# Relationship with Supervisor and Co-Workers, Psychological Condition and Employee Engagement in the Workplace

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#### **Abstract**

This study aims to examine the relationship model of supervisor relations, co-worker relations, psychological conditions, and employee engagement. In particular, this study aims to test models of influence psychological conditions on employee engagement in the workplace. In addition, this study also aims to examine the influence of psychological condition variable as a mediator variable on the relationship between good relations with co-workers and supervisors and employee engagement. This research was conducted at the private companies in Yogyakarta, with a sample of 191 employees. Testing four models of the relationship is done by using structural equation modeling with AMOS program. Results of this study show that most models fit to the data. There is mediating model of psychological conditions on the relationship between supervisor relations, co-worker relations and employee engagement. This study confirmed previous research showing that psychological conditions as mediated variable between antecedents and employee engagement. A thorough discussion on the relationship among the variables as well as on self rating is presented in this paper.

JEL Classifications: D23, O15

Keywords: supervisor relations, co-worker relations, psychological conditions, employee

engagement

## 1. Introduction

Recently, the organization requires a lot of research related to the human spirit within the organization. This spirit will encourage individuals to survive and feel engaged within the organization. The human spirit in that context shows the individual behavior who want to meet their needs in the workplace to express themselves at work (May, Gilson, & Harter, 2004). The human spirit will drive people in the workplace to be able to engage and immerse himself in his work. Therefore, individual must be engaged cognitively, emotionally, and physically at the workplace.

Research on the antecedents of engagement can be grouped into two approaches, namely those related to work (Schaufeli & Bakker, 2004) and is associated with psychological conditions (Kahn, 1990). Research conducted May *et al.* (2004) explained that employee relationships with coworkers and supervisors will affect the psychological condition of employees in the workplace. According to May *et al.* (2004), the psychological conditions include psychological meaningfulness, psychological safety, and psychological availability. May *et al.* (2004) research results states that

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the employee relationship with co-workers and supervisors will increase the psychological meaningfulness and employee engagement in the workplace. The relationship will increase the friendship and sense of belonging that enhances psychological meaningfulness. Appreciation from co-workers and supervisors will create caring and improve the safety of employees in the workplace.

Theoretically, psychological conditions can affect the individual engagement to roles or duties. Psychological conditions can include psychological meaningfulness, safety, and availability. Psychological meaningfulness is the work values associated with standard or individual idealism. Individual who feel personally meaningful will be motivated to give himself fully to the work and organization. Psychological safety showed individual beliefs to work without any negative consequences or without fear. Psychological safety will engage individuals to the job and the organization. The availability of resources physical, emotional, and cognitive would encourage individuals to be engage by the role it plays. Based on previous research, the psychological state will affect the engagement of individuals in the workplace (Kahn, 1990; Edmondson, 1999; Deci, Connell, & Ryan, 1989; Renn & Vandenberg, 1995).

Psychological conditions which include psychological meaningfulness, safety, and availability are influenced by relationships with colleagues and with the direct leadership or supervisors (May *et al.*, 2004, Edmondson, 1999; Whitener, Brodt, Korsgaard, & Werner, 1998; Kahn, 1990). Leaders are usually perceived as an agent of an organization that is able and appropriate because the leadership is the personification of organization for its employees. Supervisor relations allow psychological relationship with employee of the organization, where the organization is may be home to the relationship (Katz & Kahn, 1966). Supervisor relations also hold the key to the allocation of the project, the distribution of awards, and employee training (Chen, Tsui, & Farh, 2002).

Supervisor relations could also have an impact on the individual's perception of feeling safe in the workplace. Support, not control, and good relations with the leader will encourage the perception and feeling psychologically safe (Edmondson, 1999) and can enhance the creativity of employees (Deci *et al.*, 1989). Supervisor who encourage a supportive work environment, especially the attention to the needs and feelings of employees will provide positive feedback and encouraging the development of skills and able to solve problems in the workplace. Supervisory support will encourage self-determination or employee attitude and employee engagement in their work. The relationship between employees and supervisors as well as good relationships with coworkers will lead good psychological condition and encourage employee engagement to a job and organization.

Furthermore, individuals who are appreciated by colleagues connected with them will have psychological meaningfulness in the workplace. Employees will also indicate the availability of her if they know that co-workers and supervisors cared about him (Rothmann & Welsh, 2013). When individuals are treated with dignity, respected, and valued contribution not only as executor of his role, they will feel a meaningful of interaction. Individuals also took on the role of social identity that they get from the membership of an organization. Interaction with colleagues will develop a sense of belonging, strengthening the social identity, and bring a feeling of meaningful. Loss of social identity would cause a loss of feeling of meaningful.

Interpersonal relationship among employees that support and can be trusted will engender psychological safety (Kahn, 1990). Interpersonal trust can be either cognitive or affective (McAllister, 1995). Cognitive beliefs associated with consistency and loyalty to others. Affective trust is rooted in emotional relationships between individuals. Co-workers and supervisors who can support each other and mutual respect will lead to confidence and improve the psychological condition of a secure and strong engagement to work. Relationships in the workplace are a relationship that occurs among individuals in the workplace and it is important for organizational

life. Employee engagement is a psychological condition that supports individuals at work (Macey & Schneider, 2008) and shows the relationship of employees with work and organization.

This study aims to examine the model of influence psychological meaningfulness on employee engagement in the workplace. In addition, this study also examines the effect of relationships with co-workers and supervisors at the psychological meaningfulness and the engagement of employees in the workplace. The importance of relationships with co-workers has been widely described in the social psychological literature. The interpersonal relationships effect the achievement of performance, personal desires, and examples or valuation models. Co-workers can create behavioral norms of that acts as a role model both positive and negative. Employee engagement is an interest topic to researchers and practitioners because it is associated with a variety of positive results for the organization. The importance of employee engagement not only for the results that can be achieved organization, but also important for the psychological condition of the employees.

# 2. Theoretical Study and Hypothesis Development

# 2.1. Supervisor Relations and Psychological Conditions

Based on the development of Social Identity Theory, there are two understanding of the theory, namely the organizational identification and the relational identification (Sluss & Ashforth, 2007; 2008). Organizational identification is recognition of the organization for employees, while the relational identification is a good relationship with their immediate supervisor. Organizational identification is difficult because the organization is described in abstract, whereas relational identification is more easily described and explained. Therefore, the two are often lumped together with the identification of organizational terms, although it is meant good relations with employees and supervisors.

Social Exchange Theory is the underlying theory of inter-personal relationships and trust. In theory, people form relationships in which one individual exchange will provide duty or obligation to others to provide services or provide benefits. The quality of a good relationship with the supervisor will create trust in the supervisor (Whitener *et al.*, 1998). Supervisors are often assumed to be an embodiment of the organization by employees (Eisenberger, Huntington, Hutchison, & Sowa, 1986). In general, the supervisor also creates a good relationship with his subordinate (Graen & Uhl-bien, 1995; Sluss & Ashforth, 2007). Supervisors usually give examples of his subordinates. Supervisors are a natural source by teaching the values of the organization to his subordinates and always talking about the organization on them.

Supervisor is a representation of the organization. Therefore, a good relationship between the employee and the supervisor can present a good relationship between the company and the employees, so that employees feel attached to the organization and want to be involved in the organization. Compared relationship with a co-worker, relationship between employee and supervisor are more profitable (Raabe & Beehr, 2003). Supervisor is more likely associated formally with co-workers and gives appreciation to employees because supervisors involved in the assessment in the employee performance. However, both supervisors and co-workers alike provide psychosocial support and provide assistance to employees.

Employees who are close to the supervisor will tend to do a way that is consistent with the organization's objectives. Employees always look at the organization as a living entity because the organization has a responsibility to act as an agent, have real policies and norms that provide sustainability and the role of behavior, and expressed satisfaction with the individual employees through the agent (Shanock & Eisenberger, 2006). Previous researchers had found a relationship with the supervisor is important for employees in determining how individuals define support in the workplace (Sluss & Ashforth, 2007; Flynn, 2005). In the social exchange approach, employees give

effort and dedication to the organization by the leader or supervisor and received an appreciation from the organization through the leader or supervisor (Eisenberger *et al.*, 1986). Supervisor as an agent of the organization play a greater role by providing feedback related to the performance and the determination of wages (Shanock & Eisenberger, 2006). According to employees, a good relation with supervisor and supervisor support is a form of organizational support to him. Such support can reduce stress in the workplace and improve performance (Rhoades & Eisenberger, 2002).

Organizational Support Theory states that the supervisor action is an indicator of the intentions of the organization (Pati & Kumar, 2010). The supervisor helps personify the organization to employees. In general, supervisors have a close relationship with employees and have the ability to communicate the intentions of the organization directly to employees. Employees also consider that supervisors support is an extension of the organization. The high organizational support related to job involvement (Rhoades & Eisenberger, 2002), work engagement and organizational engagement (Saks, 2006). Organizational support will form a sense of responsibility to contribute to the organization and help organization for achieving its objectives (Stinglhamber & Vandenberghe, 2003). This support will also increase affective commitment to the organization to be engaged by the organization and encourage individuals to become organizational members, and have social identity as an organizational member. In addition, this support will encourage good individual psychological conditions which include psychological meaningfulness (Stinglhamber & Vandenberghe, 2003).

Based on the results of previous studies, supervisory support is negatively related to absenteeism, withdrawn behavior, and tardiness when to come to work or when returning to work after a break (Eisenberger *et al.*, 1986; Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). Supervisory support is negatively related to intention to leave (Randall, Cropanzano, Bormann, & Birjulin, 1999) and the turnover of employees (Eisenberger, Stinglhamber, Vandenberghe, Susharski, & Rhoades, 2002). Based on the above discussion, the hypothesis of this study is offered.

H1: Supervisor relations will be positively related employee engagement

**H2:** Supervisor relations will be positively related to psychological conditions

# 2.2. Co-Workers Relations and Psychological Conditions

Co-workers relations are an important source in providing support to co-workers and positive effect on employee satisfaction (Madlock & Booth-Butterfield, 2012). Employees develop a relationship with her co-workers to add friendship. Employees who feel a friendship with co-workers will experience mental and physical health is good. It is based on the feeling of security and self-confidence of the individuals associated with the work and motivation to encourage friendships in the workplace.

Co-workers relations are different from supervisor relations. Employee interactions with supervisors based on the position in the hierarchy of authority, while co-workers relations are flat without any formal authority elements (Basford & Offermann, 2012). Co-workers can not be ruled but depending on the relationship quality that was compiled from daily work both very pleasant and sad. Relationship with colleagues is an integral component of everyday life of employees in the workplace. Consequences of such a relationship are sharing in the workplace physically and are in a work team.

Employee relation characterized by little or even no imbalance of power (Tan & Lim, 2009). Trust in co-workers can also affect confidence in the organization, so as to improve organizational performance. Co-workers show the membership organization that has the same power and authority and a person who is always interacting with the employees in the organization. Co-workers have an important role because forming informal networks that instantaneously and without planned in the

organization. Co-workers have a more horizontal flow of information within the organization which is the channel lawful authority. Previous research states that employees tend to communicate ideas and problems related to their work to co-workers rather than to other, more formal party as supervisor. Trust in co-workers can produce huge social capital (Prusak & Cohen, 2001).

Co-workers relations also affect the secession or resignation of the employee from the workplace. This is due to the rules and formal policies that lead to a lack of communication in the workplace. Secession or resignation can occur because of social or structural conditions. Lack of communication can lead to interpersonal relationship needs are not met. When co-workers supports are high, the employees will enjoy and feel good relationships with co-workers so that employees will feel the engagement in the organization. Humans in general have the drive to establish and maintain positive interpersonal relationships, enduring, and significant (Baumeister & Leary, 1995). Most of these relationships affect the life to reach the goal. The relationship can make ends meet the needs (Baumeister & Leary, 1995) and helped define him. Relationships between individuals are a process, not something static. The relationship must be developed, maintained, or dissolved through communication.

According to Deci *et al.* (1989) and according to Self-Determination Theory, individuals will seek to the goal of interpersonal relationships and satisfy functional and psychological needs. When co-workers relations are positive, employees will be able to meet the needs and motivated to increase its commitment to the organization. A good supervisor relation can affect relationships with colleagues (Tse & Mitchell, 2010). In accordance with the Self-Determination Theory, individuals will seek to satisfy the functional goal of interpersonal relationships and psychological needs. When co-workers relations are positive, employees will feel able to meet their needs and are motivated to increase its commitment to the organization.

Social Exchange Theory assumes that the exchange of valuable resources will assist initiation or introduction, strengthening and maintaining interpersonal relationships. When an individual is treated by others well, then there was the reciprocal norm and will help strengthen the interpersonal relationship with other people. Co-workers social support could include the provision of information and resources, support, empathy, mentoring and various other forms that help employees in their work (Chiaburu & Harrison, 2008). Co-workers relations and peers support will motivate employees to perform the tasks although not in the job description and feel comfortable in the organization.

The results of previous research have informed that the role of social support from co-workers as a force that supports the work will have an impact on employee engagement (May et al., 2004; Schaufeli & Bakker, 2004). Previous research suggests that co-workers relations and the relationship with other employees will have an effect on employee engagement in the workplace. Social Exchange Theory is the reason why choose to be engaged by the job or place of work (Saks, 2006; Eisenberger et al., 1986; Settoon, Bennett, & Liden, 1996; Whitener et al., 1998). Social Exchange Theory also explains why people respond to various psychological conditions and social conditions in the workplace with varying degrees of engagement of individuals to work (Saks, 2006). Based on the above discussion, the hypothesis of this study is offered.

H3: Co-workers relations will be positively related to employee engagement

H4: Co-workers relations will be positively related to the psychological conditions

# 2.3. Psychological Conditions and Employee Engagement

Psychological conditions of individuals in the workplace are a condition in which individuals feel the meaningfulness or needed in the workplace. The psychological meaningfulness was defined as values goals or objectives in the work that is associated with a standard or individual idealism (Renn & Vandenberg, 1995). Feeling less individual meaningfulness in his work would cause

people to feel not engaged to his work (Aktouf, 1992). Working conditions experienced by employees as the meaningfulness of personal growth and should help improve employee motivation (Spreitzer, Kizilos, & Nason, 1997). Psychological meaningfulness can be affected by the coworkers relations (May *et al.*, 2004).

Psychological meaningfulness is known as an important psychological condition in the workplace (May et al., 2004). Individuals have a main motive in seeking psychological meaningfulness in the workplace that would occur if individuals feel useful and valuable, and its existence is different from others (Kahn, 1990). Meaningfulness was defined as values and goals or objectives related to employment standards or ideals of the individual (May et al., 2004). Low of psychological meaningfulness means individual would leads to disengagement at work. The meaningfulness will help individual personal growth and work motivation (Spreitzer et al., 1997). The psychological meaningfulness will create the perception associated with the job. Individuals who have good interpersonal interactions with co-workers and supervisors will undergo psychological meaningfulness and engaged to their work (May et al., 2004).

Employees will be engaged to the job and the organization when they feel psychological meaningfulness in the workplace. Psychological meaningfulness related to the value obtained by individuals in achieving the objectives in its work compared with its personal goals (May et al., 2004). Meaningfulness shows the subjective assessment of an event in his life and attribution significantly in an event related to individual targets such as values, beliefs, and personal identity that is created. Works related to psychological meaningfulness because people spend most time at work.

Good quality of co-workers relations can create a sense of belonging, has a strong social identity, and feel important in the organization. When employees feel the supervisors and co-workers support in the workplace, they will experience psychological meaningfulness in the workplace as a valuable cause feelings of support, useful, and valuable, which individual makes a unique contribution and not defined simply (Kahn, 1990). Kahn (1990) also defines safety as a psychological condition where people perceive their work environment as conducive to anticipate personal risk. In a psychological safety environment, individuals believe that the fault does not make it punishable. Supervisors will affect the individual's perception psychological safety of working environment.

Safety working environment perceived by the employees will make them engage on the workplace, dare discuss the failures they experienced, and willing to learn in an environment that supports it (Edmondson, 1999). Co-workers relations and supervisor relations will create a feeling psychological safety (May *et al.*, 2004). Co-workers and supervisor relations will support and assist employees in the workplace to be able to express them physically, cognitively, and emotionally in carrying out the work because they feel protected. Psychological availability is showed confidence that the company has the resources physically, emotionally, and psychologically that encourage individuals engaged to the company. The availability of such resources considered important for individuals so that they improve the engagement to the job. Although Olivier and Rothmann (2007) study found no evidence that the psychological condition would mediate the supervisor relations and employee engagement, but supervisor relations remains influential on employee engagement (Rothmann & Welsh, 2013). The psychological condition of the employees is affected by a relationship with supervisors and co-workers. The psychological condition can also affect employee engagement. Based on the above discussion, the hypothesis of this study is offered.

**H5:** Psychological conditions will be positively related to employee engagement

**H6:** Psychological conditions of employees will mediate the relationship between co-workers and supervisors relations and employee engagement

## 3. Research Methods

# 3.1. Samples and Procedures Research

The research design was a field study using survey methodology. This research was conducted on employees of private companies in Yogyakarta, Indonesia. Selection of setting the research was based on previous research that employees feel engaged in the organization if it has a good relationship with co-workers and supervisors that have psychological conditions such as psychological meaningful, psychological safety, and psychological availability. In addition, this study also aims to examine the effect of variable psychological conditions as mediating variable of relationship between coworkers and supervisors relations and employee engagement.

This study uses a survey using a questionnaire that distribution was done alone. The questionnaire was distributed to individual data collection on respondents. Samples were employees of a private company located in Yogyakarta, Indonesia. The survey was conducted about two months. Compared with four other methods, survey (interviews with direct face to face, a questionnaire was sent or by correspondence, questionnaires were read out via the telephone, questionnaires via electronic media, or a combination of survey methods), methods of questionnaire survey conducted themselves is the best method (Cooper & Schindler, 2001; Neuman, 2006; Sekaran & Bougie, 2010).

Research by the individual as the unit of analysis requires the sample to the criteria or specific characteristics. Characteristics of the sample are used to convey the characteristics of the sample relative to the population. Samples intended to be representative of the population. Sample size also affects the accuracy or representation of the population, although a large sample will demonstrate the greatest confidence in the study. The sampling method used in this research was non probability sampling. In this method, the elements in the population did not have the same probability to be selected as the sample (Sekaran & Bougie, 2010; Cooper & Schindler, 2001). Non probabilistic sampling technique chosen was purposive sampling. The criteria used to select the sample were active employees of at least one year working at the company. In addition, this study uses self-assessment. The sample consisted of 191 employees (with a response rate of 63.7%) of the 300 employees. One of the characteristics investigated demographic profile was gender. Respondents who were employees of a private company located in Yogyakarta, Indonesia received the survey using a pen and paper. Respondents believed anonymity and completed the survey during their working hours.

#### 3.2. Measurement

The instrument was designed for the individual level as the unit of analysis. Each of the respondents in this study was asked to complete four measurement, employee engagement, psychological conditions, supervisor relations, and co-worker relations. All questionnaires were taken and developed by the researchers before, namely May *et al.* (2004). The questionnaire was adopted with slight modifications to suit local needs of research in Indonesia. This modification was associated with changes in the questionnaire by using Indonesian.

No changes to the questionnaire used in this study. All scales measured by Likert scale with 5-point starting from the number 1. This study also used the factor analysis as a way to test the construct validity and internal consistency with Cronbach's alpha to demonstrate the reliability of measuring instruments. With the rotation and loading factor of at least 0.5 as suggested by Hair, Black, Babin, Anderson, and Tatham (2006). Furthermore, to examine the relationship and influence between independent and dependent variables, researchers used correlation. Furthermore, to test psychological conditions variables as mediating variable used structural equation modeling (SEM) using AMOS program.

# 4. Results

# 4.1. Validity and Reliability Analysis

This study used a questionnaire developed by previous researchers to translate from the original language (English) into Bahasa Indonesia. To assess the validity of the measurement items all the variables, the researcher conducted testing content validity and construct validity. Content validity that was used to assess measurement instruments carried at the pre-analysis by asking the opinion of experts in the field of Organizational Behavior and Qualitative and Quantitative Research Methods. Measuring tool or questionnaires were tested on 30 respondents who were employees that have similar characteristics to the target population of this study as suggested by Sekaran and Bougie (2010). Researcher used factor analysis to examine the construct validity. To further simplify the interpretation and find a simpler structure, the researcher used a technique of orthogonal and varimax rotation. Factor analysis (FA) was also performed on the construct being investigated. Extraction executed and each Eigenvalue factor greater than one (1) will be adopted. Varimax rotation performed to reveal each variable. Recorded using a loading factor loading above 0.50 as suggested by Hair et al. (2006) which is referred to as the construct validity of the test results are practically significant. Factor analysis conducted to test the construct validity. By using varimax rotation and loading factor of at least 0.5 as suggested by Hair et al. (2006), the test results can be achieved construct validity could be said to be significant. Loading factor values is recorded between 0572 and 0.941. Given all of the items noted above are extracted 0.5, there are 5 employee engagement items and 2 psychological conditions items which turned out to be deleted because it is declared invalid. Items that have construct validity based on the results of the factor analysis are then tested reliability.

Furthermore, to assess the reliability of the measurement items all the variables tested internal consistency with Cronbach alpha values. Cronbach alpha values of reliability tests measuring instrument in this study resulted in a score of 0.927 for employee engagement variable, 0.953 for co-workers relations variable, 0.957 for supervisor relations variable, and 0.973 for psychological condition variable. Based on the results of testing the reliability of the authors stated that the reliability of the study measuring instrument is far above the cut-off line reliability as recommended by Hair *et al.* (2006).

## 4.2. Descriptive Statistics

To perform statistical analysis, researcher used a series of analysis of the relationship between all the constructs or research variables by using correlation analysis. Correlations between constructs or variables used in this study are significantly positive. Standard deviation, reliability scale, and the correlations between all study variables are presented in Table 1.

SD 1 2 3 4 Mean Α **Employee Engagement** 3,6126 0.8436 0,927 1.000 0.890\*\* 3.3105 0.7177 0.953 Co-workers Relations 1.000 0,813\*\* 0,838\*\* 3,4126 0.7257 0.957 1.000 Supervisor Relations **Psychologiocal Conditions** 3,4100 0,8467 0,973 0,868\*\* 0,854\*\* 0,763\*\* 1,000

**Table 1.** Mean, standard deviation, and inter-correlations among all variables

Notes: correlation is significant at the 0.01 level (2-tailed)

Based on Table 1, the mean of four variables is high (average of between 3.3105 and 3.6126) and moderate standard deviations. In addition, all correlations were obtained quite strong. The

correlation between employee engagement and co-workers relations is significantly positive (r=0.890, p <0.01). The correlation between employee engagement and supervisor relations is significantly positive (r=0.813, p <0.01). The correlation between employee engagement and psychological conditions is significantly positive (r=0.868, p <0.01). Correlation between co-workers relations and supervisor relations is significantly positive (r=0.838, p <0.01). Correlation between co-workers relations and psychological condition is significantly positive (r=0.0854, p <0.01). Correlation between supervisor relations and psychological conditions is also significantly positive (r=0.763, p <0.01).

## 4.3. Hypothesis Testing Results

Confirmatory Factor Analysis was used to test the discriminant validity of the research variables. Specifically, the researcher tested the model of four variables where co-worker relations, supervisor relations, psychological conditions, and employee engagement into the different latent factors. The strength of the relationship between co-workers relations, supervisor relations, psychological conditions, and employee engagement are examined through Structural Equation Modeling (SEM). The test results of the model indicated that there was no significant direct effect of all independent variables (co-workers relations, supervisor relations, and psychological conditions) on employee engagement which is the dependent variable. Furthermore, one of the objectives of this study was to test the effect of a psychological condition as mediating variables in the relationship model between co-workers relations, supervisor relations, and employee engagement, then Table 2 presents the results of testing the mediating models using structural equation modeling with two-stage approach.

**Table 2.** Mediating model analysis

	Beta (β	Critical Ratio
Co-workers Relations → Psychological Conditions	0,704	11,736
Supervisor relations → Psychological Conditions	0,178	2,706
Psychological Conditions → Employee Engagement	0,977	29,169
GFI = 0.903		
p = 0.000		
Chi Square = 52,710		
Df = 2		

Structural equation model in this study was designed and tested using AMOS 4.0 software program (Byrne, 2001). The structural model was determined by allowing each item of every size to fit on the latent factors. At first, the researcher conducted dimensional analysis using confirmatory factor analysis (CFA), which covered all measures to assess the relationship between latent variables and real products that serve as indicators of them.

The test results data using structural equation model in Table 2 shows that the relationship between employees and supervisors have a significant effect on the psychological condition of the employees (hypothesis 2 is supported). Co-workers relations also have a significant effect on the psychological condition of the employees (hypothesis 4 supported). In addition, the psychological condition of the employees is also a significant influence on employee engagement (hypothesis 5 is supported), so the hypothesis 6 which states that the psychological condition mediates the effect of coworkers and supervisors relations on employee engagement is also supported. This means that the first hypothesis which states that the relationship between co-workers and supervisor relations and employee engagement and hypotheses 3 which stated the relationship between co-workers relations and employee engagement is not supported.

Furthermore, research conducted Sherony and Green (2002) explained that co-workers relations usually associated with supervisor relations. The quality of the relationship between supervisor and employee can affect the relationship between employees and coworkers (Sherony & Green, 2002; Tse, Dasborough, & Ashkanasy, 2008). This is due to the quality of a good relationship with the supervisor will encourage the development of friendships in the workplace. Several previous studies that examine co-workers relations were related directly to the employee welfare (Basford & Offermann, 2012). According Beehr, Jex, Stacy, and Murray (2000), the co-workers supports add to the experience of employees. Several previous studies that examined the relationship between employees and supervisor together with co-workers showed interesting findings, namely relationship between supervisor and employees as subordinate's effect on the employee relationship with his co-workers. Based on the previous researches, this study attempted to examine alternative models that show the influence supervisor relations on co-workers relations. Model testing results are presented in Table 3.

**Tabel 3.** Analisis model alternatif

	Beta (β	Critical Ratio
Co-workers Relations → Psychological Conditions	0,794	11,736
Supervisor Relations → Psychological Conditions	0,178	2,706
Psychological Conditions → Employee Engagement	0,977	29,169
Supervisor Relations → Co-workers Relations	0,882	23,291
GFI = 0.903		
p = 0.000		
Chi Square = 52,710		
Df = 2		

Based on the test results of structural equation model in Table 3, the model is fit to the data, in which supervisor relations also have a significant effect on co-workers relations.

## 5. Discussion

Employee engagement is based on the idea that people want to express and integrate themselves into the work or organization (Byrne & Hochwarter, 2008). Various factors both internal and external affect employee engagement. Social Exchange Theory assumes that the exchange of valuable resources will assist in the introduction, setting, and maintaining interpersonal relationships (Lynch, Eisenberger, & Armeli, 1999). The process of exchange relations are governed by the norms of universal exchange that allows individuals receiving benefits from other people or organizations.

Kahn (1990) stated that employee engagement is a psychological condition that includes psychological meaningfulness, psychological safety, and psychological availability. The perceived psychological meaningfulness means that the work performed influences the process and results of the organization, so that employees are able to achieve organizational goals. The belief that the organization would appreciate its employees and its work will encourage employees to work hard and find psychological meaningfulness in his work. Employees then determine safety when he invested or immersed himself into his work without a negative reaction. If employees believe that their contributions will not be accepted or appreciated as well, then they will not be engaged to the job. Employees will determine how much personal energy will psychologically be given employee

to the company. If the employee's contribution is well assessed and appreciated, they will have higher engagement to the organization. The previous researchers stated that employees who feel engaged to the organization will be more successful and can increase organizational profit (May *et al.*, 2004; Kahn, 1990). Kahn (1990) stated that employees who perceive an organization's ability to satisfy the needs of psychological safety and psychological meaningfulness will encourage him to be engaged psychologically and be more use energy and time on the job.

These results indicate that the employee relationship with co-workers and supervisors has no direct effect on employee engagement. Employee relationship with co-workers and supervisors has a direct effect on the psychological condition of the employees in the workplace. Psychological conditions which include meaningfulness, safety, and availability are psychological effect on employee engagement. Co-worker relations and supervisor relations create an environment that has reciprocal effects between supervisors and employees and between co-workers and employees. Employees will evaluate the expected support from supervisors and co-workers before tied to the job and the organization that affect the psychological condition of the employees. Social Support Theory provides the right model in explaining the relationship between employees and co-workers and supervisors (Eisenberger *et al.*, 1986). Employees need motivation to do his job and committed to the organization. Employees who perceive good relations with supervisor and co-workers and supervisory support will feel the responsibility and feel obliged to reciprocate good relations and support from the supervisor to assist the supervisor achieve his goal (Eisenberger *et al.*, 2002).

## 6. Conclusion

Good working relationship would cause the individuals to feel that the other members of organization give attention to them, support them, and contribute to them. In accordance with the Social Exchange Theory, when people feel that other members in the organization support them, then they will reply by giving the best on co-workers, supervisors, and organization. A good relationship between the employees and co-workers and supervisors will affect the three forms of psychological condition of employees, psychological meaningful, safety, and availability.

This study contributes to the literature on employee engagement by adding variables influence the psychological state as mediating variable on relationship between the antecedents of engagement namely co-workers relations and supervisor relations. This study reveals the underlying theory of psychological engagement in the workplace. In addition, this study uses simultaneous equations, using structural equation models were relatively strict or rigorous testing mediating variables. However, the weakness of this study is the use of data collection by the cross sectional field study, so it is less precise in testing mediation models. In addition, this study used a survey with self-report survey instrument giving rise to bias known as the common method variance. Future research may be done to replicate these results in service companies such as education or health and in public companies.

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