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The effect of human resource development and leadership on employee performance with organizational commitment

Sabri Sabri*), Sumardin Sumardin, Hajj Mustaqim
Management Study Program, Faculty of Economics and Business, Ibn Sina University, Indonesia

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ABSTRACT

Employee development greatly affects the development of the organization. Professionally developed employees can bring various benefits to the organization. This study aims to analyze the influence of human resource development and leadership on employee performance with organizational commitment as a moderation variable in Batamindo Industrial Park companies. Human resource development aims to increase employee knowledge in terms of knowledge and practice skills through education, training, non-training and learning tasks. Furthermore, employee performance is the quality of work results, quantity of work, attendance and teamwork ability. This study uses a qualitative approach with a correlational associative research method by distributing questionnaires to employees June-July 2023 using *a google form*. The research sample was taken by purposive sampling involving 100 respondents. Data analysis was carried out using multiple regression analysis and data was processed using Smart PLS 3. The results of this study show that leadership variables and organizational commitment have a significant effect on employee performance. Human resource development does not have a significant effect on employee performance, this is due to HR development that is not implemented properly or without a mature plan so that it does not have a significant impact. Poor execution and lack of support from management. Organizational commitment is proven to be able to strengthen the influence of leadership and human resource development on employee performance.

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Corresponding Author:

Sabri Sabri
Ibn Sina University
Email: sabri@uis.ac,id

Introduction

Batam City is one of the cities in Indonesia that has great potential in the development of the digital industry sector. In recent years, the digital industry in Batam City has experienced significant growth. Many technology companies and digital start-ups have sprung up in the city, creating job opportunities and high economic growth. However, to ensure the sustainable growth and success of the industrial sector in Batam City, the development of quality and technology-based human resources (HR) is very important. Human resources who have relevant skills and knowledge will be able to face challenges and take advantage of the opportunities that exist in this sector (Malini Lubis , 2021).

Batamindo Industrial Company, as one of the growing industrial entities in Batam, has challenges and expectations to maintain and improve the performance of its employees in the face of increasingly complex business dynamics. Employee performance is a critical factor that contributes directly to the success and

sustainability of the company (Jefridin, 2021). For optimal performance levels, it is important to understand the factors that affect employee performance, both in terms of individuals and organizations. The phenomenon that occurs that affects employee and organizational performance where dozens of employees of PT Regatron Technologi Indonesian Batam in the Batamindo Industrial Area who are members of the All Indonesia Workers Union (SPSI) stated that many problems occurred in companies that did not implement policies in accordance with the Manpower Law such as a female worker who was pregnant the company asked for resignation has occurred in 20 female employees (Rudi, 2021). The case shows the company engaging in discriminatory practices against pregnant women can suffer a negative impact on its reputation. This can affect the company's image in the eyes of employees, customers, and society at large. It also affects the performance of employees who witness or know of unfair treatment of their coworkers may feel insecure, unappreciated, and less motivated. This can have a negative impact on productivity and overall performance

The determinants of employee performance can involve various aspects, including leadership, human resource development, and organizational commitment (Jiang et al., 2024; Northouse, 2015). Leaders who provide regular feedback can help employees understand areas where they are succeeding and where they can improve (Shang et al., 2023). Constructive feedback helps direct employee efforts in the right direction and improves overall performance (Klein, 2023). One aspect that needs attention is organizational commitment, which reflects the extent to which employees feel attached and committed to the company's goals and values. Organizational commitment is considered a key factor that can moderate the relationship between individual determinants and employee performance. Therefore, further research (Srimulyani et al., 2023) needs to be done to explore it. Research shows that high organizational commitment can amplify the influence of individual factors on employee performance. By understanding more deeply this relationship, Batamindo Industrial Company can design more effective human resource management policies and programs to improve the performance of its employees.

Goal Setting Theory (Edwin Locke and Gary Latham) which emphasizes the importance of setting specific, measurable, achievable, relevant, and time-limited (SMART) goals (Mohamad, 2014). Clear goals are considered to increase employee motivation and performance. This theory emphasizes the importance of setting specific, measurable, achievable, relevant, and time-limited (SMART) goals to improve employee performance (Chang et al., 2023). Clear goals provide direction and motivation for employees. HR development involves efforts to improve the skills, knowledge, and abilities of employees through training, education, and work experience (Egieya et al., 2022). HR development can support employee performance by strengthening the skills necessary to achieve set goals.

A good leadership style can provide the guidance and support needed to achieve goals. Effective leadership can motivate employees, build good relationships, and create a work environment that supports goal achievement (Jiang et al., 2024). Organizational commitment reflects the extent to which employees feel emotionally and cognitively attached to the organization. As a moderation variable, organizational commitment can affect the extent of the relationship between goal setting, HR development, leadership, and employee performance. Employees who have a high level of organizational commitment may be better able to overcome obstacles and difficulties in achieving goals. Organizational commitment can also increase employee engagement, motivation, and readiness to contribute more in achieving common goals.

Human Resource Development (HR) is an effort that aims to improve the knowledge, skills, attitudes, and abilities of employees in order to improve their performance and contribute to the achievement of organizational goals (Judrups et al., 2015). The HR development process includes various activities designed to increase the capacity and potential of individuals within the organization. Education and training are commonly used methods to improve employees' knowledge and skills (Fujiwara, 2017) . Education and training programs can involve a variety of topics, from technical skills development to leadership and management development. Focus on developing specific skills relevant to job duties and responsibilities. Skills can include technical skills, interpersonal skills, leadership skills, and so on (Votto et al., 2021). Well-being programs can involve efforts to improve work-life balance, stress management, and promotion of overall health and well-being. Employees who feel empowered holistically tend to perform better (Chen & Cui, 2022; Piwowar-Sulej , 2022).

Leadership is the ability or process of leading, directing, and motivating people or groups to achieve certain goals (Omar Elmasry, 2019). Leadership is not only related to job titles or positions within an organization, but also to the ability to influence, inspire, and guide others. A leader needs to have a clear vision of the direction the team or organization wants to go (Garcia-Blandon et al., 2023). The ability to plan strategies, identify opportunities, and address strategic challenges is also an important aspect of leadership.

Organizational commitment refers to the degree of aversion or attachment of a person to the organization they work for (Chuang et al., 2023) . This includes loyalty, identification, and the intention to stay in the

organization. Organizational commitment can influence employee behavior, including levels of productivity, retention, and engagement. Affective commitment involves employees' positive feelings towards the organization. Affective committed employees feel happy, proud, and emotionally attached to the organization (Arumi,2019). Factors that can influence affective commitment include job satisfaction, organizational support, and a positive organizational culture.

Employee performance is about monitoring results, but it is also about understanding and meeting individual needs, motivations, and potential in the context of their work (Abdelwahed et al., 2023) . According to Drucker, performance should be measured by matching the results achieved with the goals that have been set. One of management's leading thinkers, Drucker stresses the importance of setting clear goals and monitoring performance to achieve them (Abdelwahed et al., 2022).

Method

This research uses a qualitative approach with correlational associative research methods by distributing questionnaires to employees June-July 2023 using *Google Forms*. The research sample was taken by purposive sampling involving 100 respondents, namely employees of company companies working in Batamindo Industrial Park . Data analysis was carried out using multiple regression analysis and data was processed using Smart PLS 3.

Results and Discussions

Partial Least Square (PLS) Analysis

This analysis is used to determine how much influence exogenous variables have on endogenous variables. Here are the results of the analysis with the help of SmartPLS 3.0 software.

Validity Test based on Outer loading Value and Average Variance Extract (AVE)

In outer loading and AVE validity tests it is useful to evaluate construct validity measured by measurement variables. A high outer loading value indicates that the measurement variable is significantly connected to the factor in question, while a high AVE value indicates that the measurement variable has sufficient validity in measuring the factor (Erlina, 2011).

In general, in validity tests using SEM, the outer loading value that is considered good is 0.7 or more, while the AVE value that is considered good is 0.7 or higher. However, this limitation varies depending on the context of the research being studied. It is important to note that the use of these cut-off values should be used as a preliminary guide and should be linked to broader theoretical and contextual considerations in construct validity assessments.

Construct Reliability and validity

Matrik (AVE)	Cronbach's alpha	rho_A	Composite Reliability	Average Variance Extracted
Leadership	0.847	0.857	0.908	0.767
Organizational Commitment	0.854	0.873	0.912	0.775
Employee Performance	0.918	0.921	0.942	0.803
Human Resource development	0.914	0.915	0.939	0.795
Moderating Eff...	1.000	1.000	1.000	1.000
Moderating Eff...	1.000	1.000	1.000	1.000

Figure 1. Validity Test Results based on Outer Loading

Based on the table above, we can see the validity and reliability tests based on Outer Loading, Average Variance Extracted (AVE) and Cronbach's Alpha (CA) and Composite Reliability (CR). The results of validity testing based on Average Variance Extracted (AVE) values based on variables of human resource development, leadership, employee performance and organizational commitment. For validity testing with AVE, the recommended AVE value is 0.7. It is known that all AVE values are above 0.7. This means that it has met the validity requirements based on the AVE value.

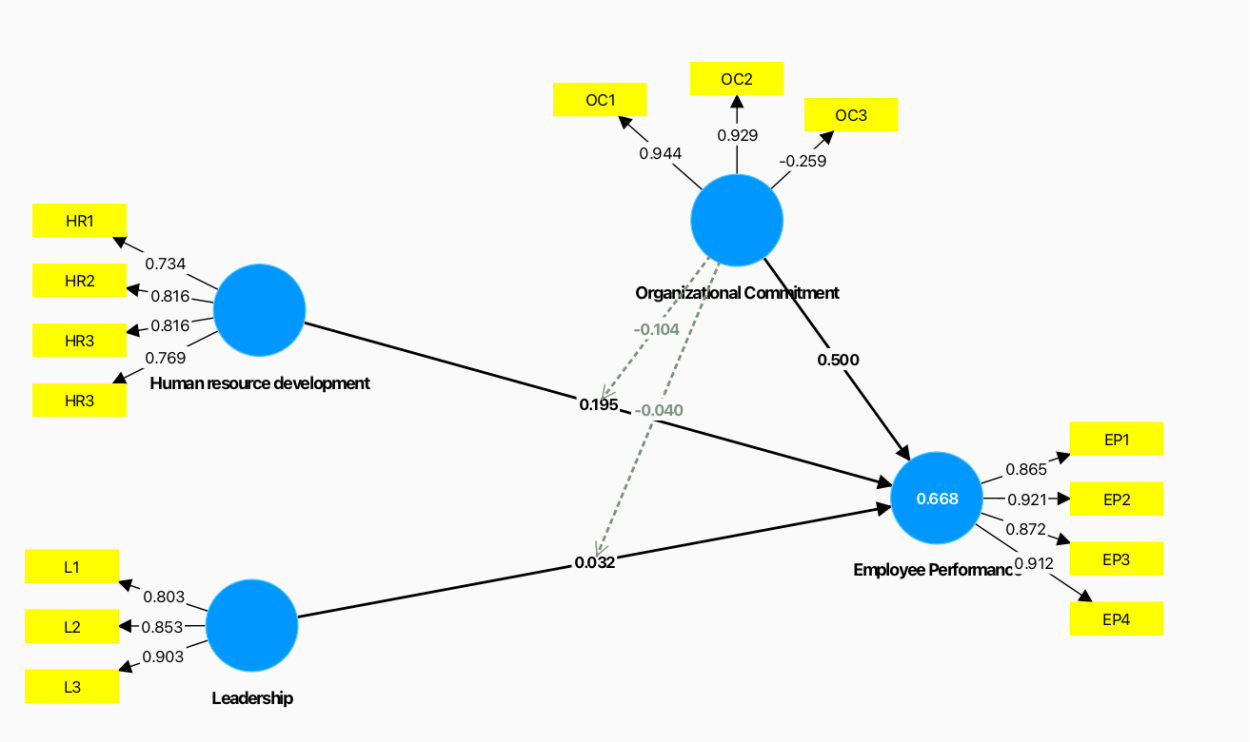

Figure 2. Validity Test Results based on Outer Loading

Path coefficient test

The path coefficient test in structural equation modeling (SEM) is used to test causal relationships between variables in the model. This test provides information about the significance and strength of the relationships between variables proposed in the model. The SEM model to be tested, including the variables to be included, the relationships between the proposed variables, and endogenous variables (variables influenced by other variables) and exogenous (variables affecting other variables).

Path Coefisient

	Original Sampl...	Sample Mean(..	Standard Devia...	T Statistics (IO/...	P Values
Leadership	0.222	0.229	0.111	2.005	0.045
Organizational Commitment	0.414	0.414	0.134	3.100	0.002
Human resource development	0.051	0.055	0.169	0.302	0.763
Moderating Eff..	0.194	0.178	0.098	1.974	0.049
Moderating Eff..	-0.453	-0.425	0.110	4.127	0.000

Figure 3. Path coefficient

Based on table 2 can be seen Leadership variables have a significant effect on employee performance, the coefficient value of the line is 0.220 with a T-Statistic value of 2.005 < 1.96, a P value of 0.045 > 0.05. Leadership has a significant effect on employee performance because the role of the leader is very important in shaping work culture, providing direction and motivating team members. Leaders who can understand and respond to employee needs and expectations tend to increase motivation and engagement. Through good communication, recognition, and providing appropriate challenges, leaders can create a work environment that supports and motivates employees to give their best. Leaders not only manage current performance but also play a role in developing the skills and potential of employees. Leaders who provide constructive feedback, provide training, and provide opportunities for growth, can help employees reach their maximum potential.

Organizational commitment has a significant effect on employee performance, showing a path coefficient value of 0.436 with a t-statistic value of 3.100 > 1.96, a P value of 0.002 < 0.05. Employees who have a high level of commitment to the organization tend to be more motivated to contribute to the maximum. They see their work as an integral part of the organization's efforts and have an internal drive to give their best. A high

level of commitment can have a positive impact on workforce stability. Employees who feel tied to the organization have a tendency to stay afloat in the long run, reducing employee turnover rates. This helps organizations save costs and retain employee knowledge and experience.

Human resource development has no significant effect on employee performance, showing a path coefficient value of 0.045 with a t-statistic value of 0.302< 1.96, a P value of 0.763 < 0.05. This is because human resource development that is not implemented properly or without a mature plan may not have a significant impact. Poor implementation, lack of support from management, or absence of monitoring and evaluation can reduce the effectiveness of development programs. Employee involvement in the development program is very important. If employees do not feel motivated or are not actively involved in development activities, then the impact on performance can be limited. Low engagement can be caused by lack of communication, unclear perceptions, or lack of support from superiors. (Alqudah, 2022)

Organizational commitment to strengthen the influence of leadership on employee performance shows a path coefficient value of -0.454 with a t-statistic value of 4.127 > 1.96 P value of 0.000 < 0.05. Effective leaders tend to build positive relationships with their team members. A leadership style that is inclusive, supportive, and provides clear direction can create an environment where employees feel valued and cared for. In these situations, employees are more likely to develop a commitment to the organization because they feel a clear sense of support and direction from the leader. Leadership that encourages trust and builds good interpersonal relationships can form the basis of organizational commitment. Employees who feel a positive relationship with their leader are more likely to develop a sense of attachment and commitment to the organization.

The organization's commitment to strengthen the influence of human resource development on employee performance shows a path coefficient value of 0.135 with a t-statistical value of 0.918 < 1.96 P value of 0.179 > 0.05. Employees who have a high level of organizational commitment tend to be more motivated to participate in HR development programs (Prima &; Janrosl, 2022; Alam, 2019). They see development opportunities as an investment in their careers and in supporting organizational goals, which can strengthen their participation in development activities. Strong organizational commitment is often associated with high employee engagement. Employees who feel attached to the organization tend to be more actively involved in development programs, utilize them more effectively, and apply acquired skills into their daily work.

Conclusions

Based on the discussion above, it can be concluded: (1) Leadership plays an important role in shaping an organization's work culture. A positive culture, where cooperation, innovation, and trust are encouraged, can improve employee morale and performance. Leaders who set positive norms and support employee initiatives will create an inspiring environment. (2) Employees who have high organizational commitment tend to adhere to the company's culture and values. They are more likely to internalize organizational norms and act in accordance with the values upheld by the company. (3) A work environment that is not supportive or does not provide opportunities for employees to apply the knowledge and skills gained from development programs can reduce the positive impact. In situations where companies face rapid external changes, development programs that cannot adapt to those changes may become less relevant and effective. (4) Leaders who are good role models can influence employees to adopt organizational values. If the leader demonstrates a strong commitment to the organization, employees can be encouraged to follow that example, creating an environment where organizational commitment is strengthened. (5) Employees who have high organizational commitment may more easily identify themselves with the organization's values and goals. Therefore, they tend to see HR development as a way to increase their contribution to the organization and feel more united in achieving common goals. (6) Highly committed employees can influence organizational culture, including attitudes toward HR development. If organizational commitment reflects a desire for shared growth, employees are more likely to be more open and supportive of development initiatives. The study was limited to employees Batamindo Industrial Park is expected by researchers to further expand the object of research. At Researchers are expected to add to research variables such as organizational culture and compensation and expand population coverage.

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