

ANALYSIS OF LEARNING ORGANIZATION TO IMPROVE QUALITY PERFORMANCE THROUGH WORK ENGAGEMENT

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Abstract

This study aims to analyze the effect of learning organizations on employee performance, the influence of learning organizations on work engagement, and the effect of work engagement on the quality of employee performance at the Bank. The population in this study are Bank employees. The sampling technique used was purposive sampling by setting the criteria for permanent employees and working time is at least 1 year, so the sample in this study amounted to 246 employees. The data analysis method used is Partial Least Square (PLS) using SmartPLS software version 3.2.6. The results of this study indicate that the learning organization has a positive and not significant effect on employee performance, the learning organization has a positive and significant effect on work engagement, and work engagement has a positive and significant effect employees. Companies can continuously make efforts to build awareness of learning to employees to achieve good performance from employees

Keyword: Employee performance, learning organization, work engagement

Introduction

Organizations or companies in the current era of globalization require management, and can be said in every organization or company has management in order to achieve the goals set by the organization or company through the efforts undertaken. This is in accordance with the definition of management, namely science and art regulating the process of utilizing Human Resources and other resources effectively and efficiently to achieve a certain goal (Hasibuan, 2009: 1). With management, an organization or company will be facilitated in achieving the goals set. In the end the category of success or failure of an organization or company in order to achieve the goals of the organization or company depends on each individual in carrying out their duties in the company.

Every individual as a member in an organization or company is the key in carrying out and achieving company goals, this is certainly related to the competence of Human Resources (HR) that is key in facing the era of the industrial revolution 4.0 (Triyoga and Fajri, Viva.co.id , 2018). Every company member is expected to implement company activities in the context of achieving goals. So that Human Resources is currently not only functioned as a means of company production, but serves as an important indicator of the company to achieve company goals. It is often said that an organization's vital assets for a company are Human Resources, therefore the role and function of Human Resources cannot be replaced by other resources. Although there is sophisticated technology, its implementation and operation

still requires Human Resources. So as to create a balance (balance) between the needs of employees with the demands and capabilities of the company's organization, the Human Resources owned by the company must be professionally empowered.

Professional resources that must be owned by the company can be seen from the performance of its employees. Performance is the result of quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to him (Mangkunegara, 2013: 67). Performance is associated with employee and organizational level results. Performance becomes an attractive variable for scholars and practitioners because of its impact on outcomes that affect the bottom line of the organization (Pandey, (2018); Titisari, Susanto, & Prajitiasari, (2018); Susanto, Suyatno, & Susetyarsi, (2017). To improve the performance of company employees, there are several things that must be considered by the company or organization so that employees can contribute in the realization of the goals set by the company.

Learning organization is one of the things that companies need to pay attention to that can be a trigger in improving employee performance. According to Khunsoonthornkit and Panjakajornsak (2018) learning organizations are organizations with a philosophy and resolution to create sustainable solutions and results, as well as to integrate and exchange perspectives with partners in order to promote the organization. Yadav and Agarwal (2016) define learning organization as an effort made by an organization or company to build learning awareness for its members to work together collectively to increase their capacity to create results that they truly care about. The company's culture is to build awareness of learning and to develop according to organizational strategy and to assimilate and modernize the organization. Learning Organization (LO) becomes a place to support employee learning process in developing their knowledge, so it can be said that Learning Organization (LO) can influence and even improve employee performance, because employees have been empowered with their knowledge through learning organizations conducted by the company. This is consistent with research conducted by Anggara et al. (2019) and Safitri et al. (2018) which shows that learning organization has a positive and significant effect on employee performance. The research is inversely proportional to the results of research conducted by Sumiarsih (2017) where the learning organization has no effect on employee performance. Based on several empirical studies, the first hypothesis in this study is as follows:

H1: Learning Organization affects the quality of employee performance

A survey study from the American Society for Training and Development (ASTD) found that a learning culture that supports, provides quality training, and helps leaders and managers with skills in coaching employees, allocating resources, and enhancing relationships that are important for increasing work engagement. Conceptually, learning organizations not only include core organizational variables in the innovation literature, such as work and leadership resources (through environmental connections, knowledge capturing systems, and strategic leadership), but also add promising and important dimensions of learning and collaboration to improve skills and employee involvement. The results of the study by Park et al. (2014), Nadeem et al. (2018), and Anwar and Niode (2017) who showed the results that a learning

organization had a significant effect on work engagement. Based on several empirical studies, the second hypothesis in this study is as follows:

H2: Learning Organization influences Work Engagement

Things that need to be considered by companies that can affect employee performance other than learning organizations are work engagement. Work engagement is the physical, psychological and personality conditions possessed by employees in carrying out their duties so that employees can make a maximum contribution to the success and success of the organization in achieving its goals (Bakker and Leiter, 2010: 1). Work engagement shows a positive and satisfying state of mind that is characterized by passion, dedication and absorption (Guan and Frenkel, 2018). From this definition, work engagement can be associated with the concept of motivation. When engaged, employees will feel compelled to try to achieve the goals set even those goals can change a challenge for employees to succeed in achieving these goals. Work engagement reflects the personality that employees bring to their work, so employees have the capacity to be energetic for their work or lead to employee performance. The results of the study by Astuti et al. (2016) showed work engagement had a positive and significant effect on employee performance. The results of these studies differ from those of Guan and Frenkel (2018) which show that work engagement has no effect on employee performance. Based on several empirical studies, the third hypothesis in this study is as follows:

H3: Work Engagement Affects the quality of employee performance

The problem with work engagement is that employees feel that working in a bank requires a fast rhythm both in terms of service and others in a lot of workloads, with this fast rhythm employees must also avoid risks that can arise. From this there are pressures within employees that cause employees to be less motivated in contributing to the company and have an impact on completing tasks that exceed the set working hours, so that it can result in decreased employee performance quality.

Based on the background, objectives, and research hypotheses that have been described, the research model in this study is shown in Figure 1.

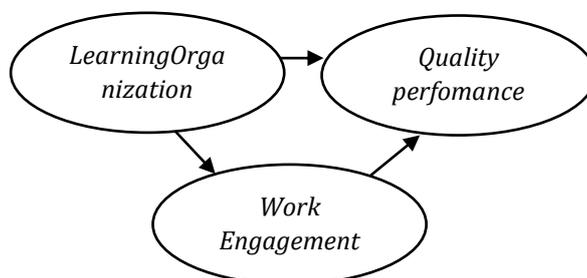


Figure 1. Research Model

Source: research model processed 2019

Methodology

This research is classified as an explanatory research, which explains the relationship between variables through testing the formulated hypothesis. The data analysis method used is Partial Least Square (PLS) using SmartPLS software.

The population in this study are Bank employees. The sampling technique used was purposive sampling with criteria of permanent employees and a minimum of 1 year work time, so that the sample in this study amounted to 246 employees. Source of data used in this study are primary data and secondary data. Primary data were obtained from respondents' responses to statements made by researchers while secondary data were obtained from articles, prior research. Measurement scale in this study uses a Likert scale, Likert scale is used to measure attitudes, opinions, perceptions of a person or group of people about social events or symptoms (Riduwan and Kuncoro, 2017: 20).

Result

Convergent Validity testing Result

The data validity test in this study was conducted by testing the convergent validity in Table 2. The loading factor value above 0.7 is stated as an ideal or valid measure as an indicator in measuring constructs, while values of 0.5 to 0.6 are still acceptable, and below 0.5 must be excluded from the model (Chin, 1998 in Ghozali and Latan, 2015).

Table1. Loading Factor

Latent Variable	Indicator		inf.
	Symbol	Loading Factor	
<i>Learning Organization</i>	X _{1.1}	0,721	Valid
	X _{1.2}	0,892	Valid
	X _{1.3}	0,844	Valid
	X _{1.4}	0,844	Valid
	X _{1.5}	0,625	Valid
	X _{1.6}	0,614	Valid
	X _{1.7}	0,751	Valid
<i>Work Engagement</i>	Z _{1.1}	0,893	Valid
	Z _{1.2}	0,812	Valid
	Z _{1.3}	0,782	Valid
Quality Performance	Y _{1.1}	0,837	Valid
	Y _{1.2}	0,823	Valid
	Y _{1.3}	0,857	Valid
	Y _{1.4}	0,854	Valid

Source: processed data 2019

Based on Table 1. each indicator has a loading factor value greater than 0.5 which means that the indicators used in this study are valid or valid for use as data collectors.

In addition to loading factors, to meet the convergence validity testing the Average Variance Extracted (AVE) value must be greater than 0.5. Average Variance Extracted (AVE) values are presented in Table 3 obtained from PLS Algorithm calculations.

Table2. Nilai AVE

Variable	AVE Value	Inf.
<i>Learning Organization</i>	0,582	Valid
<i>Work Engagement</i>	0,689	Valid
Quality Performance	0,711	Valid

Source: processed data 2019

Based on Table 2. it can be concluded that all construct values are feasible or valid for use.

Reliability Test

The reliability test results are presented in Table 3. Based on Table 3. The reliability test shows the composite reliability value for the learning organization, work engagement, and employee performance variables above 0.7, which means that the indicators used in this study are reliable. Cronbach's Alpha values for learning organization, work engagement, and performance variables above 0.5, which means that the indicators used in this study are reliable.

Table 3. Nilai Composite Reliability dan Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha	Inf.
<i>Learning Organization</i>	0,905	0,884	Reliable
<i>Work Engagement</i>	0,869	0,772	Reliable
<i>Quality Performance</i>	0,908	0,864	Reliable

Source: processed data 2019

Hypotheses Testing

Based on the results by data using PLS, a summary of the results of hypothesis testing is produced in table 5. The significance of the structural model is assessed by comparing t-statistics with t-tables. T-table is sought at $\alpha = 5\%$ with degrees of freedom (df) = nk, where n is the number of samples, and k is the number of variables used in the study, so the degree of freedom (df) = 46-3 = 43. The results of t - the study table was 2.01.

Table 4. Hypothesis Test Results

H	Hypothesis	Coefficient Value	T-Statistic	T-Tabel	P Values	Information
H1	Learning Organization → Quality Performance	0,070	0,938	2,01	0,353	H0 Accepted H1 Rejected
H2	Learning Organization → Work Engagement	0,446	4,178	2,01	0,000	H0 Rejected H2 Accepted

H3	Work Engagement → Quality Performance	0,835	13,070	2,01	0,000	H0 rejected H3 Accepted
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Source: processed data 2019

Testing the hypothesis H1, learning organization (X) has a positive and not significant effect on employee performance (Y) produces a coefficient value of 0.070 and a t-statistic value of 0.938 is smaller than the t-table value of 2.01 with $\alpha = 5\%$, which means that learning organization does not affect the quality of employee performance. Testing the hypothesis H2, learning organization (X) has a positive and significant effect on work engagement (Z) resulting in a coefficient of 0.446 and a t-statistic value of 4.178 greater than the t-table value of 2.01 with $\alpha = 5\%$, which means that learning organization influences work. Testing the hypothesis H3, work engagement (Z) has a positive and significant effect on the quality of employee performance (Y) resulting in a coefficient value of 0.835 and a t-statistic value of 13.070 greater than the t-table value of 2.01 with $\alpha = 5\%$, which means that work engagement affects the quality of employee performance.

Indirect Effects

The results of testing the indirect effect are presented in table 65

Table5. Indirect Effects

Variable	Coefficient	T-Statistic	T-Table
Learning Organization → Quality Performance	0,373	4,113	2,01
→ Work Engagement			

Source: processed data 2019

Table 5 shows the magnitude of the indirect effects learning organization (X) on the quality of employee performance (Y) through work engagement (Z) of 0.373 and the t-statistic value 4.113 is greater than the t-table value of 2.01 with $\alpha = 5\%$. Based on the results of indirect effect testing, there is an indirect effect on the effect of learning organizations on the quality of employee performance through work engagement on employees.

Total Effects

The results of testing the total effects are presented in table 6.

Table 6. Total Effects Test Results

Variable	Coefficient Value	T-Statistic	T- Table
Learning Organization → Quality Performance	0,442	3,841	2,01
Learning Organization → Work Engagement	0,446	4,178	2,01
Work Engagement → Quality Performance	0,835	13,070	2,01

Source: processed data 2019

Table 6. explains that there are total effects learning organization (X) on employee performance (Y) resulting in a coefficient value of 0.442 and a t-statistic value of 3.841 greater than t-table 2.01 with $\alpha = 5\%$. The total effects learning organization (X) on work engagement (Z) is 0.446 and the t-statistic value is greater than t-table 2.01 with $\alpha = 5\%$, while the total effects of work engagement (Z) on the quality of employee performance (Y) produce a coefficient value of 0.835 and a statistical value greater than t-table 2.01 with $\alpha = 5\%$.

Coefficient of Determination (R2)

Hasil pengujian PLS algorithm untuk koefisien determinasi (R2) disajikan pada tabel 8.

Table 7. Determination Coefficient Value

Variable	R2
Work Engagement	0,199
Quality Performance	0,755

Source: processed data 2019

Based on Table 7. it is known that the coefficient of determination (R2) work engagement (Z) = 1.999. This shows that the influence of learning organization (X) on work engagement (Z) of 19.9%, while the usual amount of 80.1% is influenced by other variables outside of this study or those not examined in this study. The coefficient of determination (R2) The quality of employee performance (Y) = 0.755. This shows that the influence of learning organization (X) and work engagement (Z) on the quality of employee performance (Y) of 75.5%, while the remaining 24.5% is influenced by other variables outside this study or those not examined in this study .

Predictive Relevance (Q2)

The accuracy of the structural model is also measured by the value of Predictive Relevance (Q2). Obtained Q2 value = $1 - (1 - 0,199) (1 - 0,755) = 0,803755$. Q2 value > 0 which indicates that the model has Predictive Relevance (Q2) or can be said to be a fairly fit model.

The Effect of Learning Organizations on the Quality of Employee Performance

The results of the first hypothesis (H1) test show that learning organization has a positive and not significant effect on the quality of employee performance. A positive effect is indicated by a positive correlation coefficient of 0.070 while insignificant results are indicated by a t-statistic value of 0.938 smaller than the t-table value of 2.01 with $\alpha = 5\%$.

The results of this study explain that the learning organization which is a container in the employee learning process jointly facilitated by the company does not have an impact on the quality of employee performance. This is due to the lack of employee participation in participating in a series of events such as learning activities organized by the company. Even though there is a Mobile E-Catalog that serves as a history of employee competency filling and development activities, online learning activity registration, monitoring of learning activities, approval of learning activities by supervision, online attendance and online learning evaluation, there are still only a few employees who are engaged in carrying out a series of Learning Activities.

In addition, not all of the technology systems related to learning organizations owned by the Mobile E-Catalog are installed on employees' smartphones. Some employees who are reluctant to install the application on their smartphone will get very little information about learning activities organized by the company. Learning activities organized by the company are of course to maximize the quality of employee performance. So that if employees are reluctant to follow and have little information about learning activities will greatly affect the quality of employee performance, for example, it will cause a gap of knowledge between each employee in completing work that is charged by the company to employees.

This study is consistent with research conducted by Sumiarsih (2017) which shows the results that a learning organization does not affect employee performance. Where in the company's learning organization constantly adjusting and changing to increase the capacity of employees, it is hoped that each employee will exchange ideas and opinions in increasing knowledge capacity of employees in order to complete the tasks assigned by the company to employees. But from this the employee considers unable to be himself because as if the things done by this company become demands for employees that must be agreed upon by employees, so that learning organizations do not affect employee performance.

Based on the results of indirect effects testing shows that learning organization (X) has a positive and significant effect on employee performance (Y) through work engagement (Z). A positive effect is indicated by a positive correlation coefficient of 0.373. While the significant results showed the t-statistic value of 4.113 was greater than the t-table value of 2.01 with $\alpha = 5\%$. So it can be said that there is an indirect effect on the effect of learning organization on employee performance through employee engagement. This study is in

accordance with research conducted by Park et al. (2014) which shows that work engagement is able to be an intervening variable. Likewise with research conducted by Nadeem et al. (2018) which also showed work engagement as an intervening variable in his research. Where the higher awareness owned by the company in increasing the capacity of competence or learning for its employees, it will further increase the high work engagement of employees in providing maximum contribution to the company so that it will have an impact on improving performance.

The Effect of Learning Organization on Work Engagement

In the second hypothesis test result (H2) shows that learning organization has a positive and significant effect on work engagement. A positive effect is indicated by a positive correlation coefficient of 0.446 while significant results are indicated by the t-statistic value of 4.178 greater than the t-table value of 2.01 with $\alpha = 5\%$.

The results of this study prove that the higher the learning organization that is owned, the better work engagement for employees. Learning organization in the form of learning activities organized by the company to employees will affect employee engagement, where employees will feel compelled to complete their work beyond what the company has targeted. Learning activities in the context of this learning organization are carried out jointly by all employees, so that each employee will be bound and feel happy, happy, enthusiastic, focused and truly involve himself as an employee to contribute more in completing their work.

As is the case, it was found that a learning culture that is very supportive in increasing employee knowledge capacity, and enhancing relationships between employees is important for increasing work engagement. This learning organization will be able to foster encouragement to employees to be involved both physically and emotionally in order to achieve company goals.

This study is in accordance with research conducted by Park et al. (2014) which shows that learning organizations significantly influence work engagement. Likewise with research conducted by Anwar and Niode (2017) which shows the results that a learning organization has a significant effect on work engagement. It can be interpreted that if the higher the learning organization, the work engagement will increase, and vice versa if the lower the learning organization, the lower work engagement will be. Learning organization as a combination of continuous learning opportunities, promoting inquiry and dialogue, encouraging collaboration and team learning, empowering people toward a collective person, creating systems to capture and share learning, connect the organization to its environment, and provide strategic leadership for learning (Marsick and Watkins, 2003) This can be applied to the success of the company and the personal contribution of employees to the company.

The Effect of Work Engagement on the Quality of Employee Performance

The results of the third hypothesis test (H3) show that work engagement has a positive and significant effect on the quality of employee performance. A positive effect is indicated by a

positive correlation coefficient of 0.835 while significant results are indicated by a t-statistic value of 13.070 greater than the t-table value of 2.01 with $\alpha = 5\%$.

The results of this study prove that the higher work engagement owned by employees will make the quality of employee performance better. The dimensions of work engagement that employees have such as vigor, dedication, and absorption (Schaufeli et al. 2002) affect the quality of performance.

One factor that affects the quality of employee performance is work engagement. When engaged, employees will feel compelled to try to achieve the goals set even those goals can change a challenge for employees to succeed in achieving these goals. This also relates to the stamina, enthusiasm, joy and concentration possessed by employees in completing their work. Where with this, both physically and emotionally employees will provide a maximum contribution to their work in order to achieve the goals set by the company, so it can be said the quality of employee performance will improve.

This study is in accordance with research conducted by Astuti et al. (2016) which shows the results that work engagement has a positive and significant effect on the quality of employee performance. So that the higher the work engagement, the employee performance will be high, and vice versa if the lower the work engagement, the employee performance will be low.

Discussion

Based on the results of research and discussion, it can be concluded that the learning organization has a positive and not significant effect on the quality of employee performance. The results of this study explain that learning organization does not influence the quality of employee performance. Learning organization has a positive and significant effect on employee engagement. The results of this study prove that the higher the learning organization, the higher the quality of employee performance and vice versa. Work engagement has a positive and significant effect on the quality of employee performance. The results of this study prove that the higher work engagement owned by employees, the higher the quality of employee performance and vice versa.

The advice that can be given from the results of this research for the company is that the company should be able to provide a forum for employees to continue to improve the capacity of knowledge possessed by employees so that the performance owned by employees will also increase. Not only focus on results, but by providing comfort, clear information and appreciation so that employees voluntarily get involved in completing their work and make maximum contributions.

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