

THE RELATIONSHIP BETWEEN EMPLOYEE ENGAGEMENT, ORGANIZATIONAL CULTURE, AND ORGANIZATIONAL COMMITMENT TOWARDS EMPLOYEE PERFORMANCE AT PT PUPUK ISKANDAR MUDA

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Abstract

This study aims to analyze the relationship between employee engagement, organizational culture, and organizational commitment on employee performance at PT Pupuk Iskandar Muda. The research employed a quantitative approach using a survey method through questionnaires distributed to selected employees. Data were analyzed using multiple linear regression to examine both partial and simultaneous effects among variables. The results show that employee engagement has a positive and significant effect on employee performance. Organizational culture also has a positive and significant impact on improving performance. Furthermore, organizational commitment plays an important role in enhancing optimal performance. Simultaneously, the three variables have a positive and significant influence on employee performance, indicating that higher levels of engagement, culture, and commitment lead to better employee performance. This study is expected to provide valuable insights for the management of PT Pupuk Iskandar Muda in formulating strategies to improve performance through strengthening employee engagement, developing organizational culture, and enhancing organizational commitment.

Keywords: *employee engagement, organizational culture, organizational commitment, employee performance*

INTRODUCTION

Management is often described as “the ability to achieve goals through other people,” a concept introduced by Mary Parker Follett. This definition emphasizes that the primary focus of management lies in organizing and utilizing human resources rather than material or financial assets. Human Resource Management (HRM) plays a vital role as it is not only concerned with managing employees but also with ensuring organizational sustainability and growth. Within PT Pupuk Iskandar Muda, human resources are considered one of the most important aspects that determine organizational success. Effectively managed human resources contribute significantly to achieving organizational goals in the face of today’s highly competitive global business environment. Employee performance is one of the key factors determining organizational success. Optimal performance is not solely influenced by individual capabilities but also by organizational factors such as employee engagement, organizational culture, and organizational commitment. Employee engagement refers to the emotional and psychological connection that employees feel toward their work and organization. Engaged employees are likely to show higher productivity, innovation, and job satisfaction. Previous studies indicate that employee engagement positively affects performance, although some findings suggest otherwise, which makes further research in different contexts necessary. Another important factor is organizational culture, which shapes values, beliefs, and behaviors within a company. A strong organizational culture fosters a sense of belonging, strengthens teamwork, and motivates employees to achieve shared goals. At PT Pupuk Iskandar Muda, some employees face challenges in adapting to organizational culture, particularly in terms of recognition, trust, and autonomy. A supportive culture with open communication is essential for building a productive and sustainable work environment.

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In addition, organizational commitment also plays a critical role in employee performance. Commitment refers to the level of loyalty, identification, and involvement of employees with their organization. Employees with high commitment are more motivated to contribute to organizational goals, while low commitment often leads to higher turnover and reduced performance. Strengthening organizational commitment is therefore vital to maintaining stability and enhancing productivity. PT Pupuk Iskandar Muda, as a company operating in the fertilizer industry, has implemented principles of Good Corporate Governance (GCG) since 2007, reflecting its dedication to transparency, accountability, responsibility, independence, and fairness. Despite these efforts, employee performance remains an ongoing concern. In today's dynamic work environment, addressing employee engagement, organizational culture, and commitment is essential to improving overall performance. Based on these considerations, this study aims to analyze the relationship between employee engagement, organizational culture, and organizational commitment on employee performance at PT Pupuk Iskandar Muda. The findings are expected to provide both theoretical contributions and practical implications for enhancing human resource management and organizational effectiveness.

LITERATURE REVIEW

Employee engagement is widely recognized as a crucial factor in shaping employee performance within organizations. It refers to the extent to which employees feel emotionally and psychologically connected to their work and organization, as well as their willingness to contribute beyond formal job requirements. Engaged employees demonstrate vigor, dedication, and absorption in their tasks, leading to higher productivity, innovation, and job satisfaction. Prior studies emphasize that employees with a high level of engagement are more likely to display discretionary effort, remain focused under challenging conditions, and deliver better outcomes. Nevertheless, some empirical evidence indicates that engagement does not always directly influence performance, particularly when organizational resources, recognition, or leadership support are insufficient. This mixed evidence highlights the importance of investigating employee engagement in specific organizational contexts, such as PT Pupuk Iskandar Muda.

Organizational culture is another determinant of performance, representing the shared values, beliefs, and norms that guide behavior within a company. A strong organizational culture fosters a sense of belonging, coordinates collective behavior, and provides stability in decision-making. Culture also shapes communication patterns, teamwork, and the degree of innovation within an organization. When employees perceive their organizational culture as supportive, transparent, and empowering, they tend to develop stronger motivation and commitment to achieving organizational goals. Conversely, a culture that lacks recognition, autonomy, or openness may reduce enthusiasm and hinder performance. Previous research has consistently shown that a strong and positive organizational culture contributes to higher levels of employee productivity, loyalty, and effectiveness. However, differences in cultural characteristics and organizational contexts suggest that the magnitude and nature of this influence may vary.

Organizational commitment is also fundamental to employee performance, as it reflects the extent to which individuals identify with organizational goals and are willing to remain loyal to the organization. Commitment has been categorized into affective, continuance, and normative dimensions. Affective commitment, which refers to emotional attachment to the organization, has been found to be the most influential in enhancing job satisfaction and performance. Employees with strong commitment are more persistent, willing to exert greater effort, and less likely to leave the organization. On the contrary, low organizational commitment is often associated with absenteeism, high turnover, and decreased productivity. Thus, strengthening employee commitment through fair treatment, career development, and value alignment is essential for sustaining long-term organizational success.

Employee performance itself can be defined as the quality and quantity of work outcomes achieved by individuals in fulfilling their responsibilities. Performance is influenced not only by personal capabilities and motivation but also by external factors such as leadership, teamwork, organizational systems, and socio-economic conditions. Research in organizational behavior suggests that improving employee performance requires both motivational drivers, such as engagement and commitment, and contextual enablers, such as supportive culture and effective management practices. In the context of PT Pupuk Iskandar Muda, performance is critical to ensuring operational efficiency and achieving strategic goals in the fertilizer industry, where quality, safety, and productivity are essential. Previous empirical studies provide substantial evidence that employee engagement, organizational culture, and organizational commitment each have positive effects on performance. However, inconsistencies in findings—particularly regarding engagement—suggest the need for further exploration. Some studies show strong positive links, while others find no significant relationship, underscoring the importance of

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context-specific research. This study therefore seeks to examine how these three variables simultaneously and partially affect employee performance at PT Pupuk Iskandar Muda. By integrating insights from prior theories and empirical findings, the research aims to provide a deeper understanding of how human resource factors interact to drive performance, and to offer practical recommendations for improving organizational effectiveness through enhanced engagement, supportive culture, and strong employee commitment.

METHOD

This research employed a quantitative approach with a survey method, aiming to examine the relationship between employee engagement, organizational culture, and organizational commitment on employee performance at PT Pupuk Iskandar Muda. The object of the study was employees of PT Pupuk Iskandar Muda, with the research site located in Lhokseumawe, Aceh. The population consisted of all employees of PT Pupuk Iskandar Muda, and the sample was determined using a proportional sampling technique to ensure representation from different employee groups. Questionnaires were distributed as the main instrument for data collection, employing a Likert scale to measure responses ranging from strongly disagree to strongly agree. The variables measured included employee engagement (X1), organizational culture (X2), organizational commitment (X3), and employee performance (Y). Each construct was operationalized using established indicators from prior literature, adapted to the organizational context of PT Pupuk Iskandar Muda.

Before conducting the main analysis, the instrument underwent validity and reliability testing to ensure that the items measured the intended constructs consistently and accurately. Classical assumption tests, including normality, heteroscedasticity, and multicollinearity tests, were performed to ensure the robustness of the regression model. The data were analyzed using multiple linear regression with the help of statistical software. The analysis involved examining both partial effects (t-test) and simultaneous effects (F-test) of the independent variables on the dependent variable. Additionally, the coefficient of determination (R^2) was calculated to measure the proportion of variance in employee performance explained by employee engagement, organizational culture, and organizational commitment. By employing this methodology, the study sought to provide empirical evidence on the extent to which these three human resource factors influence employee performance, both individually and collectively, in the context of PT Pupuk Iskandar Muda.

RESULTS AND DISCUSSION

The data collected from employees of PT Pupuk Iskandar Muda were analyzed using multiple linear regression to examine the influence of employee engagement, organizational culture, and organizational commitment on employee performance. The classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, confirmed that the data met the necessary conditions for regression analysis. The instruments used also passed validity and reliability tests, ensuring the accuracy and consistency of the measures. The descriptive statistics indicated that most respondents reported relatively high levels of engagement, positive perceptions of organizational culture, and a moderate to high degree of organizational commitment. Likewise, self-reported performance levels were generally high, suggesting that the majority of employees were committed to delivering satisfactory results in their roles. The results of the regression analysis demonstrated that employee engagement has a positive and significant effect on employee performance. This finding supports the theoretical expectation that employees who feel enthusiastic, dedicated, and absorbed in their work are more likely to achieve higher performance. It also aligns with prior studies that found engagement to be a strong predictor of productivity, creativity, and job satisfaction. The implication is that organizations should strengthen engagement initiatives through meaningful work design, fair recognition, and opportunities for growth.

Organizational culture was also found to have a positive and significant impact on performance. Employees who perceive the organizational culture as supportive, transparent, and oriented toward collaboration are more likely to demonstrate improved performance. This result confirms the argument that a strong and coherent organizational culture functions as a social glue that aligns employee behavior with organizational objectives. It also reinforces previous findings that emphasize the role of cultural strength in fostering loyalty, teamwork, and innovation. For PT Pupuk Iskandar Muda, this suggests that maintaining a culture of trust, communication, and recognition is crucial in motivating employees to perform at their best. Furthermore, organizational commitment showed a significant positive relationship with employee performance. Employees with higher commitment, particularly affective commitment, displayed stronger identification with organizational values and greater persistence in fulfilling their responsibilities. This finding highlights the importance of fostering emotional attachment and loyalty, as committed employees are less likely to leave the organization and more willing to exert

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extra effort in their work. This result is consistent with previous research that links commitment with lower turnover, reduced absenteeism, and higher job satisfaction. The simultaneous regression analysis confirmed that employee engagement, organizational culture, and organizational commitment jointly have a significant influence on employee performance. The coefficient of determination (R^2) indicated that a substantial proportion of the variance in employee performance could be explained by these three factors, highlighting their collective importance as drivers of organizational effectiveness. Overall, these results suggest that improving employee performance at PT Pupuk Iskandar Muda requires a holistic approach that integrates efforts to strengthen engagement, build a supportive organizational culture, and cultivate strong commitment. Each of these factors contributes uniquely but also interacts synergistically to enhance performance outcomes. This underscores the value of human resource strategies that prioritize employee involvement, cultural development, and long-term loyalty as foundations for sustainable organizational success.

CONCLUSION

This study investigated the influence of employee engagement, organizational culture, and organizational commitment on employee performance at PT Pupuk Iskandar Muda. The findings revealed that all three variables—employee engagement, organizational culture, and organizational commitment—have positive and significant effects on employee performance, both individually and collectively. This demonstrates that employees who are highly engaged, supported by a strong and coherent organizational culture, and who possess strong commitment to their organization, tend to achieve higher levels of performance. Specifically, employee engagement was shown to enhance performance by fostering enthusiasm, dedication, and focus in completing tasks. Organizational culture provided the shared values and norms that aligned employee behavior with organizational goals, thereby creating a supportive and productive work environment. Meanwhile, organizational commitment reinforced loyalty, emotional attachment, and persistence, all of which contributed to greater job satisfaction and improved performance outcomes. The results of this study imply that organizations, particularly PT Pupuk Iskandar Muda, should implement integrated human resource management strategies that strengthen employee engagement, build and maintain a positive organizational culture, and foster commitment among employees. By doing so, the company can improve overall performance, increase employee retention, and ensure sustainable organizational growth.

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