

An Integrative Model of Organizational Communication and Values-Based Work Culture for Enhancing Employee Engagement and Organizational Performance in a Catholic Higher Education Institution

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The transformation of higher education governance requires universities to develop management systems that not only focus on organizational performance but also foster employee engagement through effective organizational communication and a values-based work culture. This study aims to develop and empirically test an integrative model examining the effects of organizational communication and values-based work culture on organizational performance through employee engagement at Universitas Katolik Santo Thomas. A quantitative explanatory research design was employed. Data were collected from 150 respondents, comprising permanent academic staff and administrative personnel, selected using purposive sampling. The data were analyzed using Structural Equation Modeling Partial Least Squares (SEM-PLS). The findings indicate that organizational communication does not have a significant effect on employee engagement but has a positive and significant direct effect on organizational performance. In contrast, a values-based work culture has positive and significant effects on both employee engagement and organizational performance. Furthermore, employee engagement positively influences organizational performance and partially mediates the relationship between values-based work culture and organizational performance, while it does not mediate the relationship between organizational communication and organizational performance. The proposed model explains 55.6% of the variance in organizational performance. This study proposes an integrative model that links structural, values-based cultural, and psychological dimensions in enhancing organizational performance within a values-based higher education institution. The findings extend Social Exchange Theory and contribute to the growing body of knowledge on organizational management in values-based higher education institutions.

Keywords: organizational communication; values-based work culture; employee engagement; organizational performance; SEM-PLS.

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1. Introduction

The transformation of higher education governance over the past decade has shifted universities from traditional academic institutions primarily focused on the implementation of the Tri Dharma of Higher Education toward performance-driven organizations that are expected to demonstrate high organizational effectiveness, adaptive governance, and strong institutional accountability. These expectations have intensified with the emergence of the good university governance paradigm, which positions organizational effectiveness as a key indicator of institutional success. Within this context, human resources represent a strategic asset, as the quality of teaching, research, community engagement, and administrative services largely depends on an institution's ability to effectively manage organizational communication, work culture, and employee engagement in a sustainable manner (Ahmad et al., 2023).

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Previous studies have consistently demonstrated that organizational communication enhances work coordination, goal alignment, and overall organizational effectiveness (Aoki et al., 2019; Atmaja & Dewi, 2018). Likewise, a strong organizational culture has been shown to improve organizational commitment, employee loyalty, innovation, and organizational performance (Denison & Young, 2006; Schein & Schein, 2017). Furthermore, employee engagement has been recognized as a critical psychological mechanism linking organizational resources to improved organizational performance through higher levels of vigor, dedication, and absorption (Schaufeli et al., 2006; Bakker et al., 2023). Despite these findings, empirical evidence concerning the relationships among organizational communication, work culture, employee engagement, and organizational performance remains inconclusive, particularly in organizations characterized by a values-based organizational culture.

2. Literature Review and Problem Statement

Problem Statement

These inconsistencies suggest that the mechanisms underlying the relationships among these constructs have not yet been fully understood. While several studies report that organizational communication directly enhances employee engagement, others indicate that its influence is more pronounced on organizational performance than on employees' psychological attachment. Similarly, although organizational culture generally contributes positively to employee engagement, the magnitude of its effect varies across organizational contexts (Hernanz et al., 2024; Sołoducho-Pelc & Sulich, 2022). These inconsistent findings indicate that organizational characteristics may shape the relationships among these variables, highlighting the need for a more comprehensive explanatory model. To clarify the positioning of the present study within the existing body of knowledge, the identified research gaps are summarized in Table 1.

Table 1. Research Gaps

Research Gap	Previous Findings	Identified Gap	Contribution of This Study
Gap 1	Most studies have examined the relationship between organizational communication and organizational performance.	The psychological mechanism linking organizational communication and organizational performance remains underexplored.	Examines employee engagement as a mediating mechanism between organizational communication and organizational performance.
Gap 2	Studies on organizational culture have primarily focused on business and industrial organizations.	Empirical evidence regarding values based work culture in higher education institutions remains limited.	Investigates values-based work culture as a determinant of employee engagement and organizational performance in a values based higher education institution.
Gap 3	Previous studies have examined organizational communication, organizational culture,	No comprehensive model integrates organizational communication, values based work culture, employee engagement, and organizational	Develops an integrative model linking structural, cultural, and psychological dimensions to explain organizational performance.

Research Gap	Previous Findings	Identified Gap	Contribution of This Study
	and employee engagement separately.	performance within the context of Catholic higher education.	

Source: Developed from the synthesis of previous studies.

These research gaps become particularly relevant within the context of values-based higher education institutions. Universitas Katolik Santo Thomas adopts an organizational governance system grounded in the institutional values of Veritas, Dignitas Humana, and Communitas Academica Christiana, which constitute the university's core identity. These values serve not only as philosophical principles but are also embedded in leadership practices, human resource management, and organizational work culture. Nevertheless, internal institutional evaluations indicate variations in employees' perceptions regarding the effectiveness of organizational communication, the consistency of values-based work culture implementation, and organizational performance across academic and administrative units. These conditions underscore the need for an empirical model capable of explaining the relationships among these organizational factors more comprehensively.

Accordingly, this study addresses the following research questions:

1. Do organizational communication and values-based work culture significantly influence employee engagement in a values-based higher education institution?
2. How do organizational communication, values-based work culture, and employee engagement affect organizational performance?
3. Does employee engagement mediate the relationships between organizational communication, values-based work culture, and organizational performance?

To answer these questions, this study develops an empirical model grounded in Social Exchange Theory (SET), which conceptualizes organizational communication and values based work culture as forms of organizational support, while positioning employee engagement as the psychological mechanism through which organizational support is translated into enhanced organizational performance. The proposed model is empirically tested using Structural Equation Modeling Partial Least Squares (SEM-PLS) with data collected from Universitas Katolik Santo Thomas as a representative values-based higher education institution.

This study makes three major contributions. First, it contributes theoretically by developing an integrative model that links organizational communication, values-based work culture, employee engagement, and organizational performance within the context of values-based higher education institutions, thereby extending the application of Social Exchange Theory beyond conventional organizational settings. Second, it contributes empirically by demonstrating that organizational communication and values-based work culture influence organizational performance through different mechanisms, with employee engagement serving as a partial mediator in the relationship between values-based work culture and organizational performance. Third, it contributes practically by providing a conceptual framework that can assist values-based higher education institutions in designing organizational communication strategies, strengthening institutional work culture, and enhancing employee engagement to improve organizational effectiveness.

Theoretical Foundation

This study is grounded in Social Exchange Theory (SET) as the primary theoretical framework for explaining the relationships among organizational communication, values based work culture, employee engagement, and organizational performance. SET posits that the relationship between an organization and its

employees is built upon reciprocal social exchanges. When organizations provide a supportive work environment, open communication, and a work culture that values individuals, employees are more likely to reciprocate through stronger commitment, higher work engagement, and greater contributions to organizational goals (Blau, 1964; Cropanzano & Mitchell, 2005). Within the context of this study, organizational communication is conceptualized as a structural form of organizational support, whereas values-based work culture represents cultural support. Together, these organizational resources are expected to foster employee engagement, which subsequently enhances organizational performance.

Hypothesis Development

According to Social Exchange Theory (SET), mutually beneficial relationships between organizations and employees are established through reciprocal exchanges. Organizations that provide a supportive work environment, transparent communication, and a strong organizational culture are more likely to receive positive responses from employees in the form of higher work engagement and stronger organizational contributions (Blau, 1964; Cropanzano & Mitchell, 2005). In this study, organizational communication and values-based work culture are conceptualized as organizational resources that influence both employee engagement and organizational performance.

Organizational communication functions as a coordination mechanism that facilitates goal alignment, information exchange, decision-making, and trust building among organizational members (Pace & Faules, 1989; Weick, 2000). From the perspective of Social Exchange Theory, open and participative communication reflects organizational support by enhancing employees' perceptions of fairness, trust, and the quality of organizational relationships. Previous studies have consistently demonstrated that effective organizational communication improves employee engagement and organizational performance by strengthening coordination, collaboration, and service effectiveness (Aoki et al., 2019; Araújo & Miranda, 2020; Hernanz et al., 2024; Marhaningsih et al., 2025). Accordingly, the following hypotheses are proposed:

H1 : Organizational communication positively influences employee engagement.

H2 : Organizational communication positively influences organizational performance.

In addition to organizational communication, values-based work culture represents an important organizational resource that shapes collective identity, behavioral norms, and employees' commitment to the organization (Schein & Schein, 2017). Within values-based higher education institutions, institutional values not only guide workplace behavior but also strengthen employees' sense of belonging, intrinsic motivation, and organizational attachment. Previous research has shown that a strong organizational culture enhances employee engagement while simultaneously improving organizational effectiveness (Bakker et al., 2023; Rauschmayr et al., 2023; Zhou et al., 2022). At Universitas Katolik Santo Thomas, the institutional values of Veritas, Dignitas Humana, and Communitas Academica Christiana are expected to strengthen employee engagement and ultimately improve organizational performance. Therefore, the following hypotheses are formulated:

H3 : Values-based work culture positively influences employee engagement.

H4 : Values-based work culture positively influences organizational performance.

Within the framework of the Job Demands Resources (JD-R) Theory, employee engagement is regarded as a positive psychological state that emerges when organizations provide sufficient job resources (Bakker et al., 2023). Employees who demonstrate high levels of vigor, dedication, and absorption are more likely to exhibit greater productivity, creativity, service quality, and organizational commitment (Schaufeli et al., 2006; Saks, 2006). Previous studies have consistently confirmed employee engagement as a critical

determinant of organizational performance. Based on this theoretical perspective and empirical evidence, the following hypothesis is proposed:

H5 : Employee engagement positively influences organizational performance.

Furthermore, both Social Exchange Theory and Job Demands Resources Theory suggest that organizational resources do not always influence organizational performance directly but may exert their effects through psychological mechanisms such as employee engagement. In values-based organizations, organizational communication and values-based work culture are expected to enhance organizational performance by first strengthening employees' psychological attachment to the organization. Previous studies have identified employee engagement as a mediating mechanism linking organizational culture, organizational communication, and organizational performance, although empirical evidence within values based higher education institutions remains limited (Hernanz et al., 2024; Rauschmayr et al., 2023; Zhou et al., 2022). Therefore, this study proposes the following mediation hypotheses:

H6 : Employee engagement mediates the relationship between organizational communication and organizational performance.

H7 : Employee engagement mediates the relationship between values-based work culture and organizational performance.

Table 2. Synthesis of Previous Studies

Authors	Research Focus	Main Findings	Research Gap
Bakker et al. (2023)	Job Resources → Employee Engagement	Job resources positively enhance employee engagement.	Did not examine values-based higher education institutions.
Hernanz et al. (2024)	Organizational Communication	The relationship between organizational communication and employee engagement remains inconsistent.	Did not integrate values-based work culture into the model.
Rauschmayr et al. (2023)	Organizational Culture	Organizational culture positively influences employee engagement and organizational performance.	Did not investigate the context of Catholic higher education institutions.
Zhou et al. (2022)	Organizational Culture	Organizational culture strengthens employees' sense of belonging.	Did not examine the mediating mechanism of employee engagement.
This Study	Organizational Communication, Values-Based Work Culture, Employee Engagement, and Organizational Performance	Develops an integrative model for values-based higher education institutions.	Addresses theoretical, empirical, and contextual research gaps.

Source: Developed from the synthesis of previous studies.

Conceptual Model Justification

The proposed research model is based on the premise that organizational performance in values-based higher education institutions is determined not merely by effective organizational communication or a

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strong work culture independently, but by the interaction among structural, cultural, and psychological dimensions. Organizational communication is conceptualized as a structural resource that facilitates coordination, information exchange, and organizational effectiveness. In contrast, values-based work culture is viewed as a cultural resource that strengthens employees' organizational identification and commitment. These complementary organizational resources are expected to foster employee engagement, which subsequently enhances organizational performance.

Accordingly, the proposed conceptual model offers a more comprehensive explanation of organizational performance than previous studies, which have generally examined the relationships among organizational communication, organizational culture, employee engagement, and organizational performance in isolation. By integrating these constructs within a single analytical framework, this study provides a more holistic understanding of how organizational resources contribute to organizational effectiveness in the context of Catholic values-based higher education institutions.

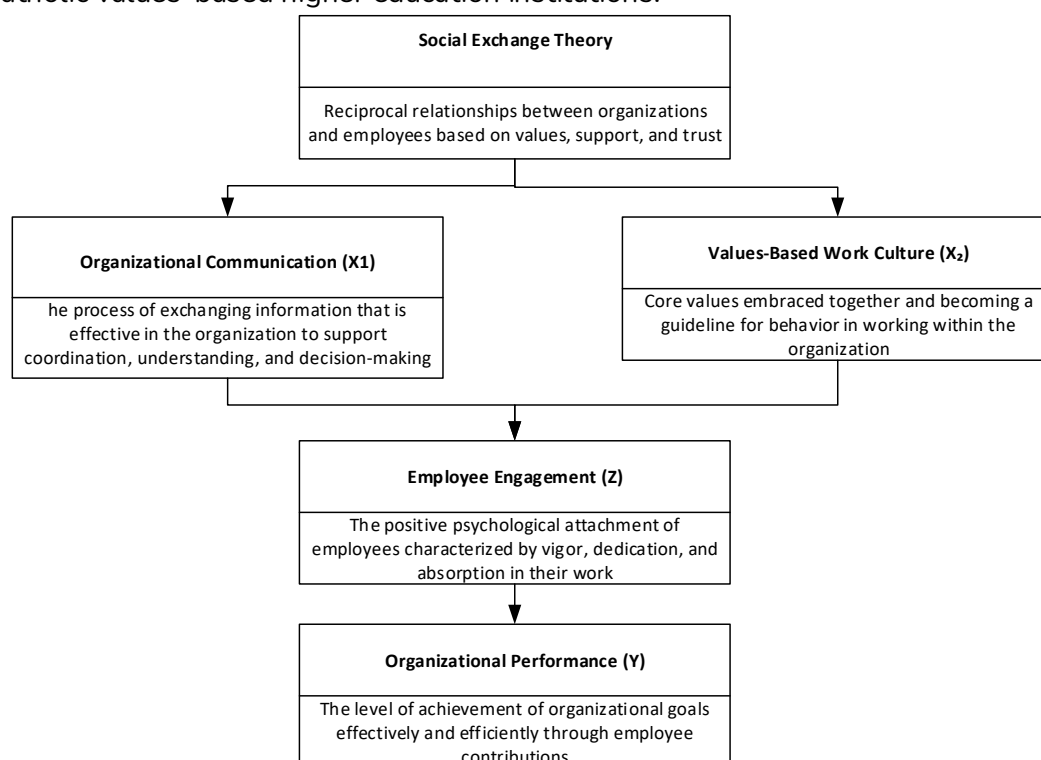


Figure 1. Conceptual Research Model

3. Method

Research Design

This study employed a quantitative explanatory research design to examine the causal relationships among organizational communication, values-based work culture, employee engagement, and organizational performance. The research model was developed based on Social Exchange Theory (SET) and analyzed using Structural Equation Modeling Partial Least Squares (SEM -PLS), which is appropriate for estimating both direct and indirect relationships in predictive models involving latent constructs (Hair et al., 2021; Creswell, 2009). In the proposed model, organizational communication and values-based work culture were specified as exogenous constructs, employee engagement as the mediating construct, and organizational performance as the endogenous construct.

Research Setting, Population, and Sample

The study was conducted at Universitas Katolik Santo Thomas, Medan, Indonesia, a values-based higher education institution that incorporates the institutional values of Veritas, Dignitas Humana, and Communitas Academica Christiana into its governance, leadership, human resource management, and organizational culture. This setting was selected because it provides an appropriate context for examining the relationships among organizational communication, values-based work culture, employee engagement, and organizational performance.

The study population consisted of 283 permanent academic staff and administrative employees. A purposive sampling technique was employed using three inclusion criteria: (1) respondents were permanent academic staff or administrative personnel; (2) they were actively employed at Universitas Katolik Santo Thomas; and (3) they had at least three years of organizational tenure, ensuring sufficient familiarity with the university's communication system and organizational culture. Based on these criteria, 150 valid respondents were included in the final analysis. This sample size satisfies the minimum requirements for SEM- PLS analysis as recommended by Hair et al. (2021).

Response Rate and Non-Response Bias

A total of 161 questionnaires were distributed to respondents who met the sampling criteria. All questionnaires were returned, yielding a 100% response rate. However, 11 questionnaires were excluded because of incomplete responses, resulting in 150 valid questionnaires (93.17%) for the final analysis. This response rate exceeds the minimum threshold generally recommended for organizational survey research and is therefore considered adequate to produce reliable parameter estimates.

To assess the potential for non-response bias, the characteristics of early and late respondents were compared in terms of gender, educational attainment, and length of organizational tenure. No statistically meaningful differences were identified between the two groups, indicating that non-response bias was unlikely to have affected the findings.

Measurement of Variables

This study examined four latent constructs: organizational communication, values-based work culture, employee engagement, and organizational performance. Measurement items were adapted from previously validated instruments and contextualized to reflect the characteristics of a values-based higher education institution. All indicators were measured using a five point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). A summary of the operational definitions and measurement dimensions is presented in Table 2.

Table 2. Measurement of Variables

Variable	Dimensions	Sources
Organizational Communication	Communication openness, information clarity, participation, feedback, coordination	Pace and Faules (1989); Robbins and Judge (2013)
Values-Based Work Culture	Academic integrity, respect for human dignity, academic community, commitment to organizational values	Schein and Schein (2017); Denison and Young (2006)
Employee Engagement	Vigor, dedication, absorption	Schaufeli et al. (2006)
Organizational Performance	Internal processes, stakeholder perspective, organizational learning, organizational outcomes	Kaplan and Norton (2001); Daft (2018)

Data Collection Procedure

Primary data were collected through a structured questionnaire administered directly to respondents who met the established sampling criteria. Prior to the full scale survey, the instrument underwent a preliminary review to ensure the appropriateness of the measurement indicators, clarity of item wording, and content validity. In addition to the survey data, secondary data were obtained from official university documents, institutional reports, human resource records, and other supporting organizational documents to provide contextual information and strengthen the interpretation of the findings.

Ethical Considerations

This study was conducted in accordance with established research ethics principles. Prior to data collection, all participants were informed about the objectives of the study, the voluntary nature of their participation, and the confidentiality of their personal information and responses. Participation was based on informed consent, and respondents were assured that they could withdraw from the study at any stage without any consequences. All data were collected exclusively for academic purposes and analyzed in an aggregated form to ensure that individual participants could not be identified.

Data Analysis

The data were analyzed using SmartPLS version 4.1.8. The evaluation of the measurement and structural models followed the guidelines proposed by Hair et al. (2021). The analytical procedure consisted of four stages.

1. Descriptive analysis was conducted to summarize respondents' demographic characteristics and the distribution of responses for each measurement item.
2. Measurement model (outer model) evaluation was performed by assessing indicator reliability (outer loadings), convergent validity using the Average Variance Extracted (AVE), internal consistency reliability using Cronbach's Alpha and Composite Reliability (CR), and discriminant validity using the Heterotrait Monotrait Ratio (HTMT).
3. Structural model (inner model) evaluation included the assessment of the coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), Standardized Root Mean Square Residual (SRMR), Normed Fit Index (NFI), and PLS-Predict to evaluate the model's explanatory power, goodness of fit, and predictive capability.
4. Hypothesis testing was conducted using the bootstrapping procedure with 5,000 bootstrap resamples. The hypothesized relationships were considered statistically significant when the t-value exceeded 1.96 and the p-value was less than 0.05 at the 95% confidence level.

4. Results And Discussion

Respondent Characteristics

A total of 150 valid respondents who met the predetermined sampling criteria were included in the analysis. The respondents consisted of permanent academic staff and administrative personnel at Universitas Katolik Santo Thomas, each having a minimum organizational tenure of three years. The sample was considered representative because it reflected employees who were directly involved in the implementation of the Tri Dharma of Higher Education as well as the university's administrative services. Furthermore, the sample size satisfied the minimum requirements recommended for SEM-PLS analysis, ensuring adequate statistical power for estimating the structural relationships among the research constructs.

Table 3. Respondent Characteristics

Characteristics	Frequency	Percentage (%)
Gender		
Male	91	60.67
Female	59	39.33
Educational Level		
Doctoral Degree (PhD)	24	16.00
Master's Degree	87	58.00
Bachelor's Degree	23	15.33
Diploma	3	2.00
Senior High School	13	8.67
Position		
Permanent Academic Staff	82	54.67
Administrative Staff	36	24.00
University Management	19	12.67
Others	13	8.66

Source: Research data processed by the authors (2026).

Descriptive Statistics

The descriptive statistics indicate that all research constructs achieved mean scores above 3.70, suggesting that respondents generally perceived organizational communication, values-based work culture, employee engagement, and organizational performance positively. The highest mean score was observed for employee engagement ($M = 4.086$), whereas organizational performance recorded the lowest mean score ($M = 3.722$). These findings indicate that although employees demonstrated relatively high levels of engagement, there remains room for improving overall organizational effectiveness.

Table 4. Descriptive Statistics

Variable	Mean	SD
Organizational Communication	3.799	0.54
Values-Based Work Culture	4.044	0.50
Employee Engagement	4.086	0.49
Organizational Performance	3.722	0.52

Measurement Model Evaluation

The measurement model was assessed by examining convergent validity, discriminant validity, and construct reliability following the guidelines proposed by Hair et al. (2021). The results demonstrate that all measurement constructs satisfied the recommended validity and reliability criteria, indicating that the measurement model was appropriate for subsequent structural model analysis.

Convergent Validity

During the initial estimation, one measurement indicator (OC7) exhibited an outer loading of 0.200, which was substantially below the recommended threshold. Consequently, the indicator was removed from the model. After model re-estimation, all remaining indicators demonstrated outer loadings greater than 0.70 and Average Variance Extracted (AVE) values exceeding 0.50, thereby satisfying the criteria for convergent validity.

Table 5. Convergent Validity

Construct	AVE	Interpretation
Organizational Communication	> 0.50	Valid
Values-Based Work Culture	> 0.50	Valid
Employee Engagement	> 0.50	Valid
Organizational Performance	> 0.50	Valid

Construct Reliability

Construct reliability was evaluated using Cronbach's Alpha, Composite Reliability (CR), and rho_A. As shown in Table 6, all reliability coefficients exceeded the recommended threshold of 0.70, indicating satisfactory internal consistency across all latent constructs.

Table 6. Construct Reliability

Construct	Cronbach's Alpha	Composite Reliability	rho_A
Organizational Communication	0.891	> 0.90	0.898
Values-Based Work Culture	0.896	> 0.90	0.901
Employee Engagement	0.927	> 0.93	0.930
Organizational Performance	0.932	> 0.93	0.933

Discriminant Validity

Discriminant validity was assessed using the Heterotrait–Monotrait Ratio (HTMT) criterion. All HTMT values were below the recommended threshold of 0.85, confirming that each latent construct exhibited satisfactory discriminant validity and represented conceptually distinct dimensions within the proposed research model.

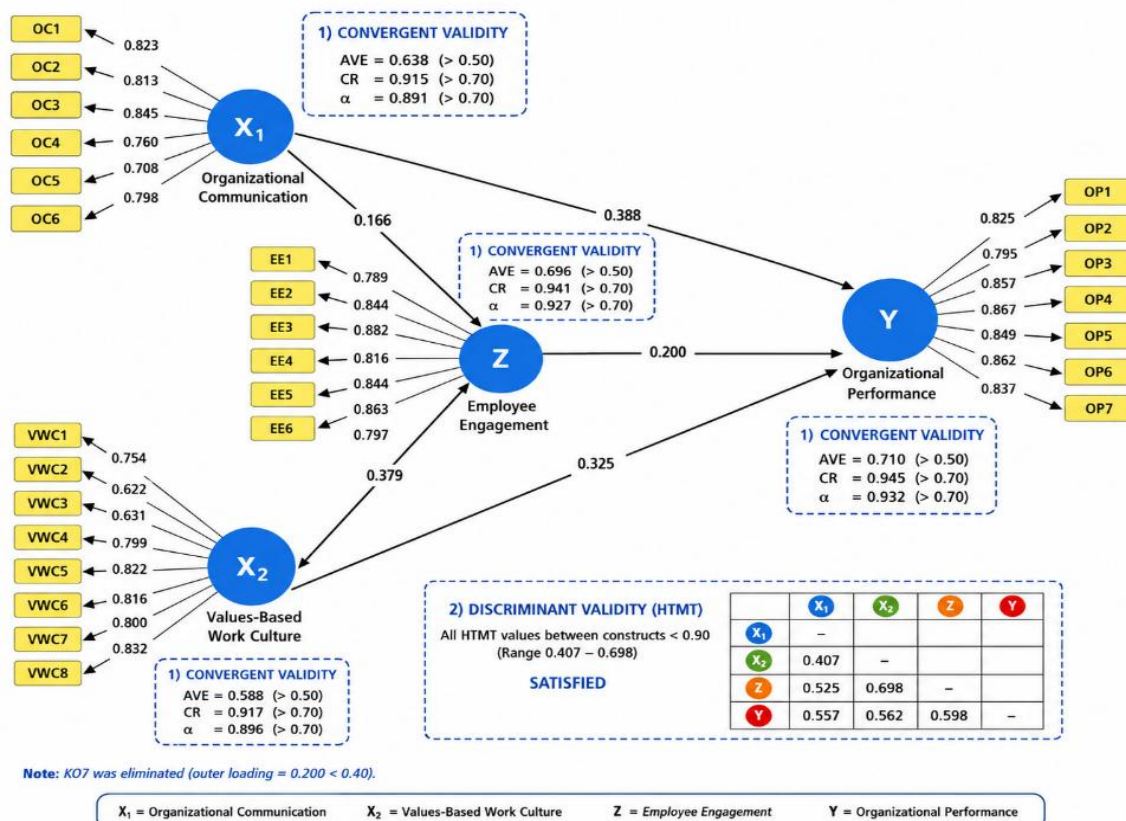


Figure 2. Measurement Model (Outer Model)

Structural Model Evaluation

Goodness-of-Fit Assessment

Before testing the structural relationships among the latent constructs, the goodness-of-fit and predictive capability of the proposed model were evaluated. In SEM-PLS, model evaluation extends beyond overall model fit by assessing the model's explanatory and predictive capabilities for endogenous constructs. Accordingly, several evaluation criteria were employed, including the Standardized Root Mean Square Residual (SRMR), Normed Fit Index (NFI), coefficient of determination (R^2), predictive relevance (Q^2 Predict), and PLS-Predict, following the recommendations of Hair et al. (2022). The results are presented in Table 7.

Table 7. Goodness-of-Fit Assessment

Indicator	Value	Recommended Criterion	Interpretation
SRMR	0.061	< 0.08	Fit
NFI	0.90	≥ 0.90	Good Fit
R^2 (Employee Engagement)	0.241	Moderate	Acceptable
R^2 (Organizational Performance)	0.556	Moderate–Strong	Good
Q^2 Predict	> 0	Predictive Relevance	Yes
PLS-Predict	Lower RMSE	Predictive Power	Good

Source: SmartPLS 4.1.8 output, processed by the authors (2026).

The results indicate that the proposed model demonstrates an adequate level of goodness of fit and satisfactory predictive capability. The SRMR value of 0.061, which is below the recommended threshold of 0.08, indicates an acceptable model fit. Similarly, the NFI value of 0.90 suggests that the model achieved a good overall fit. The R^2 values of 0.241 for Employee Engagement and 0.556 for Organizational Performance indicate moderate and moderate-to-substantial explanatory power, respectively. Furthermore, the positive Q^2 Predict values and the PLS-Predict results, which yielded lower Root Mean Square Error (RMSE) values than the benchmark model, confirm that the proposed model possesses satisfactory predictive relevance and predictive power. Overall, these findings indicate that the structural model is appropriate for subsequent hypothesis testing.

Effect Size (f^2)

In addition to evaluating the coefficient of determination (R^2), this study assessed the effect size (f^2) to determine the relative contribution of each exogenous construct to the endogenous constructs. The f^2 statistic indicates the extent to which the predictive power of the structural model changes when a particular exogenous construct is omitted, thereby complementing the interpretation of the coefficient of determination (Hair et al., 2022). According to Hair et al. (2022), f^2 values of 0.02, 0.15, and 0.35 indicate small, medium, and large effect sizes, respectively. The results of the effect size analysis are presented in Table 8.

Table 8. Effect Size (f^2) Results

Structural Relationship	f^2	Interpretation
Organizational Communication → Employee Engagement	0.025	Small
Values-Based Work Culture → Employee Engagement	0.131	Small
Organizational Communication → Organizational Performance	0.229	Medium
Values-Based Work Culture → Organizational Performance	0.145	Small
Employee Engagement → Organizational Performance	0.068	Small

Source: SmartPLS 4.1.8 output, processed by the authors (2026).

The findings indicate that all structural relationships exhibit small to medium effect sizes. The relationship between Organizational Communication and Organizational Performance demonstrates the largest effect ($f^2 = 0.229$), representing a medium effect size. This finding suggests that organizational communication makes a substantial contribution to improving the model's ability to predict organizational performance. In contrast, the effects of Organizational Communication on Employee Engagement ($f^2 = 0.025$), Values-Based Work Culture on Employee Engagement ($f^2 = 0.131$), Values-Based Work Culture on Organizational Performance ($f^2 = 0.145$), and Employee Engagement on Organizational Performance ($f^2 = 0.068$) fall within the small effect category.

Overall, these findings suggest that Organizational Communication is the most influential predictor of Organizational Performance, whereas Values Based Work Culture and Employee Engagement also contribute positively, albeit with relatively smaller effect sizes. When considered alongside the moderate R^2 values, these results indicate that the proposed structural model possesses satisfactory predictive capability and is appropriate for subsequent evaluation of predictive relevance (Q^2) and the statistical significance of the structural relationships through the bootstrapping procedure.

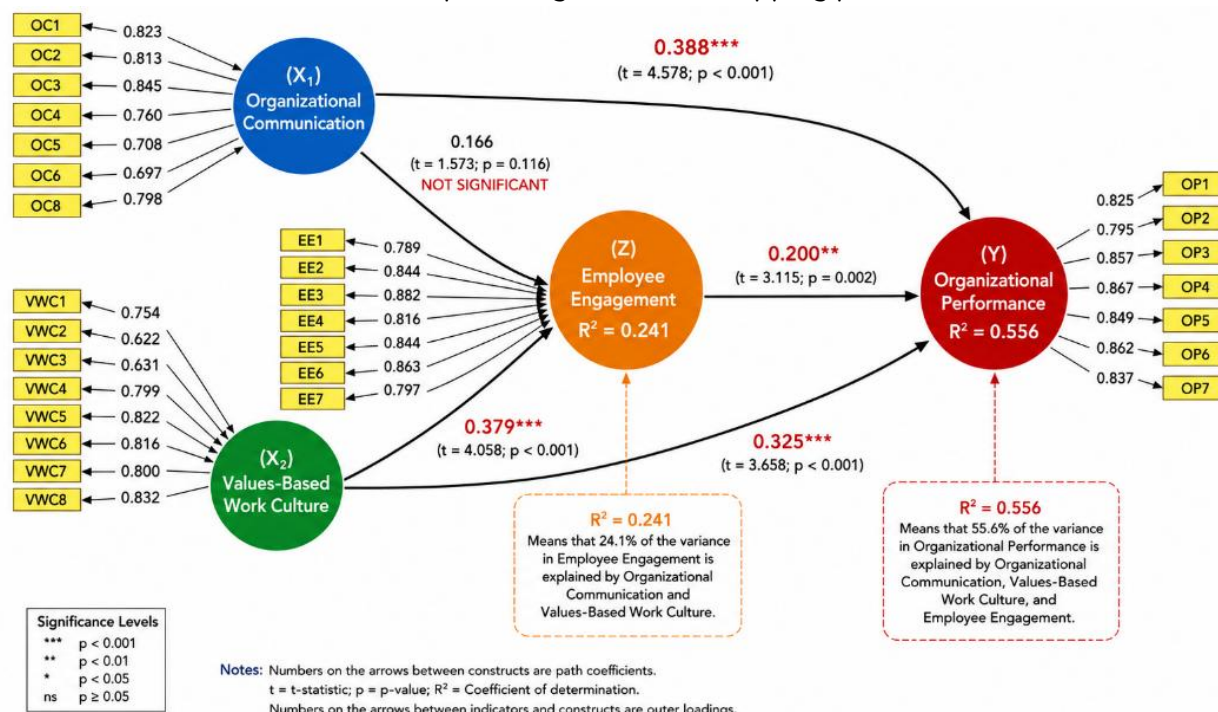


Figure 3. Model Struktural (Bootstrapping)

Hypothesis Testing

The hypothesis testing results obtained using the bootstrapping procedure with 5,000 bootstrap resamples indicate that four of the five direct relationships are statistically significant. Organizational communication does not have a significant effect on employee engagement, whereas values-based work culture has a positive and significant effect on both employee engagement and organizational performance. Furthermore, organizational communication emerges as the strongest direct determinant of organizational performance ($\beta = 0.388$), while employee engagement also exerts a positive and significant influence on organizational performance.

Table 9. Hypothesis Testing Results

Hypothesis	β	t-value	p-value	Decision
Organizational Communication → Employee Engagement	0.166	1.573	0.116	Rejected
Values-Based Work Culture → Employee Engagement	0.379	4.058	< 0.001	Supported
Organizational Communication → Organizational Performance	0.388	4.578	< 0.001	Supported
Values-Based Work Culture → Organizational Performance	0.325	3.658	< 0.001	Supported
Employee Engagement → Organizational Performance	0.200	3.115	0.002	Supported

Source: SmartPLS 4.1.8 output.

Discussion

Discussion of the Findings

The findings reveal that the relationships among organizational communication, values-based work culture, employee engagement, and organizational performance at Universitas Katolik Santo Thomas exhibit a pattern that differs from that reported in most previous studies conducted in business organizations. Of the seven proposed hypotheses, four direct relationships were supported, whereas organizational communication did not significantly influence employee engagement. These findings suggest that organizational effectiveness in a values-based higher education institution is shaped through distinct structural and cultural mechanisms.

The results indicate that organizational communication does not significantly influence employee engagement but has the strongest direct effect on organizational performance. This finding suggests that organizational communication at Universitas Katolik Santo Thomas primarily functions as a mechanism for coordination, cross-unit integration, and strategic alignment, rather than as a factor that directly enhances employees' psychological attachment to the organization. This phenomenon can be explained by the characteristics of values based higher education institutions, where employee engagement is fostered not merely through formal communication but, more importantly, through employees' experiences of institutional values, a service-oriented culture, and values driven leadership. Consequently, organizational communication contributes directly to organizational effectiveness without necessarily increasing employee engagement. This finding contrasts with the results reported by Marhaningsih et al. (2025) but is consistent with Hernanz et al. (2024), who argued that the relationship between organizational communication and employee engagement is highly dependent on organizational context.

In contrast, values-based work culture was found to have a positive and significant influence on both employee engagement and organizational performance. These results indicate that the internalization of the institutional values of Veritas, Dignitas Humana, and Communitas Academica Christiana serves as a key mechanism for strengthening organizational identity, employees' sense of belonging, and organizational commitment. Within values-based higher education institutions, organizational culture functions not only as a guide for workplace behavior but also as a source of meaningful work, encouraging employees to become more engaged in achieving institutional goals. These findings support previous studies by Bakker et al. (2023), Rauschmayr et al. (2023), and Zhou et al. (2022) while further demonstrating that a values-based organizational culture plays a more strategic role in higher education institutions than in business organizations because it simultaneously strengthens psychological attachment and organizational effectiveness.

The study also confirms that employee engagement has a positive and significant effect on organizational performance. Employees who exhibit high levels of vigor, dedication, and absorption are more likely to make substantial contributions to the achievement of organizational objectives. However, the mediation

analysis indicates that employee engagement partially mediates the relationship between values-based work culture and organizational performance but does not mediate the relationship between organizational communication and organizational performance. These findings suggest that organizational communication enhances performance primarily through a structural pathway, whereas values-based work culture operates through a cultural psychological pathway. This pattern highlights that organizational performance in values-based higher education institutions is driven by mechanisms that differ from those commonly observed in business organizations, where employees' experiences of institutional values appear to play a more influential role than formal communication in fostering employee engagement.

Research Contributions, Implications, and the Integrative Model

This study makes significant contributions to both organizational management theory and the practice of values-based organizational management. From an academic perspective, the findings extend Social Exchange Theory (SET) by demonstrating that reciprocal relationships between organizations and employees in values-based higher education institutions are established primarily through the internalization of institutional values rather than through formal organizational communication. Furthermore, the study enriches the Job Demands-Resources (JD-R) Theory by distinguishing the roles of organizational communication as a structural resource that directly enhances organizational performance and values-based work culture as a psychosocial resource that first strengthens employee engagement before influencing organizational performance. In addition, this study advances the literature on values-based organizations by providing empirical evidence that institutional values constitute strategic organizational resources capable of enhancing both employee engagement and organizational effectiveness.

From a managerial perspective, the findings suggest that improving organizational performance cannot rely solely on strengthening internal communication systems. Values-based higher education institutions should integrate transparent and participatory communication with strategies aimed at internalizing organizational values through values-based leadership, competency development, reward systems, and character development programs that consistently reflect the institution's identity. Such an integrated approach enables organizations to foster sustainable employee engagement while simultaneously enhancing organizational effectiveness.

Based on the overall empirical findings, this study proposes the Integrated Values-Based Organizational Performance (IVBOP) Model as its principal conceptual contribution. The model explains that organizational performance in values-based higher education institutions is enhanced through two complementary mechanisms. The first is a structural pathway, whereby organizational communication directly improves organizational performance through effective coordination, organizational integration, and strategic alignment. The second is a cultural-psychological pathway, whereby values-based work culture enhances organizational performance both directly and indirectly through employee engagement as a psychological mechanism. Accordingly, organizational effectiveness depends not only on the quality of organizational communication but also on the institution's ability to internalize its core values, transforming them into enduring sources of employee motivation, commitment, and engagement.

Based on this integrative model, two conceptual propositions are advanced. Proposition 1 posits that organizational communication functions as a structural driver of organizational performance by strengthening coordination, organizational integration, and strategic alignment. Proposition 2 proposes that values-based work culture functions as a cultural driver of organizational performance, both directly and indirectly through employee engagement as a psychological mechanism. Together, these propositions

demonstrate that organizational performance in values-based higher education institutions is achieved through the integration of structural, cultural, and psychological dimensions, resulting in a conceptual model that differs from conventional business organization models, which predominantly emphasize communication and managerial processes alone.

5. Conclusion

This study developed and empirically validated the relationships among organizational communication, values-based work culture, employee engagement, and organizational performance in a values-based higher education institution using the PLS-SEM approach. The proposed model explained 55.6% of the variance in organizational performance ($R^2 = 0.556$). The findings reveal that organizational communication directly enhances organizational performance but does not significantly influence employee engagement, whereas values-based work culture positively affects both employee engagement and organizational performance. Furthermore, employee engagement positively influences organizational performance and partially mediates the relationship between values-based work culture and organizational performance. Based on these findings, this study proposes the Integrated Values-Based Organizational Performance (IVBOP) Model, which conceptualizes organizational communication as a structural driver and values-based work culture as a cultural driver that improves organizational performance directly and indirectly through employee engagement. This model extends the understanding of organizational performance mechanisms in values-based higher education institutions and provides a practical framework for strengthening human resource management and organizational governance aligned with institutional values.

6. References

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