THE INFLUENCE OF *AKHLAK (AMANAH, KOMPETEN, HARMONIS, LOYAL, ADAPTIF, DAN KOLABORATIF)* CULTURE ON THE PERCEIVE PERFORMANCE OF PT ELNUSA TBK'S EMPLOYEE

THESIS

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We hereby declare that this Thesis is from student's own work, has been read and presented to IPMI Institute Board of examiners, and has been accepted as part of the requirements needed to obtain a Master of Business Administration Degree and has been found to be satisfactory.

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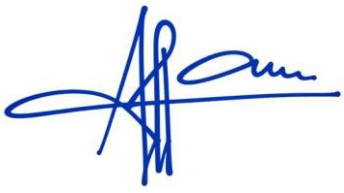

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NON-PLAGIARISM DECLARATION FORM

This thesis is a presentation of my original research work. Wherever contributions others are involved, every effort is made to indicate this clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions.

Also, this work is being submitted in partial fulfilment of the requirement for the Master of Business Administration degree, has not previously been accepted in substance for any degree, and is not being concurrently submitted in candidature for any degree.

Jakarta, 14 August 2026



Syaiful Hidayat

CHAPTER I
INTRODUCTION

1.1. Background

The progression from Industry 1.0 to Industry 5.0 reflects a continuous process of technological evolution that has fundamentally transformed production systems, organizational structures, and patterns of human work. Each industrial revolution has been characterized by the emergence of disruptive technologies that redefined industrial productivity and reshaped economic and social systems on a global scale (European Commission, 2021; Schwab, 2016)

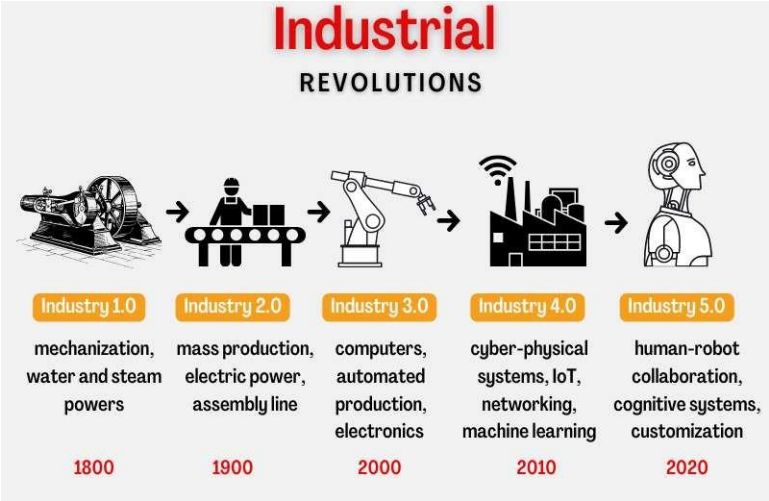

Figure 1. 1 Industrial Revolutions

Source: Adapted from European Commission (2021)

Industry 1.0 marked the transition from manual craftsmanship to mechanized production through the utilization of water and steam power. This transformation enabled the large-scale mechanization of manufacturing activities and laid the foundation for modern industrial development. Subsequently, Industry 2.0 introduced electricity, assembly-line production, and scientific management principles, facilitating mass production and significantly enhancing efficiency, standardization, and economies of scale across industrial sectors (Schwab, The Fourth Industrial Revolution, 2016)

The advent of Industry 3.0 represented a shift toward automation through the integration of electronics, information technology, computers, and programmable machinery within production processes. This period, often referred to as the Digital Revolution, enabled greater operational precision, flexibility, and productivity while reducing dependence on manual labour in routine manufacturing activities (Schwab, The Fourth Industrial Revolution, 2016).

Building upon these technological advancements, Industry 4.0 introduced the concept of smart manufacturing through the convergence of cyber-physical systems, artificial intelligence, big data analytics, cloud computing, robotics, and the Internet of Things (IoT). The defining characteristic of this era is the integration of physical, digital, and biological domains, enabling real-time connectivity, autonomous decision-making, and intelligent production systems capable of adapting to dynamic operational environments (Schwab, The Fourth Industrial Revolution, 2016)

These Industrial Revolutions have brought significant changes, not only in society but also in various industries, especially in Indonesia. These changes require organizational adaptation. According to (Schalock R. L., 2005) transformation becomes important when facing challenges and changes to improve the effectiveness, efficiency, and sustainability of the organization. Organizations that can adapt to culture quickly and intelligently will have a great opportunity to grow and achieve long-term success.

The transformation of organizational culture in the digital era is a necessity. Organizational culture includes norms, values, attitudes, and behaviours that define the identity of an organization (Hanelt A. B., 2021)In the context of digital transformation, a rigid organizational culture, resistance to change, and a closed mindset may hinder an organization's ability to adapt, innovate, and sustain competitive performance.

State-Owned Enterprises (*Badan Usaha Milik Negara* [BUMN]) play a strategic role in Indonesia's national economy, as they are business entities whose capital is wholly or predominantly owned by the State through direct investment from separated state assets, as stipulated in (UU-no-19-tahun-2003/BUMN, 2003). BUMN are categorized into two principal forms: *Perusahaan Perseroan* (Persero)

and *Perusahaan Umum* (Perum). According to (UU-no-19-tahun-2003/BUMN, 2003), a Persero is a limited liability company in which the Government of Indonesia owns all or at least 51% of the shares, with the primary objective of generating profit. In contrast, a Perum is wholly owned by the government, its capital is not divided into shares, and its primary purpose is to provide high-quality goods and services for the public interest while maintaining sound business principles. The operational provisions for Persero and Perum were further elaborated through Government Regulation No. 12 of 1998 concerning Persero and Government Regulation No. 13 of 1998 concerning Perum, which established their respective governance and legal frameworks.

In 2020, the Minister of State-Owned Enterprises (SOEs), Erick Thohir, initiated a transformation agenda emphasizing human capital and organizational culture development across Indonesian SOEs. Through Circular Letter Number (SE-7/MBU/07/2020, 2020), the Ministry of SOEs introduced **AKHLAK** as a standardized set of core values to be implemented across all SOEs (Ministry of SOEs, 2020). AKHLAK represents *Amanah* (Trustworthy), *Kompeten* (Competent), *Harmonis* (Harmonious), *Loyal* (Loyal), *Adaptif* (Adaptive), and *Kolaboratif* (Collaborative), serving as a common cultural framework for employee behavior and organizational practices. The implementation of the AKHLAK core values framework marked a significant shift from the previous approach, in which each SOE maintained its own organizational culture and values.

According to (Thohir & Agustian, 2020) who represent the Ministry of SOEs in their book entitled "AKHLAK Untuk Negeri," managing SOEs requires accountability and professionalism. SOEs are vulnerable to politicization, reflecting the lack of moral values in SOE human resources. In addition, Indonesia will experience a demographic bonus between 2030 and 2040, which offers great benefits in the demographic bonus period have an abundance of productive-age population, marked by a dependency ratio of less than 50, and the opportunity to achieve high economic growth. Taking advantage of this demographic bonus through transparent talent management is important to improve professionalism, accountability, and competitiveness in SOEs, ultimately contributing to a more cultured and moral Indonesia.

Since 2021, PT Elnusa Tbk, a subsidiary of PT Pertamina (Persero), has adopted AKHLAK as its corporate culture and core values in accordance with the Ministry of State-Owned Enterprises' policy on the standardization of SOE values. AKHLAK functions as a shared value system that guides employees' attitudes and behaviours in performing their daily work. The values and norms embedded within an organization help guide employee behaviour, promote organizational commitment, and direct individual efforts toward accomplishing organizational objectives (Schein & Schein, Organizational culture and leadership (5th ed.), 2021). Therefore, all Elnusa employees are expected to understand, internalize, and consistently demonstrate the AKHLAK values in their work practices to support the achievement of the Company's vision, mission, and strategic objectives.

The 2024 AKHLAK Leadership and Culture Values (LCV) Assessment showed that the Elnusa Group attained an average score of 374.5, placing the organization at the **Commitment** maturity level. This result indicates that AKHLAK values have been widely accepted and practiced by employees and leaders, reflecting a substantial degree of alignment between organizational values and employee behaviour. From an organizational culture perspective, cultural maturity is achieved not only through value awareness and commitment but also through the consistent integration of those values into everyday work practices, leadership behaviours, and organizational outcomes (Schein & Schein, Organizational culture and leadership (5th ed.), 2021). Therefore, Elnusa should continue strengthening cultural reinforcement mechanisms, leadership role modeling, and employee engagement initiatives to sustain the implementation of AKHLAK and further enhance organizational effectiveness.

Based on PT Elnusa Tbk's Annual Reports, both revenue and net profit have continued to increase since 2021, coinciding with the Company's adoption of *AKHLAK* as its corporate culture.

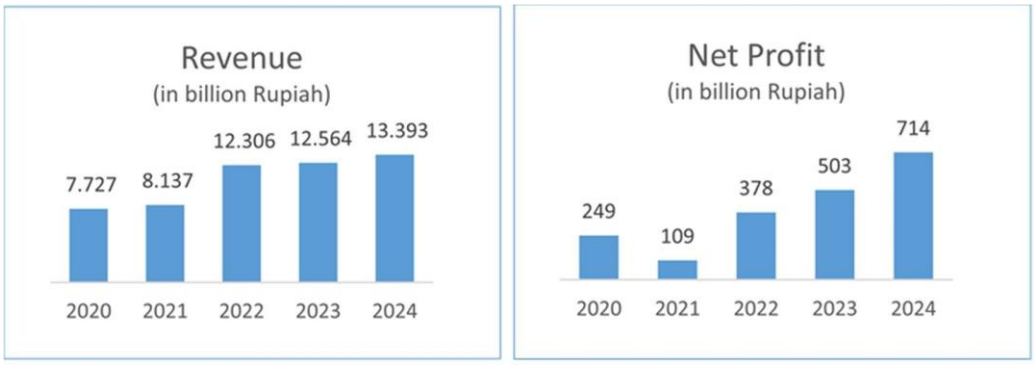

Figure 1. 2 Elnusa's Financial Performance 2020 - 2024

Source: Elnusa Annual Report 2024

This research aims to study how AKHLAK culture influence Elnusa's performance achievement.

1.2. Research Gap & Previous Research

Research has consistently examined the relationships among organizational culture, work environment, job satisfaction, and employee performance. Previous studies indicate that organizational culture and workplace conditions influence employee attitudes, behaviours, and organizational effectiveness (Robbins & Judge, 2022); (Schein & Schein, 2021). Although these relationships have been widely discussed, fewer studies have explored how organizational culture contributes to the development of a supportive work environment and how this, in turn, affects employee satisfaction and performance. Furthermore, empirical evidence on the implementation of AKHLAK as a unified organizational culture within Indonesian State-Owned Enterprises, particularly at PT Elnusa Tbk, remains limited. Since AKHLAK was adopted as the core cultural framework for SOEs in 2020, its influence on organizational outcomes continues to require empirical examination. Accordingly, this study investigates the relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance at PT Elnusa Tbk. The positioning and contribution of this study are highlighted through a review of selected previous studies presented in Table 1.1.

Table 1. 1 List of Previous Research

Author, Year, Title	Research Variable	Location	Research Results
The Influence of Work Environment, Organizational Culture and Work Motivation on Employee Job Satisfaction at CV Nadhia Karya, Kendal Regency. Oktaviani, et al (2024)	Work Environment Organizational Culture Work Motivation Employee Job Satisfaction	Management Study Program Institut Teknologi dan Bisnis Semarang, Indonesia. 100 respondents	The findings indicate that the work environment, work motivation, and organizational culture positively and significantly influence employee job satisfaction. Therefore, improving workplace conditions, strengthening organizational culture, and enhancing employee motivation are essential strategies for increasing job satisfaction.
The Effect of Organizational Culture and Work Environment on Employee Performance Mediated by Job Satisfaction. Trievanni Chantika, et al (2025)	Organizational Culture Work Environment Job Satisfaction Employee Performance	Program Pascasarjana, Universitas Bina Darma, Indonesia. 123 respondents	The findings indicate that organizational culture and the work environment positively and significantly influence employee job satisfaction, which in turn enhances employee performance. Thus, strengthening organizational culture and creating a supportive work environment are essential for improving job satisfaction and optimizing employee performance.
The Influence of AKHLAK Culture on the Performance of PT Kilang Pertamina Internasional Refinery Unit III Employees. Rizki Fitriadin, et al (2024).	Organizational Culture Employee Performance	Sriwijaya University, Indonesia. 91 respondents	The results showed that organizational culture had a positive and significant effect on employee performance variables of PT Pertamina International Refinery Unit III
Implementation of State-Owned Enterprise Organizational Culture 'Akhlak' in Improving Employee Performance at PT. Surveyor Indonesia (Persero) Medan Branch M. Rafli Ichsan Fahmi, et al (2024).	Organizational Culture Employee Performance	Program Studi Ilmu Administrasi Bisnis, Fakultas Ilmu Sosial Dan Ilmu Politik, Universitas Sumatera Utara. Literature review	The implementation of AKHLAK's core values is proven by having a positive impact on employee performance that can be seen through income, profits and achievements in the company.
The influence of AKHLAK culture on Employee Engagement at PT. Maluku Branch Raharja Services. Muhammad Nur Harahap, et al (2024).	Implementation of AKHLAK Culture Employee Engagement Employee Performance	Institut Bisnis & Keuangan Nitro. 50 respondents	The results of the analysis show that (1) (Employee engagement has a positive effect on employee performance at PT. Jasa Raharja Maluku Branch. (2) Moral culture has a positive effect on employee performance at PT. Jasa Raharja Maluku Branch. (3) Moral culture has a positive effect on employees. Engagement at PT Jasa Raharja Maluku Branch (4) Implementation of moral culture
The Influence factors of the Implementation of Core Values AKHLAK on Work Productivity of PT Elnusa Fabrikasi Konstruksi Edi Sudiar Manurung, et al (2023).	Organizational Culture AKHLAK Employee Performance	Fakultas Ekonomi dan Bisnis, Universitas Budi Luhur. 100 respondents	AKHLAK (Amanah, Competent, Harmonic, Loyal, Adaptive, and Collaborative) have a significant effect on work productivity at PT Elnusa Fabrication Construction

1.3. Problem Identification

The socialization of AKHLAK values has been implemented across nearly all company functions, subsidiaries, and project sites through both formal programs and routine corporate activities. The Corporate Secretary function plays a central role in promoting AKHLAK values by developing and disseminating *AKHLAK Moment* videos. These materials are regularly presented during various organizational forums, including management meetings, Board of Directors meetings, coordination meetings, town hall meetings, Elnusa Contractor HSSE Meetings (*Encore*), annual vendor meetings, and other corporate events. This continuous dissemination effort supports employees' understanding and internalization of AKHLAK values throughout the organization.

The institutionalization of AKHLAK values has been systematically embedded across organizational functions, subsidiaries, and operational sites through formal programs and routine corporate activities. In line with organizational culture theory, these initiatives serve as mechanisms for communicating and reinforcing shared values, norms, and behavioural expectations throughout the organization ((Schein & Schein, 2021)). The Corporate Secretary function plays a strategic role in this process through the dissemination of *AKHLAK Moment* learning materials across various organizational forums. As cultural artifacts, these practices facilitate the internalization of AKHLAK values and promote alignment between employee behaviour and organizational objectives, thereby strengthening the organizational culture (Stephen Robbins, 2022); (Schein & Schein, 2021).

Although the AKHLAK implementation framework has been established and implemented, challenges persist in ensuring the consistent enactment of its values across organizational units. Previous studies indicate that the implementation of AKHLAK culture may not yet be fully integrated at all employee levels and divisions, and its application is often concentrated among leadership groups ((Saragih, Lestari, & Jamalullail, 2024)). Furthermore, several factors, including employee motivation, socialization effectiveness, and organizational commitment, significantly influence the successful implementation of AKHLAK values within organizations (Sinaga & Wahyuningtias, 2023).

Despite the growing emphasis on implementing AKHLAK as the core organizational culture within Indonesian state-owned enterprises, limited empirical evidence is available regarding its role in shaping the work environment, employee job satisfaction, and employee performance. Organizational culture functions as a system of shared assumptions, values, and behavioural expectations that guide employees' actions and influence workplace dynamics (Schein & Schein, 2021). As these cultural elements may affect both employee attitudes and organizational outcomes, examining their relationship with the work environment, job satisfaction, and performance is important for assessing the effectiveness of AKHLAK implementation. Therefore, this study investigates the direct and indirect effects of AKHLAK organizational culture on the work environment, job satisfaction, and employee performance, with the aim of providing empirical insights into how organizational culture supports organizational effectiveness.

1.4. Research Question

Based on the implementation of AKHLAK Organizational Culture at PT Elnusa Tbk and its potential influence on the Work Environment, Job Satisfaction, and Employee Performance, this study seeks to address the following research questions:

1. Does AKHLAK Organizational Culture significantly affect Employee Job Satisfaction?
2. Does AKHLAK Organizational Culture significantly affect the Work Environment?
3. Does the Work Environment significantly affect Employee Job Satisfaction?
4. Does AKHLAK Organizational Culture significantly affect Employee Performance?
5. Does the Work Environment significantly affect Employee Performance?
6. Does Employee Job Satisfaction significantly affect Employee Performance?

1.5. Research Objectives

Based on the research questions, this study aims to:

1. Analyse the influence of AKHLAK Organizational Culture on Employee Job Satisfaction.
2. Analyse the influence of AKHLAK Organizational Culture on the Work Environment.
3. Analyse the influence of the Work Environment on Employee Job Satisfaction.
4. Analyse the influence of AKHLAK Organizational Culture on Employee Performance.
5. Analyse the influence of the Work Environment on Employee Performance.
6. Analyse the influence of Employee Job Satisfaction on Employee Performance.

1.6. Significance of the Study

a) Theoretical Benefits

This study is expected to provide a theoretical contribution by serving as a reference for future research on organizational culture implementation, particularly the AKHLAK Organizational Culture as a framework for institutionalizing and internalizing organizational core values. AKHLAK, comprising *Amanah*, *Kompeten*, *Harmonis*, *Loyal*, *Adaptif*, and *Kolaboratif*, was established as the core value system of Indonesian State-Owned Enterprises (SOEs) to strengthen organizational culture and support sustainable organizational performance. Drawing on organizational culture theory, shared values function as a mechanism that shapes employees' perceptions, attitudes, and behaviours, thereby influencing workplace dynamics and organizational outcomes (Schein & Schein, 2021); (Robbins & Judge, 2022). Consequently, the effective implementation of AKHLAK values is expected to foster a supportive work environment, enhance employee job satisfaction, and ultimately improve employee performance

This study is expected to contribute to the literature on organizational behaviour and organizational culture by providing empirical evidence regarding the implementation of **AKHLAK Organizational Culture** within Indonesian State-Owned Enterprises (SOEs), particularly PT Elnusa Tbk. As the core value framework adopted across SOEs, AKHLAK consists of six values, namely *Amanah, Kompeten, Harmonis, Loyal, Adaptif,* and *Kolaboratif*, which are intended to strengthen organizational culture and support organizational transformation.

From a theoretical perspective, the study extends the understanding of organizational culture by examining how the implementation of AKHLAK values influences the Work Environment, Job Satisfaction, and Employee Performance. Consistent with organizational culture theory, shared values and norms serve as mechanisms that shape employees' perceptions, attitudes, and behaviors, thereby influencing workplace dynamics and organizational effectiveness (Schein & Schein, 2021); (Robbins & Judge, 2022). By investigating these relationships, the study contributes to the growing body of knowledge on the role of organizational culture in shaping employee outcomes.

Furthermore, this study enriches the existing literature by exploring the mediating roles of Work Environment and Job Satisfaction within the relationship between Organizational Culture and Employee Performance. Given the limited empirical evidence on the organizational implications of AKHLAK, particularly in the context of SOEs, the findings are expected to provide additional theoretical insights into how a standardized organizational culture framework contributes to employee attitudes, workplace conditions, and performance outcomes. As such, the study may serve as a useful reference for future research on organizational culture implementation and its impact on organizational effectiveness.

b) Managerial Benefits

This study is expected to provide practical insights for PT Elnusa Tbk and other State-Owned Enterprises (SOEs) undertaking organizational culture transformation initiatives. The findings may assist management in evaluating the effectiveness of AKHLAK Organizational Culture implementation and understanding its influence on the Work Environment, Job Satisfaction, and Employee Performance.

In addition, the results can support decision-makers in identifying organizational practices that strengthen workplace conditions and employee well-being. By understanding the relationships among these variables, management may be better positioned to develop initiatives that enhance employee engagement, reinforce AKHLAK values in daily operations, and support sustainable performance improvement. The findings may also serve as an empirical basis for designing policies and programs aimed at strengthening organizational culture and facilitating organizational change.

1.7. Scope of Study

This study is limited to examining the implementation of AKHLAK Organizational Culture within PT Elnusa Tbk. AKHLAK, which was formally established as the core values framework for Indonesian State-Owned Enterprises through Ministerial Circular Letter (SE-7/MBU/07/2020, 2020), serves as the primary organizational culture construct in this research. The study focuses on evaluating the influence of AKHLAK Organizational Culture on the Work Environment, Job Satisfaction, and Employee Performance, as well as the relationships among these variables. Accordingly, the scope of this study is limited to employees of PT Elnusa Tbk and focuses on examining how the implementation of AKHLAK values influences the Work Environment, Job Satisfaction, and Employee Performance.

In addition, the study examines the influence of AKHLAK Organizational Culture on the Work Environment and the subsequent effect of the Work Environment on Job Satisfaction. The relationship between Job Satisfaction and Employee Performance is also investigated. The proposed framework is grounded in organizational behaviour and organizational culture theories, which suggest that organizational culture influences employees' perceptions of their work environment and shapes attitudes and behaviours that ultimately affect individual and organizational performance (Robbins & Judge, 2022); (Schein & Schein, 2021). Data for this study were collected from employees of PT Elnusa Tbk during July 2026.

1.8. Novelty

Previous studies have consistently shown that organizational culture plays an important role in shaping employee attitudes, job satisfaction, and performance outcomes (Schein & Schein, 2021), (Robbins & Judge, 2022). In the context of Indonesian State-Owned Enterprises (SOEs), research on the implementation of AKHLAK Organizational Culture has largely focused on its direct influence on employee-related outcomes.

However, limited empirical evidence is available regarding the mechanisms through which AKHLAK Organizational Culture influences Employee Performance, particularly through the mediating roles of Work Environment and Job Satisfaction. Although the relationships among organizational culture, work environment, job satisfaction, and performance have been widely discussed in the literature, studies that examine these variables within a single integrated framework remain limited, especially in the context of AKHLAK implementation within Indonesian SOEs.

To address this gap, the present study investigates the direct and indirect relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance at PT Elnusa Tbk. The study's novelty lies in its examination of the mediating roles of Work Environment and Job Satisfaction in explaining how AKHLAK Organizational Culture affects Employee Performance. Furthermore, to the best of the researcher's knowledge, no prior study has examined this integrated model within PT Elnusa Tbk. As a result, the study extends the organizational culture literature by providing empirical evidence on the pathways through which AKHLAK Organizational Culture influences employee outcomes within the Indonesian SOE context.

1.9. Research Structure

This thesis consisted of five chapters to help the reader understand the steps of each chapter:

Chapter 1: Introduction

This chapter describes the overview of the background, research gap and previous research, problem identification, research questions, research objectives, significance of the study, scope of the study, novelty, and research structure.

Chapter 2: Literature Review

This chapter emphasizes the theoretical review of the conceptual framework to guide the research with the related literature, theory, and hypothesis to support the research

Chapter 3: Research Methodology

This Chapter explains the methods of completing the research. The objective is to describe the research process in sequential data analysis.

Chapter 4: Data Analysis

This chapter will present the specifics of the data analysis from the questionnaire and the data processing outcome. This chapter will outline the analysis and discussion.

Chapter 5: Conclusion and Recommendation

This chapter will offer a summary and conclusion of the whole analysis based on the outcome. Future scholars will find the explanation of the recommendation helpful.

CHAPTER II
LITERATURE REVIEW

This chapter reviews the relevant literature on organizational culture, AKHLAK organizational culture, work environment, job satisfaction, and employee performance. The review provides a conceptual and theoretical foundation for the study by examining key constructs, their dimensions, and the relationships among them as identified in previous empirical research.

Organizational Culture

Organizational culture represents a system of shared values, beliefs, norms, and behavioural expectations that influences how individuals within an organization think, interact, and perform their work. These shared assumptions provide guidance for employee behaviour, shape workplace relationships, and contribute to the achievement of organizational objectives (Hasan, Astuti, Afrianty, & Iqbal, 2020). As a social mechanism, organizational culture affects not only how work is conducted but also how employees perceive their roles, responsibilities, and relationships within the organization. Consequently, organizational culture plays an important role in shaping organizational effectiveness and various employee-related outcomes (Hermawan & Loo, 2019); (Soni, 2019).

A substantial body of research has highlighted the influence of organizational culture on employees' workplace experiences. (Chang & Lu, 2007), found that cultural characteristics such as family orientation, informal workplace obligations, organizational loyalty, and subgroup involvement significantly shape employees' perceptions of their work environment. Their study demonstrated that organizational culture can either reduce or intensify workplace stress depending on how employees interpret and respond to prevailing cultural values. Sources of stress were found to include job demands, work-life balance issues, interpersonal relationships, and career development concerns. In particular, cultural expectations associated with informal workplace obligations were closely linked to job-related stress, suggesting that organizational culture has important implications for employee well-being.

Similar evidence was reported by (Coffey, et al., 2011), who identified hierarchical culture as the dominant cultural orientation among Indonesian construction companies. Such organizations typically emphasize formal structures, clearly defined authority relationships, standardized procedures, and centralized decision-making processes. While these characteristics may contribute to organizational stability and operational control, they can also influence communication patterns, employee motivation, and the overall work climate. Consequently, the nature of organizational culture may shape both the functioning of the organization and employees' experiences within it.

The Competing Values Framework further illustrates how different cultural orientations may produce different organizational outcomes. Organizations characterized by a market culture tend to emphasize competitiveness, productivity, and the achievement of measurable performance targets. In contrast, clan-oriented cultures prioritize collaboration, trust, employee development, and interpersonal relationships. (Mushtaque & Siddiqui, 2020) argued that organizations can benefit from fostering clan-based cultural values because such environments encourage employee participation, strengthen social support, and reduce workplace stress. By promoting open communication and mutual trust, clan cultures may enhance employee commitment and engagement, thereby contributing to organizational effectiveness.

Within the Indonesian context, (Chatab, 2007) identified several cultural characteristics commonly found in organizations. These include integrity, professionalism, exemplary behaviour, and respect for human resources. Integrity refers to honesty, ethical conduct, and adherence to organizational values and regulations. Professionalism involves accountability, discipline, competence, and future-oriented thinking. Exemplary behaviour reflects the ability of organizational members to act as positive role models through fairness, consistency, and responsible conduct. Respect for human resources emphasizes the fair treatment of employees through effective recruitment, development, retention, collaboration, and reward systems. Together, these characteristics contribute to the development of a culture that supports organizational sustainability and employee development.

One of the most widely applied frameworks for understanding organizational culture was proposed by (Denison D. R., 1995). The Denison Organizational Culture Model identifies four interrelated dimensions that influence organizational effectiveness: involvement, consistency, adaptability, and mission. The involvement dimension reflects the extent to which employees participate in organizational activities, decision-making processes, and capability development. Consistency refers to the degree to which members share common values and maintain coordinated ways of working. Adaptability describes the organization's capacity to respond effectively to environmental changes and emerging challenges. Meanwhile, mission represents the clarity of organizational purpose, strategic direction, and long-term objectives. According to (Denison D. R., 1995), organizations that successfully balance these four dimensions are more likely to achieve sustainable performance and long-term effectiveness.

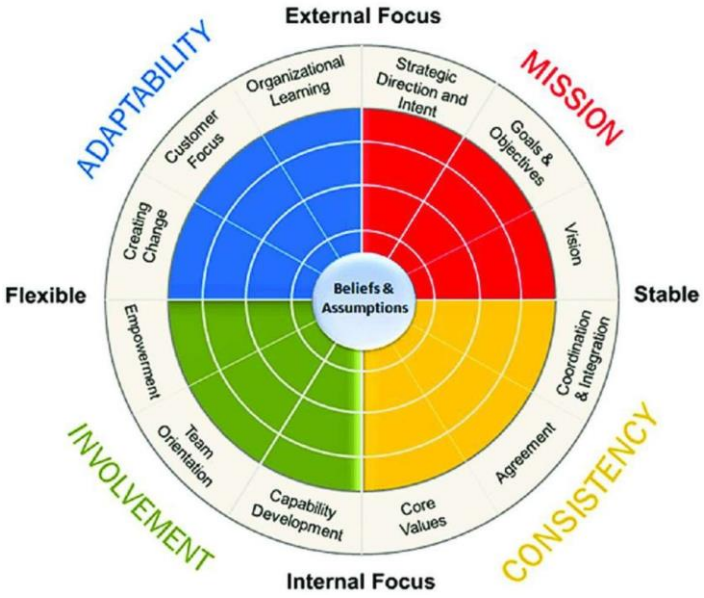

Figure 2. 1 Denison Organizational Culture Model Cincumflex

The Denison Organizational Culture Model proposes that organizational effectiveness is influenced by the values and assumptions shared among members of an organization. These underlying beliefs shape managerial actions, employee

behaviour, and organizational responses to environmental changes. According to (Denison D. R., 1995), organizational culture can be assessed through four interrelated dimensions: involvement, consistency, adaptability, and mission. Each dimension reflects a different aspect of organizational functioning and contributes to performance in distinct ways.

To examine the relationship between culture and organizational effectiveness, (Denison D. R., 1995) analysed data obtained from senior executives representing 764 organizations. Their study demonstrated that cultural dimensions are associated with different organizational outcomes. The dimensions of mission and consistency showed stronger relationships with measures of profitability, suggesting that organizations benefit from having a clear strategic direction and a stable set of shared values. In contrast, involvement and adaptability were more closely associated with innovation, indicating the importance of employee participation and organizational flexibility in supporting creative and innovative activities. Furthermore, organizational growth was most strongly linked to adaptability and mission, emphasizing the combined importance of responsiveness to environmental changes and long-term strategic focus.

The model further suggests that organizational culture is reflected through patterns of participation, coordination, responsiveness, and strategic orientation. Organizations characterized by high involvement encourage employee empowerment and capability development. Consistency reflects the presence of shared values and coordinated ways of working across the organization. Adaptability represents the organization's ability to learn, respond, and adjust to external demands, whereas mission provides direction through clearly defined goals and future aspirations. Together, these dimensions offer a comprehensive framework for understanding how organizational culture contributes to long-term organizational effectiveness and performance.

2.1. AKHLAK Organizational Culture

The AKHLAK culture is a set of core values adopted by Indonesian State-Owned Enterprises (SOEs) to guide employee behaviour and enhance organizational performance. This cultural framework is designed to foster a cohesive work environment that aligns with the strategic objectives of SOEs, particularly in the face of global competition and the need for innovation. The AKHLAK values—Amanah (Trustworthy), Kompeten (Competent), Harmonis (Harmonious), Loyal (Loyal), Adaptif (Adaptive), and Kolaboratif (Collaborative)—serve as a moral and operational compass for employees, promoting a unified corporate identity and facilitating talent mobility across the sector (Thohir & Agustian, 2020)

- *Amanah* (Trustworthy), Emphasizes integrity and accountability in fulfilling duties and responsibilities, ensuring trust within the organization and with external stakeholders.
- *Kompeten* (Competent) Focuses on continuous learning and skill development to maintain high-performance standards and adaptability in a rapidly changing business environment.
- *Harmonis* (Harmonius) Encourages collaboration and mutual respect among employees, fostering a supportive and inclusive workplace culture.
- *Loyal* (Loyal): Promotes dedication and commitment to the organization's goals and values, enhancing employee retention and organizational stability.
- *Adaptif* (Adaptive): Supports flexibility and innovation, enabling the organization to respond effectively to market changes and challenges.
- *Kolaboratif* (Collaborative): Advocates for teamwork and partnership, both internally and with external partners, to achieve common objectives.

To assist implementation of AKHLAK behavior there are 18 guidelines as follow:

Table 2. 1 AKHLAK Guideline

Culture	Definition	AKHLAK Behavioural Guidelines
Amanah (Trust)	Holding firm to the trust given	1. Fulfilling promises and commitments. 2. Being responsible for duties, decisions, and actions performed 3. Holding firm to moral and ethical values.
Kompeten (Competent)	Continuing to learn and develop capabilities	1. Increasing self-competence to answer ever-changing challenges 2. Helping others to learn. 3. Completing tasks in the highest quality.
Harmonis (Harmonious)	Caring for each other and appreciate differences	1. Respecting everyone regardless of background. 2. Like to help others 3. Building a conducive work environment.
Loyal (Loyal)	Dedicated and prioritizing the interests of the Nation and State	1. Maintaining the name of fellow employees, leaders, SOE, and the State. 2. Willing to sacrifice to achieve greater goals. 3. Obeying the leadership as long as it does not conflict with law and ethics.
Adaptif (Adaptive)	Willing to sacrifice to achieve greater goals	1. Quickly adapting to get better. 2. Willing to sacrifice to achieve greater goals 3. Acting proactively.
Kolaboratif (Collaborative)	Building synergistic cooperation	1. Giving opportunities for different parties to contribute. 2. Being transparent in working together to generate added values. 3. Driving the utilization of various resources for common

2.2. AKHLAK Company Living Core Value

AKHLAK, an acronym for *Amanah* (Trustworthy), *Kompeten* (Competent), *Harmonis* (Harmonious), *Loyal* (Loyal), *Adaptif* (Adaptive), and *Kolaboratif* (Collaborative), was established by the Ministry of State-Owned Enterprises (SOEs) as the core values framework for all Indonesian SOEs. The framework serves as a common cultural foundation intended to support organizational transformation, improve competitiveness, and strengthen organizational performance (SE-7/MBU/07/2020, 2020)

The implementation of AKHLAK is expected to influence employee behaviour, leadership practices, decision-making processes, and organizational effectiveness. As a shared values system, AKHLAK is intended to guide employee conduct and foster a unified organizational culture across SOEs (SE-7/MBU/07/2020, 2020)

According to (Persero, 2024) AKHLAK functions not only as a behavioural guideline but also as a transformational platform that supports human capital development and organizational excellence. The successful implementation of AKHLAK contributes to the creation of a high-performance culture characterized by employee engagement, collaboration, adaptability, and continuous improvement.

To assess the effectiveness of AKHLAK implementation, PT Pertamina (Persero) employs the Living Core Values (LCV) Program, a culture maturity assessment framework designed to evaluate the extent to which AKHLAK values are adopted and integrated within organizational units. The framework evaluates cultural maturity through five progressive stages: Awareness, Acceptance, Engagement, Commitment, and Ownership (Persero, 2024)

1. Awareness (0-159*)*

Awareness is the initial stage of cultural maturity in which employees recognize and understand AKHLAK values but have not consistently demonstrated the expected critical behaviors. At this level, organizations primarily focus on designing and communicating cultural initiatives.

2. Acceptance (160-259)

Acceptance represents the stage where AKHLAK values begin to be implemented in daily work activities. Organizations start integrating cultural initiatives into operational processes through implementation, monitoring, and evaluation activities. The expected critical behaviors are increasingly evident among employees.

3. Engagement (260-359)

At the Engagement level, leaders function as role models who actively encourage employee participation in cultural programs. Cultural initiatives are executed according to established work plans and performance indicators. Leadership

involvement becomes a critical factor in fostering employee commitment toward AKHLAK values.

4. Commitment (360-459)

Commitment reflects an advanced stage of cultural maturity where leaders not only practice AKHLAK values but also promote and reinforce those values to improve organizational performance. Cultural initiatives become strategically aligned with business objectives and organizational outcomes.

5. Ownership (460-500)

Ownership represents the highest level of culture maturity. At this stage, AKHLAK values and critical behaviors are fully embedded within organizational systems, policies, and management practices. Cultural values become institutionalized and consistently demonstrated by all organizational members without requiring external reinforcement

Previous studies suggest that mature organizational cultures contribute positively to employee engagement, organizational commitment, operational effectiveness, and organizational performance. Organizations with highly embedded cultural values tend to demonstrate stronger alignment between strategy and execution, improved collaboration, and greater adaptability to environmental changes. Consistent leadership support and behavioural reinforcement are also recognized as critical factors in sustaining cultural transformation initiatives (Denison D. R., 1995)

Within the context of the LCV framework, progression from Awareness to Ownership signifies increasing levels of cultural institutionalization. Consequently, higher LCV maturity scores are expected to be associated with stronger organizational performance and greater sustainability of organizational change initiatives.

The successful implementation of AKHLAK within the Living Core Values (LCV) framework depends on the active involvement of leaders, Human Capital (HC) Unit Managers, and Agents of Change (AoC). Leaders act as sponsors of the cultural transformation process by ensuring that the Cultural Program Charter is implemented effectively, communicating AKHLAK values to employees and

stakeholders, monitoring program execution, and evaluating achievement through regular Plan versus Actual reviews.

HC Unit Managers support the implementation process by encouraging leaders and AoCs to actively participate in cultural initiatives, ensuring the availability of cultural strategies, and conducting periodic evaluations of program progress. Meanwhile, AoCs are responsible for executing cultural programs, documenting implementation evidence, monitoring progress, and reporting outcomes to management. Through these roles, AoCs function as the operational drivers of AKHLAK internalization.

According to (Lunenburg, Managing Change: The Role of the Change Agent, 2010) is an individual who facilitates organizational change by promoting, supporting, and encouraging employees to adopt new behaviours and practices. This concept aligns with the role of AoCs in the LCV framework, where they act as facilitators and champions of cultural transformation.

This study adopts (Denison D. R., 1995)to evaluate the implementation of AKHLAK culture within PT Elnusa Tbk. The model consists of four dimensions: Involvement**,** Consistency**,** Adaptability**,** and Mission. Involvement focuses on empowerment, teamwork, and capability development; Consistency emphasizes shared values, agreement, and coordination; Adaptability reflects the organization's ability to respond to change and learn continuously; while Mission represents the organization's strategic direction, goals, and vision. These dimensions provide a comprehensive framework for assessing the extent to which AKHLAK values have been embedded within the organization and contribute to organizational effectiveness.

Work Environment

The work environment represents the overall context in which employees perform their job responsibilities. It encompasses a range of physical, social, and organizational conditions that shape employees' experiences and influence their ability to achieve work-related objectives. These conditions include workplace facilities, organizational practices, interpersonal relationships, and other factors that

support employees in carrying out their duties effectively (Mohanty & Jena, 2016); (Awan & Tahir, 2015).

The rapid development of information and communication technologies has broadened the scope of the work environment beyond conventional office settings. Employees are now able to perform their duties across diverse locations, including corporate offices, industrial sites, remote workplaces, and virtual platforms. As a result, the work environment is no longer limited to a specific physical space but also incorporates digital infrastructures that enable communication, coordination, and collaboration among employees (Stalmašeková N. , Genzorová, Čorejová, & Gašperová, 2017).

Within organizations, the work environment is reflected in various elements that influence employees' daily activities. These elements include organizational culture, workplace layout, environmental conditions, and the availability of facilities and resources. Factors such as lighting quality, temperature, ventilation, noise control, and ergonomic workplace design contribute to employees' perceptions of comfort and convenience while performing their work (Riyanto, Sutrisno, & Ali, The Impact of Working Motivation and Working Environment on Employees Performance in Indonesia Stock Exchange, 2017).

The quality of the work environment has important implications for employee attitudes and behaviour. When employees perceive that their workplace provides adequate support and favourable conditions, they are more likely to feel engaged, motivated, and committed to their responsibilities. (Schaufeli, 2012) argues that employee engagement is characterized by vigour, dedication, and absorption, all of which are more likely to emerge in supportive workplace settings. Consequently, a positive work environment can strengthen employees' emotional attachment to their work and encourage higher levels of performance.

Empirical studies have consistently demonstrated the relationship between workplace conditions and employee outcomes. Favourable environmental characteristics, including sufficient lighting, effective air circulation, comfortable temperatures, and manageable noise levels, have been associated with higher levels of employee comfort and job effectiveness (Veitch J. A., 2011). Likewise, ergonomic workplace arrangements contribute to employee well-being by reducing

physical strain and supporting efficient task performance (Dilani A. , 2004). In contrast, inadequate environmental conditions may create physical and psychological discomfort that hinders productivity and diminishes work quality (Chandrasekar, 2011).

Previous studies have highlighted the importance of the work environment in shaping employee satisfaction and workplace outcomes. Employees tend to respond more positively to organizational environments that provide adequate physical and environmental conditions to support their daily activities. Factors such as appropriate lighting, good air circulation, acceptable noise levels, comfortable temperature, and overall indoor environmental quality have been identified as important contributors to employee comfort, satisfaction, and performance (Veitch J. A., 2011).

Job Satisfaction

Job satisfaction can be understood as the extent to which employees perceive their work experiences positively or negatively. (Affandi, Patrisia, Syahrizal, & Abror, 2018) describe job satisfaction as employees' assessment of their jobs based on how well their work fulfils personal expectations and values. Similarly, (Lesmana, Nasution, & Handoko, 2022) explain that job satisfaction reflects employees' emotional responses to their work and can influence their motivation, productivity, and enthusiasm in carrying out job responsibilities.

The level of job satisfaction experienced by employees contributes to the development of workplace attitudes and organizational interactions. Employees who are satisfied with their jobs are generally more likely to display commitment, cooperation, and constructive work behaviours. Previous research has also indicated that a supportive organizational culture can contribute positively to employee job satisfaction (Bigliardi, Dormio, Galati, & Schiuma, 2012).

Among the factors associated with job satisfaction, compensation is frequently discussed as an important consideration. (Heery & Noon, 2007) describe compensation as the combination of wages and benefits provided to employees in exchange for their contributions to the organization. (Addisr, Dvivedi, & Beshah, 2018) further note that satisfaction with compensation is influenced by employees'

perceptions regarding the fairness and adequacy of the remuneration they receive. (Dulebohn & Werling, 2007) argue that an effective compensation system may encourage employee motivation, improve performance, and support workforce retention. Nevertheless, (Desrumaux, et al., 2015) emphasize that compensation alone may not guarantee employee satisfaction because recognition, career advancement opportunities, and meaningful work also contribute significantly to employees' attitudes toward their jobs. Likewise, (Olafsen, Halvari, Forest, & Deci, 2015) found that intrinsic work factors often have a stronger relationship with job satisfaction than financial rewards alone.

According to (Gilmer, 1996), job satisfaction is influenced by various organizational and individual factors, including opportunities for growth, job security, compensation, management practices, supervisory support, job characteristics, working conditions, social relationships, communication processes, and employee facilities. These elements shape employees' work experiences and contribute to their overall evaluation of job satisfaction.

Employee Performance

Employee performance is one of the most important indicators of organizational success and has been defined differently by various scholars. (AlYahya, Mat, & Awadh, 2013) define performance as the extent to which employees accomplish organizational goals and objectives within the workplace. Similarly, (Nigussie, 2018) describes employee performance as the physical and psychological capability of individuals to carry out their duties effectively, with performance levels ranging from low to high.

According to (Campbell, Modeling the performance prediction problem in industrial and orga-nizational psychology, 1990), (Kanfer, 1990), and (Roe, 1999) employee performance consists of two main elements: the **action element** and the **outcome element**. The action element refers to work-related behaviours and activities performed by employees, while the outcome element refers to the results achieved from those behaviours. (Motowidlo, 1997) further emphasizes that

employee performance involves evaluative and judgmental processes that focus on employees' actions in achieving organizational goals.

Performance is often associated with productivity; however, the two concepts are distinct. (Ricardo, 2001) argues that productivity measures the quantity of output produced within a given period, whereas performance encompasses not only productivity but also work quality and consistency. Likewise, (Armstrong, 2009) defines performance as the achievement of job responsibilities measured against predetermined standards of quality, accuracy, cost, and timeliness. Therefore, employee performance reflects both the effort exerted by employees and the extent to which organizational objectives are achieved.

Employee performance is considered a critical factor in organizational effectiveness. (Nigussie, 2018) argues that high employee performance serves as a foundation for organizational growth and sustainability. Similarly, (Chegini M. G, 2013) states that organizational success can be achieved when employees perform their duties according to established standards and expectations. Consequently, organizations need to continuously evaluate employee performance to identify factors that enhance productivity and effectiveness.

Various approaches have been developed to measure employee performance. (Kaplan R. –N., 1992) introduced the **Balanced Scorecard**, which evaluates performance through four dimensions: financial performance, customer perspective, internal business processes, and learning and growth. Although widely used for organizational assessment, the Balanced Scorecard also provides useful insights into employee contributions toward organizational objectives.

At the individual level, (Na-Nan, Chaiprasit, & Pukkeeree, 2018) developed an employee performance measurement model consisting of three dimensions: job quality, job quantity, and job time. Job quality refers to the accuracy and standard of work outcomes, job quantity reflects the volume of work completed, and job time measures the efficiency with which tasks are accomplished. The study confirmed that these dimensions provide a reliable framework for evaluating employee performance and can be applied in different organizational contexts.

In this study, employee performance is measured using the dimensions proposed by (Khahan Na-nan, 2018), namely job quality, job quantity, and job time, because

these dimensions comprehensively represent employee effectiveness in completing assigned tasks and are suitable for assessing performance at the individual level.

Development of Hypothesis

This section reviews existing studies done on organizational culture, work environment, job satisfaction and employee performance in various scenarios. Hypotheses were formulated from the reviews and tested in later chapters.

2.3. AKLHAK Organizational Culture and Job Satisfaction

Organizational culture is a system of values, beliefs, assumptions, or conventions that have long been accepted by members of an organization as a standard for problem-solving and organizational behaviour (Danilwan, Isnaini, Pratama, & Dirhamsyah, 2020). The identity or core character of an organization is its culture. Every employee, starting from the beginning of their career, needs to understand the culture and how it is applied because a strong culture helps, employees perform better (Jacobs & Crocket, 2021) this makes a strong culture a very useful tool for managing behaviour. One component that looks at the relationship between organizational culture and job satisfaction is the essence of "recognition" in organizational culture, which influences employees' moral values, attitudes, and behaviour (Meutia & Husada, 2019)

Previous studies have shown a positive effect of organizational culture on job satisfaction (Fathni, Indreswari, & Soebagijo, 2021) and (Jayanti & Nazwirman, 2020). Therefore, the hypothesis for this study is:

H1: AKHLAK Organizational culture positively affects job satisfaction.

2.4. AKHLAK Organizational Culture and Work Environment

The condition in which an employee works at their workplace, known as the work environment, is a collection of factors from a company where employees work (Nugraha & Suryawati, 2024). According to (Fatiha & Riwayati, 2023), the work environment refers to the physical, social, and organizational conditions that influence employees in performing their work. These conditions play an important role in shaping employees' attitudes, behaviours, and performance within the organization. Therefore, the hypothesis for this study is:

H2: The AKHLAK Organizational Culture positively affect on work environment.

2.5. AKLHAK Organizational Culture and Employee Performance

The capacity to develop organizational culture can drive employee performance in fulfilling assigned responsibilities (Maryadi & Misrania, 2022). Long-term economic performance can be significantly influenced by organizational culture, and the success of the organization and the development of human resources in a company will be determined by organizational culture, even more than other factors. Therefore, a strong company culture will influence how employees think and behave when doing their jobs (Deta, Kurniawan, & Yulianti, 2023). Companies with a strong organizational culture can increase employee productivity, foster camaraderie among staff, and improve profit earnings.

Based on previous studies, a positive effect of organizational culture on employee performance was found (Gobel, Dunggio, & Mooduto, 2021). Therefore, the hypothesis for this study is:

H3: Organizational culture positively affects employee performance.

2.6. Work Environment and Job Satisfaction

The condition in which an employee works at their workplace, known as the work environment, is a collection of factors from a company where employees work (Nugraha & Suryawati, 2024). The work environment refers to the state or

condition that significantly affects how employees perform their tasks or how the business operates (Fatiha & Riwayati, 2023). Previous studies have consistently shown that a positive work environment contributes to higher levels of employee job satisfaction. Employees who perceive their workplace as supportive, safe, and conducive to their work are more likely to experience greater satisfaction with their jobs (Sari & Astuningsih, 2021). Based on these findings, the following hypothesis is proposed:

H4: The work environment positively affects job satisfaction.

2.7. Work Environment and Employee Performance

Employee performance is an important determinant of organizational effectiveness and productivity. Employees' ability to perform effectively is influenced by the conditions in which they work. When workplace conditions are perceived as unsafe, uncomfortable, or unsupportive, employee motivation and performance may decline, increasing the likelihood of reduced compliance with organizational procedures and workplace incidents (Raziq & Maulabakhsh, 2014) The work environment encompasses various factors that shape employees' experiences at work, including supervisory support, relationships with coworkers, job security, recognition, and workplace safety (Raziq & Maulabakhsh, 2014). Among these factors, safety and security play a particularly important role in creating a sense of stability that enables employees to focus on their responsibilities and perform effectively.

According to (Jain & Kaur, 2014), the work environment consists of three dimensions: physical, social, and psychological environments. The physical environment includes workplace facilities, equipment, and safety conditions, while the social environment reflects interpersonal relationships and interactions within the organization. The psychological environment relates to employees' emotional and mental experiences at work. Together, these dimensions influence employees' perceptions, attitudes, and behaviours in the workplace.

A supportive work environment can enhance employee concentration, work quality, and productivity while fostering stronger engagement and commitment to

organizational goals. Previous studies have also shown that workplace conditions influence employee satisfaction and performance. Factors such as compensation, promotion opportunities, empowerment, workload, healthcare benefits, and working conditions contribute significantly to employees' job satisfaction (Breau & Rhéaume, 2014). Similarly, both physical and psychological aspects of the work environment have been found to affect employees' work experiences and satisfaction levels (Jain & Kaur, 2014), (Bojadjiev & Petkovska, 2015), (Taha & Dawal, 2006); (Kinzl, et al., 2004).

Furthermore, empirical evidence suggests that improvements in the work environment are associated with higher levels of employee performance and productivity (Yuliantari & Prasasti, 2020); (Hermawan E. , 2022). Based on these findings, the following hypothesis is proposed:

H5: The Work Environment positively affects Employee Performance.

2.8. Job Satisfaction and Employee Performance

Employees who are satisfied are more likely to engage in activities that enhance the company's generation, while dissatisfied employees affect how well the company works and achieves its goals. The most important factor is the influence of the organization on job fulfilment, which affects the way representatives work. Job fulfilment is one of the factors that can affect representative efficiency or job execution. The effect of job satisfaction on execution can be reflected in a high level of representative fulfilment, which influences execution. If the work environment is satisfactory, employees are highly motivated by the organization (Garaika, 2020)

Based on previous studies, a positive effect of job satisfaction on employee performance was found (Garaika, 2020) and (Saragih, Lestari, & Jamalullail, 2024). Therefore, the hypothesis for this study is:

H6: Job satisfaction positively affects employee performance.

The conceptual framework provides an explanation to present and organize all the phenomena occurring within a situation to be addressed by linking the concepts used as theories and connecting the research variables involved. Therefore, this thought process can serve as the foundation for problem-solving. The following is the framework of this research:

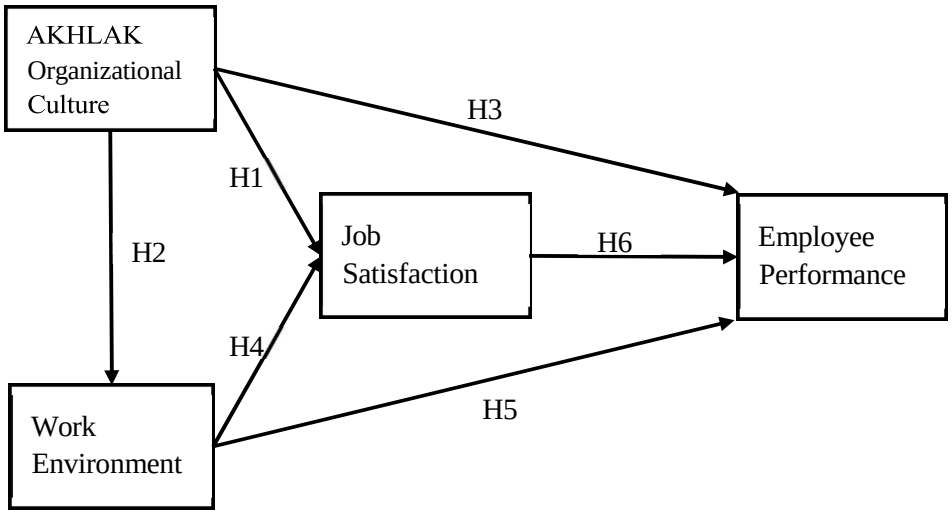

Figure 2. 2 Research Framework

CHAPTER III
METHODOLOGY

3.1. Introduction

This chapter outlines the methodology adopted to address the research objectives. It describes the research design, population and sample, sampling technique, research instrument, data collection procedures, and data analysis techniques used in the study.

Research design provides a systematic framework that guides the collection, analysis, and interpretation of data. Selecting an appropriate research design is important to ensure that the research objectives can be addressed effectively and that the findings are reliable and meaningful (Yin., 2014).

This study employs a quantitative research approach to examine the relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance at PT Elnusa Tbk. The quantitative approach was considered appropriate because it allows the proposed hypotheses to be tested using numerical data and statistical analysis. Through this approach, the study seeks to identify and measure the relationships among the research variables in an objective and systematic manner.

The remainder of this chapter presents the data sources, population and sample, data collection procedures, research instruments, and analytical techniques used to answer the research questions and achieve the objectives of the study.

3.2. Research Design

This study adopted a quantitative research design to examine the relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance at PT Elnusa Tbk. A quantitative approach was selected because it enables the testing of hypotheses and the analysis of relationships among variables using numerical data and statistical techniques (Creswell & Creswell, 2018).

The study followed a deductive approach, whereby hypotheses were developed based on existing theories and previous empirical findings and

subsequently tested using data collected from respondents (Saunders & Thornhill, 2019). Data were gathered through a structured questionnaire administered to employees of PT Elnusa Tbk.

The use of a quantitative design allows the variables to be measured objectively and the proposed relationships among them to be evaluated systematically. The results are expected to provide empirical evidence regarding the influence of AKHLAK Organizational Culture on Work Environment, Job Satisfaction, and Employee Performance. The conceptual framework guiding the study is presented in the following section.

The framework for this investigation is as follows:

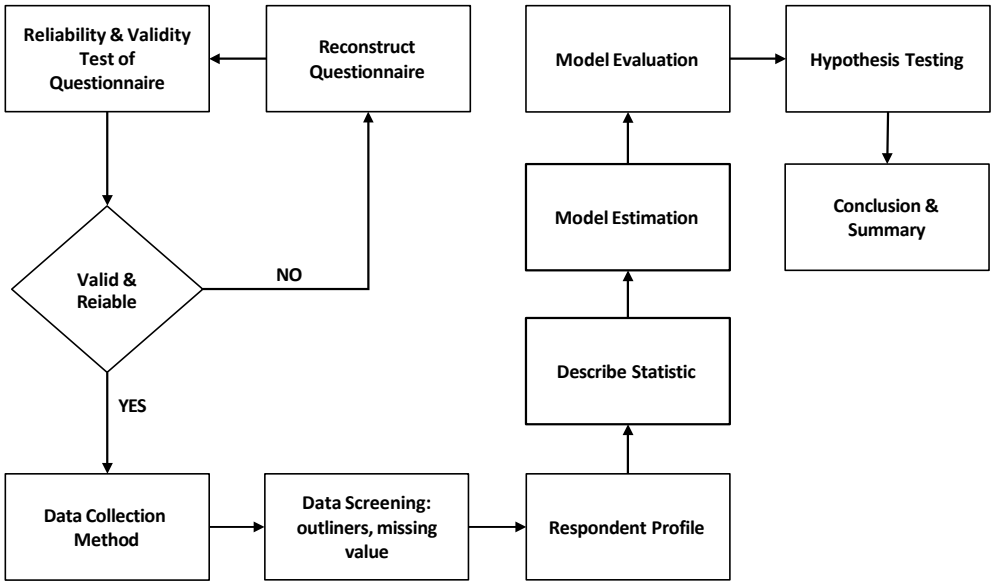

Figure 3. 1 Research Methodology

3.3. Types and Sources of Data

The study relies on two categories of data, namely primary data and secondary data. Primary data consist of information obtained firsthand from research participants and collected specifically to answer the research questions. Such data are acquired through the administration of structured questionnaires to the selected respondents.

Secondary data are incorporated to support the theoretical foundation and interpretation of the findings. These data are collected from a variety of sources, including academic journals, books, published reports, institutional documents, and other relevant literature. Furthermore, insights from academic supervisors are utilized as additional references in the development of the study. A summary of the primary and secondary data sources is provided in Table 3.1.

Table 3. 1 Type and Source of Data

Type of Data	Description	Source of Data
Primary Data	The responses provided by the respondents in relation of AKHLAK Organizational Culture, Working Environment, Job Satisfaction, Employee Performance	Respondents
Secondary Data	Annual Report, Energy News, AKHLAK Culture Guideline	PT Elnusa Tbk Annual Report

3.4. Data Collection Method

During this study, data will be collected using a questionnaire as the primary research instrument. To ensure effective data collection and a high response rate, the questionnaire will be administered through face-to-face interviews. According to (Sekaran & Bougie, 2016) a questionnaire is a set of written questions designed to collect information in a structured manner. In this research, the questionnaire will be developed using Microsoft Forms and distributed to selected employees of PT Elnusa Tbk who meet the criteria established for the study sample.

The questionnaire method involves a series of structured statements with predetermined response options, enabling the researchers to efficiently collect, analyse, and convert the data into statistical information. This approach facilitates consistency in responses and supports quantitative data analysis.

The questionnaire consists of closed-ended questions measured using a Likert scale, which is widely employed to assess individuals' attitudes, opinions, perceptions, and intentions regarding social phenomena. Respondents are asked to indicate their level of agreement with each statement using a five-point Likert scale.

In this study, the scale ranges from 1 to 5, where (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree. The use of this scale enables the researchers to quantitatively measure respondents' perceptions and analyse the relationships among the variables under investigation.

3.5. Population and Sampling

Population refers to the complete group of entities that meet the criteria established for a research investigation. In this study, the population comprises 1,879 employees of PT Elnusa Tbk, including both permanent and contract personnel. To ensure that respondents possess sufficient organizational knowledge and experience, participation is limited to employees who have worked for the company for at least one year and have completed a minimum of senior high school education. A sample represents a portion of the population selected to provide information about the broader group under investigation. By examining data collected from the sample, researchers can draw conclusions that reflect the characteristics of the target population (Sekaran & Bougie, 2016).

The study adopts a non-probability purposive sampling approach. According to (Sekaran & Bougie, 2016), purposive sampling involves selecting participants who satisfy specific requirements that are consistent with the objectives of the research. Accordingly, respondents are chosen based on predetermined criteria, including employment status, length of service, and educational background.

To establish the minimum number of respondents required, this study utilizes Cohen's statistical power analysis and G*Power calculations. Because the research applies Partial Least Squares Structural Equation Modelling (PLS-SEM), sample size determination follows the recommendations commonly used in PLS-SEM studies. (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014) explain that the adequacy of a sample in PLS-SEM is influenced by several considerations, including the significance level, statistical power, expected coefficient of

determination (R^2), and the number of structural paths connected to an endogenous construct. Therefore, the minimum sample requirement is determined based on Cohen's power analysis principles and the methodological guidelines suggested for PLS-SEM applications.

Table 3.2 summarizes the minimum sample size recommendations derived from Cohen's power analysis. The recommendations indicate that models containing a greater number of predictor variables generally require a larger sample size, particularly when the anticipated effect size is relatively small. In contrast, larger effect sizes allow reliable statistical testing to be achieved with fewer observations.

Table 3. 2 Cohen Table

Number of Predictors (k)	Small Effect ($f^2 = 0.02$)	Medium Effect ($f^2 = 0.15$)	Large Effect ($f^2 = 0.35$)
1	395	55	25
2	395	68	31
3	485	77	34
4	601	85	36
5	647	92	39
6	713	98	42
7	775	103	44
8	837	109	46
9	895	114	49

Based on the conceptual framework of this study, the structural model consists of three predictor variables, namely Organizational Culture, Job Satisfaction, and Leadership Culture Validation (LCV), which influence Employee Performance. Referring to Cohen's Table, a model with three predictors requires a minimum sample size of **77 respondents** for a medium effect size ($f^2 = 0.15$) and 34 respondents for a large effect size ($f^2 = 0.35$). To further ensure adequate statistical power and robustness of the findings, the minimum sample size was validated using G*Power software before data collection.

3.6. Measurement of Variables

This study employs a structured questionnaire to measure the research variables. The variables are assessed using a five-point Likert scale, ranging from (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree. The Likert scale is used to capture respondents' perceptions regarding the variables under investigation.

The questionnaire consists of measurement items adapted from established theories and previous empirical studies. This study employs four research variables, namely Organizational Culture, Job Satisfaction, Work Environment, and Employee Performance.

Research variables are attributes or characteristics that can vary and are measured to examine relationships among phenomena under investigation (Sekaran & Bougie, 2016). This study consists of one dependent variable, one independent variable, and one mediating variable.

Dependent Variable

The dependent variable refers to the variable of primary interest that is observed and measured by the researcher. It represents the outcome that is expected to be influenced by one or more independent variables (Sekaran & Bougie, 2016). In this study, the dependent variable is Employee Performance.

Employee performance refers to the extent to which employees accomplish assigned tasks and organizational objectives. It is measured using three dimensions proposed by (Na-Nan, Chaiprasit, & Pukkeeree, 2018), namely job quality, job quantity, and job time.

Independent Variable

In this research, independent variables are defined as constructs that are presumed to influence the outcomes represented by the dependent variables. As noted by (Sekaran & Bougie, 2016), the effect of an independent variable may occur in either a positive or negative direction. The independent variables analysed in this study are AKHLAK Organizational Culture and Work Environment.

AKHLAK Organizational Culture denotes the degree to which the values of Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif are practiced and upheld throughout the organization. The measurement of this construct is based on (Denison & Mishra, 1995) organizational culture model, which evaluates culture through the dimensions of involvement, consistency, adaptability, and mission.

Mediating Variable

A mediating variable, also referred to as an intervening variable, explains the mechanism through which an independent variable influences a dependent variable (Sekaran & Bougie, 2016). The mediating variable emerges as a result of the independent variable and helps clarify the process underlying a particular relationship.

In this study, Job Satisfaction serves as the mediating variable. Job satisfaction reflects employees' positive or negative feelings toward their jobs and work experiences. It is expected that a strong AKHLAK organizational culture will enhance employee satisfaction, which in turn contributes to improved employee performance. Therefore, job satisfaction functions as the mechanism through which organizational culture influences employee performance.

Table 3. 3 Operationalization of Variable

Variabel	Dimension	Indicator		Reference	Scale
Organization Culture (OC)	Amanah (A)	OC-A01	Saya bekerja dengan penuh tanggung jawab	Ministry of SOEs (2020)	Likert (1-5)
		OC-A02	Saya menjaga integritas dalam setiap pekerjaan		
		OC-A03	Saya mematuhi seluruh peraturan perusahaan		
		OC-A04	Saya dapat dipercaya dalam menyelesaikan tugas		
	Kompeten (K)	OC-K01	Saya terus meningkatkan kompetensi saya		
		OC-K02	Saya mampu menyelesaikan pekerjaan sesuai standar perusahaan		
		OC-K03	Saya terbuka terhadap pembelajaran baru		
		OC-K04	Saya mampu memberikan solusi atas permasalahan pekerjaan		
	Harmonis (H)	OC-H01	Saya menghargai rekan kerja tanpa membedakan latar belakang		
		OC-H02	Hubungan antarpegawai berjalan dengan baik		
		OC-H03	Saya menjaga komunikasi yang positif		
		OC-H04	Konflik diselesaikan secara profesional		

Variabel	Dimension	Indicator		Reference	Scale
	Loyal (L)	OC-L01	Saya bangga menjadi bagian dari PT Elnusa Tbk		
		OC-L02	Saya mendukung Visi Misi perusahaan		
		OC-L03	Saya menjaga nama baik perusahaan		
		OC-L04	Saya siap berkontribusi demi kemajuan perusahaan		
	Adaptif (AD)	OC-AD01	Saya mudah menyesuaikan diri terhadap perubahan		
		OC-AD02	Saya terbuka terhadap inovasi		
		OC-AD03	Saya cepat mempelajari teknologi baru.		
		OC-AD04	Saya mendukung transformasi perusahaan		
	Kolaboratif (KO)	OC-KO01	Saya senang bekerja dalam tim		
		OC-KO02	Saya bersedia membantu rekan kerja		
		OC-KO03	Saya aktif berbagi pengetahuan		
		OC-KO04	Kolaborasi lintas fungsi berjalan dengan baik		
Work Enviroment (WE)	Lingkungan Fisik (F)	WE-F01	Area kerja bersih dan nyaman	Sedarmayanti (2017); Nitisemito (2015)	Likert (1-5)
		WE-F02	Area kerja aman untuk bekerja.		
		WE-F03	Peralatan kerja tersedia dan sesuai standard		
		WE-F04	Tersedia fasilitas oalhraga/program kebugaran untuk karyawan		
	Lingkungan Psikologis (P)	WE-P01	Saya merasa dihargai oleh atasan.		
		WE-P02	Saya memperoleh dukungan dari rekan kerja		
		WE-P03	Beban kerja sesuai kemampuan		
		WE-P04	Saya merasa nyaman bekerja di unit saya		
	Komunikasi Organisasi (KO)	WE-KO01	Informasi pekerjaan disampaikan dengan jelas		
		WE-KO02	Koordinasi antarbagian berjalan baik		
		WE-KO03	Saya mudah menyampaikan pendapat		
		WE-KO04	Atasan memberikan umpan balik yang konstruktif.		
	Keselamatan Kerja (KK)	WE-KK01	Budaya HSE diterapkan secara konsisten		
		WE-KK02	Perusahaan menyediakan APD yang memadai.		
		WE-KK03	Saya merasa aman selama bekerja		
		WE-KK04	Perusahaan peduli terhadap kesehatan karyawan		
Job Satisfaction (JS)	Kepuasan terhadap Pekerjaan (KP)	JS-KP01	Saya merasa pekerjaan yang saya lakukan menarik dan menantang.	Robbins & Judge (2022)	Likert (1-5)
		JS-KP02	Tugas dan tanggung jawab yang diberikan sesuai dengan kemampuan saya		
		JS-KP03	Saya merasa bangga dengan pekerjaan yang saya lakukan		
		JS-KP04	Saya memperoleh kesempatan untuk mengembangkan keterampilan melalui pekerjaan saya		
	Kepuasan terhadap Atasan (KA)	JS-KA01	Atasan memberikan arahan yang jelas dalam bekerja		
		JS-KA02	Atasan menghargai kontribusi saya		

Variabel	Dimension	Indicator		Reference	Scale
		JS-KA03	Atasan memberikan dukungan ketika menghadapi kesulitan kerja		
		JS-KA04	Saya merasa diperlakukan dengan adil oleh atasan		
	Kepuasan terhadap Rekan Kerja (KR)	JS-KR01	Saya memiliki hubungan kerja yang baik dengan rekan kerja		
		JS-KR02	Rekan kerja saya saling membantu dalam menyelesaikan pekerjaan		
		JS-KR03	Komunikasi antar rekan kerja berjalan dengan baik		
		JS-KR04	Lingkungan kerja mendukung kerja sama tim yang efektif		
	Kepuasan terhadap Pengembangan Karier (KP)	JS-KPK01	Perusahaan memberikan kesempatan pengembangan karier		
		JS-KPK02	Saya memiliki peluang promosi yang jelas		
		JS-KPK03	Program pelatihan yang diberikan membantu peningkatan kompetensi saya		
		JS-KPK04	Saya optimis dapat berkembang bersama perusahaan ini		
Employee Performance (EP)	Kualitas Kerja (KK)	EP-KK01	Saya menghasilkan pekerjaan dengan tingkat kualitas yang tinggi	Bernardin & Russell (2013	Likert (1-5)
		EP-KK02	Saya jarang melakukan kesalahan dalam pekerjaan		
		EP-KK03	Hasil pekerjaan saya memenuhi standar yang ditetapkan		
		EP-KK04	Saya selalu memperhatikan ketelitian dalam bekerja		
	Produktivitas Kerja (PK)	EP-PK01	Saya mampu menyelesaikan pekerjaan sesuai target		
		EP-PK02	Saya bekerja secara efektif dan efisien		
		EP-PK03	Saya mampu mengelola waktu dengan baik		
		EP-PK04	Saya dapat menangani beban kerja yang diberikan		
	Tanggung Jawab (TJ)	EP-TJ01	Saya menyelesaikan tugas sesuai dengan tanggung jawab yang diberikan		
		EP-TJ02	Saya dapat diandalkan dalam menyelesaikan pekerjaan		
		EP-TJ03	Saya berinisiatif menyelesaikan masalah yang muncul dalam pekerjaan		
		EP-TJ04	Saya berkomitmen terhadap pencapaian tujuan organisasi.		
	Adaptabilitas dan Inovasi (AI)	EP-AI01	Saya dapat beradaptasi dengan perubahan yang terjadi di tempat kerja		
		EP-AI02	Saya terbuka terhadap ide atau cara kerja baru		
		EP-AI03	Saya memberikan usulan perbaikan untuk meningkatkan kinerja		
		EP-AI04	Saya mampu mempelajari keterampilan baru dengan cepat		
	Kerja Sama Tim (KST)	EP-KST01	Saya bekerja sama dengan baik dalam tim		
		EP-KST02	Saya aktif membantu rekan kerja saat dibutuhkan		
		EP-KST03	Saya berkontribusi positif dalam kegiatan tim		
		EP-KST04	Saya mampu berkomunikasi dengan efektif dalam tim		

3.7. Questionnaire Design

Data were obtained through a questionnaire specifically designed to capture information related to the variables under investigation. The instrument consisted of two sections. The first section collected background information from respondents, including gender, age, educational level, length of employment, and work location. These characteristics were used to describe the composition of the study participants. The second section included a set of indicators developed to evaluate AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance. Participants expressed their perceptions using a five-point Likert response format ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). This measurement approach enabled the transformation of respondents' perceptions into quantitative data suitable for statistical analysis.

The indicators were derived from established conceptual frameworks and empirical research. Measurement items for AKHLAK Organizational Culture were adapted from Denison's organizational culture framework (Denison & Mishra, 1995) and contextualized to reflect the AKHLAK values adopted within Indonesian State-Owned Enterprises (SOEs). The indicators for Work Environment, Job Satisfaction, and Employee Performance were selected from prior studies that demonstrated their relevance and applicability to the constructs examined in this research.

A pilot study was not conducted prior to the main survey. This decision was based on the use of measurement scales that had been validated in previous studies and the adoption of indicators derived from the official AKHLAK behavioral guidelines. Consequently, the questionnaire was administered directly to respondents during the data collection process. Nevertheless, the reliability and validity of the instrument were subsequently assessed using statistical procedures based on the data collected from the main survey.

The questionnaire was evaluated through tests of construct validity and internal consistency reliability to ensure that the measurement instrument was appropriate for the study. Construct validity was assessed to determine whether the questionnaire items adequately represented their intended constructs, while reliability testing examined the consistency of the indicators used to measure each

construct. The results of these assessments were used to confirm that the instrument met the required measurement standards before proceeding to hypothesis testing and structural model evaluation.

3.8. Data Analysis

Data analysis refers to the process of organizing, examining, and interpreting data to generate meaningful findings and support research conclusions (Zikmund, 2000). Before the analysis was conducted, the collected data were checked for completeness, accuracy, and consistency. The data were then coded and prepared for analysis using SmartPLS 4.

To address the research objectives, this study employed Partial Least Squares Structural Equation Modelling (PLS-SEM). This technique was selected because it enables the simultaneous examination of multiple relationships among latent constructs and is suitable for prediction-oriented research. The analysis consisted of two stages: the evaluation of the measurement model (outer model) and the structural model (inner model). The measurement model was assessed to establish the reliability and validity of the constructs, while the structural model was evaluated to examine the proposed relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance.

Hypothesis testing was conducted using the bootstrapping procedure, which generates path coefficients, *t*-statistics, and *p*-values to determine the significance of the proposed relationships. The results of these analyses were subsequently used to evaluate the research hypotheses and draw conclusions regarding the relationships among the study variables.

3.8.1. Data Preparation

Prior to the analysis, the data were screened to identify missing values, outliers, and potential data entry errors that could affect the accuracy of the results (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014). Data collection was conducted using a structured questionnaire, and all questionnaire items required a response before submission. As a result, no missing data were identified in the dataset.

The respondent profile analysis was conducted to describe the characteristics of the sample and provide context for interpreting the study findings. The analysis included demographic information such as gender, age, educational background, years of service, and area of assignment. These characteristics help assess the extent to which the sample represents the employee population of PT Elnusa Tbk.

Following the demographic analysis, the data were further examined to identify potential outliers and ensure the quality of the dataset before proceeding to the measurement and structural model evaluations.

3.8.2. Descriptive Analysis

According to (Zikmund, 2000), descriptive statistics are used to organize, summarize, and present data in a meaningful manner to facilitate interpretation. In this study, descriptive analysis was conducted to provide an overview of the respondents' characteristics and the distribution of the research variables.

The descriptive analysis included demographic information collected from employees of PT Elnusa Tbk, such as gender, age, educational background, years of service, and area of assignment. This analysis provides context for understanding the sample and supports the interpretation of the study findings.

In addition, descriptive measures including the mean, standard deviation, skewness, and kurtosis were used to summarize the characteristics of the research variables. These statistics provide preliminary insights into employees' perceptions of AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance, as well as the overall distribution and variability of the data prior to further analysis.

3.8.3. Inferential Analysis

To examine the proposed research model, this study employed Partial Least Squares Structural Equation Modeling (PLS-SEM). This approach was selected because it enables the simultaneous analysis of multiple relationships among latent

constructs and is well suited for research that focuses on prediction and theory development (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014).

PLS-SEM was considered appropriate for this study because it allows the estimation of complex relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance while accommodating data that may not fully satisfy multivariate normality assumptions. In addition, the method supports the assessment of both measurement and structural models within a single analytical framework.

The analysis was conducted using SmartPLS 4. Following established PLS-SEM procedures, the analysis consisted of two stages: evaluation of the measurement model (outer model) and evaluation of the structural model (inner model). The measurement model was assessed to confirm the reliability and validity of the constructs, while the structural model was examined to test the proposed hypotheses and evaluate the relationships among the study variables.

3.8.4. Measurement Model (Outer Model)

The measurement model was evaluated to ensure that the research constructs satisfied the required reliability and validity criteria before the assessment of the structural model (Purwanto & Sudargini, 2021). The evaluation focused on three aspects: internal consistency reliability, convergent validity, and discriminant validity. Internal consistency reliability was assessed using Cronbach's Alpha and Composite Reliability (CR), while convergent validity was evaluated based on outer loading values and the Average Variance Extracted (AVE). Discriminant validity was subsequently examined using cross-loadings and the Fornell-Larcker criterion to verify that each construct was empirically distinct from the other constructs included in the model.

Internal Consistency Reliability

Internal consistency reliability refers to the extent to which the indicators of a construct consistently measure the same underlying concept. In PLS-SEM, reliability is commonly assessed using Cronbach's Alpha and Composite Reliability

(CR). Both measures range from 0 to 1, with higher values indicating greater consistency among the indicators. According to (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014), Cronbach's Alpha and Composite Reliability values of 0.70 or above indicate an acceptable level of reliability.

Among these measures, Composite Reliability is generally preferred in PLS-SEM because it takes into account the individual outer loadings of the indicators, thereby providing a more accurate estimate of construct reliability than Cronbach's Alpha. Consequently, both indicators were examined in this study to assess the internal consistency of the measurement model.

Convergent Validity

Convergent validity refers to the extent to which multiple indicators designed to measure the same construct are correlated and share a high proportion of common variance. Convergent validity is typically assessed using outer loadings and the Average Variance Extracted (AVE).

Indicators are considered acceptable when their outer loading values are 0.708 or higher, indicating that the construct explains a substantial proportion of the variance in the indicator. In addition, an AVE value of 0.50 or above suggests that the construct explains more than half of the variance represented by its indicators, thereby demonstrating adequate convergent validity (Purwanto & Sudargini, 2021).

Discriminant Validity

According to (Henseler J. , 2009), discriminant validity can be assessed using cross-loadings**,** where each indicator should exhibit a higher loading on its corresponding construct than on any other construct.

Table 3. 4 Fornell – Larker Criterion

Evaluation Criteria	Threshold Value
Outer Loading	> 0.708
Cronbach's Alpha	> 0.70
Composite Reliability (CR)	> 0.70
Average Variance Extracted (AVE)	> 0.50
Cross Loading	Highest loading on own construct
Fornell-Larcker Criterion	√AVE > Inter-construct Correlation

Furthermore, the **Fornell-Larcker criterion** was applied to assess discriminant validity by comparing the square root of the Average Variance Extracted (AVE) for each construct with its correlations with other constructs in the model. According to (Fornell & Larcker, 1981) discriminant validity is achieved when the square root of a construct's AVE exceeds its correlations with all other constructs. This indicates that the construct shares more variance with its own indicators than with indicators of other constructs, thereby confirming its distinctiveness within the measurement model.

3.8.5. Structural Model (Inner Model)

The structural model, commonly referred to as the inner model, represents the linkage among the latent constructs proposed in the research framework. Within the PLS-SEM approach, this model is applied to investigate the influence of exogenous constructs on endogenous constructs and to determine the extent to which the specified relationships contribute to explaining the target variables. The main purpose of structural model evaluation is to assess the model's predictive power and its ability to account for variations in endogenous constructs (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014).

In the present study, the structural model is used to analyze the relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance. The evaluation emphasizes both the predictive accuracy of the model and the statistical significance of the proposed hypotheses. Following the recommendations of (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014) and (Purwanto & Sudargini, 2021), the assessment involves examining collinearity issues, estimating path coefficients, evaluating the coefficient of determination (R^2), and measuring effect sizes (f^2).

Collinearity Assessment

Prior to assessing the structural relationships, collinearity among the predictor constructs was evaluated using the Variance Inflation Factor (VIF). As recommended by (Hair, Risher, Sarstedt, & Ringle, 2019), VIF values below 5.0 indicate that multicollinearity is not a major concern. This assessment ensures that each predictor construct contributes unique explanatory information and supports the reliable interpretation of the structural model results.

Path Coefficient

Path coefficients were examined to determine the strength and direction of the relationships among the constructs in the structural model. The coefficient values range from −1 to +1, with positive values indicating a positive relationship and negative values indicating an inverse relationship between constructs. In general, larger absolute coefficient values reflect stronger relationships.

The significance of each relationship was evaluated using the bootstrapping procedure in SmartPLS, which generates t-statistics and p-values for the estimated paths. Based on the recommendation of (ULUM, et al., 2008), a relationship is considered statistically significant when the t-statistic exceeds 1.96 at the 5% significance level ($\alpha = 0.05$). The bootstrapping results were subsequently used to determine whether the proposed hypotheses were supported and to assess the significance of the relationships among the study variables.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) was used to assess the explanatory power of the structural model by indicating the proportion of variance in an endogenous construct that can be explained by its predictor variables. Higher R^2 values reflect a greater ability of the model to explain variations in the endogenous constructs.

According to (Hair, Hult, Ringle, & Sarstedt, 2022), R^2 values of 0.75, 0.50, and 0.25 indicate substantial, moderate, and weak explanatory power, respectively. Accordingly, the R^2 statistic provides an indication of how well the model explains the relationships among the study variables.

In this study, R^2 values were examined to determine the extent to which AKHLAK Organizational Culture and Work Environment explain Job Satisfaction, as well as how AKHLAK Organizational Culture, Work Environment, and Job Satisfaction explain Employee Performance. The results were subsequently used to evaluate the overall explanatory capability of the proposed structural model.

Effect Size (f^2)

The effect size (f^2) was used to evaluate the relative contribution of each exogenous construct to the variance explained in the endogenous constructs. Following (Cohen, 1988), f^2 values of 0.02, 0.15, and 0.35 represent weak, moderate, and strong effects, respectively. These thresholds are commonly used in PLS-SEM studies to assess the practical importance of individual predictor constructs (Hair, Hult, Ringle, & Sarstedt, 2022).

Table 3. 5 f^2 Value Size

f^2 Value	Effect Size
0.02	Small Effect
0.15	Medium Effect
0.35	Large Effect
< 0.02	No Effect

The effect size (f^2) is calculated by comparing the R^2 value of the model when a particular predictor construct is included with the R^2 value obtained when that predictor is excluded. This comparison enables the assessment of the individual contribution of each exogenous construct to the explanatory power of the model. Higher f^2 values indicate that a predictor construct makes a greater contribution to explaining the variance of the endogenous construct.

3.9. Hypothesis Testing

Hypothesis testing was conducted to examine the relationships among the constructs included in the research model. The strength and direction of each relationship are represented by the path coefficient (β), while the statistical significance of the relationships is evaluated using t-statistics and p-values generated through the bootstrapping procedure in SmartPLS. Bootstrapping is a resampling technique used to assess the stability and significance of the estimated path coefficients.

According to (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014) an adequate number of bootstrap samples is required to obtain reliable standard errors and

significance estimates. Therefore, this study employed 5,000 bootstrap samples, which is consistent with recommended practices in PLS-SEM analysis.

The proposed hypotheses were evaluated using the bootstrapping results. Following (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014) a hypothesis is considered statistically supported when the t-statistic exceeds 1.65 for a one-tailed test at the 5% significance level and the p-value is below 0.05. Based on these criteria, the significance and direction of the relationships among the study variables were assessed.

CHAPTER IV
DATA ANALYSIS

4.1 Research Overview

This chapter presents the results of the data analysis and discusses the findings obtained from the questionnaire survey. The analysis focuses on evaluating the measurement model and examining the structural relationships among the study variables using the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach.

Data were collected through Microsoft Forms over a two-week period from 84 employees of PT Elnusa Tbk. As the measurement indicators were adapted from previously validated instruments and the official AKHLAK behavioural guidelines, the study proceeded directly to the main survey. The collected data were subsequently used to assess the reliability and validity of the measurement instrument.

Before conducting the analysis, the dataset was screened for missing values and potential inconsistencies. Descriptive statistics were then used to summarize the respondents' characteristics and provide an overview of the research variables. This initial analysis provided the foundation for the subsequent evaluation of the measurement and structural models using PLS-SEM.

4.2 Respondent Profile

This study involved employees of PT Elnusa Tbk who are assigned to both head office and field operations. The selection of these respondents was intended to capture a broad representation of the company's workforce and to obtain data that reflect employees' perceptions of the variables examined in this study. Respondent characteristics, including gender, age, educational level, years of service, and work assignment, are presented in Figure 4.1. Understanding these demographic profiles provides important context for interpreting the findings and evaluating how well the sample reflects the characteristics of the employee population at PT Elnusa Tbk.

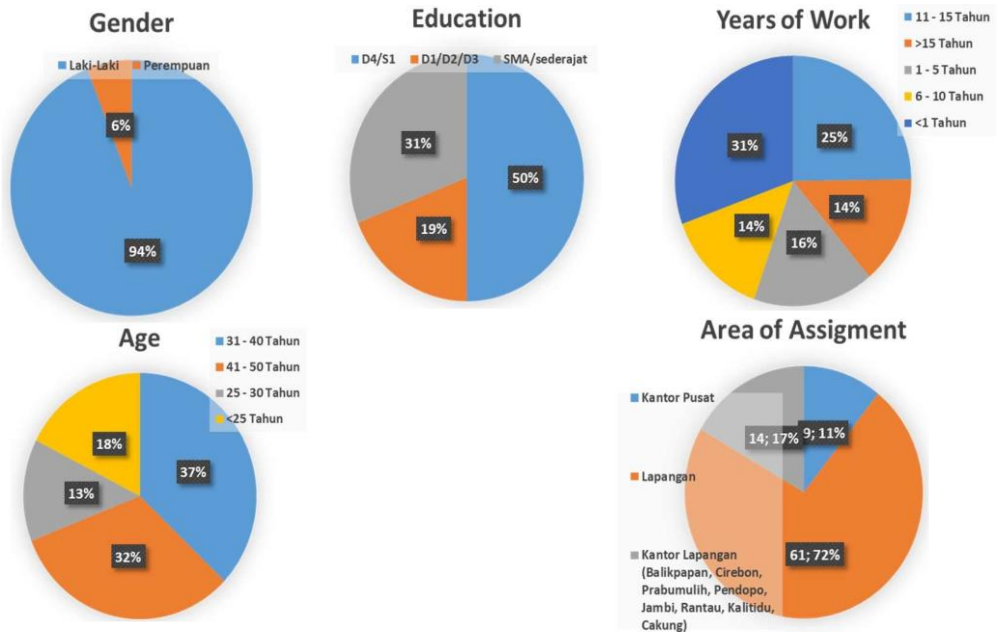

Figure 4. 1 Respondent Demographic

Figure 4.1 shows that the respondent profile was dominated by male employees (94%), while female employees accounted for only 6% of the sample. Most respondents were between 31 and 50 years old (69%), indicating that the majority were in their productive working years. In terms of educational background, diploma graduates represented the largest group (50%).

The respondents were also relatively experienced, with 53% having worked at PT Elnusa Tbk for more than five years. Furthermore, most respondents (61.72%) were assigned to field operations, reflecting the operational nature of the company's business activities.

Overall, the sample primarily consisted of experienced field-based employees within the productive age category. Given their length of service and direct involvement in operational activities, the respondents are considered capable of providing informed assessments of AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance. Therefore, the respondent profile provides an appropriate basis for interpreting the findings of this study.

4.3 Descriptive Statistics

Descriptive statistical analysis was conducted to provide an overview of the characteristics and distribution of the data prior to further analysis. All variables were measured using a five-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Data were collected through Microsoft Forms from 84 employees of PT Elnusa Tbk who met the study criteria.

The descriptive measures employed in this study included the mean, standard deviation, skewness, and kurtosis. The mean and standard deviation were used to describe the central tendency and dispersion of the data, while skewness and kurtosis were examined to assess the normality of the data distribution. According to (Curran, West, & Finch, 1996) skewness values between −2 and +2 and kurtosis values between −7 and +7 indicate acceptable levels of normality.

The analysis covered four constructs: AKHLAK Organizational Culture (OC), Work Environment (WE), Job Satisfaction (JS), and Employee Performance (EP). The results show that all indicators have skewness values within the range of −2 to +2 and kurtosis values within the range of −7 to +7, suggesting that the data do not exhibit substantial deviations from normality.

In addition, the descriptive statistics provide preliminary insights into employees' perceptions of the four constructs by summarizing the average responses and the variability of those responses. The complete results of the descriptive statistical analysis are presented in Table 4.1.

Table 4. 1 Descriptive Statistic

Statistic	OC	WE	JS	EP
N (total respondent)	84	84	84	84
Valid	84	84	84	84
Missing	0	0	0	0
Mean	4,704	4,507	4,479	4,624
Standard Deviation	0,650	0,784	0,811	0,671
Skewness	-3,232	-2,161	-2,180	-2,607
Kurtois	14,156	6,257	6,274	10,101

AKHLAK Organizational Culture

Table 4. 2 Mean Value of AKHLAK Indicator

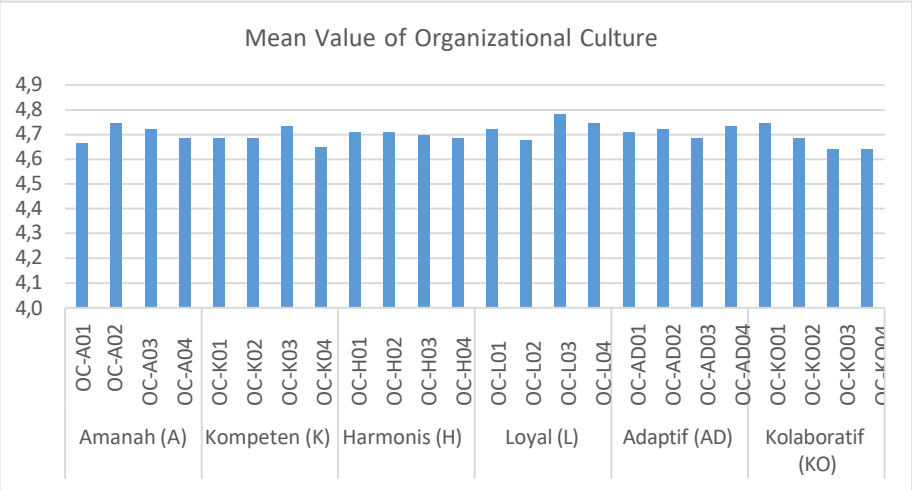

Table 4.2 indicates that OC-L03 (Upholding Company Image) under the Loyal dimension recorded the highest mean score (M = 4.78), suggesting that employees strongly uphold and maintain the reputation of PT Elnusa Tbk as part of their professional responsibilities.

Conversely, OC-K03 (Knowledge Sharing) and OC-K04 (Collaboration Across Divisions), both belonging to the Collaborative dimension, obtained the lowest mean scores (M = 4.63). Although these values remain high, they indicate that knowledge sharing and cross-divisional collaboration are perceived less positively than other aspects of the AKHLAK Organizational Culture. This finding suggests opportunities to further strengthen communication, knowledge exchange, and collaboration across organizational units.

Work Environment

Table 4. 3 Mean Value of Work Environment Indicator

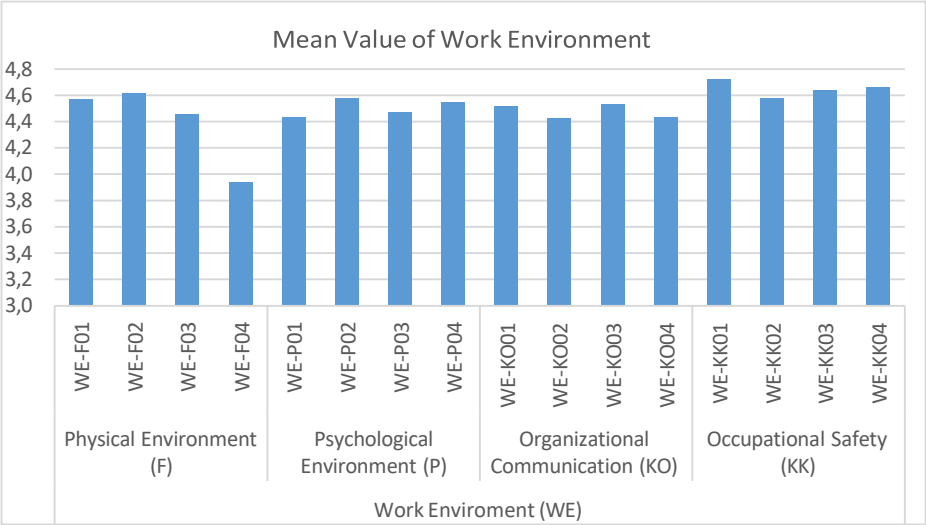

Table 4.3 shows that the Occupational Safety indicators (WKE-01 to WKE-04) recorded the highest mean scores, ranging from 4.60 to 4.70. These results indicate that employees perceive PT Elnusa Tbk's workplace safety practices positively and recognize the company's commitment to maintaining a safe working environment.

In contrast, WE-F04 (Healthy Program for Employees), under the Physical Environment dimension, obtained the lowest mean score (M = 3.90). Although the score remains positive, it suggests that employees are relatively less satisfied with the company's health and wellness programs. This finding indicates an opportunity to further enhance employee well-being initiatives.

Job Satisfaction

Table 4. 4 Mean Value of Job Satisfaction Indicator

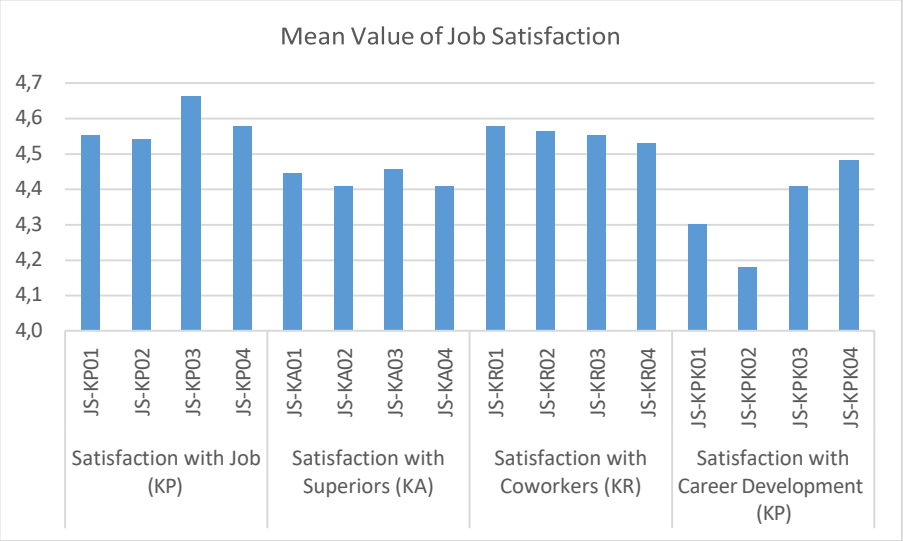

Table 4.4 shows that the indicator JS-KP-03 (I am Proud of My Work), which belongs to the Satisfaction with Job dimension, has the highest mean score of 4.66. This result indicates that respondents strongly agree that they take pride in their work, reflecting a high level of job satisfaction and positive feelings toward their roles and responsibilities within the organization.

Conversely, the indicator JS-KPK-02 (I Have Clear Opportunities for Promotion), which represents the Satisfaction with Career Development dimension, has the lowest mean score of 4.18. Although this score still indicates a generally positive perception, it suggests that employees perceive career advancement and promotion opportunities less favourably compared to other aspects of job satisfaction. This finding may indicate the need for greater transparency and communication regarding career development pathways and promotion opportunities within the organization.

Employee Performance

Table 4. 5 Mean Value of Employee Performance Indicator

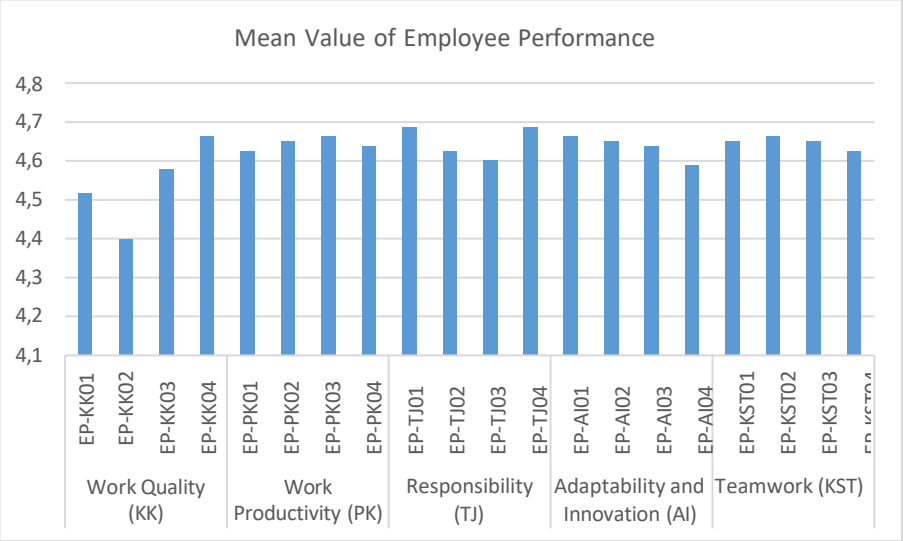

Table 4.5 shows that the indicators EP-TJ01 and EP-TJ04, which represent the Work Responsibility dimension, have the highest mean scores of 4.67. These indicators correspond to employees' commitment to their duties and commitment to achieving company goals, indicating that respondents demonstrate a strong sense of responsibility and dedication toward their work and organizational objectives.

In contrast, the indicator EP-KK02 (I Rarely Make Mistakes in My Work), which belongs to the Work Quality dimension, has the lowest mean score of 4.39. Although this value still reflects a positive perception, it suggests that employees are slightly less confident in their ability to consistently avoid errors compared to other aspects of their performance. Nevertheless, the score remains relatively high, indicating that respondents generally perceive their work quality to be satisfactory. Overall, the results suggest that employees exhibit a high level of responsibility and commitment to their duties and organizational goals, while opportunities may exist to further enhance work quality and reduce the occurrence of errors.

4.4. Measurement Model Evaluation

As discussed in Chapter 3, validity and reliability tests are essential to ensure the accuracy and consistency of the data collected and analysed in this study. To

evaluate the measurement model, SmartPLS software was utilized to process and assess the data obtained from the survey. The measurement model assessment focused on three key aspects: internal consistency reliability, convergent validity, and discriminant validity.

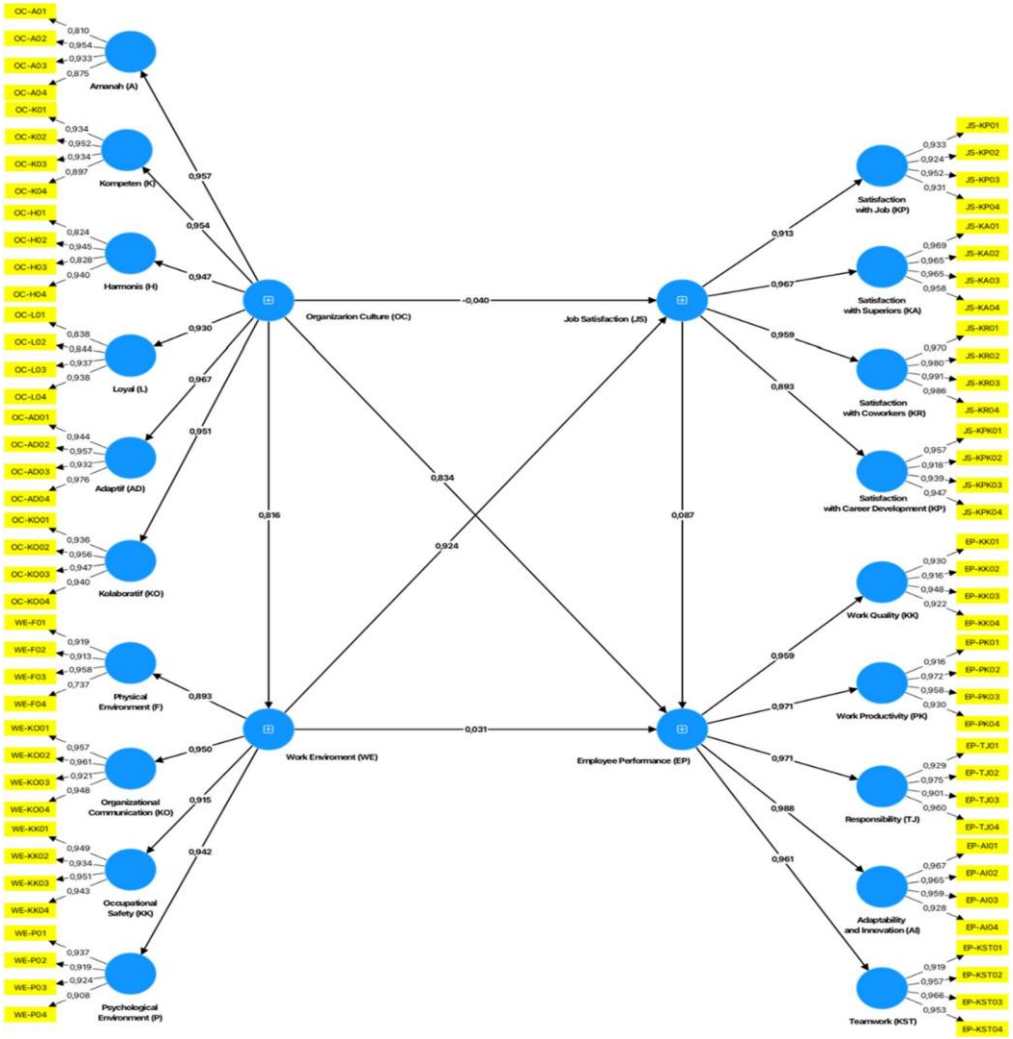

Figure 4. 2 Path Model - Initial Version

Based on Figure 4.2, the measurement model demonstrates satisfactory indicator reliability, as most indicators achieved outer loading values above the recommended threshold of 0.70. According to (Hair, Hult, Ringle, & Sarstedt, 2022), indicator loadings of 0.70 or higher indicate that the indicator adequately represents its underlying construct. The observed loading values ranged from 0.733 to 0.998. Organizational Culture indicators recorded loadings between 0.810 and 0.978, Work Environment between 0.733 and 0.957, Job Satisfaction between

0.933 and 0.992, Job Stress between 0.947 and 0.998, and Employee Performance between 0.901 and 0.975. The lowest loading value was observed for WE-F04 (0.733), which remained above the minimum recommended threshold.

Overall, the results indicate that all indicators possess acceptable levels of reliability and are therefore suitable for inclusion in the subsequent analysis.

Construct Reliability and Convergent Validity

Table 4.6 presents the results of the reliability and validity assessment. Reliability was evaluated using Cronbach's Alpha, Composite Reliability (*rho_a*), and Composite Reliability (*rho_c*), while convergent validity was assessed through the Average Variance Extracted (AVE). Following Hair et al. (2022), values above 0.70 for reliability measures and above 0.50 for AVE indicate satisfactory measurement quality.

The results show that Cronbach's Alpha values ranged from 0.905 to 0.987, indicating strong internal consistency across all dimensions. Likewise, *rho_a* values ranged from 0.916 to 0.987, while *rho_c* values ranged from 0.935 to 0.991, further confirming the reliability of the constructs.

Convergent validity was also supported, with AVE values ranging from 0.785 to 0.964, substantially exceeding the recommended threshold of 0.50. These results indicate that each construct explains a considerable proportion of the variance in its indicators.

Although OC-L01 (0.691) and WE-F04 (0.679) recorded loading values slightly below 0.70, both indicators were retained. This decision was based on the strong Composite Reliability and AVE values of their respective constructs, which indicate that the inclusion of these indicators does not compromise the reliability or convergent validity of the measurement model.

Consequently, the measurement model satisfies the established reliability and convergent validity criteria and is suitable for further structural model evaluation.

Table 4. 6 Construct Reliability and Validity

Dimensi	Indikator	Outer Loading	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Adaptability and Innovation (AI)	EP-AI01	0,953	0,968	0,968	0,976	0,912
	EP-AI02	0,958				
	EP-AI03	0,942				
	EP-AI04	0,921				
Work Quality (KK)	EP-KK01	0,845	0,947	0,950	0,962	0,863
	EP-KK02	0,835				
	EP-KK03	0,910				
	EP-KK04	0,963				
Teamwork (KST)	EP-KST01	0,834	0,963	0,966	0,973	0,901
	EP-KST02	0,943				
	EP-KST03	0,950				
	EP-KST04	0,915				
Work Productivity (PK)	EP-PK01	0,863	0,959	0,960	0,970	0,891
	EP-PK02	0,933				
	EP-PK03	0,919				
	EP-PK04	0,947				
Responsibility (TJ)	EP-TJ01	0,923	0,957	0,961	0,969	0,887
	EP-TJ02	0,961				
	EP-TJ03	0,833				
	EP-TJ04	0,936				
Satisfaction with Superiors (KA)	JS-KA01	0,940	0,975	0,975	0,981	0,930
	JS-KA02	0,936				
	JS-KA03	0,929				
	JS-KA04	0,925				
Satisfaction with Job (KP)	JS-KP01	0,833	0,952	0,952	0,965	0,874
	JS-KP02	0,883				
	JS-KP03	0,829				
	JS-KP04	0,866				
Satisfaction with Career Development (KP)	JS-KPK01	0,842	0,956	0,960	0,968	0,884
	JS-KPK02	0,765				
	JS-KPK03	0,837				
	JS-KPK04	0,906				
Satisfaction with Coworkers (KR)	JS-KR01	0,942	0,987	0,987	0,991	0,964
	JS-KR02	0,936				
	JS-KR03	0,946				
	JS-KR04	0,940				
Amanah (A)	OC-A01	0,735	0,916	0,927	0,941	0,801
	OC-A02	0,933				
	OC-A03	0,921				
	OC-A04	0,820				
Adaptif (AD)	OC-AD01	0,931	0,966	0,967	0,975	0,907
	OC-AD02	0,940				
	OC-AD03	0,873				
	OC-AD04	0,939				
Harmonis (H)	OC-H01	0,768	0,908	0,920	0,936	0,785
	OC-H02	0,916				
	OC-H03	0,737				
	OC-H04	0,919				
Kompeten (K)	OC-K01	0,903	0,947	0,949	0,962	0,864
	OC-K02	0,922				
	OC-K03	0,894				
	OC-K04	0,825				
Kolaboratif (KO)	OC-KO01	0,914	0,960	0,960	0,971	0,892
	OC-KO02	0,901				
	OC-KO03	0,903				
	OC-KO04	0,873				
Loyal (L)	OC-L01	0,691	0,913	0,933	0,939	0,793
	OC-L02	0,724				
	OC-L03	0,897				
	OC-L04	0,958				
Physical Environment (F)	WE-F01	0,814	0,905	0,916	0,935	0,785
	WE-F02	0,810				
	WE-F03	0,850				
	WE-F04	0,679				
Occupational Safety (KK)	WE-KK01	0,866	0,959	0,960	0,970	0,891
	WE-KK02	0,843				
	WE-KK03	0,887				
	WE-KK04	0,857				
Organizational Communication (KO)	WE-KO01	0,900	0,961	0,962	0,972	0,896
	WE-KO02	0,923				
	WE-KO03	0,889				
	WE-KO04	0,884				
Psychological Environment (P)	WE-P01	0,886	0,941	0,942	0,958	0,851
	WE-P02	0,881				
	WE-P03	0,867				
	WE-P04	0,838				

Among the constructs examined, Satisfaction with Coworkers (KR) exhibited the strongest reliability and convergent validity, as reflected by its Cronbach's Alpha (0.987), Composite Reliability (*rho_c*) (0.991), and AVE (0.964) values. These results indicate a high degree of internal consistency among the indicators and demonstrate that the construct effectively captures the intended concept.

In contrast, the Physical Environment (F) dimension reported the lowest AVE value (0.785). Nevertheless, this value remains substantially above the recommended threshold of 0.50, indicating that the construct still possesses adequate convergent validity and explains a considerable proportion of the variance in its indicators.

Overall, the results confirm that all constructs meet the recommended criteria for internal consistency reliability and convergent validity. Therefore, the measurement model can be considered both reliable and valid, providing a solid foundation for the subsequent evaluation of the structural model and hypothesis testing.

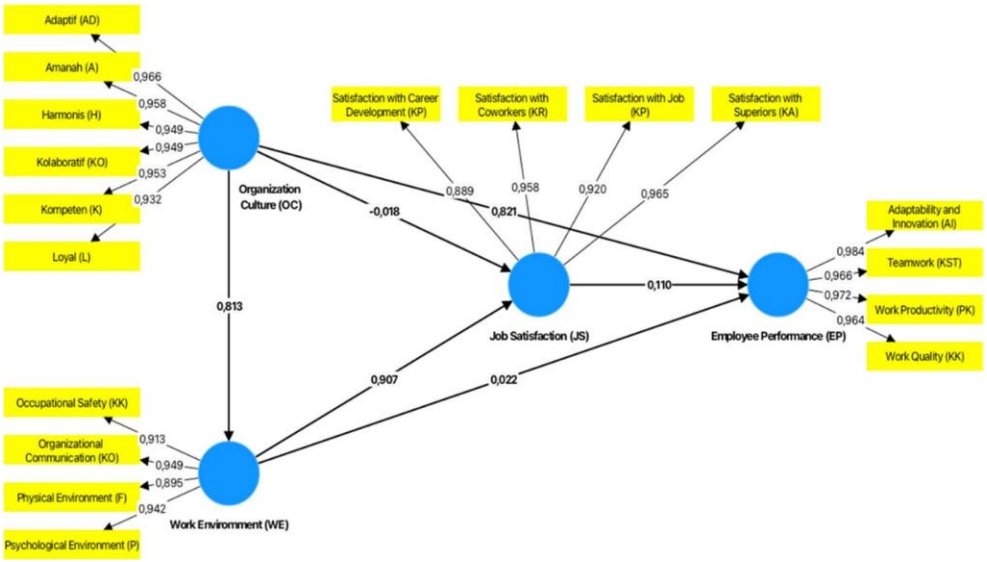

Figure 4. 3 Model Second Order (Latent Variable Score)

The second-order measurement model presented in Figure 4.3 and Table 4.7 demonstrates that all dimensions load strongly on their respective higher-order constructs. The outer loading values range from 0.813 to 0.966 for Organizational Culture (OC), 0.895 to 0.949 for Work Environment (WE), 0.821 to 0.965 for Job Satisfaction (JS), and 0.964 to 0.984 for Employee Performance (EP). As all loading values exceed the recommended threshold of 0.70, the results confirm satisfactory indicator reliability and convergent validity for the second-order measurement model.

The structural model further reveals several notable relationships among the constructs. The strongest positive effect was observed between Work Environment and Job Satisfaction (β = 0.907), indicating that favourable workplace conditions play a major role in shaping employees' satisfaction levels. Organizational Culture also demonstrates a strong positive relationship with Work Environment (β = 0.813), suggesting that the implementation of AKHLAK values contributes to the development of a supportive workplace environment.

In contrast, the direct effects of Job Satisfaction on Employee Performance (β = 0.110) and Work Environment on Employee Performance (β = 0.022) are relatively weak. Similarly, the relationship between Organizational Culture and Job Satisfaction (β = −0.018) appears negligible. These preliminary results suggest that Employee Performance may be influenced more directly by Organizational Culture than by Job Satisfaction or Work Environment. However, the statistical significance of these relationships is examined further through hypothesis testing and bootstrapping analysis.

Table 4. 7 Model Second Order (Variable Score)

Variable	Dimensi	Outer Loading	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Organization Culture (OC)	Adaptif (AD)	0,966	0,979	0,979	0,983	0,905
	Amanah (A)	0,958				
	Harmonis (H)	0,949				
	Kolaboratif (KO)	0,949				
	Kompeten (K)	0,953				
	Loyal (L)	0,932				
Work Enviromment (WE)	Occupational Safety (KK)	0,913	0,944	0,947	0,960	0,856
	Organizational Communication (KO)	0,949				
	Physical Environment (F)	0,895				
	Psychological Environment (P)	0,942				
Job Satisfaction (JS)	Satisfaction with Career Development (KP	0,889	0,950	0,956	0,964	0,871
	Satisfaction with Coworkers (KR)	0,958				
	Satisfaction with Job (KP)	0,920				
	Satisfaction with Superiors (KA)	0,965				
Employee Performance (EP)	Adaptability and Innovation (AI)	0,984	0,980	0,981	0,985	0,944
	Teamwork (KST)	0,966				
	Work Productivity (PK)	0,972				
	Work Quality (KK)	0,964				

These findings indicate that Organizational Culture and Work Environment are strongly associated with Job Satisfaction. In contrast, their direct relationships with

Employee Performance appear relatively weak. This pattern suggests that the influence of Organizational Culture and Work Environment on Employee Performance may operate indirectly through Job Satisfaction, although this assumption requires confirmation through mediation analysis.

Conclusion: The higher-order measurement model demonstrates satisfactory reliability and validity. The structural model further indicates that Job Satisfaction may serve as an important mechanism linking Organizational Culture and Work Environment to Employee Performance, subject to the results of subsequent hypothesis and mediation testing

Discriminant Validity

Discriminant validity refers to the extent to which a construct is empirically distinct from other constructs in the research model. According to (Hair, Risher, Sarstedt, & Ringle, 2019), discriminant validity can be assessed using several approaches, including the Fornell-Larcker criterion, cross-loadings, and the Heterotrait-Monotrait Ratio (HTMT). In this study, the Fornell-Larcker criterion was used to evaluate discriminant validity. Under this criterion, the square root of the Average Variance Extracted (AVE) for each construct should be greater than its correlations with all other constructs.

As presented in Table 4.8, the square root of the AVE for each construct exceeds its corresponding inter-construct correlations. This finding indicates that each construct shares more variance with its own indicators than with other constructs in the model. Therefore, all constructs demonstrate satisfactory discriminant validity and can be considered empirically distinct from one another.

Table 4. 8 Discriminant Validity

Variable	Organization Culture (OC)	Work Envirommment (WE)	Job Satisfaction (JS)	Employee Performance (EP)
Adaptif (AD)	0,966	0,791	0,692	0,919
Amanah (A)	0,958	0,763	0,651	0,881
Harmonis (H)	0,949	0,770	0,663	0,842
Kolaboratif (KO)	0,949	0,801	0,694	0,892
Kompeten (K)	0,953	0,755	0,666	0,894
Loyal (L)	0,932	0,763	0,741	0,810
Occupational Safety (KK)	0,792	0,913	0,716	0,762
Organizational Communication (KO)	0,741	0,949	0,933	0,715
Physical Environment (F)	0,724	0,895	0,695	0,715
Psychological Environment (P)	0,755	0,942	0,938	0,726
Satisfaction with Career Development (KP)	0,524	0,782	0,889	0,506
Satisfaction with Coworkers (KR)	0,682	0,847	0,958	0,697
Satisfaction with Job (KP)	0,800	0,844	0,920	0,802
Satisfaction with Superiors (KA)	0,653	0,854	0,965	0,654
Adaptability and Innovation (AI)	0,907	0,780	0,707	0,984
Teamwork (KST)	0,888	0,741	0,687	0,966
Work Productivity (PK)	0,917	0,780	0,700	0,972
Work Quality (KK)	0,854	0,762	0,707	0,964

The cross-loading results show that each indicator has its highest loading on the construct it is intended to measure. This indicates satisfactory discriminant validity, as the indicators are more strongly associated with their respective constructs than with other constructs in the model.

Table 4. 9 Fornell-Larcker Criterion

Variable	Employee Performance (EP)	Job Satisfaction (JS)	Organization Culture (OC)	Work Envirommen t (WE)
Employee Performance (EP)	**0,972**			
Job Satisfaction (JS)	0,721	**0,933**		
Organization Culture (OC)	0,918	0,720	**0,951**	
Work Envirommment (WE)	0,788	0,892	0,813	0,925

As shown in **Table 4.9**, the **Fornell-Larcker criterion** was satisfied for all constructs, thereby confirming discriminant validity. According to this criterion, the square root of the **Average Variance Extracted (AVE)** for each construct should be greater than its correlations with other constructs. The findings demonstrate that each construct shares more variance with its own indicators than with other constructs in the model, indicating adequate discriminant validity.

Table 4. 10 Heterotrait-Monotrait (HTMT) Ratio

	Employee Performance (EP)	Job Satisfaction (JS)	Organization Culture (OC)	Work Environment (WE)
Employee Performance (EP)				
Job Satisfaction (JS)	0,738			
Organization Culture (OC)	0,936	0,739		
Work Enviromment (WE)	0,82	0,936	0,847	

To provide additional evidence of discriminant validity, the Heterotrait-Monotrait Ratio (HTMT) was examined in addition to the Fornell-Larcker criterion. According to (Henseler, Ringle,, & Sarstedt, 2015), HTMT values below 0.90 indicate that constructs are sufficiently distinct from one another. As presented in Table 4.10, all HTMT values are below the recommended threshold, confirming that the constructs are both conceptually and empirically distinguishable. Therefore, the measurement model satisfies the required discriminant validity criteria

4.5 Structural Model

After establishing the reliability and validity of the measurement model, the next step is to evaluate the **structural model (inner model)**. The structural model assessment aims to examine the relationships among the latent constructs and to test the proposed research hypotheses. According to (Hair, Risher, Sarstedt, & Ringle, 2019) the structural model evaluation in PLS-SEM involves several key assessments, including collinearity, path coefficients, coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and hypothesis testing.

The evaluation begins with an assessment of collinearity among the predictor constructs using the Variance Inflation Factor (VIF). This step is necessary to ensure that excessive correlations among predictor variables do not bias or distort the estimation of structural relationships. In PLS-SEM, collinearity is considered problematic when VIF values exceed the recommended threshold. Therefore, examining VIF values helps confirm that each predictor construct contributes unique explanatory information to the model.

As presented in Table 4.11, all VIF values are below the recommended threshold, indicating that multicollinearity is not a concern in the structural model. These

results suggest that the relationships among the predictor constructs are sufficiently distinct, allowing the model parameters to be estimated and interpreted reliably. Consequently, the structural model satisfies the collinearity requirement and is suitable for further evaluation

Table 4. 11 Outer Model VIF

Dimension	VIF
Adaptive (AD)	11,464
Amanah (A)	9,810
Harmonies (H)	9,092
Kolaboratif (KO)	8,533
Kompeten (K)	9,822
Loyal (L)	7,296
Occupational Safety (KK)	4,184
Organizational Communication (KO)	13,929
Physical Environment (F)	3,802
Psychological Environment (P)	13,029
Satisfaction with Career Development (KP)	3,737
Satisfaction with Co-workers (KR)	7,582
Satisfaction with Job (KP)	4,078
Satisfaction with Superiors (KA)	8,933
Adaptability and Innovation (AI)	18,003
Teamwork (KST)	9,052
Work Productivity (PK)	11,210
Work Quality (KK)	8,558

Collinearity among the dimensions of the second-order constructs was assessed using the Variance Inflation Factor (VIF). As presented in Table 4.11, several dimensions exhibited VIF values exceeding the recommended threshold of 5.0, with some dimensions showing values above 10.0. These findings indicate a high degree of correlation among certain dimensions. However, such a condition is expected because the dimensions represent components of broader higher-order constructs. According to (Hair, Risher, Sarstedt, & Ringle, 2019), moderate to high collinearity may occur in higher-order construct models when dimensions collectively represent the same underlying concept. As all dimensions satisfied the required reliability and validity criteria, they were retained for further evaluation of the structural model analysis.

Table 4. 12 Inner Model VIF

Relationship	VIF
JS → EP	4.913
OC → EP	2.957
WE → EP	6.998
OC → JS	2.956
WE → JS	2.956
OC → WE	1.000

As presented in Table 4.12, most predictor constructs exhibit VIF values below the recommended threshold, indicating that collinearity is generally not a concern within the structural model. The VIF values associated with Job Satisfaction and Organizational Culture range from 2.956 to 4.913, which remain within acceptable limits. However, the VIF value for Work Environment in relation to Employee Performance is 6.998, exceeding the recommended threshold. This result indicates a potential collinearity issue and suggests that Work Environment may share substantial explanatory variance with other predictors of Employee Performance. Accordingly, the relationships involving Employee Performance should be interpreted with caution.

The explanatory power of the structural model was assessed using the coefficient of determination (R^2). According to (Hair, Risher, Sarstedt, & Ringle, 2019), R^2 values of 0.75, 0.50, and 0.25 indicate substantial, moderate, and weak explanatory power, respectively. The R^2 statistic represents the proportion of variance in an endogenous construct that is explained by its predictor variables.

Table 4. 13 R-Square

Variable	R^2	R^2 Adjusted
Employee Performance (EP)	0.850	0.845
Job Satisfaction (JS)	0.796	0.791
Work Environment (WE)	0.662	0.657

As presented in Table 4.13, the coefficient of determination (R^2) for Employee Performance is 0.850, indicating that 85.0% of the variance in Employee Performance is explained by the predictor constructs included in the model.

According to (Hair, Risher, Sarstedt, & Ringle, 2019), this value exceeds the threshold for substantial explanatory power, demonstrating the model's strong ability to explain Employee Performance. This result indicates substantial explanatory power. Likewise, the R^2 value of 0.796 for Job Satisfaction shows that Organizational Culture and Work Environment explain 79.6% of its variance. The R^2 value of 0.662 for Work Environment further indicates that Organizational Culture accounts for a considerable proportion of variance in this construct. Overall, the model demonstrates strong explanatory capability across all endogenous variables.

In addition to R^2, the effect size (f^2) was examined to assess the relative contribution of each exogenous construct to the explanatory power of the endogenous constructs. This analysis helps determine the extent to which each predictor influences the model when considered individually.

The model's predictive capability was further evaluated using Stone-Geisser's predictive relevance (Q^2). A Q^2 value greater than zero indicates that the model has predictive relevance and is capable of accurately predicting the endogenous constructs.

The results of the structural model evaluation, including path coefficients, significance levels, R^2 values, f^2 values, and Q^2 values, are presented in the following sections. These results provide the basis for testing the proposed hypotheses and assessing the overall explanatory and predictive performance of the research model.

Table 4. 14 Effect Size (f^2)

Relationship	f^2
Job Satisfaction → EP	0.017
Organizational Culture → EP	1.523
Work Environment → EP	0.000
Organizational Culture → JS	0.001
Work Environment → JS	1.368
Organizational Culture → WE	1.956

The effect size (f^2) was evaluated to assess the contribution of each exogenous construct to the variance explained in the endogenous constructs. Following (Hair,

Risher, Sarstedt, & Ringle, 2019), f^2 values of 0.02, 0.15, and 0.35 represent weak, moderate, and strong effects, respectively.

As presented in Table 4.14, Organizational Culture demonstrates a very large effect on Employee Performance (f^2 = 1.523), indicating that it is a major contributor to the variance explained in Employee Performance. In contrast, Job Satisfaction exerts only a negligible effect (f^2 = 0.017), while Work Environment shows virtually no effect on Employee Performance (f^2 = 0.000).

Regarding Job Satisfaction, Work Environment demonstrates a dominant contribution (f^2 = 1.368), suggesting that employees' satisfaction is influenced primarily by their workplace experiences and conditions. Conversely, the contribution of Organizational Culture to Job Satisfaction is negligible (f^2 = 0.001). The effect size results also indicate that Organizational Culture exerts a strong influence on Work Environment (f^2 = 1.956), underscoring its role in establishing favourable workplace conditions.

Overall, the f^2 results indicate that Organizational Culture and Work Environment are the most influential constructs in the model. Organizational Culture plays a dominant role in explaining both Employee Performance and Work Environment, while Work Environment is the principal determinant of Job Satisfaction. These findings further support the importance of organizational culture and workplace conditions in influencing employee outcomes within PT Elnusa Tbk.

4.6 Hypothesis Test

Hypothesis testing was performed using the bootstrapping procedure in SmartPLS to evaluate the significance of the structural paths in the proposed model. Following the recommendation of (Hair, Risher, Sarstedt, & Ringle, 2019), a relationship is considered statistically significant when the *t*-statistic exceeds 1.96 and the *p*-value is less than .05

Direct Effects

The results presented in Table 4.15 show that not all hypothesized relationships were supported.

Table 4. 15 Direct Effects

Relationship	Path Coefficient (β)	T-Statistic	P-Value	Result
Job Satisfaction (JS) → Employee Performance (EP)	0.110	0.403	0.343	Not Supported
Organizational Culture (OC) → Employee Performance (EP)	0.821	5.669	0.000	Supported
Organizational Culture (OC) → Job Satisfaction (JS)	-0.018	0.091	0.464	Not Supported
Organizational Culture (OC) → Work Environment (WE)	0.813	8.336	0.000	Supported
Work Environment (WE) → Employee Performance (EP)	0.022	0.087	0.465	Not Supported
Work Environment (WE) → Job Satisfaction (JS)	0.907	6.120	0.000	Supported

H1: Job Satisfaction → Employee Performance

The analysis indicates that Job Satisfaction does not significantly influence Employee Performance (β = 0.110, t = 0.403, p = .343). Although the relationship is positive, the effect is not statistically significant. Therefore, H1 is not supported

H2: Organizational Culture → Employee Performance

Organizational Culture demonstrates a significant positive effect on Employee Performance (β = 0.821, t = 5.669, p < .001). This result suggests that stronger implementation of AKHLAK values is associated with higher employee performance. Accordingly, H2 is supported.

H3: Organizational Culture → Job Satisfaction

The relationship between Organizational Culture and Job Satisfaction was not statistically significant (β = -0.018, t = 0.091, p = .464). As a result, H3 is not supported

H4: Organizational Culture → Work Environment

The findings show a significant positive relationship between Organizational Culture and Work Environment (β = 0.813, t = 8.336, p < .001). Employees who perceive stronger implementation of organizational values also tend to report more favorable workplace conditions. Therefore, H4 is supported.

H5: Work Environment → Employee Performance

The effect of Work Environment on Employee Performance was found to be non-significant (β = 0.022, t = 0.087, p = .465). Consequently, H5 is not supported.

H6: Work Environment → Job Satisfaction

Work Environment has a significant positive influence on Job Satisfaction (β = 0.907, t = 6.120, p < .001). This finding indicates that employees are more likely to be satisfied when they perceive their work environment as supportive and conducive to their daily activities. Therefore, H6 is supported.

Overall, the direct-effect analysis highlights the importance of AKHLAK Organizational Culture in influencing both Employee Performance and Work Environment. At the same time, Job Satisfaction appears to be driven primarily by Work Environment rather than by Organizational Culture

Indirect Effects (Mediation Analysis)

The mediation analysis was conducted to determine whether Work Environment and Job Satisfaction act as intervening variables in the relationships among the constructs. The result presented in table 4.16.

The indirect effect of Organizational Culture on Employee Performance through Job Satisfaction was not significant (β = -0.002, t = 0.032, p = .487). Therefore, Job Satisfaction does not mediate the relationship between Organizational Culture and Employee Performance.

Table 4. 16 Indirect Effects (Mediation Analysis)

Indirect Relationship	Path Coefficient (β)	T-Statistic	P-Value	Result
OC → JS → EP	-0.002	0.032	0.487	Not Supported
WE → JS → EP	0.100	0.460	0.323	Not Supported
OC → WE → EP	0.018	0.090	0.464	Not Supported
OC → WE → JS → EP	0.081	0.468	0.320	Not Supported
OC → WE → JS	0.738	4.301	0.000	Supported

Similarly, the indirect effect of Work Environment on Employee Performance through Job Satisfaction was not statistically significant (β = 0.100, t = 0.460, p = .323). This result indicates that Job Satisfaction does not function as a mediator between Work Environment and Employee Performance.

The analysis also revealed that Work Environment does not mediate the relationship between Organizational Culture and Employee Performance (β = 0.018, t = 0.090, p = .464). In addition, the sequential mediation pathway involving both Work Environment and Job Satisfaction was not supported (β = 0.081, t = 0.468, p = .320).

In contrast, one significant mediation effect emerged from the model. Organizational Culture was found to influence Job Satisfaction indirectly through Work Environment (β = 0.738, t = 4.301, p < .001). This result indicates that the positive effect of AKHLAK Organizational Culture on Job Satisfaction operates through the creation of a supportive work environment. In other words, employees become more satisfied when organizational values are translated into favorable workplace conditions and daily work experiences.

Taken together, the mediation results suggest that Work Environment serves as an important mechanism linking Organizational Culture and Job Satisfaction. However, neither Work Environment nor Job Satisfaction plays a significant mediating role in explaining Employee Performance.

4.7. Importance-Performance Map Analysis

The Importance-Performance Map Analysis (IPMA) was conducted to assess the relative importance and performance of the exogenous constructs influencing employee performance at PT Elnusa Tbk. IPMA complements the PLS-SEM results by providing managerial insights regarding which constructs should be prioritized to achieve greater improvements in the target construct, namely employee performance.

Table 4. 17 Importance Mean Value Performance

	Important	Performance
Job Satisfaction (JS)	0,110	87,264
Organization Culture (OC)	0,918	92,565
Work Enviromment (WE)	0,122	88,152

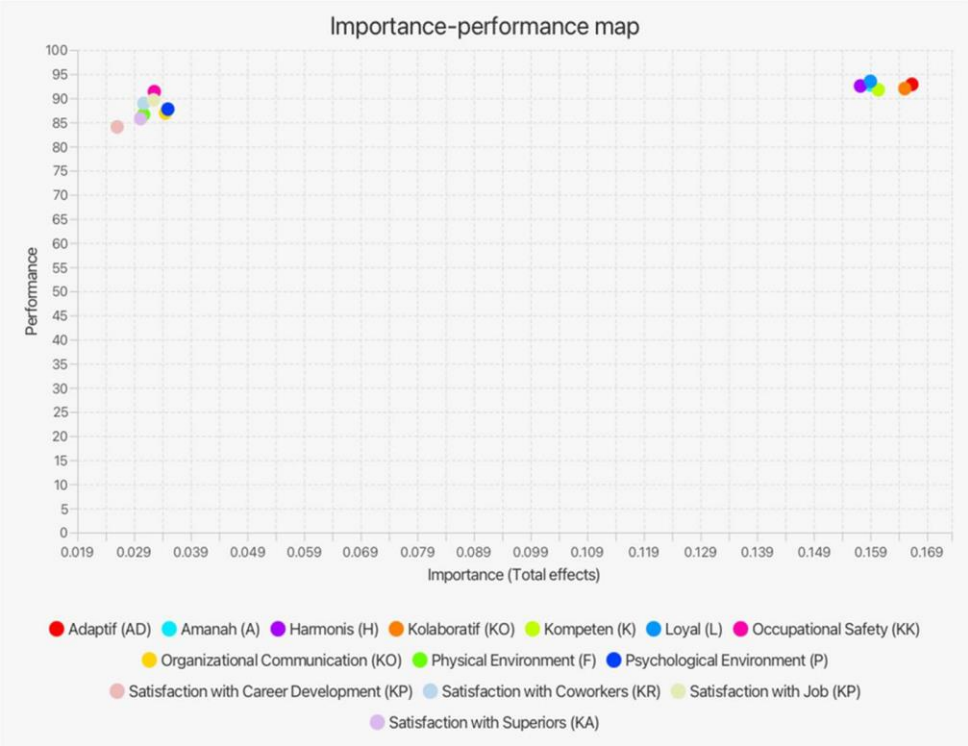

Figure 4. 4 Importance Performance Map

The strongest insight from the IPMA results is that Organizational Culture combines the highest importance score (*0.918*) with the highest performance score (*92.565*). This indicates that Organizational Culture is the most influential construct in explaining Employee Performance and is also perceived positively by employees. As a result, efforts to strengthen Organizational Culture are likely to yield greater performance improvements than initiatives focused on other constructs.

These findings are particularly relevant to the implementation of AKHLAK at PT Elnusa Tbk. The results suggest that the successful internalization of *Amanah*, *Kompeten*, *Harmonis*, *Loyal*, *Adaptif*, and *Kolaboratif* contributes substantially to

employee performance. Accordingly, management should continue to reinforce AKHLAK values through leadership behavior, employee development programs, organizational communication, and performance management practices.

In comparison, Work Environment records a relatively high-performance score (*88.152*) but a considerably lower importance value (*0.122*). This suggests that employees generally view workplace conditions positively, although further improvements in this area may not generate performance gains comparable to those achieved through culture-related initiatives. Similarly, Job Satisfaction demonstrates a high-performance score (*87.264*) but a relatively low importance value (*0.110*), indicating that its direct contribution to Employee Performance is limited within the context of this study.

Overall, the IPMA results show that all three constructs perform well, with performance scores exceeding 85. However, Organizational Culture stands out as the most influential driver of Employee Performance. These findings suggest that maintaining the strengths of AKHLAK implementation while continuing to improve employee-related factors, such as workplace conditions and career development opportunities, may further support employee engagement and long-term organizational effectiveness.

4.8. Discussion of Findings

The findings of this study reveal that *AKHLAK* Organizational Culture plays a central role in shaping employee attitudes and performance at PT Elnusa Tbk.

Organizational Culture and Employee Performance

The results highlight the important role of AKHLAK Organizational Culture in influencing employee performance at PT Elnusa Tbk. Among all the relationships examined in the structural model, Organizational Culture exhibited the strongest effect on Employee Performance ($\beta = 0.821$, $p < .001$). The large effect size ($f^2 = 1.523$) further demonstrates the substantial contribution of culture to performance outcomes within the organization.

This finding indicates that employees who perceive AKHLAK values as consistently implemented are more likely to demonstrate higher levels of

performance. In an organization such as PT Elnusa Tbk, where operational activities require coordination, discipline, and adherence to established procedures, shared values may provide clear behavioural guidance that helps employees perform their roles effectively. Such a pattern is consistent with the view that organizational culture serves as a mechanism for aligning individual behaviour with organizational objectives (Schein & Schein, Organizational culture and leadership (5th ed.), 2021). Similar observations have been reported by (Denison, Nieminen, & Kotrba, 2014) who argued that a strong culture contributes to organizational effectiveness through behavioural consistency and shared commitment.

It is worth noting, however, that the strength of the relationship observed in this study is relatively high. One possible explanation is that AKHLAK values are not only communicated as organizational principles but are also reflected in leadership practices, performance expectations, and daily work processes. As a result, employees may perceive adherence to AKHLAK values as an integral component of successful performance rather than as a separate cultural initiative.

Organizational Culture and Job Satisfaction

Unlike its strong influence on performance, Organizational Culture did not demonstrate a significant direct effect on Job Satisfaction (β = -0.018, p = .464). This result contrasts with many previous studies that have reported a positive association between organizational culture and employee satisfaction (Lund, 2003); (Belias & Koustelios, 2014). A possible interpretation is that employees differentiate between organizational values and their personal work experiences. While AKHLAK may establish behavioural expectations and guide professional conduct, employees may evaluate job satisfaction based on more immediate aspects of their work, such as compensation, career opportunities, workload, supervisory support, and working conditions. Consequently, the presence of a strong organizational culture may not automatically translate into higher levels of satisfaction.

The characteristics of the respondent group may also help explain this outcome. Since a large proportion of employees work in operational and field-based positions, practical workplace considerations are likely to play a more prominent

role in shaping satisfaction. Under these circumstances, cultural values may influence satisfaction indirectly through their impact on workplace practices rather than through a direct effect. This interpretation is consistent with (Lok & Crawford, 2014) who suggested that the influence of culture on employee attitudes is often contingent upon organizational context.

Organizational Culture and Work Environment

A strong positive relationship was observed between Organizational Culture and Work Environment ($\beta = 0.813$, $p < .001$), indicating that employees who perceive greater implementation of AKHLAK values also tend to report more favourable workplace conditions. The large effect size ($f^2 = 1.956$) further suggests that organizational culture is a key factor shaping employees' workplace experiences.

This finding implies that AKHLAK values are reflected in daily organizational practices. Values such as *Harmonis* and *Kolaboratif* may foster cooperation and mutual support, while *Amanah* promotes trust and accountability. As argued by (Schein & Schein, Organizational culture and leadership (5th ed.), 2021) and (Denison, Nieminen, & Kotrba, 2014), organizational culture influences workplace interactions, communication patterns, and employee behaviour, thereby contributing to a positive work environment.

However, the strength of the relationship should be interpreted with caution. Employees may perceive organizational culture and work environment as closely related concepts because both are experienced through everyday interactions, communication, and supervisory practices (Robbins & Judge, Organizational Behaviour, 2022); (Schein & Schein, Organizational culture and leadership (5th ed.), 2021). Consequently, improvements in organizational culture may be perceived simultaneously as improvements in the work environment. This suggests that the positive workplace conditions experienced by employees may represent a direct manifestation of AKHLAK values in practice.

CHAPTER V
CONCLUSION AND RECOMMENDATION

5.1 Conclusion

This study aimed to examine the relationships among AKHLAK Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance at PT Elnusa Tbk using the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach. The conclusions are presented in accordance with the research objectives and the empirical findings obtained from the structural model analysis.

The first objective was to examine the influence of AKHLAK Organizational Culture on Work Environment, Job Satisfaction, and Employee Performance. The results demonstrate that AKHLAK Organizational Culture significantly influences both Work Environment and Employee Performance, while its direct effect on Job Satisfaction is not significant. These findings suggest that the implementation of AKHLAK values contributes to the establishment of a supportive workplace and encourages behaviours that improve employee performance. This result supports the view that organizational culture functions as a system of shared values and assumptions that guide employee behaviour and contribute to organizational effectiveness (Schein & Schein, Organizational culture and leadership (5th ed.), 2021); (Denison, Nieminen, & Kotrba, 2014). The absence of a direct relationship with Job Satisfaction further indicates that employees may view AKHLAK primarily as a professional framework that shapes workplace behaviour rather than as a direct source of personal satisfaction.

The second objective was to analyse the influence of Work Environment on Job Satisfaction and Employee Performance. The findings reveal that Work Environment has a significant positive effect on Job Satisfaction but does not directly affect Employee Performance. This result highlights the importance of workplace conditions in shaping employees' perceptions and attitudes toward their jobs. Employees who work in an environment characterized by effective communication, supportive relationships, and adequate working conditions are more likely to report higher levels of satisfaction. Consistent with (Herzberg,

Mausner, & Snydermann, 1959) and (Robbins & Judge, Organizational Behaviour, 2022), favourable workplace conditions appear to function primarily as factors that enhance employee well-being and satisfaction. However, in the context of PT Elnusa Tbk, these conditions do not necessarily generate measurable improvements in performance outcomes.

The third objective was to examine the influence of Job Satisfaction on Employee Performance. The analysis indicates that Job Satisfaction does not significantly affect Employee Performance. This finding suggests that performance may be driven more strongly by organizational standards, technical competencies, professional responsibilities, and performance expectations than by employees' affective evaluations of their jobs. While satisfaction remains important for employee well-being and positive workplace attitudes, it does not appear to be a determining factor of performance within the context of this study. This result is consistent with arguments that job satisfaction and employee performance do not always exhibit a direct causal relationship and may be influenced by different organizational mechanisms (Aguinis, 2019); (Campbell & Wiernik, The modeling and assessment of work performance, 2015).

The fourth objective was to investigate the mediating roles of Work Environment and Job Satisfaction within the proposed research model. The findings reveal that Work Environment significantly mediates the relationship between AKHLAK Organizational Culture and Job Satisfaction. This result demonstrates that organizational culture contributes to employee satisfaction through the quality of the work environment it creates. In other words, employees appear to derive satisfaction not merely from the presence of organizational values but from experiencing those values through everyday workplace interactions, communication, teamwork, and organizational support. Conversely, no significant mediation effects were identified for Employee Performance. Neither Work Environment nor Job Satisfaction mediated the relationship between Organizational Culture and Employee Performance, indicating that the influence of Organizational Culture on performance occurs primarily through a direct pathway.

Overall, the findings demonstrate that AKHLAK Organizational Culture serves as the primary driver of Employee Performance at PT Elnusa Tbk, while Work

Environment emerges as the principal determinant of Job Satisfaction. Furthermore, the influence of Organizational Culture on Job Satisfaction operates indirectly through Work Environment rather than through a direct relationship. These findings underscore the importance of strengthening the implementation of AKHLAK values and ensuring that they are consistently reflected in leadership behavior, workplace interactions, communication practices, and organizational systems. By translating organizational values into tangible workplace experiences, PT Elnusa Tbk can foster higher employee satisfaction while maintaining strong performance outcomes and supporting long-term organizational effectiveness.

5.2 Theoretical Implications

The results of this study provide additional insight into organizational behaviour research by suggesting that the relationships among Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance vary according to organizational context and may not operate uniformly across different settings. The positive influence of Organizational Culture on Employee Performance is consistent with Organizational Culture Theory, which emphasizes the role of shared values and collective norms in guiding employee behaviour and supporting organizational effectiveness (Schein, Organizational Culture and Leadership, 2010); (Denison & Mishra, 1995). Within PT Elnusa Tbk, the implementation of the AKHLAK values appears to shape employee behaviour directly, indicating that organizational culture can function as an internal strategic asset that contributes to improved performance (Aggarwal, Baker, & Joshi, 2024); (Abawa & Obse, 2024).

In contrast, the absence of significant relationships between Organizational Culture and Job Satisfaction, as well as between Job Satisfaction and Employee Performance, suggests that these relationships may be more complex than commonly assumed. The findings imply that favourable cultural conditions do not automatically translate into higher employee satisfaction and that employee performance may be influenced by additional factors, including professional competence, performance management systems, work responsibilities, and

accountability mechanisms (Herzberg, Mausner, & Snydermann, 1959); (Imonikhe, 2023). Consequently, the study offers further evidence that the links between culture, satisfaction, and performance may be contingent upon specific organizational circumstances.

The analysis also reveals that Organizational Culture affects Job Satisfaction indirectly through the Work Environment. This finding suggests that the effectiveness of organizational values depends not only on their formal adoption but also on how they are reflected in employees' daily work experiences. Positive workplace conditions characterized by collaboration, trust, effective communication, and psychological safety appear to serve as important channels through which cultural values contribute to employee satisfaction (Schein, Organizational Culture and Leadership, 2010); (Kapur, 2024). Therefore, the Work Environment can be viewed as an important intervening factor that translates organizational values into meaningful employee attitudes and workplace outcomes.

5.3 Managerial Implications

Based on the study findings, management is recommended to strengthen the implementation of *AKHLAK* organizational culture by integrating its values into performance management, leadership development, employee training, and internal communication programs. *AKHLAK*-based behavioural indicators should be incorporated into performance appraisal, promotion, and reward systems to reinforce desired employee behaviours and improve performance outcomes (Aguinis, 2019)*;* (Amstrong & Taylor, 2023). In addition, leaders are expected to serve as role models in demonstrating organizational values, given their critical role in shaping and sustaining organizational culture (Schein, Organizational Culture and Leadership, 2010)*;* (Yukl & Gardner, 2020).

The non-significant direct effect of Organizational Culture on Job Satisfaction, *AKHLAK* values should be translated into employees' daily work experiences through regular coaching, feedback discussions, recognition programs, and cross-functional collaboration activities (Noe, 2020) (Robbins & Judge, Organizational Behaviour, 2022). During the first three months, management may

integrate *AKHLAK* indicators into performance systems and review relevant human resource policies. Between Months 4 and 6, supervisors should conduct regular coaching sessions and implement recognition and awareness programs. From Months 7 to 12, management may strengthen collaboration, knowledge-sharing, and employee engagement initiatives while evaluating progress through employee satisfaction, engagement, and retention indicators. The effectiveness of these initiatives can be monitored through measurable targets, including an *AKHLAK* Culture Index above 85%, employee satisfaction and engagement scores above 80%, at least 50 learning hours per employee annually, and 360-degree leadership assessment scores of at least 4.5 out of 5. Through continuous assessment and improvement, the organization can foster a stronger culture that enhances employee satisfaction, performance, and overall organizational effectiveness (Denison, Hooijberg, Lane, & Lief, 2012) (Kaplan & Norton, 2008).

5.4 Limitations of the Study

Several limitations should be considered when interpreting the findings of this study.

First, the study involved only 84 employees from PT Elnusa Tbk, which may limit the generalizability of the findings to broader organizational settings. Although the sample size met the requirements for PLS-SEM analysis, larger and more diverse samples could improve reliability and validity of future studies (Hair, Hult, Ringle, & Sarstedt, 2022).

Second, the use of a cross-sectional research design captures employee perceptions at a single point in time and does not reflect potential changes in organizational culture, work environment, job satisfaction, or employee performance over time. As a result, causal inferences should be interpreted with caution, and longitudinal studies are recommended to better examine the dynamic relationships among these constructs (Ringle, Sarstedt, Mitchell, & Gudergan, 2020).

Third, the study relied on self-reported questionnaire data, which may be susceptible to common method bias and social desirability bias. Although procedural measures were employed to minimize these risks, respondents' perceptions may still affect the accuracy of the findings. Future studies may benefit

from incorporating multiple data sources, such as supervisor evaluations, objective performance measures, or qualitative interviews (Podsakoff, Podsakoff, Williams, Huang, & Yang, 2024).

Fourth, the research model focused solely on *AKHLAK* Organizational Culture, Work Environment, Job Satisfaction, and Employee Performance. Other organizational behaviour variables, such as leadership style, employee engagement, organizational commitment, compensation, and motivation, were not included in the model. Consequently, additional factors that may influence employee performance were not fully captured, suggesting opportunities for future model expansion (Robbins & Judge, Organizational Behaviour, 2022) (Colquitt, LePine, & Wesson, 2023).

Fifth, the study was conducted within a single organization, which may limit the applicability of the findings to different industries, organizational cultures, and institutional contexts. Future studies should consider comparative analyses across multiple organizations to improve the generalizability of the results (Denison, Nieminen, & Kotrba, 2014).

Several dimensions of the Organizational Culture construct exhibited relatively high Variance Inflation Factor (VIF) values, indicating potential multicollinearity among the dimensions. (Hair, Hult, Ringle, & Sarstedt, 2022) suggest that VIF < 3.0 are preferable, while values below 5.0 remain acceptable in PLS-SEM analysis. In higher-order construct models, however, some degree of multicollinearity is expected because the dimensions collectively represent the same underlying construct (Becker, Klein, & Wetzels, 2012). In this study, the relatively high VIF values among the AKHLAK dimensions suggest that *Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif* are strongly interconnected and jointly reflect the broader Organizational Culture construct.

Nevertheless, the significant effect of Organizational Culture on Employee Performance indicates that the construct remains a robust predictor within the proposed research model (Hair, Hult, Ringle, & Sarstedt, 2022); (Becker, Klein, & Wetzels, 2012).

5.5 Future Research Recommendations

Future research is encouraged to employ longitudinal and mixed-method approaches to provide a more comprehensive understanding of the implementation of AKHLAK Organizational Culture. A longitudinal design would enable researchers to examine how the internalization of AKHLAK values evolves over time and influences employee and organizational outcomes. Meanwhile, a mixed-method approach combining quantitative surveys with qualitative interviews or focus group discussions could provide deeper insights into how employees perceive, interpret, and apply AKHLAK values in their daily work practices, thereby offering a more holistic understanding of organizational culture and its impact on performance. (Creswell & Creswell, 2018); (Schein, Organizational Culture and Leadership, 2010).

Furthermore, future studies should incorporate additional variables such as leadership style, employee engagement, organizational commitment, and organizational justice to develop a more comprehensive model of employee performance and organizational behaviour (Robbins & Judge, Organizational Behaviour, 2022)*;* (Colquitt, LePine, & Wesson, 2023). Particular attention should be given to career development, supervisory support, organizational communication, and work environment factors, as these dimensions demonstrated relatively lower performance levels and may provide valuable insights for improving employee satisfaction, engagement, and performance (Bakker & Demerouti, 2007); (Cropanzano & Mitchell, 2005).