

**INFLUENCE OF EMPLOYEE ENGAGEMENT AND
ORGANIZATIONAL CULTURE TOWARDS EMPLOYEE
PERFORMANCE
(Case Study of Company In Telecommunication Sector PT. XYZ)**

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ABSTRACT

Human resources (HR) have a very important role in an organization. Of course, by processing good human resources can drive the performance of an organization. This research was conducted at PT. XYZ, a company in the telecommunications sector in Indonesia. The purpose of this study is to determine the application of employee engagement, organizational culture conditions and performance at the company. The method used in this study is a quantitative method. This research is descriptive and causal research. The population in this study were employees of the PT. XYZ. Data analysis in this study used descriptive statistical analysis, normality test, multicollinearity test, heteroscedasticity test, and multiple regression analysis. The findings in this study concluded that employee engagement and organizational culture had a positive and significant influence partially on performance. In addition, it can be concluded that employee engagement and organizational culture have a significant simultaneous influence on performance.

Keywords: *employee engagement, organizational culture, employee performance*

INTRODUCTION

The success of an organization or company is influenced by the performance of its employees. Many companies in Indonesia and even in the globe always strive to always improve the performance of their employees so that the company's goals or targets can be achieved. One of them is by processing human resources (HR) which have a very important role in an organization or company, competition in the world of work in Indonesia is getting tougher each year. Through processing good

human resources it can drive the organization's performance.

As addressed by Fahmi (2016), the company will obtain beneficial or adverse results generated from the performance of its employees for a certain period. It is important for the organization to always be able to improve the performance by having a high engagement for each of its employees. Because according to Elmi (2018) employee engagement is very important for the organization and they should pay more attention from the perspective of its employees

because it is closely related to business outcomes, for example, an employee's willingness to remain in the company, productivity, profits, or loyalty. Employee engagement in value can be one of the practices that play a role in influencing and contributing greatly to the organization. Employee engagement has been claimed to predict employee productivity. Employee engagement is considered to have the most predictive power because every member of the organization feels the need for what he is doing is important and has responsibility for the work that is given.

Then, the organizational culture of the company has a big role in improving employee performance. Companies that have a good organizational culture have a significant impact on the performance of employees in the organization. As concluded by Edi Sutrisno (2010) in Edison, et al. (2016) that a strong organizational culture will support all aspects of the objectives of the company, whereas if the organizational culture is low or negative it will hinder or conflict with the goals of the organization/company. In research (Paschal and Nizam, 2016), many employees are motivated by their colleagues in an organization to move to improve their performance, and the existence of routine activities in the organization has a positive influence, if organizational management respects its employees it will make an organization is faster in achieving their organizational goals. Over time, many organizational cultures in each company are constantly changing

each year and must be able to adjust to the changing times that are increasingly fast due to technological changes, reorganization or change in the role of work (Sunyoto and Burhanuddin, 2011). This study aims to see how much influence employee engagement and organizational culture influence the performance of employees in companies in the telecommunications sector, namely PT. XYZ.

Based on this background, the research questions were formulated which became research problems, including:

- a. How is the implementation of employee engagement at PT. XYZ?
- b. What is the condition of the organizational culture found at PT. XYZ?
- c. How is the influence of employee engagement and organizational culture on employee performance at PT. XYZ

LITERATURE REVIEW

Edison, *et al.* (2016) explained that human resource management is as a method, managing, and motivating and forming human resources in supporting activities in an organization/company effectively and efficiently that are appropriate for the goals of the organization/company. Whereas Bintoro and Daryanto (2018) explained that human resource management is the science of how to manage relationships and the role of employees that each individual has efficiently and effectively and is used to the maximum so that

organizational goals are achieved, and employees and communities become maximum.

Robbins and Judge (2016), describe that employee engagement is an individual's involvement, satisfaction, and enthusiasm to get the work done. Bekker and Leiter (2010), there are 3 characteristics to measure work engagement, namely vigor, dedication, and absorption.

According to Edison, et al. (2016) organizational culture is the result of a process of melting and fusing the cultural style and or behavior of each individual that was brought before into a norm and philosophy that faced something and certain goals. It is very necessary for a constructive/strong organizational culture, and to achieve it all require 5 dimensions of organizational culture, namely self-awareness, aggressiveness, personality, performance, and team orientation.

Edison, et al. (2017) explain that performance is the result of a process that refers to and is measured in a certain period of time based on the provisions/agreements that have been previously set. Then to measure

the performance of individuals or groups requires 4 dimensions, namely target, quality, time of completion and principle compliance.

Employee engagement is considered to have a close relationship with the performance of an employee in the company, the employee has an enthusiasm and commitment to the work and responsibilities he embraces. The results of the study (Al-dalameh, et al., 2018) show that employee engagement significantly influences employee performance with all three dimensions, vigor, absorption and dedication. Whereas Uddin, et al. (2016) described that organizational culture such as rituals, values, and heroes has a large and significant impact on employee performance, because basically this organizational culture is the result of a process of melting and fusing the cultural style or behavior of each individual brought before a norm and a philosophy that faces something and certain goals.

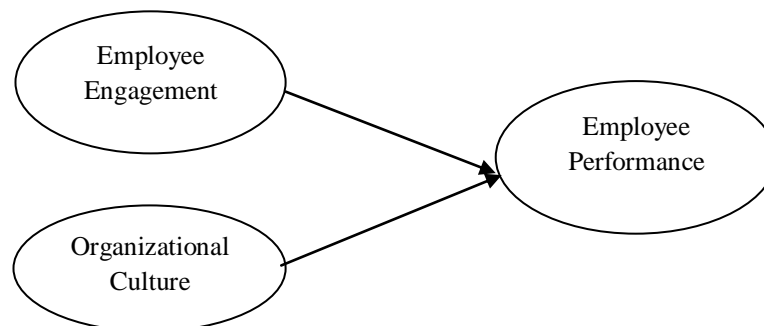


Figure 1. Research Framework

METHOD

This is quantitative research with causal methods which aims to determine the relationship of two or more variables (Sugiono, 2011). The total population in this study is the employees of PT. XYZ in certain divisions totaling around 124

employees. Because the population is very limited, it uses a random sampling technique with sample calculations using the Slovin calculation formula with percent allowance of 10%. The reason for using 10% is to avoid using saturated samples in this study

Table 1. Multiple linear regression results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	122.787	194.435		.632	.530
Employee Engagement	.282	.098	.276	2.880	.006
Organizational Culture	.677	.096	.678	7.067	.000

Based on table 1 as stated earlier, the dependent variable in this study is

employee performance (Y) with two independent variables namely employee engagement (X1) and organizational culture (X2). The regression model in this study can be described as follows:

$$Y = 122,787 + 0,282X1 + 0,677X2$$

Based on the results of the linear regression equation, it can be concluded if the constant value shows 122,787, if the employee engagement variable is 0 then the performance value will be worth 0.282. Later the constant value shows 122,787, if the organizational culture variable is 0 then the value of performance is equal to 0,677.

Furthermore, the value if the employee engagement coefficient is 0.282 and the organizational culture is 0.677 which means that every increase in one employee engagement unit and organizational culture, then the performance will also increase by 0.282 and 0.677.

From the results of the data in the table, concluded that organizational culture provides value and a large influence on performance rather than employee engagement.

Table 2 below described about the significance test of each variables. it can be seen that the count t in the employee engagement variable is 2.880 and the organizational culture is 7.067. Meanwhile t table is obtained from a = 0, 1 and df = n-k = 124-2 = 122. So the value of t table is 1,657.

In employee engagement variable has a value of t count > t table that is 2.880 > 1.657 means that H_0 is rejected. So that employee engagement variables have a significant influence on performance variables. Then the organizational culture variable has a value of t count > t table that is 7.067 > 1.657 means that H_0 is rejected. So that organizational culture variables have a significant influence on performance variables.

Table 2.Partial Significance Test results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	122.787	194.435		.632	.530
	Employee Engagement	.282	.098	.276	2.880	.006
	organizational culture	.677	.096	.678	7.067	.000

Source: Data processed in 2019

To see the simultaneous effect of each variables to dependant variables, we used F test in table 3. The results obtained from the F test, and get F count 143.808 and F table = k; n-k = 2; 124-2 = 2; 122. Then the value of F calculated on F table distribution is 2.35. From these

results means $F_{count} > F_{table}$ with a value that is $147.808 > 2.35$ which means that H_0 is rejected and H_a is accepted. So that it can be concluded that the value of employee engagement and organizational culture has a significant influence on performance variables.

Table 3. Simultaneous Significance Test results

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23446969.089	2	11723484.545	143.808	.000 ^b
	Residual	4320667.465	53	81522.028		
	Total	27767636.554	55			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Organizational culture, Employee Engagement

Source: Data processed in 2019

RESULT AND DISCUSSION

Based on the results of the employee engagement variable test from the descriptive analysis, the figure was 87%. Which means that this variable belongs to the group very well, it explains that the application of employee engagement at PT. XYZ has employees who are engaged and bound to their jobs.

Then from testing the organizational culture variables from descriptive analysis, the figure is 87%. Which means that the organizational culture variables included in the group are very good, it shows that the application of organizational culture at PT. XYZ has understood and implemented

cultural values properly and correctly by always prioritizing the quality of work and always having discussions in completing teamwork.

From the results of testing the performance variable from descriptive analysis, the number is obtained at 87%, which means that the variable belongs to the group very well. So that it can be stated that employees at PT. XYZ is able to carry out tasks in accordance with the target and then do it well and correctly and transparently.

Then from the results of the hypothesis test, it can be concluded that the employee engagement variable has a significant influence on the performance variable with the

percentage of figures obtained at 84.4%. This means that employee engagement has a significant influence on the performance of PT. XYZ. The results of the hypothesis test, it can be concluded that the organizational culture variable has a significant influence on the performance variable with the percentage of figures obtained at 84.4%. This means that organizational culture has a significant influence on the performance of PT. XYZ.

And finally based on the results of the analysis of the simultaneous test, it was concluded that employee engagement and organizational culture had a significant influence on the performance of PT. XYZ.

CONCLUSION

This study aims to see how much influence employee engagement and organizational culture influence the performance of employees in companies in the telecommunications sector, namely PT. XYZ. The finding is variable employee engagement and organizational culture simultaneously affect employee performance at PT XYZ. Partially, variable employee engagement and organizational culture have a significant effect on employee performance.

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