



The Influence of Organizational Culture and Work Environment on Employee Engagement Through Employee Resilience as Intervening Variable (Study on Strategic Management and Governance-Bank Indonesia)

Febrianty Lombongadil^{1*}, Masydzulhak Djamil²

¹Magister Manajemen, Universitas Mercu Buana, Indonesia febriantylombongadil@gmail.com

²Magister Manajemen, Universitas Mercu Buana, Indonesia masydk@gmail.com

*Corresponding Author: Febrianty Lombongadil

Abstrak: The purpose of this study was to examine the influence of organizational culture and work environment through employee resilience as an intervening variable on employee engagement at Strategic Management and Governance Department - Bank Indonesia. The quantitative descriptive research design with 92 participants as sample of the study. This study used Partial Least Square (PLS) which is a covariance-based SEM as an analysis tool. The result of this study showed that (1) organizational culture influences employee engagement positively and significantly (2) organizational culture has a positive and significant effect on employee resilience, (3) work environment influences employee engagement positively but not significantly (4) work environment influences employee resilience positively and significantly (5) Employee resilience has positive and significant effect on employee engagement (6) Employee engagement is positively and significantly influenced by organizational culture through employee resilience (7) Employee engagement is positively and significantly influenced by the work environment through employee resilience. The implementation of organizational culture and the work environment's condition at Bank Indonesia must be improved. These variables also affect the level of employee engagement. The higher level of employee engagement will help the employee to complete the duties and obligations optimally and properly.

Keywords: Organizational Culture, Work Environment, Employee Resilience, and Employee Engagement

INTRODUCTION

During the recovery period from the impact of the COVID-19 pandemic, Bank Indonesia faced some challenges in managing human resources, both internal and external challenges. One of the internal challenges faced by Bank Indonesia is the employee engagement issue at Bank Indonesia. The employee engagement is one the key success of an organization. The

organization which has a high level of employee engagement usually has people with high enthusiasm and dedication which affects the productivity and the achievement of the vision and mission of the organization.

Employee engagement's condition at Bank Indonesia in 2019-2021 showed the Bank Indonesia always got the "moderately engaged" level. In 2021, the engagement score of employee engagement has decreased from the previous year. Here are some issues that need further attention like workload, performance management, communication, worklife balance and these issues also influence employee engagement (Bank Indonesia Annual Report, 2020). In 2022, a pre-survey was conducted for 30 employees of Bank Indonesia. This survey aims to see the condition of employee engagement through some aspects including pride, motivation, satisfaction, sense of survival, desire to recommend the institution to others, and enthusiasm for work. Based on the survey, 53% of employees do not feel motivated at work, 57% of employees do not want to stay in the institution and 60% of employees do not want to recommend Bank Indonesia as a place to work to others. Some of the reasons for the negative responses to several aspects measured in the pre-survey are work environment, workload/workstress and organizational culture.

The work environment is one of the factors that influence employee engagement in an organization (Firnandad & Jayanti, 2021). If the work environment is conducive, safe and comfortable, it will affect the completion of duties and responsibilities of employees. Organizational culture that fulfills the expectations of employees will increase the level of employee engagement (Abrianto & Srimulyani, 2021). Thus, it is important for institutions to pay attention to work environment factors and organizational culture that have influence in increasing the level of employee engagement. In addition, in the current era where so many changes happen so quickly and some situations require fast adaptation, institutions also need to pay attention to aspects of the resilience of each employee in carrying out their work. It also affects the process and output of work. Resilience also has positive effect on the level of employee engagement with their work (Astika & Saptoto, 2018)

LITERATURE REVIEW

Organizational Culture

According to Schein (2010) organizational culture is a set of norms or values believed by a group which is used as the basis for adaptation and integration that influences individual behavior in an organization. Soedjono (2005) defined organizational culture as a system that disseminates values that are guided by an organization which is the basis for behavior. Organizational culture determines how a group thinks, acts and reacts to its environment. Organizational culture forms the identity of an organization that distinguishes an organization from the other organizations (Robbins, 2008).

Organizational culture that contains the values that underlie every behavior and interaction of each individual becomes a guideline which, if properly implemented, will have a positive impact on the institution. Saluy (2018) found that the implementation of good organizational culture will have positive effect on employee performance through activities that support the implementation of organization culture itself that also can affect the improvement of employee's performance. Anizar et.al (2017) in his research revealed that organizational culture is one of the factors that influence organizational commitment, where this organizational commitment involves high employee involvement in achieving the vision and mission of the organization.

Work Environment

According to Armstrong (2010) work environment is a work system, job design, working conditions and how the relationships occur between colleagues and superiors in the workplace. The work environment is a place where all work activities take place. A good, safe and

comfortable work environment influences the implementation of tasks and work. The work environment is divided into physical and non-physical work environments (Sedarmayanti, 2009). The physical work environment is all physical things that affect work either directly or indirectly. While the non-physical work environment is related to the relationship between fellow employees and superiors in the scope of work. Several factors affect the physical work environment including temperature, noise, lighting, air quality, and work space design (Robbins, 2002). These factors affect the comfort and safety of employees at work. Non-physical environment focuses on good relations between fellow employees and superiors. A good relationship will create a sense of trust and good teamwork. A conducive non-physical work environment can be created through good communication, high trust and high work motivation (Kisworo, 2012)

Employee Resilience

Resilience is the ability to bounce back from adversity (McNaughton & Gray, 2017). Resilience also means the ability to survive when in a difficult situation. Employees who have high resilience will be able to face challenges and difficult circumstances and still be able to work effectively. Bonano (2005) revealed that employee resilience enables employees to survive and change in a positive direction when facing difficult situations at work.

It cannot be denied that Bank Indonesia is currently facing the challenge of rapid change due to the impact of the COVID-19 pandemic. The Changes keep occurring which require various adjustments both in terms of policies and adjustments in working activities. These things often cause pressure that affects the condition of employees and the quality of employee work. To deal with these conditions, it is very important to have human resources that have a high level of resilience. The ability to adapt to various changes that occur will help employees in overcoming pressure and difficult situations.

Employee engagement

Employee engagement is a relationship that is created between the organization and human resources in the organization. Sihombing (2018) defines employee engagement as an emotional attachment to the organization through the enthusiasm and dedication of the workers to support the success of the organization. This emotional attachment will make workers work seriously, focused and enthusiastically motivated because they feel they have become one with the organization and understand the goals of the organization and what their role is like in order to achieve these goals. Benthall in Mujiasih (2015) states that employee engagement is a situation where workers are able to work effectively and efficiently because they find the full meaning of the work they do.

Employee engagement has several levels according to the Gallup study, they are engaged, not engaged, and actively disengaged. Employees who are in the engaged category always show high performance and actively contribute to the achievement of organizational goals. Then, workers in the “not engaged” category tend to be passive and only focus on carrying out work tasks without paying full attention to results or achieving organizational targets. While workers who are “actively disengaged” are those who often show resistance and see everything from a negative perspective.

Hipotesis

- H1: Organizational culture has a positive and significant effect on employee engagement
- H2: Organizational culture has a positive and significant effect on employee resilience
- H3: The work environment has a positive and significant effect on employee engagement
- H4: The work environment has a positive and significant effect on employee resilience
- H5: Employee resilience has a positive and significant effect on employee engagement

H6: Organizational culture has a positive and significant effect on employee engagement through employee resilience.

H7: The work environment has a positive and significant effect on employee engagement through employee resilience

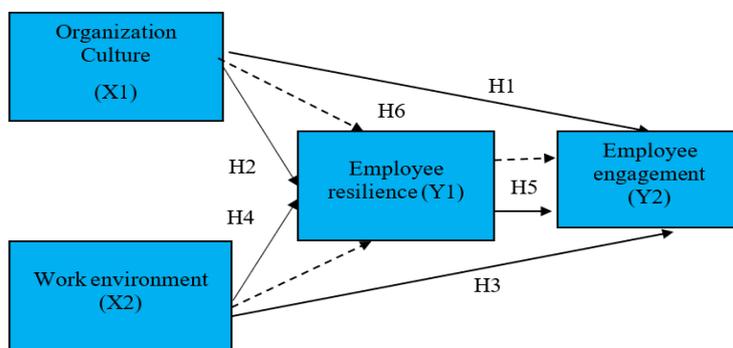


Figure 1. Research Framework

RESEARCH METHODS

The research method used in this study is a quantitative analysis method. The analysis is based on data or numbers which are tested with statistical methods. Quantitative research is used to test the hypothesis set in a study (Sugiyono, 2013). The data collection method is through distributing questionnaires as primary data and through other sources, including books, documents, journals or previous research. As many as 90 Bank Indonesia employees in the Department of Strategic Management and Governance were sampled in this study. The data obtained were analyzed using SmartPLS software

FINDINGS AND DISCUSSION

The Result of Quality Data Testing

Measurement Evaluation (outer) Model

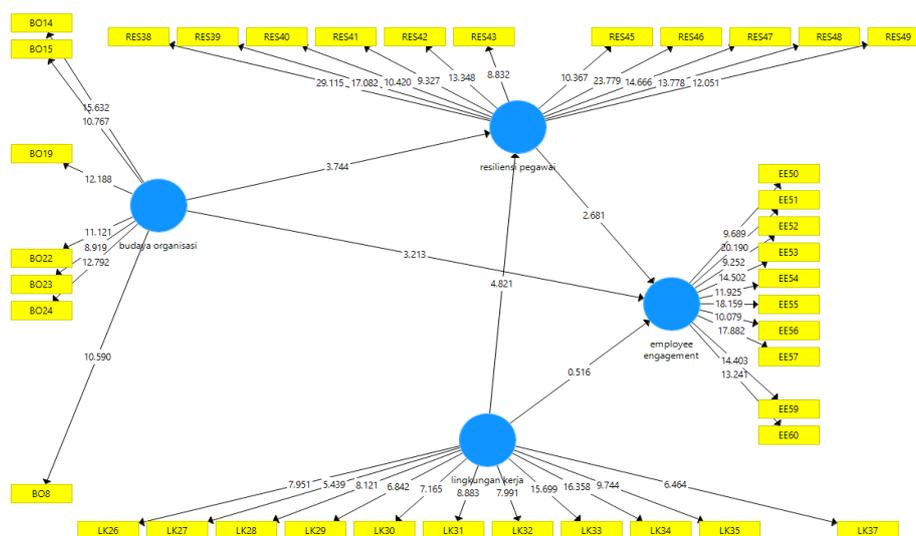


Figure 2 Interconstructive Value Model and Research Model Dimensions using SmartPLS 3.0

Discriminant Validity Test Results (Cross Loadings)

The indicators used are valid. The correlation value of the construct with the indicator is higher than the correlation value with the other constructs.

Table 1. Discriminant Validity Testing Results (Cross Loading)

	Organization culture	employee engagement	work environment	Employee resilience
BO14	0,769	0,352	0,322	0,458
BO15	0,697	0,399	0,204	0,453
BO19	0,699	0,488	0,591	0,524
BO22	0,764	0,463	0,489	0,393
BO23	0,685	0,445	0,379	0,232
BO24	0,741	0,503	0,363	0,335
BO8	0,676	0,437	0,318	0,524
EE50	0,436	0,697	0,437	0,492
EE51	0,480	0,808	0,457	0,505
EE52	0,400	0,764	0,254	0,367
EE53	0,437	0,814	0,401	0,463
EE54	0,540	0,764	0,509	0,469
EE55	0,560	0,852	0,409	0,431
EE56	0,494	0,802	0,457	0,472
EE57	0,524	0,769	0,291	0,513
EE59	0,460	0,775	0,217	0,474
EE60	0,455	0,768	0,262	0,378
LK26	0,239	0,215	0,759	0,364
LK27	0,003	0,086	0,639	0,202
LK28	0,257	0,162	0,730	0,342
LK29	0,140	0,203	0,730	0,314
LK30	0,201	0,193	0,743	0,299
LK31	0,258	0,349	0,740	0,354
LK32	0,290	0,358	0,744	0,344
LK33	0,557	0,482	0,772	0,645
LK34	0,593	0,501	0,751	0,669
LK35	0,547	0,390	0,695	0,506
LK37	0,483	0,375	0,611	0,507
RES38	0,595	0,523	0,562	0,855
RES39	0,574	0,484	0,606	0,813
RES40	0,409	0,386	0,505	0,690
RES41	0,548	0,427	0,481	0,664
RES42	0,467	0,535	0,473	0,702
RES43	0,305	0,454	0,433	0,700
RES45	0,288	0,378	0,337	0,653
RES46	0,509	0,519	0,498	0,835
RES47	0,353	0,340	0,435	0,783
RES48	0,377	0,384	0,491	0,774
RES49	0,283	0,291	0,342	0,725

Source : SmartPLS 3.0 Analysis Result

AVE Test

Another method that can be used to check discriminant validity is by looking at the value square root of average variance extracted (AVE) each construct with a correlation between a construct and another construct. Based on the AVE test, the Discriminant Validity value is good (> 0.5).

Tabel 2. The result of AVE TEST

Variabel	AVE
Organizational Culture	0,518
Work Environment	0,612
Employee Resilience	0,520
Employee engagement	0,550

Source : SmartPLS 3.0 Analysis

Table 3. Result of Discriminant Validity (Fornell Lacker Criterium)

	budaya organisasi	employee engagement	lingkungan kerja	resiliensi pegawai
Organizational culture	0,720			
employee engagement	0,616	0,782		
Work environment	0,537	0,480	0,721	
Employee resilience	0,594	0,588	0,641	0,748

Source : SmartPLS 3.0 Result Analysis

The Result of Composite Reliability & Cronbach’s Alpha

Reliability test with value composite reliability and cronbach’s alpha ≥ 0.7 it can be said satisfactory or reliable

Tabel 4. Composite Reliability & Cronbach’s Alpha

	Cronbach's Alpha	Composite Reliability	
Organization culture	0,845	0,882	Reliable
employee engagement	0,929	0,940	Reliable
Work environment	0,914	0,922	Reliable
Employee resilience	0,920	0,933	Reliable

Source: SmartPLS 3.0 analysis results

Hypothesis Testing (Inner Model) atau Structural Model Testing

The Result of R-square Test

Tabel 5. Endogenous Variable (R² Value)

Variabel Endogen	R-square
Employee engagement	0,458
Employee resilience	0,499

Source: SmartPLS 3.0 analysis results

The results of testing the R-square value show that the model is variable employee engagement and employee resilience is in the medium category with a value below 0.6.

Hypothesis Testing Results (Estimation of Path Coefficient)

Table 6. Hypothesis Testing Results

	Original Sample	Standard Deviation	T Statistics	P Values	
Organizational culture -> employee engagement	0,396	0,123	3,213	0,001	Positive-significant
Organizational culture -> employee resilience	0,351	0,094	3,744	0,000	Positive-significant
Work environment -> employee engagement	0,069	0,135	0,516	0,606	positive-not significant
Work environment -> employee resilience	0,453	0,094	4,821	0,000	positive-significant
employee resilience -> employee engagement	0,307	0,115	2,681	0,008	positive-significant

source: Smart PLS 3.0 Analysis

Table 7. Indirect Effect Values

	Original Sample	Std. Deviation	T Statistics	P Values	Ket.
Organization culture -> employee engagement -> employee engagement	0,108	0,054	2,002	0,046	positive-significant
Work environment -> employee resilience -> employee engagement	0,139	0,062	2,230	0,026	positive-significant

source: Smart PLS 3.0 Analysis

Discussion

Organizational culture has a positive and significant impact on employee engagement. The Result of T - statistic = 3,213 > 1,96 and sig value. 0.001 < 0.05. it means H₁ accepted. Organizational culture path coefficient value to employee engagement = 0.396, which means that organizational culture has a positive and significant relationship to employee engagement in the Strategic Management and Governance Department of Bank Indonesia. This result is in line with the research findings of Prahara & Hidayat (2019), which showed that employee engagement influenced positively and significantly by organizational culture

Employee resilience is positively and significantly influenced by organizational culture. The results of T - statistic = 3,744 > 1,96 as well as sig value. 0,000 < 0,05. It means H₂ accepted. The coefficient value of the organizational culture path on employee resilience is 0.351, which means that Organizational Culture has a positive and significant effect on employee resilience in the Strategic Management and Governance Department Bank Indonesia. The results of other studies also support the findings of this study where organizational culture has a positive and significant influence on employees at 14 banks in China (Liu, 2018).

The work environment has a positive but not significant effect on employee engagement. The result obtained T-statisti value = 0.516 < 1.96 then the sig. 0.606 > 0.05. It means H₃ rejected. Work environment path coefficient to employee engagement = 0.069 which means employee engagement can be influenced positively by the work environment the effect is not significant. Nasidi et.al (2019) on his research also revealed findings that support the results of this study where there is no significant effect between the work environment and employee engagement towards non-academic staff at Universities in Nigeria.

The work environment has a positive and significant influence on employee resilience. T-statistic = 4.821 > 1.96, then sig value 0.000 < 0.05 It means H₄ accepted. Path coefficient = 0.494, which means the work environment has a positive and significant effect on employee engagement. Lowe (2013) revealed the same findings where work environment factors have a positive influence on the resilience of nurses who often experience stress or burnout.

Employee resilience has an influence on employee engagement positively and significantly. T- statistic = 2, 681 > 1,96 then the sig value. 0,002 < 0,05 It means H₅ accepted, with a coefficient value of 0.405, thus employee engagement in Bank Indonesia is positively and significantly influenced by employee resilience. Steven & Prihatsanti (2020) found that there is a positive and significant influence between employee resilience and employee engagement at PT Bank Panin Jakarta.

Organizational culture has an influence on employee engagement through positive and significant employee resilience. From the research results, it was obtained that the T-statistic value = 2.002 which was > 1.96, and P Values which were 0.046 which were <0.05, so that H₆ accepted, with a coefficient value of 0.108. It means that organizational culture has an influence on employee engagement through employee resilience in Bank Indonesia in a positive and significant way. In line with Malik & Garg's research (2020) which revealed that there is a positive and significant effect of the employee resilience variable which mediates the variable learning organization dan employee engagement.

Work environment influences employee engagement positively and significantly through employee resilience. From this research, the results show that the T-statistic number = 2.230 is greater than the T-table number of 1.96, the original sample number = 0.139, P Values = 0.026 which is <0.05. So it can be stated that H₇ accepted. These results prove that the work environment through employee resilience has a positive and significant influence on employee engagement in Bank Indonesia. Research results prove that employee engagement positively and significantly influenced by the work environment through employee resilience

CONCLUSION

Organizational culture has a positive and significant effect on employee engagement in the Strategic Management and Governance Department Bank Indonesia. This means that the better the implementation of organizational culture in an institution, the level of employee engagement with the institution will be higher or increasing.

Employee resilience is positively and significantly influenced by organizational culture in the Strategic Management and Governance Department Bank Indonesia. This means that when the implementation of organizational culture in an institution is well implemented, this will affect the level of employee resilience in dealing with various problems or difficult situations encountered when carrying out work.

The work environment in the Strategic Management and Governance Department Bank Indonesia has a positive influence on employee engagement but this effect is not significant. This reveals that a good work environment has a positive influence on employee engagement . however, this influence is not a significant factor that can increase employee engagement with institutions/organizations.

The work environment has a positive and significant effect on employee resilience in the Strategic Management and Governance Department of Bank Indonesia. This means that good, safe and comfortable working conditions will create employees who are more resilient or resistant in dealing with various difficult situations at work.

Employee resilience has a positive and significant influence on employee engagement in the Strategic Management and Governance Department Bank Indonesia. This means that the higher the resilience/resilience of employees to difficult situations or changes that occur in work, the level engagement or employee engagement with the institution for the better.

Organizational culture through employee resilience has a positive and significant influence on employee engagement in the Strategic Management and Governance Department Bank Indonesia. This means that the better implementation of organizational culture in an institution will affect the resilience of employees with the right compensation can motivate employees to improve performance and achieve the desired goals.

Organizational Culture through compensation has a positive and significant effect on the performance of employees of PT. IPR. This means that organizational culture that is well understood and practiced by employees can affect the level of compensation received and motivate employees to improve their employee performance.

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