

Employee Engagement and Sustainable Organizational Culture as Drivers of Organizational Performance: The Mediating Role of Organizational Innovation and Diversified Knowledge Practices

Rini Mahaningsih¹

¹. Department of Management, Dirgantara Marsekal Suryadarma University, Jakarta, Indonesia

ARTICLE INFO	ABSTRACT
Article history: Received Jun 16, 2026 Revised Jul 26, 2026 Accepted Sept 06, 2026 Keywords: Employee Engagement, Organizational Culture, Organizational Performance, Organizational Innovation, Diversified Knowledge Practices.	Organizational performance increasingly depends on the ability of organizations to foster employee engagement, sustain supportive organizational cultures, and convert organizational knowledge and creativity into improved outcomes. This study examines the effects of employee engagement and sustainable organizational culture on organizational performance, with organizational innovation and knowledge-sharing practices serving as mediating mechanisms. A quantitative correlational design was employed using data collected through questionnaires from 256 employees involved in material supply activities at the Central Office of Material Supply of the Indonesian Air Force (Pusbekmatau). The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS. The findings demonstrate that employee engagement positively and significantly affects organizational innovation ($\beta = 0.285$; $p < 0.001$) and knowledge-sharing practices ($\beta = 0.254$; $p = 0.003$). Sustainable organizational culture exerts stronger positive effects on organizational innovation ($\beta = 0.626$; $p < 0.001$) and knowledge-sharing practices ($\beta = 0.619$; $p < 0.001$). Furthermore, organizational innovation ($\beta = 0.438$; $p < 0.001$) and knowledge-sharing practices ($\beta = 0.498$; $p < 0.001$) significantly enhance organizational performance. Both mediators also significantly transmit the effects of employee engagement and sustainable organizational culture on organizational performance. Notably, knowledge sharing represents the strongest indirect pathway from sustainable organizational culture to organizational performance ($\beta = 0.308$). The findings highlight that organizational performance can be strengthened by simultaneously cultivating employee engagement and a sustainable organizational culture while institutionalizing knowledge sharing and innovation as organizational mechanisms.

Corresponding Author:

Rini Mahaningsih,
Department of Management
Dirgantara Marsekal Suryadarma University
Jakarta, Indonesia
Email: pison dj@gmail.com

INTRODUCTION

In the era of globalization and increasingly fierce business competition, organizations are required to improve performance in order to survive and develop sustainably. Organizational performance becomes an important indicator that shows the organization's ability to achieve goals effectively and efficiently. Organizations with high performance are usually able to optimally manage human resources, create a positive organizational culture, and encourage innovation in work processes.

One of the important factors that influence organizational performance is employee engagement. Employee engagement describes the level of emotional attachment, commitment, and active participation of employees toward their work and the organization they work for. Employees with a high level of engagement tend to be more productive, have high work motivation, and are able to make greater contributions to the organization. According to Kahn (1990), employee engagement is a condition in which individuals express themselves physically, cognitively, and emotionally in the execution of their work. Employee engagement can enhance productivity, innovation, and organizational performance because actively engaged employees have a stronger commitment to the organization's goals (Tanwar, 2017). Employee engagement can also enhance employees' innovative behaviors and encourage knowledge-sharing practices within the organization. Thus, employee engagement becomes an important factor in enhancing the organization's competitive advantage.

In addition to employee involvement, organizational culture also plays an important role in determining the success of the organization. Organizational culture is a system of values, norms, beliefs, and assumptions held by the members of the organization and influences the way they work and interact with one another. According to Schein (2010), organizational culture is a pattern of basic assumptions developed by a group to address external adaptation and internal integration issues, which are then taught to new members as the correct way to understand and solve organizational problems. A strong organizational culture can create a conducive work environment, enhance employee commitment, and encourage the development of effective cooperation within the organization. Research shows that a positive organizational culture can enhance employee engagement and organizational performance through increased motivation and collaboration among employees (Qomri & Yuliantini, 2024).

In the context of modern organizations, organizational culture is also linked to the concept of sustainability. A sustainable organizational culture is becoming increasingly important in facing the challenges of the modern business environment. This culture encourages organizations to integrate sustainability values into business activities, human resource management, and strategic decision-making. A sustainable organizational culture emphasizes the importance of integrating sustainability values such as social responsibility, resource efficiency, and sustainable innovation into organizational activities. Organizations that are able to build a culture that supports learning and collaboration tend to have better capabilities in facing changes in the business environment.

Furthermore, organizational innovation is an important factor that can enhance organizational performance. Organizational innovation refers to the ability of an organization to create new ideas, processes, products, or services that can improve the efficiency and effectiveness of the organization. Innovation plays a crucial role in enhancing organizational performance because it can create new value for the organization and improve the organization's ability to adapt to changes in the business environment (Cristache, et al., 2025).

Organizational innovation often emerges through the process of knowledge sharing among members of the organization. Knowledge sharing is the process of exchanging knowledge, experience, and information among individuals within an organization to enhance the collective capability of the organization. This process enables the organization to leverage the collective knowledge possessed by employees, thereby improving the organization's ability to solve problems and create innovations. Davenport and Prusak (1998) state that knowledge sharing is a process in which individuals exchange knowledge to create value and enhance the organization's capabilities. The practice of knowledge sharing has a positive impact on organizational innovation because the exchange of knowledge can accelerate the organizational learning process and encourage the emergence of new ideas within the organization (Nurcahyo & Wikaningrum, 2020). In addition, the knowledge management process, which includes the creation, integration, and sharing of knowledge, can also enhance innovation and organizational performance.

Thus, employee engagement and a sustainable organizational culture can drive improvements in organizational performance through mechanisms of organizational innovation and knowledge-sharing practices. Therefore, this research is important to analyze how the relationship between employee engagement and sustainable organizational culture affects organizational performance, as well as how organizational innovation and knowledge-sharing practices act as mediating variables in that relationship.

LITERATURE REVIEW

Employee Engagement and Organizational Outcomes

Employee engagement refers to the extent to which employees are psychologically present, energetic, and dedicated to their work. Kahn (1990) conceptualizes engagement as the harnessing of employees' physical, cognitive, and emotional energies in the performance of their work roles. From this perspective, engaged employees are more likely to invest discretionary effort, demonstrate persistence, and actively contribute to organizational objectives. Schaufeli (2017) further explains engagement through the dimensions of vigor and dedication, which reflect employees' energy, resilience, enthusiasm, and sense of significance toward their work.

Employee engagement is particularly relevant to organizational innovation because employees who are psychologically connected to their work tend to participate more actively in problem solving, generate new ideas, and support organizational improvement. Recent evidence also indicates that employee engagement can contribute to innovation performance because engaged employees are more willing to provide ideas and develop innovative solutions. Accordingly, employee engagement is expected to provide an important behavioral foundation for organizational innovation.

Engagement may also facilitate knowledge sharing. Employees who demonstrate strong involvement and dedication are more likely to communicate their experiences, information, and work-related knowledge with colleagues. Ahmed et al. (2020) found that employee engagement contributes to knowledge sharing and, ultimately, organizational performance. Thus, engagement can create both motivational and behavioral conditions that facilitate the exchange of organizational knowledge.

Sustainable Organizational Culture

Organizational culture represents the shared values, norms, assumptions, and behavioral patterns that guide how organizational members perceive and perform their roles. Schein (2010) emphasizes that organizational culture provides a framework through which members interpret organizational realities and determine appropriate patterns of behavior. A culture oriented toward sustainability extends this perspective by emphasizing continuous learning, cooperation, organizational development, and the long-term preservation of organizational capabilities.

A sustainability-oriented organizational culture can create an environment in which employees are encouraged to collaborate, learn continuously, develop their capabilities, and improve organizational processes. In the present study, this construct is reflected through organizational values, operational sustainability, organizational learning within the Indonesian Air Force, personnel development, cooperation, and coordination. These characteristics are particularly relevant in organizations where effective coordination and the continuity of institutional knowledge are essential.

Organizational culture is also closely associated with innovation. Büschgens, Bausch, and Balkin (2013), through a meta-analytic review, demonstrate that organizational culture is an important antecedent of organizational innovation. A culture that supports learning, cooperation, and development can encourage organizational members to experiment with new ideas and participate in process improvements. The empirical findings in the present study reinforce this theoretical relationship, showing that sustainable organizational culture has a strong positive association with organizational innovation ($\beta = 0.626$).

Culture likewise provides an important social context for knowledge sharing. When organizational members perceive cooperation, coordination, and continuous learning as shared norms, they are more likely to exchange information and work experiences. Irawan, Bastian, and Hanifah (2019) demonstrate the positive relationship between organizational culture and knowledge sharing. Therefore, a sustainable organizational culture is expected to facilitate the development of organizational knowledge-sharing practices.

Organizational Innovation

Organizational innovation refers to an organization's capacity to generate, develop, and implement new ideas, processes, practices, products, or services that improve organizational effectiveness. Crossan and Apaydin (2010) conceptualize organizational innovation as a multidimensional phenomenon encompassing both the generation of innovative ideas and their implementation within organizational processes. Innovation therefore involves not merely producing new ideas but also translating those ideas into organizational improvements.

Innovation is an important mechanism through which organizational resources and capabilities can be converted into superior performance. Innovative organizations are better positioned to respond to environmental changes, improve operational efficiency, and create new organizational value. The study's findings are consistent with this perspective, demonstrating a significant positive effect of organizational innovation on organizational performance ($\beta = 0.438$; $p < 0.001$).

Importantly, organizational innovation can also function as a mechanism linking employee-related and organizational-cultural factors to performance. Engaged employees provide motivation and creative effort, while a supportive organizational culture provides the social and structural conditions necessary for innovative behavior. Innovation subsequently transforms these inputs into improvements in organizational effectiveness and performance. This logic is consistent with the finding that organizational innovation mediates the relationships between employee engagement and organizational performance and between sustainable organizational culture and organizational performance.

Knowledge Sharing

Knowledge sharing refers to the exchange of information, experience, expertise, and organizational knowledge among members of an organization. Davenport and Prusak (1998) argue that knowledge becomes an organizational resource when it is effectively transferred and utilized to create value. Wang and Noe (2010) further position knowledge sharing as a central component of knowledge management and identify organizational, interpersonal, and individual factors that influence employees' willingness to share knowledge.

Knowledge sharing is particularly important because organizational knowledge is often distributed across individuals rather than concentrated in a single organizational unit. Through knowledge exchange, employees can access experiences and information possessed by others, reduce duplicated efforts, improve problem-solving, and accelerate organizational learning. Knowledge sharing can therefore strengthen both innovation and organizational performance.

Knowledge sharing also provides a plausible mediating mechanism between employee engagement, organizational culture, and organizational performance. Engaged employees are more willing to contribute their knowledge, whereas a cooperative and learning-oriented culture establishes the conditions under which such knowledge exchange can occur. The knowledge that is exchanged can subsequently be mobilized collectively to improve organizational effectiveness. Moreno, Contreras, and Martinez (2017) provide evidence that knowledge sharing can function as a mediating mechanism in the relationship between organizational factors and performance.

Organizational Performance

Organizational performance represents the extent to which an organization achieves its intended objectives through effective and efficient utilization of its resources. Richard et al. (2009) emphasize that organizational performance is multidimensional and should be assessed through appropriate indicators reflecting organizational effectiveness and outcomes. Kaplan and Norton (1996) similarly argue that organizational performance should be viewed beyond a single financial measure by considering broader dimensions of organizational effectiveness.

In the present study, organizational performance is reflected primarily through organizational effectiveness and performance quality. Employee engagement, organizational culture, innovation, and knowledge sharing are theoretically interconnected in determining these outcomes. Engaged employees contribute effort and commitment; organizational culture establishes behavioral norms and learning conditions; knowledge sharing enables the circulation of organizational knowledge; and innovation converts knowledge and employee contributions into improvements in organizational processes and outcomes.

Empirical evidence in the present study supports this integrated perspective. Knowledge sharing demonstrates a stronger direct relationship with organizational performance ($\beta = 0.498$) than organizational innovation ($\beta = 0.438$), indicating that the ability to exchange and utilize knowledge constitutes a particularly important mechanism for strengthening organizational performance.

Integrative Theoretical Perspective

Taken together, the literature suggests that organizational performance should not be understood solely as the direct consequence of employee-related or cultural factors. Rather, employee engagement and

sustainable organizational culture provide foundational conditions that stimulate organizational processes, particularly innovation and knowledge sharing. These processes subsequently translate individual commitment and organizational values into collective organizational outcomes.

The proposed relationships can therefore be understood through a sequential logic: employee engagement and sustainable organizational culture → organizational innovation and knowledge sharing → organizational performance. This framework positions organizational innovation and knowledge sharing as mechanisms through which human and cultural resources are transformed into organizational performance. The empirical evidence from the present study supports this mechanism, with both mediators significantly transmitting the effects of employee engagement and sustainable organizational culture on organizational performance. Notably, the strongest indirect pathway is from sustainable organizational culture through knowledge sharing to organizational performance ($\beta = 0.308$).

Accordingly, the literature supports an integrated model in which organizational performance is strengthened not merely by cultivating engaged employees or a supportive organizational culture, but by institutionalizing mechanisms that enable employees to exchange knowledge and convert collective knowledge into organizational innovation and improved performance.

RESEARCH METHOD

This research uses a quantitative approach with a correlational research design. The quantitative approach is used to analyze the relationship between employee engagement, sustainable organizational culture, organizational innovation, and knowledge sharing on organizational performance at the Air Force Material Supply Center Headquarters (Pusbekmatau). Research data were obtained through the distribution of questionnaires to respondents and analyzed using numerical data.

The participants in this study are all employees working at the Air Force Material Supply Center (Pusbekmatau) located at Jl. Padang Golf Lkr. Halim No.13, RT.3/RW.4, Halim Perdanakusuma, Makasar District, East Jakarta City, DKI Jakarta 13610. The selection of the research location is based on the consideration that the organization has a work system that supports collaboration, organizational innovation, and knowledge sharing practices to enhance organizational performance. The research was conducted from March to June 2026. The stages of the research include the preparation of research instruments, data collection, data processing, data analysis, and the preparation of the research report.

The sampling technique used in this study is non-probability sampling with a purposive sampling method. The selection of respondents was based on specific criteria, namely employees involved in material provision activities within the Pusbekmatau environment. Data collection was carried out through the distribution of questionnaires directly to respondents who met the research criteria, as well as semi-structured interviews to obtain additional information that supports the research.

The research instrument used is a questionnaire with a Likert scale and semi-structured interviews. The questionnaire is used to measure the variables of employee engagement, sustainable organizational culture, organizational innovation, knowledge sharing, and organizational performance. Each statement item is scored based on the level of agreement of the respondents. The employee engagement variable consists of the dimensions of vigor and dedication. The sustainable organizational culture variable consists of the values of duty and the learning of the TNI AU organization. The organizational innovation variable consists of idea development and innovation implementation. The knowledge sharing variable consists of sharing duty knowledge and knowledge collaboration. The organizational performance variable consists of organizational effectiveness and performance quality.

Data analysis is conducted after all respondent data has been collected, then the data is grouped, tabulated, and analyzed to answer the research questions and test the research hypotheses. This research uses the Structural Equation Modeling-Partial Least Squares (SEM-PLS) method with the help of SmartPLS software. Data processing is carried out through two main stages, namely the evaluation of the measurement model (outer model) and the evaluation of the structural model (inner model). The outer model evaluation aims to test the validity and reliability of constructs through convergent validity indicated by a loading factor value > 0.70 , discriminant validity through a cross-loading value > 0.70 , and internal consistency reliability indicated by Composite Reliability and Cronbach's Alpha values > 0.70 (Saputra, 2018). Next, the inner model evaluation is conducted to test the relationships between latent variables through the R-Square (R^2)

value, path coefficient, T-statistic, Predictive Relevance (Q^2), and F-Square (f^2) (Mardiana & Ahmad Faqih, 2019). The results of the data processing and testing are then analyzed to determine the impact of employee engagement and sustainable organizational culture on organizational performance, with organizational innovation and knowledge-sharing practices as mediating variables. Based on the results of the analysis, conclusions are drawn that align with the problem formulation and research objectives.

RESULTS AND DISCUSSIONS

RESULTS

Respondent Profile

The study involved 256 respondents whose characteristics were examined based on gender, age, educational attainment, and length of service. These characteristics provide a descriptive overview of the composition of the respondents and help contextualize the empirical findings of the study.

As presented in Table 1, the respondents were predominantly male, accounting for 171 individuals (67%), while female respondents represented 85 individuals (33%). In terms of age, the largest proportion of respondents was between 25 and 35 years old, comprising 114 individuals (45%), followed by respondents below 25 years old with 71 individuals (28%), those aged 36–45 years with 44 individuals (17%), and those aged 46–55 years with 27 individuals (11%). No respondents were above 55 years of age.

Regarding educational attainment, the majority of respondents had completed senior high school/vocational high school (SMA/SMK), totaling 147 individuals (57%), followed by bachelor's degree holders (S1) with 78 individuals (30%), diploma graduates with 26 individuals (10%), and postgraduate graduates (S2/S3) with 5 individuals (2%).

In terms of length of service, respondents with 2–5 years and more than 10 years of service each accounted for 77 individuals (30%), followed by those with less than 2 years of service at 54 individuals (21%) and those with 6–10 years of service at 48 individuals (19%).

Overall, the respondent profile indicates that the sample was predominantly composed of male personnel, individuals within the productive working-age range, respondents with secondary-level educational backgrounds, and personnel with varying levels of organizational experience. This composition provides a diverse basis for examining employee engagement, sustainable organizational culture, organizational innovation, knowledge-sharing practices, and organizational performance within the research setting.

Table 1. Respondent Profile

Characteristics	Category	Frequency	Percentage
Gender	Male	171	67%
	Female	85	33%
	Total	256	100%
Age	< 25 years	71	28%
	25–35 years	114	45%
	36–45 years	44	17%
	46–55 years	27	11%
	> 55 years	0	0%
	Total	256	100%
Educational Attainment	Senior High School/Vocational High School	147	57%
	Diploma	26	10%
	Bachelor's Degree	78	30%
	Master's/Doctoral Degree	5	2%

	Total	256	100%
Length of Service	< 2 years	54	21%
	2–5 years	77	30%
	6–10 years	48	19%
	> 10 years	77	30%
	Total	256	100%

Source: Primary data, processed by the researcher, 2026

Evaluation of the Measurement Model (Outer Model)

This evaluation aims to prove that the measurement model is valid and reliable. In the evaluation of this measurement model, there are three evaluations: Convergent Validity, which is assessed by the loading factor value expected to be > 0.7 ; Discriminant Validity, which is assessed by the cross-loading value > 0.7 ; and Internal Consistency, which is assessed by the composite Reliability value expected to be > 0.7 . It can be seen from the Cronbach Alpha coefficient (Saputra, 2018).

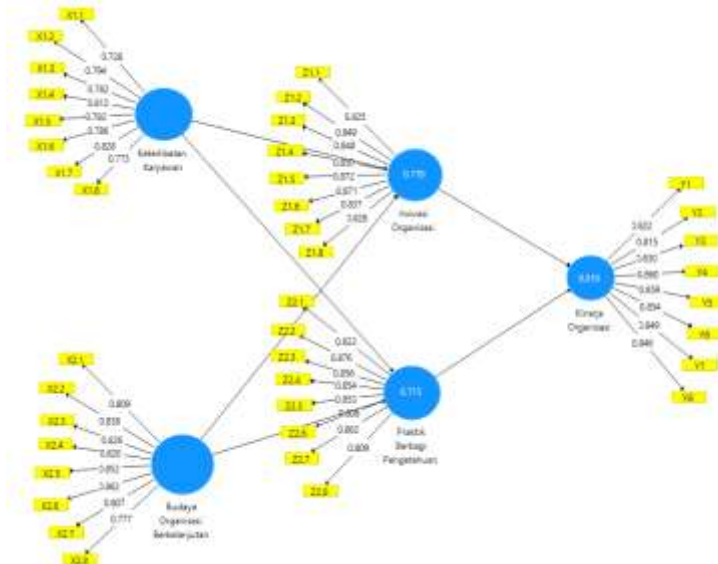


Figure 1. Outer Model Schema

Table 2. Outer Loading Results of the Convergent Validity Test

Indicator	Construct	Outer Loading	Decision
X1.1	Sustainable Organizational Culture	0.728	Valid
X1.2		0.794	Valid
X1.3		0.782	Valid
X1.4		0.812	Valid
X1.5		0.782	Valid
X1.6		0.786	Valid
X1.7		0.828	Valid
X1.8		0.773	Valid
X2.1	Organizational Innovation	0.809	Valid
X2.2		0.838	Valid
X2.3		0.826	Valid
X2.4		0.820	Valid
X2.5		0.852	Valid
X2.6		0.862	Valid
X2.7		0.807	Valid
X2.8		0.777	Valid
Y1	Employee Engagement	0.822	Valid

Indicator	Construct	Outer Loading	Decision
Y2	Organizational Performance	0.815	Valid
Y3		0.830	Valid
Y4		0.860	Valid
Y5		0.859	Valid
Y6		0.854	Valid
Y7		0.849	Valid
Y8		0.846	Valid
Z1.1		0.825	Valid
Z1.2	Organizational Performance	0.849	Valid
Z1.3		0.848	Valid
Z1.4		0.850	Valid
Z1.5		0.872	Valid
Z1.6		0.871	Valid
Z1.7		0.837	Valid
Z1.8		0.828	Valid
Z2.1	Knowledge Sharing Practices	0.822	Valid
Z2.2		0.876	Valid
Z2.3		0.856	Valid
Z2.4		0.854	Valid
Z2.5		0.853	Valid
Z2.6		0.806	Valid
Z2.7		0.862	Valid
Z2.8		0.809	Valid

Source: Primary data, processed by the researcher, 2026

Based on the table above, it can be seen that the results of several indicators meet the significance value requirement of >0.50 . Thus, the construct is considered valid and has met the validity requirement because it has an outer loading value above 0.50.

Table 3. Validity and Reliability Constructs

	Cronbach's Alpha	Composite Reliability	(AVE)	Decision
Sustainable Organizational Culture	0.932	0.944	0.68	Valid
Organizational Innovation	0.944	0.953	0.718	Valid
Employee Engagement	0.911	0.928	0.618	Valid
Organizational Performance	0.941	0.951	0.709	Valid
Knowledge Sharing Practices	0.941	0.951	0.71	Valid

Source: Primary data, processed by the researcher, 2026

Based on the values in Table 3, all variables meet the requirements. With an Alpha Cronbach value for all latent variables > 0.7 , a Composite Reliability value > 0.7 , and an AVE > 0.5 .

Evaluation of the Structural Model (Inner Model)

The evaluation of the structural model aims to predict the relationships between latent variables based on substantive theory using R-square for endogenous constructs and t-statistic values from path coefficient testing. In this evaluation, there are several indicators that need to be considered, namely: Coefficient of Determination (R²), Path Coefficient, T-Statistic, Predictive Relevance (Q²), and F-square (Mardiana & Ahmad Faqih, 2019).

Table 4. Coefficient of Determination (R²) Result

Endogenous Variable	R-Square	Adjusted R-Square	Interpretation
Organizational Innovation	0.778	0.776	Strong
Organizational Performance	0.810	0.809	Very Strong
Knowledge Sharing Practices	0.715	0.713	Strong

Source: Primary data, processed by the researcher, 2026

Based on Table 4, the variation in Organizational Performance can be explained by the variables in the model by 81%, while the remaining 19% is explained by other factors outside the research model.

Rini Mahaningsih, Employee Engagement and Sustainable Organizational Culture as Drivers of Organizational Performance: The Mediating Role of Organizational Innovation and Diversified Knowledge Practices

Table 5. Path Coefficient Bootstrapping Direct Effect

Path Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics	P-Values	Decision
Sustainable Organizational Culture → Organizational Innovation	0.626	0.624	0.081	7.777	0.000	Supported
Sustainable Organizational Culture → Knowledge Sharing Practices	0.619	0.621	0.090	6.896	0.000	Supported
Organizational Innovation → Organizational Performance	0.438	0.437	0.075	5.825	0.000	Supported
Employee Engagement → Organizational Innovation	0.285	0.290	0.081	3.518	0.000	Supported
Employee Engagement → Knowledge Sharing Practices	0.254	0.251	0.086	2.942	0.003	Supported
Knowledge Sharing Practices → Organizational Performance	0.498	0.501	0.075	6.635	0.000	Supported

Source: Primary data, processed by the researcher, 2026

Based on Table 5, all relationships between variables show T-Statistics values > 1.96 and P-Values < 0.05 , thus all direct hypotheses in this study are accepted. The greatest influence is shown by the relationship between Sustainable Organizational Culture and Organizational Innovation with a path coefficient of 0.626, while the smallest influence is found in the relationship between Employee Engagement and Knowledge Sharing Practices with a coefficient of 0.254. These results indicate that Sustainable Organizational Culture and Employee Engagement play important roles in enhancing Organizational Innovation and Knowledge Sharing Practices, which ultimately impact the improvement of Organizational Performance.

Table 6. Path Coefficient Bootstrapping Indirect Effect

Indirect Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics	P-Values	Decision
Sustainable Organizational Culture → Organizational Innovation →	0.274	0.273	0.060	4.556	0.000	Supported

Indirect Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics	P-Values	Decision
Organizational Performance						
Employee Engagement → Organizational Innovation → Organizational Performance	0.125	0.126	0.041	3.019	0.003	Supported
Sustainable Organizational Culture → Knowledge Sharing Practices → Organizational Performance	0.308	0.312	0.072	4.313	0.000	Supported
Employee Engagement → Knowledge Sharing Practices → Organizational Performance	0.127	0.125	0.045	2.807	0.005	Supported

Source: Primary data, processed by the researcher, 2026

Based on Table 6, all mediation relationships have T-Statistics values > 1.96 and P-Values < 0.05 , thus all mediation effects are declared significant. The largest indirect effect is shown by the relationship between Sustainable Organizational Culture → Knowledge Sharing Practices → Organizational Performance with a coefficient value of 0.308, while the smallest indirect effect is found in the relationship between Employee Engagement → Organizational Innovation → Organizational Performance at 0.125. These results indicate that the variables Organizational Innovation and Knowledge Sharing Practices are proven to act as mediating variables in the relationship between Sustainable Organizational Culture and Employee Engagement on Organizational Performance.

Table 7. Effect Size (f^2)

Structural Path	Effect Size (f^2)	Interpretation
Sustainable Organizational Culture → Organizational Innovation	0.486	Large
Sustainable Organizational Culture → Knowledge Sharing Practices	0.370	Large
Organizational Innovation → Organizational Performance	0.281	Moderate
Employee Engagement → Organizational Innovation	0.101	Moderate
Employee Engagement → Knowledge Sharing Practices	0.062	Moderate
Knowledge Sharing Practices → Organizational Performance	0.364	Large

Source: Primary data, processed by the researcher, 2026

Based on Table 7, the Sustainable Organizational Culture variable has a significant impact on Organizational Innovation ($f^2 = 0.486$) and Knowledge Sharing Practices ($f^2 = 0.370$). Furthermore, the Knowledge Sharing Practices variable also has a significant impact on Organizational Performance ($f^2 = 0.364$). Meanwhile, the Organizational Innovation variable has a moderate impact on Organizational Performance ($f^2 = 0.281$). The Employee Engagement variable shows a moderate impact on Organizational Innovation ($f^2 = 0.101$) and Knowledge Sharing Practices ($f^2 = 0.062$). These results indicate that Sustainable Organizational Culture is the most dominant factor in driving the improvement of Organizational Innovation

and Knowledge Sharing Practices, while Knowledge Sharing Practices are a significant factor in enhancing Organizational Performance.

Hypothesis Testing

Hypothesis testing was conducted using the bootstrapping method on SmartPLS. A hypothesis is accepted if it has a T-statistics value > 1.96 and P-values < 0.05 at a 5% significance level. The results of the hypothesis testing are presented in Table 5 and Table 6.

H1: The Effect of Employee Involvement on Organizational Innovation Based on the test results, the relationship between Employee Involvement and Organizational Innovation has a path coefficient value of 0.285, a T-statistics value of 3.518, and a P-value of 0.000. These results indicate that Employee Involvement has a positive and significant effect on Organizational Innovation. Therefore, H1 is accepted.

H2: The Effect of Employee Involvement on Knowledge Sharing Practices Based on the test results, the relationship between Employee Involvement and Knowledge Sharing Practices has a path coefficient value of 0.254, a T-statistics value of 2.942, and a P-value of 0.003. These results indicate that Employee Involvement has a positive and significant effect on Knowledge Sharing Practices. Therefore, H2 is accepted.

H3: The Influence of Sustainable Organizational Culture on Organizational Innovation Based on the test results, the relationship between Sustainable Organizational Culture and Organizational Innovation has a path coefficient value of 0.626, a T-statistics value of 7.777, and a P-value of 0.000. These results indicate that Sustainable Organizational Culture has a positive and significant influence on Organizational Innovation. Therefore, H3 is accepted.

H4: The Influence of Sustainable Organizational Culture on Knowledge Sharing Practices Based on the test results, the relationship between Sustainable Organizational Culture and Knowledge Sharing Practices has a path coefficient value of 0.619, a T-statistics value of 6.896, and a P-value of 0.000. These results indicate that Sustainable Organizational Culture has a positive and significant influence on Knowledge Sharing Practices. Therefore, H4 is accepted.

H5: The Influence of Organizational Innovation on Organizational Performance Based on the test results, the relationship between Organizational Innovation and Organizational Performance has a path coefficient value of 0.438, a T-statistics value of 5.825, and a P-value of 0.000. These results indicate that Organizational Innovation has a positive and significant effect on Organizational Performance. Therefore, H5 is accepted.

H6: The Influence of Knowledge Sharing Practices on Organizational Performance Based on the test results, the relationship between Knowledge Sharing Practices and Organizational Performance has a path coefficient value of 0.498, a T-statistics value of 6.635, and a P-value of 0.000. These results indicate that Knowledge Sharing Practices have a positive and significant effect on Organizational Performance. Therefore, H6 is accepted.

H7: Knowledge sharing practices mediate the relationship between employee engagement and sustainable organizational culture on organizational performance Based on the mediation test results, knowledge sharing practices have been proven to mediate the relationship between employee engagement and organizational performance with a coefficient value of 0.127, a T-statistics value of 2.807, and a P-value of 0.005. Additionally, knowledge sharing practices have also been proven to mediate the relationship between sustainable organizational culture and organizational performance with a coefficient value of 0.308, a T-statistics value of 4.313, and a P-value of 0.000. Therefore, H7 is accepted.

H8: Organizational innovation mediates the relationship between employee engagement and sustainable organizational culture on organizational performance Based on the mediation test results, organizational innovation has been proven to mediate the relationship between employee engagement and organizational performance with a coefficient value of 0.125, a T-statistics value of 3.019, and a P-value of 0.003. Additionally, organizational innovation also proved to mediate the relationship between sustainable organizational culture and organizational performance with a coefficient value of 0.274, a T-statistics value of 4.556, and P-values of 0.000. Thus, H8 is accepted.

DISCUSSION

The Influence of Employee Engagement on Organizational Innovation

The research results show that employee engagement has a significant influence on organizational innovation with a path coefficient value of 0.285, T-statistics of 3.518, and P-values of 0.000. These results indicate that the higher the employee engagement, the higher the level of organizational innovation at Pusbekmatau. Employee engagement, demonstrated through work enthusiasm, dedication, and enthusiasm, encourages personnel to provide new ideas and actively participate in the organization's improvement process. Personnel who have an emotional attachment to the organization tend to be more willing to contribute creatively in solving the tasks and challenges faced by the organization. The results of this study are in line with the research by O & Adli (2026), which found that employee engagement has a positive impact on innovation performance because actively engaged employees are more motivated to generate innovative ideas and solutions.

The Influence of Employee Engagement on Knowledge Sharing Practices

The research results indicate that employee engagement has a significant impact on knowledge sharing practices with a path coefficient value of 0.254, T-statistics of 2.942, and P-values of 0.003. These findings indicate that the higher the personnel involvement in the organization, the greater their tendency to share information, experiences, and work-related knowledge. Personnel who feel involved in the organization will be more open to exchanging information and helping colleagues complete tasks. These conditions support the creation of a collaborative work environment that strengthens the organization's learning process. The results of this study are supported by research by Ahmed et al. (2020), which found that employee engagement encourages knowledge sharing and impacts the improvement of organizational performance.

The Influence of Sustainable Organizational Culture on Organizational Innovation

The research results show that sustainable organizational culture has a significant influence on organizational innovation with a path coefficient value of 0.626, T-statistics of 7.777, and P-values of 0.000. This coefficient value is the largest in this study. This indicates that an organizational culture that supports learning, cooperation, personnel development, and operational sustainability is capable of fostering innovation within the organization. In the Pusbekmatau environment, a strong work culture provides space for personnel to develop ideas and make improvements to existing work processes. The results of this study are in line with research that states that organizational culture is one of the main factors driving organizational innovation (Büschgens, Bausch & Balkin, 2013).

The Influence of Sustainable Organizational Culture on Knowledge Sharing Practices

The research results show that sustainable organizational culture has a significant influence on knowledge sharing practices with a path coefficient value of 0.619, T-statistics of 6.896, and P-values of 0.000. These findings indicate that an organizational culture that emphasizes cooperation, coordination, and continuous learning can enhance personnel's willingness to share information and work experiences. In military organizations, a strong work culture becomes an important factor in supporting knowledge transfer among members. The results of this study are in line with research that states that organizational culture has a positive influence on knowledge sharing within the organization (Irawan, Bastian, & Hanifah, 2019).

The Influence of Organizational Innovation on Organizational Performance

The research results show that organizational innovation has a significant impact on organizational performance with a path coefficient value of 0.438, T-statistics of 5.825, and P-values of 0.000. These results indicate that the organization's ability to create and implement new ideas can enhance task execution effectiveness, work productivity, service quality, and organizational competitiveness. Innovation helps organizations adapt to environmental changes and improve operational efficiency. These findings are supported by research from Hogan & Coote (2014), which states that innovation is an important factor contributing to the improvement of organizational performance.

The Influence of Knowledge Sharing Practices on Organizational Performance

The research results show that knowledge sharing practices have a significant impact on organizational performance, with a path coefficient value of 0.498, T-statistics of 6.635, and P-values of 0.000. These results indicate that the more intensive the process of sharing information and experiences among personnel, the better the organizational performance. The shared knowledge can help personnel complete their tasks more

effectively and reduce errors in task execution. These findings are in line with Tabara's (2022) research, which states that knowledge sharing has a positive impact on organizational performance.

The Mediating Role of Knowledge Sharing Practices

The research findings indicate that knowledge sharing practices can mediate the relationship between employee engagement and a sustainable organizational culture on organizational performance. These findings indicate that the enhancement of personnel engagement and the strengthening of organizational culture do not directly improve organizational performance, but also through the process of knowledge exchange among personnel. With the practice of knowledge sharing, the experiences and information possessed by individuals can be collectively utilized to enhance organizational effectiveness. This result is supported by the research of Moreno et al. (2017), which states that knowledge sharing acts as a mediating variable in improving organizational performance.

The Mediating Role of Organizational Innovation

The research results show that organizational innovation is capable of mediating the relationship between employee engagement and a sustainable organizational culture on organizational performance. These findings indicate that personnel engagement and a good organizational culture will lead to innovation, which ultimately improves organizational performance. In the context of Pusbekmatau, the involvement of TNI AU members and a sustainable organizational culture become important foundations in driving the creation of innovations that support the successful execution of the organization's tasks. Thus, organizational innovation becomes an important mechanism that connects human resource factors with organizational performance improvement (Büschgens, Bausch & Balkin, 2013).

CONCLUSION

Employee engagement and a sustainable organizational culture significantly influence organizational innovation and knowledge-sharing practices. Research results indicate that employee engagement significantly affects organizational innovation and knowledge-sharing practices. Furthermore, a sustainable organizational culture also significantly influences organizational innovation and knowledge-sharing practices. These findings indicate that the higher the personnel engagement and the stronger the sustainable organizational culture, the higher the levels of organizational innovation and knowledge-sharing practices in the Pusbekmatau environment.

Organizational innovation and knowledge-sharing practices have a significant impact on organizational performance. Research results indicate that organizational innovation and knowledge-sharing practices can significantly enhance organizational performance. Organizations that are able to develop innovations and encourage knowledge exchange among personnel will have better effectiveness, productivity, service quality, and competitiveness.

Organizational innovation and knowledge-sharing practices have been proven to mediate the relationship between employee engagement and a sustainable organizational culture on organizational performance. Research results indicate that employee engagement and a sustainable organizational culture can enhance organizational performance through increased organizational innovation and knowledge-sharing practices. Thus, organizational innovation and knowledge-sharing practices play an important role as mechanisms in improving organizational performance.

Employee engagement significantly influences organizational performance through organizational innovation and knowledge-sharing practices. Personnel who possess a strong work ethic, dedication, and high enthusiasm tend to be more active in generating innovations and sharing knowledge, thereby impacting the improvement of organizational performance. 5. A sustainable organizational culture significantly influences organizational performance through organizational innovation and knowledge-sharing practices. An organizational culture that supports learning, cooperation, coordination, and personnel development is capable of fostering innovation and knowledge-sharing practices, which ultimately enhance organizational performance.

References

- Ahmed, T., Khan, M. S., Thitivesa, D., Siraphatthada, Y., & Phumdara, T. (2020). Impact of employees engagement and knowledge sharing on organizational performance: Study of HR challenges in COVID-19 pandemic. *Human Systems Management*, 39(4). <https://doi.org/10.3233/HSM-201052>
- Büschgens, T., Bausch, A., & Balkin, D. B. (2013). Organizational culture and innovation: A meta-analytic review. *Journal of product innovation management*, 30(4), 763-781.
- Crossan, M. M., & Apaydin, M. (2010). A multi-dimensional framework of organizational innovation. *Journal of Management Studies*, 47(6), 1154–1191.
- Davenport, T. H., & Prusak, L. (1998). *Working knowledge: How organizations manage what they know*. Harvard Business School Press.
- Ferraresi, A. A., Quandt, C. O., dos Santos, S. A., & Frega, J. R. (2019). Knowledge management and strategic orientation: Leveraging innovativeness and performance. *Journal of Knowledge Management*, 16(5), 688–701.
- Hogan, S. J., & Coote, L. V. (2014). Organizational culture, innovation, and performance: A test of Schein's model. *Journal of business research*, 67(8), 1609-1621.
- Irawan, D., Bastian, E., & Hanifah, I. A. (2019). Knowledge sharing, organizational culture, intellectual capital, and organizational performance. *Journal of Accounting and Investment*, 20(3), 267-282.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692–724.
- Kaplan, R. S., & Norton, D. P. (1996). *The balanced scorecard: Translating strategy into action*. Harvard Business School Press.
- Mardiana, N., & Ahmad Faqih. (2019). Model Sem-Pls terbaik Untuk Evaluasi Pembelajaran Matematika Diskrit Dengan Lms. *Ilmu Matematika Dan Terapan*, 13.
- Moreno, E. F., Contreras, R. G., & Martínez, M. (2017). Organizational Performance: The mediating effect of the knowledge sharing. *OBETS: Revista de Ciencias Sociales*, 12(1), 169-189.
- O.I. Adebowale & Adli, K. N. (2026). How Employee Engagement and Perceived Organizational Support Drive Innovation Performance. *West Science Business and Management*, 4(01), 155~166. <https://doi.org/10.58812/wsbm.v4i01.2759>
- Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. *Journal of Management*, 35(3), 718–804.
- Robbins, S. P., & Judge, T. A. (2017). *Organizational behavior* (17th ed.). Pearson Education.
- Saputra, A. R. (2018). Pengaruh Kompensasi Dan Komitmen Organisasional Terhadap Kinerja Karyawan Dimediasi Motivasi Kerja: Studi Kasus Di Hotel Merah Group Magetan, Jawa Timur, Indonesia. Universitas Islam Indonesia.
- Schaufeli, W. B. (2017). Applying the job demands-resources model. *Organizational Dynamics*, 46(2), 120–132.
- Schein, E. H. (2010). *Organizational culture and leadership* (Vol. 2). John Wiley & Sons
- Tabara, R. (2022). Knowledge sharing and organizational performance: An empirical investigation. *SOSCIED*, 5(2), 215-222.
- Wang, S., & Noe, R. A. (2010). Knowledge sharing: A review and directions for future research. *Human Resource Management Review*, 20(2), 115–131.