Mediating Role of Organizational Commitment in the Relationship Between Human Resource Management Practices and Employee Engagement on Employee Performance

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\textbf{ABSTRACT}

This study aims to examine and explain the effect of the relationship between human resource management practices and employee engagement on employee performance through organizational commitment as a mediator variable. The approach used in this study uses quantitative research methods. The sampling technique used a random sample with a total of population 143 employees. Active data in this study was analyzed using Partial Least Square (PLS) with SmartPLS 3.0 software on a computer. The results in this study reveal a significant positive relationship between human resource management practices and employee engagement through organizational commitment on employee performance. Implications for this study was to obtain empirical evidence about the factors that influence employee performance, such as human resource management/HRM practices, employee engagement and organizational commitment. So that the IT Division Project Click Indomaret can improve and improve organizational commitment to get higher employee performance and impact on the company to achieve its goals.

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\textbf{I. Introduction}

The Covid-19 pandemic situation that began in early 2019 had an impact on difficult economic conditions. This condition should be a moment for all parties to unite, understand each other, and support each other in facing the pandemic. According to Wikantyasa (2020) the implementation of changes and policies for self-adaptation during the Covid-19 pandemic requires efforts such as high quality improvements to human resources. This quality improvement can be done through human resource management practices. The practice of resource management is the application of a series of managerial and operational processes in which it provides an arrangement of human resources to achieve organizational goals (Supriyono, 2015). Meanwhile in 1938, Chester Barnard (1886-1961) wrote a book entitled The Function of the Executive to describe organizational theory to motivate others. Looking at the difference between personal motivation and organizational motivation, Barnard describes the dichotomy of effective and efficient. Barnard believes that effectiveness is related to the achievement of goals, and efficiency is the extent to which individual motivation can be met. Barnard sees formal organizations as integrated systems that make cooperation, common goals, and elements of communication universal, whereas in informal organizations, communication, cohesion, and individual performance take precedence. This is in line with (Safira & Rozak, 2020) which states that in an effort to utilize human resources effectively and efficiently there can be a need to pay attention to the performance of individuals who work for a company. The current phenomenon of employee performance is the main factor that must be considered in maintaining the company's business consistency during the pandemic as well as in maintaining the company's
consistency in facing similar business competition. Employee performance is the result of work, both in quality and quantity in carrying out tasks in accordance with the responsibilities assigned to achieve organizational goals (Mangkunegara, 2013). While the performance of employees of a company is closely related to factors that can affect the performance of the employees themselves, such as the practice of human resource management owned by a company and the involvement of employees in the company. Meanwhile, the factors in employee involvement are seen from the extent to which an individual in the company participates with all his abilities to increase his productivity. According to Allport (1943) employee involvement is an employee's level of attention to his company. While in Dubin (1966) employee involvement is closely related to individual priorities in realizing company goals which considers their work as the center of interest in the company and deserves to be prioritized.

Organizational commitment can also be one of the factors that affect employee performance as described in a study by Wahyudi et al, (2021) which states that organizational commitment and employee performance are closely related to the company because employees who have high organizational commitment will provide good achievements. to the affair. This is in line with several studies conducted by Khuzaini (2021), Saleh et al. (2019), Berliana (2021), Asi (2021) and Burhanudin (2019). However, there are also contradictory research results, namely those conducted by Suhardi et al. (2021) which states that there is a negative effect between organizational commitment to employee performance.

The location of this research is the head office of PT. Indomarco Prismatama (Indomaret Group) in the IT Division for the Klik Indomaret Project which is an online shopping service provider as a form of innovation from the Indomaret Group to improve service to customers. Based on the observations that have been made there are phenomena related to the performance of employees in the company. Based on the recapitulation of the realization of the company's 2019-2021 achievement targets obtained from the HRD Manager, the achievement of the targets that have been set has decreased due to the Covid-19 pandemic. In the recapitulation of employee absenteeism data in July 2019-2021 the average was 4.1% per month with a total of 105 employees. According to Mudiartha (2011), an absence rate of two to three percent is still considered good, while if it is above three percent per month it is considered high. The results of a high attendance rate indicate that there is something that is an indication of a problem in the operational process of employee performance in the IT Project Division of Klik Indomaret. Therefore, this study aims to investigate the mediating role of organizational commitment in the relationship between resource management practices and employee involvement on employee performance at PT. Indomarco Prismatama (Indomaret Group) IT Project Division Click Indomaret.

II. Method

This research was conducted using quantitative methods at the head office of the retail company PT. Indomarco Prismatama (Indomaret Group) IT Division for the Klik Indomaret Project. The data used in this study is primary data obtained from employee responses conducted in the form of an online questionnaire using a Likert scale. The population in this study were employees at the head office of PT. Indomarco Prismatama IT Project Division of Klik Indomaret as respondents, as many as 105 employees. In this study, a random sampling technique was used, namely the sample in the study obtained from the formulation using the Slovin formula. The collected data will then be processed using SmartPLS 3.0 and then analyzed using a structural equation model (SEM-Structural Equation Modeling) with a model.

Research hypothesis:
H1: HRM practices (X1) have an influence on organizational commitment (Z)
H2: Employee involvement (X2) has an influence on organizational commitment (Z)
H3 : HRM practices (X1) have an influence on employee performance (Y)
H4 : Employee involvement (X2) has an influence on employee performance (Y)
H5: HRM practices (X1) and employee involvement (X2) have an influence on performance employees (Y) through the mediating variable of organizational commitment (Z).

III. Result and Discussion
A. Characteristics of Respondents

Table 1. Characteristics of Respondents by Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>47</td>
<td>44,8</td>
<td>44,8</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>58</td>
<td>55,2</td>
<td>100,0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>105</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

Source: Data Processing Results (2022)

Based on Table 1. It can be seen that female respondents are more dominant with a percentage of 55.2% while male respondents are 44.8%.

Table 2. Characteristics of Respondents Based on Working Period

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Year 1-3</td>
<td>24</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Year 3-6</td>
<td>34</td>
<td>32</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Year &gt; 6</td>
<td>47</td>
<td>45</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>105</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

Source: Data Processing Results (2022)

Based on Table 2. It can be concluded that the highest number of years of service is more than 6 years with a percentage of 45%, then 3-6 years of service is 32% and the least respondents with a service period of less than 3 years are 23%.

B. Hasil Convergent Validity dan Composite Realibility

In the SmartPls Ver. 3.0.0 convergent validity test is analyzed based on the value of the loading factor for each construct. This is explained later in Yamin and Kurniawan (2011) which states that the value of the loading factor meets the requirements of convergent validity if the value is > 0.7 so it can be said to be ideal. So it can be said that the indicator is valid and can be used to measure the construct. Table 3 below illustrates that all indicators in this study have met the criteria for good convergent validity.

Table 3. Combined Loadings and cross-loadings

<table>
<thead>
<tr>
<th>Variabel</th>
<th>X1</th>
<th>X2</th>
<th>Z</th>
<th>Y</th>
<th>SE</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.2</td>
<td>0.704</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>X1.3</td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>X2.1</td>
<td></td>
<td>0.781</td>
<td></td>
<td></td>
<td>0.078</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>X2.2</td>
<td></td>
<td>0.756</td>
<td></td>
<td></td>
<td>0.075</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>X2.3</td>
<td></td>
<td>0.704</td>
<td></td>
<td></td>
<td>0.079</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>X2.4</td>
<td></td>
<td>0.707</td>
<td></td>
<td></td>
<td>0.089</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

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Table 4. Results of Cronbach's Alpha and Composite Reliability

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praktik MSDM (X1)</td>
<td>0.607</td>
<td>0.701</td>
</tr>
<tr>
<td>Keterlibatan Karyawan (X2)</td>
<td>0.689</td>
<td>0.772</td>
</tr>
<tr>
<td>Komitmen Organisasi (Z)</td>
<td>0.610</td>
<td>0.710</td>
</tr>
<tr>
<td>Kinerja Karyawan (Y)</td>
<td>0.680</td>
<td>0.767</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2022)

Based on Table 4, it can be seen that the results of Cronbach's alpha for each variable in this study showed a value of > 0.5. This explains that the variables of HRM practice, employee involvement, organizational commitment, and employee performance have met the criteria. In addition, the results of the composite reliability of each variable show a value > 0.7, then the results of the variables above have met the criteria well.

C. Hasil Analisis R-Square

Table 5. Results of R-Square Value

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee performance</td>
<td>0.546</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.512</td>
</tr>
</tbody>
</table>

Source: SmartPLS Data Processing ver.3.0.0 (2022)

Based on Table 5, the adjusted R-Square value of the effect of HRM Practices and Employee Engagement together on employee performance is 0.546. Thus, the variables of HRM Practices and Employee Involvement were able to explain the variable of employee performance as much as 54.6% while the remaining 45.4% was explained by other variables not mentioned in this study. The adjusted R-Square value for the model of HR Practices and Employee Involvement together on organizational commitment is 0.512, then the variable HRM Practices and Employee Involvement can explain the variable of organizational commitment as much as 51.2% while the remaining 48.8% is explained by other variables not mentioned in this study.

D. Hasil Uji Kausalitas

The causality test aims to determine the effect of the strength of the correlation between the research variables so that the significant value can be known.

Table 6. Results of Output Path Coefficients and Direct Effects

<table>
<thead>
<tr>
<th>Relationship between Variables</th>
<th>Original Sampel</th>
<th>T-Statistics</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM Practices (X1) &gt; Organizational Commitment (Z)</td>
<td>0.617</td>
<td>4.068</td>
<td>&gt; 1.96 (Significant) Hypothesis Accepted</td>
</tr>
</tbody>
</table>
Employee Engagement (X2) > Organizational Commitment (Z) > Employee Performance (Y) 0.397 > 1.96 (Significant) Hypothesis Accepted

HRM Practices (X1) > Employee Performance (Y) 0.867 > 1.96 (Significant) Hypothesis Accepted

Employee Engagement (X2) > Employee Performance (Y) 0.532 > 1.96 (Significant) Hypothesis Accepted

Organizational Commitment (Z) > Employee Performance (Y) 0.530 > 1.96 (Significant) Hypothesis Accepted

Source: SmartPls data processing results ver.3.0.0 (2022)

a. The results of testing the HRM Practice variable (X1) on organizational commitment (Z) obtained a Path coefficient value of 4.068 > 1.96. Then H1 is accepted, thus there is a significant effect of HRM practice (X1) on organizational commitment (Z).

b. The results of testing the employee involvement variable (X2) on organizational commitment (Z) obtained a Path coefficient value of 7.180 > 1.96. Then H2 is accepted thus there is a significant effect of Employee Engagement (X2) on organizational commitment (Z).

c. The results of testing the HRM Practice variable (X2) on Employee Performance (Y) obtained a Path coefficient value of 3.337 > 1.96. Then H3 is accepted thus there is a significant influence of HRM Practices (X1) on Employee Performance (Y).

d. The results of testing the employee involvement variable (X2) on employee performance (Y) obtained a path coefficient value of 4.012 > 1.96. Then H4 is accepted thus there is a significant effect of Employee Engagement (X2) on Employee Performance (Y).

e. The results of testing the organizational commitment variable (Z) on Employee Performance (Y) obtained the Path coefficient value of 6.447 > 1.96. Then H5 is accepted thus there is a significant effect of Organizational Commitment (Z) on Employee Performance (Y).

Table 7. Results of Output Path Coefficients and Indirect Effects

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Intervening Variables</th>
<th>Dependent variable</th>
<th>Path Coefficient</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM Practice</td>
<td>Organizational Commitment</td>
<td>Performance</td>
<td>0.097</td>
<td>0.010</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>Organizational Commitment</td>
<td>Performance</td>
<td>0.071</td>
<td>0.015</td>
</tr>
</tbody>
</table>

Source: SmartPls data processing results ver.3.0.0 (2022)

a. Based on Table 7. The indirect effect of HRM Practices (X1) on the Employee Performance variable (Y) through the organizational commitment intervening variable (Z) of 0.097 which is smaller than the direct effect of the HR Practice variable (X1) on the Employee Performance variable in the Division. IT Project Klik Indomaret (Y) is 3.337.

b. The indirect effect of the Employee Involvement variable (X2) on Employee Performance (Y) through the intervening variable organizational commitment (Z) of 0.071 which value is smaller than the direct effect of the Involvement variable (X2) on the Employee Performance variable in the IT Project Division of Klik Indomaret (Y) which is equal to 4.012.

Thus it can be stated that HRM Practices (X1) and Employee Involvement (X2) affect Employee Performance in the IT Project Division of Klik Indomaret (Y) through organizational commitment (Z) with a value smaller than the direct effect.

The Influence of Human Resource Management Practices on Organizational Commitment

Based on the results of testing the HRM Practice variable on organizational commitment, the coefficient value is 4.068 with a t-statistic of 1.96. Because the value of t-statistics is smaller, then H0 is rejected because there is a significant influence of HRM practices on organizational commitment. This means that the practice of HRM has a significant effect on organizational commitment, which is proven true or H1 is accepted.

Growing enthusiasm and good performance cannot be separated from high organizational commitment. The results of this study are in line with previous research conducted by Seema...
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The Effect of Employee Engagement on Organizational Commitment

Based on the results of testing the employee involvement variable on organizational commitment, the coefficient value is 7.180 with a t-statistic of 1.96. Because the t-statistic value is smaller, then H0 is rejected because there is a significant effect of employee involvement on organizational commitment. This means that employee involvement has a significant effect on organizational commitment, which is proven true or H2 is accepted.

The Effect of Employee Engagement on Organizational Commitment in the Relationship …

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The Influence of Human Resource Management Practices on Employee Performance

Based on the results of testing the HRM practice variable on employee performance, the coefficient value is 3.337 with a t-statistic of 1.96. Because the value of t-statistics is smaller, then H0 is rejected because there is a significant influence of HRM practices on employee performance. This means that the practice of HRM has a significant effect on the proven performance or H3 is accepted.

Based on the results of testing the HRM practice variable on employee performance, the coefficient value is 3.337 with a t-statistic of 1.96. Because the value of t-statistics is smaller, then H0 is rejected because there is a significant influence of HRM practices on employee performance. This means that the practice of HRM has a significant effect on the proven performance or H3 is accepted.

The Evidence that states that there is an influence of employee involvement on employee performance is carried out by Tao (2022), where in his research explains that during the Covid 19 period one of the factors that can encourage an increase in employee performance is by providing opportunities for every member in the company to play a role. active and enthusiastic at work.

The Effect of Employee Engagement on Employee Performance

Based on the results of testing the employee involvement variable on employee performance, the coefficient value is 4.012 with a t-statistic of 1.96. Because the t-statistic value is smaller, then H0 is rejected because there is a significant effect of employee involvement on employee performance. This means that employee involvement has a significant effect on performance, proven true or H4 is accepted.

The evidence that states that there is an influence of employee involvement on employee performance is carried out by Tao (2022), where in his research explains that during the Covid 19 period one of the factors that can encourage an increase in employee performance is by providing opportunities for every member in the company to play a role. active and enthusiastic at work.

The Effect of Organizational Commitment on Employee Performance

Based on the results of testing the organizational commitment variable on employee performance, the coefficient value is 6.447 with a t-statistic of 1.96. Because the value of t-statistics is smaller, then H0 is rejected because there is a significant effect of organizational commitment on employee performance. This means that organizational commitment has a significant effect on performance proven true or H5 is accepted.

Organizational commitment is an important thing in fostering a positive attitude to produce the desired employee performance. The positive influence of organizational commitment on employee performance is explained and proven in research conducted by Dhar (2015); Rusdin (2021); Raden (2021); Paramita (2020); Francis (2003); Eliyana (2019) and Seema (2021) who experienced the similarity of the research results, namely the positive and significant influence of organizational commitment on employee performance.

The Effect of HRM Practices and Employee Engagement on Employee Performance Through Organizational Commitment

After testing and analyzing the data, the results show that the indirect effect of HRM Practices (X1) on employee performance variables at the IT Project Division of Klik Indomaret (Y) through the intervening variable of organizational commitment (Z) is 0.097 which is smaller than the effect HRM practice variables (X1) directly affect employee performance variables in the IT Project...
Division of Klik Indomaret (Y) which is 3.337. Then other results state that the indirect effect of employee involvement (X2) on the employee performance variable of the Klik Indomaret IT Project Division (Y) through the intervening variable of organizational commitment (Z) is 0.071 which is smaller than the direct influence of the employee involvement variable (X2), on the employee performance variable of the Klik Indomaret IT Project Division (Y) which is 4.012. 

So it can be ascertained that indirectly HRM practices and employee involvement have an influence on performance through organizational commitment. If the Indomaret Group company in the IT Project Division of Klik Indomaret has good HR practices, employee engagement and organizational commitment, it can improve employee performance.

IV. Conclusion

The conclusions in this study are as follows:

1. The test results prove that HRM practices have a positive and significant impact on organizational commitment in the IT Project Division of Klik Indomaret.
2. The test results prove that employee involvement has a positive and significant impact on organizational commitment in the IT Project Division of Klik Indomaret.
3. The test results prove that HRM practices have a positive and significant impact on employee performance in the IT Project Division of Klik Indomaret.
4. The test results prove that employee involvement has a positive and significant effect on employee performance in the IT Project Division of Klik Indomaret.
5. The test results prove that organizational commitment has a positive and significant effect on employee performance in the IT Project Division of Klik Indomaret.
6. The test results prove that there is an indirect effect of HR practices and employee involvement on employee performance at the Klik Indomaret IT Project Division through the intervening variable, namely organizational commitment.

Meanwhile, based on the results of the research, the authors recommend that in improving employee performance, the company must be able to maintain and improve the personnel management system to the maximum such as training on technology and competitive incentives. In addition, companies must be able to accept and provide solutions to problems that are being faced by their employees. Then what is very important is to maintain organizational commitment so that the company can give employees the right to voice through the active attitude of employees who can build the company in a better direction.

References


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