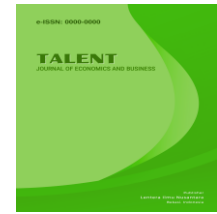




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## **The Influence of Employee Engagement and Employee Well Being on Company Reputation in Cleaning Service Companies**

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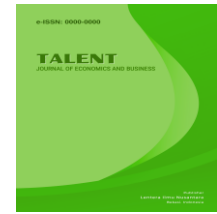
### **Abstract**

Employee welfare and employee engagement are one of the assessments or factors that can indicate that a company has engaged employees and the welfare provided by the company by providing health insurance, incentives, career ladders and others provides confidence to all employees that they are happy and proud to be in a large company and guarantees all the interests of its employees so that the company's reputation becomes the most important part for employees and the development of the company in the future. The research sample in the study amounted to 100 employees with stratified random sampling. The variables used to indicate employee engagement factors are Leadership, compensation, organizational culture. Other latent variables are employee engagement and employee performance. The variables were analyzed using Structural Equation Modeling-Partial Least Square (SEM-PLS). From the results of the study, it was found that Employee Well Being has positive and significant results on both employee engagement and Company reputation. Practically, the results of this study provide recommendations for service companies to prioritize policies that support employee Employee Well Being, such as health insurance, rewarding, incentives, career ladders and work-life balance programs. This is expected to increase the agility of the workforce in responding to changing customer needs. Theoretically, this study contributes to the literature on factors that influence Company Reputation, especially in the service sector, by emphasizing the significant role of Employee Well Being compared to Employee Engagement. Further research is recommended to explore other aspects that can influence Company Reputation, such as Leadership Model and Operational Excellence.

**Keywords:** Employee Well Being, Employee Engagement, Company Reputation

### **Introduction**

The influence of employee engagement and employee well-being on corporate reputation is an increasingly important issue in today's business world. Employee engagement, which reflects employees' involvement and commitment to their work, has been shown to have a significant impact on organizational performance. According to research by Pashiera and Budiono (2023), there is a positive relationship between psychological well-being and work engagement that contributes to employee performance. This study shows that when employees feel psychologically good, they are more engaged in their work, which in turn can improve the company's reputation in the eyes of clients and other stakeholders. Thus,



companies that are able to create a work environment that supports employee well-being will get a better reputation (Pashiera & Budiono, 2023) .

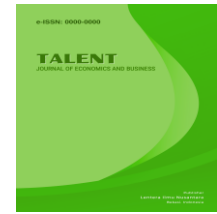
Employee well-being also acts as a moderator in the relationship between employee engagement and corporate reputation. A study by Wardani et al. (2023) showed that employee well-being can strengthen the relationship between job crafting and work engagement, which has a positive impact on corporate reputation<sup>1</sup>. Employees who feel well-being tend to show higher levels of engagement, which contributes to a positive corporate image. Therefore, investing in employee well-being programs is not only beneficial for individuals but also for the overall reputation of the organization. This study emphasizes the importance of prioritizing employee well-being as a strategy to build a solid corporate reputation in the long term (Wardani et al., 2023) .

The Impact of Employee Engagement and Employee Well-Being on Company Reputation is an increasingly relevant topic in today's business world. Employee engagement plays an important role in creating a positive and productive work environment. A study shows that companies with high levels of employee engagement tend to have a better reputation in the eyes of the public. This is because engaged employees are more likely to actively contribute to value creation for the company, which in turn increases positive perceptions from consumers and other stakeholders. In a study conducted by Putri et al. (2023), it was found that employee engagement has a significant influence on company reputation, with the results of the analysis showing that an increase in employee engagement can directly improve a company's reputation (Kani Putri et al., 2023) .

Employee well-being also contributes to a company's reputation. Employee well-being covers various aspects, including mental health, physical health, and job satisfaction. Research by Sibarani (2024) revealed that companies that prioritize employee well-being not only increase productivity but also build a positive image in the community. Employees who feel well-being are more likely to become brand ambassadors for their company, sharing positive experiences with others and strengthening the company's reputation. These findings suggest that there is a reciprocal relationship between employee well-being and company reputation, where companies that are good to their employees will gain better recognition and reputation in the market (Agung Nugroho, 2023) .

The influence of employee engagement and employee well-being on corporate reputation is an increasingly relevant topic in today's business world. Research shows that there is a significant positive relationship between employee well-being and employee engagement. A study conducted by Dewi and Wardhani (2024) found that workplace well-being has a positive effect on employee engagement, with resilience as a mediator. This study used a quantitative method with SEM analysis and involved 183 employees in Indonesia. The results showed that improving workplace well-being can increase employee engagement, which in turn can improve corporate reputation through increased productivity and customer satisfaction (Dewi & Wardhani, 2024) .

Other studies also support this finding by showing that employees who feel happy and engaged tend to have a positive view of the company, which contributes to a good reputation. In a study conducted by Ningsih and Yanuar (2023), it was found that a good work environment and organizational support for employee welfare have a positive impact on



employee engagement. This study emphasizes the importance of creating a supportive work environment to increase employee engagement, which can ultimately improve the company's reputation in the eyes of the public (Rabuana & Yanuar, 2023) .

The relationship between employee engagement and employee well-being on company reputation has been the focus of research in recent years. Research by Mangundjaya (2016) shows that there is a significant positive effect between workplace well-being on employee engagement, with resilience as a mediator. These results indicate that improving employee well-being can increase their engagement, which in turn contributes to the company's reputation. In addition, research by Handoyo and Setiawan (2017) also found that organizational culture has a significant positive effect on employee engagement and their performance. This shows that companies that create a good work environment can improve their reputation in the eyes of employees and the public (Amanda et al., 2023) .

Not all studies show a significant relationship. For example, a study by the Journal of Management Science (2021) found that although job satisfaction has a positive effect on employee performance, employee well-being does not show a significant effect on that performance. This finding highlights the importance of considering other factors that can affect employee engagement and well-being in the context of corporate reputation. Thus, although there is evidence to support a positive relationship between employee engagement and employee well-being on company reputation, there are still certain aspects that need to be further studied to fully understand this dynamic (Sabil, 2021) .

The relationship between employee engagement and company reputation variables can be seen from various studies that show a significant influence of these two variables. In a study by Farndale et al. (2014), it was found that employee engagement has a significant positive impact on employee performance and company profitability, which in turn contributes to the company's reputation. This study indicates that employees who are emotionally involved with the company tend to show higher commitment, which leads to increased productivity and the organization's reputation in the eyes of the public. In addition, a study by Damianus et al. (2020) also confirmed that workplace well-being has a positive effect on work engagement, which can then affect the company's reputation. This study shows that if the company is able to maintain employee welfare, their level of engagement will increase, which has a positive impact on the company's image (Ariyanto, 2022) .

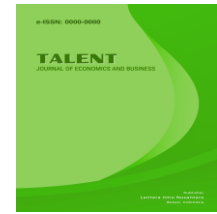
Not all studies show consistent results regarding the influence of employee well-being on company reputation. For example, research by Handoyo and Setiawan (2017) found that although there is a relationship between employee well-being and employee performance, the influence is not always significant on company reputation. In this study, other variables such as organizational culture and leadership are more dominant in influencing employee engagement and company reputation. This shows that although employee engagement has the potential to improve company reputation, other factors also need to be considered to obtain optimal results in the context of organizational reputation (Sabil, 2021) .

This study aims to analyze the influence of employee engagement and employee well-being on corporate reputation. Employee engagement, which reflects the level of employee involvement and commitment to work and the organization, is expected to contribute positively to corporate image. Meanwhile, employee well-being, which includes



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the physical, mental, and emotional aspects of employees, is also believed to play an important role in shaping public perception of the company. By understanding the relationship between these two variables and corporate reputation, this study seeks to provide valuable insights for management in developing effective strategies to improve corporate image in the eyes of employees and the wider community.

This study also aims to explore factors that can mediate or moderate the relationship between employee engagement, employee well-being, and corporate reputation. With this approach, it is expected to identify key elements that contribute to improving corporate reputation through increasing employee engagement and well-being. The results of this study are expected to provide not only academic but also practical contributions for companies in formulating better human resource policies, so as to create a positive and sustainable work environment.

This study aims to explore and analyze the influence of employee engagement and employee well-being on corporate reputation. In an increasingly competitive business context, corporate reputation is one of the most important assets that can affect the sustainability and growth of an organization. By understanding how employee engagement and their well-being contribute to corporate image, it is hoped that the results of this study can provide valuable insights for managers and organizational leaders in designing more effective strategies to improve corporate reputation. Apart from that, the reason researchers use research objects in cleaning service companies is because workers in the cleaning services sector often face monotonous work, high levels of stress, and relatively low salaries, so understanding how employee engagement and well-being can affect the company's reputation is crucial.

This study also aims to provide practical recommendations for companies in improving employee engagement and employee well-being as an effort to strengthen their reputation in the eyes of the public. By applying a data-based approach, this study is expected to identify key factors that influence the relationship between employee engagement, well-being, and corporate reputation. The results of this study are expected to be useful not only for academics, but also for business practitioners in creating a more positive and productive work environment.

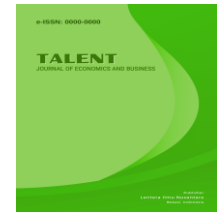
## **Methods**

In quantitative research, determining the right sample size is very important to ensure that the research results are reliable and valid. Hair et al. (2010) provide clear guidelines on how to calculate the minimum sample size required when using Structural Equation Modeling (SEM). The following are the steps and formulas used. Primary data were obtained through a survey, namely by distributing questionnaires at PT.ISS Indonesia. While secondary data were obtained from literature and other supporting references in the form of books, the internet, and related research reports. The employees involved in this research or study were employees of PT ISS Indonesia with a total of 100 employees. The sample selected used the Heirs et al formula with a sample of 100 samples and 30 indicators.

$$n = N \frac{1 + N e^2}{2}$$

Information:

$n$  = Minimum number of samples



$N$  = Total employee population

$e$  = Percentage of allowance for accuracy due to sampling error.

This study uses sampling error, namely with a sampling error rate of 5 percent or 0.05. Based on data from all employees of PT ISS Indonesia, the number of samples obtained was 100 employees. This sampling method is called stratified random sampling. To get the number of samples, use the formula: The formula for determining the minimum sample size according to Hair et al. is: Number of Samples = ( Number of Indicators + Number of Latent Variables)  $\times$  ( 5 to 10 ). In this formula, the numbers 5 to 10 indicate the suggested multiplier factors to ensure that the sample size is large enough for SEM analysis. Suppose in the study there are 21 indicators and 6 latent variables. Then the calculation of the sample size is as follows:

$$\text{Number of Samples} = (21 + 6) \times 10 = 270$$

Thus, the maximum sample size recommended for this study is 270 respondents.

To obtain a representative sample from the population, random sampling technique is used. This is important so that each individual in the population has an equal chance of being selected as a respondent. Data collection in this study falls under primary data. The data obtained is sourced from the distribution of questionnaires, which were then answered by the respondents.

## Results and Discussion

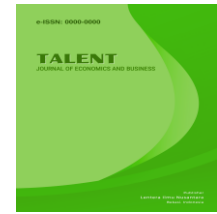
Table 1. Respondent Profile

Item	Type	Respondents	Percentage
Gender	Man	74	74.00%
	Woman	26	26.00%
Age	21-30 Years	47	47.00%
	31-40 Years	31	31.00%
	40-53 years	22	22.00%
Length of work	1-10 years	36	36.00%
	11- 20 Years	29	29.00%
	> 20	35	35.00%
Education	S1	5	5.00%
	High School	92	92.00%
	JUNIOR HIGH SCHOOL	3	3.00%

Source: Data Processed by Researchers (2024)

The profile of respondents in this study provides a clear picture of the demographic and professional characteristics of the participants. Of the total respondents, the majority were male, with a percentage reaching 74.00% (74 respondents), while females accounted for 26.00% (26 respondents), indicating male dominance in this group. Regarding age



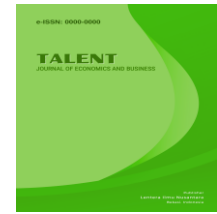


distribution, most respondents were in the 21-30 age range, which covered 47.00% (47 respondents), followed by the 31-40 age group with a percentage of 31.00% (31 respondents), and the oldest age group 40-53 years only covered 22.00% (22 respondents), indicating that respondents tend to be in their productive age. In terms of work experience, the majority of respondents have worked for more than 9 years, with a percentage of 36.00% (36 respondents), while those who worked between 11-20 years reached 29.00% (29 respondents), and only > 20 35% (35 respondents) have work experience between above 20 years, indicating that most respondents have quite significant work experience. In terms of education, most respondents are high school/vocational school graduates with a high percentage reaching 92.00% (92 respondents), while junior high school graduates only account for 2% (2 respondents), and bachelor's degree graduates each only amount to 5% (5 respondents) and there are no master's degree graduates.

Overall, the respondent profile shows that they are dominated by productive-aged men with quite long work experience and secondary education background. The majority work in operational positions in Cleaning Service. This data provides important insights for further analysis of the characteristics and needs of the group studied.

Table 2. Validity Test

Variable	Statement	Out Loading	Information	
Employee Engagement (EE)	EE1	0.618	Valid	
	EE3	0.569	Valid	
	EE5	0.600	Valid	
	EE6	0.632	Valid	
	EE7	0.625	Valid	
	EE8	0.528	Valid	
	EE9	0.608	Valid	
	EE10	0.633	Valid	
	Employee Well Being (EW)	EW1	0.569	Valid
		EW2	0.555	Valid
EW4		0.578	Valid	
EW5		0.601	Valid	
EW6		0.640	Valid	
EW7		0.623	Valid	
EW8		0.597	Valid	
EW9		0.615	Valid	
EW10		0.560	Valid	
Company Reputation (CR)		CR1	0.624	Valid
	CR2	0.642	Valid	
	CR3	0.635	Valid	
	CR4	0.622	Valid	
	CR5	0.623	Valid	



CR6	0.601	Valid
CR7	0.622	Valid
CR8	0.618	Valid
CR9	0.607	Valid
CR10	0.615	Valid

Source: Data Processed by Researchers (2024)

The results of the validity test presented in Table 2 show the level of validity of the variables studied, namely Employee Engagement, Employee Well Being, and Company Reputation. This validity test is important to ensure that each indicator used in this study is reliable and relevant to the concept being measured. For the Employee Engagement variable, eight statements were tested, and all showed valid outer loadings values, with the highest value at EE10 of 0.633 and the lowest at EE8 of 0.528. This shows that all indicators contribute significantly to the measurement of employee engagement, which is an important aspect in maintaining employee turnover.

Employee Well Being variable, nine statements were also tested with the results of all indicators valid. The outer loadings value ranged from 0.640 for EW4 to 0.555 for BK3. Although EE2 has the lowest value, it remains above the threshold required to be considered valid, all statements can be used to describe aspects of employee well-being. Which shows that employee attachment to the company is due to the welfare provided by the company. Company Reputation variable, ten statements were tested and all showed valid outer loadings values, with the highest value at CR2 of 0.642 and the lowest at CR6 of 0.601. These indicators effectively reflect the balance between employee engagement and employee well-being which is very important for the formation of a company's reputation.

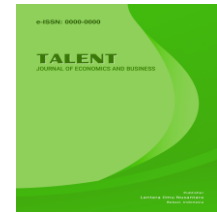
Overall, the results of this validity test indicate that all variables and statements tested have low validity, with all outer loadings below the threshold of 0.7 indicating that the research instrument used is not yet strong although still valid to be used as material in measuring these concepts and has not provided a strong basis for further analysis in this study. but the results of the study reflect the reality in the field and can provide valuable insights for the development of managerial policies and practices in the organization.

Table 3. Reliability Test

Variable	Cornbach's alpha	Information
Employee Engagement	0.661	Reliable
Employee Well Being	0.663	Reliable
Company Reputation	0.675	Reliable

Source: Data Processed by Researchers (2024)

The results of the reliability test presented in Table 3 show the level of reliability of the variables studied, namely Employee Engagement, Employee Well Being, and Company



Reputation. For the Employee Engagement variable, the Cronbach's alpha value obtained was 0.661, indicating that this instrument is very reliable and consistent in measuring the concept. The Employee Well Being variable has a Cronbach's alpha value of 0.663 which also shows a very good level of reliability, indicating that all statements in this variable support each other and provide consistent results, for the Company Reputation variable, the Cronbach's alpha value reaches 0.675, indicating that the indicators used to measure the company's reputation between employee engagement to the company and the welfare provided by the company are very strong. Overall, all variables in this study show a Cronbach's alpha value above 0.6, indicating that the research instrument is not only valid but also very reliable. These results provide confidence that the data obtained from this study can be relied on for further analysis and support data-based decision making in managerial and organizational contexts.

Table 4. R Square Test

Variable	R – Square	R - Square Adjusted
Company Reputation	0.604	0.603

Source: Data Processed by Researchers (2024)

Based on the results of the R Square test, the R Square value for the Company Reputation variable is 0.604, while the Adjusted R Square value is 0.603. This shows that as much as 60.4% of the variations that occur in Company Reputation can be explained by the independent variables in this research model. Meanwhile, the remaining 39.6% is influenced by other factors outside the model that are not included in this study.

The Adjusted R Square value which is slightly smaller than R Square indicates that adjustments are made to correct for possible bias due to the number of predictors in the model. With this value, it can be concluded that the model has a fairly good level of ability in explaining the dependent variable, although there is still room to explain other factors outside this study.

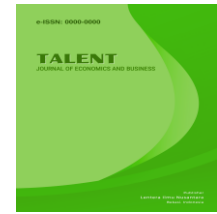
Table 5. Path Coefficients Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Employee Engagement - > Company Reputation	0.081	0.071	0.080	1,008,000	0.217
Employee Weel Being - > Company Reputation	0.601	0.585	0.075	11,475,000	0.000

Source: Data Processed by Researchers (2024)

Based on the results of the Path Coefficients Test, the relationship between the variables in this study shows that the effect of Employee Engagement (EE) on Employee Company Reputation (CR) is not statistically significant. This is indicated by the path





coefficient value of 0.081, t-statistic value of 1.00 (less than 1.96), and p-value of 0.21 (greater than 0.05). Thus, employee engagement does not have a significant effect on company reputation. On the other hand, the effect of Employee Well Being (EW) on Company Reputation (CR) is proven to be statistically significant, with a path coefficient value of 0.601, t-statistic value of 11.475 (greater than 1.96), and p-value of 0.000 (less than 0.05). Showing that Employee Well Being has a positive and significant effect on Company Reputation. Companies are advised to focus more on improving and supporting Employee Well Being in order to improve Company Reputation which can ultimately improve company development.

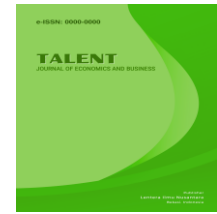
The results of this study refer to data from respondents who mostly work in cleaning service companies. As workers who face flexible and dynamic work demands, Employee Well Being turns out to be a more dominant factor in supporting Company Reputation than Employee Engagement. Respondents may feel that the welfare provided by the company will increase trust in all employees to be bound and maintain the company's good name.

Research by Jonathan (2023) highlights that although employee well-being and employee engagement do not always have a direct effect on individual performance, both still play an important role in creating the overall reputation of the company. In this study, work experience as a moderator shows that when employees feel engaged and well-being, they are more likely to recommend the company to others, improving the company's image in the market. This study emphasizes the importance of human resource management strategies that focus on improving employee well-being to support the company's reputation.

Research by Dewi and Wardhani (2024) shows that workplace well-being has a significant positive effect on employee engagement. In this study, it was found that employees who feel well-being at work tend to be more involved in organizational activities, which in turn improves the company's performance and reputation. The results of the analysis using Structural Equation Modeling (SEM) confirm that improving employee well-being can increase their level of engagement, which is very important for creating a positive image of the company in the eyes of the public.

Research by Anitha (2014) emphasizes that employee engagement is not only influenced by well-being, but also by factors such as leadership and organizational culture. In this context, a supportive organizational culture and effective leadership can increase employee engagement, which has a direct impact on their performance. Employees who have high levels of engagement tend to show greater commitment to the company's goals, which contributes to the company's positive reputation. This study highlights the importance of a holistic approach in managing human resources to achieve a good corporate reputation through increased employee engagement and well-being.

Research by Wustari and Mangunwijaya (2010) shows that there is a significant positive relationship between workplace well-being and employee engagement, where increasing employee well-being contributes to increasing their involvement in work. This study reveals that employee engagement not only increases individual productivity but also plays a role in forming a positive image of the company in the eyes of the public. With employees who feel engaged and well-off, the company can strengthen its reputation, which in turn can attract more customers and top talent to the organization.



Research by Eqien (2021) confirms that employee engagement has a positive influence on employee performance, which also has implications for the company's reputation. The results of this study indicate that engaged employees tend to have higher levels of job satisfaction, which has a direct impact on their performance. When employees feel satisfied and engaged, they are more likely to recommend the company to others, thereby improving the company's image and reputation in the market. Therefore, companies that focus on developing employee engagement and well-being will benefit from a better reputation and competitive advantage in their industry.

## Conclusion

Practically, the results of this research provide recommendations for service companies to prioritize policies that support employee welfare, such as health insurance, rewards, incentives, career paths, and work-life balance programs. This is expected to increase workforce agility in responding to changing customer needs. Theoretically, this study contributes to the literature on factors influencing Corporate Reputation, especially in the service sector, by emphasizing the significant role of Employee Well-being compared to Employee Engagement. There are several limitations in this research, only examining the influence of employee engagement and employee well-being on company reputation, without considering other factors such as leadership style, marketing strategy and customer satisfaction which can also influence reputation. Further research is recommended to explore other aspects that can influence Company Reputation, such as Leadership Models and Operational Excellence.

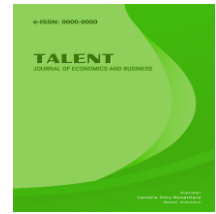
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