

THE EFFECT OF ORGANIZATIONAL RESOURCES, WORK INVOLVEMENT ON EMPLOYEE PERFORMANCE AND CUSTOMER LOYALTY WITH THE ROLE OF SERVICE CLIMATE

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ABSTRACT

Quality human resources will basically be able to help the organization achieve its goals. Employees create a key element for organizations to achieve sustainable competitive advantage in today's dynamic and changing operating conditions. Every company wants its employees to have high loyalty and dedication to performance and the company, high loyalty can determine the company's progress and decline in the future. In addition to the need to increase employee loyalty, companies also need to create a conducive climate in the management of an organization or company. This study took a sample of 100 samples and used the Structural Equation Modeling (PLS –SEM) Data Analysis Method. SEM is one of the areas of statistical study that can be used to address research problems, where independent variables and response variables are immeasurable variables. The result of the PLS is that only the P Value is below 0.200, meaning that all variables influence each other strongly.

Keywords: organizational resources, work involvement, service climate, employee performance, customer loyalty.

INTRODUCTIONS

An important element in the organization is its human resources. This element is very important and needed in an organization. Quality human resources will basically be able to help the organization achieve its goals. If there are no human resources, the company's goals will not be achieved and the company's success will not be. The role of human resources here is to control the elements in the company such as capital and technology (Indrawan & Dewi, 2014). Failure to manage human resources can result in disruption in the achievement of goals within



the organization, both in terms of performance, profits, and the survival of the organization (Mora et al., 2020).

According to Arya & Sainy (2017) Employees create a key element for organizations to achieve sustainable competitive advantage in today's dynamic and changing operating conditions. With increasingly competitive markets, globalization, uncertain economic climate, demands for rapid change, organizations face significant challenges in pursuing business success (Yuliani & Katim, 2017). Researchers have clearly demonstrated that employee engagement is associated with a variety of positive individual and organizational outcomes (Albrecht et al., 2018). Meta-analytic studies have shown, that engagement is strongly associated with increased employee well-being, extra role performance, and reduced turnover. More broadly, evidence and arguments have been presented to promote engagement as a major source of competitive advantage and financial profitability (Albrecht et al., 2018). Therefore, studies on employee engagement continue to receive a lot of attention from researchers and practitioners. There is also evidence that the expectations of employers and employees are different from the past. Therefore, in increasingly turbulent times, engagement may be a 'deal breaker' for organizations seeking continued success.

Nevertheless, there is a growing awareness that employee engagement is critical to successful commercial business performance, where engaged employees are "the backbone of a good work environment where people are diligent, ethical, and responsible" (Hunter et al. ., 2016). Organizations today are increasingly depending on knowledge creation and human development for their optimal and sustainable growth. Employee engagement is a big construction that touches almost all parts of human resource management as we know it today. If every part of human resources is not handled in a proper way, employees fail to fully engage in their work as a response to such mismanagement (Yuliani & Katim, 2017)

Currently, the climate of competition in the world of trade is increasingly felt. On the other hand, such rapid environmental changes are increasingly supporting the current competition. In the era of trade now many companies have developed. The main key to the company's progress can be seen how high customer loyalty is to the company. Because, customer loyalty is an asset and has an important role in a company. If every customer is loyal to a product company, it will be ensured that the product in that company will be increasingly recognized by the public. Customer loyalty (loyalty) is not formed in a short time but through the customer learning process. Based on the results of customer experience and knowledge in a consistent purchasing process over time that continues to repeat. Customer consistency can be said that customer loyalty has arisen (Kusumawati, 2017). The customer does not only act as a buyer of a product or service offered by a company, but the customer also acts as a steady source of income if he makes repeated and routine purchases, and recommends products or services offered by the company to friends, family and friends. relatives (Sutopoh* et al., 2022).



One of the steps that need to be taken by the company is to increase the loyalty of employees in dealing with these various competitions. Loyalty is the company's foundation in retaining its employees, loyalty can be interpreted as a person's loyalty to his company. If employee loyalty is high, he will feel aware of the obligation to use all facilities properly and maximize his abilities to encourage the company to achieve its goals. In addition, it can also be seen how employees always obey the rules set by the company and support each work program and carry out their duties to the fullest. Every company wants its employees to have high loyalty and dedication to performance and the company, high loyalty can determine the company's progress in the future. In addition to the need to increase employee loyalty, companies also need to create a conducive climate in the management of an organization or company. Organizational climate is something that can not be separated from an organization. Organizational climate is a condition that is accepted by individuals in the corporate environment and can determine the personality of employees in taking attitudes. By creating a good climate, it will increase trust, responsibility at work and can motivate employees to survive and be loyal to the company.

LITERATURE REVIEW

Organizational Resources

Organizations use their organizational resources as a means to achieve goals. Optimum use of organizational resources provides benefits in achieving efficiency in competition. Organizational resources that cannot be imitated are a source of performance to achieve sustainable competitive advantage (Shock et al., 2009). Organization according to (Yuliana, 2007) is a system of meanings, values and beliefs held together in an organization which is a reference for action and distinguishes one organization from another. Organizational culture is a shared perception held by members of the organization, and is a system of shared meaning. Given that organizational culture is an agreement with members in an organization or company so as to facilitate the birth of broader agreements for individual interests (Rumada & Utama, 2013). One of the tasks of the organization is to encourage its employees to have high morale and morale and be tenacious at work. Based on the opinions of the experts above, the authors conclude that the role of organizational culture in a company is very large. Organizational culture can be a meaning of the company, because organizational culture is a guideline for the behavior of every member of the organization, which becomes the basis for action and guides its employees in solving problems. A company can become big and strong if the company is able to build and maintain its organizational culture in carrying out company activities.



Work Engagement

Job involvement or work involvement is the relationship between employees in an organization. Work involvement is defined as an indicator that measures the degree of employee involvement in work and in the decision-making process. see important accomplishments for themselves. Highly engaged employees will be supportive of the type of work being done and care deeply about the work. Employees' high concern for work, their psychological attachment to work, and their strong belief in their ability to get work done can indicate that they are highly engaged in work. Employees who rarely attend work will feel less impartial at work, so they tend to work regularly. High work involvement allows employees to continue to improve performance which has an impact on employee performance (Widyacahya, 2018). At the same time, employees who are less engaged in work tend to leave the organization and/or lower their performance within the organization, and engage in jobs that face greater challenges outside their work area. Based on the opinions of the experts above, it can be concluded that work involvement is a participatory process that uses all the abilities of workers aimed at increasing commitment to the success of the company, so that members of the organization can participate, so that they understand their role in work. In this case, a person will participate and express himself physically and emotionally while working at the company (Mahadika & Hadi, 2018). Employee involvement has two benefits, namely: First, it increases the possibility of making good decisions, planning better or making improvements more effectively, because it also includes the views and ideas of people who are directly related to work situations. Second, employee participation can also increase the sense of ownership and responsibility in making decisions by involving those who have to carry out these decisions (Mahadika & Hadi, 2018).

Customer Loyalty

According to (Rozandy et al., 2013) customer loyalty is a deeply held commitment to repurchase or repatronize a preferred service product consistently in the future, regardless of situational influences and marketing efforts creating the potential to cause switching behavior. Meanwhile, according to (Rozandy et al., 2013) defines customer loyalty as the strength of the relationship between an individual's relative attitude to a unit (brand, service, store, or supplier) and repurchasing.) says loyalty is a process, at the end of the process, satisfaction has an effect on perceived quality, which can have an impact on loyalty and intentions for certain behaviors of a customer. Customer loyalty or customer loyalty is a commitment that is firmly held by customers to buy or promote a product in the form of goods or services consistently, this causes repeated purchases of the same brand, even though the customer gets situational influence or marketing from



competitors to change to another brand (Buwono, 2017). Customer loyalty is a customer who is said to be loyal or loyal if the customer shows regular buying behavior or there is a condition where the customer requires the customer to buy at least twice within a certain time interval. Customer loyalty is a repurchase solely involving purchasing the same brand repeatedly. Loyalty is customer loyalty given to the product that the product meets customer needs (Sutopoh* et al., 2022).

Service Climate

Service is an act, process, and performance (Reichenbach et al., 2019). According to (Mora et al., 2020), service is an activity directed at ensuring that the product is handled to obtain maximum capabilities, including response time and availability. Services are activities, benefits, or satisfactions offered at the time of sale, which are essentially invisible and invisible, and do not result in ownership of anything (Lita, 2010). (Rumada & Utama, 2013)) defines service as an action taken to meet the needs of other people whose level of satisfaction can only be felt by the person serving or being served. The services provided to customers must be of high quality. Quality can be interpreted as the overall nature and characteristics of a product or service related to its ability to meet and satisfy needs (American Society for Quality Control in Kotler and Armstrong, 1994). Quality or quality is a dynamic state associated with products, services, people, processes and environments that achieve or exceed expectations (Reichenbach et al., 2019) defines quality or quality as conformity of interests with customer or overall expectations.

Hypothesis

Relationship between Organizational Resources and Service Climate.

The research hypothesis compiled is as follows:

H1 : There is a significant relationship between Organizational Resources and Service Climate.

This can be proven by several previous studies according to (Yuliana, 2007), There is a very significant positive relationship between organizational climate and service quality for McDonald's Java employees. This relationship is shown from the number $r_{xy} = 0.789$ with $p = 0.000$ ($p < 0.01$). The existing relationship indicates that there is an increase in the organizational climate score or the higher and positive the existing organizational climate, the higher the score or level of service quality for McDonald's Java Mall employees. Conversely, the lower the organizational climate score or the more negative the organizational climate, the lower the level of service quality.



Subsequent research also provides reinforcement of the hypothesis that was built, namely the relationship between organizational climate, OCB organizational commitment and service quality have interrelated relationships. Organizational culture relations have a direct positive effect on service quality. Organizational commitment has a direct positive impact on service quality. Organizational citizenship behavior has a direct positive impact on the quality of its services. Organizational climate has a direct positive impact on organizational citizenship behavior. Organizational involvement has a direct positive effect on the behavior of organizational members. Organizational culture indirectly has a positive impact on service quality through behavior as organizational citizens. Organizational involvement indirectly has a positive impact on service quality through civic behavior (Efa Sri Wahyuni, n.d.).

The Relationship between Organizational Resources and Employee Performance.

The research hypothesis compiled is as follows:

H2 : There is a significant relationship between Organizational Resources and Employee Performance.

Based on data analysis and discussion of the effect of human relations on employee performance at PT Perkebunan Timbang Langsa, it can be concluded that human relations have a positive and significant effect on employee performance at PT Perkebunan Timbang Langsa. This shows that the better the relationship between employees, the better the impact on improving the performance of the employees themselves. The coefficient of determination (R^2) is 0.190 or 19.0%. This shows that the human relations variable affects the performance of employees at PT. Weigh Langsa Plantation of 19.0% (Latief et al., 2019).

Based on the results of research and data analysis it can be seen that there is a partial significant influence between organizational culture on employee performance of $0.0001 < 0.05$. This illustrates that the organizational culture applied to PT. PLN has influence on employee performance. Therefore, organizational culture is very necessary for companies to shape character and improve employee performance. By forming character, employees can work consistently and employee performance can increase (Dewi S et al., 2021).

The Relationship between Organizational Resources and Loyalty.

The research hypothesis compiled is as follows:

H3 : There is a significant relationship between Organizational Resources and Loyalty

This hypothesis is reinforced by several previous studies according to (Malik, 2013) Analysis of research data using regression analysis techniques using



SPSS version 20.0 for windows. The results of this study indicate that (1) there is a significant influence between organizational culture and work loyalty with turnover intention ($F = 80.022$, $R^2 = 0.302$, and $p = 0.000$), (2) meaning-facts that significantly influence organizational culture with intention turnover ($\beta = 0.811$, $t = 12.231$, and $p = 0.000$), (3) there is a significant effect between work loyalty and turnover intention ($\beta = 0.177$, $t = 2.674$, and $p = 0.009$).

The data and data analysis that has been presented in the results and discussion, shows the relationship between organizational culture and employee loyalty at SMA N 1 Tangerang Selatan. The normality test analysis showed that the data were normal, the correlation test analysis showed a very strong relationship between the two variables, with a correlation value of 0.932. Linear regression analysis shows the contribution of organizational culture to employee loyalty, where an increase in organizational culture variables has implications for increasing teacher and employee loyalty. The coefficient of determination test shows the level of influence of organizational culture is 86.8%, while the rest is 13.2% (Anggi Sinta, 2022).

Relationship between Performance Engagement and Service Climate.

The research hypothesis compiled is as follows:

H4 : There is a significant relationship between Performance Engagement and Service Climate.

This hypothesis is reinforced by several previous studies according to (Yusnita, 2021). This research uses quantitative data from a questionnaire that has been tested for validity and reliability. Regression analysis is used to determine the magnitude of the influence between variables. The findings in this study are that there is a positive influence of Organizational Climate on Commitment to the Profession. The next finding is that there is a positive influence of Organizational Climate on Work Involvement. Furthermore, there is also a positive influence of work involvement on commitment to the profession. In addition, there is a positive influence of Organizational Climate on Commitment to the Profession through Work Involvement. Based on these findings, several recommendations can be given to private tertiary institutions, especially those in Bogor City, to increase professional commitment through strengthening factors that can increase lecturer commitment to the profession.

Organizational climate was measured using a modified organizational climate questionnaire (OCQ). The instrument uses 5 Likert scales. The data analysis used is a path analysis test to find the relationship between organizational climate, burnout and performance, with the help of the AMOS program.6. The results showed that organizational climate had a significantly negative effect on burnout. Organizational climate has a significant positive influence on nurse performance. Burnout has a significantly negative effect on nurse performance. There is an



indirect effect of organizational climate on nurse performance through burnout (Asi, 2013).

The Relationship between Performance Engagement and Employee Performance.

The research hypothesis compiled is as follows:

H5: There is a significant relationship between Employee Engagement and Employee Performance.

According to (Hadi et al., 2020) the success of a company is inseparable from the performance of its employees and companies today are also increasingly dependent on employees' efforts to innovate. The challenge that will be faced by the company is how to maintain, adjust and develop the innovative behavior of its employees and is expected to have the ability to involve employees in their work properly. This study will examine the influence of innovative behavior and work involvement variables on employee performance. Observations were made using a random sampling technique of 100 people who were determined as the research sample. After processing the data through regression analysis using SPSS 24 for windows, the results of this study indicate that innovative behavior has a significant positive effect on employee performance, and work involvement has a significant positive effect on employee performance.

Based on the results of the partial regression coefficient significance test this study shows that involvement has a significant positive effect on performance. This study explains that work involvement can be one of the factors that can improve employee performance. The higher the work involvement, the higher the performance or vice versa. The more a person is involved in his work, the more he will be appreciated by both superiors and co-workers, so it will motivate him to compete. The higher the competition between individuals will further improve performance. The results of this study are in line with research conducted by Chughtai (2008) which states that work involvement has a positive and significant effect, and has a very high influence on performance. So push the rate employee engagement can be an effective strategy to improve performance (Riza, 2017).

Relationship between Performance Engagement and Loyalty.

H6 : There is a significant relationship between Performance Engagement and Loyalty.

Data analysis in this study used SPSS version 16. The sampling technique used was census, and the data testing technique used was validity test with factor analysis, reliability test with Alpha Cronbach. Classic assumption test to test and



prove the research hypothesis. Based on the results of the T test, it is known that employee involvement does not affect employee performance, employee loyalty does not affect employee performance, and teamwork has a significant effect on employee performance. Based on the F test, it is known that employee involvement, employee loyalty, and teamwork together have an influence and are not significant on employee performance. The results of the analysis of the coefficient of determination show that the contribution of validation X1, X2, and X3 in influencing Y is 12.1%, the remaining 87.9% is contributed by other variables not included in this study (Letsoin & Ratnasari, 2020).

The number of samples used in this study were 50 people using the saturated sample method. Data collection using a questionnaire. Data analysis technique using multiple linear regression. determination test, F test and hypothesis testing using the t test were carried out at a significance level of 5 percent. The results showed that employee engagement had a positive and significant effect on employee performance. Job loyalty has a positive and significant effect on employee performance. Timber cooperation has a positive and significant impact on the performance of CV employees. Sanitary Bali Pinangsia (Susanti et al., 2021).

METHODS

Research variable

Research Variable Variable is a concept about the attributes or characteristics contained in research subjects that vary both quantitatively and qualitatively. The variables in this study consist of independent variables, namely Organizational Resources (X1), Work Involvement (X2) and the dependent variable, namely Service Climate (Y1) Employee Performance (Y2) Customer Loyalty (Y3).

Population and Sample

According to Icam Sutisna (2020) the population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to study and then draw conclusions. Furthermore, Icam Sutisna (2020) explains that the population is the entire research subject. The population in this study is the customer. According to Icam Sutisna (2020) the sample is part of the number of characteristics possessed by the population used. If the population is large, and it is not possible for the researcher to study everything in the population, for example due to limited funds, manpower and time, the researcher can use samples taken from that population. What is learned from the sample, the conclusions will be applicable to the population. The sample in this



study randomly took regular and active customers for more than 1 year as many as 100 respondents.

Data Collection Techniques

The instruments used in this study as a data collection tool were questionnaires. This questionnaire is used to measure the customer satisfaction index. Questionnaires are a number of written questions used to obtain information from respondents (Arikunto 2002:128). Statements were prepared using a Likert scale with five respondents' answers to customer satisfaction, namely: Strongly Agree (SS), Agree (S), Undecided (RR), Disagree (TS), and Strongly Disagree (STS). The higher the score obtained, the higher the customer satisfaction index; conversely, the lower the score obtained, the lower the customer satisfaction index. Structural Equation Modeling (PLS-SEM) Data Analysis Techniques SEM is one of the areas of statistical study that can be used to address research problems where independent variables and response variables are immeasurable variables. SEM can simultaneously test a series of relationships that are relatively difficult to measure. The relationship in question is a relationship formed by one or more independent variables and one or more dependent variables. These variables can be latent variables, namely variables that cannot be measured directly, which are formed from several explanatory or manifest variables, namely variables that can be measured directly. SEM consists of two models, namely the structural model and the measurement model. The structural model shows the structure of causality between latent variables, while the measurement model is used to support the latent variables, which are confirmed by the dimensions of the explanatory variables. One of the SEM analysis techniques is SEM based on covariance (CBSEM) or SEM based on component or variance (PLS).

Theoretical Framework

The framework is a conceptual model of how the theory relates to the various factors that have been identified as important issues. The best frame of mind will theoretically explain the relationship between the variables to be studied. So, theoretically, it is necessary to explain the relationship between the independent (independent) variable and the dependent (dependent) variable. Based on the theoretical basis above, a framework of thought can be compiled, as presented in Figure 1.



RESULTS AND DISCUSSION

Respondent Profile

The demographic profile of the respondents in this study consists of their level of education, gender, and age. Table 1 presents the respondent profile based on the above criteria. Respondents based on educational level who were most dominant in this study were 70 respondents, or 70% of the total sample of 100 respondents. SMK/SMA amounted to 17 respondents, or 17% of the total sample of 100 respondents. Undergraduate degree 2 was completed by 11 respondents, or 11% of the total sample of 100 respondents. D3 is 2 respondents, or 2% of the total sample of 100 respondents.

Table 1 Respondents Profile

Information	Clasification Respondent	Amount
Gender	Men	65
	Female	35
Age	> 30 years old	9
	17 – 25 years old	52
	26 – 30 years old	39
Level of Education	D3	2
	S1	70
	S2	11
	SMA/SMK/Same level	17

Source: Data compilation



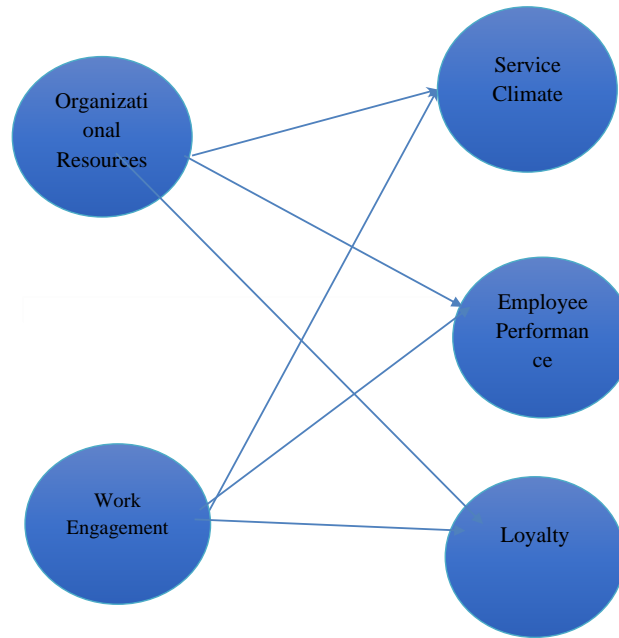


Figure 1. Theoretical Framework

Source: Data analysis

Based on the results of the analysis of the percentage of respondents, that is, the male sex is more dominant than the female in this research sample, namely 65 respondents or 65% (male). While female respondents amounted to 35 respondents, or 35% (female) of the total number of respondents (100 respondents), Respondents with age criteria have the most dominant age in this research sample of 52 respondents for age (17–25 years), or 52% of all respondents, namely 100%.



Table 2 Outer Loading

Question	Organizational Resources	Performance Engagement	Service Climate	Employee Performance	Loyalty
P1	0.786				
P2	0.707				
P3	0.786				
P4	0.786				
P5	0.701				
P6	0.738				
P7	0.746				
P8	0.736				
P9	0.753				
P10	0.785				
P11	0.763				
P12		0.738			
P13		0.785			
P14		0.729			
P15		0.707			
P16		0.707			
P17		0.735			
Q18		0.798			
P19		0.731			
P20		0.730			
P21		0.769			
P22		0.711			
P23		0.787			
P24		0.704			
P25		0.747			
P26		0.723			
P27		0.746			
P28		0.767			
P29			0.935		
P30			0.886		
P31			0.814		
P32			0.878		
P33				0.806	
P34				0.870	
P35				0.851	
P36				0.863	
P37				0.852	
P38				0.737	
P39					0.897
P40					0.883
P41					0.775

Source: Data analysis



PLS Analysis Results

Table 2 presents the output of outer loading on the variables Organizational Resources, Performance Engagement, Service Climate, Employee Performance, and Loyalty. Based on Table 2, the results obtained in outer loading value is $>$ than 0.700 meaning that all questions are valid. While Table 3 presents the results of R square, Table 4 displays the summarize of hypotheses testing. Figure 2 portrays the results of PLS output of the research model.

Table 3 R. Square

Variables	R-Square	Adj R-Square
Service Climate	0.416	0.404
Employee Performance	0.336	0.322
Loyalty	0.397	0.385

Source: Data analysis

Table 4. Hypothesis Testing

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
SDO -> Service Climate	0.476	0.434	0.138	3.445	0.001
SDO -> Employee Performance	0.409	0.375	0.148	2.770	0.006
SDO -> Loyalty	0.383	0.344	0.158	2.434	0.015
Performance Engagement -> Service Climate	0.356	0.353	0.117	3.053	0.002
Performance Engagement -> Employee Performance	0.343	0.353	0.132	2.603	0.010
Performance Engagement -> Loyalty	0.435	0.457	0.134	3.246	0.001

Source: Data analysis



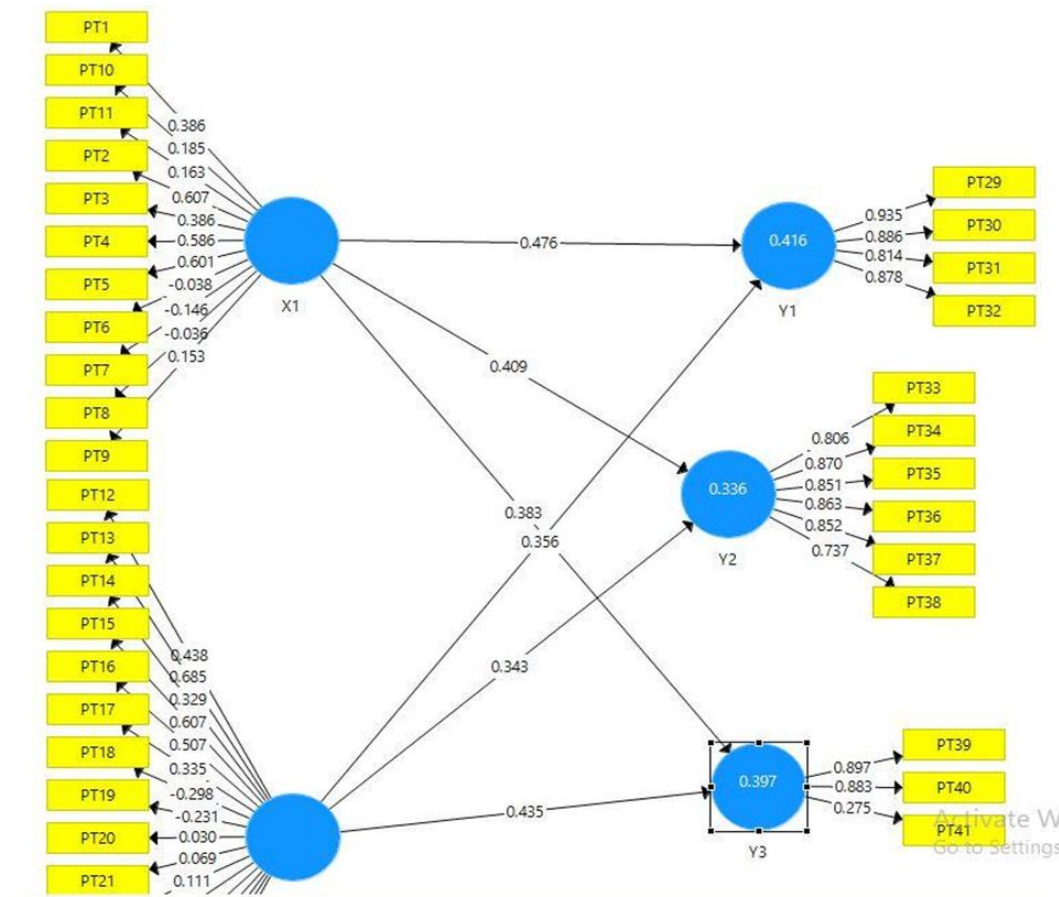


Figure 2. Research Model

Source: Smart-PLS Output

Information

X1 : Organizational Resources

X2 : Work Engagement

Y1 : Service Climate

Y2: Employee Performance

Y3: Customer Loyalty



DISCUSSION

Relationship of Organizational Resources with Service Climate.

Based on the results of the analysis from PLS, the test results state that the t-statistics value is 3.445 which means > 1.96 , then H1 is accepted. This shows that Organizational Resources have a positive and significant influence on Service Climate, meaning that if there is a change in the value of Organizational Resources, it also has an influence in line with changes in the service climate in other words if the Organizational Resources are running well there will be an increase in the Service Climate and statistically has a significant effect. From the results of data processing, it can be seen that the path coefficient value of Organizational Resources to Employee engagement is $0.001 < 0.200$, which means that Organizational Resources has a positive relationship to Service Climate with a degree of closeness of the relationship that is in the strong category.

Relationship between Organizational Resources and Employee Performance.

Based on the results of the analysis from PLS, the test results stated that the t-statistics value was 2.770 which means > 1.96 , then H2 was accepted. This shows that Organizational Resources have a positive and significant influence on Employee Performance, meaning that if there is a change in the value of Organizational Resources, it also has an influence in the direction of changes in Employee Performance in other words if Organizational Resources are going well there will be an increase in Employee Performance and statistically has a significant effect. From the results of data processing, it can be seen that the path coefficient value of Organizational Resources on Employee Performance is $0.006 < 0.200$, which means that Organizational Resources has a positive relationship to Employee Performance with a degree of closeness of the relationship that is in the strong category.

Relationship between Organizational Resources and Loyalty.

Based on the results of the analysis from PLS, the test results stated that the t-statistics value is 2.434 which means > 1.96 , then H3 is accepted. This shows that Organizational Resources have a positive and significant influence on Loyalty, meaning that if there is a change in the value of Organizational Resources, it also has a unidirectional influence on changes in Loyalty in other words if Organizational Resources are going well there will be an increase in Loyalty and statistically has a significant effect. From the results of data processing it can be seen that the path coefficient value of Organizational Resources to Loyalty is 0.015



<0.200 , which means that Organizational Resources has a positive relationship to Loyalty with a degree of closeness in the relationship that is in the strong category.

Performance Engagement Relationship with Service Climate.

Based on the results of the analysis from PLS, the test results state that the t-statistics value is 3.053 which means > 1.96 , then H4 is accepted, this shows that Performance Engagement has a positive and significant influence on Service Climate, meaning that if there is a change in the Performance Engagement value it also has a unidirectional influence on service climate change in other words if Performance Engagement goes well there will be an increase in Service Climate and has a statistically significant effect. From the results of data processing it can be seen that the path coefficient value of performance engagement on service climate is $0.002 < 0.200$, which means that performance engagement has a positive relationship to service climate with a degree of closeness of the relationship that is in the strong category.

Relationship between Performance Engagement and Employee Performance.

Based on the results of the analysis from PLS, the test results stated that the t-statistics value was 2.063 which means > 1.96 , then H5 was accepted. This shows that Performance Engagement has a positive and significant influence on Employee Performance, meaning that if there is a change in the Performance Engagement value it also has a unidirectional influence on changes in Employee Performance in other words if Performance Engagement goes well there will be an increase in Employee Performance and statistically has a significant effect. From the results of data processing, it can be seen that the path coefficient value of performance engagement on employee performance is $0.010 < 0.200$, which means that performance engagement has a positive relationship to employee performance with a degree of closeness in the relationship that is in the strong category.

Performance Engagement Relationship with Loyalty.

Based on the results of the analysis from PLS, the test results stated that the t-statistics value was 3.245 which means > 1.96 , then H6 was accepted, this shows that Performance Engagement has a positive and significant influence on Loyalty, meaning that if there is a change in the value of Performance Engagement it also has a unidirectional effect on changes in Loyalty in other words if Performance Engagement goes well there will be an increase in Loyalty and statistically has a significant effect. From the results of data processing, it can be seen that the path coefficient value of performance involvement on loyalty is $0.001 < 0.200$, which



means that performance involvement has a positive relationship to loyalty with a degree of closeness in the relationship that is in the strong category.

Impact on The Company

The results of the study have proven that employee work involvement can affect employee performance, so to improve employee performance related to work involvement it is necessary to increase the indicators that are perceived as low by respondents, namely active participation in work, by means of owners/leaders being more persuasive in conveying employee rights and obligations, besides that it can provide bonuses for employees who are diligent.

The results of the study have proven that employee loyalty can affect employee performance, so to improve employee performance related to loyalty, it is necessary to increase the indicators that are perceived as low by respondents, namely obedience and obedience, for this reason stricter supervision is needed by providing firmness to giving punishment which does not exist discriminatory. The results of the study have proven that employee loyalty can affect employee performance, so to improve employee performance related to teamwork it is necessary to increase the indicators that are perceived low by respondents, namely cooperation, for this reason it is necessary to make events that are family-friendly so that they can get to know the character of each employee.

CONCLUSIONS

Organizational Resources have a positive relationship with Service climate, with a degree of closeness that is in the strong category. Performance Engagement has a positive relationship with Service climate, with a degree of closeness that is in the strong category. Organizational Resources have a positive relationship with loyalty, with a degree of closeness that is in the strong category. Performance Engagement has a positive relationship with Service climate, with a degree of closeness that is in the strong category. Performance engagement has a positive relationship with employee performance, with a degree of closeness that is in the strong category. Performance Engagement has a positive relationship with loyalty, with a degree of closeness that is in the strong category.

This research provides updated references and provides input for companies to improve the above variables for better company management. The variables are Organizational Resources, Performance Engagement, Service Climate, Employee Performance, and Loyalty. So that respect for employees and company management has continuity and connectivity, and if the service is good, employee loyalty is high.



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