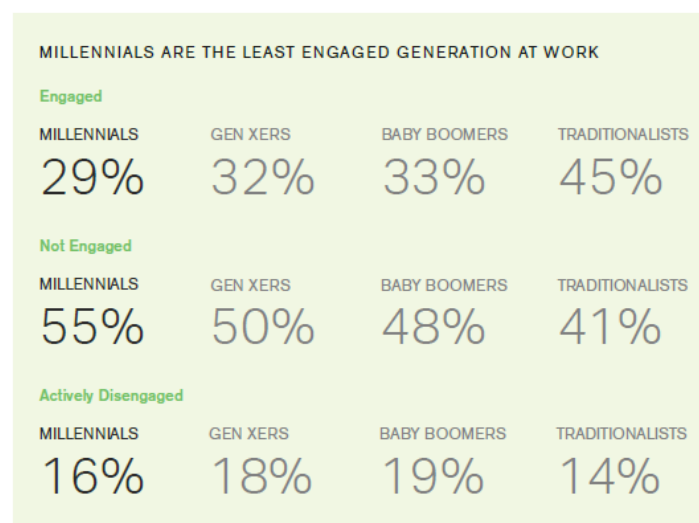
MILLENNIALS ARE THE LEAST ENGAGED GENERATION AT WORK

**Engaged**

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|---|---|---|---|
| 29% | 32% | 33% | 45% |

**Not Engaged**

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|---|---|---|---|
| 55% | 50% | 48% | 41% |

**Actively Disengaged**

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|---|---|---|---|
| 16% | 18% | 19% | 14% |

**Figure 1. Percentage of Millennial Employee Engagement Levels**

Source: (Clifton, 2016)

Based on Figure 1, states there are 55% of the millennial generation who are not engaged with their working, who only carry out their work according to standards without appreciating their work. Even 16% of millennials do not feel engaged at all to their work (Clifton, 2016). This is in line with a survey from the Southeast Asian Nation, which shows that Indonesia is at the bottom of the list regarding employee engagement. There are still very few Indonesian employees engaged in their work, only 8% are engaged in their work. The millennial generation is unhappy with their work, making it difficult for them to engagement in a company.

The rapid development experienced by Traveloka, Tiket.com, and Pegi-Pegi, of course, needs to be supported by employees who have enthusiasm, dedication, and a high appreciation for the goals the company wants to achieve. In other words, companies need engagement from

millennial generation employees because most of the employees at startup companies are creative and innovative millennials. The millennial generation prefers an ethical leadership type. A phenomenon that can be felt in interactions with the millennial generation is the erosion of polite ethics. This can happen because of a shift in societal values and norms prioritizing freedom and individualism. One of them is the extensive use of social media.

## 2. Literature Review
### 2.1 Employee Engagement
Kahn (1990) defines employee engagement as utilizing individual employees with specific roles. Employees contributing more and more to their company, it will have an impact on increasing their performance. Employee engagement is a condition where employees feel happy, motivated, satisfied, and positive about things related to their work (Bakker et al., 2011). While, Schaufeli et al (2006) explain that employee engagement is a state of mind related to employee perceptions related to enthusiasm, appreciation and dedication for their work

According to Schaufeli et al (2006), the dimensions of employee engagement, as follows:
a. Vigor, the state of employees who have high morale thereby increasing mental resilience at work, willingness to invest effort in work, and perseverance even in the face of difficulties.
b. Dedication, employees who are engaged in their work gain a sense of self-confidence, enthusiasm, inspiration, pride and challenge.
c. Absorption, a situation where employees do not feel interested in working and have difficulty working

The indicators used in this research use the dimensions described by Schaufeli et al (2006), as follows:
a. Vigor
   1. I feel like going to work when I wake up in the morning.
   2. At work, I feel full of energy.
   3. At my job, I always calm in the face of bad situations.
   4. I can work long time.
   5. At my job, I am tough mentally.
   6. At my job, I strong and enthusiastic.
b. Dedication
   1. My job is challenging.
   2. This work inspires me.
   3. This job makes me enthusiastic.
   4. I am proud of my job.
   5. I find purpose and meaning in work.
c. Absorption
   1. When I work, I focus on my work.
   2. Time flies when I work.
   3. I get carried away while working.

4. It's hard to get away from my job.

5. I am immersed in my work.

6. I feel happy when I work.

## 2.2 Work Climate

Balwant et al (2020) defines work climate as the level of comfort and support in the general work environment. Work climate can be seen as the principles, values, and norms that underlie an organization (Meeusen et al., 2011). Employee perceptions of procedures and behavior in the company that are supported and appreciated (Schneider et al., 2013).

Kirby et al (2003) explain that there are have three dimensions in measuring work climate, as follows:

a. Good supervision scale, employees are assisted by supervisors in responding to their ideas.

b. Workload scale, the reality of the workload faced by employees.

c. Choice-independence scale, Employees have confidence in their work.

The indicators used in this research use the dimensions described by Kirby et al (2003), as follows:

a. Good supervision scale

  1. My supervisor knows his employees.

  2. My supervisor helps me when I am having work problems.

  3. My supervisor is a friendly person.

  4. My supervisor gives good advice to his employees.

  5. My supervisor gives employees the opportunity to provide ideas or thoughts.

b. Workload scale

  1. The company gives too much hard work.

  2. Sometimes, I am required to do things differently than usual.

  3. In this organization, I spend a lot of time learning things on my own.

  4. I have too much work.

  5. I get pressure when I work.

c. Choice-independence scale

  1. The company gives employees the opportunity to choose their tasks.

  2. The company provides encouragement to carry out development for our work.

  3. There are always other alternatives for completing work.

  4. The organization provides freedom in completing work.

  5. Employees get many alternatives to complete tasks.

## 2.3 Ethical Leadership

Brown et al (2005) defines ethical leadership as behavior from employees that has been adapted to the actions of superiors and two-way communication from superiors and employees to make joint decisions. Ethical leadership is a leader's behavior to show appropriate behavior to subordinates with good communication (Bhana, 2019). Langlois et al (2014) defines ethical leadership as a practice in which professional judgment regarding the merits and demerits of leadership is assessed by the employees themselves. This is a resource rooted in have the three ethical dimensions of criticism, care, and justice. As well as a strong capacity to act responsibly and acceptably.

Brown and Trevino (2006) explain that ethical leadership is measured by the dimensions, as follows:

a. Honesty;

b. Justice;

c. Integrity;

d. Altruism

e. Concern for values.

In the ethical leadership indicators, researchers use dimensions originating from (Brown & Treviño, 2006), as follows:

a. Honesty

  1. My leader is trustworthy and honest in the truth.

  2. My leader trusted to commit and keep promises.

  3. My leader responsible for the problem.

b. Justice

  1. My leader fair to each employee in assigning tasks.

  2. My leader committed to being fair in assigning work tasks to employees.

c. Integrity

  1. My leader consistent with reality.

  2. My leader honest and with integrity.

d. Altruism

  1. My leader provide learning related to good decision making.

  2. My leader provide dedication and sacrifice for the organization.

e. Concern for values.

  1. My leader provide moral and ethical values.

  2. My leader communicate basic ethics to employees.

  3. My leader oppose unethical practices towards employees.

## 2.4 Self-Efficacy

Bandura (2006) defines self-efficacy as an employee's belief in their inner spirit to achieve company goals. Santrock (2007) defines self-efficacy as a person's belief in their ability to conditions and situations and produce something. Self-efficacy is a psychological belief when people try to achieve specific goals (Tsaur et al., 2019).

This research uses the self-efficacy dimensions described by (2006), as follows:

a. Magnitude, this magnitude dimension is related to the degree of task difficulty.

b. Generality, this generality dimension is related to a person's belief in their abilities, which can differ in generalization.

c. Strength, this strength dimension is related to a person's level of strength or steadfastness in his beliefs.

The indicators used in this research use the dimensions described by Bandura (2006), as follows:

a. Magnitude

  1. Avoid situations and behavior beyond your limits.

  2. Analyze the behavioral options to be tried.

  3. Adapt and face complex tasks head-on.

b. Generality

    1. Beliefs that spread across various areas of behavior.

    2. Confidence only in a specific area.

  c.   Strength

    1. Weak efficacy beliefs.

    2. Assessing himself as unable to complete the task.

    3. Steadfast confidence in persevering in one's efforts.

    4. Have confidence in the success of what they do.

## 2.5 Work Climate and Self-Efficacy

Organizational climate is one of the determining factors that influence a person's understanding of their abilities (Jaafari & Soleimani, 2012). This research conducted by Karantzas et al (2016) shows that it is important for fulfillment of complete company facilities will increase employee self-efficacy.

## 2.6 Ethical Leadership and Self-Efficacy

Walumbwa et al (2011) explain that ethical leaders help develop essential skills that employees can utilize when making their decisions, and this increased autonomy increases their self-efficacy beliefs. Ethical leadership has a positive relationship with self-efficacy in an organization (Naeem et al., 2020).

## 2.7 Work Climate and Employee Engagement

When employees are satisfied with the organization they work for, they will remain more engaged with their work and organization for a longer time and are committed to serving the organization and their valued customers (Ram et al., 2011). According to Geue (2018) the creation of a positive work climate will raise the enthusiasm and emotions of employees who mutually support their work employee engagement.

## 2.8 Ethical Leadership and Employee Engagement

Ethical leadership has an indirect effect on employee engagement through self-efficacy as a mediator in this relationship (Ashfaq et al., 2021). Ethical leadership is likely to increase employee success with positive effects on employee performance, effort, and employee engagement (Ren & Chadee, 2017).

## 2.9 Self-Efficacy and Employee Engagement

Pati and Kumar (2010) explained that employee engagement requires work linked to self-efficacy as a dispositional trait of the employee. Self-efficacy is seen from their ability to carry out their beliefs to be motivated to complete their work. Thus, employees who have high efficacy will be more engaged in work (Orgambídez et al., 2019).


## 3. Material and Method

The research was conducted on three travel and accommodation startup platforms Traveloka, Tiket.com, and Pegi-Pegi. These three startups provide the best services related to the world of travel. Researchers try to observe what human resource management policies are to form employee engagement, especially in the millennial generation.

## 3.1 Design Study

This research was conducted using quantitative methods (Sekaran & Bougie, 2017). This research obtained data through a questionnaire in the form of responses to questions answered by startup company employees.

The entire object to be studied is called the population. Population can be understood as all objects or individuals to be learned, have specific characteristics, and are clear and complete (Sekaran & Bougie, 2017). The population in this study were employees at startup companies Traveloka, Tiket.com, and Pegi-Pegi.

Sampling in this study used a non-probability sampling method by determining the sample, namely purposive sampling. According to Sekaran and Bougie (2017), purposive sampling is a design limited to specific people who can provide the necessary information because only they have the knowledge or meet the criteria set by the research (Sekaran & Bougie, 2017).

The purposive sampling method used in this research is assessment sampling, respondent criteria in this study. As follows:

1. Is an employee of the startup company Traveloka, Tiket.com, or Pegi-Pegi
2. Is a permanent employee
3. Work period of more than three years

## 3.2 Data Analysis

The data analysis technique used to test this research is the SEM-PLS (structural equation modeling-partial least square) method. SMARTPLS is a casual-predictive approach that emphasizes prediction in estimating statistical models, whose structure is designed to provides insight into the influence relationship between variables (Hair et al., 2017). Therefore, the model used in this research is a causal model of relationships and influences, also called path analysis. In data analysis, researchers used the SMARTPLS 3.0 program, which included three stages: outer model analysis, inner model analysis, and hypothesis testing.

a. Outer Model Analysis

Outer model analysis determines how each variable that appears as an indicator or instrument is related to the hidden variable. The following are several measurements carried out in outer model analysis using reflective model indicators:

1. Convergent Validity, it is an indication based on the correlation between the item/component score and the construct score, shown by the loading factor (Hair Jr et al., 2021).
2. Cronbach's Alpha, a tool for consistently measuring a construct, Cronbach's Alpha is greater than 0.6 (Parimita et al., 2017).
3. Average Variance Extracted (AVE), as the overall average of the squared loadings of the construct indicators. The minimum recommended AVE is 0.50 (Hair Jr et al., 2021).
4. Composite reliability, construct indicators that can be considered considering the latent variable coefficients. If the value obtained on these steps is more than 0.60, then the construct is considered very reliable.
5. Discriminant Validity, a measurement approach that assesses reflective indicators using cross loading measures with constructs.

b. Inner Model Analysis

The inner model or structural model is tested to determine the influence and relationship between constructs, significant values, and R-square of the research model.

1. R-square ($R^2$), R-square ($R^2$) testing is a way to measure the level of Goodness Of Fit (GOF) of a structural model.

2. F-Square (F²), the f-square (f²) value, is used to assess how significant the relative influence of the independent latent variable is on the dependent latent variable.
3. Variance Inflation Factor (VIF) VIF is a collinearity test to prove whether the correlation between variables is strong or not.

c. Hypothesis Testing
1. Direct effect analysis
Direct effect analysis is useful for testing the hypothesis of the direct influence of an independent variable on the dependent variable. The criteria are as follows:
a. T-Statistics, is a test instrument used to determine the significance of the predicted route. If the hypothesis is tested using statistical value techniques and an alpha degree of 5% is used, then the critical value of the t-statistic is 1.96.
b. Path Coefficients
1) If the path coefficient is positive, the influence of the independent variable on the dependent variable is in the same direction; if the value of the independent variable increases/increases, then the value of the dependent variable increases/increases too.
2) If the path coefficient is negative, the influence of the independent variable on the dependent variable is reversed; if the value of the independent variable grows/increases, the value of the dependent variable also decreases.
c. Probability/Significance Value (p-value)
1) The p-values $< 0.05$, so the influence of the variable is significant.
2) The p-values are $> 0.05$, so the influence of the variable is not significant.
2. Indirect effect analysis
Indirect effect analysis influence analysis is useful for testing the hypothesis of the indirect influence of an independent variable on the dependent variable which is mediated by a mediator or intervening variable.
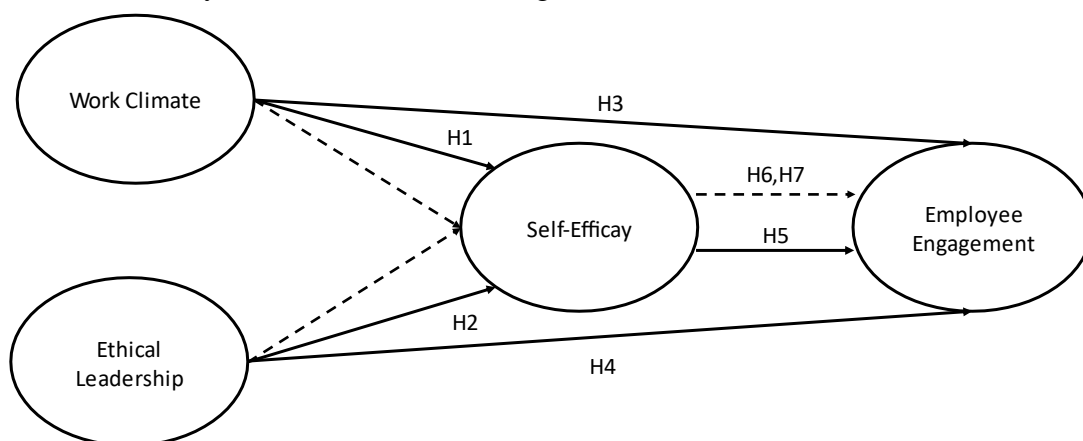


**Figure 2 Research Model**

## 4. Result

This research uses Google Form to collect data from respondents. The subjects in this research are permanent employees who have worked for a minimum of three years at one of

three travel and accommodation startup platforms, namely Traveloka, Tiket.com, and Pegi-Pegi.

Researchers used SPSS and Excel software to conduct descriptive analysis testing, while in hypothesis testing, they used the help of SMARTPLS. The data collected was 210 respondents who met the criteria. Table 1 shows a description of data based on respondent characteristics such as gender, age, marital status, and educational status, as follows:

**Table 1 Respondent Characteristics**

| Respondent Characteristics | | Frequency | Percent |
|---|---|---|---|
| Sex | Male | 117 | 55.7% |
| | Female | 93 | 44.3% |
| | Total | 210 | 100.0% |
| Age | 21-30 | 72 | 34.3% |
| | 31-40 | 117 | 55.7% |
| | 41-50 | 21 | 10.0% |
| | Total | 210 | 100.0% |
| Marital Status | Not Married Yet | 32 | 15.2% |
| | Separated/Divorced | 7 | 3.3% |
| | Married | 171 | 81.4% |
| | Total | 210 | 100.0% |
| Education Status | < High School | 2 | 1.0% |
| | Graduate | 24 | 11.4% |
| | Undergraduate | 167 | 79.5% |
| | High School | 17 | 8.1% |
| | Total | 210 | 100.0% |

From Table 1 results, it was found that there were 75 Traveloka employees, 70 Tiket.com employees, and 65 Pegi-Pegi employees. It is known that there were 117 male respondents (55.7%) and 93 female respondents (44.3%). The group of respondents aged 21-30 years was 72 respondents (34.3%), the group of respondents aged 31-40 years was 117 respondents (55.7%), and the group of respondents aged 41-50 years was 21 respondents (10 .0%). Respondents who were not married were 32 respondents (15.2%), respondents who were married were 171 respondents (81.4%), respondents who were separated/divorced seven respondents (3.3%). And respondents who were education < high school as many as two respondents (1.0%), respondents with high school education status as many as 17 respondents (8.1%), respondents with undergraduate education status as many as 167 respondents (79.5%), and respondents with graduate education status as many as 24 respondents (11.4%).

### 4.1. Validity and Reliability Tests

In conducting validity and reliability testing, this research used SMARTPLS software. as follows:

**Table 2 Validity and Reliability Constructs**

| | Cronbach's Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|---|---|---|---|---|
| Employee Engagement | 0.928 | 0.931 | 0.939 | 0.562 |
| Ethical Leadership | 0.886 | 0.890 | 0.908 | 0.524 |
| Self-Efficacy | 0.878 | 0.883 | 0.904 | 0.541 |
| Work Climate | 0.866 | 0.871 | 0.900 | 0.600 |

From Table 2 results, all AVE construct values can be concluded as valid, while all Cronbach alpha construct values can be concluded as reliable.

### 4.2. R-Square ($R^2$)

The R-Square ($R^2$) value is used to assess how large a proportion of the variation in the value of a particular dependent latent variable can be explained by the independent latent variable:

**Table 3 R-Square ($R^2$)**

| | R Square | R Square Adjusted |
|---|---|---|
| Employee Engagement | 0,947 | 0,946 |
| Self-Efficacy | 0,987 | 0,987 |

From Table 3 results, the R-Square ($R^2$) results for the employee engagement variable are 0.947. This means that the proportion of work climate, ethical leadership and self-efficacy can influence employee engagement by 0.947 or 94.7%, which means strong. Meanwhile, the self-efficacy variable is 0.987. This means that the proportion of work climate and ethical leadership to self-efficacy is 0.987 or 98.7%, which means strong.

### 4.3. Structural Modelling Test

In this research, the researcher tested the hypothesis using SMARTPLS software, Figure 3 shows the PLS model of this research, as follows:
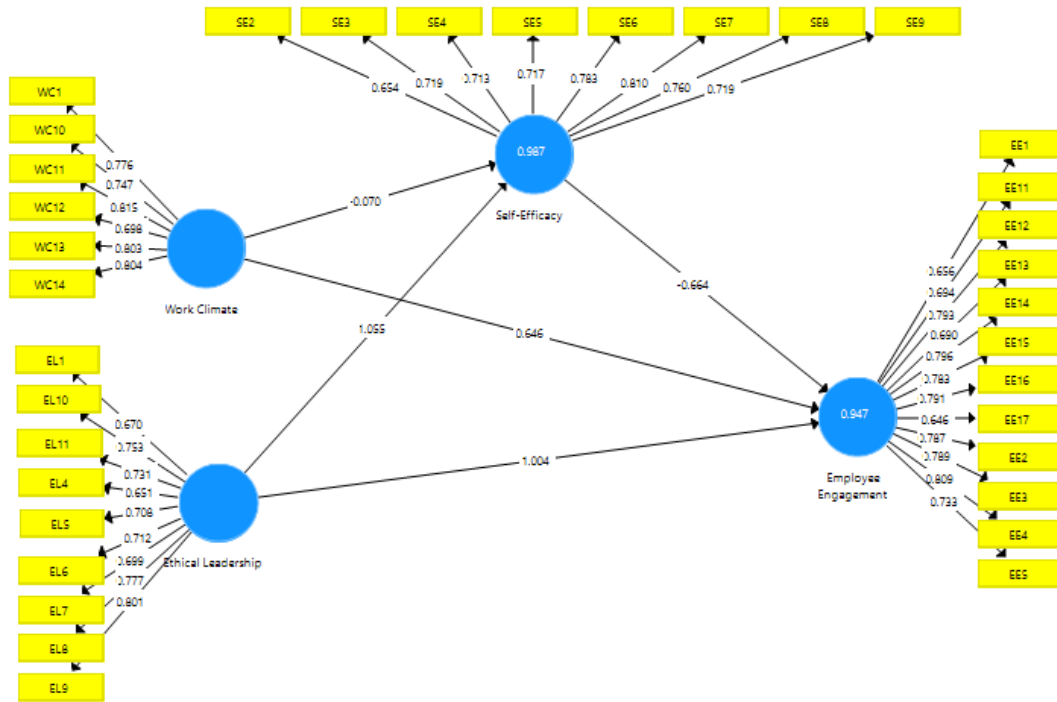
**Figure 3 SMARTPLS Model**

The significance level of the hypothesis can be accepted if the t-statistics value is more than 1.960 or the probability value is < 0.05. As follows:

**Table 4 Hypothesis Test Results**

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (\|O/STDEV\|) | P Values |
|---|---|---|---|---|---|
| **Ethical Leadership -> Employee Engagement** | 1.004 | 0.978 | 0.245 | 4.090 | **0.000** |
| **Ethical Leadership -> Self-Efficacy** | 1.055 | 1.057 | 0.022 | 48.720 | **0.000** |
| **Self-Efficacy -> Employee Engagement** | -0.664 | -0.644 | 0.229 | 2.901 | **0.004** |
| **Work Climate -> Employee Engagement** | 0.646 | 0.652 | 0.040 | 16.030 | **0.000** |
| **Work Climate -> Self-Efficacy** | -0.070 | -0.072 | 0.024 | 2.887 | **0.004** |
| **Ethical Leadership -> Self-Efficacy -> Employee Engagement** | -0.701 | -0.680 | 0.241 | 2.906 | **0.004** |
| **Work Climate -> Self-Efficacy -> Employee Engagement** | 0.047 | 0.046 | 0.023 | 2.033 | **0.043** |

From Table 4 results, all hypotheses have a t-statistics value greater than 1.960, so all hypotheses are accepted, with the following conclusions:

H$_1$: The hypothesis in this study is accepted, because work climate has a negative and significant effect on self-efficacy directly.

H$_2$: The hypothesis in this study is accepted, because ethical leadership has a positive and significant effect on self-efficacy directly.

H$_3$: The hypothesis in this study is accepted, because work climate has a positive and significant effect on employee engagement directly.

H$_4$: The hypothesis in this study is accepted, because ethical leadership has a positive and significant effect on employee engagement directly.

H$_5$: The hypothesis in this study is accepted, because self-efficacy has a negative and significant effect on employee engagement directly.

H$_6$: The hypothesis in this study is accepted, because work climate has a positive and significant effect on employee engagement though self-efficacy.

H$_7$: The hypothesis in this study is accepted, because ethical leadership has a negative and significant effect on employee engagement though self-efficacy.

## 5. Discussion

The first hypothesis states that work climate has a significant and negative effect on self-efficacy, if the work climate in the company is good enough, employee self-efficacy will decrease. This is because startup companies rarely provide socialization or motivation to their employees so that they are free to seek motivation or self-efficacy for themselves independently. This hypothesis is supported by research conducted (Jaafari & Soleimani, 2012; Karantzas et al., 2016)

The second hypothesis states that ethical leadership has a significant and positive effect on self-efficacy, if ethical leadership in helping develop employee skills, employee self-efficacy will increase. This means that ethical leadership is needed for millennial employees when working in startup companies. They can feel positive things from the ethical leadership style used by leaders to increase employees' ideas or opinions and motivation at work. This hypothesis is supported by research conducted (Naeem et al., 2020; Walumbwa et al., 2011).

The third hypothesis states that work climate has a significant and positive effect on employee engagement, if the work climate is good in the company, it will have an impact on increasing employee engagement from employees. This means that a good work climate in startup companies affects employee engagement of the employees there. Thus, when employees feel comfortable with their organization, they will remain more engaged with their work and organization for a longer time and be committed to serving the organization and their valued customers. This hypothesis is supported by research conducted (Geue, 2018; Ram et al., 2011).

The fourth hypothesis states that ethical leadership has a significant and positive effect on employee engagement, if the leadership gives employees attention regarding improving employee skills, employee engagement will increase. This means that employees will feel appreciated by being given confidence in their job completion skills. So that this has a positive impact on interactions between employees and leaders, thereby increasing their employee

engagement. This hypothesis is supported by research conducted (Ashfaq et al., 2021; Ren & Chadee, 2017).

The fifth hypothesis states that self-efficacy has a significant and negative effect on employee engagement, even though the employee's self-efficacy is good enough, it will reduce the employee's employee engagement. This is attributed to the large number of millennial startup employees who are not confident in dealing with new problems that they have never solved before or are beyond their abilities, coupled with the pressure and speed of work time, which causes their employee engagement to decrease. This hypothesis is supported by research conducted (Orgambídez et al., 2019; Pati & Kumar, 2010).

The sixth hypothesis states that work climate has a significant and positive effect on employee engagement through self-efficacy, a better work climate will indirectly influence the increase in employee engagement through self-efficacy. This means that a positive work climate, which is part of positive and uplifting interactions, increases employee emotions and mutually influences work behavior to affect employee engagement indirectly.

The seventh hypothesis states that ethical leadership has a significant and negative effect on employee engagement through self-efficacy, if ethical leadership behavior improves, it will indirectly influence the decline in employee engagement through self-efficacy. This means that even though the ethical leadership of the leader is not good, it will have an impact on employee engagement through self-efficacy. This is because millennial leaders in startup companies lack responsibility or do not admit their team's mistakes are shared. So that employees become motivated to show that they are not guilty of the problem and involve their work engagement.


## 6. Conclusion, Implication, and Recommendation
## 6.1. Conclusion

This research has several conclusions based on the results of hypothesis testing, as follows:
1. Work climate has a direct significant and negative effect on self-efficacy, which means that if the work climate is good in the company employee self-efficacy will decrease.
2. Ethical leadership has a direct significant and positive effect on self-efficacy, which means that if ethical leadership is ethical in helping develop employee skills employee self-efficacy will increase.
3. Work climate has a direct significant and positive effect on employee engagement, which means that if the work climate is good in the company it will have an impact on increasing employee engagement from employees.
4. Ethical leadership has a direct significant and positive effect on employee engagement, which means that if employees are given attention by the leadership regarding improving employee skills, employee engagement will increase.
5. Self-efficacy has a direct significant and negative effect on employee engagement, which means that even though the employee's self-efficacy is good enough, it will reduce the employee's employee engagement.
6. Work climate has a significant and positive indirect effect on employee engagement through self-efficacy, which means that the better the work climate, the more it will indirectly influence the increase in employee engagement through self-efficacy.

7. Ethical leadership has a significant and negative indirect effect on employee engagement through self-efficacy, which means that the better ethical leadership behavior will indirectly influence the decline in employee engagement through self-efficacy.

## 6.2. Implication

Researchers obtained results that are expected to be useful for all three startup companies Traveloka, Tiket.com, and Pegi-Pegi. As follows:

1. Employee engagement, the companies need to provide opportunities for millennial employees to propose ideas to other employees so that they will feel appreciated and increase their attachment to the company, one of which is by providing rewards for employees who have worked well.
2. Work climate, supervisors need to maintain a friendly attitude towards their subordinates without any boundaries such as friends. This needs to be done to maintain relationships between the millennial generation so that it is hoped that it will have a positive impact on these subordinates and employees are given the freedom to choose alternative options to complete the tasks given by the company.
3. Ethical leadership, Supervisors in startup companies need to pay attention to the use of very ethical practices, this is very suitable because startup employees need good coaching and supervision from leadership towards millennial employees so that their work is always directed towards the company's goals.
4. Self-Efficacy, the company only needs to be open to accommodate and listen to their ideas or opinions, giving them the opportunity to think about concepts in completing work accompanied by supervision from superiors so as to support them to remain motivated at work.

## 6.3. Recommendation

Researchers have several recommendations expected to be helpful for the three startup companies Traveloka, Tiket.com, and Pegi-Pegi as input for developing their services. As follows:

1. Employee engagement, the companies need to accompany and provide freedom in completing tasks or doing it their way with the creativity they have.
2. Work climate, socialization or training is needed to develop the creativity of millennial employees.
3. Ethical leadership, needs to provide sanctions that are directly faced by the leader so that the leader feels responsible for the team's mistakes.
4. Self-efficacy, there needs to be direct support from superiors regarding advice or guidance and even from companies regarding rewards so that millennial employees with high creativity have the courage to solve problems beyond their abilities.

## 8. References

Ashfaq, F., Abid, G., Ilyas, S., Magnano, P., Zammitti, A., Del Mar, M., & Jurado, M. (2021). *Impact of Ethical Leadership on Employee Engagement: Role of Self-Efficacy and Organizational Commitment*. https://doi.org/10.3390/ejihpe

Bakker, A. B., Albrecht, S. L., & Leiter, M. P. (2011). Work engagement: Further reflections on the state of play. *European Journal of Work and Organizational Psychology*, *20*(1), 74–88.

Balwant, P. T., Mohammed, R., & Singh, R. (2020). Transformational leadership and employee engagement in Trinidad's service sector: The role of job resources. *International Journal of Emerging Markets*, *15*(4), 691–715. https://doi.org/10.1108/IJOEM-01-2019-0026

Bandura, A. (2006). Guide for constructing self-efficacy scales. *Self-Efficacy Beliefs of Adolescents*, *5*(1), 307–337.

Bhana, A. (2019). The impact of ethical leadership on employee engagement within a South African public higher education institution. *Problems and Perspectives in Management*, *17*(4).

Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *Leadership Quarterly*, *17*(6), 595–616. https://doi.org/10.1016/j.leaqua.2006.10.004

Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, *97*(2), 117–134.

Clifton, -Jim. (2016). *"We change the world one client at a time through extraordinary analytics and advice on everything important facing humankind."* www.gallup.com/contact.

Geue, P. E. (2018). Positive practices in the workplace: Impact on team climate, work engagement, and task performance. *The Journal of Applied Behavioral Science*, *54*(3), 272–301.

Hair, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use "PLS-SEM or CB-SEM: updated guidelines on which method to use." In *Organizational Research Methods, MIS Quarterly, and International Journal* (Vol. 1, Issue 2).

Hair Jr, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). *Partial least squares structural equation modeling (PLS-SEM) using R: A workbook.* Springer Nature.

Inc, G. (2022). *State of the Global Workplace: 2022 Report.*

Jaafari, P., & Soleimani, N. (2012). The relationship among organizational climate, organizational learning and teachers' self efficacy. *Procedia-Social and Behavioral Sciences*, *47*, 2212–2218.

Kahn, W. A. (1990). Psychological Conditions of Personal Engagement and Disengagement at Work. In *Academy of Management Journal* (Vol. 33, Issue 4).

Karantzas, G. C., McCabe, M. P., Mellor, D., Von Treuer, K., Davison, T. E., O'Connor, D., Haselden, R., & Konis, A. (2016). Organizational climate and self-efficacy as predictors of staff strain in caring for dementia residents: A mediation model. *Archives of Gerontology and Geriatrics*, *66*, 89–94.

Kirby, J. R., Delva, M. D., Knapper, C., & Birtwhistle, R. V. (2003). Development of the approaches to work and workplace climate questionnaires for physicians. *Evaluation & the Health Professions*, *26*(1), 104–121.

Langlois, L., Lapointe, C., Valois, P., & de Leeuw, A. (2014). Development and validity of the ethical leadership questionnaire. *Journal of Educational Administration*, *52*(3), 310–331.

Meeusen, V. C. H., Karen Van Dam, M. A., Brown-Mahoney, C., Van Zundert, A. A. J., & Knape, H. T. A. (2011). Work Climate Related to Job Satisfaction Among Dutch Nurse Anesthetists. In *AANA Journal* (Vol. 79, Issue 1). www.aana.com/aanajournalonline.aspx

Naeem, R. M., Weng, Q., Hameed, Z., & Rasheed, M. I. (2020). Ethical leadership and work engagement: A moderated mediation model. *Ethics & Behavior*, *30*(1), 63–82.

Orgambídez, A., Borrego, Y., & Vázquez-Aguado, O. (2019). Self-efficacy and organizational commitment among Spanish nurses: the role of work engagement. *International Nursing Review*, *66*(3), 381–388.

Parimita, W., Pambudi, W. S., & Aminah, H. (2017). The Impact of Career Development and Workload Toward Employee Job Satisfaction At PT Askrindo Jakarta. *JRMSI-Jurnal Riset Manajemen Sains Indonesia*, *8*(1), 39–57.

Pati, S. P., & Kumar, P. (2010). Employee engagement: Role of self-efficacy, organizational support & supervisor support. *Indian Journal of Industrial Relations*, 126–137.

Ram, P., Swapna, B. G., & Prabhakar, G. V. (2011). Work environment, service climate, and customer satisfaction: Examining theoretical and empirical connections. *International Journal of Business and Social Science*, *2*(20).

Ren, S., & Chadee, D. (2017). Ethical leadership, self-efficacy and job satisfaction in China: the moderating role of guanxi. *Personnel Review*, *46*(2), 371–388.

Santrock, J. W. (2007). A topical approach to life-span development, 3E. *Ch*, *5*, 192.

Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire: A cross-national study. *Educational and Psychological Measurement*, *66*(4), 701–716. https://doi.org/10.1177/0013164405282471

Schneider, B., Ehrhart, M. G., & MacEy, W. H. (2013). Organizational climate and culture. In *Annual Review of Psychology* (Vol. 64, pp. 361–388). Annual Reviews Inc. https://doi.org/10.1146/annurev-psych-113011-143809

Sekaran, U., & Bougie, R. (2017). *Metode Penelitian Untuk Bisnis: Pendekatan Pengembangan Keahlian Edisi 6 Buku 1*.

Tsaur, S. H., Hsu, F. S., & Lin, H. (2019). Workplace fun and work engagement in tourism and hospitality: The role of psychological capital. *International Journal of Hospitality Management*, *81*, 131–140. https://doi.org/10.1016/j.ijhm.2019.03.016

Walumbwa, F. O., Mayer, D. M., Wang, P., Wang, H., Workman, K., & Christensen, A. L. (2011). Linking ethical leadership to employee performance: The roles of leader–member exchange, self-efficacy, and organizational identification. *Organizational Behavior and Human Decision Processes*, *115*(2), 204–213.