Influence of Organizational Culture and Employee Engagement on Employee Performance: Job Satisfaction as Intervening Variable

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ABSTRACT

This study aims to investigate: the effects of organizational culture (OC) on job satisfaction (JS) and employee performance (EP); the effects of employee engagement (EE) on JS and EP; the effect of JS on EP; the effects of OC and EE on JS and EP; and the mediating effects of JS on the relationship between OC and EP and that between EE and EP. Fifty-two employees were gathered as the research sample through stratified random sampling. A survey questionnaire was employed to collect data, which were then analyzed by *t*-test, *F*-test, multiple linear regression analysis, and path analysis. Results revealed that OC positively and significantly affects JS and EP; EE positively and significantly affects JS and EP; DC and EE positively and significantly affect JS and EE. Furthermore, JS mediates the relationship between OC and EP and that between EE and EP.

Keywords: Employee engagement; Employee performance; Job satisfaction; Organizational culture.

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1. INTRODUCTION

Organizations in the current globalization era experience swift and uncontrolled changes. Therefore, an organization should adapt to changes in the business environment and needs to have competent employees with strong skills to achieve the organizational goals. According to Dessler (1997), human resource management is a policy or practice that is needed by someone at a managerial position who is responsible for individual aspects of human resources in the fields of recruitment, screening, training, compensation, and judgment. Schuler *et al.* (1992 in Sutrisno, 2009) noted that human resource management acknowledges the importance of labor as human resources which is vital for achieving the organization's purposes and the use of human resource management functions.

An organization can be considered efficient if employee performance (EP) meets the company's targets. Mathis and Jackson (2006) defined EP as the action that an employee takes or does not take. The main factors that influence EP include the employees' ability, their efforts rendered, and their support given to the organization. Robbins (1996) expressed a second opinion saying that EP is a tangible result displayed by each person based on defined criteria. Accordingly, EP

can be increased by encouragement and can be reduced if a determining factor is missing. Bernardin and Russell (1993) mentioned that performance is a record of outcomes produced on a specified job function or activity during a time period. EP can be considered good if an employee can perform his/her duties and responsibilities within the time limit set by the company. This study takes the theory of employee performance proposed by Bernardin and Russell (1993), which comprises six EP indicators, namely, quality, quantity, timeliness, cost effectiveness, need for supervision, and interpersonal impact.

A firmly embedded culture can be an organization's key to success. Robbins (2002) defined organizational culture (OC) as a system of shared understanding held by members in an organization, and it is what distinguishes the organization from other organizations. Every organization has its own policies and rules for achieving its goals. As defined by Robbins and Judge (2013), OC views an organization as a culture with a system of shared meaning among its members, which is a relatively new phenomenon. In addition, Armstrong (2009) claimed that OC is a pattern of values, norms, beliefs, attitudes, and assumptions that may not be articulated but shape the way people behave and perform in an organization. An organization's success can be assessed from its culture, which can produce effective and efficient EP. The definition of OC by Robbins (2002) includes seven indicators, namely, innovation and courage to take risks, attention to detail, resultsorientedness. human-orientedness, team-orientedness, aggressiveness, stability.

EP encourages the achievement of various tasks and responsibilities in the organization. In this study, OC and EP have positive and negative influences. Previous studies revealed a positive relationship between OC and EP. Similarly, Nazarian, *et al.* (2017) revealed a positive and significant relationship between OC and EP. Furthermore, Shahzad *et al.* (2013), Sangadji (2013), and Hakim (2015) showed consistent results. By contrast, the Harwiki (2016), Syauta *et al.* (2012), and Bakti (2016) indicated a negative and insignificant relationship between OC and EP.

OCs can be measured by the level of employee JS. Some previous research revealed that OC influences JS. Some studies focused on the relationship between OC and JS such as Belias *et al.* (2015) revealing that OC positively and significantly influences JS. Hosseinkhanzadeh and Yaganeh (2013), Al-Sada *et al.* (2016), El-Nahas *et al.* (2013), Sabri *et al.* (2011), Shah (2015), and Ahmed and Mahmood (2015) showed a positive and significant relationship between OC and JS. By contrast, Cronley and Kim (2016) indicated a negative relationship between OC and JS. Meanwhile, Sewang (2016) revealed that these two concepts are significantly related. There is a gap in the past research findings regarding whether the relationship between OC and JS is positive or negative.

Employee engagement (EE) is the attachment of an employee to an organization. EE exists in an organization owing to the similarity of values and employee characteristics shared within the organization. Khan (1990) concluded that an employee uses his/her physical, cognitive, and emotional capacity for their performance role. Meanwhile, Schaufeli and Bakker (2003) explained that EE enables employees to achieve positive fulfillment, which can foster a sense of ownership and make escaping from work difficult for them. Accordingly, an employee will increase his or her engagement and feel proud and immersed in the

overall work. Macey *et al.* (2009) in Amstrong (2014:228) stated that "employee engagement as an individual's purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort and persistence directed towards organizational goals." Based on the definitions discussed above, EE is manifested as an energy or power that focuses on achieving organizational goals. In the current study, the researcher adopts the theory of EE by Schaufeli and Bakker (2003), which indicates three indicators, namely, vigor, dedication, and absorption.

EE in a company tends to measure the JS reciprocal relationship. Six past studies showed the EE influence on job satisfaction including Lu *et al.* (2016), Madan and Srivastava (2015), Jain (2018), Andrew and Sofian (2012), Aldalahmeh *et al.* (2018), and Orgambídez-Ramos and Almeida (2017) that show a positive and significant relationship between EE and JS. By contrast, Yalabik *et al.* (2016) revealed a negative relationship between EE and job satisfaction. The mixed findings suggest that further research is needed to understand the relationship between EE and JS.

EE has several characteristics and similarities in assessing EP in an organization. This feature is supported by previous studies, including Dajani (2015), who claimed that EE and EP are significantly related. Al-Dalahmed *et al.* (2018) revealed that a positive relationship exists between EE and EP. Ghafoor *et al.* (2011) and Bakti (2016) showed that EE and EP are positively and significantly related. By contrast, Joushan *et al.* (2015) indicated that EE does not positively and significantly influence EP.

The level of employee welfare impacts EP. If a employee can improve his performance, then he/she will feel satisfied with the results and the output obtained. Luthans (2006) defined JS as the result of employee perceptions of how their work can provide something that is considered important. JS will be achieved if the employee feels that what is obtained at work meets what is considered important by the employee. Sutrisno (2009) described JS as an emotional reaction and complex. In the present study, emotional reaction is a result of the encouragement, desire, and expectations of employee demands for a job that is associated with the reality he/she experiences. In addition, Handoko (1992; in Sutrisno, 2014) defined job satisfaction as a pleasant or unpleasant emotional state of employees toward their work. In this study, the researcher adopts the theory of JS by Luthans (2006), which has five indicators, namely, work itself, opportunities for promotion, work colleagues, salary, and superiors.

JS affects the performance of each employee and is considered an essential factor for identifying the EP levels. Octaviannand *et al.* (2017), Fadlallh (2017), and Yuen *et al.* (2018) found that JS positively and significantly affects EP. Meanwhile, some researchers, including Sawitri *et al.* (2016), Ndulue *et al.* (2016), and Fu and Deshpande (2014), observed a negative relationship between JS and EP.

To address the mixed results from previous studies, this study aims to investigate if OC and EE can influence the EP process through JS at PT Telkom Indonesia, particularly in Yogyakarta. This state-owned enterprise (BUMN) is a large company that has a growing potential in the field of resources and technology (www.telkom.co.id). PT Telkom enables consumers to easily exchange news and obtain information. Achieving the functions and objectives that are implemented by the company is challenging. For instance, it is a complicated process assigning

an employee to a desk job or work program in accordance to his/her strengths and weaknesses.

The current research aims to serve as a reference for companies to find additional details about the determinants of EP. In addition, this research is carried out to generate learnings for PT Telkom Indonesia in Yogyakarta. This study also strives to obtain a solution and give suggestions for the effects of OC and EE on EP with JS as an intervening variable.

2. LITERATURE REVIEW

2.1 Previous Research

2.1.1 Relationship between OC and JS

Belias *et al.* (2015) showed that OC variables positively and significantly influence JS. Sadeghi *et al.*'s (2013) findings have three dimensions with two of them indicating that distance strength and masculinity/femininity have negative effects on JS, whereas basic psychological needs have a significant effect on JS. Meanwhile, the dimensions of uncertainty avoidance and collectivism/individualism suggest that psychological needs do not significantly affect JS. By contrast this relationship has been found by Hosseinkhanzadeh and Yaganeh (2013), Shah (2015), Al-Sada *et al.* (2016), El-Nahas *et al.* (2013), Sabri *et al.* (2011), and Cronley and Kim (2016), who showed that OC has a positive effect on JS. Based on those findings there is a gap in the findings between a fully positive effect and a fully negative effect. The present research suggests that the relationship between OC and JS is mostly positive and significant.

H1: OC significantly affects JS.

2.1.2 Relationship between OC and EP

Nazarian *et al.* (2017) showed that OC variables positively and significantly affect EP. In support of this finding, Shahzad *et al.* (2013) and Sangadji (2013) showed that OC variables positively and significantly influence EP. By contrast, Harwiki (2016) and Syauta *et al.* (2012) found a negative but insignificant relationship between OC and EP. Based on these findings, the positive relationship appears to dominate the negative one.

H2: OC significantly affects EP.

2.1.3 Relationship between EE and JS

Madan and Srivastana (2015) showed that EE variables positively and significantly affects JS. Similarly, Lu *et al.* (2016), Andrew and Sofian (2012), and Orgambídez-Ramos and Almeida (2017) found a significant relationship between EE and JS. By contrast, Jain (2018), Al-dalahmeh *et al.* (2018), and Yalabik *et al.* (2016) showed that EE negatively affects JS. Based on these findings, the current research hypothesizes the following:

H3: EE significantly affects JS.

2.1.4 Relationship between EE and EP

Ghafoor *et al.* (2011) showed that EE variables positively and significantly affect EP. In support of this finding, Bakti (2015) and Dajani (2015) found a significant relationship between EE and EP. By contrast, Joushan *et al.* (2015) found an

insignificant relationship between EE and EP. Based on these findings, the current research hypothesizes the following:

H4: EE significantly affects EP.

2.1.5 Relationship between JS and EP

Octaviannand *et al.* (2017) showed that JS variables positively and significantly affect EP, which is consistent with the claims of Fadlallh (2017) and Yuen *et al.* (2014). By contrast, Ndulue and Ekechukwu (2016) and Fu and Deshpande (2014) found a negative relationship between EE and EP. Based on these studies, the current research hypothesizes the following:

H5: JS significantly affects EP.

2.1.6 Relationship among OC, EE, and JS

Humairoh and Wardoyo (2017) revealed that OC and EE positively affect JS as intervening variables. Based on this finding, the current research hypothesizes the following:

H6: OC and EE significantly affect JS.

2.1.7 Relationship among OC, EE, and EP

Bakti (2016) revealed that EE positively and significantly affects EP improvement, whereas OC is not significantly associated with EP improvement. Joushan *et al.* (2015) showed that OC significantly affects EE variables, whereas OC significantly affects EP. However, EE variables do not significantly affect EP. Based on these studies, the current research hypothesizes the following:

H7: OC and EE significantly affect EP.

3 THEORETICAL BACKGROUND

- **3.1 OC.** Robbins (2002) defines OC as a system of shared understanding held by several members of an organization, and it is what distinguishes the organization from others. To achieve a good organizational culture, seven main characters, which become important elements in culture, are considered. These main characters are innovation and courage to take risks, attention to detail, result-orientation, human-orientation, team-orientation, aggressiveness, and stability. In contrast to Schein (1985 in Armstrong, 2009), OC is a pattern of basic assumptions that are created, discovered, or developed by a particular group when they begin to adjust to external problems and internal integration that have worked reasonably well and are considered valuable; therefore, he taught the new members about the right way to realize, think, and feel the connection with these problems. Robbins and Judge (2013) explained that OC, which is a relatively new phenomenon, views an organization as a culture that has a system of meanings shared by its members.
- **3.2 EE.** Schaufeli and Bakker (2003) described engagement as a positive and fulfilling work-related state of mind that is characterized by vigor, dedication, and absorption. Similarly, employee involvement is also described as a condition of a positive, satisfying, and work-related mind, which is characterized by vigor, dedication, and absorption. Vigor, dedication, and absorption are the three main indicators of EE variables. In employee attachment, certain forms of encouragement are needed to understand the factors in engagement. Crawford

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- (2013 in Armstrong, 2014) listed certain encouragement in EE including job challenges, autonomy, variety, feedback, fit, development opportunities, and reward and recognition. On the contrary, Kahn (1990 in Amrstrong, 2014:228) stated that "The harnessing of organization member's selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." That is, the involvement of employees as functioning organizational members for their work role in engagement allows them to serve and express themselves physically, cognitively, and emotionally.
- 3.3 JS. Luthans (2006) defines JS as the result of employees' perceptions of how their work can provide something that is considered important. In his book, the variable work satisfaction of employees is influenced by several factors, including the five main indicators, namely, the work itself, promotion opportunities, colleagues, salaries, and superiors. In addition, JS is also influenced by several factors. Brown and Ghiselli (1950 in Sutrisno, 2014) listed four factors that influence JS, namely, position, rank, financial and social security, and quality of supervision. Sutrisno (2009) suggested that JS is a complex emotional reaction. Emotional reactions are results of encouragement, desire, and expectations of employee demands for a job that is associated with the reality perceived by an employee so then emotional reactions, such as cheerful, satisfied, or dissatisfied arise. Meanwhile, Handoko (1992 in Sutrisno, 2014) indicated that JS is a work situation that brings pleasant or unpleasant emotions to employees in feeling their work.
- 3.4 EP. Bernardin and Russell (1993) stated that performance is defined as the outcomes produced during the specified function or activity during time period. That is, EP is defined as a record of results obtained from certain work activities in a certain period. Bernardin and Russell (1993) named six main indicators that affect EP, namely, quality, quantity, timeliness, cost effectiveness, need for supervision, and interpersonal impact. Luthans (2006) expressed another opinion and suggested four factors in assessing EP-among which is making a job a pleasant thing, having a salary, benefits and promotion opportunities fairly, adjusting an employee to a job that suits their interests and expertise, designing a job to make it interesting and fun. In one hand, Robbins (1996) stated that EP is real result that is displayed for every employee as a work achievement that was given by an individual in comparing with other employees that have been set together. In other hand, Mathis and Jackson (2006) described EP as actions that an employee does or does not do.

4 CONCEPTUAL FRAMEWORK

The current research framework is shown in Figure 1.

5 RESEARCH METHODS

- **5.1 Research Approach.** The current research employed a quantitative approach using survey questionnaire, which aims to determine the influences of OC and EE on EP through JS.
- **Research Sites.** PT Telkom Indonesia (Persero) Tbk is a state-owned enterprise (BUMN), which is engaged in information and communication technology (ICT) services and telecommunications networks in Indonesia. The majority shareholder of Telkom is the Government of the Republic of Indonesia with 52.09 percent

control, whereas the remaining 47.91 percent is controlled by the public. Telkom shares are traded on the Indonesia Stock Exchange with the stock code "TLKM" and on the New York Stock Exchange with the stock code "TLK." Telkom Group implements customer-oriented business strategies and operations in an effort to transform itself into a digital telecommunication company. This swift transformation promotes the Telkom Group organization to become further lean and agile in adapting to changes in the telecommunications industry. New organizations are also expected to increase their efficiency and effectiveness in creating quality customer experience.

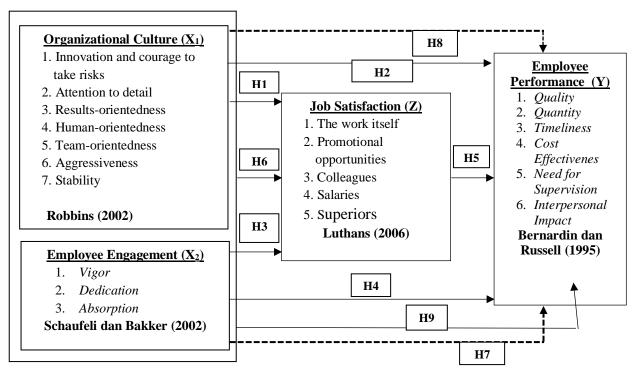


Figure 1: Framework and Research Hypothesis

5.3 Population and Samples. Stratified random sampling method was employed in this research given that PT Telkom Indonesia in Yogyakarta has an organic employee population of 65 people. The sample is taken in each division and can therefore be used as a data source. Among the 65 employees in the organization, only 52 of them participated in the study.

5.4 Research Variables

- **OC.** Robbins (2002) defined OC as a system of shared understanding held by several members of an organization, and it distinguishes the organization from others. OC indicators are innovation and courage to take risks, attention to detail, results-orientedness, human-orientedness, team-orientedness, aggressiveness, and stability.
- **5.4.6 EE.** Schaufeli and Bakker (2003) described that "engagement is a positive, fulfilling, and work-related state of mind that is characterized by vigor, dedication, and absorption."
- **5.4.7 Job Satisfaction.** Luthans (2006) defined JS as the result of employee perceptions of how their work can provide something that is considered

- important. JS indicators are the work itself, promotion opportunities, colleagues, salaries, and superiors.
- **EP.** Bernardin and Russell (1993) stated that performance is defined as the outcomes produced during a job function or activity during a period of time. That is, EP is defined as a record of results obtained from certain work activities in a certain period. TEP indicators are quality, quantity, timeliness, cost effectiveness, need for supervision, and interpersonal impact.

5.5 Instrument Test.

- **Validity Test.** The validity test in this study was calculated based on items or variables from OC, EE, JS, and EP. The data taken from 52 respondents were subsequently processed using SPSS 25 software. The calculation of instrument validity was based on a comparison between r_{hitung} and r_{tabel} where $r_{table} = 0.275$ (df = N-2 (52-2)) with a significance level of 5 percent (0.05). If the r count is greater than r_{table} ($r_{count} > r_{table}$), then the statement is considered valid. If the r_{count} is smaller than rtable ($r_{count} < r_{table}$), then the statement is considered invalid/fall.
- 5.5.5.1 <u>OC Variables (X_1).</u> Based on the validity test result on each item of question or statement on OC variable, items 1 to 23 were considered valid for the performance variable (X_1), which was proven by ($r_{count} > r_{table}$). The item above can be used to measure an OC variable in subsequent research.
- **5.5.5.2 EE Variables** (X_2) . Based on the validity test result on each item of question or statement on OC variable, items 1 to 13 were considered valid for the performance variable (X_2) , which was proven by $(r_{count} > r_{table})$. The item above can be used to measure an EE variable in subsequent research.
- 5.5.5.3 <u>JS Variables (Z)</u>. Based on the validity test result on each item of question or statement on OC variable, items 1 to 17 were considered valid for the performance variable (Z), which was proven by $(r_{count} > r_{table})$. The item above can be used to measure a JS variable in subsequent research.
- 5.5.5.4 <u>EP Variables (Y)</u>. Based on the validity test result on each item of question or statement on OC variable, items 1 to 20 were considered valid for the performance variable (Y), which was proven by $(r_{count} > r_{table})$. The item above can be used to measure an EP variable in subsequent research.
- **5.5.6 Reliability Test.** Research instrument are considered reliable through reliability coefficient analysis techniques. In this study, the reliability testing of all items or questions used the Cronbach Alpha coefficient formula. The value of Cronbach Alpha in this study was set to 0.6, assuming that the list of statements tested are reliable if the value of Cronbach Alpha is > 0.60 or 60 percent. The four variables were declared reliable if the Cronbach Alpha values are more than 0.60 or 60 percent.

5.6 Data Analysis Techniques.

5.6.1 Regression Model I. Analysis of Regression Model I was employed to determine the magnitude of the direct influence of OC and EE on JS. A linear regression equation is specified as follows: $Z = a + b_1 X_1 + b_2 X_2$.

5.6.2 Regression Model II. Analysis of Regression Model II was utilized to find the magnitude of the indirect influence of OC and EE on EP. The regression equation is: $Y = a + b_1 X_1 + b_2 X_2$.

Description: X_1 , X_2 , Z, and Y denote OC, EE, JS, and EP, respectively, b_1 and b_2 are the regression coefficients.

6 FINDINGS

6.1 Descriptive Analysis.

Descriptive analysis of respondents/employee perceptions of each variable. 10 employees (19.23 percent) exhibit a high category, while 42 employees (80.77 percent) show a very high category on their perceptions of the OC variables. None of the employees exhibit a very low, low, or sufficient category on their perceptions of the OC variables. 2 employees (3.85 percent) show a sufficient category, while 50 employees (96.15 percent) exhibit a high category on their perceptions of the EE variables. None of the employees have a very low, low, or very high category on their perceptions of the EE variables. 17 employees (32.69 percent) reveal a sufficient category, while 35 employees (67.31 percent) show a high category on their perceptions of the JS variables. None of the employee have a very low, low, or very high category on their perceptions of the JS variables. Furthermore, 12 employees (23.08 percent) have an enough category, whereas 40 employees (76.92 percent) exhibit a high category on their perceptions of the EP variables. None of the employees have a very low, low, or very high category on their perceptions of the EP variables. None of the EP variables.

- **6.2** Classical Assumption Test Result. A classic assumption test aims to determine if the regression model obtained can produce a good linear estimator. The regression model obtained is free from symptoms of normality test, multicollinearity, and heteroscedasticity distribution. The classical assumption test consists of the following.
- **6.2.5 Normality Test.** Ghozali (2016) explained that normality test aims to identify if the regression model of the confounding or residual variables have a normal distribution. Based on the analysis results, the processed data is normally distributed data given that the significance value is 0.158 > 0.05. Therefore, the normality test is fulfilled.
- 6.2.6 Multicollinearity Test Result. Ghozali (2016) explained that multicollinearity test aims to determine if the regression model finds a correlation between independent variables (independent variables). The presence of multicollinearity can be observed from tolerance value or Variance Inflation Factor (VIF). The normal regression model has a tolerance value limit greater than 0.10, whereas the VIF value limit is smaller than 10 and has a number close to 1. If the tolerance value is below 0.10 or a VIF value is above 10, then multicollinearity occurs. Based on the analysis results, the multicollinearity test results from the OC (X1), EE (X2), and JS (Z) variables are 3.431, 2.127, and 3.630, respectively. Therefore, multicollinearity does not occur in all variables.
- **6.2.7 Heteroscedasticity Test Result.** Ghozali (2016) indicated that heteroscedasticity test aims to test if an inequality of variance in the regression model from the residual one observation of another observation remains. It is called homoscedasticity if it remains, whereas it is called heteroscedasticity if it is

different. Based on the Glejser test result, the significance value is more than 0.05. Thus, no heteroscedasticity occurs in the regression model, while the heteroscedasticity tests are fulfilled.

7 MULTIPLE REGRESSION ANALYSIS

- **7.1 Influence of OC and EE on JS.** Based on the calculation results of the regression, a multiple linear regression equation can be expressed as follows: $Z = a + b_1 X1 + b_2 X_2 + €$ The equation showing the influence of OC and EE on JS is specified as follows: $Z = 0.647 + 0.286X_1 + 0.583X_2 + €$
- **7.2** Influence of OC and EE on EP. Based on the calculation results of the regression, a multiple linear regression equation can be expressed as follows: $Y = a + b_1 X_1 + b_2 X_2 + €$ Subsequently, the equation showing the influence of OC and EE on EP is specified as follows: $Y = 1.154 + 0.118X_1 + 0.635X_2 + €$

8 PATH ANALYSIS RESULT

Path analysis aims to show the significant influences of the variables OC and EE on EP through JS. Path analysis is an extension of multiple linear regression analysis. Alternately, path analysis is the use of regression analysis to estimate the causality relationship among variables (casual model) predetermined by theories (Ghozali, 2016).



Figure 2: Path Analysis

Sources: Primary data processed, 2019

The following is a summary of the path coefficients, direct influences, indirect influences, and total influences of OC (X_1) , EE (X_2) on EP (Y) through JS (Z):

Table 1: Summary of Path Coefficients and Direct and Indirect Effects

Influence of Variables	Direct	Indirect (Through OC)	Total
$X_1 \rightarrow Z$	0.259	0	0.259
$X_1 \rightarrow Y$	0.215	0	0.215
$X_2 \rightarrow Z$	0.653	0	0.653
$X_2 \rightarrow Y$	0.761	0	0.761
$Z \rightarrow Y$	0.768	0	0.768

$X_1 \rightarrow Y \rightarrow Z$	0.215	0.199	0.414
$X_2 \rightarrow Y \rightarrow Z$	0.761	0.501	1.262

Sources: Primary data processed, 2019.

8.1 Influence of OC on EP through JS

Based on the calculations from the path analysis, the value of the regression coefficient of OC on EP through JS is 0.215, and the regression coefficient of OC directly on EP is $(0.259 \times 0.768) = (0.199)$. As the indirect regression coefficient is greater than the direct coefficient, the indirect influence of OC on EP through JS could be concluded as greater than the direct effect of OC on EP. Thus, H8, which states that "Assumed the indirect influence of OC on EP through JS is greater than the direct influence of OC on EP," is supported.

8.2 Influence of EE on EP through JS

Based on the calculations from the path analysis, the value of the regression coefficient of OC on EP cannot be concluded as 0.761, whereas the indirect regression coefficient of OC on EP is $(0.635 \times 0.768) = (0.501)$. As the indirect regression coefficient is greater than the direct coefficient, the indirect influence of OC on EP through JS can be concluded as greater than the direct effect of OC on EP. Thus, H9, which posits that "Assumed the indirect influence of OC on EP through JS is greater than the direct influence of OC on EP," is supported.

Table 2: Recapitulation Hypothesis Test Result

Number	Hypothesis	Result
H1	OC significantly affects JS	Supported
H2	OC significantly affects EP	Supported
Н3	EE significantly affects JS	Supported
H4	EE significantly affects EP	Supported
H5	JS significantly affects EP	Supported
Н6	The variables OC and EE significantly affect JS	Supported
H7	The variables OC and EE significantly affect EP	Supported
Н8	An indirect influence (OC toward JS through EP) is greater	Supported
	than the direct influence (OC toward EP)	
Н9	An indirect influence (EE toward JS through EP)) is greater	Supported
	than the direct influence (EE toward EP)	

Sources: Primary data processed, 2019.

9 DISSCUSSION

9.1 Influence of OC on JS

This research is in line with several previous studies, including the research of Belias *et al.* (2015), which revealed that the relationship between OC and JS is positive and significant. Similarly, Hosseinkhanzadeh and Yaganeh (2013), Sewang (2016), and Shah (2015) found consistent results. Sadeghi *et al.* (2013) showed that the dimensions of power distance and masculinity/femininity negatively affects JS, whereas basic psychological needs directly and positively affect JS. However, the dimensions of uncertainty avoidance and collectivism/individualism against basic psychological needs do not have any

significant relationship. Furthermore, Al-Sada *et al.* (2016), El-Nahas *et al.* (2013), and Sabri, *et al.* (2011) revealed a positive and significant relationship between OC and JS.

Robbins (2002) noted that OC is a system of understanding that is embraced or held by an organization, which distinguishes an organization from others. Robbins (2002) also listed seven main characters in achieving a good organizational culture, which become important elements in culture. These characters are innovation and courage to take risks, attention to detail, result-orientedness, human-orientedness, team-orientedness, aggressiveness, and stability.

9.2 Influence of OC on EP

Nazarian *et al.* (2017) revealed that OC and EP have a positive and significant relationship in the context of a hotel. In addition, Shahzad *et al.* (2103) and Judge (2015) suggested that OC positive and significant influence on EP.

9.3 Influence of EE on JS

This research is consistent with several previous studies, including the research conducted by Madan and Srivastava (2015), which showed that EE and JS have a positive and significant relationship. Moreover, Lu *et al.* (2016), Andrew and Sofian (2012), and Orgambídez-Ramos and Almeida (2017) revealed that EE significantly affects JS. In addition, Jain (2018) and Al-dalahmeh *et al.* (2018) showed that EE variables positively and significantly affect JS.

Based on the discussion above, EE increases employees' JS. That is, a strong EE variable will increase an employee's JS. Schaufeli and Bakker (2002) listed three main indicators of the EE variables, namely, vigor, dedication, and absorption.

9.4 Influence of EE on EP

Al-dalahmeh *et al.* (2018) investigated the relationship between EE and EP in the context of an IT sector in a Joranian bank and found that the two are positively and significantly related. Dajani (2015) revealed that EE significantly affects EP. In addition, Ghafoor *et al.* (2011) and Bakti (2016) showed that EE variables positively and significantly affect EP.

EE improves EP. That is, a strong EE variable will increase an employee's JS. Bernardin and Russell (1993) listed six main indicators that affect EE according to EP variables, namely, quality, quantity, timeliness, cost effectiveness, need for supervision, and interpersonal impact.

9.5 Influence of JS on EP

Octaviannand *et al.* (2017) found a positive and significant relationship between JS and EP at XYZ Company. Yuen *et al.* (2018) and Zain and Setiawati (2017) revealed that JS positively affects EP. Similarly, Fadlallh (2017) presented that JS positively and significantly affects EP. Sunarsih and Helmiatin (2017) showed that JS is not significant to EP.

JS improves EP. That is, an employee's JS level will affect EP. Luthans (2006) found that the employee JS is influenced by several factors embedded in it. Furthermore, five main indicators of employee JS exist, namely, the work itself, opportunities for promotion, colleagues, salaries, and superiors.

9.6 Simultaneous Influence of OC and EE on JS

The simultaneous influence of OC and EE on JS are noted. Supporting this finding, Humairoh and Wardoyo (2017) mentioned that OC and EE positively affect JS, as an intervening variable. This study adopts organizational culture theory by Denison

(2002), including indicators of involvement, consistency, adaptability and mission; employee engagement theory by Sirota (2009) with indicators of equity, achievement, camaraderie, and leadership; and job satisfaction theory by Jewell and Siegar (1998), including the indicators, namely, psychological aspects, social aspects, physical aspects, and financial aspects.

9.7 Simultaneous Influence of OC and EE on EP

Simultaneous influence of the OC and EE on EP are noted. Supporting this finding, Bakti (2016) revealed that OC and EE positively affect JS. Joushan *et al.* (2015) noted that OC significantly affects EE, whereas OC significantly influences EP. In addition, EE variables significantly affect EP.

9.8 Indirect Effect of OC on EP through JS

Based on the calculation of path analysis, the value of coefficient regression of OC on EP through JS is 0.215, and the direct coefficient regression of OC to EP is $(0.259 \times 0.768) = (0.198)$. The indirect regression coefficient is greater than the direct coefficient. Thus, the indirect influence of OC on EP through JS could be concluded as greater than the direct effect of OC on EP. Supporting these results, Sopyan and Ahman (2015) described that OC has a strong appeal, whereas JS and EP exhibit high attractiveness. The positive influence of OC on EP is mediated by JS. This finding is supported by the mediation test results, which imply that indirect effects outweigh the direct effects.

9.9 Indirect Effect of EE on EP through JS

Based on the calculation of path analysis, the value of coefficient regression of OC on EP cannot be concluded as 0.761, and the indirect coefficient regression of OC to the EP is (0.635 x 0.768) = (0.496). The indirect regression coefficient is greater than the direct coefficient. Therefore, the indirect influence of OC on EP through JS can be concluded as greater than the direct effect of OC on EP. Thus, H8, which states that, "Assumed the indirect influence of OC on EP through JS is greater than the direct influence of OC on EP," is supported. Supporting these results, Sopyan and Ahman (2015) described that EE has a strong appeal, whereas JS and EP exhibit high attractiveness. The positive influence of EE on EP is mediated by JS. This finding is supported by the mediation test results, which imply that indirect effects outweigh the direct effects.

9.10 General Discussion

Results of this study indicate individual perceptions regarding the variables of OC, EE, JS, and EP. Data were obtained by distributing questionnaires to all employees of the PT Telkom Indonesia in Yogyakarta. A total of 52 employees participated and considered as the final sample. Previous study reveals several differences among related studies, including each variable's theory, analysis tool, location of the study, and the results of the study. Research conducted by Belias *et al.* (2015), Hosseinkhanzadeh and Yaganeh (2013), Shah (2015), Al-Sada *et al.* (2016), El-Nahas *et al.* (2013), Sabri *et al.* (2011), Nazarian, *et al.* (2017), Shahzad *et al.* (2013), Sangadji (2013), Hakim (2015), Madan and Srivastava (2015), Jain (2018), Andrew and Sofian (2012), Lu *et al.* (2016), Al-dalahmeh *et al.* (2018), Bakti (2016), Dajani (2015), Octaviannand *et al.* (2017), Fadlallh (2017), Yuen *et al.* (2018), Humairoh and Wardoyo (2017), Zain and Setiawati (2017), Sunarsih and Helmiatin (2017), Joushan *et al.* (2015), and Sopyan and Ahman (2015) are grounded on different theories. In this study, each variable is anchored in main theories, namely, organizational culture theory by Robbins (2002), employee

engagement theory from Schaufeli and Bakker (2003), job satisfaction theory by Luthans (2006), and employee performance theory by Bernardin and Russel (1995). Nine hypotheses are proposed and analyzed in this study. Among the hypotheses that are significantly supported, majority of the results from the hypotheses testing reveal a positive relationship among the variables.

10 CONCLUSION AND RECOMMENDATIONS

10.1 Conclusions

The following conclusions are obtained based on the results of data analysis obtained from the questionnaires, which are distributed to all employees of PT Telkom Indonesia, particularly in Yogyakarta. OC positively and significantly affects JS. EE positively and significantly affects JS. In addition, OC positively and significantly affects EP. Findings show a positive and significant effect of EE on EP, while JS positively and significantly affects EP. Meanwhile, the indirect effect (OC on EP through job satisfaction) is greater than the direct effect (OC on EP). Furthermore, the indirect effect (EE on EP through job satisfaction) is greater than the direct effect (EE on EP).

10.2 Recommendations

A good organization yields good impact on its employees. For instance, PT Telkom exhibits an extremely good organizational culture, which is measured by the presence of organizational indicators for individuals and stability. In addition, a harmonious relationship between organizational members and the company allows work procedures to be properly implemented. However, the company should provide members with additional innovation and involve employees by providing them with opportunities to express their opinions or ideas. This study investigates on how well PT Telkom provides opportunities for employees to involve in decision making. With regard to the EE variables, several employees lack vigor or enthusiasm to complete their work. Therefore, the company should organize employee gatherings and outdoor activities, among others, for refreshing. By doing so, employees will feel the excitement and have better engagement than before. In general, employees feel satisfied with their work through the influence of coworkers. PT Telkom must focus on employee breaks. This suggestion may affect employees' current and future performance. Employees' performance will decrease if they are exhausted by workload that they consider to be too heavy.

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