

# The Correlation between Organizational Culture and Employee Engagement for the Employees in Primer Koperasi TKBM Upaya Karya at Belawan Harbour

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**Abstract** –this study aimed to determine the correlation between organizational culture and employee engagement for the employees in Koperasi TKBM Upaya Karya at Belawan Harbour. This study used quantitative method the subjects of this study were eighty of the employees in Koperasi TKBM Upaya Karya at Belawan Harbour. The sampling technique employed was Simple Random Sampling. The data collection technique used was a likert scale model. Data analysis utilized the product moment analysis. The result of this study indicated that there was a correlation between organizational culture and employee engagement. The proposed hypothesis was accepted where the stronger the organizational culture, the higher the employee engagement would be and vice versa, the less strong the organizational culture, the lower employee engagement would be.

**Key Words:** Aspect, Characteristic, Employee, Employee Engagement, Organizational Culture

## 1. BACKGROUND

Employees are an influential significance in gaining the objectives of the company. To accomplish them, it abides exemplary qualities of characters from employees. One of them is dedicated employees. Bakker and Leiter (in Handayani, 2017) mentioned that dedicated employees equal employee engagement.

The results of observations and interviews conducted in the Primer Koperasi TKBM at Belawan Harbor demonstrated that only a few of the employees are engaged in their work. The circumstance occurred due to the unwillingness and insufficiency of the employees to exhibit the three prevailing behaviors proposed by Hewitt (in Mujiasih, 2015) such as some employees were reluctant to devote and stay to work in the company, they were involuntary to dedicate more energy to their work, and most of them were complaining if they are given additional work.

As further explanation, the three prevalent behaviors are *Say, Stay, and Strive*. *Say* described that the employees should consistently communicate positively

about the company, including the co-workers, potential employees, and customers. *Stay* defined as the employees should be passionate as a team member of the company compared to working to other companies. *Strive* translated as giving more time, energy, and initiative to contribute more to the company's business success and growth. Therefore, these three behaviors are the significant features enclosed by the employees who are keen to engaged in their work or the company.

## 1.1 Employee Engagement

Kahn(1990) also added that employee engagement referred to the employees who have fully engaged themselves physically, cognitively, and emotionally attached to their work roles. Meanwhile, Marciano (in Akbar, 2013) explained that the engaged employees are committed to the goal, utilize all of their abilities to complete the duty, maintain their behavior at work, guarantee that they have completed the task in conducting their profession appropriately, following the objectives and is voluntarily accept corrective steps or evaluation if required.

Numerous, companies expect the employees to be engaged in their work as Marciano (2010) stated that employee engagement has several advantages, such as increasing productivity, advancing profits, improving efficiency, reducing turnover, lowering absenteeism, reducing fraud, increasing customer satisfaction, reducing workplace accident, and minimizing the employees' complaints.

Schaufeli and bakker (2004) stated that there are three aspects of employee engagement, namely:

### a. Vigor

Vigor depicted the high levels of energy and mental toughness that the employees should adopt at work. It is also described as a desire to be devoted and committed at work and resilient to encounter tribulation.

### b. Dedication

Dedication is portrayed by enthusiasm, inspiration, pride, and challenge.

### c. Absorption

Absorption is illustrated by having mass concentration and satisfaction when the employees endeavor to engaged at work. Consequently, the employee will feel at ease even through an issue arises as they eventually discover the immediate solution.

Insufficient employee engagement is influenced by several factors. Smith & Mawick (in Anggraini, 2016) declared that employee engagement is affected by organizational culture and leadership factors, the quality of communication in the organization, the management style applied, the level of trust and respect for the work environment, and the reputation of the organization itself.

## 1.2 Organizational Culture

Organizational culture is a common perception regulated by the organization members, a procedure of togetherness stated by Robbins (in Wibowo, 2016). Organizational culture as the shared values and beliefs that underlie the company.

Victor Tan (in Wibowo, 2016) suggested that there are ten characteristics of organizational culture, namely:

### a. Individual initiative

Individual initiative indicates that the level of responsibility, freedom, and independence that the individual owns.

### b. Risk tolerance

Risk tolerance is a circumstance where employees are encouraged to be risk-takers, assertive and innovative.

### c. Direction

Direction describes as the ability of the organization to create precise goals and set performance expectations for the employees

### d. Integration

Integration defines as the capacity to uplift a unit within the organization to work in a cooperative manner.

### e. Management Support

Managers provide clear communication, assistance, and support to their subordinates.

### f. Control

The number of rules and regulations and the amount of direct supervision employed to observe and monitor employee's behavior

### g. Identity

The procedure that highlights the members and the organization identify the work holistically, rather than only demand a particular workgroup or area of professional expertise to pinpoint it.

### h. Reward system

The allocation of rewards (salary increases or wages) is based on performance criteria, as opposed to seniority and favoritism.

### i. Conflict tolerance

The ability to enable workers to be transparent in addressing conflict and criticism.

### j. Communication pattern

A communication pattern is a circumstance that depicts communication as restricted by a decorous hierarchy due to power and authority.

The after-mentioned results of the observations and interviews are an illustration of the phenomena that occurred in Primer Koperasi TKBM Upaya Karya at Belawan Harbor. Consequently, insufficient employee engagement in Primer Koperasi TKBM Upaya Karya at Belawan Harbor is affected by the organizational culture that exists within the company.

Based on the before-mentioned background, the researcher was intrigued to investigate the correlation between Organizational Culture and Employee Engagement for the employees in Primer Koperasi TKBM Upaya Karya at Belawan Harbor to analyze whether or not there is a relationship between organizational culture and employee engagement in Primer Koperasi TKBM Upaya Karya at Belawan Harbor.

## 2. METHODOLOGY

In this research, the researcher employed the quantitative method as the data attained was in the form of numbers (Sugiyono, 2011). Data collection was conducted in Primer Koperasi TKBM Upaya Karya at Belawan Harbor.

The population in this study was all primary employees in Primer Koperasi TKBM Upaya Karya at Belawan Harbor. The sampling technique utilized was simple random sampling, indicating that the sample is taken randomly and simply without considering the existing order in the population. The sample is taken randomly and simply without considering the existing order in the population. The sample taken did not carry the specific characteristics that researchers had discovered. The technique allowed all objects or elements of the population to hold the same opportunity to be selected as a sample. Hasan (in Sugiyono, 2018) affirmed that this method is objective.

The number of the subjects in this study was 80 people. The data collection technique used was adopting a scale called as Organizational Culture, and Employee Engagement Scale.

The data analysis method used in this research was the Pearson Product Moment correlation technique. The reason was that this study aimed to determine the correlation between one independent variable (Organizational Culture) and one dependent variable (Employee Engagement).

The operational definition of this variable was :

Employee Engagement was described as the bond between employees and the company or organization where they work, physically, emotionally, and cognitively, which leads a person to have a positive attitude towards the organization or company to achieve common goals. Employee Engagement in this study was measured by using the theory proposed by Schaufeli and Bakker (2004). This theory stated that there are three aspects of employee engagement which were vigor, dedication, and absorption. The level of employee engagement was reflected in the employee engagement scale score.

Meanwhile, organizational culture was depicted as the basic philosophy of the organization. It contained beliefs, norms, and shared values of the organization and set as the core characteristics of how things were performed and conducted. The before mention philosophy encompassed the grasp of all human resources in the organization when they perpetrate their performance.

Organizational culture in this study was measured based on the characteristics proposed by Victor Tan (in Wibowo, 2016) included individual initiative, risk tolerance, direction, integration, management support, control, identity, reward system, conflict tolerance, communication patterns.

### 3. RESULTS AND DISCUSSION

Based on the results of the analysis employing the r Product Moment correlation analysis method, it was revealed that there was a positive relationship between organizational culture and employee engagement under the assumption that the higher the organizational culture, the higher the employee engagement would be, and vice versa. Employee engagement in employees, where  $r_{xy} = 0.617$  with a significant  $p = 0.000 < 0.050$ . this means that the proposed hypothesis was accepted.

Based on the results of observations and interviews conducted by researchers in Primer Koperasi TKBM Upaya Karya at Baleawan Harbor, it can be indicated that the insufficiency of an engaged attitude of employees; undisciplined and unmanageable employees, discouraging and overbearing leaders, or the other problems that existed in the company.

The results demonstrated that the determinant coefficient ( $r^2$ ) of the relationship between the independent variable X and the dependent variable Y was  $r^2 = 0,381$ . The before-mention results revealed that the organizational culture contributed to employee engagement by 38,1%. These results also showed that there were still 61.9% of other factors include leadership, quality of communication applied management style, level of trust, and respect for the work environment.

The results also corresponded to the theory proposed by Akbar (2013) that explained that an exemplary organizational culture in the company produces high

employee engagement and vice versa. This case happened due to the adaptation of the organizational culture that could change employee behavior. Culture indicated a factor that possibly encloses a positive or negative effect on the behavior of employees and the organization itself.

A positive organizational culture would encourage employee achievement, motivation, and company effectiveness. Meanwhile, a negative culture denied the counter-productive efforts could be perceived as a hindrance to employee activities and work motivation. When the company culture teaches employee expectations, employee engagement would be high, and vice versa. In contrast, when the culture does not meet the employee expectations, employee engagement will be low.

Furthermore, to determine the condition of organizational culture with employee engagement in employees, it was required to compare the empirical mean or average value with the hypothetical mean or average value by considering the SD number of each variable. Hence, it is shown that the organizational culture in Primer Koperasi TKBM Upaya Karya at Belawan Harbor was not strong enough. These results were based on the empirical values obtained was 46.73. it was smaller than the hypothetical average value estimated was 57.5. it was shown that the difference that transcended the SD value was 9.347. therefore, it concluded employee engagement in the Primer Koperasi TKBM Upaya Karya at Belawan Harbor was in progress. This conclusion was based on the empirical values obtained, which was 47.24 smaller than the hypothetical average value of 55 with a difference of 9.802 in the SD value. These results occurred due to both variables stating that employee engagement was moderate to low, while the organizational culture in the company was low.

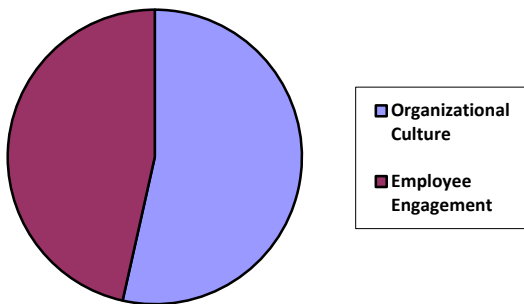
Lockwood (in Anggraini, 2016) stated that employee engagement was influenced by organizational culture and leadership factors, the quality of communication in the organization, the applied management style, the level of trust and respect for the work environment, and the reputation of the organization itself. Robbins (in Wibowo, 2016) described that organizational culture as a general perception regulated by the organization members, a system of togetherness.

Organizational culture could change the behavior of employees and the organization itself. Akbar (2013) also emphasized that a positive organizational culture would encourage employee achievement, motivation, and company effectiveness. Thus, it concluded that Employee Engagement was strongly affected by organizational culture. An exemplary organizational culture would produce an engaged attitude towards employees. Hence, the higher the existing organizational culture, the higher the engaged attitude caused by employees.

**Table -1: the result of the average value of the hypotetic and empiric**

Variable	SD	Hypotetica l	Empirica l	Desc
Organization al Culture	9,347	57,5	46,73	Low
Employee Engagement	9,802	55	47,24	Moderat e

Based on the comparison of the two average values above (hypotetical and empirical), it can be stated that organizational culture is low with a hypotetical and empirical mean value of 57,5 and 46,73 and employee engagement is classified as moderate with a hypotetical value of 55 and an empirical value of 47,24



**Chart -1: the results of Organizational Culture and Employee Engagement research**

based on the chart, the hypotetical average value estimated was 57.5. it was shown that the difference that transcended the SD value was 9.347. therefore, it concluded employee engagement in the Primer Koperasi TKBM Upaya Karya at Belawan Harbor was in progress. This conclusion was based on the empirical values obtained, which was 47.24 smaller than the hypotetical average value of 55 with a difference of 9.802 in the SD value.

**4. CONCLUSIONS**

Based on the results of the analysis using the r Product Moment correlation analysis method, it was revealed that there was a positive relationship between organizational culture and employee engagement on employees under the assumption, the stronger the organizational culture, the higher the employee engagement on employees would be, and vice versa. While

the lower the organizational culture, the higher the employee engagement would be. Innsufficient employee engagement, where  $r_{xy} = 0,617$  with a significant  $p = 0.000 < 0,050$ . These results meant that the proposed hypotesis was accepted.

The determinant coefficient ( $r^2$ ) of the relationship between the independent variable X and the dependent variabel Y was  $r^2 = 0.381$ . this result indicated that Organizational Culture contributed to employee attitudes in Employee Engagement by 38,1%.

Based on the researcg results, it concluded that the result for the organizational culture variable was low. Meanwhile, the result for the employee engagement variable was moderate. Therefore, it was highlighted that the organizational culture did affect employee engagement of employees in the company.

Insufficient organizational culture influenced that the level of engagement in employees.

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