

JEES Model for Encouraging Performance Improvement Through Employee Welfare of Small Businesses in the Snack Food Industry in Greater Malang

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ABSTRACT. The aim of this research is to determine the effect of employee well-being on employee performance, engagement and job satisfaction, the effect of satisfaction on performance, the effect of work involvement on performance and the effect of job satisfaction and involvement as mediation between well-being and employee performance in food SMEs in Malang Raya. This research uses a quantitative approach. The sample used was 220 employees but only 167 questionnaires were filled in by employees who worked in food SMEs. Data collection techniques through interviews and questionnaires. Data Analysis Method uses Scale Range Analysis and Data Processing Using the Smart PLS Version 4.0 Software Program. The results of this research are that well-being has a positive and significant effect on employee performance, engagement and job satisfaction and the influence of engagement on performance and satisfaction with performance also has positive and significant results. The questionnaire was not filled in completely by all respondents

Keyword: Employee Well Being; Engagement; Employee Performance; Satisfaction

JEL Classification: MM1

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INTRODUCTION

Small and medium enterprises (SMEs) play an important role in the Indonesian economy, including in Greater Malang, BPS (2022). One of the sectors dominated by small businesses in Malang Raya is the snack food industry, such as crackers, chips and peyek. This sector provides employment and supports local economic growth by Dinas Koperasi dan UKM Kota Malang, (2021). However, many small businesses in the Malang Raya snack food industry still face various challenges in maintaining their business performance and growth. Issues such as low productivity, unprofessional management and limited capital often become obstacles to the development of SMEs in this sector, Yuwono, P., & Partomo, T. (2019)

Locke, E. A. (1976) stated Job satisfaction and employee engagement are important components of employee well-being that can encourage increased performance. Job satisfaction reflects the level of enjoyment or positive emotions that employees feel towards their work, while employee engagement describes the level of commitment and enthusiasm of employees in carrying out their duties. In this research, a new model was introduced called the JEES Model (job satisfaction and employee engagement). The JEES model is a framework that combines the concepts of job satisfaction and employee engagement synergistically to improve employee performance

Luthans, F., Avolio, B. J., Avey, J. B., & Norman, S. M. (2007) The job satisfaction indicators used in this research include satisfaction with the job itself, salary, coworkers and superiors. Employee engagement indicators used include job engagement, organizational engagement, social engagement, cognitive engagement, emotional engagement and behavioral engagement. Pradhan, R. K., & Jena, L. K. (2017) Employee performance indicators used include quality performance, contextual performance, and task performance. An international database covering various industries states that it is estimated that an average of 20% of employees have high work engagement with their work. This group works with passion, feels a deep connection to the company and strives to push themselves to innovate and move the company forward. Meanwhile, the other 20% of employees have Job Engagement which is at the lowest point of their work, and the remaining 60% have job engagement at the average level, that is, employees continue to do their work, without making much use of the resources they have in their work. With these differences in findings, the JEES model can be used as an alternative to improve the performance of SME employees

Job satisfaction is a link to the performance of SME employees, with the fact that there is a significant relationship. Sosiady, M. (2022) This very significant relationship illustrates that job satisfaction has an impact on increasing employee performance in UKM. It was found that employee engagement mainly leads to positive employee performance which will influence business performance indirectly, and there is a positive relationship between employee engagement and their job performance. Previous research has shown that job satisfaction and employee engagement have a positive impact on employee performance^{9,10}. Satisfied and engaged employees tend to be more productive, provide better service, and have lower turnover rates. This can contribute to the growth and sustainability of small businesses, Susanti, N., & Handayani, S. (2021)

Zheng, X., Zhu, W., Zhao, H., & Zhang, C. (2015) stated One of the key factors that influences the performance and growth of small businesses is employee welfare⁶. Employee well-being is not

only related to employees' perceptions and feelings regarding job and life satisfaction, but is also closely related to the psychological experience and level of satisfaction with work and personal life of the employee concerned.

Cummings (1970) identified that there are three main perspectives regarding the relationship between job satisfaction and employee performance. Satisfaction causes employee performance to increase or even decrease. This view is supported by various studies. Mirvis and Lawer (1977), in their research found a relationship between job satisfaction and performance.

However, there is still limited research that specifically examines the integration model between job satisfaction, employee involvement, and performance in the context of small businesses in the snack food industry in Greater Malang. Therefore, this research aims to develop a JEES model that explains how employee welfare, which is reflected in job satisfaction and employee engagement, can encourage performance growth in small businesses in the snack food industry in Greater Malang.

METHODS

This research was carried out in food industry SMEs in Greater Malang. The population in this study was all employees with a total of 167 employees. This research uses a technique. The sampling technique used is multistage. The first stage determines the number of samples and the second stage uses proportional random sampling technique to distribute the sample.

The data collection technique is by distributing questionnaires to all employees who work in food SMEs with the formula 10 times the number of indicators, namely $10 \times 22: 220$ respondents, but of the total number of questionnaires distributed, only 167 respondents filled in and were suitable for analysis. Meanwhile, the data processing method in this research uses Smart PLS - SEM (Partial Least Square - Structural Equation Modeling) software because there are latent variables that can be measured based on the indicators so that with this PLS method, you can analyze the data with clear calculations and detailed.

RESULT AND DISCUSSION

Respondent Characteristics

Based on the answers from 167 respondents, it can be seen that the number of respondents who are male is 63% and 37% female, which means that more male employees work in the food industry in greater Malang.

Most of the respondents were between 25 and 30 years old, indicating that employees working in food SMEs are at a productive age for work.

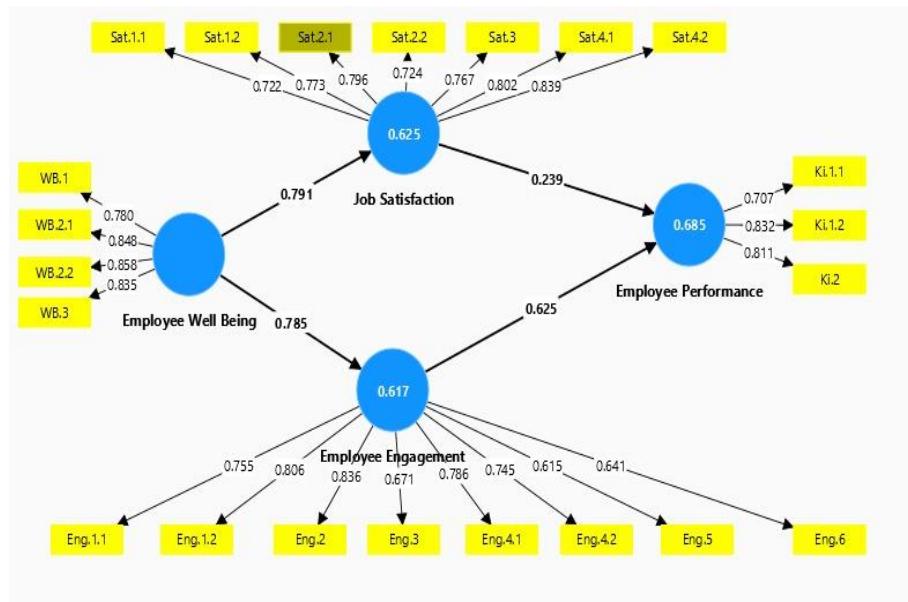
Respondents who had the highest frequency of length of work were respondents who worked for 1-5 years or 47.9%. It can be said that the higher the employee's length of service, the greater the employee's experience in handling each job

Partial Least Square (PLS) analysis result

At this stage there are 2 testing stages, namely the outer model (measurement model) and inner model (structural model) as well as hypothesis testing which will be described below:

a. Outer Model

At this outer model stage, it will test the convergent validity and composite reliability of the variable being studied. The results of the analysis of these stages are described as follows:



1. Convergent Validity

Convergent validity can be seen through the outer loadings value and the AVE value. A variable can be said to be valid if the Outer loadings value is ≥ 0.5 and the AVE value is ≥ 0.5 . The results of these two values will be shown in the table below:

Table 1. Outer Loading result

Variable	Indicator	Outer loading	Description
Employee well being	WB.1	0.780	Valid
	WB.2.1	0.848	Valid
	WB.2.2	0.858	Valid
	WB.3	0.835	Valid
Satisfaction	Sat.1.1	0.722	Valid
	Sat.1.2	0.773	Valid
	Sat.2.1	0.796	Valid
	Sat.2.2	0.724	Valid
	Sat.3	0.767	Valid
	Sat.4.1	0.802	Valid
	Sat.4.2	0.839	Valid
Employee engagement	Eng.1.1	0.755	Valid
	Eng.1.2	0.806	Valid

	Eng.2	0.836	Valid
	Eng.3	0.671	Valid
	Eng.4.1	0.786	Valid
	Eng.4.2	0.745	Valid
	Eng.5	0.615	Valid
	Eng.6	0.641	Valid
<i>Performance</i>	Ki.1.1	0.707	Valid
	Ki.1.2	0.832	Valid
	Ki.2	0.811	Valid

Source: Processed data (2025)

Table 1 above states that the results of all data processing can be said to be valid because each indicator item in this research variable has an outer loading value of ≥ 0.5 or it can be said that most of the indicators can fulfill construct validity in this research. With this, it can be interpreted that each indicator is able to show each latent variable well. Convergent validity can also be seen from the AVE value, a variable can be considered valid if it has an average extracted (AVE) value ≥ 0.5 . The following AVE test results can be seen in the following table:

Table 2. Average Variance Extractor (Ave) value results

Variabel	AVE	Description
Employee Engagement	0.541	Valid
Employee Performance	0.617	Valid
Employee Well Being	0.690	Valid
Job Satisfaction	0.602	Valid

Source: Processed data (2025)

Table 2 above shows that the results of the employee engagement, performance, employee well-being and satisfaction variables are valid because the AVE value is ≥ 0.5 , which can be interpreted as having met the specified requirements. The results in the AVE table above show that each indicator variable is able to display its latent variables well

2. Composite Reliability

Reliability Test (composite reliability) can be measured through Cronbach's alpha and composite reliability values. A construct with reflective indicators can be considered reliable if the value of Cronbach's alpha and composite reliability is > 0.5 . The following are the calculation results from the reliability test:

Table 3. Cronbach Alpha and Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability	Description
Employee Engagement	0.877	0.886	Reliable
Employee Performance	0.689	0.705	Reliable
Employee Well Being	0.850	0.853	Reliable
Job Satisfaction	0.890	0.894	Reliable

Source: Processed Data (2025)

Based on table 3 above, it is known that the results of the Cronbach's alpha and composite reliability values for each construct value or latent variable are > 0.50 . With this, all latent variables have good reliability and meet the specified requirements so that they can continue with structural model testing.

b. Inner Model

At the testing stage, the inner model will be evaluated by observing the results of r -square, statistical values and p -values using the following bootstrapping algorithm in the SmartPLS software:

1. R-Square

Ghozali & Latan, 2015 stated that R-Square values of 0.75, 0.50 and 0.25 respectively indicate that the model is strong, moderate and weak. The purpose of testing the R-Square here is to find out how big the influence of the independent variables is on the dependent variable. The following is a table of calculation results from R-Square:

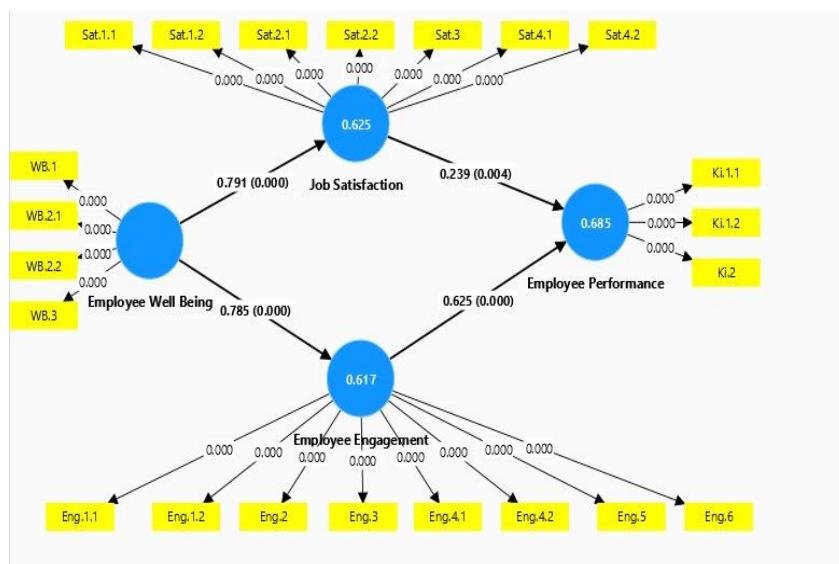


Table 4. R-Square test

Variabel	R-Square
Employee Engagement	0.617
Employee Performance	0.685
Job Satisfaction	0.625

Source : Data processed (2025)

Table 4 above shows that employee performance (Y) is influenced by well being (X_1), engagement (X_2) and satisfaction (Z) by 0.685 or 68.5% and the remaining 31.5% will be influenced by other constructs or variables outside those studied. in this research. So from these results it can be interpreted that the independent variables and mediating variables in influencing the dependent variable indicate the value of R-Square.

Hypothesis Testing

Hypothesis testing here aims to determine the influence of the causal variable on the effect variable which will be seen from the path coefficient value after carrying out the bootstrapping test. In this study, a confidence level of 95% was used and an inaccuracy limit of 5% or 0.05. If the t-statistical value is greater than 1.96 and the p-values are smaller than 0.05 then H_a is accepted and H_0 is rejected. Meanwhile, if the t-statistic value is less than 1.96 and the p-value is more than 0.05 then H_a is rejected and H_0 is accepted. The results of hypothesis testing will be presented in 2 tables, namely the direct and indirect effect tables or known as path coefficients as follows:

Table 5. direct effect test

	<i>Original Sample (O)</i>	<i>T Statistiks (O/STDE V)</i>	<i>P Values</i>	Description
EE → Perfor	0.625	7.788	0.000	Positive and Significant
EWB → EE	0.785	25.007	0.000	Positive and Significant
EWB → Perfor	0.680	20.549	0.000	Positive and Significant
EWB → satisf	0.791	25.920	0.000	Positive and Significant
satisf → Perfor	0.239	2.918	0.004	Positive and Significant

Source : Data processed (2025)

Next, a table will be presented of the results of the indirect influence significance test, namely as follows:

Table 6. indirect effect result

Variable	<i>Original Sample</i>	<i>T Statististics</i>	<i>P Values</i>	Description
EWB → EE → Perform	0.491	6.798	0.000	Positive and Significant
EWB → Satisf → Perform	0.189	2.837	0.005	Positive and Significant

Source : Data processed (2025)

DISCUSSION

1. The influence of employee engagement on employee performance.

The results of the research and hypothesis testing above show that there is a positive and significant influence between employee engagement and employee performance. This means that employees who are involved tend to be more enthusiastic and motivated in carrying out their duties. They have a higher sense of responsibility towards their work, which leads to increased productivity. Employees who feel engaged not only complete their tasks well, but also strive to produce better and faster results. Employees in the food industry who feel engaged tend to demonstrate higher levels of attention to detail, quality, and work completion. This involvement encourages them to make the best contribution to their work, because they feel more ownership and responsibility for the final results achieved.

2. The influence of welfare on performance.

The results of the research and hypothesis testing above show that there is a positive and significant influence between welfare and performance. This means that the more prosperous the food SME employees are, the performance will also increase. Employees who are physically and mentally healthy tend to have more energy and motivation to work optimally. Physical well-being, such as a healthy body condition and fitness, allows employees to work longer hours without feeling tired. This leads to increased productivity in the workplace

3. The influence of well-being on employee engagement

Employees who feel physically healthy have more energy and stamina to contribute optimally to their work. When employees feel fit and healthy, they are better able to face work challenges with enthusiasm and focus, which leads to higher work engagement. Conversely, employees who are often sick or feel unwell tend to feel tired, depressed, or less motivated to engage in their work. Employees who feel socially connected to their coworkers tend to have a higher sense of engagement. When employees feel accepted and appreciated by the team or company, they feel more motivated to give their best and work hard to achieve common goals. Good social wellbeing in the workplace contributes to a sense of community that encourages greater engagement.

Healthy and positive relationships with coworkers can increase work morale, strengthen a sense of responsibility, and strengthen employees' connections with the mission and goals of the organization

4. The influence of welfare on employee satisfaction

Social well-being relates to interpersonal relationships in the workplace. Employees who feel accepted, appreciated, and have good relationships with their coworkers are more likely to be satisfied with their jobs. A work environment that supports positive social relationships provides a sense of togetherness and teamwork that increases satisfaction. Conversely, poor social relationships or isolation can reduce job satisfaction, because employees feel uncomfortable or isolated at work. Financial well-being also influences job satisfaction. Employees who feel financially secure and receive fair compensation will feel valued and more satisfied with their work. Employees who feel that the salary or benefits provided by the company are not commensurate with their efforts tend to feel dissatisfied with their jobs. Therefore, companies that provide fair compensation and additional benefits that support employees' financial well-being are likely to increase their job satisfaction

5. The influence of employee satisfaction on Employee Performance.

Employees who are satisfied with their jobs tend to be more motivated to work hard and achieve organizational goals. Job satisfaction increases a sense of commitment to work, so that employees are more enthusiastic and proactive in carrying out their duties. This high motivation will encourage employees to give their best, increasing productivity and work quality. Employees who are satisfied with their work experience less absenteeism. When employees feel satisfied, they are more likely to want to come to the office, participate in company activities, and keep their commitments. On the other hand, dissatisfied employees tend to be absent more often or even stop working, which of course will disrupt organizational performance

6. The influence of well-being on Employee Performance through mediation from employee engagement variables

The results of research and hypothesis testing show that positive and significant employee involvement can be a mediating variable in the influence of welfare variables on employee performance. This means that it is known that there is an important thing that employees who are

emotionally attached will influence employee performance. By being involved in various kinds of decisions, welfare will be increasingly guaranteed and this will have an impact on employee performance in advancing the company.

7. The influence of welfare on Employee Performance through mediation from the employee satisfaction variable

The results of research and hypothesis testing show that employee satisfaction is positively and significantly a mediating variable in the influence of welfare variables on employee performance. The feeling of mastery over the work carried out by employees will further increase their sense of belonging to the company, especially if it is supported by the conditions of co-workers and the salary received by employees, this will have a welfare impact on employee performance

CONCLUSION

The research results show that:

1. The results of hypothesis testing show that there is a positive and significant influence between employee engagement and employee performance.
2. The results of hypothesis testing show that there is a positive and significant influence between welfare and performance
3. The influence of well-being on employee engagement shows that employees feel physically healthy and have more energy and stamina to contribute optimally to their work.
4. The influence of welfare on employee satisfaction shows that social welfare is related to interpersonal relationships in the workplace. Employees who feel accepted and appreciated.
5. The influence of employee satisfaction on Employee Performance. Employees who are satisfied with their jobs tend to be more motivated to work hard and achieve organizational goals. Job satisfaction increases a sense of commitment to work
6. The research results show that positive and significant employee involvement can be a mediating variable in the influence of welfare variables on employee performance
7. The research results show that employee satisfaction is positively and significantly a mediating variable in the influence of welfare variables on employee performance

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