

The Influence of Organizational Transformation and Employee Engagement on Employee Performance at PT Dayamitra Telekomunikasi Tbk.

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ARTICLE INFO	ABSTRACT
<p>Keywords: organizational transformation; employee engagement; employee performance; Structural Equation Modeling.</p>	<p>This study aims to examine organizational transformation, employee engagement, and employee performance at PT Dayamitra Telekomunikasi Tbk (Mitratel). Additionally, it investigates the influence of organizational transformation and employee engagement on employee performance. The research adopts a quantitative approach using questionnaires and literature reviews for data collection. Probability sampling was applied, involving 206 permanent employees from a total population of 424, representing five company directorates. Data analysis was conducted using Structural Equation Modeling (SEM) - Partial Least Square (PLS). Organizational transformation at Mitratel achieved positive results with an average score of 861.89 (83.68%), reflecting optimism towards new strategies that foster growth and opportunities. Employee engagement recorded a very high average score of 865.78 (84.06%), indicating strong motivation and dedication. While employee engagement significantly influences employee performance, organizational transformation shows no significant impact on employee performance. The study provides insights into the distinct impacts of organizational transformation and employee engagement on employee performance, highlighting the critical role of employee engagement in driving organizational competitiveness.</p>

INTRODUCTION

PT Dayamitra Telekomunikasi Tbk, or commonly known as “Mitratel” is one of the subsidiaries of PT Telkom Indonesia (Persero) Tbk which is engaged in the telecommunications tower business line including its ecosystem and digital support services for mobile infrastructure, as well as optimizing the utilization of resources owned by Mitratel. The main businesses run by Mitratel are Telecommunication Installation, Telecommunication Center Construction, Telecommunication Activities with Cable and without Cable. Mitratel was established on October 18, 1995 as part of an effort to provide reliable telecommunications infrastructure and support the growth of the telecommunications sector in the country.

In response to the growth of Indonesia's telecommunications industry, particularly mobile communications, Mitratel began offering telecommunications towers in 2008. The business grew rapidly so that by the end of 2024, Mitratel had installed more than 38,000 communication towers throughout Indonesia. In addition, all cellular operators in Indonesia became Mitratel customers by installing Base Transceiver Station (BTS) equipment on Mitratel towers.

As a step to accelerate the achievement of the company's vision to become the #1 Digital InfraCo in the emerging APAC (Asia-Pacific) market by providing the best and sustainable services, Mitratel carries out sustainable business development through various strategic corporate actions. By updating its master plan and business portfolio, Mitratel believes it can capitalize on existing potential and create opportunities to increase corporate value for stakeholders and achieve its business objectives.

In 2021, Mitratel entered a new phase in its business development by conducting an initial public offering (IPO) on the Indonesia Stock Exchange. A total of 23,493,524,800 ordinary shares, or 28.13% of the Company's issued and paid-up capital after the initial public offering, were offered with a nominal value of IDR 228 per share and an offering price of IDR 800 per share. Through this corporate action, Mitratel will continue to develop its business to provide optimal benefits to all stakeholders and realize its vision, namely “To become the #1 Digital InfraCo in the emerging APAC (Asia-Pacific) market by offering sustainable best-in-class services”.

Accelerated technological development and digital transformation, driven by changes in people's lifestyles, are becoming essential solutions to support various activities and businesses in the future. Indonesia, like many other

Asia-Pacific countries, faces challenges in establishing widespread and easily accessible internet access, especially given its geographical condition as an archipelago (Annisa, 2023).

Accelerating digital transformation, rising data demand, and changing lifestyles have driven the demand for telecommunications infrastructure spread across Indonesia. This creates significant opportunities for telecommunication tower companies, which are a crucial part of the telecommunication infrastructure industry, to continue to support the provision of infrastructure to meet data coverage and capacity needs, as well as to support telecommunication operators in network equalization. Therefore, it is important for Mitratel, as a company that focuses on telecommunication towers and its ecosystem, to have employees who are skilled and ready to face the challenges in this rapidly changing industry.

For Mitratel, human resources (HR) is a valuable asset and the main foundation that supports the company's progress. Mitratel continues to be committed to increasing the value of this asset through effective HR management and development, in accordance with the company's vision and mission. Mitratel strives to continuously improve the quality of its human resources and refine its HR management in a comprehensive manner. The company's success in overcoming the challenges of the pandemic has been supported by consistency in HR management, which should be matched by improved employee performance. Improving employee performance is critical as it has a direct impact on organizational productivity and success. High-performing employees not only complete their tasks effectively, but also play a role in driving innovation and company growth (Praminiarto, 2024).

Table 1 Full-time Employee Performance Appraisal Results 2019-2022

Year	Number	Outstanding		Meet Target		Below Target	
		P1	%	P2	%	P3	%
2019	180	58	32%	105	58%	17	9%
2020	269	72	27%	180	67%	17	6%
2021	280	73	26%	186	66%	21	8%
2022	504	101	20%	355	70%	48	10%

Source: Internal Company (data that has been processed)

Based on Table 1, there has been a significant decrease in the percentage of Mitratel employees with "Outstanding" performance over the past four years, falling 5% from 2019 to 2020, 1% from 2020 to 2021, and 6% from 2021 to 2022. Meanwhile, the "Meet Target" and "Below Target" categories show a fluctuating pattern, with alternating increases and decreases each year. This trend shows the challenge of maintaining high performance amidst company changes.

In the context of management theory, as described by (Filip et al., 2021), changes in organizational structure, technology or strategy can directly affect employee performance. Organizational transformation involving significant change can affect employee performance either positively or negatively, depending on how the change is managed and adapted by individuals and teams within the organization. Instability in performance categories indicates the need for more attention to managing change and implementing effective strategies to support employees in adapting to the changing environment (Filip et al., 2021). The continued decline in "Outstanding" performance along with fluctuations in other performance categories highlights the importance of conducting a thorough evaluation of existing performance management policies and practices, and designing appropriate interventions to improve the consistency and effectiveness of employee performance.

Mitratel's organizational transformation was carried out on November 22, 2021, including the addition of the Investment Directorate and significant changes in managerial structure, which is a response to the need to adapt to the changing business environment. According to (Filip et al., 2021) organizational transformation can involve several dimensions, such as strategic transformation, which is a significant change in the long-term direction and goals of the organization to face new challenges and opportunities. Structure transformation includes changes in organizational design and governance to support new strategies or respond to environmental changes. Technology transformation involves the adoption and integration of new technologies needed to improve efficiency and competitiveness, while people transformation focuses on managing and developing employees to support strategic objectives. However, these changes can also impact employee performance, both positively and negatively. Therefore, it is important to understand how cultural transformation, control structure transformation, information system transformation, and business process transformation as part of the additional dimensions of organizational transformation can affect employee engagement, which in turn will impact their performance.

Organizational transformation can have a significant impact on employee performance. (Rohim, 2019) in his study found that optimal employee performance can be influenced by several aspects of organizational transformation. Organizational transformation is a process that involves significant modifications in the structure, culture, strategy, or work processes of an organization. This includes changes in the management hierarchy, the technology used, policies and procedures, or even the values espoused by the organization (Putri et al., 2023).

With this organizational transformation, PT Dayamitra Telekomunikasi Tbk or Mitratel was officially listed on the Indonesia Stock Exchange (IDX) with the stock code “MTEL”. Organizational transformation is carried out in every line, the biggest phenomenon is the addition of 1 Directorate led by the Investment Director. The main task is to prepare all IPO processes from planning to officially listed on the IDX.

The changes that have occurred in Mitratel may have an impact on changes in organizational behavior. As stated by (Bradshaw et al., 2020), that there are consistent results that support the statement of how a company's IPO has a link to changes in organizational behavior. This transformation at Mitratel not only focuses on structural changes, but also on improving operational efficiency and effectiveness. The addition of the Investment Directorate is a strategic step aimed at ensuring the company's readiness to face the demands of being a public company.

Employee engagement is an important key for organizations to improve performance and productivity (Aji & Wijaya, 2023). Mitratel has also conducted employee engagement surveys in an effort to understand the extent to which employees are engaged at work and committed to company goals. Employee engagement is an important factor that can affect overall employee performance.

PT Daya Mitratel experienced a decrease in fairness value of 19.12%, this shows that Mitratel's employee engagement is decreasing, as stated by (Musthan, 2024) that fairness in human resource management plays an important role in increasing employee engagement, by creating a fair and transparent work environment that motivates employees to contribute optimally.

However, the relationship between employee engagement and employee performance is not always linear or significant in every study. As found in research by (Pinastikasari, 2020), the relationship between employee engagement and employee performance is not always positive; in some cases, an increase in employee performance can have a positive impact on employee engagement, suggesting a two-way relationship. This confirms that while employee engagement is often assumed to be the main driver of employee performance, other factors also play a role and the actual dynamics can be much more complex (Pinastikasari, 2020)

Table 2 Employee Engagement Survey 2020-2022

Year	EES Index	EES Dimension		
		Say	Stay	Strive
2020	90,45	91,19	86,67	93,49
2021	87,14	87,65	83,46	90,31
2022	90,29	92,4	87,5	91,42

Source: Internal Company (data that has been processed)

Table 2 shows data from the Employee Engagement Survey (EES) conducted from 2020 to 2022. From the data, it can be seen that there are non-linear results. In 2020-2021, there was a decrease in the EES index of 3.31. Conversely, there was an increase in EES in the following year of 3.15.

The author processed the data from Table 1 and Table 2 to find the correlation between employee performance and EES index. With the information in the form of survey results in the form of EES Index, we can see a phenomenon that decreasing employee engagement correlates with decreasing employee performance “Outstanding” and “Meet Target”, which means that employee performance “Below Target” increases. The results of the employee engagement survey show that there is a correlation with employee performance. In addition, in 2021 Mitratel was officially listed on the Indonesia Stock Exchange (IDX) which caused changes in the organization. Therefore, researchers are interested in conducting further studies related to the transformation in the organization and employee engagement on employee performance within the Mitratel company. So, the author will conduct research with the title “The Influence of Organizational Transformation and Employee Engagement on Employee Performance at PT Dayamitra Telekomunikasi Tbk”.

Although several studies have explored the impact of organizational transformation and employee engagement on employee performance, there remains a significant gap in understanding the specific dynamics within the telecommunications infrastructure sector. Previous research has primarily focused on the direct impact of organizational change and engagement without fully considering the complex interplay between these variables in companies undergoing major structural changes, such as PT Dayamitra Telekomunikasi Tbk (Mitratel). Moreover, while many studies have established the positive correlation between employee engagement and performance, there is limited research analyzing how large-scale organizational transformations, such as IPO processes and restructuring, indirectly influence employee engagement and subsequently affect performance. This research addresses the lack of in-depth analysis on how organizational transformations influence employee engagement as a mediating factor and its cascading effects on overall employee performance.

This study introduces a novel perspective by examining the mediating role of employee engagement in the relationship between organizational transformation and employee performance. Unlike previous studies that have treated organizational transformation and employee engagement as isolated variables, this research explores how transformations within the organizational structure, strategy, technology, and human resources

indirectly impact employee performance through changes in engagement levels. By focusing on the case of PT Dayamitra Telekomunikasi Tbk, a company that recently underwent an IPO and major restructuring, this study highlights the nuanced effects of strategic organizational changes on employee engagement and performance in the telecommunications infrastructure sector. This approach offers fresh insights into managing transformation processes while maintaining high employee engagement and optimizing performance.

The primary objective of this study is to analyze the influence of organizational transformation and employee engagement on employee performance at PT Dayamitra Telekomunikasi Tbk. The study aims to uncover the pathways through which organizational changes impact employee engagement and, consequently, overall performance. By identifying the key factors that strengthen or weaken this relationship, the research provides valuable insights for company leaders to develop more effective strategies for managing transformation while maintaining high employee engagement. The findings will benefit organizational leaders, human resource practitioners, and policymakers by offering evidence-based recommendations for fostering a resilient workforce during periods of significant organizational change. Additionally, the study contributes to the academic field by expanding the understanding of the indirect effects of organizational transformation on employee performance, particularly in dynamic industries such as telecommunications.

METHOD

This research uses a quantitative approach, which is structured, planned, and systematic from design to data analysis. This method fulfills scientific principles such as objectivity, rationality, and systematicity (Nurdin & Hartati, 2019). The deductive approach is used to test hypotheses through data collection using questionnaires or interviews on representative populations and samples, which are analyzed with statistical tools. The qualitative approach, according to (Amin et al., 2024), focuses on an in-depth understanding of phenomena in their natural context, emphasizing interpretation and subjective meaning. This method explores social, cultural, or human life aspects that cannot always be measured quantitatively. Research is conducted in a non-contrived (natural) manner in everyday environments without manipulation, using a cross-sectional design, where data is collected in one period to be analyzed and conclusions drawn.

Based on the theoretical study and the objectives of this study, operational variables are formulated which will be used as a guide in measuring and testing the hypotheses that have been prepared. This study examines three variables, namely organizational transformation as an independent variable (X1), employee engagement as an independent variable (X2) and performance as the dependent variable (Y).

Table 3 Definition of Operational Variable

Variable	Code	Item
Organizational Transformation (X1)	TStra1	In my opinion, the company has adopted a new strategy to enhance the growth of the current organization.
	TStra2	In my opinion, the changes taking place within the company have a long-term goal.
	TStruk1	In my opinion, the restructuring within the company has adapted to the current needs of the organization.
	TStruk2	In my opinion, the job description of the responsibilities of each individual and work unit has adjusted to the current organizational changes.
	TTekno1	In my opinion, the use of tools or applications in the company has helped operations become more effective.
	TTekno2	In my opinion, the implementation of new technology in the company's business processes has improved employee productivity.
	TSDM1	I get training or employee development programs that help me in my current job.
	TSDM2	In my opinion, management has taken the initiative in building a new organizational culture.
	TSDM3	In my opinion, the policy development of new procedures has been in line with organizational changes.
Employee Engagement (X2)	AV1	When I wake up in the morning, I feel ready to go to work.
	AV2	I take my work seriously.
	AV3	I never give up on my work, even when I face difficulties.

Employee Performance (Y)	AD1	I feel enthusiastic about my work.
	AD2	I like the challenges involved in my job.
	AD3	I feel proud of my work.
	AA1	I like my job.
	AA2	I often lose track of time while at work.
	AA3	I often forget about my surroundings when I'm working.
	JP1	I am able to complete work according to set targets.
	JP2	I am able to complete work in accordance with applicable procedures.
	KP1	I am able to complete the work completely.
	KP2	I am able to complete my work thoroughly.
	KP3	I am able to minimize mistakes in work.
	KW1	I am able to complete my work within the specified time.
	KW2	I am able to make the right decisions.
	KH1	I always come to the office on time.
	KH2	I always leave the office on time.
	KKS1	I am able to work together with employees in the same division.
	KKS2	I am able to work with employees across divisions.
	KKS3	I respect other people's opinions in completing work.

Source: Primary Data Processed (2024)

The study used a questionnaire with an ordinal scale that used a Likert scale as a research instrument. According to (Sudaryono, 2021), a scale is usually used to determine a qualitative factor in a quantitative measure. By using the Likert method as a reference in measurement, the variables measured are broken down into several dimensions which are then described into indicators which will be linked in the form of positive statements. (Abdussamad & Sik, 2021) explains that the term “population” can refer to various other terms such as “universum” or “universe of discourse”. In the context of research, the population is divided into two types, namely the general population and the target population. The target population is the group that is the focus of the research conclusions. The general population in this study includes all employees of PT Dayamitra Telekomunikasi Tbk, while the target population consists of permanent employees of PT Dayamitra Telekomunikasi Tbk. Based on this definition, the number of target population members is 408 people.

(Abdussamad & Sik, 2021) states that a sample is a small part of the population that is systematically selected to represent the whole. In quantitative research, sample representation is very important so that the results can be generalized. Field research more often uses a qualitative approach with data from informants, respondents, documentation, or observation, involving direct interaction with research subjects to understand the cultural context. Methods used include interviews, surveys and document collection, which can be combined as needed. Field research takes time, involves emotional aspects, and carries physical risks. This research uses a non-probability sampling technique with the purposive sampling method, which selects respondents based on certain criteria. The sample size was determined using the Slovin formula. Based on calculations using the Slovin method, the minimum sample size from a population of 424 employees with an error rate of 5% (five percent) is 202 respondents with permanent employee criteria. In this study, the authors managed to obtain 206 respondents.

RESULTS AND DISCUSSION

Demographic of Respondents

The respondents of this study were 206 full-time employees of PT Dayamitra Telekomunikasi Tbk, a telecommunications infrastructure provider company in Indonesia. Respondents were selected using a sampling method to ensure representation of various divisions and job levels. Data was collected through a questionnaire designed to evaluate employee perceptions of organizational transformation and work engagement. Organizational transformation was measured through employee perceptions of change initiatives such as technology development, restructuring, and new policies to improve operational efficiency. Work engagement is measured based on the extent to which employees are emotionally engaged and committed to their work, and its impact on motivation and productivity. This questionnaire aims to provide an overview of the relationship between organizational transformation and work engagement and its impact on employee performance. The

results of the study are expected to be the basis for developing managerial policies to support organizational transformation and improve work engagement in the company.

Table 4 Characteristics of Respondents Based on Directorate

Directorate	Number	Percentage
Business Directorate	36	17,47%
Investment Directorate	9	4,37%
Directorate of Finance and Risk Management	22	10,68%
Directorate of Operations and Development	118	57,28
Main Directorate	21	10,20%
Total	206	100%

Source: Primary Data Processed (2024)

The characteristics of the respondents based on the directorate where they work are as follows: 17.47% from the Business Directorate, 4.37% from the Investment Directorate, 10.68% from the Finance and Risk Management Directorate, 57.28% from the Operations and Development Directorate, and 10.20% from the Main Directorate.

Sampling used the proportional cluster random sampling method, where the population was divided into clusters based on directorates, and samples were randomly drawn in proportion to the size of each cluster. This ensures that the distribution of respondents reflects the composition of employees at PT Dayamitra Telekomunikasi Tbk. The majority of respondents came from the Operations and Development Directorate, the directorate with the largest number of employees. This distribution provides an accurate picture of the majority of employees' perceptions of the research topic, as well as the influence of each directorate's characteristics on the research results.

Table 5 Characteristics of Respondents Based on Band Position

Band Position	Number	Percentage
Band II	5	2,60%
Band III	28	13,60%
Band IV	38	18,45%
Band V	65	31,37%
Band VI	51	24,76%
Band VII	19	9,22%
Total	206	100%

Source: Primary Data Processed (2024)

The characteristics of respondents in this study were analyzed based on band positions at PT Dayamitra Telekomunikasi Tbk, with the following distribution: 2.60% in Band Position II, 13.60% in Band Position III, 18.45% in Band Position IV, 31.37% in Band Position V, 24.76% in Band Position VI, and 9.22% in Band Position VII. The majority of respondents were from Position Band V (31.37%) and Position Band VI (24.76%), indicating the dominance of respondents in strategic positions with high levels of responsibility. Intermediate positions (Position Bands IV and III) account for 18.45% and 13.60%, indicating significant representation in operational supervision. Position Band VII (9.22%) and Position Band II (2.60%) had fewer respondents, reflecting the lower number of employees at the operational level.

The proportional cluster random sampling method was used to ensure the number of respondents matched the proportion of each position band in the population. This distribution reflects a pyramid-shaped organizational structure, where there are fewer employees at managerial or executive levels (Position Bands V-VI), and more at operational positions (Position Bands II-IV). This pattern is common in many organizations, with fewer employees in strategic positions than those in operational positions.

Table 6 Characteristics of Respondents Based on Gender

Gender	Number	Percentage
Male	153	74,27%
Female	53	25,73%
Total	206	100%

Source: Primary Data Processed (2024)

Based on the data presented, the characteristics of respondents in this study based on gender show a more dominant composition in the male gender. Of the total 206 respondents involved in the study, 153 respondents or 74.27% were male, while 53 respondents or 25.73% were female. This table illustrates that the majority of PT Dayamitra Telekomunikasi Tbk employees who participated in this study are male, with a significantly higher percentage compared to women. This difference in numbers and percentages between the two sexes can provide an idea of gender distribution in the company, which may reflect the characteristics of the industry or sector in which the company operates, where there are usually more male employees working in technical or operational positions who are more numerous.

Convergent Validity

Convergent Validity is evaluated by observing the loading factor value of each indicator in a variable. The higher the value, the stronger the correlation of the indicator to the variable being measured. The following is the path analysis model used in this study. Based on the Path Diagram model in Figure 2, (Indrawati, 2015) and (Maharani, 2022) state that if a reliable individual indicator is an indicator with a correlation value above 0.7. However, the loading factor value is still acceptable if it is more than 0.5 when the variable has an AVE value above 0.5. So in this assessment, there are three indicators that are not valid to measure the construct, namely indicators AA2, AA3 and KH2. Therefore, these indicators must be removed from the model, and the SEM model estimation must be carried out again. Removal is carried out gradually starting with the indicator that has the lowest loading factor value. Figure 4 is the final outer model after reducing the indicators. Through the loading factor value, it can be said that all indicators have passed the convergent validity test.

Figure 1 Early Path Diagram (SEM Model)

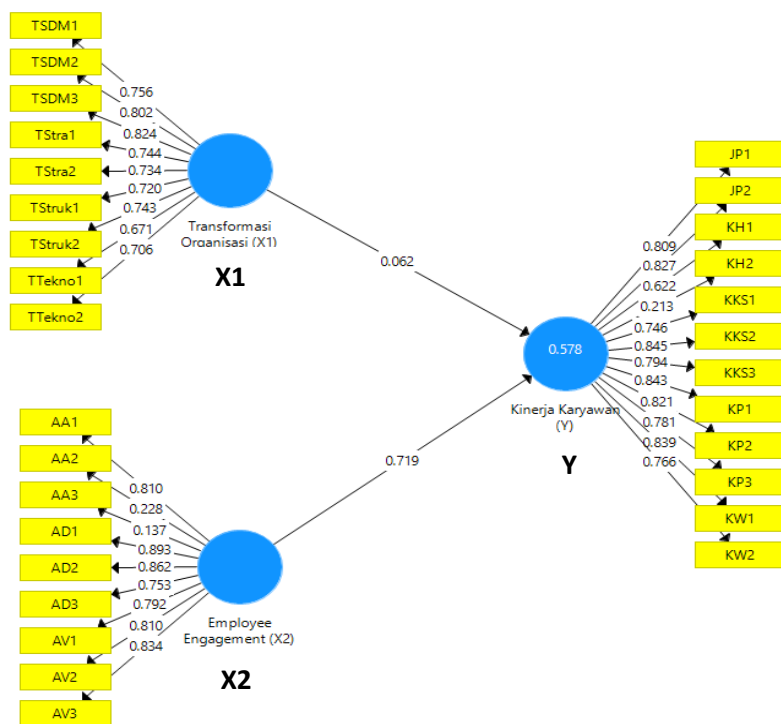
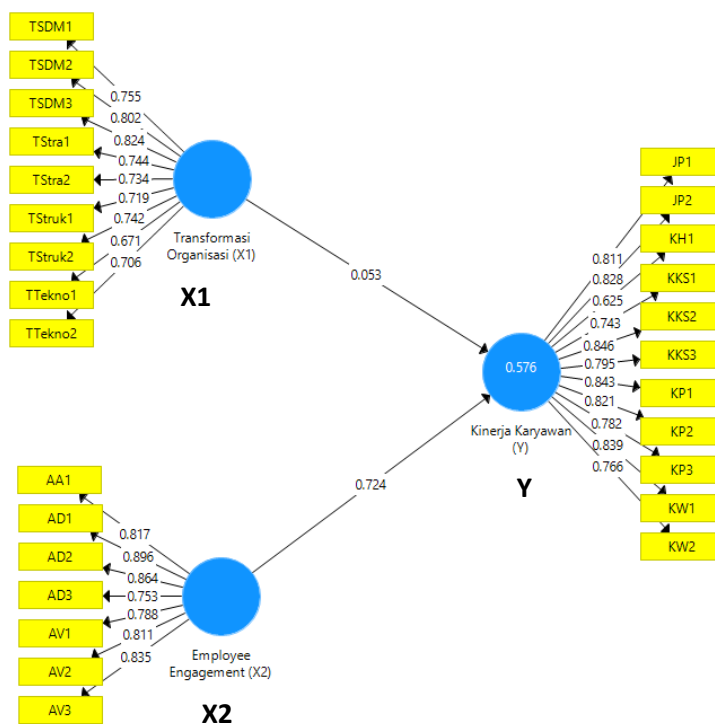


Figure 2 Path Diagram After Third Reduction (SEM Model)



Average Variance Extracted (AVE)

AVE is the average percentage of the variance Extracted (AVE) value on all questionnaire items or indicators of a variable which is the sum of the convergent indicators. For good conditions, if the AVE is greater than 0.5. Based on the results of the Average Variance Extracted (AVE) test, the loading factor and AVE values listed in Table 7, it can be seen that all indicators have a loading factor value of more than 0.5 and each variable has an AVE value of more than 0.5. Thus, it can be concluded that each indicator in the organizational transformation, employee engagement, and performance variables meets the criteria for good validity in reflecting each of its variables.

Table 7 Outer Loading and AVE Value Result

Variable	Item	Outer Loading	AVE	Description
Organizational Transformation (X1)	TSDM1	0,755	0,556	Valid
	TSDM2	0,802		
	TSDM3	0,824		
	TStra1	0,744		
	TStra2	0,734		
	TStruk1	0,719		
	TStruk2	0,742		
	TTekno1	0,671		
	TTekno2	0,706		
Employee Engagement (X2)	AA1	0,817	0,680	Valid
	AD1	0,896		
	AD2	0,864		
	AD3	0,753		
	AV1	0,788		
	AV2	0,811		
	AV3	0,835		
Employee Performance (Y)	JP1	0,811	0,629	Valid
	JP2	0,828		

KH1	0,625
KKS1	0,743
KKS2	0,846
KKS3	0,795
KP1	0,843
KP2	0,821
KP3	0,782
KW1	0,839
KW2	0,766

Source: Primary Data Processed (2024)

Discriminant Validity

Discriminant Validity can be measured using the heterotrait-monotrait value (HTMT) and cross loading on each item. Discriminant validity meets the criteria if HTMT is below 0.90 (Hair Jr. et al., 2021) and / or the cross-loading value of each variable statement item on the variable itself is greater than the correlation value with other variables. The results of the Discriminant Validity test using HTMT and cross loading can be seen in the following table.

Table 8 Outer Loading and AVE Value Result

	Organizational Transformation (X1)	Employee Engagement (X2)	Employee Performance (Y)
Organizational Transformation (X1)			
Employee Engagement (X2)	0,707		
Employee Performance (Y)	0,542	0,797	

Source: Primary Data Processed (2024)

Table 8 shows that all constructs have a value below 0.90 so it can be concluded that the discriminant validity test using HTMT is acceptable. In this study, the discriminant validity test was also carried out on the cross loading value with the following results.

Table 9 Cross-Loading Result

Items	Organizational Transformation (X1)	Employee Engagement (X2)	Employee Performance (Y)
TSDM1	0,755	0,521	0,297
TSDM2	0,802	0,464	0,392
TSDM3	0,824	0,517	0,451
TStra1	0,744	0,456	0,391
TStra2	0,734	0,485	0,475
TStruk1	0,719	0,431	0,280
TStruk2	0,742	0,421	0,342
TTekno1	0,671	0,479	0,387
TTekno2	0,706	0,527	0,377
AA1	0,506	0,817	0,584
AD1	0,562	0,896	0,665
AD2	0,585	0,864	0,707
AD3	0,486	0,753	0,476

AV1	0,581	0,788	0,523
AV2	0,539	0,811	0,666
AV3	0,462	0,835	0,694
JP1	0,468	0,625	0,811
JP2	0,493	0,681	0,828
KH1	0,204	0,414	0,625
KKS1	0,341	0,564	0,743
KKS2	0,460	0,684	0,846
KKS3	0,403	0,633	0,795
KP1	0,470	0,656	0,843
KP2	0,434	0,609	0,821
KP3	0,367	0,569	0,782
KW1	0,432	0,572	0,839
KW2	0,370	0,540	0,766

Source: Primary Data Processed (2024)

In Table 9, we can see the correlation between each indicator and its construct through bold numbers. This shows that each indicator has a higher correlation with its construct than with other constructs. Thus, it can be concluded that the discriminant validity test using cross loading is acceptable.

Reliability Test

Reliability test is conducted to test the consistency of data obtained from all respondents. In this study, testing was carried out using composite reliability with a value that must be higher than 0.7 and Cronbach's alpha which must be greater than 0.6.

Table 10 Construct Realibility & Validity

	Cronbach's Alpha	Composite Reliability	AVE	Description
Organizational Transformation (X1)	0,900	0,918	0,556	Reliable
Employee Engagement (X2)	0,921	0,937	0,680	Reliable
Employee Performance (Y)	0,940	0,949	0,629	Reliable

Source: Primary Data Processed (2024)

The composite reliability test results in Table 10 show that all variables have a value greater than 0.9. Thus, the variables in this study meet the composite reliability criteria and can be considered to have a high level of reliability. The Cronbach's alpha value in Table 10 shows that all variables have results greater than 0.7. Therefore, the variables in this study meet the Cronbach's alpha criteria and can be considered reliable. Based on the above calculations, the AVE value of the variables is more than 0.5, which is in accordance with the basis for decision making that all variables can be considered reliable and have a high level of convergent validity.

R-Square

The R-square value illustrates the effect of exogenous variables on endogenous variables. Based on the results of the calculation of the coefficient of determination in Table 11, the R-Square value for the performance variable is 0.576 (quite significant). This value illustrates that the organizational transformation and employee engagement variables can influence or explain the performance variable by 57.6%, while the other 42.4% is influenced by other variables outside the research model.

Table 11 R-Square Result

	R-Square	R-Square Adjustment
Employee Performance (Y)	0,576	0,572

Source: Primary Data Processed (2024)

Effectsize (F-Square)

The f-square value illustrates the extent of the quality of the model that has been built. This value is used to measure the effect of exogenous variables on endogenous variables substantially. Based on the calculation results in table 12, the f-Square value of the organizational transformation variable on the performance variable is 0.004 (very small effect). The employee engagement variable on performance has a value of 0.725 (very large influence).

Table 12 F-Square Result

	Employee Performance (Y)
Organizational Transformation (X1)	0,004
Employee Engagement (X2)	0,725

Source: Primary Data Processed (2024)

Prediction Relevance (Q-Square)

The Q-square value describes the predictive ability of the quality of the resulting value, the value must be >0, so the higher the Q-square value, the better the model. Based on the calculation results in table 4.16, the Q-Square value of the performance variable is 0.354 (good). This value illustrates that the model used has met the requirements for goodness of fit.

Table 13 Q-Square Result

Endogen Variable	Q-Square
Employee Performance (Y)	0,354

Source: Primary Data Processed (2024)

Hypothesis Assessment

Hypothesis checking is done to answer research questions by testing the relationship between variables using the bootstrapping method. Furthermore, the hypothesis is evaluated based on the path coefficient value to determine whether the hypothesis is accepted or rejected.

Table 14 Hypothesis Assessment Result

	Original Sample (O)	T Statistics	P Values	Description
Organizational Transformation (X1) >> Employee Performance (Y)	0,053	0,740	0,460	H1 Rejected
Employee Engagement (X2) >> Employee Performance (Y)	0,724	14,466	0,000	H2 Accepted

Source: Primary Data Processed (2024)

Based on the results of hypothesis testing in table 13, the first hypothesis (H1) which states that organizational transformation has an influence on employee performance is rejected. This can be seen from the T-Statistic value of 0.74 which is smaller than the significant limit of 1.96, and the p-value of 0.460 which is greater than 0.05, thus indicating an insignificant effect. In addition, the path coefficient value of 0.053 indicates a very weak relationship between organizational transformation and employee performance. Thus, it can be concluded that organizational transformation does not have a significant influence on employee performance in this study.

In hypothesis (H2), employee engagement is proven to have a significant influence on employee performance. This is indicated by the T-Statistic value of 14.466, which is much greater than the significant limit of 1.96, as well as a p-value of 0.000, which is smaller than 0.05. In addition, the path coefficient value of 0.724 indicates a positive and strong influence between work motivation and employee performance. Thus, this hypothesis is accepted, which means that work motivation plays an important role in improving employee performance.

Discussion

Organizational transformation at PT Dayamitra Telekomunikasi Tbk shows positive results with an average score of 861.89 (83.68%), category “High”. The majority of employees are optimistic about the new strategy (85.83%) and understand the long-term goals of the change (90.19%). Organizational restructuring received a positive response (80.78%), although there is room for improvement in internal communication and division of

tasks (78.06%). Technology is perceived to greatly assist operations (85.63%) and increase productivity (85.53%), indicating effective technology integration. Training supports employee performance (79.61%), but needs to be adapted to technological developments. The new organizational culture is strongly supported by management (85.73%), and new policies are considered quite appropriate (81.75%) although they need refinement. Overall, the transformation has been successful, but improvements are needed in communication, training quality, and policy adjustments to support the long-term success of the company.

The results of the assessment of employee engagement at PT Dayamitra Telekomunikasi Tbk show the level of employee engagement in the "Very High" category, with an average score of 865.78 (84.06%). The majority of employees feel motivated, committed, and enthusiastic about their work. Employees feel ready to work every day (87.86%) and show seriousness in their work (93.01%). Resilience is also evident from the 91.55% score on the aspect of never giving up in the face of challenges, while enthusiasm for work (88.83%) and feeling challenged by tasks that support their development (88.06%) also reflect high engagement. In addition, employees take pride in their work (90.39%) and are satisfied with the work they do (87.77%), indicating a sense of ownership and comfort with the work environment. However, there are areas that can still be improved, such as the aspects of forgetting time while working (68.74%) and the surrounding environment (60.29%), which indicate opportunities to improve engagement in the work flow. Overall, PT Dayamitra Telekomunikasi Tbk has successfully created a work environment that supports the engagement of highly committed employees. The company can strengthen its engagement strategy and improve the work experience to ensure a more optimized level of engagement.

Based on the assessment of performance variables at PT Dayamitra Telekomunikasi Tbk, the results show that on average employees strongly agree with statements regarding their performance. The average score of respondents' responses reached 882.17 or 85.65%, which is included in the "Very Good" category. Most employees feel able to complete work well, according to targets and procedures set. This is reflected in the scores on items related to achieving targets (86.89%) and completing work according to procedures (87.48%). Thoroughness and completeness of work also showed excellent results with scores of 87.96% and 86.70% respectively. In addition, employees are able to minimize errors (86.99%) and complete work on time (85.44%), reflecting high discipline and commitment to work quality. While overall performance is very good, there are some items with lower scores, such as the ability to make decisions appropriately (83.59%) and attendance discipline (82.14%). Although these scores are lower than other items, both remain in the "High" category. The lowest score is on the item regarding returning on time after working hours (66.80%), although it is still in the "Moderately High" category. Overall, PT Dayamitra Telekomunikasi Tbk succeeds in creating an environment that supports high performance. Employees demonstrate the ability to complete tasks well, high discipline, and solid cooperation. The company can continue to improve performance achievement through strengthening training and coaching, especially in areas that still show potential for development.

Based on the results of hypothesis testing, the first hypothesis (H1) which states that organizational transformation has an influence on employee performance at PT Dayamitra Telekomunikasi Tbk is rejected. This can be seen from the T-Statistic value of 0.740 which is smaller than the significant limit of 1.96, and the p-value of 0.460 which is greater than 0.05, which indicates that the influence between organizational transformation and employee performance is not significant. The path coefficient value of 0.053 also indicates a very weak relationship between the two. Therefore, it can be concluded that in this study, organizational transformation at PT Dayamitra Telekomunikasi Tbk does not have a significant influence on employee performance.

This finding is in line with other studies that show that organizational transformation does not always have a direct impact on performance, although there are factors that influence the magnitude of this influence. Shows that although organizational change affects job satisfaction, the direct effect on employee performance is not significant without mediators such as job satisfaction. Research by (Wahyuni & Triatmanto, 2020) also found that organizational change in the context of manufacturing in East Java does not always result in direct improvements in company performance, although it can encourage better managerial accounting practices. This confirms that the effect of organizational transformation on performance is highly dependent on context and other supporting factors such as job satisfaction or changes in managerial practices.

Overall, the results of this study indicate that organizational transformation has no significant effect on employee performance at PT Dayamitra Telekomunikasi Tbk in the context tested. Therefore, the first hypothesis stating "Organizational transformation has an influence on employee performance" is rejected in this study.

Based on the results of hypothesis, the second hypothesis (H2) which states that employee engagement has an influence on employee performance at PT Dayamitra Telekomunikasi Tbk is accepted. This can be seen from the T-Statistic value of 14.537, which is much greater than the significant limit of 1.96, and the p-value of 0.000, which is smaller than 0.05. The path coefficient value of 0.720 indicates a positive and strong influence between employee engagement and employee performance. Thus, it can be concluded that employee engagement plays an important role in improving employee performance at PT Dayamitra Telekomunikasi Tbk, which strengthens the results of this study.

This finding is in line with Evitha's research (Evita et al., 2021) which states that employees with high levels of engagement tend to show better work results, innovate more, and have a higher commitment to organizational

goals. High engagement is directly related to increased productivity, efficiency, and work quality, and has an impact on better customer satisfaction because engaged employees are more likely to provide high-quality services. Therefore, organizations that focus on developing strategies to improve employee engagement can see significant improvements in employee performance and overall organizational results. This result is also supported by the research of (Dami et al., 2022) which shows that employee engagement has a positive and significant impact on employee performance. This study found that employee engagement not only affects job satisfaction levels but also plays a role in improving overall performance, suggesting that good engagement management is an important factor in achieving organizational goals. Another study by (Rachmani, 2024) at PT PLN (Persero) Sulselrabar revealed that employee engagement has a positive and significant effect on employee performance, with a coefficient of determination of 91.6%, which shows a significant contribution of engagement to performance. Research by (Rohman et al., 2021) at Telkom University also shows that employee engagement has a positive and significant influence on employee performance, underscoring the importance of employee engagement in improving productivity and work results.

Overall, the results of this study confirm that employee engagement has a significant influence on employee performance at PT Dayamitra Telekomunikasi Tbk. Thus, the second hypothesis which states "Employee engagement has an influence on employee performance" is accepted. This shows that employee engagement is a key factor in improving employee performance, which in turn has an impact on improving overall organizational performance.

CONCLUSION

Based on the research results, organizational transformation at PT Dayamitra Telekomunikasi Tbk shows positive results with an average score of 861.89 (83.68%), although internal communication and employee training still need to be improved. Employee engagement is also very high, with an average score of 865.78 (84.06%), reflecting strong employee motivation and commitment, although deep engagement still requires attention. Employee performance is in the "Very High" category with an average score of 882.167 (85.65%), indicating the ability to meet targets well, although areas such as time discipline need improvement.

Hypothesis testing results show that organizational transformation has no significant effect on employee performance (p-value 0.460; T-Statistic 0.740). In contrast, employee engagement had a significant effect (p-value 0.000; T-Statistic 14.466), confirming the importance of employee engagement in improving productivity and overall organizational outcomes.

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