EXPLORING EMPLOYEE ENGAGEMENT CAN OCCUPATIONAL HEALTH SAFETY MODERATES EMPLOYEE LOYALTY?

Luki Setiawan Suardi1, Pauline Laya Agustin2, Renando Meiko3, Anita Maharani4

1,2,3,4 Binus Business School, Bina Nusantara University, Indonesia
4 anita.maharani@binus.edu

ABSTRACT

This study wants to show the dynamics that drive employee loyalty. This study raises perceptions of organizational support, perceptions of supervisor support, organizational culture, employee involvement and tries to test occupational health safety as a moderator between employee loyalty and employee involvement. The primary literature used to support this study is employee loyalty, with other concepts. This research method refers to a quantitative approach, and because of the interaction of many factors, data processing uses a structural equation modelling approach to make decisions regarding the proposed hypothesis, referring to p values. The results showed that perceived occupational health could not moderate employee loyalty and employee engagement but affected employee loyalty

Keywords: Employee, Engagement, Loyalty, Perceptions, Exploration

I. INTRODUCTION

Employee loyalty, to many years has made researchers interested in exploring to factors influencing it. We believe perceived organization support, perceived supervisor support, employee engagement, organizational culture will influence employee loyalty, and all of these factors will first pass-through employee engagement. As research shows perceived organizational support positively correlate with employee engagement (Dai and Qin, 2016). The level of interaction quality between employees and supervisor can impact the level of employee engagement, as Jose and Mampily (2015) demonstrates that the perceived supervisor support (PSS) as an antecedent of employee engagement. Organizational culture has relationships with employee engagement, that can be explained through Social Exchange Theory, where socially, a person's behavior toward organization is a result of an exchange process, Brenyah and Obuobisa-Darko (2017) mentioned when employees able to feel the feeling of good relationships between members in an organization, then employees will tend to dedicate themselves and work with vigour. While on top of it, employee engagement will lead to employee loyalty, as it will lead to strong impact (Niranjan and Thomas, 2018).

There are three objectives of this study 1) assessing the effect of POS, PSS and corporate culture on employee engagement in facing the new normal, 2) assessing Employee Engagement as having an effect on employee loyalty as long as the new normal is enforced in the company, 3) assessing Occupational Safety as an employee moderator engagement on employee loyalty.

Fisher, Schoenfeldt, and Shaw (2006) said that the human resource (HR) factor and how the organization manages it are the most potential factors for organizations. The importance of the existence of HR encourages organizations to pay special attention to HR management. Holland, Sheehan and De Cieri (2007) say that the need for human resources is increasing so that the argument that efforts to attract attention and retain employees is important to consider. Various studies have shown that satisfied employees to the organization tend to show higher commitment (Moynihan, Boswell & Boudreau, 2000; Warsi, Fatima and Sahibzada, 2009; Asikgil, 2011; Samad, 2011; Gharakhani & Eslami, 2012).

Perception of organizational support is a form of employee trust that the organization meets its socio-emotional needs (; Settoon, Bennet, & Liden, 1996, Eisenberger, Huntington, Hutchison, Sowa, 1986; Krishan & Mary, 2012). The sense of belonging to the organization will be higher if they consider the organization to provide
support to them, which is shown by their willingness to work hard (Dai and Qin, 2016). Employees who have an emotional attachment to the organization, because of the high level of perceived organizational support, will have physical and emotional access to the resources needed to complete their challenging work. In relation to work engagement, Kinnunen et al. (2018) stated that the perceptions of organizational support and the three dimensions of engagement, namely vigor, dedication, and absorption have positive relationship.

Companies nowadays must implement policies to prevent transmission of COVID19 in the workplace or new normal (ILO, 2020; p9-23), and it is necessary to examine the impact of Health and safety organizational commitment in every aspect of health and safety (Steenkamp & Van Schoor, 2002) which moderates the relationship between Employee Engagement and Employee loyalty. Especially during the current large-scale crisis, McKinsey & Company (2020) states that the focus of employees is related to family survival and meeting existing basic needs, concerns about the future, and what will happen next. Therefore, the problem posed by researchers is to see the effect of employee loyalty through employee engagement in the face of a new normal or adaptation of new circumstances which will be moderated by organizational commitment in every aspect of health and safety, besides that it will make the variables of PSS, POS, and corporate culture as factors that influence the employee engagement, and in the end see the effect of employee engagement on employee loyalty.

II. LITERATURE REVIEW

Engagement or involvement has been a topic of discussion for a long time in the scientific field. Companies that have employees who have high involvement will encourage the company to have a competitive advantage (Macey and Schneider, 2008). Kahn (1990; 694) states engagement as “the use of organizational members for their roles in their work; in engagement, people use and express themselves physically, cognitively, and emotionally ”. Engagement is two-way, both in terms of organization and the efforts of employees (Robinson et al., 2004; p4), and is created when employees are psychologically present at work, requiring an employee mindset that is fit, dedicated and absorbed (Schaufeli and Bakker, 2004; p74), is committed to the company emotionally and thoughtfully (Richman, 2006) and requires cognitive attention and full involvement in work (Rothbard, 2001; p656). The engagement perspective is seen from various elements that affect the level of employee engagement with the company, including by paying attention to work (Kahn, 1990; p693), appreciation (Barreiro and Treglown, 2018; p6) perceptions of organizational support and perceptions of superiors' support (Saks, 2005; p613 ), as well as psychological capital of well-being (Youseff and Luthans, 2001; p351). In terms of engagement, several previous studies have revealed the relationship between engagement and perceived supervisory support (Saks, 2006). Maslach et al (2001) stated that the loss of superiors' support causes work fatigue and reduces engagement rates. For employees, supervisors support who make engaged employees include motivating, providing feedback and applying the principle of fairness in giving (Cheng et al, 2003). Therefore perceived supervisor support will positively influence employee engagement.

Perceived supervisor support (PSS) is the extent to which employees understand that their superiors recognize contributions, care about their well-being and extend assistance (Eisenberger et al., 2002; Cole, Bruch, & Vogel, 2006). Supervisor support specifically refers to the assistance provided to employees in completing their work (Bakker, 2011), which can be manifested in 3 forms (Shuck, 2011), including material support (budget, work equipment, resources), informative support (bafl feedback and guidance at work) and emotional support (acceptance, caring, and empathy).

PSS is specifically focused on how superiors provide support as representatives of the company, in the form of superior subordinate interactions, which if positive will result in a high PSS level, and vice versa if the interaction is considered negative, will reduce the PSS level (Cole et al., 2006). As the company representative closest to the employees, the direct supervisor has the ability to communicate all information or actions taken by the company, so that the boss can help employees to generate a positive perspective on the company (Levinson, 1965, in Jose & Mampilly, 2015). Several research results indicate that superiors' support affects job satisfaction and employee commitment to the organization, which in turn can reduce the tendency of employees to leave the company (Muhammad & Hamdy, 2005). PSS together with psychological empowerment also has a positive effect on employee engagement (Jose and Mampilly, 2015).

Employees' perceptions of their relationship quality with supervisor defines the supervisor support (Stinglhamber & Vandenberghe, 2003); and this shows to what extent to which employees understand how their supervisors are concerned with their personal problems and well-being (Hsu, 2011). Experts have confirmed that the support of

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supervisor drives positive attitudes amongst employees about their organization (Eisenberger, Stinglhamber, Vandenbergh, Sucharski, & Rhoades, 2002). In addition, the role of supervisor support is very important in maintaining work morale and psychological well-being of employees during a work crisis (Cole, Bruch, & Vogel, 2006), and this also supported by the study of Cole et al. (2006) in the health technology company, found that supervisor contribute in reducing employee cynicism primarily during crises.

It is also evidenced that supervisor plays pivotal role in minimizing the perceived ambiguity and emotional distraction amongst employees during uncertainty and crisis in the organization, demonstrated by establishing social support, that will shield employees from negative effect of stressful events by influencing what behaviours and actions they have to show (Shumaker & Brownell, 1984). This social support refers to the provision of social networks of physical, technical and psychological capital to help increasing capacity and capability of the employees to cope with stress (Amason et al., 1999).

**H1: Perceived supervisor support will positively influence employee engagement**

Perceived organizational support (POS) or company support is defined as a belief that employees have about the company's concern for employee welfare, and the support and appreciation that the company provides for employee contributions to the company (Krishnan & Mary, 2012; Rhoades and Eisenberger, 2002). Perceived organizational support is a subjective perception of the overall attitude and expectations of the organization's members and the recognition of their personal value and contribution to the organization.

POS is taken from the theory of organizational support / Organization Support Theory (Eisenberger, Huntington, Hutchison, & Sowa, 1986), which uses social exchange theory as a basis for explaining the relationship between employees and employers. This theory also explains that the perception of the support that is obtained depends on the way employees perceive the company, where the company is personified like a human being, so that the way they treat employees shows whether they like or dislike these employees individually. Several things, such as rewards from organizations, fairness, and working conditions, are believed to be several factors that influence employee perceptions of organizational support (Baran, Shanock, & Miller, 2012). In addition to the work environment, companies combine several ways to reward and provide good working conditions, which include wages, promotions, rewards, security, work autonomy, training and development, and rules made to balance work and family (Rhoades & Eisenberger, 2002).

A positive relationship was found between POS and employee commitment to the organization (Rhoades & Eisenberger, 2002), where there is a reciprocal relationship between POS and commitment to the company. Employees participate more to achieve company goals if they have a high POS (Wayne, Shore, Bommer and Tetrick, 2002). Whereas Saks (2006) states that POS predicts job and organization engagement, because POS can meet employees' socio-emotional needs, ensure assistance when needed, and increase expectations for rewarding performance achievements, POS contributes to employee satisfaction with their work (Rhoades & Eisenberger, 2002). Increased perceptions of organizational support can increase employee commitment to the company, job satisfaction, performance, and the tendency to stay with the company, and on the other hand can reduce pressure from work and the desire to quit the company (Baranik, Roling and Eby, 2010).

This suggests that employees understand that the organization recognize their contribution and take care of their welfare and wellbeing, so that more likely they feel obliged to return to their organization, giving their efforts to fulfil their obligations by making them more engaged with the organization. POS has a positive impact on employee job engagement because it strengthens the intrinsic interest among them for the task. First, POS encourages their employees' confidence that they will receive emotional or material support when they need it from the organization. Second, POS fulfills employee socio-emotional needs such as affiliation and personal needs. Third, POS is believed to recognize and reward performing employees. Fourth, it can increase employees intrinsic to their duties by enhancing self-development. According to a study by Ali et al (2018), employees are involved in their work when they feel their organization is providing support to them.

**H2: Perceived organizational support will positively influence employee engagement**

Research on employee engagement is carried out in a normal business atmosphere (Saks, 2006), in a restructuring or post-recession (Tiwari and Lenka, 2016), and limited research has focused on employee engagement associated with employee loyalty in the face of new normal or adaptation. new circumstances. Various policies are implemented by companies in order to adapt to new conditions at work (Cirrincione, et. Al. 2020; p7),
including the application of physical distancing restrictions (Lewnard and Lo, 2020), as well as ILO guidelines for managing psychosocial risks in the workplace (ILO, 2020; p9-23) Furthermore, Tan, et.al (2020; p84-86) stated the impact of the policy to return to work which has a psychological impact in the form of post-traumatic stress disorder. For this reason, a study is needed on how the new normal or how to adapt employees to an outbreak that requires employees to comply with health protocols, while traveling, in the office or returning home, it is necessary to study the level of engagement and employee loyalty.

Kotter and Hattler (1992) state that organizational culture affects employee engagement and the result is increased productivity. A corporate culture that encourages engagement not only makes employees carry out their duties, but also creates a high sense of belonging to do more for the company. Barkman, Sheridan and Petters (2002) stated that employees who are committed and bound to the company are influenced by the harmony between organizational culture and personal values, and the tendency of employees to leave the company because their culture is not obeyed and carried out by their employees Schein (2001). Corporate culture has also been studied to moderate engagement, such as the relationship with business performance (Tripathi and Tripathi, 2009), and with peace of mind, empowerment and leadership (Yildirim and Karabey, 2016). Sheridan (2002) revealed that in a public accounting firm in Pakistan, the company keep their employees loyal and engaged, not only because of their attractive rewards but because the organizational culture matches the personal values of the employees. Furthermore, Schein (2001) determined that when organizational culture is not valued by its members, employees develop a high tendency to quit rather than stay. Allen (2010) in the Person-Environment (P-E) Fit Model stipulates that organizations that develop a culture that is in accordance with the values of their members can maintain and engage a higher percentage of their key employees.

However, occupational Health and safety, a multidisciplinary concept, is aiming at regulating, communicating and promoting safety, health and well-being of people at work (Bhagawati B, 2015). According to (Amponsah-Tawiah and Dartry-Baa, 2011), the scope of occupational health and safety includes the emotional, physical and psychological well-being of employees that shape their work behaviors which in return will positively impact on the achievement of organizational objectives and avoiding injuries and fatality that comes from occupation and work. Available data reveal staggering and very high rates of work-related deaths and injuries in both developed and developing countries.

Robinson, Perryman, and Hayday (2004) stated that the strongest driving factor for employee engagement is a feeling of value and being involved. Furthermore, the emergence of this feeling of value can be through the extent to which the organization is concerned about the health and welfare of employees. The experience of injuries and accidents at work has a significant impact on the level of employee engagement. These findings indicate the importance of occupational accident prevention measures as well as the need for health and safety policies, practices and education in an organizational environment and one of the strategies that organizations can implement is to promote occupational health and safety programs or what is known as K3. The implementation of the K3 program within the organization is one of the strategies for the organization in an effort to increase employee engagement. The principles of implementing a safe and healthy work situation, procedure and climate can provide a sense of security to workers in facing health and safety hazards in the world of work (Zivkovic et al, 2015). Health hazard is a form of hazard to health including biological hazard (Djalante, Shaw and DeWitt, 2020), while safety hazard exposes employees to work safety (Zivkovic, et al, 2015).

The existence of risks from occupational health hazards, occupational safety and other types of hazards affects the creation of a dangerous workplace which results in a decrease in the level of health (Danna and Griffith, 1999) and the level of engagement (Jose and Mampil, 2015). Organizational commitment plays an important role in every aspect of health and safety (Steenkamp & Van Schoor, 2002). Organizational commitment to safety will be seen from the extent to which organizational management shows a positive attitude and supports the safety of their employees (Hsu et al., 2007) because employee productivity is highly dependent on the degree to which employees feel safe and secure to work (Tong, Rasiah, Tong, and Lai, 2015), if employees feel healthy and safe at work, then employees will invest their ability and potential to work which has a positive impact on the achievement of organizational goals (Cole, 2002).

With the change from work, as well as policies to prevent the transmission of COVID19 in the workplace (ILO, 2020; p9-23), it is necessary to examine the impact on organizational commitment to play an important role in every aspect of health and safety (Steenkamp & Van Schoor, 2002). The role of POS on employee engagement is partially carried out by Julita and Andriani, 2017 which shows a correlation between perceived organizational

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support and employee engagement. If POS is positive, it will be indicated by employees working committed to goals and will make decisions to correct if necessary (Mujiaisih 2015). Several studies conducted related to superiors' support for employees show that the influence of PSS on POS, employee performance, and retention is positively shown (Shanock & Eisenberger, 2006). Organizational culture encourages engagement not only to let employees carry out their duties, but also creates a high sense of belonging to do more for the company. Barkman, Sheridan and Petters (2002) stated that employees who are committed and bound to the company are influenced by the synergy between employee own values and organizational culture, and the tendency of employees to leave the company because the culture is not obeyed and carried out by their employees (Schein, 2001).

**H3: Organizational culture will positively influence employee engagement**

**H4: Occupational health and safety will positively influence employee loyalty**

**H5: Occupational health and safety will moderates relationships between employee engagement and employee loyalty**

According to Ineson et al. (2013), there are several antecedents of employee loyalty, such as employee commitment, personal satisfaction, work environment, social benefits and monetary rewards. Furthermore, Lee et al. (2017), Longo and Mura (2011) and Bhattacharya (2015) state that employees will remain in the company if they are satisfied with their work. Employee loyalty can be measured by using several things, including (1) wanting to do more work than the organization expected to ensure organizational success (2) wanting to make the company its own career (3) caring about the organization, (4) wanting to stay in the organization ( Jun et al., 2006).

Employee loyalty is also related to Employee Engagement (Milliman et al., 2018, Karatepe and Ngeche, 2012, De Simone et al., 2018, Salmela-Aro and Upadyaya, 2018). Milliman et al. (2018)) state that employee engagement has a relationship with the work done. When an employee is involved with his job at the company, he will have a better job attachment, while the job attachment is related to employee loyalty. In addition, Shahpouri et al. (2016) found that job involvement has a significant effect on intention to move. Meanwhile, turn over tends to be related to employee loyalty. Therefore, we believe that Employee Engagement has a direct impact on Employee Loyalty.

**H6: Employee engagement will positively influence employee loyalty**

Our proposed model illustrate as follow.

![Proposed Model](https://forms.gle/WQcBmr4dpfDVbZBE7)

**Figure 1. Proposed Model**

### III. METHOD

The object of this research is companies that have practiced regulations and policies to encourage employee loyalty and employee engagement, with the unit of analysis being individuals. This research data collection method is through the distribution of surveys and is cross-sectional (Sugiyono, 2017), carried out within a certain time, and not at different times to be compared. The data collection technique was undertaken by distributing survey instruments electronically through the link https://forms.gle/WQcBmr4dpfDVbZBE7.
The sample was determined using the "random sampling" method. The number of samples is determined by the Hair formula. According to Hair, Jr et.al (2010: 149) that if the sample size is too large, then the method becomes very sensitive so that it is difficult to get good goodness-of-fit measures. So it is suggested that the minimum sample size is 5-10 observations for each parameter estimated. In this study, the target sample size was 120 people (with the number of indicators 24 times 5).

All of these statements will use a closed-question approach. The survey will contain questions on a Likert scale, namely 1 - strongly disagree to 5 - strongly agree. The elements of this research survey consisted of occupational health and safety (OHS), perceived organizational support (PSS) and perceptions of superiors' support (POS) and finally corporate culture (OC), these four variables were elements of research that would be tested for their effect on employee engagement (Saks, 2006, Aggarwall-Gupta et al., 2010, and Panaccio and Vanderbergh, 2008). The next one looks at the effect of employee engagement (EE) on employee loyalty (EL) (Husain, 2012).

Data collection was carried out for 10 days with the aim of getting an adequate response-rate. The time span for collecting data through a survey is a one-time period, which is a situation in which employees face the new normal or adapt to new habits in the organization.

The research hypothesis testing was carried out using the Structural Equation Model (SEM) approach based on Partial Least Square (PLS). PLS is a component or variant based structural equation model (SEM). SEM is a technique of multivariate analysis that combines factor and regression (correlation) analysis, aiming at evaluating relationship between variables in a model, both indicators and constructs, or relationship between constructs. The analysis technique with PLS that will be used uses 2 stages: the first stage is a measurement model test (validity and reliability test) and the second stage is a structural model test (a test for the influence of variables).

IV. RESULTS AND DISCUSSION

During the 10 days of data distribution conducted from January 27, 2021 to February 6, 2021 to targeted individuals working in a financial focused company, we received 244 responses, which means that it exceeds the specified sample target. All incoming data is then checked on the status of filling, and all data entered is declared complete and then we can continue it for the purposes of this research. As an illustration, the profile of the respondents in our research survey is as shown in Table 1 below.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Group</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>118</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>126</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>244</td>
</tr>
<tr>
<td>Age</td>
<td>20 - 24 (years)</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>25 - 29</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>30 - 34</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>35 - 39</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>&gt; 40</td>
<td>75</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>244</td>
</tr>
<tr>
<td>Marital status</td>
<td>Married</td>
<td>165</td>
</tr>
<tr>
<td></td>
<td>Single</td>
<td>79</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>244</td>
</tr>
</tbody>
</table>

From the table above, we draw a summary that the respondents who are mostly aged 25 years and over, and the majority are married, while gender does not have a large amount of distance so that the results of this study reflect the views of both women and men.
After the description of the respondents above, we check and estimate the loadings of each measurement item, through a procedure called the PLS Algorithm. From the results of these checks, the data display we get is as follows:

Table 2. Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.908</td>
<td>0.918</td>
<td>0.925</td>
<td>0.579</td>
</tr>
<tr>
<td>Employee Loyalty</td>
<td>0.872</td>
<td>0.880</td>
<td>0.907</td>
<td>0.662</td>
</tr>
<tr>
<td>Occupational Health and Safety</td>
<td>0.851</td>
<td>0.861</td>
<td>0.893</td>
<td>0.627</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.924</td>
<td>0.925</td>
<td>0.936</td>
<td>0.596</td>
</tr>
<tr>
<td>Perceived Support</td>
<td>0.826</td>
<td>0.844</td>
<td>0.877</td>
<td>0.590</td>
</tr>
<tr>
<td>Occupational Support</td>
<td>0.826</td>
<td>0.855</td>
<td>0.881</td>
<td>0.650</td>
</tr>
</tbody>
</table>

From the table above, it can be seen, at a glance that all items can be declared reliable based on the results of composite reliability (accepted if > 0.6) for internal consistency, and AVE (accepted if > 0.5) for convergent validity, and Cronbach Alpha (accepted if > 0.7). Furthermore, after it is known that the variables are declared reliable, further convincing the discriminant validity, we see the results obtained from the Fornell Larcker Criterion, as follows

Table 3. Discriminant Validity

<table>
<thead>
<tr>
<th>Variable</th>
<th>Employee Engagement</th>
<th>Employee Loyalty</th>
<th>Occupational Health and Safety</th>
<th>Organizational Culture</th>
<th>Perceived Organizational Support</th>
<th>Perceived Supervisor Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Loyalty</td>
<td>0.742</td>
<td>0.814</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational Health and Safety</td>
<td>0.509</td>
<td>0.457</td>
<td>0.792</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.614</td>
<td>0.642</td>
<td>0.496</td>
<td>0.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Support</td>
<td>0.504</td>
<td>0.549</td>
<td>0.468</td>
<td>0.589</td>
<td>0.768</td>
<td></td>
</tr>
<tr>
<td>Perceived Supervisor Support</td>
<td>0.507</td>
<td>0.519</td>
<td>0.381</td>
<td>0.459</td>
<td>0.710</td>
<td>0.806</td>
</tr>
</tbody>
</table>

Based on table 3 above, the assumption that all discriminant validities are supported is that all AVEs must be greater than the correlation between latent variables.

Table 4. R$^2$ Endogenous Latent Variable

<table>
<thead>
<tr>
<th>R Square</th>
<th>R Adjusted Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Loyalty</td>
<td>0.624</td>
</tr>
</tbody>
</table>

Coefficient determination (R-Square) is used to measure how much the endogenous variable is influenced by other variables. Chin et. al. (2008) stated that if in the structural model the result R square of the endogenous latent variables is 0.67 and above, the impact of exogenous variables in influencing the endogenous variables is in the good category. And if the R square result is in the range of 0.33-0.67 called medium category, and if it is below 0.33 is called weak category. Based on the table below, the R-Square value shows a value of 0.671, which is included in the good category.
Based on the data processing that has been done, the results can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be stated as accepted if the P-Values value <0.05. Below are the results of hypothesis testing obtained in this study through the inner model:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H6</td>
<td>EE -&gt; EL</td>
<td>0.694</td>
<td>0.694</td>
<td>15.273</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>Moderating effect 1 -&gt; EL</td>
<td>0.044</td>
<td>0.044</td>
<td>1.117</td>
<td>0.264</td>
<td>Not supported</td>
</tr>
<tr>
<td>H4</td>
<td>OHS -&gt; EL</td>
<td>0.117</td>
<td>0.121</td>
<td>2.065</td>
<td>0.039</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>OC -&gt; EE</td>
<td>0.468</td>
<td>0.459</td>
<td>5.737</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>POS -&gt; EE</td>
<td>0.040</td>
<td>0.053</td>
<td>0.440</td>
<td>0.660</td>
<td>Not supported</td>
</tr>
<tr>
<td>H1</td>
<td>PSS -&gt; EE</td>
<td>0.268</td>
<td>0.270</td>
<td>3.650</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Based on the data above, it can be seen that of the 6 hypotheses proposed in this study, four hypotheses are accepted because each of the effects shown has a P-Values value <0.05. So it can be stated that the independent variable to the dependent variable has a significant effect, but for the two hypotheses above are not supported, namely hypothesis 2 and hypothesis 5, because the P-Values value> 0.05. In addition, the original sample are positive, where it can be said that every test variable has a positive effect. Where the largest original sample value is the relationship between Employee Engagement and Employee Loyalty of 0.694 and the smallest is the relationship between POS and Employee Loyalty of 0.040.

**Figure 2.** Outer Model with OHS as a moderating

To be able to analyze more deeply related to OHS, the researcher also compared the Outer Model when OHS was not used as a moderation for employee loyalty, the model is as follows:
Figure 3. Outer Model without OHS as a moderating

From the two models above, when compared to OHS as moderation and without moderation, it can be seen that OHS with moderation shows an increase in RSquare, from 0.557 to 0.559 (an increase of 0.002). Where it can be interpreted that the influence of OHS is moderating on employee engagement and employee loyalty, but not significant.

V. DISCUSSION

The COVID19 pandemic, which has been ongoing since early 2020, has prompted the central and local governments in Indonesia to issue regulations to prevent the transmission of the virus. The Ministry of Health of the Republic of Indonesia (2020) regulates that for certain areas Social Restrictions can be set which limit the movement of people in those areas. As a result, at the company level, procedures for working from home, reducing workers’ time, using personal protective equipment, maintaining physical distance and preparing personal hygiene kits (ILO, 2020). The response in facing the new normal in several countries that have experienced the SARS virus outbreak such as Singapore, Taiwan and Vietnam have provided guidance for local governments to deal with this latest virus outbreak by managing risk and handling disasters (Djalante, Shaw and DeWitt, 2020).

In the new normal, adaptive culture becomes a necessity. The assertiveness of senior management in the organization is needed to develop and implement a sustainable and sustainable business plan in the midst of an economic recession. The transformation of a more flexible and controlled work culture is one indicator of successful organizational adaptation. The paradigm shift from work from office to work from home, to work from everywhere must be well adapted. Changes in mindset to strengthening digital platforms that facilitate communication during crisis situations. Thus it is clear that organizational transition is closely related to technology infrastructure, and vice versa.

Employee loyalty has been widely recognized as an influencing factor to the engagement (Ibrahim and Al Falasi, 2014), the more loyal employees to an organization, the more they are involved (Lockwood, 2007). Employee loyalty has also been evidenced to give impact to job satisfaction, aligning employees behaviours to the organization, organizational objectives, productivity and quality, capability and competency, and motivation to work (Khodakarami, 2019; Kot-Radojewska and Timenko, 2018). Furthermore, Graham and Keeley (1992) revealed that employee loyalty reduce staff turnover because it minimizes dissatisfaction even when opportunity to work in a more attractive alternative appears. Therefore, loyalty implies an attachment that binds individuals to an organization.

Employee Loyalty can be seen from the form of employee engagement through employee satisfaction. Hussain (2012) found a relationship between working conditions, rewards and recognition with loyalty, as used in Gallup survey and in many of the measured literature of employee engagement. Jones, Ni, and Wilson (2009) also revealed on how absenteeism and turnover, which is another typical variable used to measure loyalty, are
impacted by employee engagement. Ineson and Berechet (2011), in the hotel industry, consider development of career and employees as factor for predicting loyalty and almost all studies on employee engagement make it a driving factor of how employees are engaged in the organization. The IRS survey from 2004 found the keys to job satisfaction and drivers of commitment includes the relationships between employees and with supervisors, peers, the quality of direct supervisor, recognition of employee contributions, and the presence of leadership and trust. Several similar influences were found to be drivers of engagement. This is align also with Hewitt employee engagement model of twenty-one for employee engagement, generally categorized into total rewards, motivation to work, people, work procedures, work-life balance quality with a balance of organizational values and career development.

In this study, the two variables studied were employee engagement and employee loyalty. Kahn's earliest definition of employee engagement was given as, "self-utilization of organizational members for their job roles; in engagement, people use and express themselves physically, cognitively, and emotionally during the role play." For this study employee engagement will be viewed from a perspective socio-economic theory and thus employee engagement are “distinct and unique constructs consisting of cognitive, emotional, and behavioral components related to individual role performance” Saks (2006). However loyalty has not been much research done on this subject. There are various perspectives for it such as Hart and Thompson's (2007) psychological contract and Meyer and Allen's (1997) organizational commitment and 15 other approaches. Coughlan (2005) which study the loyalty from the moral value-based element, moving beyond the definition of loyalty as the commitment of employees to the organization and considers normative commitment, attitudes and applied loyalty. Attitude-based loyalty is "the feeling of employee loyalty towards peers and the construct of group morality" and Loyalty that is applied is "The application of moral principles in cases of issues in workplace." For that reason, we see the development of today's rapidly changing organizational forms, Studies on employee engagement are still relevant, especially in relation to employee loyalty.

Employee Engagement is able to strengthen the loyalty of human resources in the company, thereby reducing the desire to leave the company voluntarily. Company management needs to pay attention and provide special treatment to maintain loyalty and protect it while working at the company in the new normal period. The government has recently stipulated the New Normal rule or the adaptation of new habits to return to activities as before with new regulations. This WFH policy causes the company to prepare technological means in order to increase employee loyalty to management. Technology that provides services to employees to make work easier. Examples of virtual face-to-face application platforms such as Zoom Meeting, Skype, Facetime, etc. which can be used everyday to facilitate meetings and communicate, as well as discuss the progress of the company's operationalization.

From the results of hypothesis testing, it is known that the P-Values that shape the influence of Organizational Culture on Employee Engagement is 0.000 plus a positive T-Statistics value, so that Organizational Culture has a positive effect on Employee Engagement. Organizational culture is a social order that is inherently formed in the organization, forming broad and lasting attitudes and behaviors (Groysberg et al, 2018), and only changes if the organization changes and takes a long time. Shehri et al (2017) stated that there is a relationship between corporate culture and employee attachment to the organization, in particular the elements include competency development, motivation, fairness, diversity and psychological conditions at work. From the results of the data processing carried out, the researcher found that organizational culture affects employee engagement. In particular, the results of the study show that the formative indicators of self-development culture, innovation, and organizational dynamics form an influence on organizational culture variables.

A healthy workplace is one of the factors that encourage loyalty to the company, because the company provides a workplace that encourages the avoidance of work accidents and work-related illness both psychologically and physically. Grawitch et al (2006) stated that companies that provide a healthy workplace promote welfare and increase organizational capacity, one of which is to reduce the rate of work accidents. Researchers in this study revealed that the relationship between OHS and loyalty to the company was shown by respondents, but if OHS is used as a moderating factor in the relationship between employee engagement and employee loyalty, even though there is a relationship, the effect is less supportive. According to this research model, employees who are tied to the company will not be loyal because of a healthy workplace. No research has been found related to OHS as a moderation between employee engagement and employee loyalty, but according to Danna and Griffin (1999), Amponsah and Tawiah (2016) and Karimikonda (2017) state that OHS can predict loyalty.

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Banking and insurance, as the financial services industry, do not apply strict rules regarding safety and health at work because the physical environment does not contain physical hazards. Employees who have engaged, represented by respondents in this study, do not really care about this variable to increase their loyalty to the company because of the different characteristics of the financial services industry. The effect of occupational health through the application of disease prevention protocols on wellbeing has been described in previous studies, as the impact of the epidemic on mental health has emerged (Bavel, 2020 and Yang, et al, 2020). During the outbreak, anxiety about headlines, sensationalism and confusion have increased (Ayittey et al, 2020), the percentage of people who are worried about contracting is positively correlated with the number of people hospitalized, as well as news about the development of the outbreak by the government. (Rubin, Potts and Michie, 2010). Anxiety has also been observed to increase due to the decreasing economic impact of economic activity restrictions and social restrictions, and due to a lack of supply of personal protective equipment (Cao et al, 2020), or the mediating effect of rumination and viral transmission anxiety, on intolerance of uncertainty to wellbeing (Satici, 2020).

In previous research, perceived organizational support (POS) showed relationship with employee engagement positively (Dai and Qin, 2016). POS is manifested by the organization and felt by employees not only through relationships and formal instructional support, but also in the form of emotional support. Instructional relationships are carried out in forms such as job descriptions, standard operating procedures and work instructions, while emotional relationships are in the form of values and culture that support the attainment of organizational goals. The results of this study indicate that although there is a relationship between POS and employee engagement, it is not significant.

The financial services industry which is the focus of this study has binding rules from the Financial Services Authority, which causes the independence of employees in carrying out their duties required to comply with these rules. Profile of respondents, most of whom are in the mid-career productive age and marital status. Most of them are married, indicating an established and independent profile. With the profile of respondents and job demands that demand independence, there is no need for organizational support in the form of emotions to employees in encouraging employee engagement.

Supervisors play an important role in ensuring interactions with their subordinates, so that they feel involved and valued at work by providing the freedom and assistance needed to work. This can be revealed in this study, which shows a positive relationship between the perceived assistance of supervisors and employee engagement, especially in obtaining freedom in making decisions, contributing and developing, and getting appreciation for their contribution. With this role, supervisors ensure that employees feel valued for their contributions, and ultimately feel obliged to pay back to their supervisors for what they receive in accordance with social exchange theory. Furthermore, this is reinforced by the observations of Aggarwal et al (2012) which states that the quality of social exchanges between employees and their supervisors affects and strengthens employee engagement.

In the financial services industry where all of the respondents in this study came from, perceived superior support is an important factor in employee engagement. This knowledge-based industry provides opportunities for employees to be independent and contribute to the company. Most of the respondents aged 20-40 in this industry during career building require the importance of supervisor support in providing flexibility in work, independence in carrying out tasks and making decisions to increase employee engagement. Employees who are bound will look for challenging jobs and make them develop, this is revealed in research in banking by Shehri et al (2017).

VI. CONCLUSION AND IMPLICATIONS

Based on the research conducted, in the context of new normal, variables Perceived Supervisory Support and Organizational Culture have a positive influence on employee engagement, but for the variable Perceived Organizational Support do not support the relation employee engagement significantly. The industry selected in this study and profile of respondents that are independent to work explains this result. Besides, the relationship between employee engagement and employee loyalty is positively evidenced, where the Employee Engagement is able to strengthen the loyalty of employees, thereby reducing the desire to leave the company voluntarily.

The last variable used as research is testing the Occupational Health and Safety variable that moderate the relationship between Employee engagement and Employee Loyalty. Although there’s positive impact of OHS to
employee loyalty, this study reveals that there is not enough evidence to show the moderation effect of OHS into the relationship between Employee Engagement and Employee Loyalty. Employees in Financial sector who are engaged will also be able to stay loyal to company and this relation remains unchanged with the implementation of Occupational Health and Safety. This condition is explained in two folds, firstly the respondents’ profile that is independent, and Physical Health Hazard is not too high in this industry sector and OHS policies and practices are not imposed more diligently compared to other sector.

For further study, researchers encourage this model can be implemented in other sector which have more focus on health and safety in workplace to see the effect of OHS to moderate the relations between Employee Engagement and Employee Loyalty in the new normal setting.

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