The Influence of Work Engagement and Organizational Commitment on Employee Performance at The Aceh One Stop Investment and Services Office (DPMPTSP) With Leader-Member Exchange as A Mediation

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Abstract
This research examines the work engagement and organizational commitment effect on leader-member exchange (LMX) and its implications for employee performance at Aceh One Stop Investment and Services Office (DPMPTSP Aceh). This study has the same population and sample size, namely 149 because it used census techniques. The model was tested and analyzed through SEM-AMOS. The results concluded that Engagement, Commitment, LMX, and Performance have been going well, Engagement affects LMX, Commitment affects LMX, Engagement affects performance, Commitment affects performance, LMX affects performance, Engagement affects performance mediated by LMX, commitment affects performance mediated by LMX. The test results also reveal that LMX in the model functions as a partial mediator. Thus, the model for increasing DPMPTSP Aceh employee performance is proven to be a function of strengthening engagement, commitment, and LMX. These findings contribute to the development of a theoretical model of performance and can be used as a reference for further research model development. The next research model can identify other variables that can have an impact on the current model, thereby strengthening the theory of causality in the field of management science.

Keywords: Work Engagement, Organizational Commitment, LMX, Employee Performance.

1. Introduction
The Aceh One Stop Investment and Services Office (DPMPTSP Aceh) as a regional government institution was formed in 2016. The structure of DPMPTSP Aceh starts from the Secretariat, Investment Climate Planning and Development, Investment Data and Information Processing, Investment Implementation Control, Investment Promotion, Implementation of Non-Licensing Fund Licensing Services A, Implementation of Non-Licensing Fund Licensing Services B, Implementation of Non-Licensing Fund Licensing Services C, Complaints, Policies, and Service Reporting, Regional Technical Implementation Unit (UPTD) Administrator of Special Economic Zone (KEK) Arun Lhokseumawe. Performance evaluation at DPMPTSP Aceh uses the method of assessing work behavior and assessing work planning or what is known as Employee Work Target (SKP). From the assessment, scores were grouped based on the predicate of very good (≥91), good (76-90), sufficient (61-75), poor (51-60), and bad (≤50). Based on the work performance evaluation of DPMPTSP Aceh employees for the
2019-2021 period, it can be seen that the percentage of performance appraisal results is not following the expectation, getting a very good predicate (≥91), even in 2020 there has been a decrease of performance achievement to position 82.57. This still requires improvement in employee performance. As for the initial survey conducted regarding the employee performance variable, the performance of DPMPTSP Aceh employees is good, where the average shows the number 3.93. It's just that several indicators still need to be accelerated, namely regarding the commitment to helping each other in completing tasks, maintaining harmonious relationships with all colleagues, Being able to systematically identify risks and opportunities, Inspire others to develop and perfect knowledge and skills relevant to work, Always willing to help colleagues to develop their potential, and the ability to make good decisions on time.

In an organization, there is a predictive relationship of a variable that definitely determines its performance. In DPMPTSP Aceh, researchers found indications of differences in perspectives between leaders and employees who were their subordinates. The closeness of this relationship is known as Leader-Member Exchange (LMX). According to (Erdogan & Bauer, 2015), the theory of LMX places the relationship concept as the basis for assessing the occurrence of LMX. In an organizational environment, the LMX leads to a relationship between leaders and employees who follow the leadership (Truckenbrodt, 2000). As for the initial survey of this study regarding the LMX variable, it was found that the LMX of DPMPTSP Aceh employees was good, with an average of 3.79. Even so, there is an indicator that is still inadequate, namely leaders who do not respect the work competence of employees.

Every organization expects the active participation of every employee in realizing all the goals. Work Engagement is an idea in organizational behavior that becomes an attraction that arises because it influences the performance of the employees as a whole (Suehs, 2015). As for the initial survey conducted in this study regarding the Work Engagement variable, the data shows that the average value is 3.97 and is in a good category, which indicates that the employee engagement is good. It's just that three indicators still need to be improved, namely DPMPTSP Aceh has not paid attention to the relationship that exists between superiors and subordinates, has not had clear policies and has open communication between departments, and has not provided various trainings to support capacity building. Engagement is often a predictor that has an impact on LMX and employee performance.

Apart from engagement, many research models have found organizational commitment to be a predictor for determining LMX and performance. (Mathis & Jackson, 2019) define commitment, namely employees believe in and accept organizational goals and desire to stay with the organization. Furthermore, (Kreitner & Kinicki, 2014) and (Luthans, Youssef-Morgan, & Avolio, 2015) also interpret organizational commitment as the level of individual identification with the organization and are committed to achieving the goals. As for the initial survey that the commitment of the DPMPTSP Aceh employees was good. It's just that several indicators still need to be improved, namely feeling part of the agency and every company problem is an employee problem too.

2. Literature
Employee Performance

Employee performance according to Indonesia's Minister of state apparatus and bureaucratic reform (MENPAN RB Regulation) No. 38 of 2017, namely the results of work which contain three aspects, namely: clarity of tasks or work for which they are responsible, clarity of expected results from a job or function, and clarity of time required to complete work so that expected results can be realized. Meanwhile, based on that Regulation, dimensions of employee performance namely integrity, teamwork, communication, result orientation, public service, self and others development, change management, and decision making. Employee performance in this study is measured using indicators based on the MENPAN RB regulations because the Aceh DPMPTSP is an institution operating under the auspices of the Indonesian government. These indicators lead to non-profit performance. these studies will often mention the employee performance variable as just performance.

LMX

LMX is a theory that focuses on the relationship quality between leaders and subordinates to understand the leader's role in members, teams, or organizations (Greguras & Ford, 2006). The LMX indicators in this study, namely leaders regard employees as colleagues, employees defend the leadership's decisions, leaders are willing to work as hard as they can for the benefit of employees, and leaders respect the work competencies possessed by employees. In the model in this article, LMX is measured as a predictor variable and a mediator variable, whether its presence can have a significant impact on the model or not.

Work Engagement

Work engagement is the level when employees are willing to work and be directly involved in their work and exert all their capabilities for the job (Pandey & David, 2013). The indicators of work engagement according to (Pandey & David, 2013), namely opportunities for development, balance at work, relationships between superiors and subordinates, availability of resources that support work, appreciation and recognition, clear policies and open communication, wage or compensation policies that are fair, the availability of supporting job training in increasing capabilities, clarity of work, and pride in the organization. In this study, work engagement will be referred to as engagement only.

Organizational Commitment

Organizational Commitment is a sense of maintaining membership in an organization and continuing to try with all its might to achieve the goals and interests of the organization (Mahalingam & Suresh, 2018). As for indicators of organizational commitment according to (Mahalingam & Suresh, 2018), namely trust and acceptance of the organization's goals and values, willingness to use real effort for the organization's benefit, desire to maintain membership, contribution to every activity, and feeling part of owning the organization where they work. In this article, organizational commitment will be referred to as commitment only.

Framework and Hypotheses

The authors formulated the framework of this research and its hypotheses below
Hypothesis
H1: Engagement, Commitment, LMX, and Performance have been going well.
H2: Engagement affects LMX
H3: Commitment affects LMX
H4: Engagement affects performance
H5: Commitment affects performance
H6: LMX affects performance
H7: Engagement affects performance mediated by LMX
H8: Commitment affects performance and LMX as mediation

Research Novelty
Research on engagement, commitment, and LMX has been done by (Fardiani, Faisal, & Harmen, 2022) as previous research, but this research has a differentiation. (Fardiani et al., 2022) in their research used the same mediating variable as in this study, however, the independent variables used were different. They used independent variables of work-life balance and engagement, but this study used engagement and commitment. Another difference that this research has is the object of research. Their research was on manufacturing companies, taking several as a research sample. However, this research takes objects from one of the government agencies, namely the DPMPTSP Aceh.

3. Method
This study was conducted at the DPMPTSP Aceh with the objects being engagement (X1), commitment (X2), LMX (Y), and employee performance (Z). The study population was 149 employees and the sample was taken with a census technique. Below is the number of employees based on existing divisions.
Table 1. Employees Based on Work Units Within the Aceh Investment and One-Stop Service Office (DPMPTSP) until 2022

<table>
<thead>
<tr>
<th>No.</th>
<th>Work unit</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Secretariat Field</td>
<td>43</td>
</tr>
<tr>
<td>2.</td>
<td>Investment Climate Planning and Development Sector</td>
<td>12</td>
</tr>
<tr>
<td>3.</td>
<td>Field of Investment Data and Information Processing</td>
<td>11</td>
</tr>
<tr>
<td>4.</td>
<td>Field of Investment Implementation Control</td>
<td>11</td>
</tr>
<tr>
<td>5.</td>
<td>Investment Promotion Sector</td>
<td>11</td>
</tr>
<tr>
<td>6.</td>
<td>Implementation of Non-Licensing Fund Licensing Services A</td>
<td>12</td>
</tr>
<tr>
<td>7.</td>
<td>Implementation of Non-Licensing Fund Licensing Services B</td>
<td>11</td>
</tr>
<tr>
<td>8.</td>
<td>Implementation of Non-Licensing Fund Licensing Services C</td>
<td>13</td>
</tr>
<tr>
<td>9.</td>
<td>Field of Complaints, Policy, and Service Reporting</td>
<td>13</td>
</tr>
<tr>
<td>10.</td>
<td>UPTD Field Administrator KEK Arun Lhokseumawe</td>
<td>12</td>
</tr>
</tbody>
</table>

Amount 149

Source: Aceh One-Stop Investment and Services Agency (DPMPTSP Aceh), 2022.

4. Results

Descriptive Hypothesis

H1: Engagement, Commitment, LMX, and Employee Performance Have Been Going Well

Descriptive testing used a one-sample test with a cut-off value of 3.41.

Table 2. Descriptive Test

<table>
<thead>
<tr>
<th></th>
<th>Test Value = 3.41</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
<td>Df</td>
</tr>
<tr>
<td>Engagement</td>
<td>22,446</td>
<td>148</td>
</tr>
<tr>
<td>Commitment</td>
<td>14,761</td>
<td>148</td>
</tr>
<tr>
<td>LMX</td>
<td>21,124</td>
<td>148</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>25,233</td>
<td>148</td>
</tr>
</tbody>
</table>

Source: SPSS Output, 2023 (processed).

The table above reveals all significances are below 0.05 so it found that all variables have gone well (H1 resulted in acceptance).

Direct Effect Test

From the test results using SEM-AMOS, the resulting structural tests are as follows.
Figure 2. Model Test

The structural test in Figure 2 provides the result below.

Table 3. Regression

<table>
<thead>
<tr>
<th>Influence</th>
<th>Estimates</th>
<th>SE</th>
<th>CR</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>std.</td>
<td>Unstd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engagement Towards LMX</td>
<td>0.422</td>
<td>0.374</td>
<td>0.124</td>
<td>4,619</td>
</tr>
<tr>
<td>Commitment Towards LMX</td>
<td>0.458</td>
<td>0.394</td>
<td>0.144</td>
<td>4,618</td>
</tr>
<tr>
<td>Engagement Towards Employee Performance</td>
<td>0.491</td>
<td>0.425</td>
<td>0.078</td>
<td>5,462</td>
</tr>
<tr>
<td>Commitment Towards Employee Performance</td>
<td>0.293</td>
<td>0.234</td>
<td>0.075</td>
<td>3.105</td>
</tr>
<tr>
<td>LMX Towards Employee Performance</td>
<td>0.200</td>
<td>0.177</td>
<td>0.060</td>
<td>2.106</td>
</tr>
</tbody>
</table>

H2: Engagement In Influencing LMX

Testing the H2 resulted in acceptance, because the CR is 4.619 (>1.96) and the probability 0.000 <0.05, meaning engagement significantly affects LMX. The engagement effect size on LMX is 0.422; meaning if 1 unit engagement increases then 0.422 units LMX will increase. This is supported by (Fardiani et al., 2022) whose research stated that engagement affected LMX. LMX partially mediated the work-life balance effect on commitment and LMX fully mediated the engagement effect on commitment. (Pradnyaswari & Sriathi, 2021) conducted research that showed that the LMX affected job satisfaction, the LMX affected engagement, engagement affected job satisfaction, and engagement played a role in mediating the LMX influence on job satisfaction. (Budiyanto, Adam, & Mahdani, 2022) proved that psychological capital affected soldier performance, but LMX did not affect soldier performance, Psychological capital and LMX influenced the commitment and engagement of soldiers,
Commitment partially mediated the psychological capital and LMX effect on soldier performance, but soldier engagement fully mediated the Psychological Capital and LMX effect on soldier performance.

**H3: Commitment in influencing LMX**

Testing the H3 resulted in acceptance because the CR is 4.618 > 1.96 and the probability 0.000< 0.05, meaning commitment significantly affects LMX. The commitment effect on LMX shows a standard estimated value of 0.458; where if 1 unit commitment increases then the 0.458 units LMX will increase. These results are consistent with (Harthantyo & Rahardjo, 2017) in their research showing that Commitment and Perceived Organizational Support (POS) affect Affective Commitment partially and simultaneously. (Setawarman, Hermawati, & Mas, 2021) conducted research that concluded that compensation and commitment affected Job Satisfaction, LMX influenced Job Satisfaction, and LMX partially mediated the compensation and commitment effect on Job Satisfaction. (Maurits, Lewaherilla, & Latupapua, 2022) showed that commitment affected LMX and employee satisfaction, Commitment affected employee performance, and LMX and employee satisfaction mediated the commitment affected the performance of employees.

**H4: Engagement In Influencing Employee Performance**

Testing the H4 resulted in acceptance because the CR is 5.462 and the probability 0.000 < 0.05, meaning engagement significantly affects performance. The engagement effect size on performance is 0.491; where if 1 unit engagement increases then 0.491 units performance will also increase. The framework for thinking about a relationship between the two variables is strengthened by (Fauzan, Musnadi, & Faisal, 2021) who conducted research stating that engagement and GCG affect employee and organizational performance. (Nurjuha, Faisal, & Putra, 2022) revealed that motivation, engagement, and job mutations affected satisfaction, motivation did not affect staff performance, engagement affected performance staff, job mutations affected staff performance, satisfaction affected staff performance, motivation affected staff performance through satisfaction, work involvement affected staff performance through satisfaction, and job mutations affected staff performance through satisfaction. (Afrida, Adam, & Putra, 2022) states empowering leadership, creative self-efficacy, and engagement have a strong influence on the increase of employee performance and the performance of the agency, and Employee performance is proven to be a link between empowering leadership, creative self-efficacy, and engagement to the agency performance.

**H5: Commitment In Influencing Employee Performance**

Testing the H5 resulted in acceptance, because the CR 3.105 > 1.96 and p 0.002 < 0.05, meaning commitment significantly affects performance. The commitment effect size on employee performance is 0.293; where if 1 unit commitment increases then 0.458 units performance will also increase. The findings of (Fey & Denison, 1998) and (Rashid, Sambasivan, & Johari, 2003) with their research show that there is a significant influence of commitment to performance. (Cuong & Swierczek, 2008) state organizational culture, leadership, job satisfaction, and work commitment affect employee performance.
Kraimer, 2005) concluded that commitment shows a significant effect on employee performance.

**H6: LMX Influencing Employee Performance**

Testing the H6 resulted in acceptance, because CR 2.106 > 1.96 as well as a probability 0.035 < 0.05, meaning LMX significantly affects performance. The LMX effect on performance shows a standard estimated of 0.200; where if 1 unit LMX increases then 0.200 units performance will also increase. This is in line with (Fadhillah, Nizam, & Kesuma, 2022) proving that various information and a good relationship between superiors and subordinates will affect the bond that exists between employees and institutions, Information to Sharing and LMX perceptions have a relationship with creativity, employee engagement and creativity relate to the performance that can be given, information sharing and LMX influence on performance, and engagement. (Cogliser, Schriesheim, Scandura, & Gardner, 2009) suggested that in theory, LMX is a significant additional variation in employee performance, salary increases, and employee promotion rates, with good working relationships with supervisors seen as more likely to have greater creativity, decreased turnover intention, and higher productivity. Furthermore, (Cogliser et al., 2009) conducted research that stated that the LMX affected employee performance, organizational engagement, and creativity. (Bauer & Green, 1996) in their research stated the quality of LMX affected performance.

**Indirect Hypothesis**

**H7: Engagement Influencing Employee Performance Through LMX**

Figure 3 displays the H7 model. The calculation of its z is:

\[ Z = 2.108 \]

The Sobel test following the H7 model is:

```
\begin{array}{|c|c|c|}
\hline
\text{Input:} & \text{Sobel test:} & \text{Std. Error:} & \text{p-value:} \\
\hline
a & 0.374 & 2.10895645 & 0.03138898 & 0.03494834 \\
b & 0.177 & 2.05209937 & 0.03225867 & 0.04016001 \\
s_a & 0.124 & 2.17081749 & 0.0304945 & 0.02994497 \\
s_b & 0.060 & & & \\
\hline
\end{array}
```

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The calculation above found that the z is 2.108 < 1.96 with a significance of 5%. The magnitude of the indirect effect using the Sobel test is obtained by multiplying the value of the Sobel test results with the standard error. Where, 2 \times 0.0108564 \times 0.03138898 = 0.0662. Then, on the mediation test using the Sobel test above, it was found that the p is 0.035 so it is significant because it is below 5% (0.05). These indicate that there is a direct influence in Engagement on Performance through LMX. These results also prove that the function of LMX in the H7 model is a partial mediator because engagement can also affect performance directly other than through LMX.

**H8: Commitment In Influencing Employee Performance Through LMX**

![Figure 4. LMX Mediation Effect on Commitment Role in Employee Performance](image)

Figure 4 displays the H11 model. The calculation of its z is:

\[ Z = 2.006 \]

The Sobel test following the H11 model is as follows:

<table>
<thead>
<tr>
<th>Input:</th>
<th>Test statistic:</th>
<th>Std. Error:</th>
<th>p-value:</th>
</tr>
</thead>
<tbody>
<tr>
<td>( a )</td>
<td>0.394</td>
<td>2.006808053</td>
<td>0.03476331</td>
</tr>
<tr>
<td>( b )</td>
<td>0.177</td>
<td>1.9468519</td>
<td>0.03582091</td>
</tr>
<tr>
<td>( s_a )</td>
<td>0.144</td>
<td>2.07106608</td>
<td>0.03367251</td>
</tr>
<tr>
<td>( s_b )</td>
<td>0.060</td>
<td></td>
<td>Calculate</td>
</tr>
</tbody>
</table>

The calculation found the z was 2.401 > 1.96 with p 5%. The magnitude of the indirect effect using the Sobel test is obtained by multiplying the value of the Sobel test results with the standard error. Where, 2 \times 0.0608053 \times 0.03476331 = 0.0697. Then, on the results of the mediation test using the Sobel test above, it was found that the p is 0.045 so it is significant because it is below 5% (0.05). These indicate that there is an indirect effect on Commitment to Performance through the LMX. These results also prove that the function of LMX in the H8 model is a partial mediator because commitment can also affect performance directly other than through LMX.

**5. Conclusion**

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The beginning of the study was to identify employee performance problems based on the initial survey at the Aceh DPMPTSP. From the survey results, indications were found that there were problematic predictors that had a direct impact on the employee's performance, namely LMX, engagement, and commitment. Based on the existing literature, a model is formulated that connects and directs these variables, to be tested scientifically. The test results concluded that Engagement, Commitment, LMX, and Performance have been going well, Engagement affects LMX, Commitment affects LMX, Engagement affects performance, Commitment affects performance, LMX affects performance, Engagement affects performance mediated by LMX, commitment affects performance mediated by LMX. The test results also reveal that LMX in the model functions as a partial mediator. Thus, the model for increasing DPMPTSP Aceh performance is proven to be a function of strengthening engagement, commitment, and LMX. These findings contribute to the theoretical model development of performance and can be used as a reference for further research model development. The next research model can identify other variables that can have an impact on the current model, thereby strengthening the theory of causality in the field of management science. The model can also be used by practitioners, especially research subjects, namely DPMPTSP Aceh so that they can design strategies to increase employee performance in their institutions in the future.

References


