Impact of Organizational Culture on Employee Engagement and Employee Performance: A Stimuli-Organism-Response Approach

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Abstract

This study examines the impact of organizational culture on employee engagement and employee performance. Within the organization, organizational culture plays an important role in building employee engagement, and ultimately in Employee Performance. The causality study is used to analyze the influence of the variables involved in this study. This type of research is quantitative descriptive with multi-stage sampling. The data was collected by using a questionnaire to 251 respondents from 9 branch offices of government banks, Malang regional offices. Data were analyzed using smartPLS (Partial Least Square) which includes measurement models and hypothesis testing. The findings indicate that organizational culture has a direct and significant positive influence on employee engagement and employee performance. Besides, organizational culture also has a significant indirect positive effect on employee performance through employee engagement. Bank managers, practitioners, and research institutions can use the findings to enhance organizational culture, employee engagement to drive employee performance.

Keywords: organizational culture, employee engagement, employee performance

INTRODUCTION

The management of human resources always needs to be improved according to the needs of today's organizations. [1] convey that the idea of innovating, improving quality and continuous improvement needed to compete in today's highly competitive modern business comes from humans.

[2] define performance as an action or activity that can be measured. Furthermore, performance is a reflection of the achievement of quantity and quality of work that is produced by individuals, groups or organizations and can be measured. Organizational performance is a reflection of employee performance or vice versa [3].

Some of the existing bank employee performance problems are not in accordance with the data shown in the bank's performance report. There are still many bank employees who perform poorly, and do not support the goals of the organization's vision and mission. There are

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still many bank employees who do not obey company rules, company guidelines, commit fraud and gratuities, and others. The emergence of several banking problems due to a decrease in work motivation, an increase in the number of employees who resigned, the level of stress experienced, a bad attitude/work ethic, as well as external influences, namely banking dealing with an era of disruption, the presence of fintech-based financial companies, had consequences for banks to change.

Several studies measure employee performance related to attitudes and performance [4]; [5] job satisfaction, [6]; [7]; [8], and [9]; [10]. Another study, [11]; [12]; [13] also used the self-assessment method, adding an element of creativity in assessing employee performance. Employees are not only smart, they also have to be creative. [14]. Creativity in several studies, [14]; [15] mentioned as a manifestation of employee performance. Employee performance can be in the form of intra-role performance, extra-role performance and creativity.

Strengthening, developing and enhancing employees to perform well can be done by changing and strengthening the organizational culture. Organizational culture can be viewed as

knowledge, habits, behavior, values, and attitudes that are created by the organization to be obeyed and carried out by all members of the organization in achieving organizational goals. Culture is a repetitive behavior that becomes a habit which in the end becomes the most important element in shaping a person's character in term of taking daily attitudes. In organizations, the implementation of culture is manifested by employees as a behavior that ultimately has an effect on increasing employee performance. Organizational culture greatly affects almost all aspects of the running of the organization, besides that organizational culture can reduce changes that can befall the organization. The organizational culture that is created is one of the stimuli. Oldham & Cummings (1996) explain that organizational culture can support the creation of employee intrinsic motivation to increase initiative so that employees can face the complexity of the work they are facing independently.

Employee engagement is a condition in which employees have intrinsic motivation, which reinforces their behavior, is passionate and full of enthusiasm, and is proud of their work to achieve organizational goals. Research conducted by [16] shows that there is an influence between Employee engagements on organizational performance. It was concluded that employees who have high engagement, do not work only for salary, or only for promotion, but work on behalf of organizational goals. Organizations that have highly engaged employees feel lucky, because employees with this condition do not associate loyalty with the level of salary received, many other factors are taken into consideration. [17] stated that employees who have higher attachment will tend to be more creative, productive, and willing to work extra. [18] suggests that employees, who have high attachment, really enjoy their work, try to help the organization to always be ready to face changing internal and external conditions of the organization, through a continuous improvement.

In some previous studies it was found that research tend to focus on the impact on single variable, such as research conducted by [19], [20] and [21] which only discussed the contribution of organizational culture in efforts to achieve performance, [22], as well as other studies such as those conducted by [24] [25] and [16] which only explained the relationship between Employee engagement on performance, as well

as research conducted by [25], [26] and [27] who explain the contribution of creativity to performance. This study seeks to develop a research focus on several variables that contribute to performance achievement, namely organizational culture and employee engagement.

This research was conducted in several branches of government-owned banking institutions in the region of Malang, East Java, Indonesia, with the respondents are assistant-level employees. The consideration is that government-owned banking institutions are trustworthy organizations, so with a good image, the researcher wants to study whether the organizational culture has been implemented properly, the level of employee engagement and employee performance. Knowing facts challenges researchers to find out. Meanwhile, assistant-level employees are selected with the consideration that these levels support daily bank operations and intensively meet, interact, and serve customers.

Theoritical Review and Hypothesis Development
Organizational Culture

Organizational culture can be viewed as knowledge, habits, behavior, values, and attitudes that are created by the organization to be obeyed and carried out by all members of the organization in achieving organizational goals. Based on several opinions expressed by experts that culture shapes behavior, organizational culture is a condition that is created then organizational behavior is behavior expected from the results of culture creation. In line with the opinion of [28] that culture ideally clearly communicates messages about how we do something or act, behave around here (how we do things around here). This statement implies that culture provides direction on how a person should behave in a "here" environment, which can be interpreted as an organization, company or community. Other opinions are also the same, that culture is the beginning of the formation of behavior. According to [29] culture is a pattern of behavior, the values possessed by members of the organization which are then socialized to new members, and then become stable over time. Culture is a behavior that is repeated intensively so that it becomes a habit and can also be an important element in shaping a person's character in determining and taking a good attitude in the family, community, and organizational environment.

Organizational culture is knowledge that results from experience and then develops into social behavior. Cultural learning is used to help humans in an effort to interact with other people within a society. Organizational culture is a form of social values in an organization as a guide in behaving in an organization and a guide in solving problems that can occur inside and outside the organization. The presence of organizational culture can affect thinking, feelings, interactions, and performance in the organization.

According to [30], the function of organizational culture is to provide employee identity in an organization, provide collective convenience, promote social system stability, and shape employee behavior. Organizational culture greatly affects almost all aspects of the running of the organization, besides that organizational culture can reduce changes that can befall the organization. The elements of organizational culture include knowledge, beliefs, arts, morals, law, economics, customs, behavior or habits, and environmental science. Organizational culture is an understanding of how employees behave, in which the process of forming a person's habits in applying culture in an organization requires a long time to be adapted. According to [31] culture cannot be formed in a short time and cannot be forced. The formation of culture in organizations takes a long time.

[32] explain that there are four dimensions in measuring organizational culture, namely involvement, consistency, adaptability, and mission. This dimension of organizational culture measurement is a form of management practice which is defined as involvement which shows the level of participation of employees or organizational members in organizational decision-making with indicators of empowerment, team orientation, and capability development, consistency which indicates an attitude of conformity between behavior or how to act with the rules set by the organization which shows the level of understanding of the organization's members towards the organizational values with indicator indicators, namely core values, understanding, and coordination and integration, adaptability which is the ability of the organization to respond to and adapt to all changes and pressure that comes from outside the organization as well as those from within the organization, including indicators, namely making changes, focusing on consumers, and organizational learning, mission, showing organizational goals which can make

organizational members have confidence and firmness in everything that is considered important including the existence of clear goals and directions, which can define organizational goals and can express the mission of the future form of the organization with indicators, namely strategic plans, goals and targets, and vision.

Employee Engagement

[33] describes engagement as a psychological presence but further states that it involves two important components, namely attention and absorption. Attention refers to cognitive availability and the amount of time an individual spends thinking about their role. Meanwhile, absorption means that the individual is engrossed in carrying out his role and refers to the intensity of the focus on that role. Employee engagement is a concept developed from positive psychology and positive organizational behavior. [34] describes a theory about the relationship and involvement that occurs closely physically, cognitively and emotionally between a person and their role in a job, which is then referred to as Employee engagement. In line with the definition above, [35] views Employee engagement as a level where a person has a commitment to an organization so that it can determine how a person behaves and how long he will last in that position.

According to [36] an engaged worker will be committed to his goals, use all his ability to complete tasks, maintain his behavior while working, ensure that he has completed the task properly according to his goals and is willing to take corrective or evaluation steps if indeed required. Employee engagement has several advantages, namely increasing productivity, increasing profits, efficiency, customer satisfaction, reducing turnover, absenteeism, fraud, work accidents and minimizing employee complaints.

Employee engagement is an individual's mental state related to their work that is positive and has high motivation in relation to their work. Employee engagement is also characterized by high energy levels and a strong identification with one's job. Employee engagement is important for companies, because employee engagement with work affects one's work performance [37].

Employee engagement is an employee's emotional commitment to the organization and its goals. This emotional commitment means employees really care about their job and company. They do not work only for salary, or

only for promotion, but work on behalf of organizational goals. The higher the employee's sense of attachment to the company, the better the work performance shown will be. Engaged employees have beliefs and support organizational goals, have a sense of belonging, feel proud of the organization where they work and have a desire to develop and survive in the organization [37].

Employee engagement is an aspect that includes positive emotions, full involvement in doing work and is characterized by three main dimensions, namely vigor, dedication, and absorption [38]. Furthermore, the dimensions of Employee engagement are described, which includes Vigor, namely the amount of energy and endurance, the ability to do business, not giving up easily and being able to face difficulties. The high score of the vigour dimension indicates the presence of energy, enthusiasm and stamina while working. Dedication is a very strong feeling of being involved with work and experiencing a sense of meaning, enthusiasm, pride, inspiration and challenge. Absorption is a feeling of pleasure and happiness while working, having concentration, and focusing on work, so that time seems to pass very quickly.

Employee Performance

Performance is generally understood as a record of the results of the job function or all work activities within a certain period of time [39]. Performance can also be an action or implementation of a task that is completed by a person within a certain and measurable time. [40] argues that performance is a specific target which is a management commitment that can be achieved by employees or organizations. According to [41] performance is a translation of performance which is often defined as "appearance", "demonstration" or "achievement". This also agrees with what [42] said that the term performance comes from the word job performance or actual performance, namely work performance or achievement to be achieved. According to [41] achievement of results (performance) can be assessed according to the actors, namely individual performance, group performance, organizational performance, and program performance.

Some of the opinions above are used as the basis for research by [44] which divides employee performance into: (1) In-role behaviors, which is measured by job knowledge, accuracy of work, productivity, ability to organize work and (2)

Extra -role behaviors, namely measured by dependability, following policies and procedures, initiatives and team work. Furthermore, although creativity can be applied to many things, researchers seem to agree to define creativity as "something" that is original and useful. The "something" includes the "four P's", namely Person, Process, Press, and Product. Creativity as a Person focuses on the character / traits of creative individuals. Process is a mechanism that underlies a person to think creatively. Press refers to the environment in which creative people interact to produce the best creativity. Products are creative products that can range from works of art to individual creative performance on the job. Products are the most objective way to measure creativity because other people can see and assess the product and therefore its reliability can be measured. For organizational results purposes, creativity is best thought of as a behavior, or outcome. Creative performance is therefore a product that co-workers, supervisors, and others can observe and judge. While research looks at creativity in a number of ways (i.e. the four P's), ultimately, in organizations, creativity is a form of performance. Creativity is a result and is tied to a measure of performance because creativity is something a person does.

Social identity Theory

Opinions about social identity as part of a person's self-concept come from their knowledge of membership in a social group along with the value and emotional significance of that membership. Social identity is related to involvement, a sense of care and also a sense of pride from membership in a particular group [43]. This opinion is supported which states that social identity is a person's definition of who he is, including personal attributes and attributes he shares with others, such as gender and race. It can be concluded that social identity is a person's feeling for his involvement as a member of a certain group complete with the attributes contained in that group. This attribute is ultimately used as a characteristic that differentiates it from other groups.

[45] explain that an attribute is called identity, that everyone tries to build a social identity, which is a self-representation that helps someone conceptualize and evaluate who we are. By knowing who we are, we will know who we are (self) and who the other is (others). The way people construct identity is manifested by

how the person chooses the group [43]. [46] argues that a person's identity is determined by the group he belongs to. Everyone has hopes and goals, so choosing groups is based on these too. Where he feels comfortable, gets support and benefits, it is in that group he will join.

This is confirmed by Schein (1996) who argues that being a member of an organization can reduce anxiety and create cognitive stability.
That is because in the organization there is a culture, namely the values that are adopted, where in every behavior, structure, operationalization by considering cultural values which are shared ethics.

This is in line with some opinions which state that social identity theory is more about the assumption that employees who feel they have the support of the organization tend to develop a strong sense of attachment to organizational identity [47]. Employees who feel they get support from the organization will increase their identification of the organization, thereby further

increasing their involvement for the organization and reducing turnover intentions [49].

Stimuli-Organism-Response (S-O-R)

The Stimuli-Organism-Response (SOR) framework was originally developed by Mehrabian and Russell in environmental psychology theory, which proposes that environmental stimuli (S) stimulate emotional reactions (O) so as to influence consumer behavioral responses (R) [49]. Response, namely the complex cognitive and behavioral processes that characterize the individual's overall decision process. Furthermore, the S-O-R framework shows that environmental stimuli induce a state of an organism or an individual, which then causes an accept or reject response. Adopted from environmental psychology theory, Stimulus-Organism-Response (SOR) reveals that the environment is a stimulus (S), which consists of a series of signs that cause a person's internal evaluation (O) and then generate a response (R).

So based on the SOR theory, the model framework of the research can be described as follows
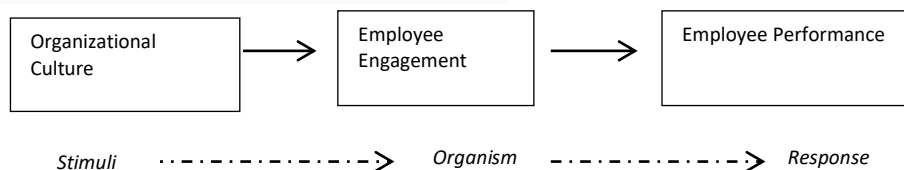
Based on the framework above, the stimulus (Organizational Culture) affects the organism (Employee Engagement), and then the response (Employee Performance) is the effect of the organism. Furthermore, the hypothesis is built, namely:

H1: Relationship between stimuli and organisms
H1: Organizational culture has a significant influence on Employee Engagement
H2: Relationship between organism and response
H2: Employee Engagement has a significant impact on employee performance
H3: Relationship between stimuli and response

H3a: Organizational culture has a significant influence on employee performance
H3b: Organizational culture has a significant indirect influence on employee performance through Employee Engagement

MATERIAL AND METHOD

Type of Research

This research uses a quantitative approach, where the analysis is carried out on the numerical data from the measurement of variables.

Research Location

The research was conducted at the Malang Regional Office banking company, which consists of 15 work units grouped by class based on credit portfolios and the amount of third party funds managed, with a total number of 1124 employees.

Population and Sample

With the specified population criteria, namely employees who have a service period of one year and employees at branch offices that serving customers, the population of this study is 941 people. Sampling was done by using the multi-stage method with the stages of determining the representative branch office, the first stage

sample is 671, the second stage, and applying the Slovin formula obtained a sample of 251.

Measures

Measurement of variables developed into indicators and statement items in the

questionnaire using a Likert scale of five score options, namely a score of 5 Strongly agree to a score of 1 Strongly Disagree, which is presented in the following table:

Tabel 1. Variable

Variable	Indicator	Number of Item	Reference
Organizational Culture	Empowerment	5	Denison & Haaland (2003)
	Team Orientation	4	
	Capability Development	5	
	Core Values	4	
	Agreement	4	
	Coordination and Integration	4	
	Creating Changes	5	
	Customers Focus	4	
Organizational Learning	Knowledge Acquisition	3	Jimenes, dan Valle (2011)
	Knowledge Distribution	3	
	Knowledge Interpretation	2	
	Organizational Memory	4	
Employee Engagement	Vigor	6	Schaufeli, Bakker, & Salanova (2006)
	Dedication	5	
	Absorption	6	
Kinerja Karyawan	In-Role Behaviors	6	Fung, et al., (2017), Ximenes, dkk (2019),

Data Collection

The questionnaire containing items regarding Organizational Culture, Employee Engagement, and Employee Performance was developed from previous research items that have been adapted to the current research context.

Data Analysis Methods

Data analysis using statistical analysis tests which include descriptive statistics and

inferential statistics using SmartPLS (Partial Least Square) software.

RESULT AND DISCUSSION

Characteristics of Respondents

Characteristics of respondents based on gender, age, education and years of service are as follows:

Tabel 1. Characteristics of respondents

No.	Characteristics	Criteria	Frequency (person)	Percentage (%)
1	Gender	Man	93	37,05
		Women	158	62,95
2	Age	22 - 27	106	42.23
		28 - 33	91	36.25
		34 - 39	54	30.52
3	Education	Diploma 3	90	36,29
		Diploma 4/S1	145	57,26
		S2	16	6,45
4	Years of service	3 – 6	180	71.37
		7 – 10	43	17.34
		11 –14	28	11.29

Instruments Testing

Validity and Reliability

Testing the validity of the instrument was carried out using the Pearson Correlation (Product Moment) technique with the limit value of the correlation coefficient (riT) ≥ correlation

table (rtabel) which means that the item is declared valid or able to measure the indicator. All items have a correlation coefficient value ≥ 0.361 so that it can be said that the questionnaire is valid to be used as a data collection tool. Meanwhile, reliability testing uses

the Cronbach's Alpha technique with the limitation that if the Cronbach's Alpha coefficient is ≥ 0.6, it means that the indicator is declared reliable or consistent in measuring the variable. Based on the summary of the results of the research instrument reliability testing, it is known that all indicators have a Cronbach's Alpha value> 0.6. Thus the indicators are declared reliable in measuring the variables of organizational culture, employee engagement, and employee performance.

Evaluation of the Measurement Model

Evaluation of the measurement model was carried out through Convergent Validity 1st and 2nd Order using standard loading factors. From the measurement results, the loading factor value for all indimators is ≥ 0.6 and the factor loading value for all statement items in the questionnaire is also ≥ 0.6 so that it can be stated that all items are valid for measuring indicators and all indicators are valid for measuring the variables of Organizational Culture, Employee Engagement, and Employee performance.

Hypothesis Testing

The test criteria states that if the coefficient of Tstatistics ≤ T table (1.96, with an alpha of 5%) it is stated that there is a significant effect of exogenous variables on endogenous variables. The results of hypothesis testing can be seen through the following table:

Table 4. Hypothesis Testing Results Direct Effect

Eksogen	Endogen	Path Coefficient	Standard Error	Tstatistics
Organizational Culture	Employee Engagement	0.297	0.078	3.798
Organizational Culture	Employee Performance	0.325	0.085	3.844
Employee Engagement	Employee Performance	0.306	0.096	3.198

The table above shows that the Tstatistic value for the Variable Organizational Culture - Employee Engagement, Organizational Culture - Employee Performance, and Organizational Culture - Employee Engagement, respectively 3,798, 3,884, and 3,198 which are greater than the T table which is 1.96, so it can be said that each exogenous variable has a significant effect on endogenous variables.

Furthermore, if the indirect coefficient has a value that is Tstatistics ≥ Ttable (1.96) then it is stated that there is a significant effect of exogenous variables on endogenous variables through mediating variables, as shown in the following table:

Table 5. Hypothesis Testing Results of Indirect Effect

Eksogen	Mediasi 1	Endogen	Indirect Coef.	SE	Tstatistics
Organizational Culture	Employee Engagement	Employee Performance	0.091	0.037	2.446

Discussion

Descriptive Analysis

Descriptive analysis is carried out by interpreting the average value of each indicator on the research variable so that it can provide an overview of what indicators build the concept of the overall research model. The basis for the interpretation of the mean score used in this study refers to the interpretation of the score used, namely if the average score (mean) is greater than 4.2, it can be interpreted very well.

The organizational culture is measured by eight indicators, namely empowerment, team orientation, capability development, core values, agreement, coordination and integration, making changes, and customers focus. The determination of this indicator is based on the results of research conducted by [50]; which has been adapted to the context of this study. From the eight indicators of organizational culture that are operationalised into 35 items. Based on the respondents' answers, it can be seen that the most dominant item "adaptive to a better way of working" (X1.7.3), where the majority of respondents as many as 180 people or 71.7% answered agree, with the highest average of 4.16 (classified in the high category) While the weakest item "the ability of employees as a source of competitive advantage" (X1.1.5), where the majority of respondents as many as 118 people or 47.0% answered neutral with the lowest average of 3.69 (classified as in the high category) The results showed that the average accumulation of respondents' answers to organizational culture variables was 3.97. So it

can be concluded that in general the organizational culture in the high category.

The results of the analysis can be explained that all items measuring organizational culture variables have a loading estimate value between 0.700 to 0.907 and a composite reliability (CR) value of 0.97 or above 0.7. The reliability of all items as a measure of organizational culture is also high, as seen from the AVE value = 0.488 (close to or equal to 0.50) and Cronbach's alpha coefficient = 0.968 (more than 0.60).

The explanation of the indicators above shows that there is a large contribution to the daily work activities of employees. The item "adaptive to a better way of working", is the item that most strongly contributes. Organizations pay much more attention to the uncertainty of external conditions, which require more adaptability and a strong mission from internal organizational resources and processes. Organizations that are willing to take risks and want to learn from mistakes, always try to change the system to be perfect and improve the organization's ability to keep up with any changes that occur so as to provide value for customers is called an adaptive organization [32]. The weakest item, "the ability of employees as a source of competitive advantage." The majority of employees gave answers to neutral answer choices. This is in line with the development of the world of work, where human labor is starting to be replaced by machines. The employees have become important in the banking world. Human capital is still recognized as the main asset of an organization. The key, creative and innovative, adaptive, agile / quick to catch changes and have problem solving abilities. Requires good mental and intellectual skills, and is able to solve problems based on correct information and considerations. All this is not owned by machines still requires employees for things that need consideration and not just mathematics. Indeed, today every organization tries to achieve fast growth, continuity, high profitability, and is in an environment that is constantly changing so that it is impossible to achieve performance excellence through traditional methods; organizations are forced to use new managerial approaches. However, having employees who are highly committed to the organization is still seen as the strength of an organization to create opportunities in the face of competition [19.

Employee Engagement

Employee engagement is measured by three indicators including vigor, dedication and absorption uses the thoughts of [38]; [51]. It is further broken down into 17 items.

Based on the respondents' answers, the most dominant item "feeling proud of work" (Y1.2.4) with the highest average of 4.28 (belonging to the high category), the majority of respondents as many as 126 people or 50.2% answered agree. While the weakest "feeling lost in work" (Y1.1.3) with the lowest average of 3.76 (belonging to the high category), the majority of respondents as many as 107 people or 42.6% answered neutral. The results showed that the average accumulation of respondents' answers to the employee engagement variable was 3.92. So it can be concluded that in general the items on the employee engagement variable are in the high category.

The results shows that all items measuring employee engagement have met the convergent validity requirements, this can be seen from the value of the loading estimate value in the range of 0.701-0.965 with a composite reliability (CR) value of 0.942 or more than 0.7, which can be declared valid. The indicator used as a measure of employee engagement has a value of AVE = 0.50 (equal to 0.50) which means that it has met the requirements for discriminant validity, in other words it is valid. Judging from the Cronbach Alpha value = 0.934, all items can be declared reliable.

In line with several research results that discuss employee engagement, syas that engagement is more about well-being.

Employee engagement leads to efficient work implementation, employee loyalty, high creativity and ultimately having a positive impact on the organization [18]. There are two different perceptions of engagement. If the organization wants employees to give 100% such as productivity, creativity, even time, it is not the case with employees. Engagement for employees is an attitude given by employees if the organization can provide pride, commitment, so that there is a reason for employees to be fully emotionally and physically involved in the organization.

Employee Performance

Of the three (3) indicators used to measure employee performance, namely In-role Behavior, Extra-role behavior, and creativity that is further broken into 22 items. Based on the respondents' answers, the most dominant items "having innovative ideas" (Y2.3.8) with the highest average of 4.17 (belonging to the high category), the majority of respondents as many as 176

people or 70.1% answered agree. While the weakest items "meeting the formal requirements of performance" (Y2.1.2), with the lowest average of 3.77 (belonging to the high category), the majority of respondents as many as 107 people or 42.6% answered neutral. The results showed that the average accumulation of respondents' answers to the employee performance variable was 3.95. So it can be concluded that in general the employee performance variables are in the high category.

The result shows that all items measuring employee performance have been able to describe employee performance variables, this can be seen from the loading estimate value ranging from 0.588-0.922 with a composite reliability (CR) value of 0.946 or more than 0.7 Likewise, the AVE value = 0.52 (above 0.50), in other words all the indicators above have met the criteria for convergent validity and discriminant validity which means valid. While the Cronbach alpha obtained is 0.941 (above 0.60), it means that all items have met the internal consistency reliability requirements or in other words are reliable.

This result is related to the fact that to achieve the formal requirements of performance, employees must strive to achieve predetermined targets. Not only from the employee's point of view, targets are often not achieved because of the very fast socio-economic changes of the community. In line with several supporting research results, that employees are required to always continue to learn, have cognitive abilities, and sometimes employees are required to have knowledge beyond their work. Employees must be able to recognize the similarities and differences from new and previously experienced situations, and understand the rules and procedures. Individual performance is very important for the organization as well as for the individual himself. Individual performance that is encouraged and supported by appreciation will make employees try to improve performance and emerge satisfaction, self-efficacy, and feelings of appreciation.

Discussion of Research Hypotheses

This hypothesis testing can be seen from the results of the Structural Model Evaluation on the results of the PLS analysis, which is intended to determine the amount of information that can be explained by the structural model (the influence between the hypothesized variables).

Organizational culture is closely related to employee engagement. When the organizational culture matches the expectations of employees, employee engagement will be high, and vice versa (Kazimoto, 2016). Engagement can start with employees feeling comfortable when they become members of an organization. Employee comfort, among others, is in the form of an open culture, a supportive work environment and well-developed communication between employees and leaders and among employees [16].

The path coefficients of organizational culture on employee engagement are positive, namely 0.297, which means that organizational culture contributes 29% in influencing employee engagement, R Square (R^2) of 0.693 indicates the relationship model is in good category, and the t statistical value is greater than t table (3,798> 2,261), then Ha, namely organizational culture can directly explain employee engagement. Then the hypothesis H1 of this study is accepted.

The role of organizational culture in creating employee engagement is relatively small, but there is still a positive influence. Employee engagement is now relatively difficult to obtain for organizations. Employees prefer personal careers and not engagement to their organization. If there is other workplace that are more promising to pursue faster and careers, then employees will not hesitate to quit. Different conditions of employees with previous generations. Employees of previous generations have many considerations to stay in their workplaces instead of salary and level of welfare. Work is not just earning a living, but there are aspects of image, prestige, self-actualization, getting recognition and other considerations.

This phenomenon can be assumed as to why organizational culture has a positive but small portion in influencing employee engagement. The results of this study support the results of previous research that the concept of organizational culture can affect employee engagement when the organizational culture provides a sense of comfort for employees [16], and supports the social identity theory in which employees choose the organization to join, one consideration is that the organization can provide a strong and positive identity for employees. A strong and positive identity mean that there is support from the organization for employees, namely employees are free to express, be creative and this condition provides a feeling of comfort, and supports the theory presented by that the organization as a place for engagement is through vision and values adopted,

organizational culture and brand/good name of the organization.

The path coefficients of employee engagement on employee performance are positive, 0.306, which means that employee engagement contributes 30% in influencing employee performance, R Square (R2) of 0.696 shows the relationship model is in a good category, and the t statistic is greater than t table (3.198> 2.261), employee engagement can directly explain employee performance. Then the research hypothesis H2 is declared accepted.

Organizational culture correlates with employee performance. Given that organizational culture is dynamic, if the organizational culture is weakened, it will have an impact on employee performance (Saeed et al, 2013). This is because culture is a value, a basis, a guide for employees in their daily activities at work. A strong organizational culture will ease employees to immediately adapt the culture changes and make it easier for leaders to make decisions without worrying about colliding with the organizational culture.

The path coefficient (path coefficients) of organizational culture on employee performance is positive, namely 0.325, which means that organizational culture contributes 32% in influencing employee performance, R Square (R2) of 0.696 indicates that the relationship model is in a good category, and the t statistic is greater than t table (3,844> 2,261), then Ha, organizational culture can directly explain employee performance.

The influence of organizational culture on employee performance through employee engagement resulted in Tstatistics of 2.446. The test results show Tstatistics> Ttabel (1.96). This means that there is a significant indirect effect of organizational culture on employee performance through employee engagement. In other words, employee engagement is able to mediate the influence of organizational culture on employee performance.

The hypothesis H3a of this study is accepted. These results indicate that the contribution of organizational culture in improving employee performance is positive but small. In line with the research results of [20], organizational culture has a small effect on employee performance, and employee performance is more influenced by leadership style. This is because employees not only need rules, SOPs or anything that is mutually agreed, but also need models in motivation for performance. Organizational culture is very

influential on the performance of company management, where leaders can use organizational culture as a tool to mobilize organizational members, increase teamwork capabilities, and motivate organizational members to perform well for organizational goals. Actually, the two results of this study both show that employee performance is influenced by leadership involvement in the employee empowerment process. However, in the research that is currently being carried out, the involvement of the leader is not a discussion so that it provides an opportunity for the next opportunity to do research development by including the leadership variable as a moderating variable on the relationship of organizational culture and employee performance.

CONCLUSION

This study aims to determine the factors that affect employee performance. Tests were carried out on a sample of 251 questionnaires generated from assistant-level banking employees at a banking organization at a government-owned banking institution in the city and district of Malang, Indonesia. The results showed that organizational culture had a positive effect on employee engagement and employee performance. In addition, organizational culture has a positive indirect effect on employee performance through employee engagement.

This study has limitations, namely that it does not involve the perspective of the bank's customers so that the results are still limited to the perspective of bank employees. There may be different perceptions of bank employees from the perceptions of bank customers so that it needs to be examined again by adding respondents from bank customers. This study also only uses survey and questionnaire methods, so that respondents in filling out the questionnaire are more based on perceptions and may cause bias because respondents provide answers that they think are in accordance with their opinions. In addition, the questionnaire has not fully been able to extract information such as through open questions, so additional information for completeness of the discussion still needs to be developed.

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