

Volume: 6
Number: 2
Page: 330 - 346

Article History:

Received: 2026-01-26

Revised: 2026-02-15

Accepted: 2026-03-27

DETERMINANT OF EMPLOYEE PERFORMANCE IN THE BANKING INDUSTRY

I Gusti Ngurah Agung Yudisthi Surya Dananjaya¹, I Gusti Ayu Sugiati², Ni Wayan Sitiari³

^{1,2,3}Faculty of Postgraduate, Warmadewa University, Indonesia

Corresponding author: I Gusti Ngurah Agung Yudisthi Surya Dananjaya

E-mail: yudissurya92@gmail.com

Abstract:

This study investigated how employee engagement and organizational culture impact employee performance through organizational commitment. The study took place in Tabanan Regency and included workers from ten credit unions. The study included 338 BPR employees in its population. A sample size of 183 employees was established using the proportional sampling method. Validity and reliability tests were conducted on 30 participants, not representative of the population, for instrument evaluation. SEM-PLS was utilized to conduct hypothesis testing. The analysis findings demonstrate that employee engagement has a positive but insignificant impact on employee performance. Involvement in work positively impacts organizational commitment in a significant way. The impact of organizational culture on employee performance and commitment is positive and substantial. Employee performance is positively and significantly impacted by organizational commitment. The findings from the mediation analysis demonstrate that organizational commitment plays a mediating role in the relationship between work involvement, organizational culture, and employee performance.

Keywords: Employee Engagement, Organizational Culture, Organizational Commitment, Employee Performance.

INTRODUCTION

Bank financial institutions are companies that play an important role in economic activities, with the primary function of collecting funds from the public and distributing them to people who need them in the form of credit. Banks generally have three main products that must be offered to the public: savings, deposits, and credit. As times change and competition demands, banks now offer a variety of products such as paying electricity and water bills, purchasing credit, paying for airplane tickets, and others. Generally, three types of banks are central banks, commercial banks, and people's credit banks or bank perkreditan rakyat (BPR). Business managers, including BPR managers, should be aware of their human resources quality, considering the intense competition for employee performance for business survival. Reliable or qualified human resources are vital in ensuring that BPR can survive and develop for the better. Quality human resources will be able to work well and show their best performance to the company, in this case, BPR. The performance of each employee is a positive contribution to the company's performance because the higher the employee's performance, the higher the company's performance (Saleem et al., 2019).

Employee performance refers to the results of employee work, both in financial and non-financial forms, from activities and task execution (Saleem et al., 2019). Employees involved with their work will do it joyfully, so one of the best ways to improve employee performance is to maintain employee involvement (Wirawan et al., 2020). Employee engagement is a positive, satisfying, work-related state of mind characterized by enthusiasm, dedication, and absorption (Costantini et al., 2019). Research by Sugianingrat et al. (2019), Ismail et al. (2019), Dhir and Shukla



This open-access article is distributed under a
Creative Commons Attribution (CC-BY-NC) 4.0 license

(2019), and Pattnaik and Sahoo (2020) proves that employee engagement has a positive and significant effect on employee performance. Different results were shown by Lewaherilla et al. (2022), who proved that employee engagement has a positive and insignificant effect on employee performance, and Fernando and Zuraida (2023), who proved that employee engagement has a negative and insignificant effect on employee performance.

The next factor that plays a role in improving employee performance is organizational culture (Virgiawan et al., 2021). Organizational culture is a basic pattern of general assumptions learned by an organization to be considered correct and taught to all members as the correct way of thinking and acting (Pujiono et al., 2020). Organizational culture shapes employee attitudes and behavior by forming shared assumptions and encouraging increased performance (Zeb et al., 2021). Research by Soomro and Shah (2019), Pujiono et al. (2020), and Achmad and Djamil Mz (2022) proves that organizational culture has a positive and significant effect on employee performance. Sapta et al. (2021) and Muzakki et al. (2019) show that organizational culture has an insignificant positive effect on employee performance.

Various empirical studies show inconsistencies in research results examining the influence of employee engagement and organizational culture on employee performance. This inconsistency shows a research gap, so a mediator between employee engagement, organizational culture, and employee performance is needed. Organizational commitment has been empirically proven to mediate the influence of employee engagement (Lewaherilla et al., 2022) and organizational culture (Adam et al., 2020) on employee performance. Organizational commitment is an employee's attitude towards an organization that leads to a loyal association (Lee & Reade, 2018). Organizational commitment can be defined as a psychological relationship between employees and the organization, and being involved with the organization by accepting existing norms (Kundi et al., 2020).

Employee engagement is one of the factors that play a role in increasing employee organizational commitment (Rameshkumar, 2020). The better an employee's involvement with their work, the higher their commitment to the organization (Na-Nan et al., 2021). Employee commitment to an organization can be influenced by the culture that exists in the organization (Krajcsak, 2019). Organizational culture is an important concept that is the basis for employee identity and the psychological bond that unites an organization, and this encourages employee commitment (Volkova & Chiker, 2020). Committed employees are more likely to show their best efforts, which results in high performance (Chiu et al., 2020). Employees with high commitment show their commitment in behavior that benefits the organization, showing the best performance (Philippaers et al., 2019). This research aims to determine the influence of employee engagement and organizational culture on employee performance mediated by organizational commitment.

Effect of employee engagement on employee performance. Maintaining employee involvement in their work is one of the best ways to improve employee performance. Work will be carried out with full responsibility when employees are involved with their work (Wirawan et al., 2020). Employee engagement is an emotional positive and negative bond towards work, co-workers, and the organization that influences employees' desire to work and perform at work (Sandhya & Sulphay, 2019). Research by Sugianingrat et al. (2019), Ismail et al. (2019), Dhir and Shukla (2019), and Pattnaik and Sahoo (2020) proves that employee engagement has a positive and significant effect on employee performance.

H1: Employee engagement affects employee performance positively and significantly.



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license

Effect of organizational culture on employee performance. Organizational culture shapes employee attitudes and behavior by forming shared assumptions and encouraging increased performance (Zeb et al., 2020). The better the organizational culture implemented, the higher the employee performance (Ferine et al., 2021). Research by Soomro and Shah (2019), Pujiono et al. (2020), and Achmad and Djamil Mz (2022) proves that organizational culture has a positive and significant effect on employee performance.

H2: Organizational culture affects employee performance positively and significantly.

The influence of employee engagement on organizational commitment. Employees with work involvement understand their role in the business strategy and firmly commit to the organization (Ghlichlee & Bayat, 2021). High work involvement not only influences positive attitudes towards work and the organization but also, more than that, commitment to the organization (Sandhya & Sulphrey, 2019). Research by Hanaysha (2019), Susilowati and Azizah (2020), and Kustya and Nugraheni (2020) proves that employee engagement has a positive and significant effect on employee performance.

H3: Employee engagement affects organizational commitment positively and significantly.

The influence of organizational culture on organizational commitment. Organizational culture is an important concept that is the basis for employee identity and the psychological bond that unites an organization, and this drives employee commitment (Volkova & Chiker, 2020). Organizations with a positive and constructive culture will facilitate and increase employee commitment to the organization (Sutiyatno et al., 2022). Research by Triguero-Sánchez et al. (2022), Sutiyatno et al. (2022), and Pathan (2022) proves that organizational culture has a positive and significant effect on organizational commitment.

H4: Organizational culture affects organizational commitment positively and significantly.

The influence of organizational commitment on employee performance. The willingness of employees to show positive behavior in the form of maximum effort to achieve organizational goals is often associated with the employees' commitment to the company where they work (Nasab & Afshari, 2019). Employees with high commitment will try to show their best performance because they believe this is their contribution to the company (Nguyen & Ngo, 2020). Research by Soomro and Shah (2019), Hendri (2019), Loan (2020), and Donkor et al. (2021) proves that organizational commitment has a positive and significant effect on employee performance.

H5: Organizational commitment affects employee performance positively and significantly.

The role of organizational commitment mediates the influence of employee engagement on employee performance. Employee engagement plays a vital role in increasing organizational commitment, which leads to increased employee performance (Sandhya & Sulphrey, 2019). Empirical evidence shows that organizational commitment mediates the effect of employee engagement on employee performance in local government-owned companies (Kustya & Nugraheni, 2020). Other research conducted on employees of higher education institutions (Kustya & Nugraheni, 2020) and government agencies (Susilowati & Azizah, 2020) also reported similar findings, namely the role of organizational commitment in mediating the influence of employee engagement on employee performance.

H6: Organizational commitment mediates the effect of employee engagement on employee performance.

The role of organizational commitment mediates the influence of organizational culture on employee performance. Companies with a strong culture make recruitment efforts and socialization practices to increase employee commitment, ultimately improving employee performance



(Bhardwaj & Kalia, 2021). Employees with high commitment will accept the organization's values and goals, encouraging increased employee performance (Nguyen & Ngo, 2020). Empirical evidence of organizational commitment's role in mediating organizational culture's influence on employee performance has been proven in non-bank financial institutions (Bela et al., 2022) and regional companies (Kustya & Nugraheni, 2020).

H7: Organizational commitment mediates the effect of organizational culture on employee performance.

METHODS

This research uses a questionnaire to collect primary data. Respondents' perceptions of the variables studied were measured using a Likert Scale with five answer choices. Respondents' answers ranged from one for strongly disagree to five for strongly agree. The questionnaire consists of two parts. The first is the respondent's profile, and the second is the statement items the respondent must answer. The research questionnaire consists of 26 statement items. This research variable consists of exogenous variables (employee engagement and organizational culture) and endogenous variables (organizational commitment and employee performance).

The questionnaire was prepared by referring to previous research, which demonstrated the validity and reliability of the instrument. In detail, the employee engagement variable can be measured using the dimensions of vigor, dedication, and absorption with six statement items adopted from Schaufeli et al. (2002) and Costantini et al. (2019). Organizational culture variables are measured using the clan, adhocracy, market, and hierarchy dimensions with eight statement items adopted from (Reino et al., 2020). Adopting Meyer and Allen (1997) and Dang et al. (2021), the organizational commitment variable is measured by the dimensions of affective, normative, and sustainable commitment using six items. Measuring employee performance variables adapts Nanan et al. (2021), which uses measures of work quality, work quantity, and time with six statement items.

Table 1. Instrument Validity and Reliability Test Results

Variable	Statement Items	Validity		Reliability	
		Correlation Coefficient	Status	Cronbach's Alpha	Status
Employee engagement	No. 1 - 6	>0.30	Valid	0.892	Reliable
Organizational culture	No. 7 - 14			0.954	
Organizational commitment	No. 15 - 20			0.733	
Employee performance	No. 21 - 26			0.923	

Source: Data Processed 2024

The population of this research is employees from ten BPRs in Tabanan Regency, totaling 338 people. The sample size was determined using the Yamane Formula, so the sample members were determined to be 183 people. The sampling technique used is proportional sampling, which means that each sample will be taken from each BPR member of the population. In the initial stage, a pilot project was carried out to test the validity and reliability of the instrument by distributing questionnaires to 30 employees outside the research population, the results of which can be seen in Table 1. The next step was to test the hypothesis using SEM-PLS.



RESULT AND DISCUSSION

Respondent Characteristics. Based on gender, there were 93 women (50.8%) and 90 men (49.18%). Based on age, respondents were dominated by employees aged 21 - 50, with as many as 165 people (90.16 percent). Based on education, the respondents with a Bachelor's (S1) educational background, totaling 95 people or 51.91 percent, dominate. Based on the length of work, employees who had worked for more than six years, totaling 90 people or 49.18 percent, dominate.

Descriptive and Outer Loading. This section describes the respondents' answers to statement items in the questionnaire, which were obtained from distributing the questionnaire to 183 respondents. This research employs Google Forms to distribute the questionnaire.

The responses obtained were 201 filled questionnaires, but the first 183 responses were used. Based on Table 2, the work involvement variable is perceived well, with an average score of 3.99. Respondents gave a pretty good perception of the organizational culture variable, with an average score of 3.30. Respondents perceive the organizational commitment variable as very good, with an average value of 4.28. Lastly, respondents perceived the employee performance variable as good, with an average of 4.04. Model measurements were carried out with convergent validity based on factor loading and average variance extracted (AVE) values. The indicator is declared valid when the loading factor value is > 0.70 , but when the loading factor limit is $0.6 (> 0.6)$, it is still acceptable (Hair et al., 2014).

Table 2. Descriptive and Outer Loading

Statements	Description		Outer Loading	
	Average	Criteria	Loading factor	Criteria
I carry out work in accordance with established standard operational procedures (SOP).	4.13	Good	0.918	Valid
I produce work with a high degree of accuracy	4.06	Good	0.984	Valid
I am able to meet the quantitative targets set by the company	3.97	Good	0.918	Valid
I completed work above the targets set.	3.95	Good	0.917	Valid
I am able to complete work on time	4.01	Good	0.949	Valid
I am able to use my time effectively	4.11	Good	0.983	Valid
The average score for employee performance	4.04	Good		
I dare to face challenges at work	4.03	Good	0.972	Valid
I always feel confident in completing work	3.95	Good	0.937	Valid
I feel proud of the results of my work	4.21	Good	0.849	Valid
I have a high desire to achieve	3.78	Good	0.926	Valid
I am always focused when working	3.83	Good	0.914	Valid
I feel happy with my current job	4.15	Good	0.970	Valid
The average score for employee engagement	3.99	Good		
The company appreciates employee creativity	3.11	Pretty good	0.954	Valid
The company makes employee dedication an important asset	3.17	Pretty good	0.913	Valid
Leaders have a visionary character	3.34	Pretty good	0.724	Valid
Leaders act innovatively	3.41	Pretty good	0.703	Valid
BPR is oriented towards controlling market share	3.49	Pretty good	0.620	Valid
BPR is profit-oriented	3.50	Pretty good	0.628	Valid
BPR applies written rules regarding work	3.25	Pretty good	0.825	Valid



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license

This BPR has high employee performance demands	3.15	Pretty good	0.914	Valid
The average score for organizational culture	3.30	Pretty good		
I feel like I own this company	4.33	Very Good	0.960	Valid
I feel part of the big family of this company	4.31	Very Good	0.925	Valid
Employees feel that leaving the company will have bad consequences	4.30	Very Good	0.850	Valid
Employees feel guilty about possibly leaving the company	4.08	Good	0.877	Valid
I still work at this company because I need to work	4.31	Very Good	0.821	Valid
I felt a loss when I stopped working	4.33	Very Good	0.954	Valid
The average score for organizational culture	4.28	Very Good		

Source: Data Processed 2024

Based on the output in Table 2, all loading factor values have exceeded the lower threshold limit, namely 0.60. These results show that all items have met the convergent validity criteria, namely, the correlation between constructs and latent variables is more than 0.60, and each item can explain the variables in a strong relationship. Convergent validity testing can also be indicated by the average value of variant extraction or Average Variance Extracted (AVE), and the magnitude is 0.5 or more (Soltanizadeh et al., 2016). An AVE value of 0.5 or more means the construct can explain 50 percent or more of the item variance (Sarstedt et al., 2021).

Table 3. Convergent Validity Based on AVE

Variable	AVE Value	Status
Employee engagement	0.863	Valid
Organizational culture	0.632	Valid
Organizational commitment	0.809	Valid
Employee performance	0.893	Valid

Source: Data Processed 2024

The data processing results on the average variance extracted (AVE) aspect in Table 3 show that the AVE value of the manifest variable relationship in the construct is above 0.5. In connection with the recommendation that the measurement value must be more excellent than 0.5, the items in this study are reliable because the construct can explain 50 percent or more of the item variance. Apart from convergent validity, model measurements also use discriminant validity based on cross-loading, as shown in Table 4. The indicator's cross-loading correlation value with the latent variable is greater than the correlation with other latent variables. Thus, the latent variable can predict the indicator better than other latent variables, which means that the latent construct or variable can better reflect the indicators in its block than those in other blocks.

Table 4. Discriminant Validity Based on Cross-Loading

Variable	Item	Employee engagement	Organizational culture	Organizational commitment	Employee performance
Employee engagement	X1.1	0.972	0.370	0.465	0.236
	X1.2	0.937	0.387	0.497	0.252
	X1.3	0.849	0.331	0.459	0.252
	X1.4	0.926	0.379	0.507	0.285
	X1.5	0.914	0.359	0.458	0.308

	X1.6	0.970	0.385	0.475	0.248
	X2.1	0.404	0.954	0.636	0.549
	X2.2	0.324	0.913	0.586	0.511
	X2.3	0.267	0.724	0.517	0.432
Organizational culture	X2.4	0.193	0.703	0.476	0.449
	X2.5	0.326	0.620	0.434	0.401
	X2.6	0.214	0.628	0.473	0.414
	X2.7	0.360	0.825	0.570	0.447
	X2.8	0.403	0.914	0.603	0.533
	Y1.1	0.527	0.679	0.960	0.525
	Y1.2	0.524	0.664	0.925	0.534
Organizational commitment	Y1.3	0.418	0.533	0.850	0.481
	Y1.4	0.414	0.577	0.877	0.504
	Y1.5	0.397	0.526	0.821	0.492
	Y1.6	0.478	0.675	0.954	0.521
	Y2.1	0.321	0.613	0.586	0.918
	Y2.2	0.299	0.574	0.562	0.984
Employee performance	Y2.3	0.211	0.506	0.480	0.918
	Y2.4	0.234	0.545	0.507	0.917
	Y2.5	0.233	0.529	0.498	0.949
	Y2.6	0.301	0.574	0.565	0.983

Source: Data Processed 2024

Reliability tests. The subsequent model measurement uses a reliability test with composite reliability. The measurement model test carries composite reliability to test the consistency of the measuring instrument used by comparing Cronbach's Alpha value and the Composite Reliability value in the Construct Reliability and Validity table, as analyzed in Table 5.

Table 5. Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability	Criteria
Employee engagement	0.968	0.974	Reliable
Organizational culture	0.911	0.931	Reliable
Organizational commitment	0.952	0.962	Reliable
Employee performance	0.976	0.981	Reliable

Source: Data Processed 2024

Inner Model Evaluation. Evaluating the structural or inner model by looking at the percentage of variance explained, namely by looking at R2 (R-square of exogenous variables) for the dependent latent construct using the Stone-Geisser Q-Square test and looking at the magnitude of the structural path coefficient. The value of predictive relevance or Q2 is 0.720866 (rounded to 72.1), which is in the range $0 < Q2 < 1$, meaning that 72.1 percent of the structural model is by observation data in the field, or this research model can be said to have good goodness of fit, so that the research model is valid for further analysis.

$$\begin{aligned}
 Q2 &= 1 - (1 - R12) (1 - R22) \\
 &= 1 - (1 - 0.534) (1 - 0.401) \\
 &= 1 - (0.466) (0.599) \\
 &= 1 - 0.279134
 \end{aligned}$$

= 0.720866

Hypothesis Testing. This research proposes seven hypotheses, five of which are tests of direct influence and two of which are tests of the mediating role. The hypothesis testing using bootstrap resampling with a p-value criterion of less than 0.05 to determine the significance of the influence and the original sample value to determine whether the direction of the influence was positive or negative.

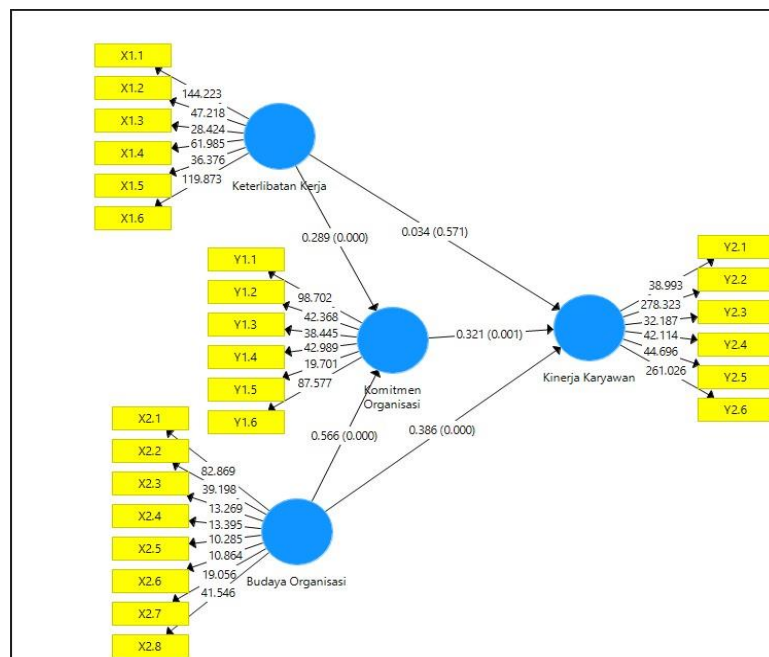


Figure 1. Bootstrap Resampling

Table 10, as the summary of Figure 1, shows the results of testing the direct and indirect influence hypothesis. The testing shows the rejection of H1 (O = 0.034; p-value 0.571), which means that employee engagement has a positive and insignificant effect on employee performance. The results of hypothesis testing also show support for H2 (O = 0.386; p-values < 0.05), H3 (O = 0.289; p-values < 0.05), H4 (O = 0.566, p-values < 0.05), and H5 (O = 0.321, p-values < 0.05). Support for H2, H3, H4, and H5 shows that each variable has a positive and significant influence. The results of the mediation test show support for H6 (O = 0.093, p-value < 0.05) and H7 (O = 0.182, p-value < 0.05).

Table 6. Hypothesis Test

Variable	Original Sample (O)	P Values
Employee engagement → Employee performance (H1)	0.034	0.571
Organizational culture → Employee performance (H2)	0.386	0.000
Employee engagement → Organizational commitment (H3)	0.289	0.000
Organizational culture → Organizational commitment (H4)	0.566	0.000
Organizational commitment → Employee performance (H5)	0.321	0.001



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license

Employee engagement → Organizational commitment → Employee performance (H6)	0.093	0.035
Organizational culture → Organizational commitment → Employee performance (H7)	0.582	0.000

Source: Data Processed 2024

The Effect of Employee Engagement on Employee Performance. The analysis results prove that employee engagement has a positive and insignificant effect on employee performance. These results mean that employee engagement does not significantly impact increasing or decreasing the performance of BPR employees in Tabanan Regency. In other words, the impact caused by employee engagement is minimal. Work involvement consists of vigor, dedication, and absorption, expressed in six statement items that respondents nicely perceive. However, these results do not show that employee engagement significantly affects employee performance. The respondents' answers show that employee engagement and employee performance (quality, quantity, and time management) are perceived as good, reflecting that, in general, respondents have a positive assessment of these two variables. However, this positive perception does not always mean a strong causal relationship exists between these variables. Other factors outside work involvement may be more dominant in determining employee performance, so the effect of work involvement is positive but not statistically significant. The results of this study contradict previous research conducted by Sugianingrat et al. (2019), Ismail et al. (2019), Dhir and Shukla (2019), Ali et al. (2019), Pattnaik and Sahoo (2020), and Nagpal (2022), which prove that employee engagement has a positive and significant effect on employee performance. On the other hand, this research supports the results of research conducted by Lewaherilla et al. (2022), which proves that employee engagement has an insignificant positive effect on employee performance.

According to self-determination theory or SDT, employee engagement is a motivational construct (Dhir & Sukla, 2019). Employee engagement arises because of the motivation that a person, in this case, an employee, intuitively has (Meyer & Gagnè, 2008). Respondents' answers to the work involvement variable show that respondents perceive this variable well. However, the analysis results show that work involvement has an insignificant effect on employee performance. Referring to SDT, good work involvement alone cannot improve employee performance. Employees who are less involved in their work are less enthusiastic and dedicated and absorb their work. Lack of courage when facing work challenges will make employees hesitate to complete work. Likewise, employees need to increase their self-confidence in facing work.

The Influence of Organizational Culture on Employee Performance. The analysis results prove that organizational culture has a positive and significant effect on the performance of BPR employees in Tabanan Regency. This result means that the better the organizational culture, the better the employee performance. This study measured organizational culture by clan, adhocracy, market, and hierarchy in eight statement items that were perceived quite well by respondents overall. However, these results have proven to improve the performance of BPR employees in Tabanan Regency. The results of this research support previous research conducted by Soomro and Shah (2019), Pujiono et al. (2020), Shahriari et al. (2023), Sumardjo and Supriadi (2023), and Achmad and Jamil (2022) prove that organizational culture has a positive and significant effect on employee performance. In contrast, this study does not support the different results shown by Sapta et al. (2021) and Muzakki et al. (2019), which show that organizational culture has an insignificant positive effect on employee performance.



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license

The influential leader-member exchange theory explains the relationship between organizational culture and employee performance (Babič et al., 2019). Every leader has the most important role in creating organizational culture, which is the basis for claiming the theory (Xie, 2019). A leader creates an organizational culture that subordinates follow (Kim & Koo, 2017). Organizational culture plays an important role in improving employee performance through the existence of a pattern of basic assumptions that are believed by every member of the organization (Zeb et al., 2020). The organizational culture accepted by members of the organization, or, in this case, BPR employees in Tabanan Regency, certainly encourages employees to have a reference in how they behave towards work.

The Influence of Work Involvement on Organizational Commitment of BPR Employees in Tabanan Regency. The results of the analysis prove that work involvement positively and significantly affects organizational commitment. These results mean that the better the work involvement, the better the organizational commitment of BPR employees in Tabanan Regency. Work involvement consists of vigor, dedication, and absorption, with six statement items that respondents perceive well overall. In addition, respondents perceived organizational commitment, as measured by affective commitment, normative commitment, and overall sustainability commitment, very well. The results of this research support previous research conducted by Hanaysha (2019), Susilowati and Azizah (2020), and Kustya and Nugraheni (2020), proving that employee engagement has a positive and significant effect on organizational commitment.

Referring to SDT, where employee engagement is considered a motivational construct (Dhir & Sukla, 2019), employees who are well involved in their work will be motivated to stay in an organization. A sense of enthusiasm for work, dedication to work, and absorbing existing work demonstrate employee engagement. Work involvement encourages employees to work as well as possible, so this becomes a factor that encourages them to stay in the company. Work involvement shows the emotional factors of employees with their work, so that employees feel they have a bond with the company through their work (Rameshkumar, 2020).

The Influence of Organizational Culture on the Organizational Commitment of BPR Employees in Tabanan Regency. The results of the analysis prove that organizational culture positively and significantly affects organizational commitment. These results mean that the better the organizational culture, the better the organizational commitment of BPR employees in Tabanan Regency. Clan, adhocracy, market, and hierarchy are the measurements of organizational culture, expressed in eight statement items, which respondents perceive nicely. Organizational commitment, measured by affective commitment, normative commitment, and overall sustainability commitment, is perceived very well by respondents. This research supports research conducted by Triguero-Sanchez et al. (2022), Sutiyanto et al. (2022), and Pathan (2022), which proves that organizational culture has a positive and significant effect on organizational commitment. LMX is the basis for explaining the relationship between organizational culture and commitment. According to LMX, a company leader offers their members an organizational culture and creates organizational commitment. This claim, indeed, cannot be separated from the fact that every leader has the most important role in creating organizational culture (Xie, 2018). Employees consider organizational culture important because it is a company identity that unites every organization member in similar assumptions and behavior, encouraging employees to stay (Volkova & Chiker, 2020).

The Influence of Organizational Commitment on the Performance of BPR Employees in Tabanan Regency. The results of the analysis prove that organizational commitment positively and significantly affects employee performance. This result means that the better the organizational



commitment, the better the performance of BPR employees in Tabanan Regency. This study employs affective, normative, and sustainability commitment to measure organizational commitment, which respondents perceived very well. Employee performance employs quality of work, quantity of work, and time management as its measurement in six statement items that respondents perceive as good overall. The results of this research support research conducted by Soomro and Shah (2019), Hendri (2019), Loan (2020), and Donkor et al. (2021), proving that organizational commitment has a positive and significant effect on employee performance.

Sit-bet theory, as the basis of organizational commitment, states that employees' cognitive relationship with the company is characterized as a commitment to the organization and is shown in involvement with organizational activities (Min et al., 2022). Organizational commitment describes the employee's commitment to the company where they work, so that they will show their best efforts and achieve maximum performance (Nasab & Afshari, 2019). High organizational commitment encourages employees to maintain their membership or continue working at the company, in this case, BPR in Tabanan Regency. Organizational commitment is important for companies to achieve the desired goals because employees are committed to helping the company achieve its goals.

The Role of Organizational Commitment in Mediating the Effect of Employee Engagement on BPR Employee Performance in Tabanan Regency. The analysis of organizational commitment's role in mediating work involvement's influence on employee performance shows a positive and significant influence. These results indicate that the positive relationship between work involvement and organizational commitment and employee performance encourages the role of organizational commitment in improving employee performance. The result means that the work involvement of BPR employees in Tabanan Regency impacts organizational commitment, thereby contributing to employee performance.

Perfect mediation occurs when employee engagement influences employee performance based on test results of the direct effect of work involvement on performance, which showed insignificant results. Complete mediation means that the relationship between employee engagement and employee performance is fully explained by organizational commitment. Employee engagement will increase organizational commitment, and organizational commitment, in turn, will increase employee performance. High work involvement contributes to increased organizational commitment, influencing increased performance. Employees who are more involved in their work will be more committed to the organization, encouraging them to improve their performance. In this case, work involvement does not directly influence employee performance; instead, it is through organizational commitment that it functions as a liaison. Employee engagement is empirically recognized as a good predictor for improving employee performance (Sugianingrat et al., 2019; Ismail et al., 2019; Dhir & Shukla, 2019; Ali et al., 2019; Pattnaik & Sahoo, 2020; Nagpal, 2022). However, Lewaherilla et al. (2022) prove that employee engagement has a positive and insignificant effect on employee performance, and Fernando and Zuraida (2023) prove that employee engagement has a negative and insignificant effect on employee performance.

Organizational commitment can mediate the effect of employee engagement on employee performance because employees involved with their work emotionally and psychologically will choose to stay with the company rather than leave it. When employees have high organizational commitment, they will choose to stay or not quit. This choice encourages employees to show their best performance because, psychologically, they feel responsible for the company's success. The results of this mediation test show that the influence of employee engagement on employee



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license

performance is stronger when mediated by organizational commitment compared to direct influence. The origin sample value of the direct influence of work involvement on employee performance was 0.034; while mediated by organizational commitment, it increased to 0.093, supporting this statement.

The Role of Organizational Commitment in Mediating the Influence of Organizational Culture on BPR Employee Performance in Tabanan Regency. The analysis of organizational commitment's role in mediating organizational culture's influence on employee performance shows a positive and significant influence. These results indicate that the positive relationship between work organizational culture and organizational commitment and employee performance encourages the role of organizational commitment in improving employee performance. The mediation test results show that BPR's organizational culture in Tabanan Regency impacts organizational commitment and contributes to employee performance.

The type of mediation that occurs when organizational culture influences employee performance is partial mediation, based on the results of the direct influence test, which shows that organizational culture has a positive and significant effect on employee performance. In partial mediation, organizational culture directly influences employee performance, apart from organizational commitment. In other words, even though organizational commitment plays an important role, organizational culture still influences employee performance without going through that commitment, which shows that organizational culture directly influences employee performance through organizational commitment. Employees who embrace organizational culture can demonstrate better quality and quantity of work, even without increased organizational commitment. However, organizational commitment still strengthens this relationship and acts as a mediator explaining part of organizational culture's influence on performance. Empirical evidence supports the influence of organizational culture on employee performance significantly (Soomro & Shah, 2019; Pujiono et al., 2020; Achmad & Jamil, 2022). However, the findings also show inconsistencies, namely, Sapta et al. (2021) and Muzzaki et al. (2019), which show that organizational culture has an insignificant positive effect on employee performance.

CONCLUSION

The analysis results have proven that employee engagement has an insignificant positive effect on employee performance. This result means that employee engagement still impacts improving employee performance, but the impact is very small or insignificant. The insignificant impact shows that employees with work involvement cannot constantly improve their performance, which could be caused by factors outside the employee's control. On the other hand, organizational culture positively and significantly affects employee performance. This result means that the better the implementation of organizational culture with clan, adhocracy, market, and hierarchy, the better the employee performance. This significant impact shows that organizational culture can directly influence employee performance. Work involvement has a positive and significant effect on organizational commitment, meaning that the more involved an employee is with his work, the better his commitment to the organization. These results show that work involvement is important in increasing employee organizational commitment.

Organizational culture has a positive and significant effect on organizational commitment. The better the organizational culture, the better the employee's organizational commitment. These results also prove that the existing organizational culture can be well accepted by employees so that they have similar values, which encourages increased organizational commitment. Next,



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license

organizational commitment has a positive and significant effect on employee performance, which means that the better the organizational commitment, the better the employee's performance. Committed employees who prefer to stay with the company and have emotional ties to both the company and co-workers will show their best performance. Organizational commitment perfectly mediates the effect of work involvement on employee performance, which means that organizational commitment completely mediates because the direct effect of work involvement on employee performance is not significant. On the other hand, organizational commitment partially mediates the influence of organizational culture on employee performance. These results show that organizational culture can still improve employee performance directly, but organizational commitment is still needed so that employee performance experiences a higher increase.

REFERENCES

- Achmad, R. N., & Djamil Mz, M. (2022). Does Transformational Leadership and Organizational Culture Affect Organizational Commitment to Improving the Performance of Employees? *International Journal of Law Policy and Governance*, 1(2), 119–132. <https://doi.org/10.54099/ijlpg.v1i2.395>
- Adam, A., Yuniarsih, T., Ahman, E., & Kusnendi, K. (2020). The Mediation Effect of Organizational Commitment in the Relation of Organization Culture and Employee Performance. 117(Gcbme 2018), 260–264. <https://doi.org/10.2991/aebmr.k.200131.056>
- Ali, Z., Sabir, S., & Mehreen, A. (2019). Predicting engagement and performance through a firm's internal factors: Evidence from the textile sector. *Journal of Advances in Management Research*, 16(5), 763–780. <https://doi.org/10.1108/JAMR-11-2018-0098>
- Babič, K., Černe, M., Connelly, C. E., Dysvik, A., & Škerlavaj, M. (2019). Are we in this together? Knowledge hiding in teams, collective prosocial motivation and leader-member exchange. *Journal of Knowledge Management*, 23(8), 1502–1522. <https://doi.org/10.1108/JKM-12-2018-0734>
- Bela, A. O., Yulia, Y., Putra, R. B., & Fitri, H. (2022). Pengaruh Budaya Organisasi dan Kepemimpinan Terhadap Kinerja Karyawan dengan Komitmen Organisasi Sebagai Variabel Intervening pada Kantor KUD Sinar Makmur. *Journal of Law and Economics*, 1(1), 1–9. <https://doi.org/10.56347/jle.v1i1.13>
- Bhardwaj, B., & Kalia, N. (2021). Contextual and task performance: role of employee engagement and organizational culture in the hospitality industry. *Vilakshan - XIMB Journal of Management*, 18(2), 187–201. <https://doi.org/10.1108/xjm-08-2020-0089>
- Chiu, W., Won, D., & Bae, J. sup. (2020). Internal marketing, organizational commitment, and job performance in sport and leisure services. *Sport, Business and Management: An International Journal*, 10(2), 105–123. <https://doi.org/10.1108/SBM-09-2018-0066>
- Costantini, A., Ceschi, A., Viragos, A., De Paola, F., & Sartori, R. (2019). The role of a new strength-based intervention on organization-based self-esteem and work engagement: A three-wave intervention study. *Journal of Workplace Learning*, 31(3), 194–206. <https://doi.org/10.1108/JWL-07-2018-0091>
- Dang, V. T., Vu, T. T., & Nguyen, P. T. (2021). Workplace learning and foreign workers' commitment to host cultural organization: the effects of cross-cultural adjustment and supervisor trust. *Employee Relations*, 43(1), 297–317. <https://doi.org/10.1108/ER-02-2020-0039>



- Dhir, S., & Shukla, A. (2019). Role of organizational image in employee engagement and performance. *Benchmarking*, 26(3), 971–989. <https://doi.org/10.1108/BIJ-04-2018-0094>
- Donkor, F., Dongmei, Z., & Sekyere, I. (2021). The Mediating Effects of Organizational Commitment on Leadership Styles and Employee Performance in SOEs in Ghana: A Structural Equation Modeling Analysis. *SAGE Open*, 11(2). <https://doi.org/10.1177/21582440211008894>
- Ferine, K. F., Aditia, R., Rahmadana, M. F., & Indri. (2021). An empirical study of leadership, organizational culture, conflict, and work ethic in determining work performance in Indonesia's education authority. *Heliyon*, 7(7). <https://doi.org/10.1016/j.heliyon.2021.e07698>
- Fernando, N., & Zuraida, U. (2023). The Impact of Employee Engagement, Job Satisfaction, Compensation and Benefits on Gen Z's Employee Performance in PT. XYZ. *Journal Integration of Management Studies*, 1(1), 75–82. <https://doi.org/10.58229/jims.v1i1.21>
- Ghlichlee, B., & Bayat, F. (2021). Frontline employees' engagement and business performance: the mediating role of customer-oriented behaviors. *Management Research Review*, 44(2), 290–317. <https://doi.org/10.1108/MRR-11-2019-0482>
- Hanaysha, J. (2019). Testing the Effects of Employee Engagement, Work Environment, and Organizational Learning on Organizational Commitment. *Procedia - Social and Behavioral Sciences*, 229(2), 289–297.
- Hendri, M. I. (2019). The mediation effect of job satisfaction and organizational commitment on the organizational learning effect on employee performance. *International Journal of Productivity and Performance Management*, 68(7), 1208–1234. <https://doi.org/10.1108/IJPPM-05-2018-0174>
- Heykal, M., Prasetya, S., & Harsanti, P. S. (2024). Pengaruh Kualitas Pelayanan terhadap Kepuasan Pelanggan pada Jasa Wisata (Open Trip) CV Tidung Island. *Jurnal Ekonomi Manajemen Akuntansi*, 30(1), 250–265. <https://doi.org/10.59725/ema.v30i1.226>
- Ismail, H. N., Iqbal, A., & Nasr, L. (2019). Employee engagement and job performance in Lebanon: the mediating role of creativity. *International Journal of Productivity and Performance Management*, 68(3), 506–523. <https://doi.org/10.1108/IJPPM-02-2018-0052>
- Kim, M. S., & Koo, D. W. (2017). Linking LMX, engagement, innovative behavior, and job performance in hotel employees. *International Journal of Contemporary Hospitality Management*, 29(12), 3044–3062. <https://doi.org/10.1108/IJCHM-06-2016-0319>
- Krajcsak, Z. (2019). Relationships between employee commitment and organizational cultures: a theoretical framework. *International Journal of Organizational Analysis*, 26(3), 398–414. <https://doi.org/10.1108/JABS-07-2017-0111%0ADownloaded>
- Kundi, Y. M., Aboramadan, M., Elhamalawi, E. M. I., & Shahid, S. (2020). Employee psychological well-being and job performance: exploring mediating and moderating mechanisms. *International Journal of Organizational Analysis*, 29(3), 736–754. <https://doi.org/10.1108/IJOA-05-2020-2204>
- Kustya, N. D., & Nugraheni, R. (2020). Analisis Pengaruh Work Engagement dan Kepemimpinan Terhadap Kinerja Karyawan Melalui Komitmen Organisational Sebagai Variabel Intervening (Studi Pada Kantor Pusat PDAM Tirta Moedal Kota Semarang). *Diponegoro Journal of Management*, 9(2), 1–13. <http://ejournal-s1.undip.ac.id/index.php/dbr>
- Lee, H. J., & Reade, C. (2018). The role of Yin-Yang leadership and cosmopolitan followership in fostering employee commitment in China: A paradox perspective. *Cross-Cultural and Strategic Management*, 25(2), 276–298. <https://doi.org/10.1108/CCSM-12-2016-0216>



- Lewaherilla, N. C., Pentury, G. M., Atamimi, R., & Sijabat, A. (2022). Organizational Commitment as Mediating Organizational Culture and Work Engagement on Performance. *Enrichment: Journal of Management*, 12(2), 1986–1993.
- Loan, L. T. M. (2020). The influence of organizational commitment on employees' job performance: The mediating role of job satisfaction. *Management Science Letters*, 10(14), 3307–3312. <https://doi.org/10.5267/j.msl.2020.6.007>
- Meyer, J. P., & Allen, N. J. (1997). *Commitment in the Workplace: Theory, Research, and Application*. Sage Publications, Thousand Oaks, CA.
- Meyer, J. P., & Gagnè, M. (2008). Employee Engagement from a Self-Determination Theory Perspective. *Industrial and Organizational Psychology*, 1(1), 60–62. <https://doi.org/10.1111/j.1754-9434.2007.00010.x>
- Min, W., Jun, G., & Feng, L. (2022). How Psychological Wellbeing and Digital Mental Health Services Intervene in the Role of Self-Efficacy and Affective Commitment of University Students in Their Performance? *Frontiers in Psychiatry*, 13(July), 1–13. <https://doi.org/10.3389/fpsy.2022.946793>
- Muzakki, M., Eliyana, A., & Muhtadi, R. (2019). Is Employee Performance Affected by Organizational Culture, Work Motivation and Organizational Citizenship Behavior (OCB)? An Empirical Investigation. *IJIEEB: International Journal of Integrated Education, Engineering and Business*, 2(1), 36–42. <https://doi.org/10.29138/ijieeb.v2i1.810>
- Na-Nan, K., Kanthong, S., & Joungtrakul, J. (2021). An empirical study on the model of self-efficacy and organizational citizenship behavior transmitted through employee engagement, organizational commitment and job satisfaction in the Thai automobile parts manufacturing industry. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(3). <https://doi.org/10.3390/joitmc7030170>
- Nagpal, P. (2022). Organizational Commitment as an Outcome of Employee Engagement: a Social Exchange Perceptive Using a Sem Model. *International Journal of Biology, Pharmacy and Allied Sciences*, 11(1 (SPECIAL ISSUE)). <https://doi.org/10.31032/ijbpas/2022/11.1.1008>
- Nasab, A. H., & Afshari, L. (2019). Authentic leadership and employee performance: mediating role of organizational commitment. *Leadership and Organization Development Journal*, 40(5), 548–560. <https://doi.org/10.1108/LODJ-01-2019-0026>
- Nguyen, H. M., & Ngo, T. T. (2020). Psychological capital, organizational commitment and job performance: A case in Vietnam. *Journal of Asian Finance, Economics and Business*, 7(5), 269–278. <https://doi.org/10.13106/JAFEB.2020.VOL7.NO5.269>
- Pathan, M. S. K. (2022). The Influence of Organizational Culture on Employee Performance and Turnover Intention. *International Research Journal of Management and Social Science*, 4(1), 34–43. <https://doi.org/10.33258/birci.v3i1.761>
- Pattnaik, S. C., & Sahoo, R. (2020). Employee engagement, creativity and task performance: role of perceived workplace autonomy. *South Asian Journal of Business Studies*. <https://doi.org/10.1108/SAJBS-11-2019-0196>
- Philippaers, K., De Cuyper, N., & Forrier, A. (2019). Employability and performance: The role of perceived control and affective organizational commitment. *Personnel Review*, 48(5), 1299–1317. <https://doi.org/10.1108/PR-04-2017-0098>



- Pujiono, B., Setiawan, M., Sumiati, & Wijayanti, R. (2020). The effect of transglobal leadership and organizational culture on job performance - Inter-employee trust as a moderating variable. *International Journal of Public Leadership*, 16(3), 319–335. <https://doi.org/10.1108/ijpl-11-2019-0071>
- Rameshkumar, M. (2020). Employee engagement as an antecedent of organizational commitment – A study on Indian seafaring officers. *Asian Journal of Shipping and Logistics*, 36(3), 105–112. <https://doi.org/10.1016/j.ajsl.2019.11.003>
- Reino, A., Rõigas, K., & Müürsepp, M. (2020). Connections between organizational culture and financial performance in Estonian service and production companies. *Baltic Journal of Management*, 15(3), 375–393. <https://doi.org/10.1108/BJM-01-2019-0017>
- Saleem, M. A., Bhutta, Z. M., Nauman, M., & Zahra, S. (2019). Enhancing performance and commitment through leadership and empowerment: An emerging economy perspective. *International Journal of Bank Marketing*, 37(1), 303–322. <https://doi.org/10.1108/IJBM-02-2018-0037>
- Sandhya, S., & Sulphay, M. M. (2019). An assessment of the contribution of employee engagement, psychological contract and psychological empowerment towards turnover intentions of IT employees. *International Journal of Environment, Workplace and Employment*, 5(1), 22. <https://doi.org/10.1504/ijewe.2019.10018242>
- Sapta, I. K. S., Muafi, M., & Setini, N. M. (2021). The Role of Technology, Organizational Culture, and Job Satisfaction in Improving Employee Performance during the COVID-19 Pandemic. *Journal of Asian Finance, Economics and Business*, 8(1), 495–505. <https://doi.org/10.13106/jafeb.2021.vol8.no1.495>
- Sarstedt, M., Ringle, C. M., & Hair, J. F. (2021). Partial least squares structural equation modeling. In *Handbook of Market Research*. Springer, Cham. https://doi.org/10.1007/978-3-319-57413-4_15
- Schaufeli, W. B., Martínez, I. M., Pinto, A. M., Salanova, M., & Barker, A. B. (2002). Burnout and engagement in university students a cross-national study. *Journal of Cross-Cultural Psychology*, 33(5), 464–481.
- Shahriari, M., Tajmir Riahi, M., Azizan, O., & Rasti-Barzoki, M. (2023). The effect of green organizational culture on organizational commitment: The mediating role of job satisfaction. *Journal of Human Behavior in the Social Environment*, 33(2), 180–197. <https://doi.org/10.1080/10911359.2022.2029789>
- Soltanzadeh, S., Rasid, S. Z. A., Golshan, N. M., & Ismail, W. K. W. (2016). “Business strategy, enterprise risk management and organizational performance.” *Management Research Review*, 39(9), 1–20.
- Soomro, B. A., & Shah, N. (2019). Determining the impact of entrepreneurial orientation and organizational culture on job satisfaction, organizational commitment, and employees' performance. *South Asian Journal of Business Studies*, 8(3), 266–282.
- Sugianingrat, I. A. P. W., Widyawati, S. R., Costa, C. A. de Jesus da, Ximenes, M., Piedade, S. D. R., & Sarmawa, W. G. (2019). The employee engagement and OCB as mediating on employee performance. *International Journal of Productivity and Performance Management*, 68(2), 319–339. <https://doi.org/10.1108/IJPPM-03-2018-0124>



- Sumardjo, M., & Supriadi, Y. N. (2023). Perceived Organizational Commitment Mediates the Effect of Perceived Organizational Support and Organizational Culture on Organizational Citizenship Behavior. *Quality - Access to Success*, 24(192), 376–384. <https://doi.org/10.47750/QAS/24.192.45>
- Susilowati, R., & Azizah, S. N. (2020). Pengaruh Keterlibatan Kerja dan Kepuasan Kerja Terhadap Kinerja dengan Komitmen Organisasi Sebagai Variabel Intervening. *Jurnal Ilmiah Mahasiswa Manajemen, Bisnis Dan Akuntansi (JIMMBA)*, 2(5), 752–764. <https://doi.org/10.32639/jimmba.v2i5.606>
- Sutiayatno, S., Santoso, K. I., & Susilo, G. (2022). The Role of Innovation Leadership in Teacher Commitment: A Study of Organizational Culture. *International Journal of Educational Methodology*, 8(3), 595–607. <https://doi.org/10.12973/ijem.8.3.595>
- Triguero-Sánchez, R., Peña-Vinces, J., & Ferreira, J. J. M. (2022). The effect of collectivism-based organizational culture on employee commitment in public organizations. *Socio-Economic Planning Sciences*, 83(May). <https://doi.org/10.1016/j.seps.2022.101335>
- Virgiawan, A. R., Riyanto, S., & Endri, E. (2021). Organizational culture as a mediator of motivation and transformational leadership on employee performance. *Academic Journal of Interdisciplinary Studies*, 10(3), 67–79. <https://doi.org/10.36941/AJIS-2021-0065>
- Volkova, N., & Chiker, V. (2020). What demographics matter for organizational culture, commitment and identification? A case in Russian settings. *International Journal of Organizational Analysis*, 28(1), 274–290. <https://doi.org/10.1108/IJOA-05-2019-1762>
- Wirawan, H., Jufri, M., & Saman, A. (2020). The effect of authentic leadership and psychological capital on work engagement: the mediating role of job satisfaction. *Leadership and Organization Development Journal*, 41(8), 1139–1154. <https://doi.org/10.1108/LODJ-10-2019-0433>
- Xie, L. (2019). Leadership and organizational learning culture: a systematic literature review. *European Journal of Training and Development*, 43(1–2), 76–104. <https://doi.org/10.1108/EJTD-06-2018-0056>
- Zeb, A., Akbar, F., Hussain, K., Safi, A., Rabnawaz, M., & Zeb, F. (2021). The competing value framework model of organizational culture, innovation and performance. *Business Process Management Journal*, 27(2), 658–683. <https://doi.org/10.1108/BPMJ-11-2019-0464>



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license