

Enhancing the Employee Engagement: The Mediating Role of Exchange Ideology (Meningkatkan Keterlibatan Pekerja: Peranan Perantaraan Ideologi Pertukaran)

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ABSTRACT

This study analyses a model that links three predictors namely workplace spirituality, self-efficacy, and person-organization fit to employee engagement through the mediating role of exchange ideology. Drawing on social exchange theory, researchers expected that exchange ideology would mediate the relationship between the given antecedents and employee engagement. This study used quantitative method to collect data and WarpPLS5.0 to analyze the data. The results of a survey conducted among 100 employees of credit unions in West Kalimantan, Indonesia, indicated that employees with stronger spirituality, self-efficacy, and values compatibility engaged better at work. Researchers also found that exchange ideology did not mediate the relationship between workplace spirituality and employee engagement although the exchange ideology mediated the relationship between two predictors namely self-efficacy and person-organization fit to employee engagement.

Keywords: Workplace spirituality; self-efficacy; person-organization fit; exchange ideology; employee engagement

ABSTRAK

Kajian ini mengkaji model yang menghubungkan tiga faktor penentu, iaitu kerohanian tempat kerja, keberkesanan sendiri, dan kesesuaian individu-organisasi untuk keterlibatan pekerja menerusi peranan perantaraan ideologi pertukaran. Menurut teori pertukaran sosial, peyelidik menjangkakan ideologi pertukaran menjadi pengantara dalam hubungan antara antedecedan yang diberi dan keterlibatan pekerja. Kajian ini menggunakan kaedah kuantitatif untuk mengutip data dan perisian WarpPLS5.0 digunakan untuk menganalisis data. Hasil kaji selidik yang dilakukan ke atas 100 orang pekerja syarikat kredit di Kalimantan Barat, Indonesia, menunjukkan bahawa pekerja yang mempunyai kerohanian yang lebih kuat, keberkesanan sendiri, dan keserasian nilai akan bekerja dengan lebih baik di tempat kerja. Para penyelidik juga menemukan bahawa ideologi pertukaran tidak memainkan peranan pengantara bagi hubungan antara kerohanian tempat kerja dengan keterlibatan pekerja meskipun ideologi pertukaran menjadi pengantara hubungan antara dua faktor penentu, iaitu keberkesanan sendiri dan kesesuaian nilai individu dengan nilai organisasi untuk keterlibatan pekerja.

Kata kunci: Kerohanian tempat kerja; keberkesanan sendiri; kesesuaian nilai individu dengan nilai organisasi; ideologi pertukaran; keterlibatan pekerja

INTRODUCTION

One of the fundamental elements of the survival of an organization is a sustained competitive advantage generated by the valuable, rare, inimitable, and non-substitutable resources (Barney 1991; Ichraikie 2013). The Harvard Business Review (2015) reported that 71% of respondents ranked employee engagement as very important to achieve organizational success. Engaged employees look for a better way to finish their work, spend less time for routine activities, and use resources efficiently. The employee engagement influences effectiveness and innovation (Welch 2011), performance (Macey & Schneider 2008), and the sustained competitive advantage (Albrecht et al. 2015; Nair & Salleh 2015). Ratanjee and Emond (2013) stated that the engagement factor plays a vital role, for it motivates business activity, competitive advantage, and

sustainable organization. Since the introduction of Kahn (1990), this concept has been drawing the attention of researchers, either in business, management, industrial psychology/organization, or human resources (Albrecht et al. 2015; Crawford, LePine & Rich 2010; Gruman & Saks 2011; Welch 2011; Wollard & Shuck 2011).

Kahn (1990) defined employee engagement as an involvement of an employee in his role where he works and expresses himself physically, cognitively, and emotionally. The involvement motivates loyalty within the employee so that he or she can reduce the intention to quit (Macey & Schneider 2008). The engaged employee, who is concerned with the success of an organization, will make a contribution that is more than what a job requires (Mercer, Carpenter & Wyman 2007).

In adverse circumstances, workforce is becoming disengaged at fast rates. The global level of employee

engagement is in crisis “with serious and potentially lasting repercussions for the global economy” (Mann & Harter 2016). Based on the data of 230,000 full-time and part-time employees in 142 countries, 24 percent were actively disengaged, 63 percent were not engaged, and only 13 percent of employees were highly engaged in their jobs (Gallup 2016). The findings indicate that at the global level, the workplace could be described more as a source of frustration than as a place of self-realization. The grim picture of employee engagement reminds us of the importance of a research. To improve employee engagement, a critical and holistic research needs to be done. It is a substantial matter that today’s organization tries to review the key driver of employee engagement (James, McKechnie & Swanberg 2011). Responding to the lack of employee engagement, the focus of this research is to develop an empiric model in the process of improving employee engagement.

This study contributes to the on-going discussion about the antecedents of employee engagement through examination of exchange ideology as a mediator. This study may be among the first research to examine exchange ideology as a mediator for the effect of workplace spirituality, self-efficacy, and person-organization fit on the employee engagement.

LITERATURE REVIEW

The concept of workplace spirituality urges employees to discover and apply spiritual values (Mehta & Joshi 2010). An organization that assists employees to find the inner meaning of their work will reach a peak of creativity, learning process, and passion in their mind (Fawcett et al. 2008). A spiritually-minded organization helps its employees to develop and realize the fulfilment of their great potential (Robbins & Judge 2013). Saks (2011) emphasized the importance of including the variable of workplace spirituality as a predictor of employee engagement and its comparison with other predictors. The concept of workplace spirituality will enrich the model of employee engagement. In line with Saks (2011), Roof (2015) stated that a deeper understanding of the relationship between workplace spirituality and employee engagement indicates that workplace spirituality plays key role as a potential component to respond to the global decrease of engagement at the workplace. Kolodinsky, Giacalone, and Jurkiewicz (2008) found that workplace spirituality was positively related to job involvement, a variable that has some similarity to engagement. Previously, Mirvis (1997) found that to engage employees with their work, organizations needed to pay attention to the employees’ spiritual life and their collective potential. Based on the above background, this research would relate workplace spirituality to employee engagement with the following hypothesis:

H₁ Workplace spirituality is positively related to employee engagement

Self-efficacy refers to individual beliefs in doing their work (Bandura 2012). The higher the self-efficacy of a person, the higher the belief in his ability to achieve success. In difficult situations, people with low self-efficacy will easily give up. Conversely, people with high self-efficacy will try hard to overcome the obstacles he faces (Stajkovic & Luthans 1998). The involvement of self-efficacy in this model of research is based on the following research gap. Saks (2006) proposed that the upcoming researchers needed to take into consideration the predictor of employee engagement that are different from variables of individual differentiation, such as self-esteem, locus of control, and self-efficacy. Luthans and Peterson (2002) stated that self-efficacy had a significant effect on employee engagement. It is a better predictor of task performance than various traditional workplace attitudes (e.g. satisfaction and organizational commitment), personality traits, level of education, training, goal setting, and feedback interventions. Xanthopoulou et al. (2008) found that self-efficacy is a predictor of performance through employee engagement. Self-efficacy influences learning capacity, motivation, and individual performance since an individual will try to learn and only do things that he or she is convinced that he or she is able to perform (Lunenburg 2011). Albrecht and Marty (2017) also found that self-efficacy has significant positive associations with work engagement. Building on this literature and following Saks (2006), researchers suggest that self-efficacy is positively related to employee engagement. Therefore, the hypothesis is:

H₂ Self-efficacy is positively related to employee engagement

Person-organization fit refers to the compatibility between the value of the employee and the value of the organization (Yaniv & Farkas 2005). The conceptualization of person-organization fit is based on the Schneider’s Attraction-Selection-Attrition framework. According to this framework, individuals are not randomly choosing a situation, but are deliberately looking for an interesting situation. After selecting the situation, they will be part of the situation and live within it. In the context of person-organization fit, an organization is a situation in which people feel attracted, chooses to be part of it, and resides in it when there is a match, and comes out of it when there is no match (Schneider 1987). At the end of their analysis, Macey and Schneider (2008) stated that engagement could be a consequence of the conditions of a work environment and dispositional characteristics at a workplace, and the interaction of these two elements. Accommodating the contingent perspective (situational context), they proposed the concept of person-environment (organization) fit which means a compatibility between value internalized by the employees and the value of the organization. Research of Lovelace and Rosen (1996) proved that the person-organization fit was the predictor of work satisfaction, stress reduction, and intention to

quit. According to Lv and Xu (2018), the interaction of a high-performance work system and psychological contract on employee engagement was mediated by the person-organization fit. Hence, researchers expected that person-organization fit would be positively related to employee engagement.

H₃ Person-organization fit is positively related to employee engagement

Based on Saks's suggestion (2006) about the role of exchange ideology between engagement and its antecedent, this research proposes an exchange ideology as a mediating variable. The concept of this ideology, which was promoted for the first time by Eisenberger et al. (1986), consists of a convincing idea of reciprocity between employees and an organization. Normally, what the employees do depends on the attitude of an organization. In the context of working, Eisenberger et al. (1986) described exchange ideology as a continuum. On one side of the continuum, an individual's work performance is equal to the reinforcement by the organization. If the employees are well treated, they will work hard, otherwise, they will not work hard. On the other side of the continuum, an individual will work hard without concerning about what they receive from the organization. Even so, they will work hard although they are not well treated. This means that exchange ideology reflects on an individual's expectation of the individual and organization exchange.

Although no specific study has yet surveyed exchange ideology as a mediator between employee engagement and the predictors, some studies have been made to observe the topic of social exchange in the organization (Shore et al. 2006). Bal, Kooij and De Jong (2013) have examined the mediating role of the psychological contract that related the developmental HRM to employee outcomes. The psychological contract, which consists of transactional and relational contracts, has a similar meaning to the two-continuum exchange ideology. Yeh (2012) found that relational psychological contracts (similar to a lower continuum of exchange ideology) had a positive influence on engagement. On the other side, the transactional psychological contracts (similar to a higher continuum of exchange ideology) had a negative influence on employee engagement. Analogically, researchers expected the exchange ideology would have an indirect effect that would mediate the relationship between employee engagement and the antecedents.

An employee who recognizes his spiritual identity will consider his work as a vocation. He will fulfill his role and duties without being too concerned with how the organization treats him. Besides, meaningful work is a key feature of a productive work environment (Hackman & Oldham 1980). Experience in the meaning of work can create the excitement that connects employees better with positive perceptions (Giacalone & Jurkiewicz 2003). Employees also need to feel that they are part of

a community in the workplace. According to Duchon and Plowman (2005), the workplace should be seen as a place to share life. When employees feel themselves as part of the community, they will identify themselves with the goals of the organization and strive to achieve them. If all three dimensions of workplace spirituality are experienced by employees, it is expected to create a low exchange ideology. Employees will work hard no matter what they get in exchange. Concerning the above description, researchers expected that workplace spirituality would enhance employee engagement through exchange ideology. Researchers proposed the following hypotheses:

H₄ Exchange ideology mediates the relationship between workplace spirituality and employee engagement: workplace spirituality negatively relates to exchange ideology (4a) and exchange ideology negatively relates to employee engagement (4b).

Employees with high self-efficacy will be more optimistic and intensive to involve themselves in the organization. They can even ignore negative feedback. On the other side, employees who have low self-efficacy tend to reduce the effort when it gets negative feedback (Bandura & Cervone 1986). Here, it is clear that self-efficacy can shape the expected exchange ideology. In other words, employees will still perform even if they do not get recognition from the organization. Hence, researchers hoped that self-efficacy would enhance employee engagement through exchange ideology.

H₅ Exchange ideology mediates the relationship between self-efficacy and employee engagement: self-efficacy negatively relates to exchange ideology (5a) and exchange ideology negatively relates to employee engagement (5b).

Researchers and practitioners agree that value compatibility between employees and organizations is the key in managing flexible and committed workforce needed in a competitive business environment (Bowen, Ledford & Natan 1991; Kristof 1996; Sekiguchi 2004). Various empirical research findings showed that a high level of fit between the value of employees and the organization would be followed by a variety of positive behaviors. These variables correlated with attitudes expected in work, such as job satisfaction and commitment (Chatman 1989; Judge 1994; Vancouver & Schmitt 1991), labor turnover intention (Chatman 1989; O'Reilly, Chatman & Caldwell 1991; Ambrose, Arnaud & Schminke 2008), and prosocial behaviors, such as organizational citizenship behavior (O'Reilly & Chatman 1986) and contextual performance (Goodman & Svyantek 1999; Sekiguchi 2004). We expect that employees who feel satisfied by value compatibility would reciprocate lower exchange ideology resulted positive behavior. For these reasons, researchers hypothesized the following hypothesis:

- H₆ Exchange ideology mediates the relationship between person-organization fit and employee engagement: person-organization fit negatively relates to exchange ideology (6a) and exchange ideology negatively relates to employee engagement (6b).

METHODOLOGY

SAMPLE AND DATA COLLECTION

Researchers conducted this research by distributing questionnaires to 100 employees of eight credit unions using a multistage sampling. In West Kalimantan, there were 31 credit unions incorporated in the Center for Legal Credit Cooperatives. Each credit union had dozens of branches spread across the city, coastal and inland areas of West Kalimantan. All employees in the 31 credit unions are the study's sampling frame. From the population, the target population was selected based on three criteria; 1) the credit unions have been in operation for more than 20 years; 2) total assets of IDR 200 billion and above, and 3) have 50 employees or more. Based on these criteria, only 8 credit unions were selected. From this, researchers selected the respondents proportionately to the total amount of employees which is 100 respondents. This is in line with Ghozali's recommendation (2008) which stated that for Partial Least Squares analysis, the research sample ranged from 30-100 respondents. The fundamental reason for choosing credit unions as the context of the survey was that credit unions played a key role in developing the socio-economic life of the people in West Kalimantan. The appreciation of human dignity from this economic organization was expressed by a systematic program to increase the social prosperity of the people by fighting against poverty. Credit unions also educate and train their members to have financial literacy and understand how to manage their money professionally.

MEASUREMENT

Workplace spirituality was measured based on a scale developed by Ashmos and Duchon (2000). This scale was empirically developed and validated. Researchers measured the self-efficacy using a five-item scale adopted from Schwarzer and Jerusalem (1995). The person-organization fit was measured using a four-item scale developed by Netemeyer et al. (1997). To measure exchange ideology, researchers adopted a scale developed by Eisenberger et al. (1986). The employee engagement was measured using a scale adopted from Rich, Lepine and Crawford (2010). All items were measured using five-point Likert scale with 1 for strongly disagree to 5 for strongly agree.

ANALYSIS

We examined the hypotheses by conducting partial least squares (PLS) path modelling in WarpPLS5.0 using the two-step process advocated by Henseler, Ringle and Sinkovics (2009). The two-step process encompasses the outer model assessment and the inner model assessment. In the first step, the assessment focused on the measurement models. An evaluation of PLS estimates showed the measurement validity and reliability according to the criteria that were associated with the reflective and formative outer model. A measurement model was examined for the five constructs in this study. In the second step, researchers assessed the inner model or structural model. Reliable and valid outer model assessments in the first step were the initiation of the inner path model estimation. In line with recommendation of Henseler et al. (2009), researchers assessed a series of indices, encompassing R^2 (the coefficient of determination), the individual path coefficients, the values of effect size (f^2) that could be considered as the partial effect of the path model, and assessment of the predictive relevance (Q^2).

RESULTS

MEASUREMENT MODEL ASSESSMENT

An assessment of the outer model focused on the effort to examine the validity and reliabilities of indicators of the latent construct of this research. The criteria used to examine the reflective construct were indicators of reliability, internal consistency, convergent validity, and discriminant validity. From the PLS output (Table 1), the loading factor of all indicators fulfil the reliability condition, except for item 9 with a loading of 0.668 and item 14 with a loading of 0.573. Based on the rule of thumb, those two items had to be eliminated.

TABLE 1. Indicator loadings for reflective construct

Construct	Item	Loading	Scale type
Self-efficacy	4	0.826	Reflective
	5	0.835	Reflective
	6	0.797	Reflective
	7	0.774	Reflective
	8	0.74	Reflective
Person-organization fit	9	0.668	Reflective
	10	0.762	Reflective
	11	0.796	Reflective
	12	0.848	Reflective
Exchange ideology	13	0.838	Reflective
	14	0.573	Reflective
	15	0.803	Reflective
	16	0.847	Reflective
	17	0.811	Reflective

The re-examination produces output as presented in the following Table 2. It shows that the value of the composite reliability of the three reflective constructs is very good (self-efficacy 0.902, person-organization fit 0.885, and exchange ideology 0.880), that is, >0.70 and it fulfills the criteria of internal consistency reliability.

TABLE 2. Indicator loadings and composite reliability for reflective construct

Construct	Item	Loading	Scale type	Composite Reliability
Self-efficacy	4	0.843	Reflective	0.902
	5	0.827	Reflective	
	6	0.826	Reflective	
	7	0.774	Reflective	
	8	0.753	Reflective	
Person-organization fit	10	0.762	Reflective	0.885
	11	0.796	Reflective	
	12	0.848	Reflective	
	13	0.838	Reflective	
Exchange ideology	15	0.802	Reflective	0.880
	16	0.880	Reflective	
	17	0.844	Reflective	

Assessing the convergent validity and discriminant validity, Table 3 shows the value of AVE which is given in the diagonals. The value of the AVE is also very good (engagement self-efficacy 0.648, person-organization fit 0.659, and exchange ideology 0.710), that is more than 0.50 and therefore fulfilled the requirement of convergent validity. Table 3 summarizes the result of analysis to show discriminant validity. It indicates that the value of the square root of the AVE of each latent variable is larger than the square of the correlations. Fornell-Larcker criteria

TABLE 3. Correlation among construct scores (root of AVE in diagonals)

Construct	WS AVE = 0.573	SE AVE = 0.648	POF AVE = 0.659	EI AVE = 0.710	EE AVE = 0.741
Workplace spirituality (WS)	0.757	0.452	0.444	-0.297	0.554
Self-efficacy (SE)	0.452	0.805	0.601	-0.376	0.534
Person-organization fit (POF)	0.444	0.601	0.812	-0.414	0.566
Exchange ideology (EI)	-0.297	-0.376	-0.414	0.843	-0.315
Employee Engagement (EE)	0.554	0.534	0.566	-0.315	0.861

TABLE 4. Indicator weights for formative construct

Construct	Workplace spirituality	Employee engagement	SE	ρ-value	VIF	WLS
Workplace spirituality 1	0.390	0.000	0.090	<0.001	1.148	1
Workplace spirituality 2	0.474	0.000	0.088	<0.001	1.362	1
Workplace spirituality 3	0.452	0.000	0.088	<0.001	1.301	1
Employee engagement 1	0.000	0.399	0.090	<0.001	2.318	1
Employee engagement 2	0.000	0.403	0.090	<0.001	2.402	1
Employee engagement 3	0.000	0.357	0.091	<0.001	1.520	1

Notes: P values < 0.05 and VIFs < 2.5 are desirable for formative indicators; VIF = indicator variance inflation factor; WLS = indicator weight-loading sign (-1 = Simpson's paradox in l.v.)

for discriminant validity postulates that a latent variable should share larger variance with its indicator instead of other latent variables. The square root of the AVE for self-efficacy is 0.805, the person-organization fit is 0.812 and exchange ideology is 0.843; this is higher than the value above and below them. This condition shows that the discriminant validity of the three predictors fulfill the requirements.

Compared to the reflective construct, the evaluation of formative construct is performed by assessing the reliability and collinearity of the indicators. The parameter of indicator reliability is the significant weight achieved by the resampling process. Meanwhile, the parameter for collinearity is the value of the variance inflation factor (VIF). The referential value for collinearity is $VIF < 5$ or ideally according to some literature, $VIF < 2.5 - 3.3$. To evaluate the formative construct in this research, the following Table 4 shows the result of the formative construct analysis of this survey, that is, workplace spirituality and employee engagement based on loading indicator compared to other relevant criteria. From the table, it can be seen that all indicators of the formative construct of workplace spirituality and employee engagement have a significant weight value where p -value < 0.001. So, all formative indicators of this research have fulfilled the reliability's requirements. The VIF value of the two constructs also shows that the score < 2.5. This indicates that there are no problems of multicollinearity.

STRUCTURAL MODEL ASSESSMENT

The output diagram as shown in Figure 1 shows us that the variance of exchange ideology is influenced by variance value of workplace spirituality, engagement self-efficacy, and person-organization fit which is 24.8%.

This is indicated by the value of R^2 that is 0.248. The result of the estimation explains that the contribution of the three exogenous constructs simultaneously is categorized as small. Besides, the variances of the latent endogenous construct of employee engagement are influenced and can be explained by the variances of workplace spirituality, self-efficacy, person-organization fit, and exchange ideology which reach 50.6%. This is indicated by the value of R^2 of 0.506. The value of such influence is classified into a strong and substantial category. The result describes that the contribution of the four predictors of employee engagement simultaneously is categorized as large or substantial (≥ 0.45).

Figure 1 indicates that workplace spirituality, on one hand, was significantly related to employee engagement ($\beta = 0.279$, $\rho = 0.002$, $f^2 = 0.157$), which supported Hypothesis 1. However, on the other hand, workplace spirituality is not significantly related to exchange ideology ($\rho = 0.201$, NS), failing to support Hypothesis 4a. This signifies that exchange ideology could not be a mediator for the relationship between workplace spirituality and employee engagement. This analysis discovered both a positive relationship between self-efficacy and employee engagement ($\beta = 0.225$, $\rho = 0.009$, $f^2 = 0.128$), and a negative association between self-efficacy and exchange ideology ($\beta = -0.175$, $\rho = 0.034$, $f^2 = 0.072$), which supported Hypotheses 2 and 5a. This research also found a positive significant relationship between person-organization fit and employee engagement ($\beta = 0.246$, $\rho = 0.005$, $f^2 = 0.144$), and a negative association between person-organization fit and exchange ideology ($\beta = -0.317$, $\rho < 0.001$, $f^2 = 0.147$), which gave support for Hypotheses 3 and 6a. Moreover, the exchange ideology is negatively related to employee engagement ($\beta = -0.163$, $\rho = 0.046$, $f^2 = 0.077$), which confirmed Hypothesis 4b, 5b, and 6b. According to Zhao, Lynch, and Chen (2010), the requirement to

establish mediation was a significant indirect effect. The following Table 5 summarizes the P-value and indirect effect of this research.

TABLE 5. ρ -values of indirect effect for paths with 2 segments

Construct	Employee engagement	ρ -value
Workplace spirituality	0.013	0.105
Self-efficacy	0.029	0.048
Person-organization fit	0.052	0.036

Table 5 reveals that exchange ideology did not mediate the relationship between workplace spirituality and employee engagement (non-significant in ρ -value = 0.105). However, these results confirmed the expected indirect effect through exchange ideology as a mediator for relationships between self-efficacy and employee engagement (significant in ρ -value = 0.048) and between person-organization fit and employee engagement (significant in ρ -value = 0.036).

In assessing the effect of a particular independent variable on a dependent variable, Figure 1 demonstrates the score of the effect size (f^2) for each predictor. It indicates the contribution of each predictor for the criterion variables' coefficient (R^2) in the model. R^2 of exchange ideology (0.248) derives from the contribution of workplace spirituality (0.029), self-efficacy (0.072), and person-organization fit (0.147). The result of R^2 (0.506) of employee engagement is an accumulation of the contribution of workplace spirituality (0.157), engagement self-efficacy (0.128), person-organization fit (0.144), and exchange ideology (0.077). The predictive relevance of this research model can be traced from the Q-square (Q^2) on each dependent variable. The model has predictive relevance if $Q^2 > 0$. The output estimated by PLS shows that the exchange ideology ($Q^2 = 0.247$)

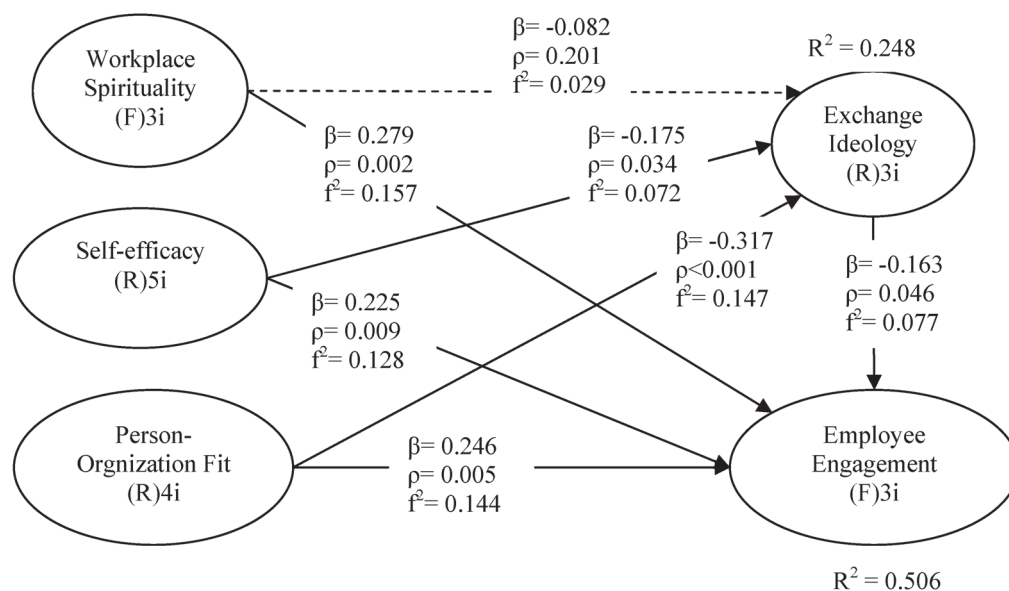


FIGURE 1. Hypothesized model and results

and employee engagement ($Q^2 = 0.505$) have predictive relevance.

DISCUSSION AND CONCLUSION

The results of this research showed that the three predictors were significantly related to employee engagement. Two out of three predictors of the model, such as self-efficacy and person-organization fit, influenced the employee engagement through exchange ideology as a mediator. The weak connection between the spiritual dimension and employees' perception of what they should give to and what they should get from the organization might cause the insignificant influence on the two constructs. The values of spirituality were still perceived as a very personal one. Meanwhile, exchange ideology was linked strictly to the rights and duties, a formal regulation of contribution and compensation, and the hierarchy of needs of the employees. The gap of spiritual dimension and employees' rights and duties caused the above condition, although the employees hold the values of spirituality respectively, and at the same time they hold the exchange ideology up to a certain level. These findings were not in line with most of the workplace spirituality researches that discovered the various positive impacts of spirituality on the organizational behavior (Burack 1999; Fawcett et al. 2008; Freshman 1999; Korac-Kakabadse 2002; Leigh 1997; Metha & Joshi 2010; Pawar 2008; Robbins & Judge 2013; Wagner-Marsh & Conely 1999).

Self-efficacy related significantly to exchange ideology. The employees needed to have self-efficacy in their abilities to engage in their work and organization. Based on the previous researches on self-efficacy, this result was in line with most of the researches on the outcome of self-efficacy of all disciplines. According to the findings of a number of researchers (Bandura 1989; Bandura & Cervone 1983; Lunenburg 2011; Luthans & Peterson 2002; Mensah & Lebbaeus 2013; Propst & Koestler 1998; Xanthopoulou et al. 2008), self-efficacy was a strong predictor of the various positive organizational behaviors.

Person-organization fit also related significantly to exchange ideology. If an employee's compatibility of values with the organizational culture was high, the exchange-ideology of an employee's behavior would be low. The implication of this finding is that in the process of recruitment and selection, the organization should consider the behavior and values of the candidates which are in accordance with the organizational culture. This finding was in line with the previous researches done by researchers and practitioners who were in consensus that the values compatibility between employees and organization was an important key to develop the flexible and committed workforce needed by the competitive business environment (Bowen et al. 1991; Kristof 1996; Sekiguchi 2004).

Workplace spirituality related significantly to employee engagement. If the implication of the spirituality's values at the workplace was higher and stronger, the employee engagement would increase. The employees needed to be aware of their inner dimension and meaning of their work. They also need to be a member of a bigger community of work. The implication of spiritual elements will increase employee engagement in work and organization. This finding was in line with Word (2012) that found significant relationship between workplace spirituality and job involvement and meta-analysis of Dent, Higgins, and Wharff (2005) which found that spirituality had an intimate relationship to productivity. The spirituality element supported the idea that each individual has an inherent need for work that will bring meaning for him (Chalofsky & Krishna 2009).

Self-efficacy related significantly to employee engagement. If the workers are confident that their ability to integrate into their work is strong, the level of engagement would also be also high. Considering the process of enhancing the engagement of an employee in his or her work and organization, the employees are convinced that it is necessary to prepare a space for those who are really engaged in their work. This essential need is strengthened from psychology perspective that emphasized the importance of self-confidence as an intrinsic motivation to reach an achievement (Seligman & Csikszentmihalyi 2000). This finding was in line with various research studies which found that self-efficacy related to engagement (Luthans & Peterson 2002; Rich et al. 2010) and performance (Xanthopoulou et al. 2010). Self-efficacy creates positive environment based on high self-confidence and this would lead employees to be engaged more in their work in order to improve their performance. On the other hand, if good performance is achieved, self-confidence of the employees will be strengthened (Salanova, Llorens & Schaufeli 2011).

Person-organization fit related significantly to the employee engagement. If the employee's perceived compatibility of their values and the organization's value was high and strong, their will and effort to be engaged in work would also be strong. In the process of enhancing employee engagement, organizations need to pay attention to the organizational climate that enables employees to achieve congruence so there will be a balance between the values of the workers and the corporate culture. This finding strengthened the previous researches about the impact of person-organization fit (Ambrose et al. 2008; Chatman 1989; Goodman & Svyantek 1999; Judge 1994; O'Reilly & Chatman 1986; O'Reilly et al. 1991; Rich et al. 2010; Sekiguchi 2004; Vancouver & Schmitt 1991; Verquer, Beehr & Wagner 2003).

Exchange ideology is found to be related significantly to employee engagement. This finding contributes to the novelty of the model of employee engagement development. This research discovered that exchange ideology could be the mediator that linked self-efficacy and person-organization fit to employee engagement. This

contribution is important because most of the previous researchers suggest exchange ideology as a moderating variable (Ahn, Lee & Yun 2016; Eisenberger et al. 1986; He et al. 2014; Ladd & Henry 2000; Orpen 1994; Pazy & Ganzah 2010; Redman & Snape 2005; Scott & Colquitt 2007; Takeuchi, Yun & Wong 2011; Witt 1991, 1992; Witt & Broach 1993; Witt, Kacmar & Andrews 2001). Only a few researchers that posit this construct in the mediating role (Ravlin et al. 2012). Through the mediation of exchange ideology, this research explains the relationship between employee engagement and its predictors.

MANAGERIAL IMPLICATIONS

In the process of improving sustained competitive advantage through the development of employee engagement, organizations need to create the climate that accommodates workplace spirituality. An employee who experiences the spiritual dimension of his work will find the meaning of work for his life and feel that he is a member of a community. Such a person will easily engage in work. Besides preparing a special space for the spiritual development that motivates the employees to be more engaged, the organization needs to develop self-efficacy of each employee. High self-efficacy in the ability to be engaged in work will strengthen all the efforts for better employee engagement. Employees will persevere to face difficulties in work, interpersonal communications, and temporary limits of the organization. Although each employee has his own way to achieve the value of compatibility, the organization need to build a harmonious coherence between the value within an employee and the organizational culture. The employees need continuous training and socialization in order to strengthen the coherent values between the employees and the organization. In this way, both the employees and the organization can walk together, motivated by their shared values.

LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

The result of the research, in general, confirmed the significant interrelationship of the constructs, however, the explanatory power of this model is still at the moderate level. This shows that the possibility of other predictors for explaining employee engagement.

The insignificant relationship between workplace spirituality and exchange ideology might take place because of the dimension of workplace spirituality developed in the context of Western culture of and way of thinking need to be contextualized in Eastern culture. It is necessary to develop the basic idea of workplace spirituality considering the *Sitz im Leben* of Indonesian (Asian) culture. Indonesian society has a local wisdom consisting of a series of values in traditional spirituality which needs to be explored. Further research will be needed to understand the workplace spirituality of Indonesians in the Eastern culture and way of thinking.

Such research can be done by using mixed methods or a triangulation method.

Future research needs to develop a more complex model of research so that the explanatory power of the applied model can be improved. The complexity of a phenomenon and reality is triggered by many potential variables as predictors. Future research can consider the development of the research model that involves other constructs, such as organizational commitment, perceived justice, perceived organizational support, and work-life balance.

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