The Effect Of Employee Engagement and Corporate Culture on Job Satisfaction at PT. Oemah Insan Mandiri

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Abstract

The purpose of this study is to analyze the effect of employee engagement and corporate culture on job satisfaction, so the researcher will take the title "The Effect of Employee Engagement and Corporate Culture on Job Satisfaction at PT Oemah Insan Mandiri". This research uses quantitative methods. This study uses primary and secondary data. Data was obtained through respondents' answers using a closed questionnaire type. The population in this study was 120 employees of PT Oemah Insan Mandiri. The sampling technique in this study was nonprobability sampling. The data collection method used in this study was the distribution of questionnaires. The questionnaire was made using a Likert scale format with a frequent scale. The data analysis technique in this study uses Partial Least Square (PLS) using the help of SMARTPLS software. The results of this study show that employee engagement affects job satisfaction, and corporate culture affects job satisfaction.

Keywords: Employee Engagement, Corporate Culture, Job Satisfaction

How to Cite:

INTRODUCTION

Job satisfaction continues to be one of the most studied work attitudes in Industrial and Organizational Psychology (Sugiyono & Rahajeng, 2022). Job satisfaction has a great impact on the performance of an employee as well as the organization thus, the study of this variable cannot be considered to be a very important and interesting topic for further study and research (Hamsal, 2021).

Human resources need to be managed professionally to create a balance between the needs of employees, the demands and capabilities of the company's organization, and the importance of quality human resources for the company's progress (Sabrina, 2021). This balance is the main key for the company to develop productively and achieve company goals.
The company creates balance by fulfilling employee needs, one of which is job satisfaction (Nofitasari & Anton, 2021).

A person's success in the field of work is determined by the level of competence and professionalism in the occupied field, but if the success of performance in the absence or lack of attention and recognition will affect a decrease in motivation, the effect on job satisfaction decreases (Borst et al., 2020). Employee dissatisfaction with the organization or company as a whole will have an impact on their dissatisfaction in handling their work and this will certainly affect their performance (Simmers & McMurray, 2022).

To get superior human resources, it is necessary to improve the ability and appreciation of employees to achieve employee satisfaction amid the development of information media that is very passive. The progress of a company will be determined by whether employees are satisfied or vice versa with the company (Al-Salami & Abdalla, 2022). According to Sasuwe et al., (2018) said that job satisfaction is also an important consideration in running an organization strategically and a need that must be met by each individual. As stated by Wolo et al., (2017) the increased job satisfaction felt by employees affects employee behavior in daily working conditions. Job satisfaction will affect the level of employee enthusiasm at work. Having a sense of job satisfaction is an individual thing because each individual has a different level of satisfaction. The more aspects of the job that match individual desires, the higher the level of satisfaction felt. Employees who are satisfied with the company will show their loyalty to the company and give more effort to their work which will bring opportunities for company success. When employees feel dissatisfied with the company, these employees will do things that might have a negative impact on the company, one of which is resigning from the company (Baribin & Cici, 2020).

According to Mukhtar et al., (2018) one of the factors for creating job satisfaction is by enforcing a good organizational culture. Atthohiri dan Wijayati, (2021) describes corporate culture as norms, beliefs, values, and practices adopted by members to maintain and develop company goals without harming the welfare of the organization or its members. (Hendra, 2020) argues that a good organizational culture can be a major competitive advantage instrument if it is able to support the organization’s strategy and can answer or overcome environmental challenges quickly and appropriately. However, many also pay less attention to corporate culture (organizational culture), which is one of the reviews of effectiveness, efficiency, and productivity in the company.

According to Pangastuti & Desi, (2021) said that the emergence of job satisfaction is thought to come from employee attachment. In line with Meng & Berger, (2019) say
engagement can be another key driver to increase job satisfaction. Employee engagement is a condition in which members of an organization identify themselves with work, in a state of attachment someone will employ it and express themselves physically, cognitively, and emotionally while working (Asbari et al., 2020). (According to Robbins (2015: 32) Employee Engagement is a high emotional and intellectual relationship that employees have with their work, organization, manager, or colleagues which gives influence to increase discretionary effort in their work or also called (employee engagement) employees who care about the company. When the company provides high employee engagement, it will increasingly affect employee job satisfaction. Employees who have engagement will work wholeheartedly and will work optimally to achieve goals. Employee engagement is a condition where employees have intrinsic motivation, which strengthens their behavior, are passionate and enthusiastic, and are proud of the work they achieve organizational goals.

A well-managed organizational culture that provides comfort, enthusiasm, and security and the company uses employees to be involved in decision-making will lead to job satisfaction. This is reinforced by previous research by Premayani et al., (2021) the purpose of this study was to determine the effect of interpersonal communication, organizational culture, and job involvement on employee job satisfaction. In this study, it states that the variables of organizational culture and work involvement have a positive and significant effect on job satisfaction at CV. Sinar Logam Denpasar. In further research conducted by (Krisnaldy et al., 2019), Lila Bismala (2019), (Hariani & Rahman Al-Hakim, 2021) found that organizational culture has a significant effect on job satisfaction. Meanwhile, research conducted by Hamsal (2021) took a sample of 130 Riau Islamic University employees. This study found that the organizational culture variable had a negative and insignificant effect on job satisfaction. The results are in line with researchers Irfan Yusuf, et al (2021) and Priyadi, et al. (2022). In previous studies, it can be concluded that organizational culture does not always affect job satisfaction and that each company has a different organizational culture and it affects job satisfaction.

Furthermore, work engagement affects job satisfaction. The above statement is reinforced by Prayudha's research (2018) the purpose of this study was to determine the effect of employee engagement and organizational culture on job satisfaction. In this study entitled The Effect of employee engagement and organizational culture on Employee Performance Through Job Satisfaction as an intervening variable, the result is that the employee engagement variable has a positive and significant effect on job satisfaction and organizational culture has a positive and significant effect on job satisfaction.
With the previous research conducted by researchers, the topic of job satisfaction is very important to discuss. Job satisfaction is important to improve employee performance. There are several factors to increase employee job satisfaction, including salary, environmental conditions, and security. When the employer has fulfilled the needs of employees, job satisfaction will arise and employees always work wholeheartedly.

The purpose of this study is to analyze the effect of employee engagement and corporate culture on job satisfaction, so the researcher will take the title "The Effect of Employee Engagement and Corporate Culture on Job Satisfaction at PT Oemah Insan Mandiri".

RESEARCH METHODS

This research uses quantitative methods. The quantitative method is one type of research whose specifications are systematic, planned, and clearly structured from the beginning to the making of the research design. This research uses primary data. Data was obtained through respondents' answers using a closed questionnaire type. The population in this study was 120 employees of PT Oemah Insan Mandiri. The sampling technique in this study was nonprobability sampling. According to Sugiyono (2015), non-probability sampling is a sampling technique that does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample.

The data collection method used in this study was the distribution of questionnaires. The questionnaire is made using a Likert scale format with a scale that is often used in the preparation of questionnaires is an interval scale. The Likert scale is said to be interval because the Strongly Agree statement has a "higher" level or preference than Agree, and Agree is "higher" than Neutral. The data analysis technique in this study uses Partial Least Square (PLS) using the help of SMARTPLS Software.

**Framework of Thought**

![Figure 1. Framework of Thought](image)

**Hypothesis Development**

The effect of employee engagement on job satisfaction
According to Putra & Indrawati (2018) said that Employee Engagement has a significant relationship with job satisfaction. Suhery et al., (2020) argue that employee engagement affects the emotional aspects of employees so that it has an impact on changes in employee attitudes and work behavior. Some of them are improving the quality of employee work, and job satisfaction, reducing the number of absences, and reducing the desire to change jobs. Employee engagement is involvement with individuals, satisfaction, and enthusiasm for the work that employees do (Marina Octaviani, 2018). In line with Anton Sanjava et al., (2021) define that employee engagement is the extent to which employees feel satisfied with their work and the extent to which employees are involved in their work. According to (dalam Setiawan & Widjaja, 2018) said that employee engagement affects employee satisfaction to be more enthusiastic and prefer their work.

Previous research on the effect of employee engagement on job satisfaction has been conducted by Jeki hidayat (2018), and Heggi Wirawan Prayudha (2018) which resulted in the conclusion that employee engagement has a positive and significant effect on job satisfaction. Based on the descriptions above, the following hypothesis is formulated.

**H1: Employee engagement has a positive effect on job satisfaction**

The effect of corporate culture on job satisfaction

According to (Baribin & Cici Bela Saputri, 2020) an organizational culture that runs well can increase a person's job satisfaction. By implementing a structured organizational culture, it will make employees feel satisfied. A decrease in job satisfaction and productivity can occur due to poor organizational culture and work stress for employees (Sasuwe et al., 2018). Culture in the organization has an approaching relationship between the organization and employees in carrying out all work activities with the opportunities provided to be more skilled in their expertise, this situation relates to the rules and regulations that the company provides in realizing employee job satisfaction (Yusnandar & Viawanty, 2021).

There are several who have researched the effect of organizational culture on job satisfaction. The results of research conducted by (Nofitasari & Anton, 2021), and Silahul & Prasetyo (2021) show that there is a significant effect of organizational culture on job satisfaction. Given the description above, the following hypothesis is formulated.

**H2: Corporate culture has a positive effect on job satisfaction**

**RESULT AND DISCUSSION**

**Outer Model Analysis**

**Convergent Validity**

An indicator is declared to fulfill convergent validity in a good category if the outer loading value is > 0.7. The following is the outer loading value of each indicator on the research variables.
Based on Table 1, there are no variable indicators whose outer loading value is below 0.5, so all indicators are declared feasible or valid for research use and can be used for further analysis.

**Discriminant Validity**

Discriminant validity can be known through the AVE (Average Variance Extracted) method > 0.5 so that it can be said to be valid in convergent validity (Fornell and Larcker, 1981). The following is the AVE value of each variable in this study:

<table>
<thead>
<tr>
<th>Variable</th>
<th>AVE</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement (X1)</td>
<td>0.737</td>
<td>Valid</td>
</tr>
<tr>
<td>Corporate Culture (X2)</td>
<td>0.593</td>
<td>Valid</td>
</tr>
<tr>
<td>Job Satisfaction (Y)</td>
<td>0.682</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Based on Table 2, each variable in this study shows the AVE (Average Variance Extracted) value, which is > 0.5. Each variable in this study has a respective value for employee engagement of 0.737, corporate culture of 0.593, and job satisfaction of 0.682. This shows that each variable in this study can be said to be valid in terms of discriminant validity.
Composite Reliability

Composite reliability is the reliability of construct measurement is the part used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value > 0.7. Below is the composite reliability value of each variable in this study:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement (X1)</td>
<td>0.944</td>
<td>Reliable</td>
</tr>
<tr>
<td>Corporate Culture (X2)</td>
<td>0.928</td>
<td>Reliable</td>
</tr>
<tr>
<td>Job Satisfaction (Y)</td>
<td>0.944</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2023

Table 3 shows that the composite reliability value of all research variables is > 0.7. For the value of employee engagement of 0.944, corporate culture of 0.928, and job satisfaction of 0.944. This shows that each variable has fulfilled composite reliability so it can be concluded that all variables have a high level of reliability.

Cronbachs Alpha

Cronbach’s Alpha is a statistical technique used to measure the internal consistency of psychometric variable indicators. According to Cronbach, (1951), the construct is said to be reliable if the Cronbach alpha value is more than 0.60. Below is the Cronbach Alpha value in this study:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbachs Alpha</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement (X1)</td>
<td>0.929</td>
<td>Reliable</td>
</tr>
<tr>
<td>Corporate Culture (X2)</td>
<td>0.912</td>
<td>Reliable</td>
</tr>
<tr>
<td>Job Satisfaction (Y)</td>
<td>0.932</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2023

Based on Table 4, shows that the Cronbach alpha value of all variables in this study is above > 0.6, which means that the Cronbach alpha value has met the requirements so that all constructs can be said to be reliable.

Multicollinearity Test

Multicollinearity can be detected with a cut-off value that shows a tolerance value > 0.1 or the same as a VIF value < 5, which means that there is no strong correlation between the independent variables. Below is the VIF value in this study:
Table 5. **Collinearity Statistic (VIF)**

<table>
<thead>
<tr>
<th>Inner VIF Values</th>
<th>VIF</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 -&gt; Y</td>
<td>4.357</td>
<td>Non multicollinearity</td>
</tr>
<tr>
<td>X2 -&gt; Y</td>
<td>4.357</td>
<td>Non multicollinearity</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2023

Table 5 the results of Collinearity Statistics (VIF) to see the multicollinearity test with the results of the employee engagement variable on job satisfaction of 4.357. And the value of the corporate culture variable on job satisfaction is 4.357. Each variable has a cut-off value > 0.1 or the same as the VIF value < 5, so it does not violate the multicollinearity test.

![Figure 2. Inner model](image)

**Inner Model Analysis**

**The goodness of fit test**

Structural model evaluation is carried out to show the relationship between manifest and latent variables from the main predictor, mediator, and outcome variables in one complex model. This model goodness test consists of two tests, namely R Square (R2) and Q-Square (Q2).

**R-Square Value**

R2 values of 0.75, 0.50, and 0.25 can be concluded that the model is strong, moderate, and weak (Ghozali, 2015).

<table>
<thead>
<tr>
<th>Job Satisfaction (Y)</th>
<th>R-Square</th>
<th>R-square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.930</td>
<td>0.928</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2023
Based on Table 6 R-Square is used to see the magnitude of the influence of employee engagement variables and corporate culture on job satisfaction, namely with a value of 0.930 or 93%, this relationship is strong.

The next test is the Q-Square test. The Q2 value in structural model testing is done by looking at the Q2 (Predictive relevance) value. The Q2 value can be used to measure how well the observation value produced by the model is also its parameter. A value of Q2 > 0 indicates that the model has predictive relevance, while a value of Q2 < 0 indicates that the model lacks predictive relevance. The following is the result of calculating the Q-Square value:

\[
Q_{Square} = 1 - \frac{SSE}{SSO}
\]

\[
= 0.612
\]

Based on the research results above, the Q-Square value is 0.612. This value explains the diversity of the research data can be explained by the research model by 61.2%, while the remaining 38.8% is explained by other factors that are outside this research model. Thus, from the results of these calculations, this research model can be stated to have good goodness of fit.

**F-Square Value (F2)**

This test is conducted to determine the predictive capability of how well the resulting value if the resulting value of 0.002 (small), 0.15 (medium), and 0.35 (large) affect the structural level.

**Table 7. F-Square (F2)**

<table>
<thead>
<tr>
<th></th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.184</td>
</tr>
<tr>
<td>Corporate Culture</td>
<td>1.830</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2023

Based on table 7 shows that the predictive capability of the value of employee engagement on job satisfaction of 0.184 is classified as moderate or moderate. And the value of corporate culture on job satisfaction of 1.830 is classified as large or strong.

**Hypothesis Test**

For hypothesis testing in this study, you can use the path coefficient value table for direct effects and specific indirect effects for indirect effects (mediation).

The p value < 0.05 indicates that there is a direct influence between variables while the p value > 0.05 indicates that there is no direct influence between variables. In this study, the significance value used is t-statistic 1.96 (significant level = 5%). If the t-statistic value > 1.96 then there is a significant influence. Hypothesis testing was carried out with the help of
SmartPLS (Partial Least Square) 3.0 software. Below is the path coefficient value of the test results.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample</th>
<th>t-Statistics</th>
<th>P Values</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement (X1) -&gt; Job Satisfaction (Y)</td>
<td>H1</td>
<td>0.237</td>
<td>2.810</td>
<td>0.005</td>
</tr>
<tr>
<td>Corporate Culture (X2) -&gt; job satisfaction (Y)</td>
<td>H2</td>
<td>0.749</td>
<td>9.505</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2023

Based on Table 8, the interpretation is as follows:
1. The employee engagement variable has a t-statistic value > t-table, which is 2.810 > 1.96, and a p-value < 0.05, which is 0.005. So it can be concluded that employee engagement has a positive and significant effect on job satisfaction. Therefore, the first hypothesis (H1) which states that employee engagement (X1) affects job satisfaction (Y) is accepted.

2. The corporate culture variable has a t-statistic value > t-table, which is 9.505 > 1.96, and a p-value < 0.05, which is 0.000. So it can be concluded that corporate culture has a positive and significant effect on job satisfaction. Therefore, the second hypothesis (H2) which states that corporate culture (X2) affects job satisfaction (Y) is accepted.

Discussion

The Effect of Employee Engagement on Job Satisfaction

Employee engagement has a significant relationship with job satisfaction. According to Suhery et al., (2020) argue that employee engagement affects the emotional aspects of employees so that it has an impact on changes in employee attitudes and work behavior. Some of them are improving the quality of employee work, and job satisfaction, reducing the number of absences, and reducing the desire to change jobs.

The first hypothesis in this study is that employee engagement affects job satisfaction. Based on the results of the study, it shows that employee engagement has a positive and significant effect on job satisfaction. This means that the better employee engagement, it can affect employee satisfaction to be more enthusiastic and prefer their work. These results prove the first hypothesis which states employee engagement affects job satisfaction is proven to be true.
The results of this study are in line with research conducted by Hidayat (2018) showing that employee engagement has a significant effect on job satisfaction. Research conducted by Prayudha (2018) states that employee engagement has a positive and significant effect on job satisfaction. Research conducted by Atthohiri & Wijayati, (2021) employee engagement has a positive but insignificant effect on job satisfaction, employee engagement has a positive and significant effect on job satisfaction. The implication of this research is that in terms of job satisfaction, companies may be able to add employment security to their employees to increase the sense of security and satisfaction of workers. And research conducted by Trinovela & Saragi, (2021) the results of his research show that employee engagement partially has a positive and significant effect on job satisfaction. Partially employee engagement dominantly affects job satisfaction.

As an implication of the research to increase job satisfaction, employee engagement needs to be increased so that company performance increases. Increasing employee engagement is done by always being energetic at work, having high enthusiasm at work, having a sense of pride in working for the company, giving full attention to their work, always focusing, and always being enthusiastic at work.

**The Effect of Corporate Culture on Job Satisfaction**

An organizational culture that runs well can increase a person's job satisfaction. By implementing a structured organizational culture, it will make employees feel satisfied. A decrease in job satisfaction and productivity can occur due to a poor organizational culture (Sasuwe et al., 2018). Culture in the organization has an approaching relationship between the organization and employees in carrying out all work activities with the opportunities provided to be more skilled in their expertise, this situation relates to the rules and regulations that the company provides in realizing employee job satisfaction.

The second hypothesis in this study is that corporate culture affects job satisfaction. Based on the results of the study, it shows that corporate culture has a positive and significant effect on job satisfaction. This means that the better the corporate culture, the better it can affect employee satisfaction. These results prove the second hypothesis which states that corporate culture affects job satisfaction is proven correct.

The results of this study are in line with research conducted by Nofitasari dan Anton, (2021), the results of which show that organizational culture has a positive and significant effect on job satisfaction. Research conducted by Silahul and Prasetyo (2021) shows that there is a significant effect of organizational culture on job satisfaction. Research conducted by
Hariani & Rahman, (2021) the results of his research show that organizational culture has a significant effect on job satisfaction. And research conducted by Sugiyono & Rahajeng, (2022) shows that organizational culture significantly affects employee job satisfaction.

As an implication of the research to increase job satisfaction, organizational culture needs to be improved to make it more conducive. Improving the organizational culture, is done by complying with every applicable rule, respecting each other among employees, being able to work with the team, applying the company’s dominant values, working professionally, and having high loyalty to the company.

CONCLUSION

Based on the research that has been described, the results of this study aim to determine the effect of employee engagement, and corporate culture on job satisfaction at PT Oemah Insan Mandiri. Based on the results of the analysis and discussion that has been carried out in this study, the researchers concluded that there is an effect of employee engagement on job satisfaction. There is an influence of corporate culture on job satisfaction.

REFERENCE


Akuntansi, 3(4), 709–726.


