

# The Effect of Organizational Learning and Job Satisfaction on Employee Engagement in an Agile Environment at PT XYZ

Mohammad Imron<sup>1</sup>, Dian Indiyati<sup>2</sup>

{[mohimron@student.telkomuniversity.ac.id](mailto:mohimron@student.telkomuniversity.ac.id)<sup>1</sup>, [dianindiyati@telkomuniversity.ac.id](mailto:dianindiyati@telkomuniversity.ac.id)<sup>2</sup>}

Telkom University, Bandung, Indonesia<sup>12</sup>

**Abstract.** The purpose of this study is to examine the effect of organizational learning and job satisfaction on employee engagement. The study was conducted using a quantitative method, with a sample of 100 employees using agile working methods in PT XYZ. Analysis was carried out using descriptive with a Likert scale and PLS-SEM. The results Employee engagement is moderately influenced, according to the study by organizational learning and job satisfaction. Participative decision making, dialogue, interaction with external environment, promotion, and pay were the dominant drivers in boosting employee engagement. The findings of this research are expected to be input for PT. XYZ to be able to increase employee engagement in companies through increasing safety culture, employee involvement in company event, maximizing facilitator role in organization and designing programs to leverage employee promotion along with pay in work.

**Keywords:** Organizational Learning; Job satisfaction; Employee Engagement; PLS; Agile

## 1 Introduction

Recession in 2020 makes economic contraction to all business sectors in Indonesia. Information and communication sector which is a supporting sector for the archipelago's economy also being impacted through this phenomenon, resulting from a decrease in household consumption. This situation happened while the public budget grew in order to recover the economy [1]. PT XYZ as one of the companies engaged in such industry was experienced the impact so they are required to be more faster in responding to the needs of their various customers by accelerating the process of improving solutions, services and bringing new products to the market. To support this step requires the participation of their employees which they need to adapt in difficult situations. They are required to learn quickly and provide maximum performance. Professional and successful employees can be attracted by a concept of empowerment-employee-engagement, a way of doing things that tries to make sure employees are committed to the company's goals and values of the company in which they work [2]. Based on this description, it is necessary to analyze the factors that contribute to employee engagement. From a number of contributing factors that influence employee engagement, organizational learning and job satisfaction are the two factors that are widely perceived by employees in the organization. Therefore this study examines these two factors

as inputs for company in increasing employee engagement so that company can provide maximum performance in their services.

Employee engagement is a sense of attachment that employees have with the organization and tend to be enthusiastic and willing to carry out their work activities effectively and these employees have strong confidence to be able to complete or handle each job properly[3]. There are 3 aspects which forming employee engagement namely vigor, dedication, and absorption [4]. Vigor describes the level of energy and mental resilience that a person has at work. In addition, it also shows the willingness of employees to make great efforts to complete the work, not get tired easily and be diligent in work. Dedication describes employees' feelings of enthusiasm at work, pride in their work, and feelings of inspiration and challenge at work. Absorption describes the state of the employee being totally swallowed up, feeling happy doing his job, and finding it difficult to leave his job.

Organizational learning is the process by which organizations acquire new skills, knowledge, opinions and attitudes that keep them competitive and up to date [5]. there are five dimensions of organizational learning[6] : (a) Experiment: Experiment is an organizational practice to gather important information and adapt it to a rapidly changing business environment; (b) Dialogue: this reveals the extent to which hidden words and information are revealed and given meaning in communication;(c)Tendency to Risk: it is characterized by uncertainty, ambiguity and error;(d)Participatory Decision making: This concerns how much participation is encouraged among employees in the decision-making process in the organization;(e) Interaction with the External Environment: this is the communication between the organization and its external environment, which is the factor that affect an organization in economic, political, economic, social or technological setting.

Job satisfaction is a positive emotional condition for someone who is obtained from awards for tasks and responsibilities that have been completed[3]. There are 5 factors that affect job satisfaction[7] : (a)Work: Each job requires a certain skill according to its field; (b)Supervision, a good superior means he or she is willing to appreciate the work of his subordinates;(c)Workers, is a factor in the relationships between employees and their supervisors, with other employees, and with work that is similar or different;(d) Promotion is a factor related to whether there are career opportunities at work;(e) Salary is a factor that satisfies the living needs of workers who are considered worthy or not.

Several researches showed that organizational learning(OL) positively increases employee engagement. For example, in the research of Kyoung Park, Y., Hoon Song, J., Won Yoon, S. and Kim, J.. [8] explains that OL increases employee engagement among Korean companies. Results of Frederickson and Anantharaman's research [8] demonstrating that employees will have more positive feelings, such as self-confidence, when their employers encourage skills and empowerment through education help to increase engagement (dedication), enthusiasm (vigor) and the absorption of employees in their work.

Employee engagement will increase if life satisfaction increases[9]. it also shows that if the development of ICT skills increases, employee engagement will also increase. Job satisfaction is an antecedent for employee engagement[10]. Engaged employees will perform very well in their jobs. Research findings at the Republic of Indonesia's Ministry of Defense demonstrates that employee engagement and job satisfaction are positively correlated. [11]. Employee engagement for companies can be analogous to them. The existence of this matter plays an important role and is always required by the company to always stand firm with organization. Higher employee engagement means more ideas from employees to improve products, services, innovate at work, and self-performance.

Several factors influence employee engagement, including satisfaction at work and organizational learning. The existence of measures of job satisfaction and organizational learning is very important to know how employees perceive the comfort of the organization where they work. Employee engagement is positively affected by organizational learning. When the level of organizational learning in the organization is low, the level of employee engagement in the organization also becoming low [8], [12]–[15].

Employee engagement is also influenced by job satisfaction. High job satisfaction also has an impact on increasing employee engagement [9], [11], [17]–[19]. Furthermore, this study's framework can be summarized as follows:

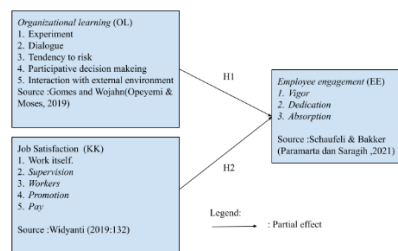


Figure.1. Research Framework (Source : Researcher's processed data (2022))

Based on the background, structure and research previously described, the hypotheses in this study are as follows:

H1: Organizational learning has a positive and significant effect on employee engagement

H2: Job satisfaction has a positive and significant effect on employee engagement

## 2 Methodology

This study uses a quantitative method to examine whether there is a significant relationship between organizational learning and job satisfaction on employee engagement at PT XYZ. The operational variables and sub-variables (dimensions) in this study originate from Gomes and Wojahn [14] (Opeyemi & Moses, 2019) for organizational learning (OL) and indicators refer to Gomes & Wojahn [6], [7]. Variables and sub-variables (dimensions) of job satisfaction (KK) are sourced from Widyanti [7] and indicators refer to Harahap and Khair [12]. Employee engagement (EE) variables, sub variables (dimensions), and indicators refer to Schaufeli & Bakker [4]. This research was conducted by measuring the perceptions of respondents using a research instrument that takes the form of a questionnaire. The research scale used is an ordinal scale based on a Likert scale of 1-5. In this study, 100 people were used as a population of permanent employees at PT XYZ who had implemented agile work methods. This number is based on interviews with scrum masters who in their daily interactions with employees who work with agile methods. Two types of data gathering approaches, namely survey methods and literature reviews, were used in this study. Descriptive analysis and PLS are the data analysis methods employed in this investigation. (Partial Least Square) SEM.

### 3 Results and Discussion

The relationships between latent variables show both in outer and inner model. It is evaluated by convergent validity, average variance extracted, discriminant validity, composite reliability, R-squared ( $R^2$ ), with path coefficient estimation. The measurement of variables by the dimensions and indicators was reliable when the loading factor was greater than 0,70. All of the estimated variables in the model met the requirements for discriminant validity, as evidenced by the Composite Reliability and Cronbach's Alpha values of  $> 0,70$ .

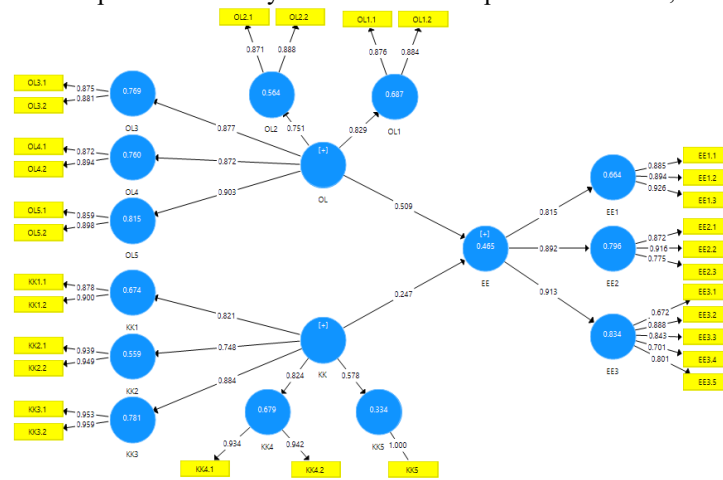


Figure 2. Assessment Model for Measurement

Table 1. Assessment-Results Measurement Model

Variable	R <sup>2</sup>	Cronbach's Alpha	Composite Reliability
OL		0,91	0,926
KK		0,898	0,918
EE	0,488	0,911	0,926

Based on table 1, the value of  $R^2$  Employee Engagement (EE) is 0,488, which means that Employee Engagement (EE) is influenced by Organizational Learning (OL) and Job Satisfaction (KK) of 48.8% moderately.

The relationship between each latent variable and the manifest variables (indicators) is shown through the analysis of the outer model. The outcome of the outer model for each dimension on indicators is shown in Table 2.

Table 2. Latent variable loading factor

Variable	Indicators	Loading Factor	Conclusion
OL	OL1.1	0,718	Valid
	OL1.2	0,74	Valid
	OL2.1	0,638	Valid
	OL2.2	0,681	Valid
	OL3.1	0,761	Valid
	OL3.2	0,779	Valid
	OL4.1	0,735	Valid
	OL4.2	0,802	Valid

	OL5.1	0,729	Valid
	OL5.2	0,851	Valid
<b>KK</b>	KK1.1	0,695	Valid
	KK1.2	0,763	Valid
	KK2.1	0,673	Valid
	KK2.2	0,737	Valid
	KK3.1	0,814	Valid
	KK3.2	0,873	Valid
	KK4.1	0,75	Valid
	KK4.2	0,794	Valid
	KK5	1,000	Valid
	<b>EE</b>	EE1.1	0,698
EE1.2		0,658	Valid
EE1.3		0,83	Valid
EE2.1		0,839	Valid
EE2.2		0,79	Valid
EE2.3		0,645	Valid
EE3.1		0,654	Valid
EE3.2		0,804	Valid
EE3.3		0,741	Valid
EE3.4		0,544	Valid
	EE3.5	0,798	Valid

**Table 3.** Partial Hypothesis Testing

Hypotesis	Relationship	Original Sample (O)	T Statistics ( O/STDEV )	P Values	Conclusion
H1	<i>Organizational Learning (OL) -&gt; Employee Engagement (EE)</i>	0.509	6.203	0.000	Hypothesis accepted
H2	<i>Job Satisfaction (KK) -&gt; Employee Engagement (EE)</i>	0.247	3.071	0.002	Hypothesis accepted

Based on table 3 partially both organizational learning and job satisfaction had positive and significant effect on employee engagement (with positive path coefficient value and p-value < 0.05). The study's conclusions revealed that employee engagement was influenced by organizational learning and job satisfaction, which supported the hypothesis. The findings of this study are in line with study from Kyoung Park, Y., Hoon Song, J., Won Yoon, S. and Kim, J.. [8]. This finding also support the research from Ministry of Defense of the Republic of Indonesia which show that there is a positive correlation between job satisfaction and employee engagement[11].

## 4 Conclusion

The results of the study show that both satisfaction in one's work and organizational learning influence employee engagement, which supports the hypothesis.. The results of this research provide an implication for PT XYZ and company in the same industry, which is that employee engagement could driven by several indicators from organizational learning and

engagement among workers. Thus, the limitations of this study are the number of variables measuring engagement. For further development, the scope of this research variable can include more variables that affect employee engagement.

## References

- [1] F. W. Sabini and E. S., "OECD Pangkas Pertumbuhan RI Jadi 3,7 Persen," *Koran Jakarta*, Sep. 23, 2021.
- [2] A. Lubis and S. Wulandari, "Pengaruh Employee Engagement dan Kepemimpinan terhadap Kinerja Pegawai pada Dinas Pariwisata," *Manajemen dan Keuangan*, vol. 7, no. 1, pp. 82–89, 2018.
- [3] D. Setyadi, *Manajemen Sumber Daya Manusia dan Penelitian Ilmiah*. 2021.
- [4] D. S. A. Paramarta and E. H. Saragih, "Keterikatan Karyawan pada Perusahaan PT XYZ," *Journal of Emerging Business Management and Entrepreneurship Studies*, vol. 1, no. 1, pp. 39–47, 2021, [Online]. Available: <http://jebmes.ppm-school.ac.id/39>
- [5] O. O. Ogueyungbo, L. M. Chinonye, E. Igbinoba, O. Salau, H. Falola, and M. Olokundun, "Organisational learning and employee engagement: The mediating role of supervisory support," *Cogent Business & Management*, vol. 7, 2020, doi: 10.1080/23311975.2020.1816419.
- [6] G. Gomes and R. M. Wojahn, "Organizational learning capability, innovation and performance: study in small and medium-sized enterprises (SMES)," *Revista de Administração*, vol. 52, no. 2, pp. 163–175, Apr. 2017, doi: 10.1016/J.RAUSP.2016.12.003.
- [7] R. Widyanti, *Perilaku Organisasi (Teori Dan Konsep)*, 1st ed., vol. 1. Banjarmasin: Universitas Islam Kalimantan MAB, 2019. Accessed: Aug. 07, 2022. [Online]. Available: <http://eprints.uniska-bjm.ac.id/3262/1/Buku%20Perilaku%20Organisasi.Rahmi%20Widyanti.pdf>
- [8] L. Blaique, H. N. Ismail, and H. Aldabbas, "Organizational learning, resilience and psychological empowerment as antecedents of work engagement during COVID-19," *International Journal of Productivity and Performance Management*, 2022, doi: 10.1108/IJPPM-04-2021-0197.
- [9] A. Vorina, M. Simonič, and M. Vlasova, "An Analysis of the Relationship Between Job Satisfaction and Employee Engagement," *Economic Themes*, vol. 55, no. 2, pp. 243–262, Jun. 2017, doi: 10.1515/ethemes-2017-0014.
- [10] S. Abraham, "Job Satisfaction as an Antecedent to Employee Engagement," 2012.
- [11] A. Pong Bija, "Influence of Leadership Style, Work Culture, and Job Satisfaction on Employee Engagement," *KnE Social Sciences*, Nov. 2020, doi: 10.18502/kss.v4i14.7895.
- [12] D. S. Harahap and H. Khair, "Pengaruh Kepemimpinan Dan Kompensasi Terhadap Kepuasan Kerja Melalui Motivasi Kerja," *Maneggio: Jurnal Ilmiah Magister Manajemen*, vol. 2, no. 1, pp. 69–88, Mar. 2019, doi: 10.30596/maneggio.v2i1.3404.
- [13] H. Ahyar, D. J. Sukmana, and H. Andriani, *Metode Penelitian Kualitatif & Kuantitatif*, 1st ed., vol. 1. Yogyakarta: Pustaka Ilmu, 2020. [Online]. Available: <https://www.researchgate.net/publication/340021548>
- [14] O. Opeyemi and L. Moses, *Organisational Learning and Employee Engagement: A Literature Review*. 2019.