

The Impact of Employee Engagement, Perceived Organizational Support, and Employer Branding on Organizational Citizenship Behavior: The Mediation Role of Organizational Communication Satisfaction Study on State-Owned Enterprises (SOE) Employees in Indonesia

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ABSTRACT

State-owned Enterprises in Indonesia have a fairly tight level of competition between them in every sector of industry. One way to have strong competitiveness is to have superior human resources. Each State-owned Enterprises has a different method of developing their company's human resources. On the other hand, the Ministry of SOE proposed the new core values named "AKHLAK" to be implemented in all SOEs in Indonesia in order to enhance their human capital excellence. Consequently, each SOE should consider their approach towards the implementation of the AKHLAK core values, thus they would be able to implement the values optimally. This research aims to find the impact of employee engagement, perceived organizational support, and employer branding on organizational citizenship behaviour mediated by organizational communication satisfaction. This research uses a quantitative approach to answer the research questions and hypotheses. The sample of this research was 336 respondents of State-owned Enterprises employee that has a minimum of 1 (one) year experience. The findings in this study indicate that perceived organizational support, and employer branding has a significant effect on organizational communication satisfaction. In addition, organizational communication satisfaction has significantly mediated the effect of perceived organizational support and employer branding towards organizational citizenship behaviour.

Keywords: *Employee Engagement; Employer Branding; Perceived Organizational Support; Organizational Communication Satisfaction; Organizational Citizenship Behaviour*

1. INTRODUCTION

According to the Ministerial regulation of SOEs No. Per-4/MBU/03/2021, State-owned enterprises in Indonesia also known as Badan Usaha Milik Negara (BUMN) currently there are approximately 91 companies that are state-owned companies from 12 sectors including the financial services sector, infrastructure services sector, manufacturing industry, and many others. From each sector, of course, there is competition between each company. Therefore, one way for each company to increase its competitiveness is to improve the quality or competence of its human resources.

In order to improve the competence of its human resources, one of the efforts used is to apply the core values of AKHLAK. The implementation of HR AKHLAK core values has been regulated through the Circular of the Minister of SOEs 7/MBU/07/2020 dated July 1, 2020. AKHLAK itself consists of the core values of *Amanah*, Competent, Harmonious, Loyal, Adaptive, and Collaborative. These main values can be realized and reflected in various aspects of HR theory. One of them is by implementing Organizational citizenship behaviour or OCB. Therefore, there is a need for research and studies on what things can affect the emergence of OCB in employees, especially in this case are state-owned enterprises employees. Nevertheless, based on the Report

on the Implementation of AKHLAK in BUMN Phase 2 (ACT Consulting International, 2021) [1], it was reported that the implementation of 4 out of the 6 core values of *AKHLAK* are still low.

Therefore, there is a need for an in-depth study of organizational behaviour that can appear in SOE employees to improve the implementation of these core values. The topic of organizational behaviour that has recently been discussed and researched by practitioners and academics in the HR field is Organizational Citizenship Behaviour (OCB).

Existing literature shows that when employees are satisfied with the communication, effective working relationships can be built between superiors, subordinates, and co-workers [4]. With these findings, it is possible that organizational citizenship behaviour can be triggered by the existence of communication satisfaction within the organization or organizational communication satisfaction. According to an empirical study by Vercic [10], satisfaction with internal communication has a positive relationship with Employee Engagement, Perceived Organizational

Support, and strong Employer Branding. This means that increasing Employee Engagement, Perceived Organizational Support, and Employer Branding can increase internal communication satisfaction

This Research is expected to find the impact between Organizational Communication satisfaction and Organizational citizenship behaviour on State-owned Enterprises employees. Then find which aspect will give the most impact on developing OCB of the employee.

2. METHOD

This study aims to develop a previous research model. The added variable is Organizational Citizenship Behaviour to find the relationship and influence of three independent variables, namely Employee Engagement, Perceived Organizational Support, and Employer Branding on Organizational Citizenship Behaviour mediated by Organizational Communication Satisfaction, which then forms the following research model in Figure 1.

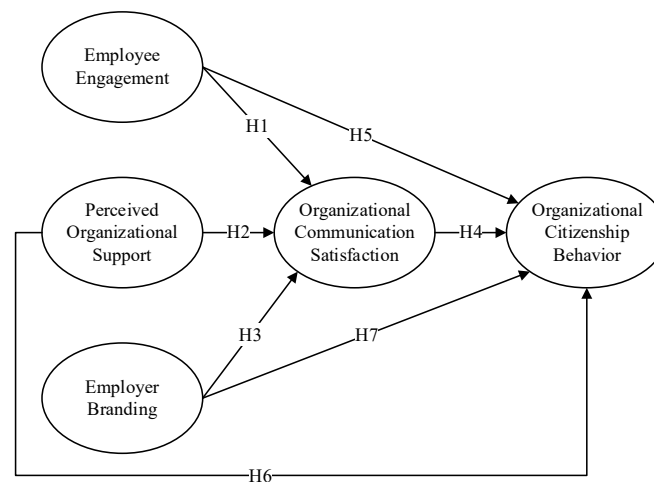


Figure 1 Research Framework

In this study, there are five variables consisting of three independent variables, namely Employee Engagement (EE), Employer Branding (EB), and Perceived Organizational Support (POS), one mediating variable, namely Organizational Communication Satisfaction (OCS), and one dependent variable, namely Organizational Citizenship Behaviour (OCB).

Based on the conceptual model of the research in Figure 1 the study will consist of seven hypotheses with a description for each hypothesis as follows:

- H1: Employee engagement has a positive effect on Organizational Communication Satisfaction
 H2: Employer Branding has a positive effect on Organizational Communication Satisfaction

- H3: Perceived Organizational Support has a positive effect on Organizational Communication Satisfaction
 H4: Organizational Communication Satisfaction has a positive effect on Organizational Citizenship Behaviour
 H5: Organizational Communication Satisfaction mediates the effect of Employee engagement on Organizational Citizenship Behaviour
 H6: Organizational Communication Satisfaction mediates the influence of Employer Branding on Organizational Citizenship Behaviour
 H7: Organizational Communication Satisfaction mediates the effect of Perceived Organizational Support on Organizational Citizenship Behaviour

The population is the overall scope consisting of subjects/objects that have the same characteristics that

will be the object of research. In this study, the population is all employees of State-Owned Enterprises (SOE). The number of samples used in this study refers to the rule of thumb Structural Equation Modelling (SEM) using the maximum likelihood method or $5 \times n$ where n is the number of indicators. The criteria for the employees of State-Owned Enterprises (SOE) as samples in this study are Indonesian Citizens (WNI) who work for SOE companies who have worked for at least 1 year. The tenure is considered important because it will provide more perspectives regarding their company

3. RESULT AND DISCUSSION

Results in this chapter, data analysis will be carried out and discuss the research results. It consists of a description of the research implementation, measurement analysis in the pre-testing phase in the form of validity

and reliability tests, respondent profile analysis, descriptive analysis, measurement model analysis, structural model analysis, mediation analysis, analysis of testing all research hypotheses, and ends with a discussion and research discussion.

3.1. Results

In the validity and reliability test, all the items for all the variables have an SLF higher than 0,5. It means all the items are valid. About the reliability, all the variable has $CR \geq 0.7$, and $VE \geq 0.5$ which means that all the variables are reliable. The structural model test indicated that some measurements for absolute fit, incremental fit, and parsimonious fit are in a good fit. From all the measurements, only Critical "N", statistic Chi-Square, and AGFI resulted in poor fit, and GFI resulted in marginal fit.

Table 1 Demographic Profile of Respondents (n=336)

Classification		Percentage
Gender	Male	44%
	Female	56%
Age (years)	20-24	37%
	25-30	44%
	31-35	12%
	Above 35	7%
Education	High School	15%
	Diploma	11%
	Bachelor	68%
	Master	6%
	Doctorate	1%
Tenure (years)	1-3	65%
	4-6	21%
	7-9	7%
	Above 9	7%
Job Position	Staff	74%
	Supervisor	15%
	Manager	10%
	General Manager	2%

Demographics of the respondent consists of gender, age, education, tenure, and job position. Nearly the same number of respondents between male and female, and the majority of the respondent aged 25-30 years (44%). Most

of the respondents are working as a staff (74%), have a Bachelor's degree as their last education, and with 1-3 years of tenure.

Table 2 Causal Relationship Testing Result

Path	t-values	SLF	Result
EE → OCS	1,21	0,06	Not Significant
POS → OCS	3,15	0,22	Significant
EB → OCS	8,01	0,67	Significant
OCS → OCB	6,35	0,65	Significant

For the Causal relationship testing result, 3 out of 4 hypotheses of causal relationships were found to be significantly positive, which means that the antecedents

affect the consequent variables in the causal relationship. The relationship between POS and EB on OCS shows a significant influence as seen from the t-values of 3.15 and

8.01, respectively, where these numbers exceed 1.645 and have SLF values of 0.22 and 0.67 respectively which is more than 0.05. A significant effect was also found in the relationship between OCS and OCB with a t-value of

6.35 and an SLF of 0.65. However, it was found that there was no significant effect between EE and OCS with a t-value of 1.21 which was less than 1.645, and an SLF of 0.06.

Table 3 Sobel Test Result

Path	t-values	p-values	Result
EE → OCS → OCB	1,153	0,13236383	Not Significant
POS → OCS → OCB	2,863	0,00210114	Significant
EB → OCS → OCB	5,063	0,00000021	Significant

Based on the results of the Sobel test, the p-value for the role of OCS in mediating the effect of POS and EB on OCB is 0.00210114 and 0.00000021, which is smaller than 0.05 with The t-values are 2.863 and 5.063, which are more than 1.645, respectively. It can be concluded that OCS mediates the effect of POS and EB on OCB

significantly. On the other hand, the p-value for the role of OCS in mediating the effect of EE on OCB is 0.13236383, which is greater than 0.05 with a t-value of 1.153 which is below 1.645. It can be concluded that OCS does not significantly mediate the effect of EE on OCB.

Table 4 Hypothesis Testing Result

Hypothesis	Hypothesis Statement	Result
H1	Employee engagement has a positive effect on Organizational Communication Satisfaction	hypothesis rejected
H2	Perceived Organizational Support has a positive effect on Organizational Communication Satisfaction	hypothesis accepted
H3	Employer Branding has a positive effect on Organizational Communication Satisfaction	hypothesis accepted
H4	Organizational Communication Satisfaction has a positive effect on Organizational Citizenship Behaviour	hypothesis accepted
H5	Organizational Communication Satisfaction mediates the effect of Employee engagement on Organizational Citizenship Behaviour	hypothesis rejected
H6	Organizational Communication Satisfaction mediates the influence of Employer Branding on Organizational Citizenship Behaviour	hypothesis accepted
H7	Organizational Communication Satisfaction mediates the effect of Perceived Organizational Support on Organizational Citizenship Behaviour	hypothesis accepted

For the result of hypothesis testing are shown in table 4 above. Which resulted that H1 and H5 are not supported and the rest is accepted. Based on the

hypothesis testing result, Final Research Findings Model can be seen in Figure 2.

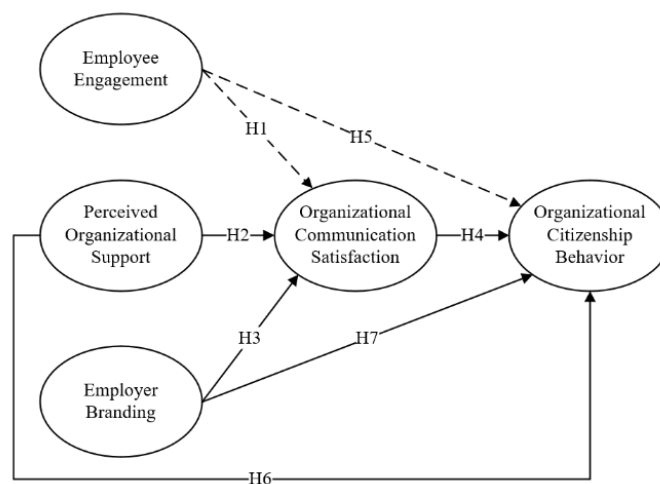


Figure 2 Final Research Findings Model

3.2. Discussion

Based on the results of this study, there is a direct relationship of POS and EB to OCS which is accepted by hypotheses 2 and 3. This is in line with Vercic's [10] research which states that POS and EB have a positive influence on the OCS. In this research approach, communication is seen as an antecedent of perceived organizational support. Although studies support an approach in which certain aspects of communication can be significant predictors of perceived organizational support, it can also be argued that this relationship influences how communication is perceived. The results of this study are in line with this, supporting the view that the creation of meaning in organizations is closely related to satisfaction. Higher levels of satisfaction with internal communication arise in part from understanding organizational goals [10]. In addition, the third hypothesis proves that if companies can improve their branding, they will increase employee communication satisfaction. Define 3 main steps in creating good employer branding. The first step is to develop the concept of value for employees. the second is to market this value proposition externally, while the third is to bring value from the company and incorporate it as an integral part of the organizational culture. the final step is basically done through internal communication and linking the two concepts closely [10]. This step can be taken by company management to improve their employer branding in order to improve communication perceived by employees.

The researcher also found that organizational communication satisfaction has a positive influence on organizational citizenship behaviour so hypothesis 4 is accepted. This is in line with the research of Chan & Lai [4] which states that organizational communication satisfaction has a positive influence on organizational citizenship behaviour. Communicating accurate information and transparent policies to employees also supports them to focus more on their work. By providing unbiased treatment to employees whether interactional, procedural, or distributional, managers can encourage the development of higher-quality relationships with their subordinates, which can lead to discretionary behavior that benefits managers and the organization as a whole [4]. In this case, the behavior is organizational citizenship behavior. Therefore, these steps can be taken by company management in order to trigger organizational citizenship behavior in their employees.

In the mediating role, this study can prove that there is a mediating role of organizational communication satisfaction in the effect of perceived organizational support and employer branding on organizational citizenship behaviour. However, on the other hand, there is no significant mediating role of organizational communication satisfaction in the effect of employee engagement on organizational citizenship behaviour, so

only two of the three hypotheses related to the mediating role were accepted, namely hypotheses 6 and 7. encourage the emergence of organizational citizenship behaviour in employees, it is necessary to increase internal satisfaction as a mediation, through the realization of perceived organizational support or organizational support for employees as well as improving the persona, reputation, and company image or familiar with company branding.

4. CONCLUSION

POS and EB had a significant positive effect on OCS as indicated by the t-value and SLF output from data processing through LISREL 8.80. However, the results showed that EE had a positive but not significant impact based on the t-value and SLF data processing results. So it can be concluded that POS and EB have a significant impact on OCS for SOE employees. Meanwhile, the effect of EE is only positive but not significant.

There is a positive and significant effect of OCS on OCB based on the t-value and SLF output of LISREL 8.80. So it can be concluded that the communication satisfaction felt by employees to their organization has a significant positive influence on the emergence of organizational citizenship behaviour in SOE employees.

There is a significant mediating role of OCS in mediating the effect of POS and EB on OCB. See the t-value and p-value of the Sobel test results. But on the other hand, the results of the study indicate that there is an insignificant mediating role of OCS in mediating the effect of EE on OCB.

According to the conclusion above, HR practitioners from state-owned companies can focus on increasing the support they provide to their employees. The practice can be in the form of giving appreciation for employee performance and paying attention to complaints and ideas from their employees. With this, it is hoped that organizational support can be felt by their employees and can encourage the emergence of organizational citizenship behaviour in employees, especially SOE employees in the context of this study. Pay attention to their employer branding through developing the company's values and concepts offered to the public as well as marketing the value of the company to internal and external companies. After that, the value proposition owned by the company can be integrated into the corporate culture in order to increase the value and branding of the company so that it can trigger and encourage organizational citizenship behavior to employees.

The implication that can be a reflection for SOE practitioners is to increase awareness of the importance of the maturity of the company's communication channels in relation to the emergence of organizational citizenship behaviour in employees. By fulfilling the

communication satisfaction felt by employees through optimizing communication channels, both from within the organization, as well as from each individual, including communication between superiors and subordinates as well as among co-workers. Providing credible and accurate information regarding policies and changes within the company is also very important to improve communication satisfaction from employees. By paying attention to these aspects, it is hoped that communication satisfaction from employees will increase which in turn triggers the emergence of organizational citizenship behaviour and can improve the implementation of core values of *AKHLAK*.

For the recommendation, Future research can measure organizational citizenship behaviour both in the context of SOE employees and other contexts from various perspectives by using or researching independent variables or other mediating variables that can potentially affect organizational citizenship behaviour. So that it can provide a more comprehensive picture of the observed variables. Furthermore, future research can consider the sample that might be more applicable to observe, for instance, SOE employees from companies that have a high *AKHLAK* implementation value. By selecting this sample, it is possible to make research results more relevant and implementable.

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