

## The Effect of Organizational Learning on Employee Performance Mediated by Organizational Commitment (Study at PT. Agung Jaya Internasional)

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**ABSTRACT :** Employee performance is a combination of the quality and quantity of results that employees have done for the company where they work. In order for employees to have good performance, companies need to pay attention to the factors that affect employee performance. The purpose of this study is to analyze the effect of organizational learning on employee performance with organizational commitment as a mediating variable. The research is conducted at PT Agung Jaya Internasional. The number of samples taken was 32 people, using saturated sample method. Data collection was carried out through interviews and questionnaires. The analysis technique used is descriptive analysis test and Partial Least Square (PLS). Based on the results, organizational learning has a positive and significant effect on employee performance, organizational learning has a positive and significant effect on organizational commitment, organizational commitment has a positive and significant effect on employee performance, and organizational commitment has a positive and significant effect in mediating between organizational learning and employee performance.

**Keywords** -*Organizational learning, organizational commitment, employee performance*

### I. INTRODUCTION

Currently, almost all countries in the world are facing the Covid-19 Pandemic. However, companies will still be competing to enter and try to dominate their respective target markets in various ways. Diamantidis & Chatzoglou (2019) argue that companies are starting to realize they need to develop unique dynamic characteristics in empowering their competitive advantage in order to survive in a changing market environment. Thus, companies today must focus more on exploiting their Human Resources (HR), especially on employee performance as a source of strategic advantage (Tarmidia et al., 2019). Dwipayana (2016) which states that HR is very important in the organization, for this reason, employee performance should be considered properly and fairly, so that employees can carry out their duties properly and the organization also gets maximum results. Companies certainly need good quality human resources who are able to adapt to the fluctuating surrounding conditions. In general, the success of a company can be seen from the performance of its employees, because if the employee's performance is low it will cause the company to suffer losses which can then end with the closure of the company (Latifa Hanim, 2016). Alefari et al. (2018) states that employee performance is a combination of the quality and quantity of results that employees have done aimed at the company where they work

Putra & Dewi (2020) defines employee performance as the results or achievements achieved by employees in carrying out the duties and responsibilities assigned to them in order to realize the goals, vision and mission of the organization. Employee performance can also be interpreted as tangible behavior that is displayed by everyone as work performance produced by employees according to their role in an organization or company (Sari, 2016) Competition in the world of work that is getting tougher requires companies to continue to improve their performance so that they can achieve company goals, one of which is being able to bring in profits which always increase every period (Natalia & Netra, 2020). So, it can be said that if the company has a tendency not to be able to achieve the company's targets within a certain period of time, then the company has an indication of problems in the performance of its employees.

In the midst of an unstable economic condition due to the Covid-19 pandemic, of course, it has an impact on most companies, such as the company PT Agung Jaya Internasional. Based on the results of interviews conducted with company owners, it was found that the company for the past 8 months had difficulty achieving the company's sales target. The condition of the Covid-19 pandemic has worsened the company's condition, where companies were forced to get around this condition by implementing new policies such as reducing company operating hours, reducing employee salaries, laying off a number of employees and limiting

training activities to reduce company expenses. These new policies are thought to have triggered a decrease in company productivity due to indications that employees are not getting optimal organizational learning from the company due to a reduction in the cost of providing training. Wollah et al. (2020) states that organizational learning has a positive effect on employee performance, which is generally characterized by high levels of employee attendance, achievement of company targets, and indirectly an increase in company profits.

Employee performance can be influenced, among others, by the organizational learning system implemented by the company (Meregawa & Suwandana, 2020). Keniten et al. (2016) defines organizational learning as an effort made by companies by utilizing information obtained to support company productivity, organizational learning is also said to be one of the strategic components in achieving long-term organizational success. Organizational learning is an effort made by both companies and employees to maintain and increase company productivity by adapting to environmental conditions that are always experiencing development, the right organizational learning system is considered to foster an atmosphere of creativity that will support competence and create superior performance.

Organizational learning is also defined as a learning process carried out by someone in the organization to improve themselves in order to expand their capabilities and also maintain the competitive advantage of the company, this of course has a direct positive effect on increasing company productivity (Tamunomiebi, Miebaka Dagogo Tende, 2020). Savitri & Alfizi (2019) stated that employee performance can be affected by organizational learning, this is because organizational learning is a process of empowering all existing knowledge and then developing it to gain new knowledge, which is expected to help improve employee performance and of course company productivity.

In addition to organizational learning, problems regarding employee performance can also be caused by the low organizational commitment of the employees. Ohana & Meyer (2016) state that the level of organizational commitment has a direct effect on individuals and on organizations, this can be seen in the level of work efficiency, individual and organizational performance, and changes in productivity. Increasing organizational commitment is important because if an employee has a low level of commitment, the employee tends to show an attitude of irresponsibility so that it can have an impact on decreasing company productivity. Ardiansyah & Afandi (2019) stated that commitment has a significant effect on employee performance, because an employee who has a strong desire to maintain his position in a company will always be willing to work hard to achieve company goals. Hendri (2019) states that the relationship between organizational learning and employee performance is not too close, therefore it is important to add variables that can strengthen relationships and determine the extent to which organizational learning can contribute to improving employee performance. Organizational commitment acts as a mediator in the relationship between organizational learning variables and employee performance, it is also based on research previously conducted by Hendri (2019) Anwar & Niode (2017) which states that organizational commitment is able to mediate the relationship between organizational learning and employee performance.

Then a mini pre-research survey was carried out on 6 employees of PT Agung Jaya Internasional showing that there were problems related to employee performance among employees of PT Agung Jaya Internasional. Most of the respondents stated that they did not agree with the statement items related to employee performance. This indicates a problem related to employee performance. In addition, it was found that there were problems with organizational learning and organizational commitment to employees, which was indicated by the respondent's disagreement on the statement that the company had encouragement in capacity building activities, as well as the disagreement on the statement that there was a feeling of being bound by employees to continue to stay in the company.

## II. HYPOTHESIS DEVELOPMENT

Organizational Learning has a very close relationship with employee performance, because the learning process in the organization can increase the knowledge and insight of its members which will have a direct impact on increasing organizational productivity. Patky (2020) show that organizational learning has a positive influence on employee performance, if an organization has good organizational learning abilities, the organization will tend to be more responsive to environmental changes and can create an advantage in competing with its competitors. Wollah et al. (2020) shows that organizational learning has a positive effect on employee performance because if employees get good learning facilities and there is a willingness from the employee to learn, the employee and organizational performance will increase. Savitri & Alfizi (2019) also show that organizational learning has a positive influence on employee performance. This influence has a direct impact on increasing the abilities (skills) of employees which are marked by the presence of new innovations.

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

The achievement of the learning process in the organization, of course, really depends on how much organizational commitment the individuals in the organization have. Yoon et al. (2018) stated that there is a positive relationship between the organizational learning process and organizational commitment to employees.

Ribeiro et al. (2018) which states that organizational learning has a positive effect on organizational commitment, explains that organizational learning is an activity that aims to increase knowledge and abilities so that employees are more productive, and all of this can be achieved with high commitment from the organization and employees by making regular improvements and continuously.

H2: Organizational Learning has a positive and significant effect on Organizational Commitment.

The organizational commitment possessed by employees can of course have a direct effect on the employee's performance, where the greater the organizational commitment or in other words the level of employee loyalty to the company, the performance or achievement of the employee will be maximized (Authar, 2019). Suharto & Hendri (2019), Arif et al. (2019), Eliyana et al. (2019) also stated that organizational commitment has a positive effect on employee performance. A person who has a high commitment will be seen from his behavior, one of which can be seen if the individual is loyal, shows positive behavior and works hard for the organization. These individuals will also display behaviors that will help the organization to achieve its goals by being part of the organization for a relatively long time.

H3: Organizational Commitment has a positive and significant effect on Employee Performance.

Hendri (2019) states that the relationship between organizational learning and employee performance is not too close, therefore it is important to add variables that can strengthen relationships and determine the extent to which organizational learning can contribute to improving employee performance. Therefore, the organizational commitment variable was chosen as a variable that acts as a mediator in the relationship between organizational learning variables and employee performance, this is also based on research previously conducted by Anwar & Niode (2017)

H4 : Organizational Commitment has a positive and significant effect in mediating between Organizational Learning and Employee Performance.

### III. METHODS

The population in this study are all employees of PT Agung Jaya Internasional, totaling 32 people. The sampling method used in this study is the saturated sample method. In this study, all populations of 32 employees of PT Agung Jaya Internasional are used as respondents. The data collected in this study using interviews and questionnaires. Measurement of respondents' answers is measured using a Likert scale. Data analysis using Partial Least Square (PLS). The independent variable in this study is organizational learning symbolized by X. The dependent variable in this study is employee performance symbolized by Y. The mediation variable in this study is organizational commitment symbolized by M

Employee performance in this study is all the achievements made by employees within a certain time period used by the company as a reference in measuring the level of company productivity. The indicators used in this study refer to the indicators described by Lusri & Siagian (2017): Accuracy in completing work, level of initiative at work, mental agility, time discipline and attendance. Organizational learning in this study is defined as the efforts made by companies in disseminating information or providing training to their employees which are useful for improving the quality of the company with indicators: information sharing patterns, climate investigation, learning practices, achievement mindset. Organizational commitment in this study is a psychological state of employees that can be reflected in the level of employee loyalty, and how the employee's attitude in accepting company goals. In this study, referring to the indicators mentioned by Phraseswari Dwika & Dewi Adnyani (2020): affective commitment, Continuance Commitment, Normative Commitment

### IV. RESULTS AND DISCUSSION

Characteristics of respondents, male respondents dominated with a percentage of 62.5 percent, while female respondents were 37.5 percent. The company's decision to employ employees who are dominated by male employees is because the work at PT Agung Jaya Internasional tends to be related to machines and requires extra manpower in the process. Respondents aged 29 - 32 years dominate with a percentage of 28.2 percent, because according to the company they tend to be more productive and innovative. The majority of respondents, 68.8 percent, have a high school degree, because they are considered to have sufficient and adequate abilities and skills to work in the company.

Overall employee performance has a total score of 2.85. This is shown by the majority of employees who always do their assignments on time, employees who always make alternative solutions when something goes wrong at work, employees who are able to work well together with other colleagues, employees who always come to work on time, and employees who is always present during working hours. This indicates that PT Agung Jaya Internasional has good employee performance and can be developed again through trainings and other development activities. The organizational learning assessment score is 2.68. The description of the

respondent's statement relates to employees who always get the latest information about company developments and the encouragement by the company to increase participation in capacity building activities and company capacity building. This shows that organizational learning within the company has been going on effectively and quite well, although most employees consider the delivery of information within the company to be less effective. Organizational commitment assessment score of 2.59. The results of the description of the respondents' assessment indicate that the majority of employees have feelings of loyalty to the company, and the majority of employees have feelings of being bound to continue to stay in the company. This may imply that the employees of PT Agung Jaya Internasional have a fairly high level of loyalty to the company, although most employees of PT Agung Jaya Internasional still feel less disadvantaged if they have to leave the company someday.

The R-square value of the employee performance variable is 0.615 which means that 61.5 percent of the variability of the employee performance construct is influenced by organizational learning variables and organizational commitment, while the remaining 38.5 percent is influenced by other variables outside the model. The R-square value of the organizational commitment variable is 0.478, meaning that 47.8 percent of the organizational commitment variable is influenced by organizational learning, while the remaining 52.2 percent is influenced by other variables outside the model. The indirect effect of organizational commitment in mediating organizational learning on employee performance is 0.337 with a t-statistic value greater than 1.96 and a P value less than 0.05, thus organizational commitment can significantly mediate the effect of organizational learning on employee performance. The effect of total organizational learning on employee performance is 0.701, with a t-statistic value of 8.955 and a P value of 0.000, this indicates a positive and significant effect.

**Table 1. Path Coefficient Test Results (Direct Effect Test Results)**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Organizational Learning -> Employee Performance	0,364	0,378	0,136	2,683	0,007
Organizational Learning -> Organizational commitment	0,691	0,703	0,083	8,299	0,000
Organizational commitment -> Employee performance	0,487	0,481	0,146	3,341	0,001

Source: processed data, 2020

Hypothesis 1 testing shows that the effect of organizational learning on employee performance is significant, namely with a t-statistic value of 2.683 (> 1.96) and a P value of 0.007 (<0.05). The path coefficient value is 0.364 which indicates that the effect of organizational learning on employee performance is positive. The **H1 is accepted** in this study which states that organizational learning has a positive and significant effect on employee performance. This is supported by the results of the description of organizational learning related to the delivery of the latest information to employees that goes well to employees, the encouragement of the company to employees to increase participation in capacity building and capacity building activities within the company, and the encouragement of the company for employees to achieve maximum work performance. This is indicated by improving the performance of PT Agung Jaya Internasional employees as shown by the employees' abilities, such as the attitude of employees who are always present on time, the ability of employees to work well with fellow colleagues, and the ability of employees to complete tasks on time. In addition, it can be concluded that PT Agung Jaya Internasional has been able to implement a fairly effective organizational learning system for its employees. This explains that the more effective organizational learning at PT Agung Jaya Internasional, which is shown by the effectiveness of information delivery patterns, climate investigations and learning practices, the better the performance of PT Agung Jaya Internasional employees.

Hypothesis 2 testing shows that the effect of organizational learning on organizational commitment is significant, namely with a t-statistic value of 8,299 (> 1.96) and a P value of 0,000 (<0.05). The path coefficient value is 0.691 which indicates that the effect of organizational learning on organizational commitment is positive so that **H2 is accepted**, meaning that organizational learning has a positive and significant effect on organizational commitment. This is supported by the results of the description of organizational learning related to the delivery of the latest information to employees that goes well to employees, the encouragement of the company to employees to increase participation in capacity building and capacity building activities within the company, and the encouragement of the company for employees to achieve maximum work performance. By increasing the organizational commitment possessed by employees of PT Agung Jaya Internasional, it is shown

by the majority of employees who express feelings of loyalty towards the company. So, it can be concluded that the more effective organizational learning at PT Agung Jaya Internasional, which is shown by the effectiveness of information delivery patterns, climate investigations and practices, the higher the organizational commitment of its employees.

Hypothesis 3 testing shows that the effect of organizational commitment on employee performance is significant, namely with a t-statistic value of 3.341 ( $> 1.96$ ) and a P value of 0.001 ( $< 0.05$ ). The path coefficient value is 0.487 which indicates that the effect of organizational commitment on employee performance is positive. **H3 is accepted**, which means organizational commitment has a positive and significant effect on employee performance. This explains that the higher the organizational commitment of the employees of PT Agung Jaya Internasional, the higher the employee performance of PT Agung Jaya Internasional. This relationship is supported by the results of the description of organizational commitment related to the majority of employees who have a high enough sense of loyalty to the company which is indicated to be able to influence the performance and productivity of PT Agung Jaya Internasional which can be seen from the ability of employees to be able to complete tasks carefully, the existence of efforts to meet company targets, as well as anticipating possible problems that may occur at work.

Based on the calculation of the VAF value in this study, the VAF value was 48%, thus it can be concluded that the variable organizational commitment partially mediates the effect of organizational learning on employee performance, So that **H4 is accepted**. This can be seen from the high level of loyalty or commitment of employees to the company so that employees always try to participate in various activities in order to increase their capacity and quality at work, which indirectly affects the increase in the quality of employee performance itself, which is shown by the ability of employees to understand directions. superiors well, are able to complete assigned tasks on time, always try to achieve company targets, and there are efforts from employees to create alternative solutions if something goes wrong in the job. Thus, it can be concluded that the more effective organizational learning is, the better employee performance is through high employee organizational commitment.

## V. CONCLUSION

Organizational learning has a positive and significant effect on employee performance. These results indicate that the more effective organizational learning is, the better employee performance. Organizational learning has a positive and significant effect on organizational commitment. These results indicate that the more effective organizational learning is, the higher the organizational commitment. Organizational commitment has a positive and significant effect on employee performance. These results indicate that the higher the organizational commitment, the better the employee's performance. Organizational commitment partially mediates the effect of organizational learning on employee performance. These results indicate the more effective organizational learning is, the better employee performance through high organizational commitment

Management can be maximized by paying more attention to the organizational learning system that has been applied and the implementation of new policies in order to increase the organizational commitment of employees so that later it can increase company productivity. Management needs to pay more attention to the flow of information dissemination within the company in order to maximize the results of organizational learning that takes place within the company. This can be done by determining and implementing an appropriate coordination flow within the company so that information can be spread effectively and evenly to all employees, so that later all employees can act in harmony and in accordance with the policies set by the company. Management can increase the organizational commitment of employees by deciding and implementing policies so that employees feel comfortable and benefited while joining the company. This can be done by providing fair employee rights, providing facilities appropriate to their work and also including the provision of an appropriate training system which is expected to later increase the organizational commitment of employees and indirectly can improve employee performance itself.

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