THE INFLUENCE OF WORK ENGAGEMENT, LOYALTY AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS A MODERATION VARIABLE IN THE DIRECTORATE OF SYIAH KUALA UNIVERSITY

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ABSTRACT

This research aims to analyze the impact of work engagement, loyalty and organizational culture on employee performance with job satisfaction as a moderating variable at the Directorate of Syiah Kuala University. The data used is primary data collected through distributing questionnaires to respondents who work at the Directorate of Syiah Kuala University. The methodology used is statistical analysis (PLS-SEM) which aims to examine paths with latent variables. The findings of this research indicate that work engagement and organizational culture significantly influence employee performance at the Directorate of Syiah Kuala University. On the other hand, employee loyalty shows no influence on employee performance at the Directorate of Syiah Kuala University. Apart from that, job satisfaction does not function as a moderator in the relationship between work involvement, employee loyalty, and organizational culture on employee performance at the Directorate of Syiah Kuala University.

Keywords: Job Engagement, Loyalty, Organizational Culture, Job Satisfaction and employee performance.

1. INTRODUCTION

Achieving organizational goals through employee activities shows that their performance can be accounted for which in turn will improve organizational performance (Ibrahim et al, 2023).

The Directorate of Syiah Kuala University (USK) is a sub-organization of the USK organization which carries out management and organization for the interests of the state regarding the administration of higher education institutions. In carrying out these activities, the Syiah Kuala University Directorate employs many employees spread across the directorate structure. The number of employees in the Directorate of Syiah Kuala University in 2024 will be 204, spread across both contract employees and employees with Civil Servant (PNS) status. Apart from that, the Syiah Kuala University Directorate has 8 Directorates. With the efforts made, it is hoped that employees will have good performance, but this hope is sometimes difficult for organizations to achieve, especially the organization of the Directorate of Syiah Kuala University.

Based on the duties and functions (Tupoksi) of each Directorate at Syiah Kuala University, where the average employee is divided into the directorate structure, this has not been implemented properly. Factors caused by internal factors other than the policies of direct superiors or policies from the top level at the Directorate of Syiah Kuala University, but the most important is the internal influence that comes from the employees (HR) themselves within the Directorate of Syiah Kuala University, such as employee loyalty which is shown by performance. which is getting

better every day, the culture created in the work environment and the involvement of employees who take part in all work are able to support the realization of the vision and mission of the Directorate of Syiah Kuala University.

This research focuses its review on internal employee factors that influence their performance. The problem that appears at the Directorate of Syiah Kuala University is that employees are less involved in a job or activity which makes employees feel that they do not have potential in their work, so they feel inferior. In addition, employees feel burdened by large responsibilities or feel they do not have support from colleagues or superiors. Another problem that appears from the author's perspective is the existence of seniority in the work carried out.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

According to Afandi (2018), employee performance indicators include several aspects. First, the quantity of work produced, which includes all types of measurement units related to work output and can be expressed in the form of numbers or other mathematical formulas. Second, the quality of work results, which includes all types of measurement units related to the quality of work results and can be expressed as numbers or other mathematical expressions. Apart from that, there are other factors that are indicators of performance, such as discipline, honesty, and creativity, which is a mental process that involves the formation or generation of ideas.

In improving employee performance, there are factors that can influence it, one of which is employee work involvement. Work involvement is very necessary in companies/organizations. According to Shuck (2019), employee engagement is defined as a psychological state characterized by satisfaction and a positive attitude towards work, including levels of energy, commitment and dedication. Thus, work engagement refers to an encouraging and productive mental state in the work context, characterized by enthusiasm, commitment and dedication. (Aga, 2016), labor force participation can be influenced by two indicators. Related to these indicators, demographic and psychological variables are individual indicators that can influence labor force participation.

The research results show that organizational culture has an influence on work planning but does not directly influence employee performance in various types of work. Organizational culture influences performance through work planning. Organizational culture indicators include self-awareness, teamwork, and others (Fahmi et al., 2022).

Dewi, & Pristiyono, 2016), loyalty can be described as devotion, trust, and loyalty to a person, company, or organization, with full responsibility and always accompanied by good behavior. Apart from that, loyalty is the ability and strong determination to carry out one's duties with self-awareness and full sense of responsibility and obey all regulations.

Job satisfaction is a hope for successfully completing assigned tasks in accordance with the employee's own wishes in each situation (Mahdani, F., & Adam, 2017). (Kristianti & Affandi, 2021) explains that job satisfaction results in increased performance so that employees can be satisfied and productive while working. According to (Bismala, Arianty, & Farida, 2017) job satisfaction is an effective or emotional response to various aspects of work. Satisfaction is a reflection of a person's feelings towards their work.

Research Hypothesis

Based on the discussion of previois theories and research problems, this study develops the

hypotheses as follows:
H1   : There is an influence of Work Engagement on Employee Performance
H2   : There is an influence of employee loyalty on employee performance
H3   : There is an influence of Organizational Culture on Employee Performance
H4   :There is an influence of work involvement on employee performance which ismoderated by job satisfaction.
H5   : There is an influence of employee loyalty on employee performance which is moderated by job satisfaction.
H6   :There is an influence of Organizational Culture on employee performance which is moderated by Job Satisfaction.

3. METHODS

This type of research is combined. This research aims to test the effect of independent variable questions distributed to respondents according to sample characteristics through the G form. Researchers distributed questionnaires directly to employees at the Directorate of Syiah Kuala University. The scale used in this research is the Likert scale.

This research uses statistical analysis known as Partial Least Squares – Structural Equation Modeling (PLS-SEM) which aims to carry out path analysis using latent variables.

PLS is an analysis method that has proven to be efficient because it is not tied to many assumptions and does not require a multivariate normal distribution (thus allowing the use of categorical, ordinal, interval and proportional scale indicators in one model). Testing of the PLS structural model in this research was carried out using Smart PLS software.

Below can be described the research framework that underlies the thinking in this research. This framework provides the basis for conducting research analysis:
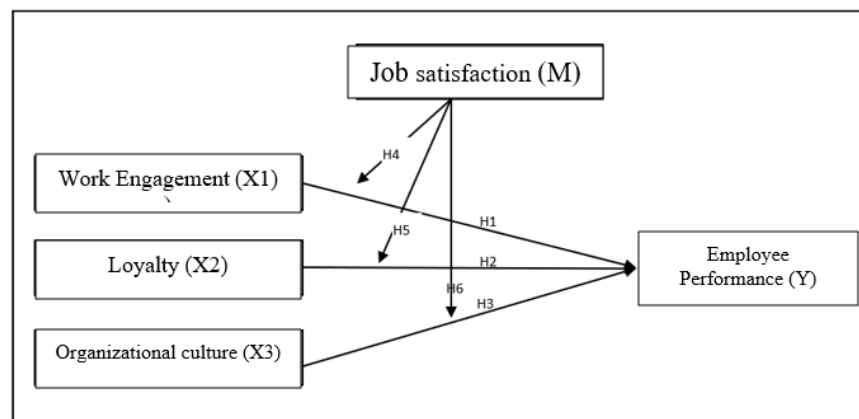
4. RESULT AND DISCUSSION

This online questionnaire was distributed to 67 employees of the Directorate of Syiah Kuala

University as research sample respondents with employee performance with 22 questions with 9 indicators, work engagement with 6 questions with 2 indicators, organizational culture with 34 questions, with 6 indicators of success in it. Employee loyalty consists of 10 questions with 5 indicators and the moderating variable Job satisfaction consists of 15 questions with 5 indicators. The following is a related description of the characteristics of the research respondents, where the age of the most respondents was 36-40 years (34.4%) and the smallest was 46-50 years as in the following figure:
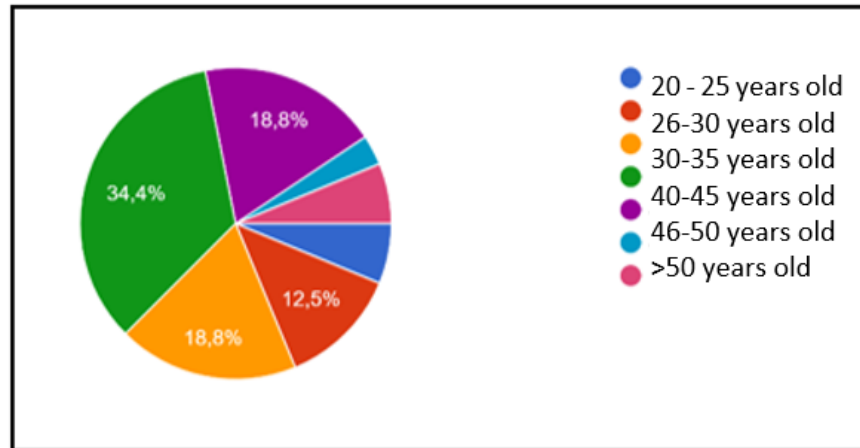
Source: Online Questionnaire Results, 2024.
Figure 2. Age of Respondents

In addition, at the level of work experience, most respondents had work experience of 5-10 years (28.1%) and at least had work experience of more than 20 years (12.5%).
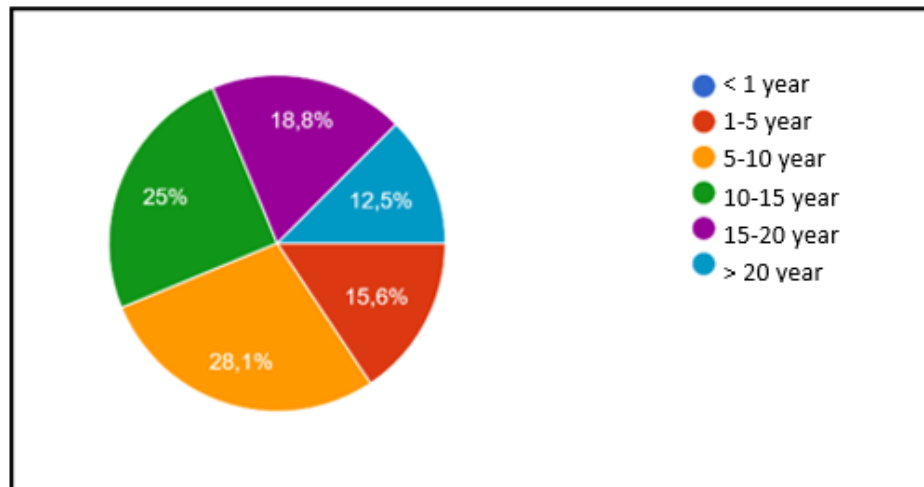
Source: Online Questionnaire Results, 2024.
Figure 3. Respondents' work period

This research uses a partial least squares structural equation model (SEM-PLS) for data analysis. Discriminant validity and structural model analysis (internal model), namely coefficient of determination (R^2), f-square and hypothesis testing (Hair et al, 2021).

1. Measurement model analysis (Outer Model)

Evaluation of the reflective measurement model by Hair et al. (2021) consists of factor loading ≥ 0.70, composite reliability ≥ 0.70, Cronbach's alpha and average variance extraction (AVE ≥ 0.50) and discriminant validity, namely fomel assessment. and incomplete criteria and HTMT (heterotrait-monotrait ratio) ≤ 0.90 (Cross Loadings).

	composite reliability	test results
Organizational culture (X3)	0,821	Reliable
Job Satisfaction (M)	0,844	Reliable
Work Engagement (X1)	0,953	Reliable
employee performance (y)	0,947	Reliable
Employee loyalty (X2)	0,866	Reliable

Source: Smart Pls version 4.1, (2024). processed

a)   Internal Consistency (Internal Consistency)

The criteria for estimating construct variables are considered valid and reliable if the composite reliability value is > 0.70 (Hair et al, 2019). The results of this research show that the composite reliability value for each variable is >0.70. It can be concluded that the variables used in the research are considered reliable.

b)   Convergent Validity (Convergent Validity).

The criterion for convergent validity findings is whether they are valid or not in terms of external loading. Based on best practices, the external loading value for each indicator is estimated to be ≥ 0.7. The results of this research are that employee performance variables are measured using 9 (nine) valid indicators, where the external loading value varies between 0.768 to 0.855, which shows that all measurement indicator points are strongly correlated in explaining employee performance. Cronbach's alpha is 0.936 ≥ 0.70 and average variance extraction (AVE) is 0.665 ≥ 0.50). Of the nine valid measurement points, the work discipline indicator is 0.882 and the leadership indicator is 0.873 which seems to better reflect employee performance. It can be concluded that the indicators for each variable in this study are valid in terms of convergent validity. This means that all indicator values are convergent (convergence/image) with the variable values. from.

c)   Discriminant Validity (Discriminant Validity).

Discriminant validity should be assessed based on the Fornell and Lacker criteria. Fornell and Lacker's criterion is that the AVE root of the variable is greater than the correlation between variables.

Table 2. Fornell and lacker results

	(M)	(X1)	(X2)	(X3)	(Y)
(M) Job Satisfaction	0.722				
(X1) Work Involvement	0.451	0.954			
(X2) Employee Loyalty	0.228	0.259	0.764		
(X3) Organizational Culture	-0.078	0.111	0.196	0.675	
(Y) Employee Performance	0.370	0.143	-0.074	-0.148	0.815

Source: Smart Pls version 4.1, (2024). processed

The root of AVE is the one that is in the transverse position and at the top of each variable. The root of AVE must be more than the correlation between variables. The variable job satisfaction has a greater AVE root (0.722) and a greater correlation with work involvement (0.451) and a greater correlation with employee loyalty (0.228) and so on. These results indicate that the discriminant validity of the organizational culture variable is met.

1. Structural model analysis (Inner Model)

Structural model estimation involves testing hypotheses regarding the influence between research variables in four stages. This study examined multicollinearity between variables and large internal VIF values. An internal VIF value ≤ 5 indicates the absence of multicollinearity. Hypotheses between variables are tested using t-value or p-value statistics to determine the significant influence between variables, such as work commitment on employee performance. Therefore, it can be concluded that work commitment has a significant influence on employee performance, as shown in the following table:

	Original samples (O)	Sample mean (M)	Std. dev	T statistics	P - values
Direct Hypothesis test results					
(M) -> (Y)	0.235	0.189	0.205	1,146	0.126
(X1) -> (Y)	-0.304	-0.266	0.119	2,541	0.005
(X2) -> (Y)	0.097	0.003	0.159	0.610	0.271
(X3) -> (Y)	-0.394	-0.379	0.155	2,542	0.005
Moderation Hypothesis Test Results					
(M) x (X1) -> (Y)	-0.094	-0.051	0.179	0.527	0.299
(M) x (X3) -> (Y)	-0.170	-0.083	0.195	0.875	0.191
(M) x (X2) -> (Y)	0.157	0.072	0.205	0.764	0.223

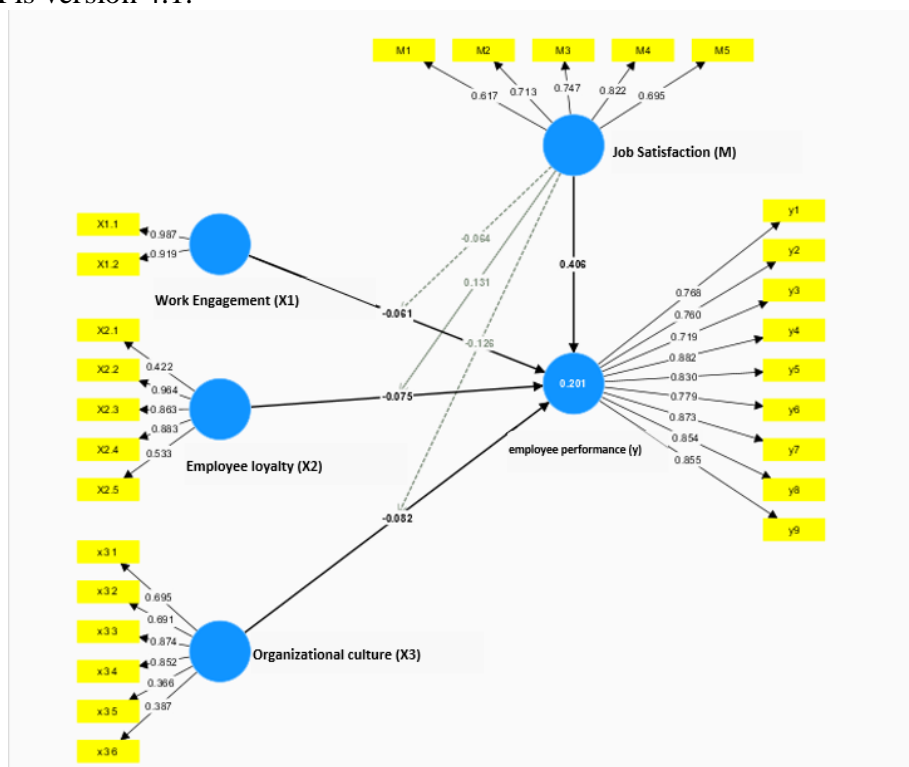*Source: Smart Pls version 4.1, (2024). processed*

Next, the results of the second hypothesis test are the t-statistical value between employee loyalty (X2) and employee performance (Y) of 0.610 and a p-value of 0.271. Therefore, employee loyalty has no effect on the performance of employees of the Syiah Kuala University Directorate. Meanwhile, the results of the organizational culture hypothesis test (X3) on employee performance

(Y) have a t-statistic of 2.542 and a p-value of 0.005. It can be concluded that organizational culture has a significant effect on the performance of employees of the Syiah Kuala University Directorate.

Furthermore, the results of the moderation hypothesis test between job engagement (X1) and employee performance (Y) which is moderated by job satisfaction (M) have a t-statistic of 0.527 and a p-value of 0.299. Likewise, employee loyalty (X2) and organizational culture (X3) are influenced by job satisfaction (M) on employee performance (Y). The t-statistics are 0.764 and 0.875, and the p values are 0.223 and 0.191 respectively. From this it can be concluded that job satisfaction does not moderate the influence of work commitment, employee loyalty and organizational culture on employee performance.

Two-level group analysis in SEM-PLS analysis: measurement model (external model) with convergent validity. Reliability and validity (establish reliability and validity). We used discriminant validity and structural model analysis (internal model), namely the coefficient of determination (R²), f-squared, and hypothesis testing (Hair et al, 2019).

The estimation results of the structural model (internal model) show a low degree of multicollinearity between variables, because the internal VIF value is less than or equal to 5. These results confirm that the SEM PLS parameter estimation results are not biased and can answer the hypothesis test above. The following will display the output results from the PLS Structural Model, from Smart Pls version 4.1.

Source: Smart Pls version 4.1, (2024).

Figure 3. PLS Structural Model

5. CONCLUSION

Based on the results of data analysis and discussion explained in the previous chapter, the following can be concluded:

1. Work Engagement and Organizational Culture have a significant effect on the performance of Syiah Kuala University Directorate employees.
2. Employee loyalty has no effect on employee performance at the Directorate of Syiah Kuala University.
3. Job satisfaction does not moderate the influence of work involvement, employee loyalty and organizational culture on employee performance at the Directorate of Syiah Kuala University.

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