The Effect of Organizational Culture, Career Development, and Worklife Balance on Pt Xyz Employee Engagement

Charles Bohlen Purba1*, Bagus Supriyono2
1Lecture of Magister Management Program University of Mercu Buana (UMB), Jakarta, Indonesia
2Student of Magister Management Program University of Mercu Buana (UMB), Jakarta, Indonesia

*Corresponding author: Charles Bohlen Purba  
DOI:10.21276/sjef.2019.3.1.7

Abstract

This study aims to find out, develop and test the influence of Organizational Culture, Career Development, Work life Balance on Employee Engagement of PT XYZ. The type of research used is descriptive with a quantitative approach, through multiple linear regression analysis with IBM SPSS Version 23 program as a data processing tool. The population of this research is PT XYZ totaling 200 employees, and the number of samples is 60 respondents taken using purposive sampling technique with the type of sampling used is simple total sampling. Based on the results of statistical tests found that (1) organizational culture has a positive and significant effect on employee engagement with a coefficient of significance 0.043 (2) Career development has a positive and significant effect on employee engagement with a significance value of 0.004 (3) the worklife balance has a positive and significant effect on employee engagement with a significant value of 0.011 coefficient (4) organizational culture, career development and worklife balance simultaneously affect employee engagement at PT XYZ.

Keywords: Organizational Culture, Career Development, Worklife Balance, and Employee Engagement.

INTRODUCTION

Many industries or companies from abroad come to Indonesia become a threat to domestic businesses, due to the abroad companies have seen that Indonesia as a market that has enormous potential for business development. PT. XYZ is a pharmaceutical company which has a mission to serve all the customers needs. However, with the existence of the BPJS Health, it makes the corporate challenges more difficult, pharmaceutical companies have to turn their minds to win the competition.

One of the factors that can make a company are able to remain competitive is the quality of the human resources owned by the company. One characteristic of quality human resources is having an attachment to the company. The strong bond between the employee and company is commonly called employee engagement is the focus of PT. XYZ to anticipate employees move to another company.

Data from human resource development PT. XYZ, only 2% of employees who are categorized as highly engaged. Plus as many as 60 people get score 77 on the employee engagement survey score, the score is far below the employee engagement standard score of PT. XYZ which is 89. And 60 people entered have ages below 29 years where this age will be prepared to become future leader at PT. XYZ. The authors conducted a pre-survey to find out the variables that affect employee engagement. Pre-survey conducted on 30 employees by giving questionnaire that contains some questions. This is evident from results of pre-survey as seen in Table-1 below:

<table>
<thead>
<tr>
<th>Table-1: Recap of Factor that Affect Employee Engagement at PT. XYZ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No</strong></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
</tbody>
</table>

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From Table-1 above, it appears that there are three main factors that affect employee engagement that is organization culture, career development and work life balance.

Based on that problems that occur, then this research is conducted to find out how the influence of organization culture, career development and work life balance on employee engagement so that company performance can also increase.

The purpose this study is:
- To analyze the effect of organization culture on employee engagement in PT. XYZ.
- To analyze the effect of career development on employee engagement in PT.XYZ.
- To analyze the effect of work life balance on employee engagement in PT.XYZ.

**Literature Review**

**Employee Engagement**

Employee engagement is a unique construct and different consisting of component cognitive, emotional and behavioral related to the performance of individual roles [1]. Meanwhile, according to Hewit [2] employee engagement is the level of an employees psychological investment in their organization. According Schuck and Wollard [3] employee engagement is an individual ability of employees, emotional and behavioral conditions that lead to organizational goals or results.

From the various opinions of experts can be concluded that employee engagement is a description of the extent to which person wants to be involved both emotionally, feeling and physically and behavior towards the company or organization where the employee works.

According to Schaufeli and Baker [4] stated that the dimensions and indicators of employee engagement are:
- **Vigor** (marked by high energy and mental endurance at work, the passion of seriously at work, persevere in facing the problems.)
- **Dedication** (marked by a meaningful feeling, enthusiastic, inspiring, proud and challenging at work).
- **Absorption** (marked by concentration and deep interest, step into the work, time feels passed so quickly and each individual find it difficult to get away from work so they forget something around.)

**Organizational Culture**

Culture is a collective programing of the mind that can distinguish a group, and members of people from others [5].

Meanwhile according Robin and Judge [6] According to Mangkunegara [7] organizational culture is a set of assumptions or systems of beliefs, values and norms developed within the organization that serve as guidelines for the behavior of it’s members in overcoming external adaption and internal integration.

The dimensions used to distinguish organizational culture, according to Robbins and Judge [6] there are 7 (seven) characteristics, namely:
- Innovation and courage to take risks. How far the employees are encouraged to be innovative and take the risk.
- Attention to the detail. The extent to which employees are expected to show precision (accuracy), analysis, and attention to details.
- Result orientation. The extent to which management focuses more on results than on the techniques and processes used to achieve these results.
- People orientation. The extent to which management decisions consider the effects of these results on the people in the organization.
- Team orientation. The extent to which work activities are organized in teams rather than individuals.
- Aggressiveness. The extent to which people are aggressive and competitive rather than relax.
- Stability. The extent to which an organization's activities are emphasizing the maintenance of the status quo (maintaining the current state of things that remained as before) in comparison with the growth of the organization.

**Career Development**

A Career is a sequence of positions related to the occupation a person occupied throughout his life[8]. According to Dessler [9] career development is a series of lifelong activities that contribute to the exploration, formation, success, and fulfillment of someone career.

Dimension and indicator of career development according to Sunyoto [10], namely:
- Career planning, which consist of:
  - Conformity of interest and expertise with work
  - Career development opportunities within the company
  - Clarity of long-term and short-term career plans
- Career Management, which consist of:
  - Integrate with human resource planning.
  - Spread career information
  - Publication of job vacancies d. Education and training

**Work Life Balance**

Work life balance is a something that is needed to be achieved and managed in balanced a manner.
between work life and life outside of work, the word balanced here does not always mean dividing between work and daily life, on the contrary balance means managing all the responsibilities held in both employees lives [11]. According to Mathis and Jackson [12] work life balance is a form of balance between work and the personal life of an employee. Meanwhile according to Mcshane & Von Glinow [13] work life balance is a person’s ability to balance the demands of work with their personal and family needs.

According to Fisher in Novelia [14] state that work life balance dimensions and indicators, namely:

- **Work Interference with Personal Life (WIPL)**: Refers to the extent to which work can interfere an individual's personal life.
- **Personal Life Interference With Work (PLIW)**: Refers to the extent to which an individual's personal life interferes his work.
- **Personal Life Enhancement of Work (PLEW)**: Refers to the extent to which a person's personal life can improve the performance of individuals in the world of work.
- **Work Enhancement of Personal Life (WEPL)**: Refers to the extent to which work can improve the quality of an individual's personal life. Shekhar [25], Panda & Sahoo [26] states that work life balance has a positive and significant impact on employee engagement.

**Conceptual Framework**

Based on the results of previous theoretical and research studies on influence of organizational culture, career development, work life balance on employee engagement, the researchers developed the following framework:

![Conceptual Framework](image-url)
Hypothesis
Based on the problems, study theories and frameworks that have been the show, the authors formulate the following hypothesis:

- Ha1: Organizational Culture affects Employee Engagement
- Ha2: Career Development affects Employee Engagement
- Ha3: Work life Balance affects Employee Engagement

RESEARCH METHODS
Type of Research Design
This research uses quantitative research method with regression analysis approach, which aims to find out the influence and correlation between independent variable and the dependent variable.

Operational Definition of Variables
The operational definition aims to describe concept or variables into measurable details through dimensions, indicators and measurement scales. As explained in the framework of thought and hypothesis the independent variables used in this study are organizational culture (X1), career development (X2), and work life balance (X3), while the dependent variable is employee engagement (Y). The operational definition of each-each variable is as follows: (1) Organizational Culture. Organizational Culture is a value and belief in an organization that is understood by each member of the organization so that it can be interpreted by the organization as a basis for the members of organization to behave. Furthermore, to explain the operational concept of career development it is explained in terms of innovation and risk-oriented dimensions, outcome orientation, people orientation, team orientation, aggressiveness and stability (2) Career Development. Career development is a form improvement and advancement of individuals while working to get better career path. To explain the operational concept of career development variable, it is explained into the dimension of career.

Method of collecting data
Data collection techniques in this study were conducted in two ways, which questionnaires and documentation studies. Questionnaires were distributed to 60 respondents who were employees at PT. XYZ. For employees who are outside the head office is used techniques filling the questionnaire with google form. Documentation study conducted by collecting and analyzing theories, journals, and documents from the company. Instruments in this study using Likert Scale measurement scale. Likert scale is the scale used to measure attitudes, opinions, and perceptions of a person about social phenomena [26]. The measurement scale for each variables uses 5 alternative answer options that are: 1) Strongly Disagree (STS), 2) Disagree (TS), 3) Doubt (R), 4) Agree (S), 5) Strongly Agree (ST). planning and career management. (3) Work Life Balance. Work life balance is a work stressor which consist of four important component which are time, behavior, strain, and energy. To explain the operational concept of work life balance variable, it is explained into the dimension of work interference with personal life, personal life interference with work, personal life enhancement of work, work enhancement of personal life.

Population and Sample
The population used in this study was all employees of PT XYZ, which numbered of 200 employees. In this study the sampling technique used is non probability sampling; then used purposive sampling technique, w. So that the number of samples obtained is 60 respondents. Which 60 respondents is have score of employee engagement below standard.

Data analysis method
Data obtained from the questionnaire were analyzed using SPSS 23 program. There are several stages of data analysis, namely instrument test, classical assumption test, hypothesis test, and correlation test between dimensions. (1) Test of the research instrument. Instruments in the study must be valid and reliable so as to produce research that is true or in accordance with reality and constant. There are two ways to test the research instrument that is with the validity tehs and reliability test. (2) The classical assumption test. The classical assumption test aims to ensure there are No. symptoms of classical assumption deviations such as multicollinearity, autocorrelation, heterosceda sticity, and normally distributed data. There are three classical assumption test that is used is normality test, multicollinearity test, and heteroscedasticity test. (3) Hypothesis test. The hypothesis test is used to find out the relationship between dependent variable and independent variable, and test the truth of hypothesis that has been proposed. The hypothesis test consist of multiple linear regression analysis, analysis of coefficient of determination, t-test, and F test. (4) Correlation analysis between dimensions. Dimensions correlation analysis is used to test the correlation of the most powerful an influential on the dimensions of research variables, namely in this study are the dimensions of organizational culture, career development, work life balance on employee engagement variables.
and 43.3% of respondents 1-3 years work duration. Furthermore, by last education, as many as 11.7% educated high school, 10% educated D3, 76.6% educated S1, and S2 as much as 1.7%.

Instrument Research Test

There are two ways to test the research instrument that is with the validity test and reliability test. A valid instrument means that the measuring instrument used is valid so it can be used to measure what should be measured. The instrument is said to be valid if based on the validity test yields rcount greater than rtable. While reliable is an instrument that when used several times to measure to same object, will produce the same data. The instrument is said to be reliable if fit produces Cronbach Alpha greater than 0.60.

Table-3 shows that all statistical instruments of each variable are valid and reliable for use as a research questionnaire. Since the validity test results show that all instruments have rcount greater than rtable, also have Cronbach Alpha value greater than 0.60.

Table-2: Characteristic of Respondents

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (Year)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;20</td>
<td>1</td>
<td>1.7%</td>
</tr>
<tr>
<td>21-25</td>
<td>26</td>
<td>43.3%</td>
</tr>
<tr>
<td>26-29</td>
<td>33</td>
<td>50%</td>
</tr>
<tr>
<td>Amount</td>
<td>60</td>
<td>100%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>33</td>
<td>55%</td>
</tr>
<tr>
<td>Female</td>
<td>27</td>
<td>45%</td>
</tr>
<tr>
<td>Amount</td>
<td>60</td>
<td>100%</td>
</tr>
<tr>
<td>Duration of Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;1 Tahun</td>
<td>18</td>
<td>30%</td>
</tr>
<tr>
<td>1-3 Tahun</td>
<td>26</td>
<td>43.3%</td>
</tr>
<tr>
<td>3-5 Tahun</td>
<td>16</td>
<td>26.7%</td>
</tr>
<tr>
<td>Amount</td>
<td>60</td>
<td>100%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior High School (SMA)</td>
<td></td>
<td>11.7%</td>
</tr>
<tr>
<td>Diploma (D3)</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Bachelor (S1)</td>
<td></td>
<td>76.6%</td>
</tr>
<tr>
<td>Master (S2)</td>
<td></td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Table-3: Results of Validity and Realiablity Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of Statements</th>
<th>rcount</th>
<th>rtable</th>
<th>Cronbach Alpha</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture (X1)</td>
<td>11</td>
<td>0.844-0.948</td>
<td>0.254</td>
<td>0.787</td>
<td>Valid</td>
</tr>
<tr>
<td>Career Development (X2)</td>
<td>9</td>
<td>0.797-0.890</td>
<td>0.254</td>
<td>0.791</td>
<td>Valid</td>
</tr>
<tr>
<td>Work Life Balance (X3)</td>
<td>11</td>
<td>0.841-0.917</td>
<td>0.254</td>
<td>0.786</td>
<td>Valid</td>
</tr>
<tr>
<td>Employee Engagement (Y)</td>
<td>8</td>
<td>0.778-0.916</td>
<td>0.254</td>
<td>0.794</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Classical assumption test

Normality test

One method of looking at normality is with the normal probability plot analysis (normal P-P). Figure below is the result of the probability plot normality test.

Multicollinearity Test

A good regression model should not be correlated between independent variables (Table-4). Which shows that data points follow and spread around the diagonal line, it can be concluded that regression equation model meets the normality or normal distribution assumption.

In table-4 shows that all tolerance values of X1, X2, and X3 are greater than 0.10 and all VIF values less than 10.0. So it can be concluded that there is no multicollinearity in the regression model.
Table 4: Multicolinearity Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budaya Organisasi</td>
<td>0.169</td>
<td></td>
<td>0.169</td>
<td>5.931</td>
</tr>
<tr>
<td>Budaya Organisasi</td>
<td>0.169</td>
<td></td>
<td>0.169</td>
<td>5.931</td>
</tr>
<tr>
<td>Worklife Balance</td>
<td>0.204</td>
<td></td>
<td>0.204</td>
<td>4.898</td>
</tr>
</tbody>
</table>

Source: Results of Data Processing with SPSS 23.0

Based on Figure 3, it can be seen that there is no clear pattern like the widening points above and below the number 0 on the Y axis, so the points spread randomly, and do not form a specific pattern. This, it can be concluded that the data tested did not occur heteroscedasticity through scatter plot graph analysis, so that good and ideal regression model can be fulfilled and feasible to be able to continue at next stage.

Multiple Linear Regression Analysis

Multiple linear regression analysis aims to determine the effect of organizational culture (X1), career development (X2), and work life balance (X3) on
employee engagement (Y). Test results with SPSS 23.00 can be seen in table 5 below.

<p>| Table-5: Results of Multiple Linear Regression Test |</p>
<table>
<thead>
<tr>
<th>Variable</th>
<th>Regression Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.097</td>
<td>6.810</td>
<td>0.000</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>1.097</td>
<td>6.810</td>
<td>0.000</td>
</tr>
<tr>
<td>Career Development</td>
<td>0.283</td>
<td>3.039</td>
<td>0.004</td>
</tr>
<tr>
<td>Work Life Balance</td>
<td>0.261</td>
<td>2.640</td>
<td>0.011</td>
</tr>
<tr>
<td>R Square</td>
<td>0.809</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>84.472</td>
<td></td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Results of Data Processing with SPSS 23.00

Based on table 5 above can be made multiple linear regression equation as follows:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 \]

\[ Y = 1.097 + 0.219X_1 + 0.283X_2 + 0.261X_3 \]

From the regression equation above, it can be seen that:

- The constant (a) is 1.097 and positive means that if the organizational culture (X1), career development (X2) and work life balance (X3) are considered to be absent or equal to 0, the employee engagement value (Y) is 1.097.
- The value of regression coefficient of organizational culture variable (X1) is 0.219, meaning that for every increase of organizational culture value of one unit will cause the increase of employee engagement value equal to 0.219.
- The value of regression coefficient of career development variable (X2) is 0.283, meaning that every increase of career development value of one unit will cause the increase of employee engagement value equal to 0.283.
- The value of regression coefficient of work life balance variable (X3) is 0.261, meaning that every increase of work life balance value one unit will cause the increase of employee engagement value equal to 0.261.

**Coefficient of Determination (R Square)**

The coefficient of determination (R2 or R square) is used to measure how much the model capability in explaining the variation of the dependent variable. Based on table 5 above, the value of R square generated in this study is 0.809, meaning that the influence of independent variables consisting of organizational culture, career development, and work life balance affect employee engagement of 80.9%.

while the remaining 0.191 or 19.1% is influenced by other factors outside of this research model.

**t-Test**

The tcount value of organizational culture variable (X1) is 2.072, whereas ttable = 2.003 so that tcount > ttable and significance value 0.043 < 0.05 mean organizational culture significant to employee engagement. The results are in line with reasearch conducted by Shehri Al Mohammed [15], Akbar [16], Anggreana [17], Giobani A [18]. With concluded that organizational culture has a positive and significant effect on employee engagement.

The tcount value of career development variable (X2) is 3.039 bigger than ttable value with significance value equal to 0.004 < 0.05. Then the career development is a significant effect on employee engagement. These results are in line with research conducted by Diriye [19], Soeling & Nurdin [20], Sumadhinata & Murtisari [21], Gichaba [22] states that career development has a positive and significant influence on employee engagement.

The tcount value of work life balance variable (X3) is equal 2.640 bigger than tetable value with significance value equal to 0.011 < 0.05. So concluded work life balance is a significant effect on employee engagement. This results of this study are in line with research conducted by Sarikit [23], Mohamed & Zaki [24], Soon & Chang [25], Panda 7 Sahoo [26] which states that work life balance has a positive and significant influence on employee engagement.

**F Test**

Based on table 5 obtained Fcount value of 84.472 and a significance value of 0.000 which means smaller than 0.05. So it can be concluded that the variables of organizational culture, career development and work life balance simulataneously have positive and significant impact on employee engagement.
The result of the correlation test between dimensions as Table-6 above shows that for Organizational Culture variable, the big dimensions is Stability with the Employee Engagement variable on the Absorbtion dimensions with the coefficient value of 0.837 (having “strong” category relationship). Furthermore, for Career Development variable, the big dimensions of the relationship is Career Management with the Employee Engagement variables on the dimensions of Absorbtion with coefficient value of 0.851 (having “strong” category relationship). As for Work Life Balance variables, the major dimensions of relationship are Personal Life Enhancement Work with Employee Engagement variables on the dimensions of Absorbtion with coefficient value of 0.847 (have “strong” category relationship).

**CONCLUSIONS**

Based on the results of a series of testing, analysis, and discussion processes which have been done, this research can be drawn into several conclusions as follows:

- Organizational culture has a positive and significant effect toward employee engagement at PT XYZ employees. It means that the higher the organizational culture of the company, the higher the employee's attachment to the company as well.
- Career development has a positive and significant effect toward employee engagement at PT XYZ employees. It means that the more obvious the career development which given to the employees, the greater employee loyalty will be.
- Work life balance has a positive and significant effect toward employee engagement. This means that if the employee's work life balance is fine, then the employee's attachment to the company will be higher.
- Combination of processes Organizational culture, career development, and worklife balance together are stated to have a positive and significant effect on to employee engagement at PT XYZ employees.

**RECOMMENDATIONS**

Suggestion for the further research related to employee engagement at PT XYZ:

- Company needs to put more attention and make the policies to appreciate the performance of productive and, or it can also provide periodic rewards for employee who have worked seriously.
- Reevaluating the career planning patterns, by ensuring that each employee does his interest and their skills are in accordance with their job. Clarifying more about publication and transparency related to career development opportunities and opportunities itself, opportunities to take part in training and opportunities to get promotions for both positions and sub-groups.
- Company needs to create a comfortable atmosphere and courage the employees to work, besides that the role of superiors, especially in communicating with their team, also strongly supports the creation of a comfortable working atmosphere.
- The future researcher can do the same or different objects, by replacing other variables that have not been proven to have the effect, or also adding other variables such as compensation, job satisfaction, motivation to prove the effect of employee engagement by using different methods such as structural equation modeling (SEM).

**REFERENCES**