

## **STRIVING FOR RETAIL COMPETITIVENESS: A STUDY ON WORK ENGAGEMENT AND PERFORMANCE**

**Ardyansyah<sup>1</sup>, Siti Yasmina Zubaedah<sup>2</sup>**

<sup>1</sup>PJJ Management Program Study, Universitas Bunda Mulia, Jl. Lodan Raya No. 2, Ancol, North Jakarta

<sup>2</sup>Management Program Study, Universitas Bunda Mulia, Jl. Lodan Raya No. 2, Ancol, North Jakarta

E-mail: s912210059@student.ubm.ac.id; szubaedah@bundamulia.ac.id

### **ABSTRACT**

While digital technology has facilitated productivity, the advancements in online gaming may increase potential distractions and alter workers' behavior. In line with the increasing number of online game users, who are also full-time employees, the impact on work engagement and performance has raised concerns for retail companies. Considering the focus on efficiency and productivity in retail businesses, this study aims to analyze the influence of online game addiction on work engagement and performance, as well as the role of self-efficacy in a bubble tea retail chain in Jakarta. Specifically, work engagement was posited to mediate the relationship between game addiction and performance, whereas self-efficacy was suggested to be the moderating variable. This study employed a quantitative approach, collecting data from 100 employees of XYZ Bubble Tea. Based on a purposive sampling technique, the questionnaire was distributed to the respondents who are actively playing online games, and analyzed using PLS-SEM. The results showed that online game addiction had a significant negative effect on work engagement without a significant relationship with work performance. Work engagement had a significant and positive effect on performance, but did not function as a mediator. Similarly, self-efficacy did not moderate the relationship between work engagement and performance. This study concludes that digital entertainment needs to be managed to minimize the influence on workers' behavior at work, which affects engagement and performance. Companies should implement policies regarding the use of personal devices during work hours, build time-management skills, as well as motivate employee self-efficacy through training and development.

**Keywords:** online game addiction; work engagement; self-efficacy; performance; organizational behavior.

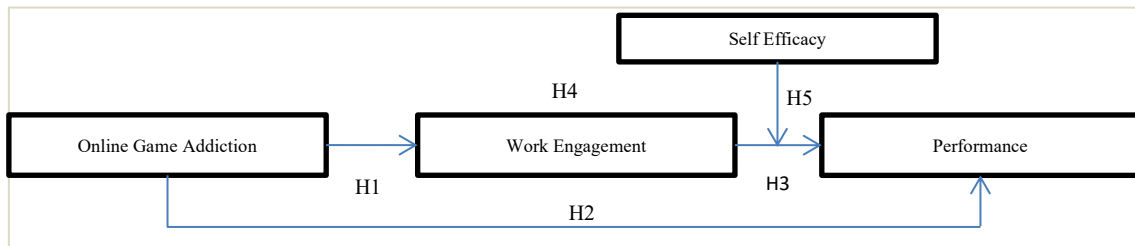
### **INTRODUCTION**

Making up a large portion of the economy, the retail sector plays a pivotal role in building national competitiveness at the global level. The wholesale and retail trade contributes to Indonesia's GDP growth at a 4.58% rate (BPS Statistics, 2024), and has been reported to add approximately 980,000 jobs this year (BPS Statistics, 2025). Considering the abundant human resource absorption in retailing, focus on efficiency alone is no longer feasible, where the adoption of sustainability practices is increasingly pertinent for retailers to build the ability to compete (Tanuraharjo, et. al. 2024). Moreover, digitalization has risen to be the ultimate pathway for retailers to better organize, develop the capacity and capabilities to grow while simultaneously maintaining efficiency. In fact, use of digital technology has been found to improve the attractiveness level of retail companies, particularly for Gen-Z workers (Susilo, et. al., 2025). The proliferation of digital technology has facilitated retail efficiency, enabling retail business development, such as through omnichannel retailing and digital marketing. From the workers' perspective, digital technology offers solutions to facilitate daily tasks and contribute to enhancing the company's performance improvement programs. However, the rise of digital entertainment, such as online gaming, provides workers with an affordable pastime and allows for easily accessible pleasure.

Maulidi (2022) stated that online games are conceptually viewed as a product of digital mass communication that can influence users. Playing games not only provides challenges but also contains reward elements that encourage players to continue playing for long periods of time, or even excessively. Online gaming continues to experience an increase in players every year in Indonesia. According to the data from the Ministry of Economic Affairs, Tourism, and Creative Economy (2024), the gaming industry in Indonesia continues to grow positively, reaching 174.1 million by 2022. Indonesia is one of the largest gaming markets in Southeast Asia, with total spending at the end of 2019 reaching 1.1 billion USD, where 94% of the gamers spent money on purchasing items (Newzo in Kurnia, 2022). It is known that the money spent on playing online games ranges from 769,000 IDR to 1.5 million IDR for one game purchase (Liputan6, 2023).

While digital technology has facilitated productivity, the advancements in online gaming may increase potential distractions and alter workers' behavior. The online gaming population is no longer dominated by teenagers, where more players being of adult age. According to Burhan (2022), the age group of gamers in Indonesia is dominated by millennials, aged 26-37, and approximately 69% of this group has an average monthly income of 10 million IDR and play at least once a day for 1-3 hours. In line with the increasing number of online game users, who are also full-time employees, the impact on work engagement and performance has raised concerns for retail companies. The growing concerns for having more workers distracted by online games lead to a pressing need for scientific studies on online gaming addiction among workers, and particularly, related to

whether such behavior would cause an adverse impact on productivity. Considering the focus on efficiency and productivity in retail businesses, this study aims to analyze the influence of online game addiction on work engagement and performance, as well as the role of self-efficacy in a bubble tea retail chain in Jakarta.



**Figure 1. Research Framework and Hypotheses**

According to Gekarasa (2024), online game addiction is a condition where a person loses control over themselves in their daily life and spends a bulk of their time playing. Andreassen et al. (2012) defined online game addiction as addictive behavior towards online games characterized by a strong desire to use online games compulsively, even when not needed. Consequently, addiction to online gaming would impact workers' behavior and may influence their work engagement, which refers to the level of employee involvement in their work (Wijaya et al., 2024). Moreover, the results of research by Ibrahim et al. (2022) discovered that social media addiction negatively affects employee engagement and performance. Similar to online games, social media tends to entice users to stay abreast, which could lead to excessive use and addiction, causing a change in employee behavior and inducing a negative attitude towards their jobs. The similar features between social media and online games as digital escapes suggest a negative relationship between online game addiction and work engagement.

*H1: Online game addiction negatively affects work engagement*

*H2: Online game addiction negatively affects work performance.*

Schaufeli et al. (2006) defined several key aspects of work engagement, including a positive and satisfying state of mind related to work, characterized by dedication, vigor, and full involvement. Performance is the level of employee success in completing their tasks (Widodo et al., 2023). Good employee performance is crucial in achieving institutional targets (Padmaka et al., 2022). Performance is the outcome of a job within a specific timeframe (Christin et al., 2021). Research by Ibrahim et al. (2022) found that employee engagement has a significant impact on work performance. Correspondingly, this research offers a hypothesis on the relationship between work engagement and performance.

*H3: Work engagement positively affects work performance.*

Furthermore, Ibrahim et al. (2022) discovered that employees who are highly engaged with the company, despite the occurrence of social media addiction, tend to maintain good performance. Correspondingly, the authors showed the strong relationship between work engagement and performance when employees demonstrate high self-efficacy. Evidently, individuals with high self-efficacy can still achieve optimal work performance because they believe they can attain performance despite challenges that may occur. Paralleled with the conception of possible altered attitude and behavior due to social media use, online game addiction is posited to influence conduct and affect performance. With online gaming addiction, employees tend to lose their involvement in their primary tasks, even though they are physically present; distractions would cause workers to underperform. The excessive use of online games could still lead to performance when workers are engaged and believe in his or her own ability. Specifically, work engagement was posited to mediate the relationship between game addiction and performance, whereas self-efficacy was suggested to be the moderating variable.

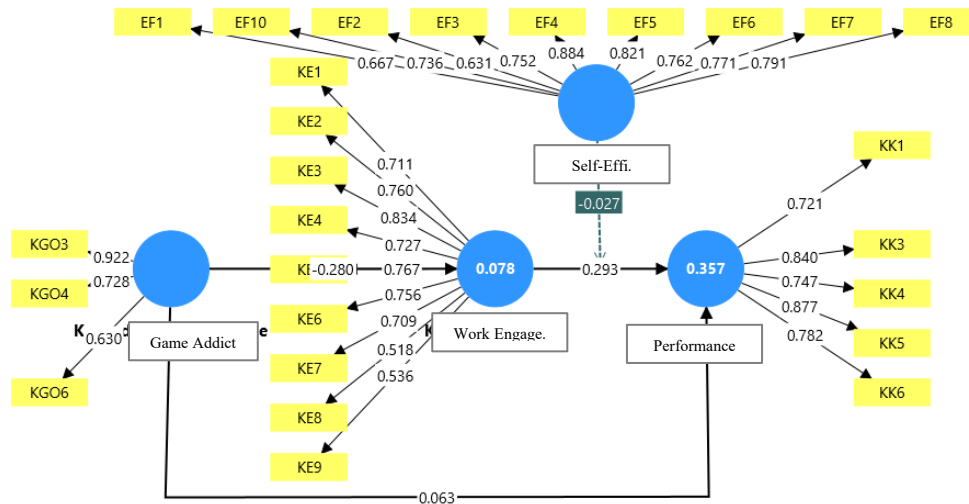
*H4: Work engagement mediates the relationship between online game addiction and work performance.*

*H5: Employee self-efficacy moderates the relationship between work engagement and performance.*

## METHOD

This study employed a quantitative approach, collecting data from 100 employees of XYZ Bubble Tea. Based on a purposive sampling technique, the questionnaire was distributed to the respondents who are actively playing online games, and analyzed using PLS-SEM. The questionnaire for this study was taken from 6 addiction indicators from Andreassen et al. (2012), 9 work engagement indicators from Schaufeli et al. (2006), 6 work performance indicators from Rodwell et al. (1998), and 10 self-efficacy indicators from Schwarzer & Jerusalem (1995). For researchers, these question indicators made it easier to achieve the goals of this study.

The total number of respondents included in this study was 100 employees of several XYZ Bubble Tea locations in Jakarta, consisting of 86% male and 14% female. Based on age range, respondents who are 20-24 years old are 20%, 25-30 years old are 54%, and above 30 years old are 26%. In terms of the work period, the respondents with less than one year in the Company were 13%, 2-3 years were 16%, and above 3 years were 71%. In one day, respondents reported that those who play online games for less than 2 hours were 66%, 2-3 hours 31%, and more than 3 hours 3%. Markedly, most respondents spent less than 2 hours playing online games.



**Figure 1. Smart-PLS Output**

Accounting for 5 out of the 31 indicators included in the questionnaires have invalid outer loadings (value below 0.6), only 26 indicators were included in the final calculations as presented in Figure 1. Based on the SEM-PLS calculations, all of the outer loading values included are above 0.5, and all AVE values are above 0.5, which indicates that all indicators included in the model are valid and satisfy the convergent validity requirement. Cronbach's alpha showed that all indicators are reliable, considering the values are all greater than 0.7. In addition, F-Square tests indicated very weak influences between online game addiction and work engagement (H1), as well as between work engagement and performance (H3), while online game addiction does not appear to influence performance (H2).

**Table 1. Path Coefficient and significance**

	Path	Original Sample	Sample Mean	Standard Deviation	T Statistics ( O/STDEV )	P Value	Note
H <sub>1</sub>	Game Addic -> Work Engage.	-0.28	-0.305	0.131	2.132	0.033	ACCEPTED
H <sub>2</sub>	Game Addic -> Perform.	0.063	0.054	0.112	0.56	0.575	REJECTED
H <sub>3</sub>	Work Engage -> Perform.	0.293	0.307	0.148	1.985	0.047	ACCEPTED
H <sub>4</sub>	Game Addic. -> Work Engage. -> Perform.	-0.082	-0.091	0.063	1.306	0.192	REJECTED
H <sub>5</sub>	Self Effi, X Work Engage-> Perform.	-0.027	-0.021	0.086	0.319	0.75	REJECTED

As shown in Table 1, Hypotheses 1 and 3 were accepted, which demonstrates the significant and negative effects of game addiction to work engagement, where the seemingly strong and positive relationship was evident in the relationship between work engagement and performance. However, Hypothesis 2 was rejected, showing evidence that online game addiction does not have a direct influence on performance, consistent with the F-Square test results. Hypothesized mediation effects of work engagement (H4) and moderation effects of self-efficacy (H5) were not proven to be significant, which reflects non-significant influences amongst those variables.

## DISCUSSIONS

Although the statistical descriptive results showed that the respondents have relatively minimal addiction, the results showed real negative effects between online game addiction and work engagement (H1). Decreased work engagement can occur when individuals allocate a significant portion of their energy and attention to non-work activities, reducing the resources available to meet work demands. In the case of XYZ Bubble Tea, the results indicate the probable reduction in work engagement if online game addiction escalates, which may impact customer service. However, evidence showed a lack of influence between online game addiction and performance, signifying that the employees of XYZ Bubble Tea can maintain good performance regardless of allocating a portion of their time to playing (H3). A closer look at the indicators also showed a very low mean score for the question on how intense online gaming dominates their thoughts, proving that playing online games does not alter their behavior at work. Moreover, since 71% of the respondents have worked in the company for over 3 years, this demonstrates that the Standard Operating Procedures (SOPs) and monitoring mechanisms applied have shaped the employees' habits and behavior accordingly, minimizing the adverse effects of online gaming.

Consistent with previous studies, SEM-PLS analysis also showed positively significant relationships between work engagement performance (H2). This further confirms the employees' ability to maintain engagement with XYZ Bubble Tea and consistently perform well. Employees with good employee engagement tend to have greater energy, dedication, and focus in completing their work. Therefore, the results of this study indicate that work engagement has a positive impact on XYZ Bubble Tea employees.

In terms of analysis on the mediation effect of work engagement (H4) and the moderation effect of self-efficacy (H5), the statistical results contradicted previous studies. According to the findings, there is no evidence of either a work engagement mediation effect or a self-efficacy moderation effect. Considering the strong relationships from online game addiction to work engagement, and work engagement to performance, the lack of an indirect effect may be due to the absence of a direct influence of addiction on performance. Moreover, with a majority of respondents having more than three years' experience in XYZ Bubble Tea, aside from the slight variability in work engagement and self-efficacy, the workers tend to perceive stable performance. The implemented SOPs and monitoring mechanisms appear to provide clear guidance for the employees, which reduces variability in self-efficacy and provides assurance of the employees' own abilities. Consequently, neither mediation nor moderation effects are evident.

## CONCLUSIONS

Based on Job Demands–Resources theory, this study was conducted to explain whether non-productive activities can increase cognitive load and decrease work motivation at XYZ Bubble Tea. While excessive online gaming may reduce focus, strong operational systems at XYZ Bubble Tea prevented the negative impact of online game addiction on influencing the workers' behavior. Employees who are emotionally, physically, and cognitively engaged with their work would perform better, suggesting that work engagement is a key factor in maintaining performance in a dynamic retail environment that demands speedy services. Interestingly, this study showed that while online game addiction could decrease engagement, performance at XYZ Bubble Tea was not affected. Work engagement had a significant and positive effect on performance, but did not function as a mediator. Similarly, self-efficacy did not moderate the relationship between work engagement and performance. The strict work rules and procedures that are in place, as well as professional responsibilities to the customers, appear to be the key traits of the Company in ensuring good conduct. Work environment factors such as bonus systems, shift rotation, and close supervision are also key attributes of stable performance. Furthermore, in the context of F&B retail work, individual self-confidence is often limited by situational factors such as service time pressures, quality standards, and sales targets. At XYZ Bubble Tea, employee self-efficacy appears to be well-supported by the work environment, including the available training programs, recognition for achievement, and career development.

This study concluded that digital entertainment needs to be managed to minimize the influence on workers' behavior at work, which affects engagement and performance. Companies should implement policies regarding the use of personal devices during work hours, build time-management skills, as well as motivate employee self-efficacy through training and development. Enhancing employee engagement could be achieved through positive activities and non-tangible rewards, such as employee of the month, team challenges, or store appreciation programs, to build a stronger sense of belonging to the company. Instead of only providing general motivational training, companies should organize real-world simulation-based training, such as customer handling training or problem-solving workshops, to increase employees' confidence.

In addition to the limited sample size and analysis being only on XYZ Bubble Tea in Jakarta, extending to other branches or other F&B retail businesses would provide a more in-depth understanding of the potential challenges that may occur from the widespread digital entertainment. For future research, exploring similar themes related to online gaming addiction and productivity can be conducted by adding more variables, such as anxiety or distraction, to broaden the understanding of the relationship between online gaming addiction, work engagement, and job performance. Ultimately, further studies on factors that may influence performance are particularly important for retail, given the fierce competitive dynamics, particularly in F&B. Retailers must find

novel approaches to maintain efficient operations, while at the same time establishing a strong human capital base to promote future growth.

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