


“Effect of organizational culture on organizational learning, employee engagement, and employee performance: Study of banking employees in Indonesia”

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EFFECT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL LEARNING, EMPLOYEE ENGAGEMENT, AND EMPLOYEE PERFORMANCE: STUDY OF BANKING EMPLOYEES IN INDONESIA

Abstract

Banking institutions are still interesting to study, as are the problems of their employees. If, in the past, organizational culture was an ideology that was difficult to change, now it is possible to change it due to various economic, social, and political upheavals. This study aims to examine the effect of organizational culture on organizational learning, employee engagement, and employee performance in the banking sphere of Indonesia, involving 215 cashiers, customer service staff, and security guards. Data were analyzed for direct and indirect effects using SEM PLS, with organizational culture as an independent and organizational learning, employee engagement, and employee performance as dependent variables. It was found that organizational culture indirectly affects employee performance through organizational learning and employee engagement, which produced the most significant effect. This serves as evidence that the administration of personnel in the banking sector must be carried out comprehensively, taking into account the needs of employees and adjusting to organizational needs and capabilities. This study can serve as a valuable point of reference for similar research by providing variations to respondents based on age, bearing in mind that the requirements of employees in the current generation are different from previous generations.

Keywords

personnel management, human resources, human development, Indonesian government-owned bank

JEL Classification

M12, O15, G41

INTRODUCTION

The banking sector plays a significant role as a crucial element in encouraging national development. A bank is one of the financial institutions that holds a significant role in efforts to develop and grow the nation's economy through the intermediary function of the monetary sector. Its proper functioning can encourage the accumulation of economic activity and create a multiplier effect that boosts and triggers a country's economic activity.

Many bank employees who exhibit subpar performance, only think about themselves, and do not endorse the company's vision, mission, and targets (Setiawan, 2022). Moreover, some employees still violate firm regulations, firm guidelines, gratuities, commit fraud, and many more. The occurrence of various banking issues attributed to employees, such as decreased work motivation, increasing number of resigning employees, experienced stress levels, and bad attitude/work ethic (Awan & Tahir, 2015; Hasan et al., 2022), is a strong reason for further analysis.



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Conflict of interest statement:

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Many factors are affected by organizational culture, and this paper centers on the factors related to organizational learning, employee engagement, and employee performance. Nikpour (2017), Syafii et al. (2015), and Saeed et al. (2013) examined the influence of organizational culture on employee performance with several indicators put forward to measure the magnitude of the influence. They found a direct significant effect between organizational culture and employee performance. Organizational culture created to encourage employee performance is a necessity. Azadi et al. (2013) stated that employees as human beings have elements of cultural potential such as mind, taste, and will, which then emerge initiatives.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Organizational culture, defined as a collective set of shared meanings among its members, is a distinguishing factor that sets an organization apart from others (Robbins & Judge, 2017). Senge (2002) characterizes organizational culture as a framework of beliefs, values, assumptions, or norms established, agreed upon, and adhered to by members, serving as a code of conduct and problem-solving approach within the organization. It is an intangible social force that motivates individuals within an organization to engage in work-related activities. The inculcation of organizational cultural values begins with how the company's founders make behavioral guidelines that contain what type of organizational culture will be cultivated (Schein, 2010). An organization's culture affects every aspect of life and organizational behavior because it influences the five basic organizational processes: communication, commitment, cooperation, implementation, and decision-making (Azadi et al., 2013). Within the organization, the implementation of culture is demonstrated through employee behavior, which ultimately impacts employee performance enhancement. Zhenjing et al. (2022) stated that employees' performance is influenced by internal and external environmental factors within the organization, which encompass the organizational culture.

Organizational culture has a role in developing organizational learning processes (Janicijevic, 2013; Alsabbagh & Al Khalil, 2017). As a means to develop, organizational learning is more of a journey or process, not a goal. Thus, it is mandatory to implement a strong organizational culture, which comprises values that govern employee behavior

to change and develop (continuous improvement) (Senge, 2002). Currently increasingly prevalent amid competitive conditions, to transition toward becoming a learning organization, every organization requires a culture that not only supports but also facilitates this transformative process. Learning flourishes in a society that values and promotes open communication (Bucata & Rizescu, 2017).

Organization as a place of learning (learning process) can be interpreted as organizational learning, which is more of a journey or process, not a destination. It requires changes in organizational culture, namely a culture for carrying out learning, a culture that wants to change and develop slowly but continuously. Organizational learning has three sub-processes: creating, maintaining, and transferring knowledge (Argote & Miron-Spektor, 2011). A learning culture must exist regularly (Eldor, 2017) because organizations face routine changes (Dajani, 2015). Organizational learning is an attitude of understanding every change to behave in the future (Eldor, 2017).

Organizational learning provides experience to employees so that they have many considerations in various dimensions (Argote & Miron-Spektor, 2011). As part of a growing trend, organizational learning leads to studies that are more focused on aspects of knowledge creation, organizational capabilities, the diversity of methods used, new forms of organizational governance, and the development of new technologies (Argote & Miron-Spektor, 2011). An organizational culture that provides space for its employees to develop is a picture of a future organization where employees continuously learn and solve problems to accomplish organizational targets that have been set together (Azadi et al., 2013). Employees intending to continue learning provide a sustainable competitive advantage (Nafei, 2015; Alsabbagh & Al Khalil, 2017).

Organizational culture also influences employee engagement. Yalabik et al. (2013) describe engagement as the connection and engagement that occur emotionally, cognitively, and physically between individual and work-related roles. Engagement is a person's psychological state that refers to attention and absorption (Eldor, 2017). An employee who is engaged will stick to the goal, give his/her all to accomplish the task, take care of his/her behavior at work, be assured that he/she has performed the task well in accordance with the target, and be eager to undertake any corrective action or evaluation if necessary (Al-dalahmeh et al., 2018). Employee engagement describes an organization's members carrying out their duties and work and expressing themselves physically, cognitively, and emotionally while working (Yalabik et al., 2013).

A favorable organizational culture will exert a beneficial influence on employees, such as making employees loyal. Having engaged employees is a distinct advantage for the organization. Employee engagement draws on the circumstances under which employees possess internal drive, bolsters their actions, and generates high levels of motivation, enthusiasm, and a sense of pride in their work, all directed toward accomplishing organizational objectives. This is an action that arises from personal initiative and has an impact on increasing performance. Dajani (2015) shows a correlation between employee engagement and organizational performance. Highly engaged employees are not solely motivated by salary or promotion but rather work with dedication toward achieving the organization's objectives. Concerning performance, employees work because they feel obliged on behalf of the organization, and good/bad performance appraisals are a bonus for the hard work done. Not solely pursuing an assessment but rather an attitude shown by caring behavior for the organization to be able to develop is vital. Employees with high engagement, apart from being creative, also tend to have personal initiative, proactive behavior, and the motivation to learn (Schaufeli et al., 2006).

Employee engagement holds significance for organizations as it directly impacts an individual's work performance (Abdulrahman et al., 2022). When the corporate culture aligns with employee expectations, it fosters high employee engagement. Conversely, if the organizational culture

fails to meet employee expectations, it leads to low employee engagement (Kazimoto, 2016). This is in line with Dajani (2015), that cultural elements, such as freedom to learn and develop and good and smooth communication channels, will make employees more comfortable to increase their engagement. Kazimoto (2016), Dajani (2015), and Abdulrahman et al. (2022) support that organizational culture influences employee engagement, which is the desire of all employees to create an organizational culture that is manifested in a comfortable atmosphere in the work environment, open culture, and good communication.

When the corporate culture aligns with employee expectations, it fosters high employee engagement. Conversely, if the organizational culture fails to meet employee expectations, it leads to low employee engagement (Kazimoto, 2016). Al Mehrzi and Singh (2016) also argue that there are three main factors for achieving employee engagement, namely, organization, management and leadership, and working life, indicating that the three factors that form engagement are the culture that is created. In line with Dajani (2015), Vance (2006) revealed a significant and positive correlation between organizational culture and employee engagement.

Employee performance is a great hope for implementing a conducive organizational culture. In a company characterized by a robust organizational culture, common values are profoundly understood, embraced, and championed by most of its members, namely company employees. Performance, demonstrated through the actions and behaviors of all employees, reflects the actual output produced within their respective roles in the company (López-Cabarcos et al., 2022). Performance is an essential factor that needs to be assessed and verified by specific parties to gauge the extent of accomplishment of an agency's outcomes concerning the vision pursued by an organization or company. It aids in understanding the favorable and unfavorable effects of operational policies. Employee performance encompasses the level of employee skills in routine activities, including operational activities (Saeed et al., 2013). The organizational culture can enhance work satisfaction and pro-

mote problem-solving awareness, ultimately influencing performance (Ehtesham et al., 2011). However, if the organizational culture fails to align with the evolving expectations of internal and/or external stakeholders, the organization's success may diminish, as observed in various instances (Nikpour, 2017).

Organizational culture holds sway over employee performance, implying that it can exert a substantial long-term influence on employee performance (Ehtesham et al., 2011; Parashakti & Ekhsan, 2020; Cabrera & Estacio, 2022; Zhenjing, 2022). The presence of an organizational culture facilitates the employees' adjustment to the organizational environment and guides them in understanding the appropriate actions aligned with the organization's values. It is a guiding principle for employees to fulfill their responsibilities and work effectively (Senge, 2002). Saeed et al. (2013) revealed that if there is a decrease in culture, it will have an impact on decreasing employee performance. Culture is a strength inherent in employees as a value, a reference for actions considered reasonable and right. Syafii et al. (2015) examined the relationship between organizational culture and employee performance, and their results support the existing theories.

Based on the theoretical and empirical explanations, the hypotheses formulated in this study are:

- H1: Organizational culture has a positive and significant influence on organizational learning.*
- H2: Organizational culture has a positive and significant influence on employee engagement.*
- H3: Organizational culture has a positive and significant influence on employee performance.*
- H4: Organizational culture has a positive and significant influence on employee performance through organizational learning as a moderator.*
- H5: Organizational culture has a positive and significant influence on employee performance through employee engagement as a moderator.*

2. METHODOLOGY

This study utilizes a quantitative approach method, where the analysis is done on numerical data derived from the outcomes of variable measurement. The variables are organizational culture, organizational learning, employee engagement, and employee performance. In terms of research typology, this study is a type of explanatory research where the research is carried out by explaining the influence between the research variables and testing the hypotheses formulated previously, so this type of research can also be referred to as causality research.

The research sample comprised 251 government bank employees with middle-level positions and those employed for more than five years. Data were obtained by distributing questionnaires. The question items are based on previous research. Organizational culture uses items from Denison and Haaland (2003), Pavlica and Jarosová (2014), and Nikpour (2017). Organizational learning items come from Jiménez-Jiménez and Sanz-Valle (2011), employee engagement items refer to Schaufeli et al. (2002), and Schaufeli et al. (2006), and employee performance items are based on Fung et al. (2017) and Ximenes et al. (2019).

3. RESULTS

Following the formulated hypotheses, this study employed the SmartPLS software for conducting inferential statistical data analysis: (1) measurement model (outer model) consisting of convergent validity and composite reliability, (2) structure model (inner model), which consists of the goodness of fit model, and (3) hypotheses testing.

The outer model, commonly called the measuring model, elucidates the connection between latent variables and their indicators. There are three criteria in model measurement. First, convergent validity is indicated by the size of the loading factor (λ_i). The higher the λ_i of an indicator, the higher its validity in measuring the construct. The higher the validity, the smaller the measurement error of the indicator in measuring the construct (Joreskog & Sorbom, 1993). In measurements using SEM-PLS, if the loading factor exceeds 0.6, it is

Table 1. 2nd order convergent validity test results

Variables	Indicators	Loading factor	Standard error	T Statistics
Organizational culture	OC1	0.764	0.042	18.330
	OC2	0.868	0.018	48.641
	OC3	0.907	0.012	73.847
	OC4	0.700	0.044	15.874
	OC5	0.775	0.040	19.293
	OC6	0.773	0.034	22.672
	OC7	0.855	0.027	31.745
	OC8	0.849	0.025	34.372
Organizational learning	OL1	0.820	0.019	42.725
	OL2	0.832	0.020	42.572
	OL3	0.807	0.020	40.128
	OL4	0.810	0.044	18.561
Employee engagement	EE1	0.813	0.030	27.438
	EE2	0.851	0.024	34.845
	EE3	0.871	0.018	48.070
Employee performance	EP1	0.871	0.020	44.197
	EP2	0.895	0.013	66.403
	EP3	0.679	0.075	9.016

considered that the item is valid (Ferdinand, 2002) exceeding the t-table, that is ≥ 1.96 (with a confidence level of 95% or alpha 5%) (Hair et al., 2010). The purpose of convergent validity (2nd order) is to assess the accuracy of an indicator in measuring variables. Table 1 displays the outcomes of the 2nd order convergent validity test.

By examining the outcomes of the 2nd order measurement model analysis, it is evident that organizational culture variables are assessed utilizing eight indicators: empowerment (OC1), team orientation (OC2), capability development (OC3), core values (OC4), understanding (OC5), coordination and integration (OC6), adaptive to change (OC7), and focused on consumers (OC8). All of these indicators exhibit loading factor values surpassing 0.6. Thus, the eight indicators are deemed valid in assessing organizational culture.

Organizational learning variables are measured by four indicators: knowledge acquisition (OL1), knowledge distribution (OL2), knowledge interpretation (OL3), and organizational memory (OL4). All indicators exhibit loading factor values surpassing 0.6. Thus, the four indicators are deemed valid in assessing organizational learning. Furthermore, employee engagement is measured by three indicators: vigor (EE1), dedication (EE2) and absorption (EE3). All indicators exhibit loading factor values surpassing 0.6. Thus, the three indicators are deemed valid in assessing employee engage-

ment. Finally, employee performance is measured by three indicators: in-role behavior (EP1), out-role behavior (EP2), and employee creativity (EP3). All indicators exhibit loading factor values surpassing 0.6. Thus, the three indicators are deemed valid in assessing employee performance.

Validity assessment can also be determined using the average variance extracted (AVE). An instrument will pass the validity test if its average variance extracted (AVE) exceeds 0.5. The outcomes of the validity testing are shown in Table 2.

Table 2. Average variance extracted (AVE) test results

Variables	Indicators	AVE
Organizational culture	OC1	0.814
	OC2	0.692
	OC3	0.654
	OC4	0.855
	OC5	0.810
	OC6	0.831
	OC7	0.642
	OC8	0.718
Organizational learning	OL1	0.596
	OL2	0.869
	OL3	0.863
	OL4	0.768
Employee engagement	EE1	0.803
	EE2	0.631
	EE3	0.636
Employee performance	EP1	0.679
	EP2	0.734
	EP3	0.681

By referring to Table 2, it is evident that the indicators of empowerment (OC1), team orientation (OC2), capability development (OC3), core values (OC4), understanding (OC5), coordination and integration (OC6), adaptive to change (OC7), focused on consumers (OC8), knowledge acquisition (OL1), knowledge distribution (OL2), knowledge interpretation (OL3), organizational memory (OL4), vigor (EE1), dedication (EE2), absorption (EE3), in role behavior (EP1), out role behavior (EP2), and employee creativity (EP3) produce an average variance extracted (AVE) value that surpasses 0.5. Thus, the indicators assessing organizational culture, organizational learning, employee engagement, and employee performance are declared valid.

Next, the reliability test checks the reliability or trustworthiness of the data disclosure tool. The reliability of the instrument is an indication that the respondents are consistent in responding to the statements submitted. A set of items that measure variables can be accepted if they have a composite reliability value surpassing or equal to 0.70 (Ferdinand, 2002). The composite reliability (CR) outcomes and Cronbach's alpha (CA) calculations can be discerned through the summary provided in Table 3.

Table 3. Composite reliability and Cronbach's alpha

Variables	Indicators	Composite Reliability	Cronbach's Alpha
Organizational culture	OC1	0.956	0.943
	OC2	0.899	0.850
	OC3	0.903	0.863
	OC4	0.959	0.943
	OC5	0.945	0.922
	OC6	0.952	0.932
	OC7	0.899	0.856
	OC8	0.910	0.868
Organizational learning	OL1	0.815	0.666
	OL2	0.952	0.925
	OL3	0.926	0.841
	OL4	0.930	0.899
Employee engagement	EE1	0.961	0.951
	EE2	0.894	0.852
	EE3	0.913	0.885
Employee performance	EP1	0.927	0.905
	EP2	0.951	0.939
	EP3	0.950	0.941

By referring to Table 3, it is evident that the composite reliability value on all indicators surpasses

0.7. Therefore, according to the composite reliability calculations, all indicators assessing organizational culture, organizational learning, employee engagement, and employee performance are declared reliable.

The goodness of fit model (Table 4) is employed to assess the capacity of endogenous variables to account for the variation in exogenous variables or, more precisely, to assess the extent to which exogenous variables contribute to endogenous variables. In PLS analysis, the goodness of fit model utilizes R-Square and Q-Square (predictive relevance) (Q2) to evaluate this relationship.

Table 4. Goodness of fit model test results

Endogenous variables	R Square
Organizational learning	0.635
Employee engagement	0.693
Employee performance	0.696
$Q^2 = 1 - [(1 - R_1^2) (1 - R_2^2) (1 - R_{32}^2)]$	
$Q^2 = 1 - [(1 - 0.635) (1 - 0.693) (1 - 0.696)] = 0.966$	

The R-square variable of organizational learning is 0.635 or 63.5%. This suggests that organizational culture can explain organizational learning with 63.5%, or more precisely, the contribution of organizational culture to organizational learning is 63.5%. In comparison, the remaining 36.5% is affected by additional factors not addressed in this paper. The R-square variable of employee engagement is 0.693 or 69.3%. It may be shown that employee engagement may be described by organizational culture and organizational learning with 69.3%, or more precisely, the contribution of organizational culture and organizational learning to employee engagement is 69.3%. In comparison, the remaining 30.7% is affected by additional factors not addressed in this paper.

The R-square employee performance variable is 0.696 or 69.6%. This suggests that employee performance can be explained by organizational culture, organizational learning, and employee engagement with 69.6%, or more precisely, the contribution of organizational culture, organizational learning, and employee engagement to employee performance is 69.6%, while the remaining 30.4 % is the contribution of other factors not addressed in this study. Employee performance's Q-Square (Q2) is 0.966 or 96.6%. This suggests that the di-

Table 5. Direct effect test results

Influence of each variable	Path coefficient	Standard error	T-stat	p-value	Sig
Organizational culture → Employee engagement	0.297	0.078	3.798	0.049	Sig
Organizational culture → Organizational learning	0.797	0.037	21.817	0.006	Sig
Organizational culture → Employee performance	0.325	0.085	3.844	0.001	Sig

versity of employee performance can be described by the overall model with 96.6%, or more precisely, the contribution of organizational culture, organizational learning, and employee engagement to employee performance as a whole (direct and indirect influence) is 96.6%; the rest 3.4% is influenced by additional factors that have not been addressed in this study.

The direct effect test is employed to test whether the independent variables directly influence the dependent variable. According to the testing criteria, if the s-statistical coefficient \geq t-table (1.96, with an alpha of 5%), then it is indicated that the independent variables have a noteworthy impact on the dependent variable. The outcomes of hypotheses testing are shown in Table 5.

Organizational culture's effect on employees' engagement yields a t-statistic of 3.798. The test outcomes indicate that the t-statistic exceeds the critical t-value (1.96). Consequently, this signifies a significant influence of organizational culture on employee engagement and is supported by a p-value of less than 0.05 (hypothesis 1 is accepted). Next, the influence of organizational culture on organizational learning produces a t-statistic of 21.817. The test outcomes signify that t-statistic $>$ t-table (1.96). This implies a significant influence of organizational culture on organizational learning and is supported by a p-value of less than 0.05 (hypothesis 2 is accepted). The influence of organizational culture on employee performance generated a t-statistic of 3.844. The test outcomes signify that t-statistic $<$ t-table (1.96). This implies that organizational culture significantly impacts

employee engagement and is supported by a p-value of less than 0.05 (hypothesis 3 is accepted).

Furthermore, hypotheses testing for indirect effects is conducted to test whether there is an indirect effect of the independent on the dependent variable by the intervening variable. The test criteria signify that if the indirect coefficient is t-statistics \geq t-table (1.96), then there is a significant influence of the independent on the dependent by the intervening variable. The findings of testing the indirect effect hypotheses can be viewed through a summary in Table 6.

Organizational culture affects employee performance via organizational learning, producing t-statistics of 3.322. The test results show t-statistics $>$ t-table (1.96), with a p-value below 0.05. This indicates that organizational learning has a substantial impact on employee performance and organizational culture, or more precisely, employee performance and company culture can interact. However, organizational learning can moderate this interaction. Referring to the direct effect test, organizational culture significantly affects employee performance. Therefore, organizational learning partially mediates organizational culture's influence on employee performance by 21% based on the value of the indirect coefficient.

The impact of organizational culture on employee performance via employee engagement produces t-statistics of 2.446. The test findings signify t-statistics $>$ t-table (1.96) and the p-value below 0.05. This implies a significant influence of organizational culture on employee performance via em-

Table 6. Indirect effect test results

Independent variables	Intervening 1	Intervening 2	Dependent variables	Indirect Coef	SE	T-stat	p-value	Sig
Organizational culture	Organizational learning		Employee performance	0.214	0.064	3.322	0.000	Sig
Organizational culture	Employee engagement		Employee performance	0.091	0.037	2.446	0.000	Sig
Organizational culture	Organizational learning	Employee engagement	Employee performance	0.141	0.048	2.950	0.012	Sig

employee engagement. Thus, employee engagement mediates the relationship between organizational culture and employee performance. Referring to the direct effect test that organizational culture significantly affects employee performance, employee engagement acts as a partial mediator, accounting for 9% based on the value of the indirect coefficient.

The effect of organizational culture on employee performance via organizational learning and employee engagement produces statistics of 2.950. The test findings signify t -statistics $>$ t -table (1.96) and the p -value below 0.05. This implies a significant influence of organizational culture on employee performance via employee engagement and organizational learning. More precisely, employee engagement and organizational learning can facilitate the mediation of organizational culture's effect on employee performance by 14% based on the value of the indirect coefficient (hypothesis 4 and 5 are accepted).

4. DISCUSSION

Organizational culture can serve as a cognition standard or interpretation to influence the effectiveness of organizational learning. The culture that drives changes is an important feature to support organizational learning. Especially in a competitive environment, organizations need a flexible culture to promote collaboration and learning among their members (Azadi et al., 2013). Learning is a positive process contained in organizational culture (Setiawan, 2022). Organizational culture plays a significant role in facilitating the process of learning, whereas as a way to be able to develop, organizational learning is more of a journey or process, not a goal. Thus, it requires changes in organizational culture (Senge, 2002). Organizational culture is interested in maintaining the organization's existence and success by balancing the demands for suitable adjustments to the external environment, which are simultaneously supported by in order to maintain the internal integration of the organization. The principle of balance is also adhered to in managing the need for change on the one hand and regularity or predictability on the other. Failing organizations tend to overemphasize one and ignore the oth-

er. For example, the organization maintains too many rules so that it experiences the status quo and authoritarianism and fails to make changes. On the other hand, organizations that place too much emphasis on change and freedom (democracy) without paying due attention to minimal arrangements for internal integration can end up in anarchic or anomalous situations. That is the need for continuous improvement, where organizational culture is not on the extreme right and extreme left but can balance with learning efforts.

The desire to learn does not make it rigid on one side; it has a high level of flexibility and is capable of adjusting to changes in the social environment. Organizational culture has a positive influence on the organizational learning of bank employees. Employees can carry out the learning process if there is a supportive and conducive organizational culture. Organizational culture in banks has a positive impact on employees, especially on organizational learning. These findings confirm the outcomes of Schein (2010), Setiawan (2022), Senge (2002), and Azadi et al. (2013). Organizational culture is capable of shaping the identity of its members, developing a feeling of comfort, and enhancing learning; organizational culture also requires sustainable change, which means experiencing changes slowly through the learning process.

Employee engagement is intricately connected to organizational culture. When the corporate culture aligns with employee expectations, it fosters high employee engagement. Conversely, if the organizational culture fails to meet employee expectations, it leads to low employee engagement (Kazimoto, 2016). Employee engagement initiates with employees experiencing a sense of ease and belonging within an organization. This comfort is fostered through an inclusive culture, a supportive workplace atmosphere, and effective communication among employees, leaders, and colleagues (Kazimoto, 2016; Dajani, 2015). Acquiring employee engagement proves to be a challenging endeavor for organizations. Employees often prioritize personal career growth over commitment to the organization. When presented with alternative workplaces that offer faster career advancement and greater opportunities, employees readily consider job transitions without hesitation.

Compared to past generations, employees are in different situations. The previous generation of employees had many considerations for staying in the workplace, and these considerations were not only salary and welfare levels, in contrast to the current generation. Employment is not just about earning a livelihood but also about prestige, reputation, self-actualization, receiving acknowledgment, and other factors of consideration that are very different from employees of the previous generation. The outcomes of this study state that when organizational culture creates a pleasant atmosphere for employees, it can impact employee engagement (Kazimoto, 2016; Dajani, 2015). These results are also in line with social identity theory, where employees pick an institution for themselves; one of the considerations is that the institution yields a strong and positive identity for employees. A robust and positive identity can be understood as the organization's support for employees, enabling them to freely express themselves, be creative, and foster a sense of comfort in the workplace. Supporting Al Mehrzi and Singh (2016), an organization serves as a platform for fostering engagement, achieved through aligning vision and values, adhering to organizational culture, and establishing a reputable brand/image.

Organizational culture influences employee performance. Since organizational culture is dynamic, a decline in organizational culture can adversely affect employee performance, leading to a decrease in productivity (Saeed et al., 2013). This is because organizational culture is a set of values, principles,

and guidelines that shape employees' daily work activities. A good organizational culture will help ease the process for employees to adapt immediately in the event of a cultural shift, where leaders can make worry-free decisions about conflicting with the prevailing organizational culture, facilitating a seamless decision-making process. An influential organizational culture will lead to employee satisfaction. Employees who are satisfied with their organization will give their whole heart and energy to support achieving organizational goals (Ehtesham et al., 2011).

Employees can easily follow a good organizational culture to adjust and perform according to organizational goals. Several organizations experienced a performance decline due to employees needing help to correctly perceive the organizational culture that was formed (Nikpour, 2017). This is also in line with social exchange theory, where if employees get the comfort created by an appropriate and robust organizational culture, then employees will make a positive contribution to the organization through good performance. Consistent with Syafii et al. (2015), the study demonstrates that organizational culture significantly impacts employee performance. Organizational culture plays a pivotal role in shaping the effectiveness of company management by serving as a tool for mobilizing organizational members, enhancing the ability to work as a team, and motivating individuals within the organization to perform optimally in pursuit of organizational objectives (Ehtesham et al., 2011).

CONCLUSION

The study aimed to assess the effect of organizational culture on organizational learning, employee engagement, and employee performance in the banking sphere of Indonesia. The outcomes revealed that organizational culture had a notable and highly significant impact on organizational learning. This indicates that the application of organizational culture in banking affects organizational learning in daily activities at work. Management needs to provide a work culture with a conducive atmosphere that provides opportunities, time, and resources for employees to carry out the learning process on an ongoing basis. Employees consider that individually, they have the opportunity to develop their careers and improve their competence, as seen from the open attitude of leaders to discuss the opportunities for employees to take part in training, seminars, and other activities, as well as easy access to information obtained with IT support provided by the organization.

The study's findings indicate a substantial correlation between organizational culture and employee engagement. One possible reason for employee engagement is the organizational culture that supports

employees to feel confident about being involved with the organization. There are work rules, division of labor, clear authority for employees to minimize friction between employees, building teamwork to provide the habit of mutual discussion, transfer of knowledge, and feelings of empathy for fellow friends, as well as other situations in the organization where employees feel comfortable. Also related to social identity, working in a bank provides support for employee social identity, and there is a social exchange value deemed appropriate for the sacrifices made by employees with awards given by the organization in return, so management needs to consider employee needs to create employee engagement.

The study's outcomes demonstrate organizational culture's significant and positive influence on employee performance. As a continuation of the previous contribution, if the employee chooses to engage, the higher phase is the optimal employee performance. If employee performance is optimal, the opportunity for better organizational performance is also huge. Concerning employees, if organizational performance increases year by year, it correlates with the condition of employees, such as guarantees for high job continuity; the possibility of employee welfare levels is also high. So, management must always try to maintain and improve organizational performance by providing opportunities for employees to stay involved.

AUTHOR CONTRIBUTIONS

Conceptualization: Halid Hasan.

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