Human resource management practices and situational leadership on organizational performance; mediated by employee engagement

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Abstract
This study aims to examine the influence of HRM practice on organizational performance, examine the influence of situational leadership on organizational performance, examine the influence of employee involvement on organizational performance, examine the influence of HRM practice on employee engagement, examine the influence of situational leadership on employee engagement, examine the influence of HRM practice on organizational performance mediated by employee involvement, examine the influence of situational leadership to organizational performance mediated by employee engagement. The respondents of the study were civil servants of the Secretariat of the Regional People’s Representative Council of Kendari City, totaling 64 respondents, the sample determination technique using saturated techniques so that the research sample amounted to 64 respondents. Data collection using questionnaires. The research model is structural, thus the research data is analyzed using smart PLS ver 3. Research results: HRM practice has a positive but not significant effect on organizational performance, situational leadership has a positive but insignificant effect on organizational performance, employee involvement has a positive and significant effect on organizational performance, employee involvement plays a role in mediating the influence of HRM practice on organizational performance with a full mediation nature, employee involvement plays a role in mediating the influence of situational leadership on employee engagement with the nature of full mediation. Thus, it is important for organizations to involve employees in their work in order to encourage the improvement of organizational performance.

Keywords: HRM practice; Situational leadership; Employee engagement, Organizational performance

1. Introduction
HRM practice is essential to improve the quality of services offered by an organization [1], since HRM is an important function in organizations that affects their performance [2]. Human resource management practices that organizations create should reflect the specific behaviors required by the organization. HRM practices are selected based on technical benefits and to facilitate the implementation of strategies, such as: compete based on innovation, or compete based on cost, or compete by offering the best quality. Thus a strategic approach to HRM involves selecting HRM practices that encourage and support such important behaviors [3].

HRM practice has the potential to improve and maintain organizational performance [4], because HRM practice is a skill-based development of employees in the organization so that organizational performance becomes improved. Human resource management practices such as: employee selection, employee training and learning practices have a positive and significant effect on company performance because human resource management practices employ trained

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and loyal employees and know new technologies that are developing in the market so as to improve organizational performance [5].

Human resource management practices have a positive and significant effect on organizational performance [6]. However, in contrast to the findings of the research of [7] found that human resource management practices have no significant effect on organizational performance. Similarly, the research of [8] that human resource management practices do not have a significant effect on the performance of organization.

Research has developed the role of human resource management practices towards organizations, especially employee engagement and organizational performance [9]. The research supports the role of employee engagement in mediating the relationship between HRM practices and organizational performance [4], [10]. Human resource management practices have a positive and significant effect on employee engagement [9]. This is as explained by the theory of social exchange that if organizations invest and treat their employees as partners and strategic assets, employees become happier and more engaged [11]. HR practices such as: selection and recruitment, training and development, performance appraisal, job security have a positive and significant effect on employee engagement [12], [13].

Organizational performance is influenced by employee engagement [14], this is because by promoting employee engagement it can reduce employee turnover, increase productivity and increase company profits. Thus, employee engagement, implementing effective ways to increase engagement, develop employees and reward them becomes an important determinant in the success or failure of the organization. Therefore, it is important for organizations to implement effective ways to increase employee engagement in order to improve organizational performance and can turn the organization into a kempetetif [14]. Increased employee engagement is a key factor influencing organizational performance [15]. On the other hand, the research of [16] found that employee involvement has a positive but not significant effect on organizational performance.

Research reveals that employee engagement has become an indispensable element for organizational success and excellence [17]. Leadership is considered the most inevitable and critical aspect for the progress of the organization. Research by [18] found that situational leadership has a positive and significant effect on organizational performance.

Leadership style refers to the design of behavior; including actions and words as validated by a leader or as observed by subordinates. Situational leadership revolves around work-related maturity. The situational leadership model suggests that effective leadership depends on management actions [19]. This model arises from the understanding that not all individuals in the team can be compared in terms of the level of maturity and that the need for leadership styles varies according to the situation. Thus the model is based on situational variables because it relies on the daily perception of a leader as well as the observation of the environment. The efficiency of this model includes leaders’ assessment of the growth rate of their subordinates as well as the situation encountered to adjust their leadership methods [20].

The implementation of effective HRM practices and situational leadership is important to apply to public organizations in order to increase employee engagement to encourage improved organizational performance. Thus, it is important for this variable to be studied in this study.

2. Literature Review

2.1. HRM Practice

The theory used in human resource management practice variables is the Ability-Motivation-Opportunity (AMO) Theory. This theory was initiated by [21], [22]. AMO theory guides the choice of HRM practice to be used. The practice of HRM can affect people’s abilities (for example, by using appropriate selection, recruitment, and training instruments), motivation (for example, by using performance-related salaries), and opportunities (for example, by using teams or advice systems) to contribute to the company’s performance [23]. The application of AMO theory can focus on employee attitudes and behaviors as a result of applied HRM practices [21], [24] thus the ability, motivation, and opportunities line managers will predict their HRM performance. HR practice consists of HR activities involved in managing and developing people and in managing employment relationships [25]. According to [13], HRM practices can be viewed as policies or systems that influence employee attitudes and behavior. Likewise, [26] argue that the HRM function is a philosophy that defines how employees can be encouraged to achieve organizational goals. In the HRM literature, experts have identified several HRM practices that can be applied to contribute to the success of the organization.

HRM practices as philosophies, policies, systems, and practices that have an influence on employee behavior, attitudes, and performance [27]. HRM practice is the process by which organizations can manage their human resources to
achieve organizational goals [26]. In particular, the practice of HRM is a fundamental activity in which organizations can develop and shape the skills, abilities and behaviors of employees to perform their work successfully and focus on meeting targets, that is, the goals of the organization.

2.2. Situational Leadership

Situational leadership is based on the theory of contingency. This theory explains that the organization takes into account the people involved, the necessary tasks, the situations experienced, the nature of the organization and other environmental factors. Contingency theory considers that leadership is a process in which a leader’s ability to exert his influence depends on the group task situation and the level of his leadership style, personality and approach that corresponds to his group. In organizations there is no single universally suitable leadership style, it often happens that a leader who manages to turn the tide struggles in the context of a mature and stable organization, just as a leader who develops in a stable environment can fail in a capricious situation. [28] known as one of the pioneers in this field, identifies three managerial components: leader-member relationships, task structure, and position strengths. This theory put forward by Fiedler's argues that, the performance of leaders is determined by their understanding of the situation in which they lead. Some contexts favor task-oriented leaders, and some prefer those who are relationship-oriented. The situational research of [29] suggests that the level of development of individuals affects their leadership style.

In contingency theory, leadership style is described as the motivation of a task or relationship. Task-motivated leaders primarily attach importance to the achievement of goals whereas relationship-oriented leaders attach importance to the development of lasting relationships with individuals or organizations [30]. Contingency theory uses the orientation of the individual to predict in what kind of situation he will be an effective leader. It is important to note that contingency theory emphasizes that the leader will not be effective in all situations. If the individual orientation fits the situation, then most likely he will be good at the job. If a person’s style does not suit the situation, then they will most likely fail [31]. Contingency theory suggests that leader-member relationships, task structures, and positional strengths characterize various leadership situations. The leader-member relationship refers to the atmosphere of the group and the level of trust and loyalty that followers feel towards the leader [32]. Task structure refers to the extent to which the task requirements are clear and spelled out while positional power refers to the amount of authority a leader has to reward or punish followers [33]. Situational leadership is defined as the leader’s ability to exchange his behavior between task direction (direction, coaching) or/and emotional (support, delegation) based on the task, the maturity level of team members, and the situation.

2.3. Employee Engagement

Role theory implies that individuals behave according to the functional, relational and structural features of the social units in which they coexist [34], [35]. Role theory concerns one of the most important features of social life, patterns of behavior or a typical role. It explains the role by assuming that people are members of a social position and have expectations for their own behavior and that of others [36]. As a conceptual lens, role theory helps to systematically regulate their assumptions with regard to how individual roles in groups are assumed and evolved to form interpersonal interactions [34]. Employee engagement as ‘the utilization of members of an organization’ to play a role in their work; In engagement, people employ and express themselves physically, cognitively, and emotionally during the performance of their roles [37]. [38] state that engagement is the involvement and satisfaction of the individual with as well as enthusiasm for work. Employee engagement as a distinct and unique construct composed of cognitive, emotional and behavioral [11]. Components related to individual roles. He distinguishes between ‘work engagement’ (performing a work role) and organizational involvement (performing the role of a member of the organization). A further definition was produced by [39] who defined engagement as ‘individual goals and focused energy, evident to others in the display of personal initiative, adaptability, effort and perseverance directed organizational goals.

2.4. Organizational Performance

A theory related to organizational performance is the theory of goal setting. Goal-setting theory rests on the belief that life is a goal-oriented process of action [40]. Objectives can be defined as outcomes achieved by the individual. In organizations, people are motivated to direct their attention in the direction and achieve goals. Goals have internal and external aspects for the individual. Internally, a goal is the ultimate goal of the desired achievement; externally, purpose refers to the object or condition that the employee is looking for, such as the level of performance, sales to customers, or promotions. The positive relationship between goal setting and task performance is one of the most replicable findings in management and organizational literature [40]. According to the theory of goal setting, the highest level of performance is usually achieved when the goal is difficult and specific. The more difficult a goal is given to a person, the greater the level of performance produced. When goals are specific and difficult to set for employees, then the
achievement of goals gives those employees an objective and unambiguous basis for evaluating the effectiveness of their performance [40].

Performance is defined as the level of achievement of work-related goals [41]. [42] shows that when employees become successful in achieving their goals related to work then the organization becomes successful in achieving superior performance because employees strive to achieve organizational goals. Performance is defined as the achievement of a task. Stannack (1996) also points out that many researchers use the term performance to measure the efficiency of inputs and outputs. [43] explore that Organizational Performance not only defines the problem but also provides the solution of the problem. Organizational Performance is an organization's ability to complete its goals by using its resources efficiently. [44] explains that if an organization has achieved its goals then it is called organizational performance. When an organization shows superior performance then it indicates that it is obtaining a higher return on equity and this is only possible if the employee shows good performance.

3. Hypothesis Development

3.1. Human resource management practices on organizational performance

Efficient use of human resources can reduce the overall cost of an organization and improve its performance [45]. Human resources practice includes the process of creating a suitable set of applicants, recruiting individuals, selecting, and training and making them helpful in achieving organizational goals [46]. In addition, compensation and performance monitoring also increase employee productivity. Organizations implement HR practices and systems to harness the potential strengths of employees to maintain competitive advantage [37]. There is a positive and significant relationship between HR practice and organizational performance [4]. Human resource management practices such as: employee selection, employee training and learning practices have a positive and significant effect on company performance [5], [6]. Thus the research hypothesis is:

\[ H1: \text{HRM practices have a positive and significant effect on organizational performance} \]

3.2. Situational leadership on organizational performance

Situational leadership factors on the performance of their respective business enterprises and municipalities [47], [48]. The leadership measures used in these two studies are unique. All influence that occurs during the tenure of each top leader of the organization regardless of the cause is credited to the top officials in office. Every time the top executive changes, the influence of the new leader is assumed to work. This measure of leadership presupposes (1) that the top organizational leaders have an impact on the overall performance of the organization and (2) that the organization operates differently depending on who holds the top leadership position. Previous research has also found that situational leadership has a positive and significant effect on organizational performance [19], [49]. Thus the research hypothesis is:

\[ H2: \text{Situational leadership positively and significantly affects organizational performance} \]

3.3. Employee engagement on organizational performance

Employee involvement is one of the results of the perception of human resources (HR) that will affect organizational performance [50], [51] review high levels of engagement associated with high-level performance, civic behavior, and individual well-being. Chen and Peng (2021) in research found that employee work engagement is a key factor influencing business profitability. Research by [52] revealed that working in an environment that facilitates engagement allows employees to excel in their work and strive to contribute to business goals, ultimately resulting in high performance. Similarly, the research of [9], [14] found that employee engagement has a positive and significant effect on organizational performance. Thus the research hypothesis:

\[ H3: \text{Employee engagement has a positive and significant effect on organizational performance} \]

3.4. HRM practices on employee engagement

HRM practices play an important role in increasing employee engagement [53], [54] argue that the important role of HR practice as a tool for organizations to keep employees engrossed and engaged in the performance of their work by providing challenging jobs with available resources and opportunities for growth and management. The relationship of HR practice with employee engagement adopts the advice of [11] who uses the theory of social change that through HR practice and employee engagement employees receive and feel the fitness, career attention, fairness and satisfaction
benefits of the organization, in turn, they will respond in a way that brings more involvement in the organization. Research by [12] found that HRM practices such as: selection and recruitment, training and development, performance appraisal, job security have a positive and significant effect on employee engagement. Similarly, the research of [13] in Bangladesh found that HRM practices such as: career development, performance feedback, job security, training and development, rewards, employee participation are able to encourage employee engagement. Thus the research hypothesis:

H4: HRM practices have a positive and significant effect on organizational performance

3.5. Situational Leadership on Employee Engagement

Leadership is one of the most studied topics in organizational science, and employee engagement is one of the most recent [55]. Many organizations invest significant resources in retaining, developing, and engaging employees, human resource development (HR) professionals are tasked with developing and partnering with leaders to deliver those strategies effectively. Thus, a comprehensive understanding of the relationship and mechanisms between leadership and engagement is essential for HRD professionals to inform leaders on how best to grow positive outcomes in followers. Thus, a comprehensive understanding of the relationship and mechanisms between leadership and engagement is essential for HRD professionals to inform leaders on how best to grow positive outcomes in followers. Thus the research hypothesis:

H5: Situational leadership has a positive and significant effect on employee engagement

3.6. The effect of employee involvement in mediating the influence of management practices on organizational performance

Studied the impact of HRM policies and practices on company performance, and found that these practices have a significant impact on employee outcomes in the form of: productivity and overall performance [56], [7] examined the impact of HRM practices, the results showed that in a highly participatory system, human resource practices (selection, compensation and assessment) are positively related to company performance. [24] notes that HR practices indirectly produce performance through changes in labor attitudes and behaviors. In conceptual and empirical studies, employee engagement is considered as an employee result [57]. In the literature, there are several studies that support the role of employee engagement as a mediator in the relationship between HRM and performance [9]. [58] found that human resource management practices affect industry performance in Saudi Arabia when mediated by employee engagement. [9] research in Ethiopia found that Human Resource Management Practices have a positive and significant effect on employee engagement and organizational performance, thus employee engagement plays the role of partial mediation. This is because the workforce involved is happy, motivated and therefore can improve the performance of the organization. Thus the research hypothesis is:

H6: HRM practices have a positive and significant effect on organizational performance mediated by employee engagement

3.7. Employee engagement in mediating the influence of situational leadership on organizational performance

The study of management systems, the system of interrelationships between the characteristics of supervision and organizational performance, has gained new interest found through the general basics inherent in the measure of employee engagement. The potential benefits born of labor productivity now make organizational leaders seek to understand management and leadership practices that demonstrate a strong relationship with employee engagement [59]. Awareness theory suggests that attentive individuals are better able to engage such as: empathy, response flexibility, and emotional regulation as three processes of self-regulation in particular that are likely to impact the leader-follower relationship. Leaders who have the ability to self-regulate in these three ways will be better able to engage in leadership behaviors characterized by adapting or flexing certain types of leadership that they show according to the needs of the situation and what their followers need most. When followers receive a type of support that corresponds to the situation in the form of leader behavior, they are more effective such as: having higher job performance and extra role performance [60]. Thus the research hypothesis is:

H7: Situational leadership positively and significantly affects organizational performance mediated by employee engagement
4. Measurement and Data

4.1. Measurement

The measurement of human resource management practices in this study refers to [9] research that uses AMO components consisting of: a) capacity building (recruitment, selection, training and development), b) increased motivation (performance appraisal, compensation, and rewards), c) increased opportunities (autonomy and employee participation).

Situational leadership measurements refer to the opinions of [29] posit that situational leadership indicators consist of: a) telling, b) selling, c) participative, d) delegative. The measurement of employee engagement refers to the research of [61], [13], namely: a) Passion, refers to "a high level of energy and mental resilience while working, a willingness to invest effort in one's work, and perseverance even in the face of adversity, b) dedication, refers to "a sense of importance, enthusiasm, inspiration, pride, and challenge, c) absorption, the employee is fully concentrated and very engrossed in his work, where time flies quickly and a person has difficulty getting away from work. Organizational performance measurement refers to the opinion of [62] namely: a) productivity, b) achievement of goals, c) good service.

4.2. Data

The data collection method used in this study was to use a list of questions in the form of a questionnaire that was distributed to respondents. The scale of data measurement uses the Likert scale, answer 1 equals strongly disagree, 2 equals disagree, 3 equals neutral, 4 equals agreeing and 5 equals strongly agreeing. The respondents of the study were employees of the Regional Secretariat of Kendari City, Southeast Sulawesi, Indonesia as many as 64 respondents.

5. Results

5.1. Descriptive Statistics

Descriptive analysis displays the average value, maximum value, minimum value and standard deviation of each indicator used. The descriptive statistical values contained in Table1 show that all indicators obtain a mean value greater than the standard deviation. This indicates that the current mean value indicates a good representation of the overall data.

Table 1 Descriptive statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Min</th>
<th>Max</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>X11</td>
<td>4.097</td>
<td>3.00</td>
<td>5.00</td>
<td>0.433</td>
</tr>
<tr>
<td>X12</td>
<td>4.262</td>
<td>3.66</td>
<td>5.00</td>
<td>0.432</td>
</tr>
<tr>
<td>X13</td>
<td>4.164</td>
<td>3.00</td>
<td>5.00</td>
<td>0.472</td>
</tr>
<tr>
<td>X21</td>
<td>4.113</td>
<td>3.00</td>
<td>5.00</td>
<td>0.446</td>
</tr>
<tr>
<td>X22</td>
<td>4.005</td>
<td>2.66</td>
<td>5.00</td>
<td>0.48</td>
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<tr>
<td>X23</td>
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<td>5.00</td>
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<tr>
<td>X24</td>
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<td>2.00</td>
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</tr>
<tr>
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<tr>
<td>Y13</td>
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<tr>
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<td>5.00</td>
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<tr>
<td>Y22</td>
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<tr>
<td>Y23</td>
<td>4.056</td>
<td>3.50</td>
<td>5.00</td>
<td>0.372</td>
</tr>
</tbody>
</table>
5.2. Inferential Statistics

The outer loadings value as presented in table 2 shows that all indicators have an original sample value greater than 0.5 and smaller p-values 0.05 thus all indicators are able to reflect the variables.

**Table 2** Outer loadings

| Indicator | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|-----------|---------------------|-----------------|---------------------------|------------------------|----------|
| X11 <- HRM Practice | 0.862 | 0.856 | 0.047 | 18.208 | 0.000 |
| X12 <- HRM Practice | 0.896 | 0.899 | 0.023 | 38.194 | 0.000 |
| X13 <- HRM Practice | 0.856 | 0.847 | 0.052 | 16.471 | 0.000 |
| X21 <- Situational Leadership | 0.902 | 0.898 | 0.029 | 30.799 | 0.000 |
| X22 <- Situational Leadership | 0.889 | 0.883 | 0.035 | 25.196 | 0.000 |
| X23 <- Situational Leadership | 0.936 | 0.934 | 0.017 | 56.178 | 0.000 |
| X24 <- Situational Leadership | 0.508 | 0.495 | 0.142 | 3.592 | 0.000 |
| Y11 <- Employee Engagement | 0.936 | 0.935 | 0.020 | 46.843 | 0.000 |
| Y12 <- Employee Engagement | 0.925 | 0.922 | 0.027 | 34.131 | 0.000 |
| Y13 <- Employee Engagement | 0.936 | 0.936 | 0.019 | 49.525 | 0.000 |
| Y21 <- Organizational Performance | 0.914 | 0.911 | 0.031 | 29.224 | 0.000 |
| Y22 <- Organizational Performance | 0.928 | 0.926 | 0.021 | 44.345 | 0.000 |
| Y23 <- Organizational Performance | 0.850 | 0.843 | 0.047 | 17.957 | 0.000 |

Table 3 shows that the contribution of HRM practice and situational leadership to employee engagement was 0.695. Contribution of HRM practice variables, situational leadership and direct employee involvement to organizational performance was 0.695. Meanwhile, the Q-Square value is 0.853 which reflects that the contribution of HRM practice, situational leadership and the role of employee involvement as a mediating variable to organizational performance is 0.853 or with a very strong level of closeness.

**Table 3** R-Square

<table>
<thead>
<tr>
<th>Indicator</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>0.548</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>0.695</td>
</tr>
<tr>
<td>Predictive Relevance</td>
<td>0.853</td>
</tr>
</tbody>
</table>

The value of the path coefficient as presented in table 4 shows that the direct influence of HRM practice on organizational performance and situational leadership on organizational performance has a positive path coefficient but the p-value value is greater than 0.05 then declared insignificant. While the indirect influence of HRM practice and situational leadership on organizational performance mediated by employee involvement has a positive path coefficient value and a smaller p-value of 0.05, it is declared significant.
Table 4: Path coefficient

| Path Coefficient | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|------------------|---------------------|-----------------|-----------------------------|---------------------------|----------|
| HRM Practice -> Organizational Performance | 0.010 | 0.019 | 0.115 | 0.084 | 0.933 |
| Situational Leadership -> Organizational Performance | 0.156 | 0.158 | 0.148 | 1.054 | 0.292 |
| Employee Engagement -> Organizational Performance | 0.708 | 0.698 | 0.119 | 5.949 | 0.000 |
| HRM Practice -> Employee Engagement | 0.272 | 0.278 | 0.118 | 2.312 | 0.021 |
| Situational Leadership -> Employee Engagement | 0.521 | 0.515 | 0.116 | 4.503 | 0.000 |
| HRM Practice -> Employee Engagement -> Organizational Performance | 0.193 | 0.195 | 0.094 | 2.046 | 0.041 |
| Situational Leadership -> Employee Engagement -> Organizational Performance | 0.369 | 0.358 | 0.097 | 3.785 | 0.000 |

Figure 1: Empirical model

6. Discussion

The value of the HRM practice path coefficient on organizational performance is 0.010 or in a positive direction, but the p-value of 0.933 or greater is 0.05 then declared insignificant. The findings of this study are supported by previous research that found that HRM practices have a positive and insignificant effect on organizational performance [8]. This is because the organization does not implement HRM practices in an integrated manner, so the results do not have a direct impact on organizational performance. The coefficient value of the situational leadership path to organizational...
performance was 0.156, but the p-value of 0.292 or greater was 0.05, then declared insignificant. The results of this study are supported by the findings of previous research that national leadership has a positive but not significant effect on organizational performance [63], [64].

The value of the path coefficient of influence of employee engagement on organizational performance of 0.708 and the p-value of 0.000 or less 0.05 is then declared significant. The findings of this study are also supported by the research of [15] that increasing employee work involvement is a key factor influencing business profitability. Similarly, [65] findings that employee engagement has emerged as a potential factor for organizational performance. The value of the path coefficient of influence of HRM practice on employee involvement of 0.272 and the p-value of 0.021 or less 0.05 is declared significant. The results of this study are supported by [53] opinion that HRM Practice plays an important role in increasing employee engagement. The results of the study are also supported by the findings of previous research, such as: [13] that HRM practices such as: career development, performance feedback, job security, training and development, rewards, employee participation are able to encourage employee engagement.

The value of the path coefficient of influence of situational leadership on employee engagement of 0.521 and the p-value of 0.000 or less 0.05 is then declared significant. The findings of this study are supported by previous research that situational leadership has a positive and significant effect on employee engagement [66]. Leadership Findings are one of the most studied topics in organizational science, and employee engagement is one of the most recent [55].

Testing employee involvement in mediating the influence of HRM practices on organizational performance can be proven by the path coefficient value of 0.193 and a p-value of 0.041 or less 0.05, then it is declared significant. The results of this study are supported by [58] that human resource management practices affect industry performance when mediated by employee involvement. HRM practices help and support employees achieving and maintaining high levels of engagement and performance. Performance management as an ongoing organizational process that involves a variety of activities that include identifying, assessing, and promoting the performance of individuals and teams with the aim of achieving organizational goals (Aguinis & Pierce, 2008; DeNisi & Pritchard, 2006). The results of testing the role of employee involvement in mediating the influence of situational leadership on organizational performance with a path coefficient value of 0.369 and a p-value of 0.000 or less 0.05 were declared significant. The findings of this study are supported by previous research that situational leadership has a positive and significant effect on employee engagement [66]. And also supported by previous research findings that employee involvement has a positive and significant effect on organizational performance [14], [15].

7. Conclusion

This study examines the influence of HRM practice on organizational performance, examines the influence of situational leadership on organizational performance, examines the influence of employee involvement on organizational performance, examines the role of employee involvement in mediating the influence of HRM practice on organizational performance, examines the role of employee involvement in mediating the influence of situational leadership on organizational performance. The respondent of the study was an employee of the Secretariat of the Regional People’s Representative Council of Kendari City, Southeast Sulawesi Province, Indonesia. The research findings are: HRM practice has a positive but not significant effect on organizational performance, situational leadership has a positive but not significant effect on organizational performance, organizational involvement has a positive and significant effect on organizational performance, organizational involvement plays a role in fully mediating the influence of HRM practice on organizational performance, employee involvement mediates full influence of situational leadership on organizational performance. Thus, it is important for public organizations to encourage employee involvement in order to improve organizational performance.

Compliance with ethical standards

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Disclosure of conflict of interest

There is no conflict of interest.
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