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Elisa Tjondro, Agnes Ayu Permata

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Women and Its Job Opportunity in Hotel Industry in Bali

Ni Made Ary Widiastini, Made Aristia Prayudi, Nyoman Dini Andiani

This study aimed to find out the opportunities of women graduating from vocational high schools and collage to work in hotels. The respondents of the study were hotel human resources department staff whose duty was recruiting workers. The data collection was conducted by distributing questionnaires by...

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The Effect of Socialization, Training and Assistance Activities on Pokdarwis Satisfaction and Participation Levels in Managing Tourism Villages

Nyoman Dini Andiani, Ni Made Ary Widiastini, Made Aristia Prayudi

This study aims to study about an effect of dissemination activities, training, assistance on the level of satisfaction of members of the Sekumpul tourism awareness group in the village of Sekumpul, Sawan district, Buleleng regency, in receiving education provided, to develop the potential of the village...

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Family Entrepreneurship Development Model Based on Social Capital through Women Empowerment

I Gusti Ayu Purnamawati, Putu Riesty Masdiantini

The purpose of this study is to find out: (1) women empowerment before and after the design and implementation of a family capital-based family entrepreneurship model towards sustainable development goals; (2) Potential

of poor women in developing family entrepreneurship; (3) Opportunities poor women...

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The Relationships between Technology and User Satisfaction in Online Tax Filing: The Mediating Role of Confirmation of Expectation

Yenni Mangoting, Gabriella Whitney, Gladys Paramita Tjioewinata

This study investigates the relationship between the quality of the e-file system and user satisfaction. Building on the success of information systems (IS) and user satisfaction literature, this study adds confirmation of expectation as a mediating variable. This study collected the research data through...

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Juniarti, Pwee Leng

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Typology Taxpayers in Indonesia

Yenni Mangoting, Margaretha Liansyah, Sonia Febianti, Audley Nathanael

Taxpayers feel that tax is a cost that reduces their economic power and thus, taxpayers show resistance through tax evasion. Therefore, tax authorities in

Indonesia need to understand the behavior of taxpayers to anticipate their involvement in tax evasion. From this situation, this study aims to classify...

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Intergenerational Perception of Tax Audit and Voluntary Tax Compliance

Elisa Tjondro, Alvin Soegihono, Felix Fernando, Felix Wanandi

Each generation has different characteristics and viewpoints related to the perception of a tax audit. Therefore, tax audits not always useful as a scarecrow for taxpayers. The purpose of this study was to compare the perception of tax audits between three generations, Millennials, X, and Baby Boomers....

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Individual Tax Compliance: Trust versus Power

Retnaningtyas Widuri, Mellyana Jie, Angela Christie

The objective of this study regards with the issue that Indonesia is facing about tax revenue. Currently, Indonesia does not achieve the tax revenue target. Thus make the tax authority more focuses on tax payer compliance by encouraging voluntary compliance through increased trust to increase tax revenue....

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Tax Fraud Reporting: The Effect of Envious Motive and Financial Reward

Retnaningtyas Widuri, Illona Jevera, Janice Zerlinda

This research examines the influence of envious and financial reward on tax fraud reporting. The focus in this research is on the motivation of a tax payer in reporting other tax payer who committed tax fraud. This research use fully crossed between-subjects design in experimental studies. This research...

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Impact of Conflict of Interest on Accounting Policies Overview of Gender

I Putu Julianto, I Nyoman Putra Yasa, I Nyoman Suadnyana Pasek, Luh Putu Ekawati

This study aims to determine the impact of conflict of interest on accounting policies made by looking at gender factors. This type of research is a type of quantitative research by providing cases about conflicts of interest in accounting policies that are given and then further divided based on gender....

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Analysis of the Effect of The Commodification Sotis Woven Fabric on Hotel Occupancy Rates (Case Study on Local Hotel

Brand - Hotels Sotis Kupang)

Yolanda Patricia Thei, Apriana H. J. Fanggidae, Rolland E. Fanggidae

Commodification of Sotis woven fabric is a transformation of function (X1) from sacred to secular and private has become public. Woven cloth that used

to be only owned by certain groups and only used in traditional ceremonial / ritual activities, changes so that it can be owned by everyone and can be...

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Developing Traji Tourism Village in Temanggung, Indonesia through SWOT Analysis

Tusyanah, Fahrur Rozi, Fentya Dyah Rahmawati, Ashomatul Fadlilah, Noor Jannatun Naim

Traji Tourism Village (TTV) is a new tourism area which has potentials and it needs planning for future management. Tourism development is closely related with competitiveness and attractions of tourist destinations. Therefore; identifying the tourism potentials is needed to achieve the destination competitiveness...

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Utilization of Integrated Various Capital in Fraudulent Investment Practices in Singaraja, Buleleng, Bali

Anantawikrama Tungga Atmadja, Nyoman Trisna Herawati

This article is the result of a research using qualitative methods in order to understand the background of the community investing their capitals in fraudulent investment, the process of fraudulent investment offered by the

organizers, and its implications toward the community. Data was collect by...

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The Influence of Rupiah Exchange Rate, Interest Rate Levels, and The Composite Stock Price Index to Financial Deepening in Indonesia

Clarasiska Anasthasia Mbate, Petrus E. de Rozari, Paulina Yuritha Amtiran

This research aims to analyze and determine the effect of the Rupiah exchange rate, interest rate, Composite Stock Price Index on financial deepening in Indonesia. This research used time series data consisting of rupiah exchange rate, interest rates, Composite stock Price Index and financial deepening...

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Analyzing the Need to Develop Materials in the Teaching of Hotel Accounting that Meet the Requirements of the Graduate Users

Ni Luh Gede Erni Sulindawati, Lucy Sri Musmini, Nyoman Ayu Wulan Trisna Dewi

This article aims at studying the needs of learning materials for the teaching of hotel accounting that meet the requirements of the graduate users. The development of the materials in this teaching is needed in order the graduates can adjust themselves and can be accepted in the world of work....

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Tax justice perception and trust in government on tax compliance

Retnaningtyas Widuri, Wilson Irawan

This study aimed to analyze the effect of trust in the government to tax compliance with the perception of tax justice as a mediating variable. The research method was the Structural Equation Model. The sample from this study was individual taxpayers who located in the Gresik, Bangkalan, Mojokerto, Surabaya,...

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The Influence Of Viral Marketing On Online Purchasing Decisions Of Students

M. Rudi Irwansyah, Sunitha Devi, Luh Gede Kusuma Dewi

The application of viral marketing has become a strategy that is almost used by producers in offering their products. especially if the marketing target is students who are generation Z. Therefore this study tries to examine the effect of applying viral marketing to purchasing decisions made by students....

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Analysis of Small and Medium Industry of The Tenun Ikat Craft in Kupang City

Wehelmina M. Ndoen, Markus Bunga, Rolland E. Fanggidae

Small and medium businesses are business sectors that have an important

role in the economy in the regions, especially in providing employment. For this reason, efforts are needed that lead to the development of the small business sector in order to improve product quality. Good business management is...

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The Research and Development Study of Tourism Accounting Dictionary

Made Aristia Prayudi, Edy Sujana, Ni Wayan Yulianita Dewi, I Gede Nandra Hary Wiguna

Although there is an increasing need for comprehensive sources of Tourism Accounting learning and practices, unfortunately, a practical-based reference related to the account names and other Accounting terminology used in this industrial sector is still lack. This study, therefore, aims to develop and...

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Does Corporate Governance increase the Financial Reporting Quality?

Maria Yanida, Arif Widyatama

This study aims to theoretically explain the relationship between corporate governance and financial reporting quality. The implementation of Corporate Governance conducted by companies can reduce agency conflict that occurs in companies between investors and managers. This research uses study literature....

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Investment Profile of Bangli Regency

Gede Putu Agus Jana Susila, I Nengah Suarmanayasa

The success of regional development is expected to increase regional stability, equity, growth and economic development to enhance community welfare. To achieve this, an increased investment is needed, in economics and other sectors. This investment can come from the government or private sector. More...

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The Influence of Competency and Job Control on The Job Satisfaction and Its Impact on The Employee's Performance

I Wayan Bagia, Wayan Cipta

This study aims to obtain the explanation finding which tested about the: (1) influence of competency and job control on the job satisfaction, (2) influence of competency and job control on the performance, (3) influence of job satisfaction on the performance, and (4) impact of competency and job control...

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Public Interest in Automatic Teller Machine (ATM) in Lembaga Perkreditan Desa (LPD)

Putu Eka Dianita Marvilianti Dewi, I Putu Arya Dharmayasa, Lulup Endah Tripalupi

This study aims to determine society interest in Automatic Teller Machine (ATMs) in the Lembaga Perkreditan Desa (LPD) in Bali in terms of Theory Planned Behavior (TPB). The design in this study uses a quantitative descriptive method. The data obtained from the questionnaire and then processed and...

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Development of Financial Statement Applications for SMEs based on Financial Accounting Standards for Micro, Small and Medium Enterprises

Andi Iswoyo, Alfi Nugroho, Yuli Ermawati, Sasongko Budisusetyo

The purpose of this study is that SMEs can prepare and present financial reports that are good and true in accordance with applicable Financial Accounting Standards namely the Financial Accounting Standards for Micro, Small and Medium Enterprises which will facilitate access to capital from the banking,...

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Interest and Investment Motivation of Undiksha College Students (Case Study on Car 3i Network)

Luh Gede Kusuma Dewi, Komang Krisna Heryanda, I Made Dwita Atmaja, Sunitha Devi

This study aims to examine the interests and motivations of students in investing (Car 3i Network case study). This study uses a quantitative approach with a population of all students of the Faculty of Economics, Ganesha University of Education (Undiksha) participating in Car 3i, totaling 100 people....

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The Improvement of Students' Interest in Business in Economics Faculty, Ganesha Education University, Through Motivation and Knowledge of Entrepreneurship

Krisna Heryanda, Dwi Arian Mayasari, Komang Endrawan Sumadi Putra

The study examined the effect of entrepreneurship motivation variables and entrepreneurial knowledge on the entrepreneurial interest of Undiksha Faculty of Economics students. After finding the influence of entrepreneurship motivation and entrepreneurship knowledge variables on Undiksha Faculty of Economics...

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The Effect of Social Entrepreneurship on the Welfare of the Village Community

Made Ary Meitriana, I Wayan Suwendra, Luh Indrayani, Kadek Rai Suwena

The concept of social entrepreneurship has become a popular concept in various countries. In reality, various groups have begun to discuss the concept of social entrepreneurship as an innovative solution in solving social problems in general, one of which is the problem of social welfare. The welfare...

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Identification of the Failure of Waste Bank Enterprises as Undiksha Students' Entrepreneurial Activity Unit

Kadek Rai Suwena, Made Ary Meitriana, M. Rudi Irwansyah

This study aimed to determine the factors that caused the failure of the waste bank business and the dominant factor affecting the failure of the waste bank as part of students' entrepreneurial activity unit of Undiksha. The study used factorial research designs and data collected by questionnaire, analyzed...

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The Relationship Between Service Quality and Student Satisfaction of Campus Bus Transportation Service Users of University of Musamus Merauke

Tarsisius Kana

This study aims to determine the significance of the relationship between service quality and student satisfaction of campus bus transportation service users. Based on the explanation, this research is an associative type of research. Service Quality Variables have indicators: reliability, responsiveness,...

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Analysis of Brand Image and Promotions and their Effect on Purchase Decisions

Rahutama Atidira, Ni Luh Wayan Sayang Telagawathi, Gede Wira Kusuma

The large number of ready-to-drink packaged tea brands on the market encourages companies to compete for potential consumers through a variety of appropriate strategies. In addition to trying to create a brand image,

companies are capable of doing other things such as changing the packa evaluating...

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The Effect of Big Five Personality of Entrepreneurs on Business Growth in SMEs

Ni Made Suci, Ni Nyoman Yulianthini, Made Amanda Dewanti

This research aims to examine the effect of big five personality entrepreneurs on business growth in SMEs. The study was conducted on 180 handicraft industry entrepreneurs in Bali Province which were determined by purposive sampling. Data collected by questionnaire then analyzed by multiple regression...

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The Influence Of Attitude, Subjective Norm and Self Efficacy On The Intention Of Students Entrepreneurs

Lulup Endah Tripalupi, I Nyoman Sujana, Luh Indrayani, Naswan Suharsono

This study aims to influence the attitudes, subjective norms and partial self-efficacy and simultaneous to the intense entrepreneurship of Undiksha Faculty of Economics students. This type of research is comparative causal research. The data collected by questionnaire method and analyzed using the "t" ...

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The Way to Develop an Entrepreneurial Culture in Higher Education

Naswan Suharsono, I Putu Arya Dharmayasa, M. Rudi Irwansyah

This study was carried out to produce and implement an alternative model of Entrepreneurship Education as an effort to develop an entrepreneurial culture in college. Entrepreneurship education system with the facilities available support for a set of activities based on the premise that increasing behavioural...

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Factors Affecting the Amount of External Information Business Search for Use of Aviation Services in Bali

Ni Luh Wayan Sayang Telagawathi, Ni Made Dwi Ariani Mayasari, Ni Nyoman Yulianthini

This research tries to identify factors that determine the extent of external search effort by consumer in purchasing airline service. Based on the previous research by Srinivasan and Ratchford (1991), this study examines the impact of amount of experience, product class knowledge, interest in product,...

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Measuring Hotel Customer Satisfaction: Who Cares?

N. Trianasari, A.A. Yudha Martin Mahardika, Putu Indah Rahmawati

Customer satisfaction is one of the indicators that show the quality of any business. In a hotel operation, it is the hotel guest who has the expectedly objective evaluation of its service. Practically, hotels invited their guests to

rate their satisfaction toward overall hotel services through guest...

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Rolland E. Fanggidae, Titania Ariance Pello, Antonio E. L. Nyoko

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Agnes Wahyu Handoyo, Devie, Juniarti

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Rights in Tourism Management Based on Regional Regulation No. 1 of 2014 Concerning the Implementation of Tourism in Buleleng Regency

I Putu Gede Parma

The implementation of tourism is directed at increasing the welfare and prosperity of the people in the context of realizing a just and prosperous society through increased regional income, expansion and equal distribution of business and employment opportunities. This research identifies the Principles...

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The Perceived Risk Influence on the E-Loyalty of Online Shoppers in Using Internet of Things

Saarcce Elsy Hatane, Widyananda Prasetyo, Ervina Clowdya Tandean, Maria Regina

The development of technology has made the need for e-commerce increasingly high. The growth of e-commerce, as one of the applications from the internet of things, in Indonesia has also become more rapid; thus, it brings changes in choices in transactions, from offline purchases to online. One of the...

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The Acceptance of Accounting Students on the Use of Internet of Things

Saarcce Elsy Hatane, Inge Vera Desta Johari, Jesseline Valencia, Livia Erlyn Prayudono

In a general sense, IoT is a physical device that is connected to the internet. IoT provides a revolution in accounting work, among others in the process of collecting data and processing data into useful information in decision making. From an early age, understanding and ability to adapt to changes...

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Role of Informal Employment to the Economy

I Nengah Suarmanayasa, Gede Putu Agus Jana Susila, Ida Suarmaja

This study aimed to determine the differences in welfare between formal and informal employment in Bali, the differences in welfare of informal employment between regencies/cities in Bali and the contribution of informal employment to the economy of Bali. This study used secondary data in the form of...

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Detection of Healthcare Fraud in The National Health Insurance Program Based on Cost Control

Nugroho Mardi Wibowo, Woro Utari, Abdul Muhith, Yuyun Widiastuti

Fraud in healthcare services has the potential to reduce the quality of health services, harming patients, and state finances. However, the implementation of fraud prevention in healthcare services has not been fully carried out. The purpose of this study is to determine the cost control-based fraud...

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Corporate Social Responsibility Policies in Indonesia Manufacturing Companies

Josua Tarigan, Saarce Elsy Hatane, Dea Damara

This research offers a greater understanding of the corporate social responsibility efforts that enable the company to enhance the labor productivity. Thus, it is also used as the basis of the new methods to improve the productivity of the company by developing the aspects in the corporate social responsibility...

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Effect of Auditor Independence, Fee Audit, Audit Tenure Toward Audit Quality (Case Study at a Public Accounting Firm in Bali)

Made Arie Wahyuni, Gusti Ayu Ketut Rencana Sari Dewi, Nyoman Ayu Wulan Trisna Dewi, Luh Asri Savitri

This study aims to examine: (1) the effect of the influence of auditor independence on audit quality, (2) the effect of audit fees on audit quality, (3) the effect of audit tenure on audit quality. The type of data used is questionnaire. The population in this study are all auditors who work at the Public...

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Analysis of Competitiveness Determinants of The Woodcraft Industry in Bali

Cede Adi Yuniarta, I Putu Cede Diatmika, I Cede Agus Bertama Yudantara

This study is motivated by the importance of the role of small and medium scale industries (SMIs) in Bali as a supporting sector for cultural tourism and community income sources. This study aims to analyze the competitiveness determinants of the woodcraft industry in Bali. Data was obtained through...

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Supervision of the Government in Strengthening the Influence of Community Participation of the Effectiveness of Village Funds in the District Buleleng

I Putu Gede Diatmika, Gede Adi Yuniarta

One of the factors that influence the success of development programs and rural community development is community participation that not only involves the community in making decisions in every development program, but also the community is involved in identifying problems and potential that exists...

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Analysis of Acceptance and Success Implementation of Academic Information System (SIAk) Based on Technology

I Gede Agus Pertama Yudantara, Lucy Sri Musmini, I Putu Gede Diatmika, Gede Adi Yuniarta

The research objective is to predict and explain the acceptance and success of the implementation Academic Information System (SIAk) based on technology by Undiksha academic society. Data collection methods used pick up survey for sixth and seventh semester students undergraduate program, academic staff...

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Minarni Anaci Dethan, Maria E. D. Tunti, Pius Bumi Kellen, Anthon S. Y. Kerihi

The birth of the regulation of the Minister of National Education Republic of Indonesia Number 47 2011 concerning the internal oversight unit within the Ministry of Education, that in the framework of strengthening governance and accountability, the implementation of duties and functions and activities...

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How Culture Resources Developed As A New Tourism Destination In Buleleng Regency

Putu Bimantara, Putu Dio Artha Pratama, Komang Agem Wismanjaya

Buleleng Regency is located in North Bali. The area is about 1366 km² wide which is the widest regency compare to others. There are 624.125 people live in Buleleng Regency based on the data from Badan Pusat Statistika Provinsi Bali. It has the biggest number of population among regencies in Bali. Buleleng...

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Welfare Level of Arta Murti BUMDes Members Anturan Village, Buleleng District in Term of Social Entrepreneurship Approach

Ni Nyoman Yuni Kariyani, I Wayan Krisna Aris Saputra, Kadek Yudistira

This study aimed at determining the welfare level of Arta Murti BUMDes members in term of social value, civil society, innovation, and economic activity dimensions. The population of study was 363 members of Arta Murti BUMDes and the samples were 190 people applying random sampling technique. Data were...

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The Role of Entrepreneurship Education and Subjective Norms on the Intention of Entrepreneurship

Ni Komang Sri Wahyuni, Komang Krishna Darmawan, Bella Adityasih

This study was conducted in order to analyze the role of the entrepreneurship education and subjective norms on the intention of entrepreneurship. The respondents of this study were 80 students of the Faculty of Economics, Universitas Pendidikan Ganesha, Singaraja, Bali, Indonesia. The sampling technique...

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Application Of The Principles Of Financial Management In The Management Of Village-Owned Enterprises (BUMDES) Bhakti Karya Kalibubuk Villages A Study Of The BUMDES Bhakti By The Village Of Kalibubuk

Anggun Dharma Kusuma, I Gede Mahesha Pradipta, Gede Nandana Afriyanti

Angga Putra Kesawa, I Gede Mulya Pradipta, Gede Nanda Airivania

The maximum development of BUMDes management in a village is expected to be able to improve the economy and at the same time influence the decrease in poverty levels in the village. In Buleleng Regency, since 2014, 108 BUMDes have been built from 129 existing villages. One of the BUMDes in Buleleng Regency...

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The Influence of Customer Satisfaction in Terms of Service Quality and Perceived Value

Kadek Martini, I Wayan Budi Sujana Sangging, Made Sandi Merta

This study aims to examine the effect of service quality and perceived value on customer satisfaction of Melka Excelsior Hotel, Lovina. Design of this study is causal research. Samples in this study were domestic and foreign countries guests who had stay at the hotel totaling 75 responden. Data collection...

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Competitiveness Strategy Formulation for Peoples Bank of Crediting In Kupang, East Nusa Tenggara, Indonesia

Ni Putu Nursiani, I Komang Arthana, Sarinah Joyce Margaret Rafael

The Peoples Bank of Crediting (PBC) is a formal financial institution that served as a financial intermediary institution, especially in the national microfinance system. To anticipate the increasingly fierce competition conditions a PBC must operate the right business strategy. This study aimed to find...

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Development of the Designing Capability of Scientific Approach-Based Learning Tools

Iyus Akhmad Haris, Nyoman Sujana

The purpose of this study is to increase student competence in developing learning tools based on scientific approach through learning strategies and design courses in the Economic Education Study Program at the Faculty of Economics, Universitas Pendidikan Ganesha. This research was conducted in 2019...

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Feasibility Study of Magister Management Program in Universitas Pendidikan Ganesha

Putu Indah Rahmawati, Made Suci, Trianasari

This research aimed to gather empirical data that can be used as a feasibility study of the Magister Management Program at Universitas Pendidikan Ganesha (Undiksha). This research used qualitative research approach. Data were collected by interview and survey technique. Data were analyzed with qualitative...

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Analysis of Green Accounting Implementation Based on University Social Responsibility (Study at Nusa Cendana University Kupang)

Maria E. D. Tunti, Karmila D. L. Mutia, Linda Lomi Ga

The aim of this research was to acknowledge how the implementation of green accounting based on university social responsibility (USR) in Nusa Cendana University, Kupang. Population used in this research was the entire

academic community in UNDANA. Data collection techniques in this study were through...

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E-Tax Satisfaction and Taxpayer Expectation Toward Tax Consultant

Elisa Tjondro, Graciella Tanaya, Jessica Theresia

In developed countries, like Indonesia, many taxpayers use individuals who are not registered as tax consultants to do tax preparation services. These persons are not under the code of ethics of the profession because they are not members of professional organizations. The purpose of our study is to...

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Perceptions of Accessibility and Knowledge in Small and Medium Enterprises based on Interest Using e-Banking

Diota Prameswari Vijaya, M. Rudi Irwansyah

This study was conducted to determine the effect of perceptions of the ease of use of e-banking and knowledge of micro small and medium businesses on the interests of transactions using e-banking. The population in this study were micro small and medium enterprises in Buleleng Regency, Bali and the sample...

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The Meaning of Economic Literacy for Women Entrepreneurs

Luh Indrayani, Gede Adi Yuniarta, M. Rudi Irwansyah

This study has the aims to understand the meaning of economic literacy for women entrepreneurs. Transcendental phenomenology is used in discovering the meaning and nature of the interviewee's life experiences. The results revealed that the meaning of economic literacy for women entrepreneurs is the intelligence...

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Revealing The Perception of The Justice of UMKM Taxation on Government Regulation Number 23 of 2018

I Nyoman Putra Yasa, Sunitha Devi, Nyoman Ari Surya Dharmawan, I Putu Hendra Martadinata

This study aims to examine the perception of fairness of micro, small and medium business entrepreneurs who become taxpayers on the implementation of Government Regulation Number 23 Year 2018 (Peraturan Pemerintah Nomor 23 Tahun 2018) concerning income tax received or obtained by taxpayers who have a...

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Epistemology of Accounting Practices: Another Frame of

Objectivity Claims

Lucy Sri Musmini, Gede Adi Yuniarta, Ni Luh Gede Erni Sulindawati, I Ge Agus Pertama Yudantara

The purpose of this article is mainly to examine the epistemology of accounting practice through a frame of view other than objectivity frame.

Epistemology is how to get the right knowledge and the knowledge obtained is greatly influenced by what epistemology is used. At present, accounting is generally...

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The Influence Of Organizational Cultural On Organizational Citizenship Behavior Through Spirituality Workplace As Moderating Variable

Allen Bengngu, Rolland E. Fanggidae, Tarsisius Timuneno

This study aims to determine the effect of organizational culture on organizational citizenship behavior (OCB) toward spirituality workplace as a moderating variable for employees at St. Carolus Borromeus Hospital-Kupang. The method used in this study is a survey method with a quantitative approach....

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Carbon Information Disclosure Practice in Indonesia: A Comprehensive Study from Manufacturing and Mining Industry

Putu Sukma Kurniawan, I Gede Putu Banu Astawa, Diota Prameswari Vijaya, Ida Bagus Raminra Padma Diputra

This research aims to provide an overview about the carbon information practice in Indonesia, particularly in manufacturing and mining industry. The sample of this research was the manufacturing companies and mining companies which listed in SRI-KEHATI Index and participated in SRA Award. This research...

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The Influence of Millennial Generation Lifestyle on Purchase Decisions Online in Shopee by Seeing Risk Perception as Moderating Variables

Alessandra Natasya Panie, Ronald P. C. Fanggidae, Rolland E. Fanggidae

The purpose of this study is to examine the effect of millennial lifestyle on purchasing decisions that are moderated by risk perception. The sample in this study amounted to 96 respondents taken using the Lemeshow technique with the determination of purposive sampling. The analysis technique used in...

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Employee Engagement Fail to Boost the Relationship Between Learning Organization and Financial Performance

Agnes Wahyu Handoyo
Faculty of Business and Economics
Petra Christian University
Surabaya, Indonesia
agneswahyuh@gmail.com

Juniarti
Faculty of Business and Economics
Petra Christian University
Surabaya, Indonesia
yunie@petra.ac.id

Devie
Faculty of Business and Economics
Petra Christian University
Surabaya, Indonesia
ddviesa@yahoo.com

Abstract—This research paper sets out to investigate the gaps in hospitality industry issues and facts in Surabaya, Indonesia. In order to substantiate future studies about employee engagement. Learning Organization constructed by seventh dimension DLOQ as measurement (continuous learning, inquiry and dialogue, collaboration and team learning, empower people, create systems, connect the organization, strategic leadership) to influence Employee Engagement with three constructs (Physical, Cognitive and Emotional) and Financial Performance with six constructs (ROA, ROE, Sales Growth, Net Profit, Market Share, Profit Growth). This research was trying to investigate the gap between hospitality industry issues and facts, also investigate the relationship of Employee Engagement as an intervening variable between Learning Organization and Financial Performance supported by Organizational Psychology and Organizational Behavior Theories. Therefore, this research trying to empirically and practically contributions for future managerial implication. The study conducted 50 full-service dining restaurant company as unit analysis in Surabaya, Indonesia. Using a questionnaire as an instrument of the measurements were 241 questionnaire collected. The result of this research Learning Organization has partially and directly influence Employee Engagement and Financial Performance supported by Organizational Psychology and Organizational Behavior Theories.

Keywords—learning organization; employee engagement; financial performance

I. INTRODUCTION

The most significant GDP contributor in the manufacturing sector outside of oil and gas is food and beverages with 32.84 percent (Thejakartapost.com, 2017). Indonesia's restaurant and food franchise sector are still consistently recorded tremendous growth supported by the country's increased income per capita and the advancement of technology which has underpinned changes in lifestyles (gbgindonesia.com, 2017).

The growth of the hospitality sector in Indonesia was inversely different from the fact of the work environment in the hospitality industry. The study in Indonesia about hospitality industry widely develops because in the turnover stage in hospitality industry quiet high (Widjaja et al., 2008) and also study by Witasari (2009) in 2005-2009 turnover for hospitality employee is high (31,16%). The hospitality industry was well known for a job that strain, overtime, lack of recognition and low pay and the workforce frequently report s emotional exhaustion and complains about hard-time working conditions that often result in absenteeism and turnover (Tongchaiprasit and Ariyabuddhiphongs, 2016). Therefore, research still looking how to achieve engaged employees in this particular sector (Valdivia et al., 2018).

Indonesia based on AON Hewit Employee Engagement Report 2018 in Asia Pacific, Indonesia has the highest score for an engaged employee. The conditions that explain Indonesia has highest engaged employee but its proportional inversely with the fact in the hospitality industry that high turnover and absenteeism. Measuring employees level of engagement is not enough for the organizations as there is a need to identify factors that may help managers to overcome this issue (Mann & Harter, 2016). Therefore, the concept of employee engagement is introduced to the employee - organizational relationship (Vigoda et al., 2013), which is significantly associated with employee emerging need of conducive opportunities for learning in the organization (Marsick, 2009; Baruch, 2006). Besides Senge, a widely explained in Harvard Business Review article by Garvin (1993) that a learning organization is an organization skilled at creating, acquiring and transferring knowledge, and modifying its behavior to reflect new knowledge and insights (www.hbr.org). Marsick and Watkins (2003) develop 7 (seven) dimensions of a learning organization as a measurement of effect to knowledge performance and financial performance which is continuous learning, inquiry and dialogue, collaboration and team learning,

empower people, create systems, connect the organization, and strategic leadership.

Song (2014) stated that increased competition among for-profit organizations had forced organizations to focus their attention on performance-oriented organizational development activities. Many organizations want to improve human performance through several types of organizational support mechanism at both the employee and organizational system levels, including individual and team learning opportunities, empowerment, system connections and strategic leadership in the workplace (Song and Kolb, 2009; Watkins and Marsick, 1993; Yoon et al., 2010). Song et al. (2014) quoted some organizational behavior theories that can support to develop this research to be conducted such as; Wagner et al. (1995) that in the organizational behavior perspective, culture is a collection of fundamental norms and values that shape employee behaviors and influence what employees think about their work and themselves; Lewin (1951) indicated that employee behaviors are strongly influenced by environments where an employee behaves; Senge (2006) emphasized that the foundation of the learning organization is employee motivation because it helps employees become excited, energized, and engaged in their work (Parkes and Langford, 2008; Stroth et al., 2002). Therefore, learning organization culture makes a positive contribution to employee engagement and impact to organizational performance.

The roots of this perspective are derived from the behavioral theory which suggests that behavioral change comes from learning, but the theory does not take into account perceptions and motivation of individuals and how it effects to their thinking processes or emotional development (Cole, 1995; March and Simon, 1994). The previous research also associated with stimulus and response in learning, whose greatest exponent was Skinner (1972). Skinner (1972) found it is somewhat difficult to specify the causal relationship brought about by organizational changes, as there might be other intervening factors at work between learning and performance as a result. The behavioral or adaptive learning approach affirms that learning is directly linked to some action that follows from it and also viewed as the process of adjusting behavior in response to experience (Song, 2014). Song et al. (2014) also studied workplace in organizational behavior include organizational development that many organizations have sought to improve human performance through several types of organizational support mechanisms at both the employee and organizational system levels, including individual and team learning opportunities, empowerment, system connections and strategic leadership in the workplace (Song and Kolb, 2009; Watkins and Marsick, 1993; Yoon et al., 2010). A learning organization, as a supportive organizational culture and system, seeks to build a supportive organizational learning culture (Rijal, 2010) for improving performance at the individual, team and organizational levels (Edmondson et al., 2007). Another growing area of interest in the organizational development field is employee engagement to encourage effective employee involvement in collaborative learning and decision making processes. Creating a supportive organizational climate is critical for improving performance along with employee engagement (Beatson et al., 2008)

because employee engagement is a core factor for creative decision making in a dynamic work process.

Song et al. (2014) state that the theoretical foundation of the relationship between the learning organization and employee behavioral outcomes was addressed in the literature, but a few established studies have been conducted in the organizational development field. Moreover, researches conducted partial relationship between learning organization and employee engagement (Yeo, 2002; Heraty, 2004; Mancey & Schneider, 2008; Christian et al., 2011; Hatane, 2015; Malik & Gang, 2017; Hussain & Ishak, 2017; Malik, 2017; Islam & Tariq, 2017), learning organization and financial performance (Skerritt, 1995; Marsick & Watkins, 2003; Phillips, 2003; Dirani, 2006; Weldy, 2009; Abrahamson, 2010; Antonsen et al., 2010; Huang, 2011; Dahanayake & Gamlath, 2013; Atiku, 2014; Ziemak, 2015; Leufven et al., 2015; Katou, 2016; Hussein et al., 2016; Srivastava et al., 2016; Kim et al., 2016), and employee engagement and financial performance (Harter et al., 2002; Ellinger et al., 2002; Xanthopoulos, 2009; Cooke, 2010; Rich et al., 2010; Christian et al., 2011; Berg, 2013; Anitha J, 2014; Singh, 2016; Iddagoda, 2016; Kazimoto, 2016; Iddagoda, 2017; Marzuki, 2017; Smith & Bititci, 2017; Valdivia et al, 2018). Employee engagement rarely conducted comprehensively on measurement in mediating effect to explain performance improvement in the learning organization culture and financial performance (Egan et al., 2004; Song et al., 2009;).

Research and studies about the hospitality industry and from employee engagement phenomenon appeal to research investigate the gap between hospitality industry issues and facts, which hospitality industry have high growth but the facts that have high absenteeism and turnover and also to investigate the relationship between learning organization to financial performance with employee engagement as an intervening variable. This study also measures the unestablished studies and implement the measurement in full-service dining restaurant which part of hospitality industry especially in Surabaya, also measure that dimensions of learning organization have higher significant direct factor impact to financial performance and employee engagement.

This research have theoretically, empirically, and practically contributions. First, for theoretical contribution, this study have a conceptual framework by investigating employee engagement as the impact factors to learning organization which directly effect to financial performance, an improvement of individual behavior in the organization based on organizational psychology and organizational behavior theory. Second, for the empirical contribution this study investigate the relationship between learning organization and financial performance with employee engagement as an intervening variable in full-service dining restaurant which part of hospitality industry especially in Surabaya, Indonesia. Third, for practical contribution, this study trying to facilitate managerial practitioners to examine the systems, structure and processes, tent to generate an enhanced level of learning organization and employee engagement to impact financial performance in the organization.

II. LITERATURE REVIEW

A. Organizational Psychology

Jex (2008) build a theory of organizational psychology and provide an overview of both the science and practice of organizational psychology. Organizational psychology is a field that utilizes scientific methodology to understand better the behavior of individuals working in organizational settings. Effective organizations are typically more productive, often provide higher quality services to customers, and are usually more financially successful than less effective organizations. For private organizations, financial success often results in successful organizations provide employment opportunities, which helps to foster the economic well-being of society as a whole. Also, in many instances, employees in successful organizations are more satisfied and fulfilled in their work than employees in less successful organizations. As new employees gradually become acclimated to their work environments, they eventually reach a point where they are capable of engaging in behavior that contributes positively to organizational goals and objectives: others theory developed by Kanfer (1990), Organizational Psychology that reviews and evaluates modern developments as related to individual behavior in an organizational setting which focus to address progress towards the unified perspective of motivation.

Motivation determines the form, direction, intensity, and duration of work-related behavior. The form of behavior refers to the types of activities an employee would choose to engage in at work (Jex, 2008). From an employee's perspective, the employment relationship typically carries with it certain entitlements such as pay, fringe benefits, and, possibly, other perquisites. In return, an organization expects employees to behave in ways that benefit the organization. When their behavior is not benefiting the organization, employees are expected to modify their behaviors. Employees have at least some freedom of choice regarding the behaviors they are capable of engaging in that positively or negatively influence an organization's performance. If employees had no freedom of choice, organizations would have very little to do in the way of motivating their employees and to sustain a high level of success over time, and one must never stop learning. Thus, organizations should provide learning opportunities for employees and, when possible, design work in a way that allows employees to learn. The theories that are covered have been developed specifically to explain employee motivation. It is possible to place motivation theories into categories and such as the behavioral approach emphasizes applying principles of learning to the work environment (Jex, 2008). Organizational psychologists also encounter some challenges in trying to effectively measure job performance, including such issues as all employees being given high ratings (restriction of range) and the performance of employees varying over time as a result of personal and environmental factors (Jex, 2008).

B. Organizational Behavior

Organizational psychologists use scientific methods to study behavior in organizations (Jex, 2008). Organizational psychology is also concerned with the impact of macro-level variables and processes, but only to the extent that such variables and processes have an impact on individual behavior.

Psychology seeks to measure, explain, and sometimes change the behavior of humans and other animals. Those who have contributed and continue to add to the knowledge of organizational behaviors are learning theorists, personality theorists, counseling psychologists, and, most important, industrial and organizational psychologists (Robbins, 2013). Much of the reason for this difference is that organizational behavior draws from a greater variety of disciplines than does organizational psychology. Robbins (2013) theory about organizational behavior, investigates the impact that individuals, groups, and structure have on behavior within an organization, and it applies that knowledge to make organizations work more effectively, specifically focus on how to improve productivity; reduce absenteeism. Turnover, and deviant workplace behavior; and increase organizational citizenship behavior and job satisfaction. Other contributions of organizational behaviors have expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs, and motivational forces, job satisfaction, decision-making processes, performance appraisals, attitude measurement, employee selection techniques, work design, and job stress (Robbins, 2013).

Kanfer (1990) well defined productive behavior as employee behavior that contributes positively to the goals and objectives of the organization. When productive behavior is viewed in financial terms, it represents the point at which the organization begins to achieve some return on the investment it has made in the new employee — the most common forms of productive behavior in organizations: job performance, organizational citizenship behavior (OCB), and innovation. According to Campbell (1990), job performance represents behaviors employees engage in while at work that contributes to organizational goals. This definition is more precise than merely defining performance as all behaviors that employees perform at work.

C. Learning Organization

Watkins and Marsick (1993, 1996) provide an integrative model of a learning organization and originally defined the concept of the learning organization as the one that learns continuously and transforms itself and learning is a continuous, strategically used process integrated with and running parallel to work. Garvin (1993) defines a learning organization as "an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights." Goh (1998) contends that learning organizations have five core strategic building blocks: clarity and support for mission and vision, shared leadership and involvement, a culture that encourages experimentation, the ability to transfer knowledge across organizational boundaries, and teamwork and cooperation. Song et al. (2017) defined a learning organization as a supportive organizational culture and system, seeks to build a supportive organizational learning culture for improving performance at the individual, team and organizational levels.

Based from the explanation above this study conclude that learning organization as a system that strategically improved by an organization to create continuously learning culture that used to an integrated working process by encouraging

experimentation and ability to transfer knowledge across organizational boundaries at individual, team and organization levels (Watkins and Marsick, 1993; Garvin, 1993; Goh, 1998; Song et al., 2017).

Questionnaire of Learning organization designed to measure learning culture in organizations and intends to capture the employee perceptions regarding the seventh dimensions to get a clearer picture of where needed (Leuven et al., 2015). The seventh dimensions of learning organization have been shown to be useful as a diagnostic tool that wants a comprehensive assessment and information of the learning culture to make decisions on where to intervene and the dimensions of learning organization chosen based from organization strength and weakness (Leuven et al., 2015). Watkins and Marsick (2003) mention the dimensions of learning organization: Creating continuous opportunities (continuous learning), Learning is designed into work so that people can learn on the job, and have opportunities are provided for ongoing education and growth; Promoting inquiry and dialogue (inquiry and dialogue), People gain productive reasoning skills to express their views and the capacity to listen and inquire into the views of others, the culture is changed to support questioning, feedback, and experimentation; Encouraging collaboration and team learning (collaboration and team learning), Work is designed to use groups to access different modes of thinking, Groups are expected to learn together and work together, Collaboration is valued by the culture and rewarded; Empowering people toward a collective vision (empower people), Both high and low technology systems to share learning are created and integrated with work, Access is provided, Systems are maintained; Establishing systems to capture and share learning (create systems), People are involved in setting, owning, and implementing a joint vision, Responsibility is distributed close to decision making so that people are motivated to learn toward what they are held accountable to do; Connecting and organization to its environment (connect the organization), People are helped to see the effect of their work on the entire enterprise, People scan the environment and use information to adjust work practices, the organization is linked to its communities; Providing strategic leadership for learning (strategic leadership), Leaders model, champion, and support learning, Leadership uses learning strategically for business results

D. Employee Engagement

Employee engagement by Rich et al. (2010) explained the theory of employee engagement based Kahn (1990) that initially described as a multidimensional motivational concept reflecting the simultaneous investment of an individual's physical, cognitive, and emotional energy in actual, full work performance. This conceptualization not only suggests a linkage between engagement and job performance, but also represents an inclusive view of the employee side, and engagement may provide a more comprehensive explanation for performance effects than is provided by more common mechanisms that emphasize limited aspects of the employee capability. Another concept of employee engagement consists of three psychological conditions, i.e., meaningfulness, safety, and availability (Kahn, 1990) and the psychological conditions are highly correlated to vigor, dedication and absorption (Mark,

2010). Employee engagement describes the positive psychological workplace that influences the state of mind that drives an employee to active and involve themselves emotionally, cognitively and physically in performing their jobs (Valdivia et al., 2017).

Another explanation about employee engagement (Rich et al., 2010) that formally defined engagement as simultaneous employment - an expression of a person preferred self in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional) and active, full performances. In an engagement, organization members control their self-awareness in action, complete work role performances by driving personal energy into physical, cognitive, and emotional labors. Engaged individuals are described as being psychologically present, fully there, attentive, feeling, connected, integrated, and focused on their role performances. They are open to themselves and others, connected to work and others, and bring their complete selves to perform (Kahn, 1992). Kahn noted that engagement is observed through the behavioral investment of personal physical, cognitive, and emotional energy into work roles (Kahn, 1992). Based on the explanation above this study conclude that employee engagement as a simultaneous on individual's capability to invest personal presence by driving physical, cognitive and emotional energy to complete their work role performance (Rich et al., 2010; Kahn, 1990; Mark, 2010; Valdivia et al., 2017; Kahn, 1992).

Rich et al. (2010) develops a more specific level, and theoretical research has linked investments of the three energies of engagement to job performance. First, investment of physical energy into work roles contributes to organizational goals because it facilitates the accomplishment of organizationally valued behaviors at increased levels of effort over extended periods (Kahn, 1990, 1992). Because people's work roles are mainly defined by the behavioral expectations of others in their organization. Second, the investment of cognitive energy into work roles contributes to organizational goals because it promotes behavior that is more vigilant, attentive, and focused. Third, investments of emotional energy into work roles contribute to organizational goals in some related ways (Kahn, 1990). Those who invest emotional energy into their roles enhance performance through the promotion of increased connection among coworkers in pursuit of organizational goals (Ashforth & Humphrey, 1995). Investments of emotional energies also help individuals meet the emotional demands of their roles in a way that results in more complete and authentic performance.

E. Financial Performance

Financial performance is state of financial health and resource available for growth that is using the perceptual measurement of perceptions in practice (Watkins and Marsick, 2003). The measurement based on perceptions, not hard financial or company data, and measured the same time that measures perceptions of practices that are meant to impact the outcomes. Karaye et al., (2014) defined financial performance as an achievement of organizational objectives or as being both productive and efficient. The financial performance refers to the economic status of a firm such as profitability, sales growth,

return on assets, etc. (Palagolla & Wickramasinghe, 2016). The measures of financial performance contain profit, sales growth and return on assets (Shaverdi et al., 2014; Karaye et al., 2014; Boaventura et al., 2012). The working definition has an influence of the definition by Palagolla & Wickramasinghe (2016). Their definition indicates the measurements of perceived financial performance.

The financial performance of this study uses six signals to show the change of financial condition in the organization (Lopez, Peon, and Ordas, 2005). Those are returned on assets (ROA), return on equity (ROE), sales growth, net profit, profit growth, and market share.

F. Previous Study

This research in several previous studies which studied the relationship between learning organization and employee engagement; learning organization and financial performance; and employee engagement and financial performance. Those researches inspire to be conducted in Indonesia context and the following research detail:

Study of the impact of a learning organization on performance which focusing on knowledge performance and financial performance (Kim et al., 2017), have a purpose of examining the relationships among a learning organization, knowledge and financial performance using the Dimensions of the Learning Organization Questionnaire and its abbreviated version. Used a secondary data set and performed a second-order factor analysis and structural equation modeling for testing the proposed relationships. Contributes to validating the current dimensionality of the theoretical framework of a learning organization proposed by Watkins and Marsick (1993, 1996) and offers a strong conceptual framework of the relationship among the learning culture and organizational performance dimensions.

One the primary purpose of this research is to provide empirical evidence on the relationship between learning organization to financial performance and employee engagement as an intervening variable in Indonesia. Based on the theory a relationship between learning organization and employee engagement is strongly believed that have a positive relationship that learning organization will effect employee engagement. In the organizational behavior perspective, culture is a collection of fundamental norms and values that impact employee behaviors and influence what employees think about work and themselves (Wagner et al., 1995). Lewin (1951) indicated that employee behaviors are strongly influenced by environments where an employee behaves. In addition, Senge (2006) emphasized that the foundation of the learning organization is employee motivation because it helps employees become excited, energized, and engaged in their work (Parkes and Langford, 2008; Stroh et al., 2002).

McBain (2007) concluded that employee engagement is a concept that keeps in the line of the employee work behavior against organizational goals and organizational reputation. The concept of employee engagement, according to McBain (2007) involves emotional and rational aspects and hence suggested that engaged employees may influence over and above discretionary effort towards meeting the demand of the job.

Baumruk (2004) stated that engagement as an emotional and intellectual commitment to the organization while Kahn (1990, 1992) claimed that engagement means that employees are psychologically present when occupying and performing the organizational role. In recent years, there has a great deal of interest in employee engagement (Saks, 2006). Many have claimed that employee engagement predicts employee outcomes, organizational success, and financial performance (Bates, 2004; Richman, 2006; Baumruk, 2004; Harter et al., 2002).

Valdivia et al. (2017) stated the need to adapt to these new labor trends in tourism is currently compelling organizations to design new formulas to motivate workers, build capabilities and engage valuable contributors. Some of the greatest opportunities for hospitality organizations to improve service, customer loyalty, growth and performance rely on reinvigorating human capital strategies. Essentially, to achieve high performance, the modern service firm must create work environments that build passion and purpose. When employee actively engaged in their environment to obtain positive reinforcement, this condition could create and maintain the self esteem (Kasa and Hassan, 2015), motivation and engagement which will ultimately avoid loss of resources (Hobfoll, 1989).

Accordingly, based on the theories and previous findings, when an organization applied to learn organization system as a strategic management tool it will elevate employee engagement levels in an organization. Thus, the following hypothesis is proposed:

H₁: Learning organization directly influence employee engagement

The second purpose of this research is to provide empirical evidence on the relationship between learning organization to financial performance. According to the theories and empirical evidence, learning organization is one that affecting financial performance in a firm.

One of the theory from Buckler's (1998) in the UK, study to compare the key elements of the learning process model with other current learning practices in the UK depend on how behavioral change has led to performance improvement achieved by the process of learning. The learning organization process can be applied to an individual, team or organizational level. Learning will embrace the acquisition of existing and the development of new knowledge, attitudes and skills such as the application of knowledge, attitudes and skills in existing or new contexts such as all with the purpose of improving the performance of the organization. Another theory from Reynolds and Ablett's (1998) that studied and develop a theory of learning organization stated that apart from the dominant emphasis on behavioral and adaptive development, is concerned with the process of change and experienced by organizations as well. Learning organization can explain as the taking the place of learning that changes the behavior of the organization itself. Therefore, organizational learning has reached the stage of successful adaptation to change and uncertainty through the development of new solutions from an uncertain climate which faced by the organization.

Watkins and Marsick (2003) widely develop the concepts of learning organization and in 2003 construct the measurement of learning organization and stated that learning in workplace learning is part of the knowledge capital of the organization, and it may lead to improved financial performance. The measurement will discover the important the role of learning in an organization and therefore the measurement can use as one way of measuring the value added of the human resource development function. After Watkins and Marsick develop the construct of learning in the organization, Senge's (2006) who develops system thinking theory, stated the idea of a learning organization where learning organization as new ways of thinking are cultivated and individuals continue to learn how to learn. The idea from Senge supported by Ellinger et al. (2002) that cultivating a learning organization culture within an organization accomplishes performance improvement, and found there is a positive association between a learning organization and financial performance. Therefore, it is expected that an organization nurturing a learning organization culture will successfully improve organizational performance.

Weldy (2003) The learning organization is a valuable tool for facilitating learning and knowledge management, and has been described as an important strategy for making improvements in organizational performance and maintaining a competitive advantage (Buhler, 2002; Davis and Daley, 2008; Korth, 2007). Therefore, various studies have reported the significant impact of learning organization and people-level learning dimensions on performance in both business and institutions outcomes to include financial (Akhtar et al., 2011; Awasthy and Gupta; Chawla and Lenka, 2015; Khandekar and Sharma, 2006; Ponnuswamy and Manohar, 2016).

Studies explained above conducted the positive effect from learning organization to financial performance, but some studies stated that the relationship between learning organizational and financial performance not totally addressed empirically. One of the study from Steiner's (1998), that emphasized that learning is largely operationalized in terms of individual belief systems about the people around them and the organization, although the qualitative studies that have successfully examined the internal dynamics of organizational learning, the correlation between early learning styles and subsequent learning and performance is not totally addressed empirically. After reviewing the studies above, can conclude the learning organization is a valuable tool for facilitating learning and has been described as an important strategy for making improvements in organizational financial performance. Thus learning organization as evidence of improved financial performance, the following hypothesis is formulated:

H₂: Learning organization directly influence financial performance

After reviewing how studies trying to develop the relationship between the learning organization will influence financial performance, employee engagement also believed as the variable which have effect to financial performance, based on organizational psychology theory builder by Jex (2008) The form of behavior refers to the types of activities an employee would choose to engage in at work which in return, an organization expects employees to behave in ways that benefit

the organization. These theories developed later by Macey and Schneider (2008) literature that bring out a chain of propositions on psychological state engagement, behavioral engagement and trait engagement, also stated an idea that employee engagement is a blend of psychological and behavioral components.

Before Jex (2008), Joo and Mclean (2006) build a conceptual model by identifying the relationships among business strategy, engaged employees, human resources practices, and organizational financial performance. Supported Xanthopoulou et al., (2009) that conducted a study to examine the link between job resources, employee engagement and organizational financial performance. and all of the studies represent the relationship and correlation employee engagement to financial performance. Another study by Christian et al., (2011) explained of substantiate that employee engagement is interrelated to employee job performance, emphasizing a high level of connectivity of an engaged employee with one's work tasks such as the force that drives employee toward the task related goals and objectives which direct to task performance and similar observation that an engaged employee is likely to initiate extra role behaviors due to their work in the organization. The relationship at the business unit level between employee engagement and employee job performance is revealed by Harter et al., (2002) that when an employee as Xanthopoulou et al., (2009) state is engaged in work and focused on customers, that person brings high profit to the organization. In recent years, as Saks & Gruman (2014) mention, the great growth of interest in employee engagement has been observed. Employee engagement conjectures organizational success in relation to financial performance such as for instance, total shareholder returns (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006; Sahoo & Sahu, 2009). Rich et al., (2010) stated that engaged individuals invest their physical, cognitive, and emotional energies into their work roles, exhibit enhanced performance and work with greater intensity on their tasks for longer periods of time, will pay more attention to and are more focused on responsibilities, and more emotionally connected to the tasks that constitute their role. To conclude, based on the findings employee engagement have a crucial role in improving financial performance. The hypothesis regarding the relationship between employee engagement and financial performance as follows:

H₃: Employee Engagement directly influence financial Performance

The theory of organizational behaviors well explained that employees who score higher in conscientiousness develop higher levels of job knowledge, probably because highly conscientious people learn more and higher levels of job knowledge then contribute to higher levels of job performance. Conscientious individuals who are more interested in learning than in just performing on the job are also exceptionally good at maintaining performance in the face of negative feedback (Cianci et al., 2010). Cianci et al. (2010) stated that learning organization as an effect from conscientious individuals that want to learn more and contribute the higher job performance.

Based on organizational psychology theory build by Jex (2008) The form of behavior refers to the types of activities an employee would choose to engage in at work which in return, an organization expects employees to behave in ways that benefit the organization. In organizational psychology stated that employees have at least some freedom of choice regarding the behaviors they are capable of engaging in that positively or negatively influence an organization's performance. If employees had no freedom of choice, organizations would have very little to do in the way of motivating their employees and to sustain a high level of success over time, one must never stop learning (Robbins, 2013).

Some study the empirical evidence of organizational factors of performance. Studies aim of the current research is to provide empirical evidence for the relationships among several organizational factors affecting team performance improvement, including the learning organization and employee engagement (Song et.al, 2014). In addition, the mediating effect of employee engagement was assessed to explain team performance improvement within the supportive learning organization. Song et al., (2014) assumed with structural equation modeling was the results support that cultural aspect of the learning organization in Korean profit firms positively and directly affect the employee engagement, whereas cultural aspects of the learning organization positively affect team performance positively and indirectly only through employee engagement, and employee engagement plays a full mediating role in explaining the relationship between the learning organization and team performance. To conclude, based on the findings employee engagement as a mediating variable explain that financial performance improvement within the supportive learning organization through employee engagement levels in an organization. The hypotheses regarding the relationship between employee engagement as an intervening role in the relationship between learning organization and financial performance as follows:

H4: Employee Engagement has an impact as an intervening variable to the relationship between learning organization and Financial Performance

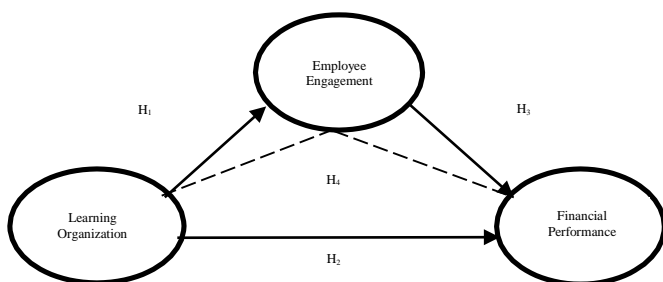


Fig. 1. The research model

H1: Learning organization directly influence employee engagement

H2: Learning organization directly influence financial performance

H3: Employee Engagement directly influence financial performance

H4: Employee Engagement has an impact as an intervening variable to the relationship between learning organization and Financial Performance.

III. METHOD

The design of this research involves elaborating on the basic elements including the researcher's interference, the unit of analysis, and the time horizon of the study. In addition, a detail description of the operationalization of the variables, data collection (population, sample, sampling, instrument), and the technique for data analysis is also provided. Each of these elements is explained in greater details in the sections to follow.

TABLE I. DIMENSIONS OF LEARNING ORGANIZATION

Dimensions	Measurement	Q Number
Create continuous learning opportunities	Learning is designed into work so that people can learn on the job	Q 1.1,1.2,1.3
	Opportunities are provided for ongoing education and growth	
Promote inquiry and dialogue	People gain productive reasoning skills to express their views and the capacity to listen and inquire into the views of others	Q 1.4,1.5,1.6
	The culture is changed to support questioning, feedback, and experimentation	
Encourage collaboration and team learning	Work is designed to use groups to access different modes of thinking	Q 1.7,1.8,1.9
	Groups are expected to learn together and work together	
	Collaboration is valued by the culture and rewarded	
Create systems to capture and share learning	Both high and low technology systems to share learning are created and integrated with work	Q 1.10, 1.11, 1.12
	Access is provided	
	Systems are maintained	
Empower people towards a collective vision	People are involved in setting, owning, and implementing a joint vision	Q 1.13,1.14, 1.15
	Responsibility is distributed close to decision making so that people are motivated to learn toward what they are held accountable to do	
Connect the organization to its environment	People are helped to see the effect of their work on the entire enterprise	Q 1.16,1.17, 1.18
	People scan the environment and use the information to adjust work practices	
	The organization is linked to its communities	
Leaders model and support learning	Leaders model, champion, and support learning	Q 1.19,1.20, 1.21
	Leadership uses learning strategically for business results	

Source: Watkins and Marsick (2003)

There are three variables being investigated in this study including the learning organization, financial performance and

employee engagement. The detail of the indicators of each variable is explained below.

Engagement as simultaneous employment and expression of a person preferred self in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional) and active, full performances. In the engagement, organization members control their self-awareness in active, complete work role performances by driving personal energy into physical, cognitive, and emotional labors. Engaged individuals are described as being psychologically present, fully there, attentive, feeling, connected, integrated, and focused on their role performances. They are open to themselves and others, connected to work and others, and bring their complete selves to perform (Kahn, 1992). Engagement is observed through the behavioral investment of personal physical, cognitive, and emotional energy into work roles (Kahn, 1992).

Employee engagement as a simultaneous on individual's capability to invest personal presence by driving physical, cognitive and emotional energy to complete their work role performance (Rich et al., 2010; Kahn, 1990; Mark, 2010; Valdivia et al., 2017; Kahn, 1992). Based on the explanation of employee engagement, the measurement of employee engagement addressing from Rich et al. (2010) and explained more in Table II.

TABLE II. DIMENSIONS OF EMPLOYEE ENGAGEMENT

Dimensions	Measurement	Q Number
Physical Engagement	Physical energy into work roles contributes to organizational goals because it facilitates the accomplishment of organizationally valued behaviors at increased levels of effort over extended periods of time	Q 2.1, 2.2, 2.3, 2.4, 2.5, 2.6
Cognitive Engagement	Cognitive energy into work roles contributes to organizational goals because it promotes behavior that is more vigilant, attentive, and focused	Q 2.7, 2.8, 2.9, 2.10, 2.11, 2.12
Emotional Engagement	Emotional energy into their roles enhance performance through the promotion of increased connection among coworkers in pursuit of organizational goals	Q 2.13, 2.14, 2.15, 2.16, 2.17, 2.18

Source: Rich et al. (2010)

The financial performance of this study uses six signals in order to show the change of financial condition in the organization (Lopez, Peon, and Ordas, 2005). Those are returned on assets (ROA), return on equity (ROE), sales growth, net profit, profit growth, and market share and will be explained more in Table III.

The sample of this research are selected purposively, it is also known as purposive or non-probability sampling. This sampling method involves purposive or deliberate selection of particular units of the universe for constituting a sample which represents the universe (Bavdhan. 2013). The unit analysis in this research is full dining service restaurant company which listed in Mall Directory in the year 2015 – 2018, in Surabaya. The unit observation of this research is an employee

who work more than 2 years in the hospitality industry who met the purposive sampling criteria. This study uses primary data related to the variables or constructs under examination which collected through a survey questionnaire (Salkind, 2007). The survey questionnaire using 7 points Likert-scale (from 1 = never to 7 = always) to measure the seven learning organization dimensions (Watkins and Marsick, 2003; Yang et al., 2004), employee engagement (Rich et al., 2010) and financial performance (Lopez, Peon, Ordas, 2005). This research has descriptive statistics include the mean, maximum, minimum and standard deviation are calculated and using SPSS.

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TABLE III. DIMENSIONS OF FINANCIAL PERFORMANCE

Dimensions	Measurement	Q Number
Return on Assets (ROA)	In my organization, the return on investment is greater than last year.	Q 3.1
Return on Equity (ROE)	In my organization, average productivity per employee is greater than last year.	Q 3.2
Sales Growth	In my organization, time to market for products and services is less than last year.	Q 3.3
Net Profit	In my organization, a response time for customer complaints is better than last year.	Q 3.4
Market Share	In my organization, market share is greater than last	Q 3.5
Profit Growth	In my organization, the cost per business transaction is less than last year.	Q 3.6

Source: Lopez, Peon, and Ordas, (2005)

This study using SPSS software 23 (Statistical Package for Social Science) to examine and extracting questionnaire for validity and reliability value of variable construct. Also this study aims to predict the data through a structural equation modelling (SEM) technique, which considered for examining the complex relationship among the variables and the mediating effect to a learning organization. Basic descriptive analysis and data cleaning process were considered, including normal distribution and outlier detection. And this study utilizes the

partial least square (PLS) method to estimate the hypothesized model simultaneously. The rationale behind the choice of using PLS is the exploratory nature of the research.

The sample of this research obtained by conducting a purposive sampling method which is listed above and arrived at 50 restaurants covering in 2015-2018. A total of 500 questionnaires were distributed and 241 valid responses were collected. Each variable was constructed by 7 dimensions which included 21 measurements for learning organization (DLOQ), 3 dimensions which included 18 measurements for employee engagement, and 6 measurements for financial performance. From 241 questionnaires were collected from purposive sampling and each responds data categorized by position in management, academic degree, hours to spend work-related learning, and the number of employees that represent company size. Sample description analysis will explain below. To obtain the descriptive statistics for the variables being studied in this research, the Statistical Package for the Social Sciences (SPSS) software was used. From data responses, and respondents are categorized by 4 categories which are senior management, middle management, head of division and management (staff). The most higher respondents have a position in management as management or staff (85,9%), 4,1% as senior management, 6,2% as head of a division, and 3,7% as middle management. 241 respondents in the hospitality industry in Surabaya still have employees that did not complete from high school 3,3% and 1,7% employees that have graduated degree. Most of the employee were high school graduate is 50,2%, undergraduate from the university which has major in hospitality or similar are 38,2% and 6,6% respondents that have a certificate or associates degree in hospitality or similar. 60,1% employees in the hospitality industry did not attend university or higher education. The higher time average employee spends time work related are 1 – 10 hours per month, but the data also shows that 2,9% of the sample are not spent their time to learn about what they worked for. 29,9% of the sample spend their time to work-related learning in 11 – 20 hours per month.

Another method for description analysis this study using descriptive statistics cross tabulation for the description of each category respondents. Description analysis that is produced from SPSS software version 23, can be seen the results of each level for respondent's response based on the value in each measurement. Each measurement hopefully can see the details and impact from each category have been determined, to see the measurements level of respondent's respond this research divide the categories using interval class, and categorized as follow, value 1.00 – 3.00 is Low, value 3.10 – 5.00 is Middle and 5.10 – 7.00 is High. The data were analyzed through the partial least square (PLS) method. The measurement portion of the model was analyzed through convergent validity, discriminant validity and reliability to establish measurement fit with the data (Hair et al., 2014). On the other hand, the structural fit of the model was confirmed through path analysis involving a bootstrap procedure to test the hypotheses for this research. Several results on the model's predictive accuracy (i.e., through the coefficient of determination R²), multicollinearity and relevance were also reported. Measurement loadings are the standardized path weights

connecting the factors to the indicator variables. As data are standardized automatically in SmartPLS, the loadings vary from 0 to 1. The loadings should be significant. In general, the larger the loadings, the stronger and more reliable the measurement model and path algorithm of this research figure.

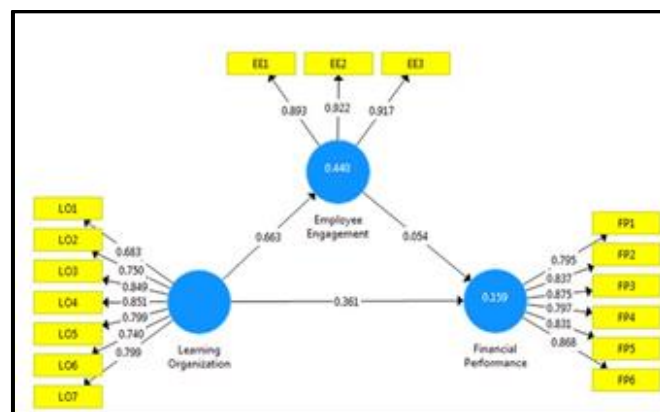


Fig. 2. Path Analysis Structural Model

Convergent validity is the extent to which a measure correlates positively with alternative measures of the same construct. The items that re-indicators (measures) of a specific construct should convergence or share a high portion of the variance. The convergent validity of the measurement model must be assessed at the indicator (standardized outer loading) and construct level (AVE).

To establish convergent validity at the indicator level, the items must load at their respective constructs above the threshold value of 0.708 (Hair et al., 2014). High outer loadings on a construct indicate that the associated indicators have much in common, which is captured by the construct. At a minimum, all indicators of outer loadings should be statistically significant. The standardized indicators of outer loading should be 0.708 or higher (Hair et al., 2014).

IV. RESULTS AND DISCUSSION

A. Overview

Based on Table IV the values of standardized outer loading shown that most of all constructs of variables higher than 0.708 and means that the constructs of this research have qualified of convergent validity except dimensions of LO1 that not valid in this research. The measurement that not valid must be dropped.

Besides the standardized outer loading, a strong convergent validity of the measures also accounts for the AVE. AVE is the grand mean value of the squared loadings of the indicators associated with the construct, whereas the AVE value should be above 0.5 (Hair et al., 2014). Discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards. Establishing discriminant validity implies that a construct is unique and captures phenomena not represented by other constructs in the model (Hair et al., 2014). As for the discriminant validity of the measures, the often-used criteria are the cross-loading and the Fornell-Larcker. An indicator's outer loading on the associated construct should be greater than all of its loading on other constructs. The presence

of cross loading exceeds the indicators' outer loadings represents a discriminant validity problem. The cross-loading criterion establishes discriminant validity when an indicator's outer loading is greater than all of its loadings on other constructs (Hair et al., 2014).

TABLE IV. CROSS LOADING

	EE	FP	LO
EE1	0.893	0.239	0.555
EE2	0.922	0.267	0.672
EE3	0.917	0.293	0.575
FP1	0.070	0.795	0.157
FP2	0.141	0.837	0.238
FP3	0.187	0.875	0.290
FP4	0.378	0.797	0.486
FP5	0.293	0.831	0.320
FP6	0.189	0.868	0.279
LO1	0.379	0.237	0.683
LO2	0.424	0.245	0.750
LO3	0.549	0.383	0.849
LO4	0.584	0.300	0.851
LO5	0.479	0.340	0.799
LO6	0.481	0.376	0.740
LO7	0.672	0.276	0.799

Based on Table IV, the cross loading factor values for each indicator are showing greater value than other constructs, they converge into the designated construct perfectly. Value from discriminant validity by cross loading table above can conclude that from this research the construct dimensions of the variable learning organization, employee engagement and financial performance has qualified of discriminant validity test. The Fornell-Larcker criterion establishes discriminant validity when each construct's square-root AVE value must be higher than its correlation with all of the other constructs. It compares the square root of the average variance extracted values with the latent variable correlations (Hair et al., 2014).

TABLE V. AVE

	Employee Engagement	Financial Performance	Learning Organization
Employee Engagement	0.911		
Financial Performance	0.293	0.835	
Learning Organization	0.663	0.396	0.784

Based on Table V, it shows that the square-root AVE values for each construct greater than other value, thereby are higher than the correlation of a given construct with other constructs in the model. This signifies that discriminant validity was established. Reliability testing is used to depict the consistency of indicators (Hair et al., 2014). To test the reliability, both Cronbach's Alpha and Composite Reliability were tested. Cronbach's alpha is a measure of internal consistency reliability that assumes equal indicator loadings. The criteria for internal consistency reliability are the indicator and internal consistency reliability and the value should be higher than 0.60 (Hair et al., 2014)

TABLE VI. CRONBACH'S ALPHA

	Cronbach's Alpha
Employee Engagement	0.877
Financial Performance	0.921
Learning Organization	0.885

Based on Table VI shows that the Cronbach's Alpha values as a measure of reliability exhibit the value of more than 0.60. The value of employee engagement, financial performance and learning organization shown has qualified for reliability testing test and each variable has a high and very high reliability construct. Composite reliability is a measure of internal consistency, which unlike Cronbach's Alpha, does not assume equal indicator loadings. The composite reliability should be above 0.708 (Hair et al., 2014).

TABLE VII. COMPOSITE RELIABILITY

	Composite Reliability
Employee Engagement	0.936
Financial Performance	0.932
Learning Organization	0.917

Based on Table 7, it shows that the composite reliability values for all constructs are more than 0.708 to 1, which means that all constructs have a high level of internal consistency reliability. This research an assessment of collinearity presence in the model was first examined. Table 8 shows that all variance inflation factor (VIF) below the cutoff point of 5 (Hair et al., 2014), thereby concluding that there is no issue of collinearity among the predictor constructs in the structural model. The coefficient of determination (R² value), which assesses the model's predictive accuracy and the Stone-Geisser's or Q² value to assess its predictive relevance. The R² value represents the percentage change in the amount of the dependent variable that is explained the changes in the independent variables. In other words, it is the combined effects of the independent variables on the dependent ones (Hair et al., 2014).

TABLE VIII. COEFFICIENT OF DETERMINATION

	R Square
Employee Engagement	0.440
Financial Performance	0.159

Based on Table VIII, it shows that employee engagement can explain 44% of the variance and in financial performance at 15.9%. The coefficient of Determination in R Square value represents the combined effects of the independent variables on the dependent ones. Based on the R Square value in this research the combined effects of the Learning Organization on the Employee Engagement is predicted 44% and effects of the Learning Organization on the Financial Performance is predicted at 15.9%. The reflection of Financial Performance measurement which used in this research is perceived financial performance that hopefully can represent the perceive of financial performance in the organization. In addition to the coefficient of determination, the model can exhibit predictive relevance for each of the endogenous construct in which the Q² value must be above zero. The value Q square can be obtained by using the following formula:

$$Q^2 = 1 - (1 - R^2_{y1})(1 - R^2_{y2})(1 - R^2_{y3})$$

$$Q^2 = 47\%$$

that is well above the zero cutoff point, the overall Q-square of this research model exhibits good predictive relevance. Based

on the result of the calculation, the value of Q-square is 0.47096, meaning that the structural model represents 47% of the phenomena variance. The remaining 53% is caused by another factor, which is not explored in this research. Since good predictive relevance, as shown by the values of Q-square.

The significance testing of the direct effects regarding the relationships among constructs in the model was derived from the bootstrapping procedure. This was done to test the research hypotheses, resulting in path coefficients testing for the direct effects. A path coefficient is significant to the extent of its standard error obtained through the bootstrapping procedure, which allows for empirical t value computation and p value. The generally accepted level of critical value of t statistics is 1.96 in significance level 5%. As for the p value, the value supposed to be less than 0.05 ($P < 0.05$) for the effect to be significant at the level of confidence of 95% respectively.

Table IX shows that the H₁ as expected overall learning organization has directly influence employee engagement in the hospitality industry in Surabaya. The result show $\beta = 0.663$, t table < t value ; $1.96 < 14.880$, in significant level 5% and $p = 0.000$ at the level of confidence of 95%, which indicates strong evidence that learning organization will increases employee engagement significantly and overtime. As a result explained hypothesis 1 is accepted. Therefore, learning organization culture makes a positive contribution to employee engagement as well the result of the hypothesis.

TABLE IX. HYPOTHESES RESULT

		Coefficients			Hypothesis
		Path value	t value	p value	
H ₁	Learning organization directly influence employee engagement	0.663	14.880	0.000	Accepted
H ₂	Learning organization directly influence financial performance	0.361	4.044	0.000	Accepted
H ₃	Employee Engagement directly influence financial Performance	0.054	0.626	0.531	Rejected
H ₄	Employee Engagement has an impact as an intervening variable to the relationship between learning organization and financial Performance	0.036	0.62	0.535	Rejected

H₂ as expected explained in table 4.30, overall learning organization has directly influence financial performance in the hospitality industry in Surabaya. The result show $\beta = 0.361$, t table < t value ; $1.96 < 4.044$, in significant level 5% and $p = 0.000$ at the level of confidence of 95%, which indicates strong evidence that learning organization will increases financial performance significantly. As a result explained hypothesis 2 is accepted. The result of hypothesis answered the purpose of this study that learning organization influence financial performance, learning organization in the hospitality industry in Surabaya have a significant influence on financial performance.

Different with H₂ as expected explained in Table 4.30, overall learning organization has directly influence financial performance in hospitality industry in Surabaya, the third hypothesis (H₃) unexpected has the result $\beta = 0.054$, t table < t value ; $1.96 > 0.626$, in significant level 5% and $p = 0.531$ at the level of confidence of 95%, which indicates no evidence that employee engagement will increases financial performance significantly. As a result explained hypothesis 3 is rejected.

Therefore, employee engagement directly influences financial performance not evidently proven in the hospitality industry in Surabaya as explained in a result of the third hypothesis. As the result of H₃ is rejected, H₄ evidently rejected as well following the result of indirect effect in table 4.30 and 4.31. H₄ has the result $\beta = 0.036$, t table < t value ; $1.96 > 0.620$, in significant level 5% and $p = 0.535$ at the level of confidence of 95%, which indicates no evidence that employee engagement as an intervening variable in learning organization and financial performance, and the result explained hypothesis 4 is rejected. Different effect if adapted in case of the hospitality industry in Surabaya, especially employee engagement as an intervening variable of learning organization and financial performance. Another factor and discussion influence of the resulting hypothesis 3 and 4 discussed in this chapter.

B. Learning Organization and Employee Engagement

From hypothesis analysis, H₁ the result shown in table 4.30 which indicates strong evidence that learning organization will increase employee engagement significantly and overtime. It proves that believed the relationship between learning organization culture and employee engagement is well explained by organizational behavior theory. In the organizational behavior perspective, culture is a collection of fundamental norms and values that impact employee behaviors and influence what employees think about work and themselves (Wagner et al., 1995). Lewin (1951) indicated that employee behaviors are strongly influenced by environments where an employee behaves. In addition, Senge (2006) emphasized that the foundation of the learning organization is employee motivation because it helps employees become excited, energized, and engaged in their work (Parkes and Langford, 2008; Stroh et al., 2002). Edmonson (2008) also highlighted that learning organization is learning processes which the definition really emphasizes. There's also the learning environment that makes those processes possible and as important is leadership that really fosters and inspires the learning processes and helps create the learning environment. Learning organizations are associated with organizational characteristics such as the ability to learn, a positive attitude to change, their values and beliefs and empowerment (Dobson, 2008). Therefore, learning organization culture makes a positive contribution to employee engagement. Valdivia et al. (2017) stated the need to adapt to these new labor trends in tourism is currently compelling organizations to design new formulas to motivate workers, build capabilities and engage valuable contributors. Some of the greatest opportunities for hospitality organizations to improve service, customer loyalty, growth and performance rely on reinvigorating human capital strategies. Essentially, to achieve high performance, the modern service firm must create work environments that build passion and purpose. When employee actively engaged in their environment to obtain positive reinforcement, this condition could create and maintain the self esteem (Kasa and Hassan, 2015), motivation and engagement which will ultimately avoid loss of resources (Hobfoll, 1989).

C. Learning Organization and Financial Performance

The result H₂ as expected explained in table 4.30, overall learning organization has directly influence financial performance in the hospitality industry in Surabaya. The result

indicates strong evidence that learning organization will increase financial performance significantly. It proves the believed and answers the second purpose of this research is to provide empirical evidence on the relationship between learning organization to financial performance. According to the theories and empirical evidence, learning organization is one that affecting financial performance in a firm.

One of the theory from Buckler's (1998) in the UK, study to compare the key elements of the learning process model with other current learning practices in the UK depend on how behavioral change has led to performance improvement achieved by the process of learning. The learning organization process can be applied to an individual, team or organizational level. Learning will embrace the acquisition of existing and the development of new knowledge, attitudes and skills such as the application of knowledge, attitudes and skills in existing or new contexts such as all with the purpose of improving the performance of the organization. Another theory from Reynolds and Ablett's (1998) that studied and develop the theory of learning organization stated that a part from the dominant emphasis on behavioral and adaptive development, is concerned with the process of change and experienced by organizations as well. Learning organization can explain as the taking the place of learning that changes the behavior of the organization itself. Therefore, organizational learning has reached the stage of successful adaptation to change and uncertainty through the development of new solutions from an uncertain climate which faced by the organization.

Watkins and Marsick (2003) widely develop the concepts of learning organization and in 2003 construct the measurement of learning organization and stated that learning in workplace learning is part of the knowledge capital of the organization, and it may lead to improved financial performance. The measurement will discover the important the role of learning in the organization and therefore the measurement can use as one way of measuring the value added of the human resource development function. After Watkins and Marsick develop the construct of learning in the organization, Senge's (2006) who develops system thinking theory, stated the idea of a learning organization where learning organization as new ways of thinking are cultivated and individuals continue to learn how to learn. The idea from Senge supported by Ellinger et al. (2002) that cultivating a learning organization culture within an organization accomplishes performance improvement, and found there is a positive association between a learning organization and financial performance. Therefore, it is expected that an organization nurturing a learning organization culture will successfully improve organizational performance.

Weldy (2003) The learning organization is a valuable tool for facilitating learning and knowledge management, and has been described as an important strategy for making improvements in organizational performance and maintaining a competitive advantage (Buhler, 2002; Davis and Daley, 2008; Korth, 2007). Therefore, various studies have reported the significant impact of learning organization and people-level learning dimensions on performance in both business and institutions outcomes to include financial (Akhtar et al., 2011; Awasthy and Gupta; Chawla and Lenka, 2015; Khandekar and Sharma, 2006; Ponnuswamy and Manohar, 2016).

D. Employee Engagement and Financial Performance

The third hypothesis (H3) unexpected has the result in Table 4.30 which indicates no evidence that employee engagement will increase financial performance significantly. Employee engagement believed as the variable which has an effect on financial performance, based on organizational psychology theory build by Jex (2008). The form of behavior refers to the types of activities an employee would choose to engage in at work which in return, an organization expects employees to behave in ways that benefit the organization.

These theories developed later by Macey and Scheneider (2008) literature that bring out a chain of propositions on psychological state engagement, behavioral engagement and trait engagement, also stated an idea that employee engagement is a blend of psychological and behavioral components. Before Jex (2008), Joo and Mclean (2006) build a conceptual model by identifying the relationships among business strategy, engaged employees, human resources practices, and organizational financial performance. Supported Xanthopoulou et al., (2009) that conducted a study to examine the link between job resources, employee engagement and organizational financial performance. and all of the studies represent the relationship and correlation employee engagement to financial performance. Another study by Christian et al., (2011) explained of substantiate that employee engagement is interrelated to employee job performance, emphasizing a high level of connectivity of an engaged employee with one's work tasks such as the force that drives employee toward the task related goals and objectives which direct to task performance and similar observation that an engaged employee is likely to initiate extra role behaviors due to their work in the organization.

The relationship at the business unit level between employee engagement and employee job performance is revealed by Harter et al., (2002) that when an employee as Xanthopoulou et al., (2009) state is engaged in work and focused on customers, that person brings high profit to the organization. In recent years, as Saks & Gruman (2014) mention, the great growth of interest in employee engagement has been observed. Employee engagement conjectures organizational success in relation to financial performance such as for instance, total shareholder returns (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006; Sahoo & Sahu, 2009). Rich et al., (2010) stated that engaged individuals invest their physical, cognitive, and emotional energies into their work roles, exhibit enhanced performance and work with greater intensity on their tasks for longer periods of time, will pay more attention to and are more focused on responsibilities, and more emotionally connected to the tasks that constitute their role. The theories above could not be proven in hospitality context in Surabaya. Another factor may be the evidence in this case. As explained in descriptive statistics at the beginning of chapter 4, many factors explained.

The descriptive statistic in crosstabulation calculation using SPSS software for variable employee engagement based on sample's management position in the company. It showed an 83.4% total of the sample has a high score of engagement in their company. 88.2% sample who have the position as a senior manager has to feel engaged in the organization and 15.4% have a middle score. It can conclude in the hospitality industry in

Surabaya has a high level of engagement in their company. It is based on the analysis the highest score of engagement shown in dimension "Physical Engagement" which have 88% level of high engagement that 100% employee in a senior management position has physical engagement. Physical engagement means that physical energy into work roles contributes to organizational goals because it facilitates the accomplishment of organizationally valued behaviors at increased levels of effort over extended periods of time. Different from another dimension that has total 76.3% score in "Cognitive Engagement" and 77.6% total score in "Emotional Engagement". Cognitive engagement means employee give their cognitive energy into work roles contributes to organizational goals because it promotes behavior that is more vigilant, attentive, and focused; and emotional engagement means employee give their emotional energy into their roles enhance performance through the promotion of increased connection among coworkers in pursuit of organizational goals — based from the hospitality industry phenomenon stated in chapter 1, the hospitality industry well known for a job that strain, overtime, lack of recognition and low pay and the workforce frequently reports emotional exhaustion and complains about hard-time working conditions that often result in absenteeism and turnover (Tongchaiprasit and Ariyabuddhiphongs, 2016). These reasons could relate the result of hypothesis if employee engagement did not directly influence financial performance, also the high score of physical engagement not followed with cognitive and emotional engagement. Harter et al. (2002) build the theory about workplace well being that explains how important positive environment and other factors support the managerial to achieve better performance. another theory from Fredrickson (1998), purposed a "broaden and build" model that has evolutionary roots how positive emotions broaden the scope of attention, cognition, and action, and build physical, intellectual, and social resources. This theory model correlates with human basic needs theory which conceptualization by Kahn (1990). Kahn stated that the effects of a positive workplace environment, employees could become more cognitive and emotionally engaged when their basic needs are met.

The explanation above can provide summaries that in the hospitality industry in Surabaya employee have high score engagement in physical engagement but not fully engaged in cognitive and emotional engagement except the sample who not complete high school also have full engagement in physical, cognitive and emotional engagement. It shows by the score of engagement 83.4% total of the sample have a high score of engagement in their company. In engagement level employee who not complete high school, certificate or associates degree, and graduate degree have 100% engagement score in their organization. The analysis shows the detail responses of the sample in dimensions of measurement of variable employee engagement. It is based from the tables the highest score of engagement shown in dimension "Physical Engagement" which have 88% level of high engagement that 100% employee who not complete high school have physical engagement. Physical engagement means that physical energy into work roles contributes to organizational goals because it facilitates the accomplishment of organizationally valued behaviors at increased levels of effort over extended periods of time. Different from another dimension that has total 76.3% score in

"Cognitive Engagement" and 77.6% total score in "Emotional Engagement". Cognitive engagement means employee give their cognitive energy into work roles contributes to organizational goals because it promotes behavior that is more vigilant, attentive, and focused; and emotional engagement means employee give their emotional energy into their roles enhance performance through the promotion of increased connection among coworkers in pursuit of organizational goals. Both measurements have 100% employee who not complete high school also have cognitive and emotional engagement.

Compared from all descriptive analysis and research test, can conclude that employee engagement in the hospitality industry in Surabaya, mostly have the physical engagement that employee has physical energy into work roles contributes to organizational goals because it facilitates the accomplishment of organizationally valued behaviors at increased levels of effort over extended periods of time. But their physical engagement could have affected by their learning activities which in the hospitality industry in Surabaya have mostly range employee have learning activities 11-20 hours/month (83.4%).

E. Learning Organization, Employee Engagement and Financial Performance

As the result of H3 is rejected, H4 evidently rejected as well following the result of indirect effect in table 4.32 and 4.33. H4 indicates no evidence that employee engagement as an intervening variable in learning organization and financial performance. As explained in hypothesis construct, the theory of organizational behaviors well explained that employees who score higher in conscientiousness develop higher levels of job knowledge, probably because highly conscientious people learn more and higher levels of job knowledge then contribute to higher levels of job performance. Conscientious individuals who are more interested in learning than in just performing on the job are also exceptionally good at maintaining performance in the face of negative feedback (Cianci et al., 2010). Cianci et al. (2010) stated that learning organization as an effect from conscientious individuals that want to learn more and contribute the higher job performance. Based on organizational psychology theory build by Jex (2008) The form of behavior refers to the types of activities an employee would choose to engage in at work which in return, an organization expects employees to behave in ways that benefit the organization. In organizational psychology stated that employees have at least some freedom of choice regarding the behaviors they are capable of engaging in that positively or negatively influence an organization's performance. If employees had no freedom of choice, organizations would have very little to do in the way of motivating their employees and to sustain a high level of success over time, one must never stop learning (Robbins, 2013).

The theories above could not be proven in hospitality context in Surabaya. Another factor may be the evidence in this case. As explained in descriptive statistics at the beginning of Chapter 4, many factors explained. For example, based on Table 4.14 shown that only 58.5% of respondents that have work-related learning activities in their companies thought that have better financial performance. 42.5% that respondents that have work-related learning activities in their companies thought that not have better financial performance as a result of their learning

process. Even in the hospitality industry have a high level of engagement but in the result, most of all have a physical engagement that could not be related with their improvement to engaged cognitively and emotionally in the organization. Their high level of financial performance, could be affected by the time they well learned about their task but not completely by employee psychological behavior nature.

V. CONCLUSION

A. Conclusion

Research and studies about the hospitality industry and from this employee engagement phenomenon this study investigate the gap between hospitality industry issues and facts, which hospitality industry have high growth but the facts that have high absenteeism and turnover and also to investigate the relationship between learning organization to financial performance with employee engagement as an intervening variable. This study also investigates the relationship of the learning organization, employee engagement and financial performance to measure the unestablished studies and implement the measurement in hospitality industry especially in Surabaya, also measure that dimensions of learning organization have higher significant direct factor impact to financial performance and employee engagement.

The findings support the research contribution that is trying to have theoretically, empirically and practically contribution. First, for theoretical contribution, this study trying to have the conceptual framework by investigating employee engagement as the impact factors to learning organization which directly effect to financial performance, an improvement of individual behavior in the organization based on organizational psychology and organizational behavior theory. Second, for the empirical contribution this study trying to investigate the relationship between learning organization and financial performance with employee engagement as an intervening variable in the hospitality industry especially in Surabaya, Indonesia. Third, for practical contribution, this study trying to facilitate managerial practitioners to examine the systems, structure and processes, tent to generate an enhanced level of learning organization and employee engagement to impact performance in the organization.

According to the result of the hypothesis can conclude that, there have strong evidence that learning organization directly influence and increases employee engagement significantly.; Learning organization has directly influence financial performance in hospitality industry in Surabaya; Employee engagement in the hospitality industry in Surabaya have higher physical engagement than cognitively and emotional engagement which not effects to financial performance; Employee Engagement in this case could not be related to the level of financial performance, even employee have time to well learned about their task but not completely by employee psychological behavior nature to improve employee performance. The facts that building employee engagement needs time and high turnover will affect to engage employee to company.

B. Practical Implications & Suggestions

According to the result, there are some managerial implications that could be a use for the organization to improve their strategy and performance. First, managerial can have better systems, structure and processes tend to generate enhanced levels of a learning organization that proved can improve performance in an organization. For example, measurement of learning organization which is Create Systems to Capture and Share Learning; and Empower People Towards a Collective Vision, have a significantly high score for measurement in factor loading. Managerial could improve the systems and technology in the organization; and also try to involving employees in setting, owning, and implementing a joint vision that could motivate to learn continuously toward an accountable task. Another improvement for employee engagement, the organization can improve not only physical engagement but also cognitively and emotional engagement by spending the time to work related learning also could improve better performance as employee psychological nature to improve performance.

Second, managerial may consider providing employees with resources and benefits that would instigate a reciprocity norm among them. When employees feel the need to give feedback to the organization, they are more likely to have a higher level of engagement. In addition, because different things are perceived like culture and another background might not be the most effective. To increase engagement, managers may aim to better understand their individual employee's needs like emotional and cognitive well-being (Harter et al. 2002) and align the resources and social support with their needs. Also development employee engagement for long term and process that requires constant interactions and communication (Saks, 2006). If organizational leaders are seriously committed to enhancing employee engagement in their organizations, engagement needs to be considered as a part of the broad organizational and cultural strategy and involve all levels of the organization's hierarchy (Saks, 2006).

Third, managerial can improve the learning in an organization such as learning systems that can affect more to financial performance especially using Learning Organization measurement. This research proved that The Seventh Dimension of Learning Organization (DLOQ) by Marsick and Watkins (2003) directly influence financial performance.

Also based on research results, there has an improvement for future studies: First, future studies can improve wider the research not only in the hospitality industry in Surabaya context but can improve in the Indonesian context.; Second, there are still many possible determinants that have yet discovered in the Indonesian context. Future studies will serve as a great contribution if determinants from various industry can be investigated, especially in a learning organization and employee engagement context.; Last, future studies also can use this research topic empirically and practically improved, especially in employee engagement and its effects on performance. Future studies can explore more about others industry phenomenon related with practical findings of employee engagement and performance especially financial performance.

C. Research Limitations

The limitation of this research deals with the sample of this research which is chosen purposively and it is only in the hospitality industry especially full service restaurant in Surabaya. The results could not be generalized into all sectors in Indonesian firms.

The significance testing of the direct effects regarding the relationships among constructs in the model was derived from the bootstrapping procedure. This was done to test the research hypotheses, resulting in path coefficients testing for the direct effects. A path coefficient is significant to the extent of its standard error obtained through the bootstrapping procedure, which allows for empirical t value computation and p value. The generally accepted level of critical value of t statistics is 1.96 in significance level 5%. As for the p value, the value supposed to be less than 0.05 ($P < 0.05$) for the effect to be significant at the level of confidence of 95% respectively.

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