

THE ROLE OF EMPLOYEE COMPETENCE AND INVOLVEMENT IN MEDIATING THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL EFFECTIVENESS

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Abstract

This research examines the role of employee competence and involvement in mediating the influence of human resource management practices on organizational effectiveness. This research was carried out at the Regional Secretariat of North Konawe Regency. The population in this study were 172 North Konawe Regency Regional Secretariat Civil Servants. Sample selection used the Slovin formula with a precision level set at 5%, so based on this formula the sample size (n) was 120 respondents. This research was explained using SmartPLS software version 3.0. which is run using computer media. The results of this research found that HRM Practices have a positive and significant effect on Organizational Effectiveness, Competency has a positive and insignificant effect on Organizational Effectiveness, Work Engagement has a positive and significant effect on Organizational Effectiveness, HRM Practices have a positive and significant effect on Employee Competency, HRM Practices have a positive and significant impact on Job Engagement, Employee Competency mediates the partial influence of HRM Practices on Organizational Effectiveness, Employee Engagement mediates the partial influence of HRM Practices on Organizational Effectiveness.

Keywords: Competence, Employee Involvement, Human Resource Management Practices and Organizational Effectiveness.

INTRODUCTION

Human resources are considered as specific resources in an organization that influence the company's success (Becker and Huselid, 1996; Wright et al., 2003). Thus, an organization's HRM practices must be designed and based on an understanding of certain employee behaviors that are required to successfully implement the company's competitive strategy. The goal of a company's HRM practices is to encourage and support employee behavior to encourage successful strategy implementation (Schuler & Jackson, 2014).

Building competitive advantage through human resources requires careful thought to the processes that perfectly influence these resources. Human resource management (HR) ensures that a company's human resources contribute to the achievement of its business goals (Delery and Doty, 1996). HR practices are the primary means by which companies influence and shape the skills, knowledge and behavior of their employees to achieve organizational goals (Collins and Clark, 2003).

HRM practices influence organizational effectiveness (Otoo, 2020). This is because human resources are one of the most valuable assets for an organization, and good management of human resources can improve the overall performance of an organization. Good performance management practices help in setting clear goals,

providing constructive feedback, and identifying opportunities for improvement. This helps employees to know what is expected of them and increases motivation to achieve the desired results. An effective performance appraisal system provides an assessment of individual performance and develops it to create a set of competencies needed by the organization (Berger & Berger, 2011).

Gupta's (2016) research found that HRM practices increase organizational effectiveness; HRM practices can enhance each other's effectiveness, and underscores the value of theory-driven methodological approaches. Specifically, HRM Systems consisting of practices that ensure selectivity in staffing, performance-based pay, and enhancing employee opportunities through participation in decision making result in higher levels of organizational effectiveness.

Batt (2002) emphasizes that a strategically focused HR structure consists of the organization's ability to formulate HR plans and policies and integrate them with HR plans and policies and also with the overall business plan. Therefore, HRM practices must be configured in such a way that they influence and shape employee skills, knowledge and behavior which will lead to increased organizational effectiveness because the choice of the right candidate aimed at the appropriate locus must be linked to the organization's goals and plans (Lee, 2010; Hellriegel and Slocum, 2011).

El-Ghalayini's (2017) research found that certain HRM practices, such as training and development, outperformed other practices, such as staffing and recruitment. The results also show that HRM practices have a synergistic and complementary effect on each employee's attitude that exceeds their individual effects. Research by Kerdpitak & Jermsittiparsert (2020) found that 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 employees who are trained and loyal and know new technologies that are developing in the market thereby increasing the competitive advantage of the business so that the company's performance increases.

Implementing good and effective HR practices as a system makes it possible to create an engaged workforce and in return promote better organizational performance. HRM is an important predictor of organizational success (Tensey & Singh, 2020). The system of HRM practices first influences employee engagement and then in turn influences operational performance outcomes such as productivity, customer satisfaction, and quality, and so on. However, other research reveals that it is not clear which HRM practices constitute an effective HRM system; it is also unclear exactly what and how HRM practices are combined in achieving organizational effectiveness (Delaney & Huselid, 1996; Guest, 2011; Paawe, Guest, & Wright, 2012). Wright et al's (2003) research found that human resource management practices do not have a significant effect on organizational performance. Research by Anwar & Abdullah (2021) found that human resource management practices do not have a significant effect on organizational performance.

Singh's (2019) research reveals that today, employee engagement has become an indispensable element for organizational success and excellence. The concept of employee engagement characterized by high energy and deep commitment has been introduced into the literature as a new way to redefine employee-organization relationships (Eldor and Harpaz, 2016). According to Seligman and Csikszentmihalyi (2000), in the positive psychology approach, organizational behavior is an important

thing to research, and one of the research trends that is increasingly attracting interest is the employee engagement variable (Halbesleben et al., 2009), because the employees involved are motivated and strong commitment, interested in continuing their involvement with the organization and even carrying out activities outside the specified and routine tasks for the success of the organization (Sakovska, 2012).

Tensay & Singh's (2020) research in Ethiopia found that employee involvement has a positive and significant effect on organizational performance because the workforce involved is happy, motivated and can therefore improve organizational performance. Similarly to the research findings of Rees et al (2013), Sundaray (2011) suggests that employee involvement is a determining factor in organizational effectiveness (productivity, profits, quality and customer satisfaction). This means that the workforce involved can fully contribute to performance with happiness, dedication and motivation.

Several other studies also found that employee engagement leads to business performance such as profits and customer share (Sakovska, 2012). On the other hand, research by Noercahyo et al (2021) found that employee involvement has a positive but not significant effect on organizational performance.

Organizational effectiveness describes the entire cycle of input, process and output which refers to the results of an organization, program or activity which states the extent to which goals (quality, quantity and time) have been achieved, as well as the measure of success or success. failure of an organization to achieve its goals and achieve its targets. This means that the only important effectiveness is the desired result or goal. Hayatullah et al.'s research. (2021) found that competency has a positive and significant effect on organizational effectiveness, meaning that organizational effectiveness can increase if employees have high competence in completing work.

The action taken by superiors in order to influence the high level of employee competence is by creating new creations that can provide challenges to employees. Meanwhile, for employees, work challenges will encourage them to work seriously in order to obtain maximum results. Likewise, other research finds that competence influences organizational effectiveness (Zaini and Agustina, 2019; Jafar & Zulqadri, 2020; Liang et al., 2013).

Employee engagement can also be influenced by human resource management practices (Tensay & Singh, 2020). This is as explained by social exchange theory that if organizations invest in and treat their employees as partners and strategic assets, employees become happier and more involved (Saks, 2006).

Research by Aboramadan et al (2019) identified several HR practices such as: selection and recruitment, training and development, performance appraisal, job security have a positive and significant effect on employee engagement.

Likewise, research by Aktar et al (2018) in Bangladesh found that HRM practices such as: career development, performance feedback, job security, training and development, rewards, employee participation were able to encourage employee involvement. Likewise, Pham's (2021) research found that HRM practices have a positive and significant effect on employee engagement.

Employee competency is also influenced by human resource management practices. Otoo's research (2020) found that human resource management practices have a

positive and significant effect on employee competency. This shows that a good recruitment and selection process can ensure that the organization employs individuals who have the skills, knowledge and experience that match the job demands. This will help ensure that employees have a strong competency base to perform their duties.

Organizations use human resource practices as an important strategic tool to promote favorable behavior among employees and increase their knowledge, skills and abilities, thereby increasing productivity and performance (Clardy, 2008). Boxall and Steenveld (1999) argue that HRM policies and practices are important elements in building human capital and stimulating the necessary behavior that creates benefits for the organization. Similarly, Minbaeva (2005) argues that HRM practices are a set of practices used by organizations to manage human resources through facilitating the development of company-specific competencies, generating complex social relationships and generating organizational knowledge to maintain competitive advantage.

Human resource management practices are very important to be implemented in the Regional Government, especially in the Regional Government of North Konawe Regency. Good HR management practices can help local governments optimize their organizational performance. By planning, managing and developing their workforce well, they can achieve their goals and expected results more efficiently.

The Regional Government of North Konawe Regency has implemented human resource management practices such as: employee recruitment carried out by the National Civil Service Agency with the aim of obtaining employees who have the necessary scientific qualifications in accordance with the agency's needs in order to be able to provide optimal public services.

LITERATURE REVIEW

Theoretical basis

This dissertation study is based on organizational theory as a grand theory. Miles (2012) revealed that organization is a directing function by influencing employees to carry out activities as best as possible. These activities include leading, motivating and communicating with employees as individuals and as a group and as an organization. Effective direction involves guiding and inspiring employees to achieve the organization's vision and goals. Directing activities also include setting a good example for employees, serving as role models and showing others the path to organizational job and career success.

Organization theory offers a frame of reference for interpreting individual and group behavior in relation to complex organizations. More specifically, organizational theory guides efforts to interpret and analyze individual and group behavior and processes such as resource allocation, policy making, personnel management, leadership, institutional reform, reorganization of administrative units, and program termination (Kuh, 1987). Organization theory is an eclectic discipline and combines concepts from sociology, social psychology, anthropology, and philosophy (Morgan, 1986; Peterson et al., 1986; Pfeffer, 1982).

In recent years, business-derived models were developed to extend theories about organizational behavior to different organizational settings. Some organizational

theories (e.g., political models) explicitly recognize the relationship between groups and external behavior in organizations; thus, organizational theory can offer insight into the context in which employee development takes place.

Employee Competency

The resource-based view of the firm states that resources are the primary drivers of organizational outcomes (Wernerfelt, 1984). Among the resources that organizations can use to gain competitive advantage (Barney, 1991; Mitrani et al., 1992; Nadler and Tushman, 1999) and create economic value, is employee competence (Cardy and Selvarajan, 2006; McLagan, 1997; De Vos et al., 2015). An organization outperforms its competitors by developing employee competencies that are rare, valuable, inimitable, and non-substitutable (Van Esch et al., 2018).

In addition to being a valuable resource, competence is necessary for the efficient and effective utilization of other resources (Nordhaug and Gronhaug, 1994), which in turn enables organizations to meet targets and achieve higher levels (Mahoney and Pandian, 1992; Penrose, 1959). It also contributes to the strategic planning and core competencies of an organization (Bergenhengouwen et al., 1996).

In competency-based organizations, an organization's core competencies become the guiding principles for human resource management (HR) professionals and line managers to develop employee competencies (Bergenhengouwen et al., 1996). This argument is based on the assumption that employee competence at the individual level contributes to the core competence of an organization.

Employee Engagement

Role theory implies that individuals behave according to the functional, relational, and structural features of the social units in which they coexist (Biddle, 2013; Katz & Kahn, 1978). Biddle (1986:67) emphasizes that role theory concerns one of the most important features of social life, typical patterns of behavior or roles. It explains roles by assuming that people are members of a social position and have expectations for their own and others' behavior. As a conceptual lens, role theory helps systematically organize their assumptions relating to how individual roles in groups are assumed and develop to shape interpersonal interactions (Biddle, 2013). In an early study, Graen (1976:1201) revealed that "organizational members accomplish their work through roles", and that role implementation acts as a means of organizing team-level processes.

According to Biddle (1986), there are three dominant schools of thought in role theory: (a) functionalism, (b) social interaction, and (c) structuralism.

First, the functionalist perspective shows that roles in social systems are static and predetermined by the individual's functional position (Bates & Harvey, 1975). The key premise is that, what an individual is expected to do (i.e., the scope and limits of his actions) is determined by the formal position or functional role he has in the social system. For example, an individual's role in a social system is primarily assumed based on the functional position they hold (Menz, 2012).

Second, the social interactionist perspective assumes that roles are socially determined and develop based on repeated relational processes between actors in a social system (Biddle, 1986; Raes et al., 2011).

In contrast to the functionalist perspective, social interactionism focuses on dynamic role formation by looking at relational aspects such as emotions, motivation, beliefs, and identity (Stryker & Serpe, 1982).

Organizational Effectiveness

Goal setting theory relies on the belief that life is a process of goal-oriented action (Locke & Latham, 1990, 2002). Goals can be defined as outcomes achieved by individuals (Locke, Shaw, Saari, & Latham, 1981). In organizations, people are motivated to direct their attention toward and achieve goals. Goals have both internal and external aspects for the individual.

Internally, goals are the ultimate goal of desired achievement; externally, goals refer to objects or conditions that employees seek, such as performance levels, sales to customers, or promotions (Locke, 1996; Locke & Latham, 2006). The positive relationship between goal setting and task performance is one of the most replicable findings in the management and organizational literature (Locke, Shaw, Saari, & Latham, 1981)

According to goal setting theory, the highest level of performance is usually achieved when goals are difficult and specific. The more difficult a goal is given to a person, the greater the resulting level of performance. When specific and difficult goals are set for employees, goal achievement provides those employees with an objective and unambiguous basis for evaluating the effectiveness of their performance (Locke & Latham, 2006).

Hypothesis

Human Resource Management is generally defined as a specific approach to workforce management that seeks to achieve competitive advantage through the strategic development of a highly committed and capable workforce using a series of integrative cultural, structural and personnel techniques (Storey, 2001). Schuler and Jackson (1987) emphasized that HRM practices are organizational activities directed at managing human resources and ensuring that these resources are used to achieve organizational goals. Delery and Doty (1996) postulate that HRM practices are practices that are theoretically or empirically related to overall organizational performance.

According to social exchange theory, both parties in the organization, namely workers and employers are in a state of interdependence and a chain of exchange occurs between them. This exchange leads to the development of certain obligations (Saks, 2006). Such obligations are non-specific and futuristic (Konovsky and Pugh, 1994). According to Cropanzano and Mitchell (2005), social exchange theory shows that when employees and employers comply with certain "rules" for a long period of time, a relationship of mutual trust, loyalty and commitment will develop.

This exchange rule was also found in the research of Robinson et al. (2004) that engagement is a reciprocal relationship between employers and employees. The exchange rule explains that when employees receive support in the form of economic and socio-emotional resources, they feel indebted to respond with repayment to the organization. Responses and rewards from employees come in the form of involvement in the organization (Robinson et al., 2004).

The resource-based view of the firm states that resources are the primary drivers of organizational outcomes (Wernerfelt, 1984). Among the resources that organizations can use to gain competitive advantage (Barney, 1991; Mitrani et al., 1992; Nadler and Tushman, 1999) and create economic value, is employee competence (Cardy and Selvarajan, 2006; McLagan, 1997; De Vos et al., 2015).

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Indicators of human resource management practices in this research are increasing ability, increasing motivation, increasing opportunities (Tensay & Singh, 2020; Aboramadan et al., 2019). Indicators of employee competence include: personal competence, team competence, change competence, communication competence, ethical competence (Otoo, 2020; Hellriegel and Slocum, 2011; Potnuru & Sahoo, 2016). Indicators of employee engagement: enthusiasm, dedication, absorption (Memon et al., 2020; Aktar et al., 2018). Indicators of organizational effectiveness include: productivity, cohesion, information management, target setting (Soni & Rastogoi, 2017; Daft, 2004).

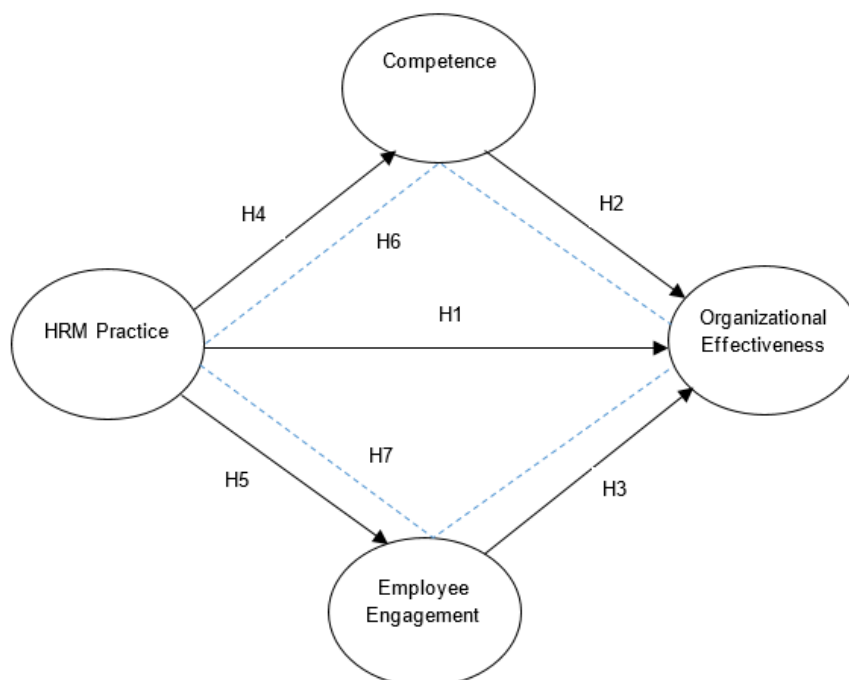


Fig 1: Research Conceptual Framework

- H1: HRM practices have a positive and significant effect on organizational effectiveness.
- H2: Employee competency has a positive and significant effect on organizational effectiveness.
- H3: Employee involvement has a positive and significant effect on organizational effectiveness
- H4: HRM practices have a positive and significant effect on employee competency
- H5: HRM practices have a positive and significant effect on employee engagement
- H6: Employee competency plays a mediating role in the influence of HRM practices on organizational effectiveness.
- H7: Employee involvement plays a mediating role in the influence of human resource management practices on organizational effectiveness.

RESEARCH METHODS

This research was carried out at the Regional Secretariat of North Konawe Regency. The reason for choosing this location was to help identify operational problems and provide recommendations to improve work efficiency and effectiveness at the North Konawe Regency Regional Secretariat. Through research, they can identify areas where work processes can be improved or changed to achieve better results. The research will be carried out for 3 (three) months in 2023. This research uses a quantitative approach or uses a positivism paradigm. This research is an explanatory survey research with the aim of explaining cause and effect between variables. The populations in this study were 172 North Konawe Regency Regional Secretariat Civil Servants.

RESULTS

Test Assumptions Partial Least Square

Before carrying out further evaluation of Partial Least Square (PLS), it is necessary to carry out a linearity assumption test, namely testing whether the relationship between latent variables has a linear relationship. Linearity testing in this study used the Kolmogorov Smirnof method using SPSS software. The reference used is that if the linearity value is smaller than 0.05 then the relationship between the data variables being tested is said to be linear. The results of testing the linearity of the relationship between variables are presented in the following table:

Table 1: Linearity Assumption Test Results

Relationship Between Variables			Linearity Test		
Exogenous Variables		Endogenous Variables	Linearity	Deviation from linearity	Information
HRM Practices	→	Organizational Effectiveness	0,000	0,139	Linear
HRM Practices	→	Competence	0,000	0,355	Linear
HRM Practices	→	Work Engagement	0,000	0,090	Linear
Competence	→	Organizational Effectiveness	0,000	0,075	Linear
Work Engagement	→	Organizational Effectiveness	0,000	0,911	Linear

Source: Primary data processed by SPSS, 2024

Discriminant Validity

Discriminant validity aims to test to what extent the latent construct is truly different from other constructs. A high discriminant validity value provides an indication that a construct is unique and able to explain the phenomenon being measured. Discriminant validity using square root of average variance extracted ($\sqrt{\text{AVE}}$). If the square root of average variance extracted ($\sqrt{\text{AVE}}$) value for each variable is greater than the AVE value and the correlation between the latent variable and other latent variables, then the variable instrument is said to be valid discriminant. The results of the PLS program computing valid discriminant y values are presented in the following table:

Table 2: Values of AVE, $\sqrt{\text{AVE}}$ and Correlation between Latent Constructs

Research variable	AVE	$\sqrt{\text{AVE}}$	Correlation			
			HRM Practices	Competence	Work Engagement	Organizational Effectiveness
HRM Practices	0,766	0,875	1,000			
Competence	0,552	0,742	0,609	1,000		
Work Engagement	0,878	0,937	0,834	0,827	1,000	
Organizational Effectiveness	0,666	0,816	0,820	0,801	0,783	1,000

Source: PLS data processing results, 2024

Convergent Validity

Convergent Validity is measuring the validity of indicators as measuring variables which can be seen from the outer loading of each variable indicator. An indicator is said to have good validity if an outer loading value above 0.70 is highly recommended, however a loading factor value of 0.5-0.6 can still be tolerated, unless indicators that have an outer loading of less than 0.5 can be dropped from the analysis. (Ghozali, 2015). Outer loading on an indicator with the highest value means that the indicator is the strongest or most important measure in reflecting the latent variable in question. For a clearer description of the testing results of the analysis and evaluation of the measurement model for each latent variable or construct of this research as follows:

Table 3: Outer Loading Values

	HRM Practices	Employee Competency	Employee Engagement	Organizational Effectiveness
X1.1	0.867			
X1.2	0.934			
X1.3	0.820			
Z1.1		0.819		
Z1.2		0.659		
Z1.3		0.518		
Z1.4		0.800		
Z1.5		0.865		
Z2.1			0.951	
Z2.2			0.952	
Z2.3			0.907	
Y1.1				0.928
Y1.2				0.905
Y1.3				0.716
Y1.4				0.687

Source: PLS data processing results, 2024

Composite Reliability

Composite reliability tests the reliability value between the indicators of the constructs that form it. Composite reliability results are said to be good if the value is above 0.70 (Ghozali, 2015). The results of testing the composite reliability measurement model for this research can be presented in the following table:

Table 4: Results of Reliability Testing of Measurement Models and Instruments

Variable	Composite Reliability	Results
HRM Practices	0,853	Reliabel
Employee Competency	0,860	Reliabel
Employee Engagement	0,931	Reliabel
Organizational Effectiveness	0,867	Reliabel

Source: PLS data processing results, 2024

Evaluation of Goodness of Fit Model

Tests on the structural model are evaluated by paying attention to the percentage of variance explained, namely looking at the R^2 value for the dependent latent variable. The closer the value is to 1, the better the model. The structural model is evaluated by paying attention to the Q^2 predictive relevance model which measures how well the observation values are produced by the model. Q^2 is based on the R Square value of all dependent variables. The Q^2 quantity has a value in the range $0 < Q^2 < 1$, the closer the value is to 1, the better the model. The analysis results are presented in the following table:

Table 5: Goodness of Fit Model test results

Structural Model	Dependent Variable Model	R- Square
1	Employee Competency	0,497
2	Employee Engagement	0,595
3	Organizational Effectiveness	0,801

Source: PLS data processing results, 2024

Based on the value of the coefficient of determination (R^2), Q^2 can be determined using the following calculation:

$$\begin{aligned}
 Q^2 &= 1 - \{(1 - R1^2) (1 - R2^2) \dots (1 - Rn^2)\} \\
 &= 1 - \{(1 - 0,497^2) (1 - 0,595^2) (1 - 0,801^2)\} \\
 &= 1 - \{(1 - 0,247) (1 - 0,354) (1 - 0,641)\} \\
 &= 1 - \{(0,595) (0,646) (0,359)\} \\
 &= 1 - 0,137 = 0,863
 \end{aligned}$$

Based on the results of these calculations, a predictive-relevance value of $Q^2 = 0.863$ or 86.3% was obtained. This means that the accuracy or correctness of this research model can explain the diversity of employee competency variables, employee involvement and organizational effectiveness on employee performance by 86.3%. The remaining 14.7% is explained by other variables not included in this research model. Therefore, the model is said to be good because it has a Q^2 value greater than or equal to 60%.

Table 6: Path Coefficients and Direct Effect Hypothesis Testing

Influence Between Variables	Path Coefficient (β)	P Values	information
HRM Practices -> Organizational Effectiveness	0.261	0.000	Accepted
Employee Competency -> Organizational Effectiveness	0.009	0.895	Rejected
Employee Engagement -> Organizational Effectiveness	0.670	0.000	Accepted
HRM Practices -> Employee Competency	0.705	0.000	Accepted
HRM Practices -> Employee Engagement	0.772	0.006	Accepted

Source: PLS data processing results, 2021

Hypothesis Testing and Indirect Influence Path Coefficient (Mediation)

Testing the mediation effect aims to detect the position of the intervening variable in the model. The results of the mediation test analysis can be seen in the following table:

Table 7: Path Coefficients and Indirect Effect Hypothesis Testing

Influence Between Variables	Indirect Influence	Direct Influence	Proof
HRM Practices -> Employee competency -> Organizational effectiveness	0,007	0.009	Partial Mediation
HRM Practices -> Employee involvement -> Organizational effectiveness	0,517	0,261	Full Mediation

Source: Processed PLS data, 2024

DISCUSSION

The Influence of HRM Practices on Organizational Effectiveness

Research shows that Human Resource Management (HRM) practices have a positive and significant influence on organizational effectiveness at the North Konawe Regency Regional Secretariat Office. This means that the better the HRM practices, the more employee competence will increase, which in turn improves the overall effectiveness of the organization. Good HRM practices are reflected in increasing employee abilities, motivation and opportunities.

Empirically, HRM practices at the North Konawe Regency Regional Secretariat Office have been running well, as evidenced by routine education and training, strict selection for civil servant recruitment, and placement of employees according to their abilities. Implementation of HRM practices also includes providing incentives based on performance achievements, annual formal evaluations, and employee participation in problem solving as well as mechanisms for collecting suggestions from employees.

Theoretically, Batt (2002) emphasizes that a strategically focused HR structure consists of the organization's ability to formulate HR plans and policies and integrate them with HR plans and policies and also with the overall business plan.

Therefore, HRM practices must be configured in such a way that they influence and shape employee skills, knowledge and behavior which will lead to increased organizational effectiveness because the choice of the right candidate aimed at the appropriate locus must be linked to the organization's goals and plans (Lee, 2010; Hellriegel and Slocum, 2011).

The findings of this research are in line with research (Otoo, 2020) that HRM practices influence organizational effectiveness. This is because human resources are one of the most valuable assets for an organization, and good management of human resources can improve the overall performance of an organization.

Gupta's (2016) findings found that HRM practices increase organizational effectiveness; HRM practices can enhance each other's effectiveness, and underscore the value of a theory-driven methodological approach. Specifically, HRM Systems consisting of practices that ensure selectivity in staffing, performance-based pay, and enhancing employee opportunities through participation in decision-making result in higher levels of organizational effectiveness.

The Influence of Employee Competency on Organizational Effectiveness

The results of the analysis show that employee competency has a positive but not significant influence on organizational effectiveness at the North Konawe Regency Regional Secretariat Office. This means that increasing employee competency can improve organizational effectiveness, but not significantly. This condition is caused by low employee perceptions of team competency indicators and change competency.

Empirically, team competency and change competency are considered very low, which has an impact on employees' inability to deal with structural changes, lack of self-confidence, and lack of effective coordination and teamwork. To increase organizational effectiveness, it is necessary to evaluate and improve factors that are still low in implementation, especially team competence and change.

By focusing on improving team competency, organizations can ensure they have a workforce that is ready to face future challenges and continue to develop in a dynamic environment. Employee competency is considered a vital asset for organizational success, because it is an important element for sustainable development and effective performance. To adapt to changing customer demands and overcome the impact of globalization and technological advances, organizations need strong human competencies. Therefore, planned human resource development (HRD) programs, such as on-the-job and off-the-job training, job rotation, educational programs, and seminars are very important. Research shows that competency plays an important role in improving employee performance, which in turn has an impact on achieving organizational goals.

Potnuru and Sahoo (2016) and Otoo and Mishra (2018a, 2018b) state that there is a significant and positive relationship between employee competence and work effectiveness, which in turn determines organizational success. By using a competency approach in human resource development, organizations will gain sustainable competitive advantage.

A competency framework that is appropriately designed and implemented professionally will make it easier for organizations to identify, manage and develop important employee competencies. Competencies include the knowledge, skills, and abilities that underlie effective and successful job performance and differentiate superior from average performance.

Competencies can be defined in relation to specific task requirements (job competencies) or as personal attributes possessed by employees (personal competencies), which translate into specific levels of performance.

The Effect of Work Engagement on Organizational Effectiveness

Based on the results of the analysis, it was found that work involvement had a positive and significant effect on organizational effectiveness at the North Konawe Regency Regional Secretariat Office. This shows that the better the work engagement, the higher the organizational effectiveness. Employees feel involved in various organizational activities, from the lowest level to the highest, with involvement reflected in enthusiasm, dedication and absorption which gets a good rating.

Descriptive analysis shows that employee work engagement is rated as good, with absorption as the strongest indicator, followed by dedication and enthusiasm. Employees feel comfortable, enjoy working intensely, are inspired by their work, and are proud and enthusiastic about their work. Even though work morale is considered good, some employees still feel uncomfortable and unenthusiastic. PLS analysis shows that dedication, work enthusiasm and absorption are the most dominant indicators. Organizations need to be committed to increasing employee dedication to work so that organizational effectiveness increases. Work engagement affects organizational effectiveness because engaged employees tend to be more productive, conscientious, creative, and innovative, and more satisfied with their work. It supports better teamwork and commitment to organizational goals, reducing levels of absenteeism and conflict in the workplace.

This research is in line with research by Tensay & Singh (2020), Rees et al (2013), and Sundaray (2011), which shows that employee engagement has a positive effect on organizational performance. However, Noercahyo et al (2021) found different results that employee involvement had a positive but not significant effect on organizational performance. Organizational effectiveness describes the entire cycle of input, process and output which refers to the results of an organization, as well as measures of its success or failure in achieving its goals and objectives.

The Influence of HRM Practices on Employee Competency

The results of the analysis show that Human Resource Management (HRM) practices have a positive and significant effect on employee competency at the North Konawe Regency Regional Secretariat Office. Good HRM practices, including ability, motivation and opportunity, can increase employee competency. Employees in this office have demonstrated high motivation, ability and opportunity at work. Existing HRM practices, such as incentives based on performance achievements, annual formal evaluations, and promotion opportunities, are considered good by employees. However, increasing employee capabilities still needs to be considered.

Partial Least Square (PLS) analysis shows that motivation is the most dominant aspect in reflecting HRM practice variables. To create good HRM practices, leaders must provide strong motivation to employees, for example through incentives for performance achievements and annual evaluations. The results of the analysis also show that motivation, opportunity and ability are important aspects in HRM practices. To increase employee competency, organizations need to improve HRM practices, especially in increasing employee motivation and ability. Effective HRM practices, including recruitment, training, performance management, career development, compensation, organizational culture, talent management, technology, and networking, can create an environment that supports the development of employee competencies, which contributes to organizational success and competitiveness.

This research is in line with research by Boxall and Steenveld (1999) and Minbaeva (2005), which states that HRM policies and practices are important elements in building competent human resources and creating competitive advantages for organizations. Valuable, rare, inimitable, and non-substitutable resources can increase organizational efficiency and effectiveness. Therefore, good HRM practices are very important to be implemented in the Regional Government, especially North Konawe Regency, to achieve the goals and expected results more efficiently.

The Influence of HRM Practices on Employee Engagement

The results of the analysis show that Human Resource Management (HRM) practices have a positive and significant effect on employee work engagement at the North Konawe Regency Regional Secretariat Office. The better the HRM practices, which include ability, motivation, and opportunity, the more employee engagement increases. Effective HRM practices, such as regular education and training, strict selection processes, placement according to competency, incentives based on performance, and annual evaluations, are considered good by employees.

Strategic, employee-centered HRM practices can create an environment where employees feel valued, supported, and motivated, thereby increasing work engagement and organizational productivity. Employee work engagement, which includes commitment and enthusiasm for work and the organization, can be increased through recognition and rewards, development opportunities, a positive work environment, effective communication, participation in decision making, and a balanced workload. Implementing good HRM practices as a system allows for increased employee engagement and, in turn, better organizational performance. Some studies support these findings, while other studies show ambiguity in the effectiveness of certain HRM practices. However, employee involvement remains an important element for organizational success and excellence, because engaged employees have strong motivation and commitment and contribute significantly to the success of the organization.

Singh's (2019) research reveals that today, employee engagement has become an indispensable element for organizational success and excellence. The concept of employee engagement characterized by high energy and deep commitment has been introduced into the literature as a new way to redefine employee-organization relationships (Eldor and Harpaz, 2016). According to Seligman and Csikszentmihalyi (2000), in the positive psychology approach, organizational behavior is an important thing to research, and one of the research trends that is increasingly attracting interest is the employee engagement variable (Halbesleben et al., 2009), because the employees involved are motivated and strong commitment, interested in continuing their involvement with the organization and even carrying out activities outside the specified and routine tasks for the success of the organization (Sakovska, 2012).

The role of employee competency in mediating the influence of HRM practices on organizational effectiveness

The research results show that employee competency partially mediates the influence of Human Resource Management (HRM) practices on organizational effectiveness at the North Konawe Regency Regional Secretariat Office. This means that employee competency is able to bridge the influence of HRM practices on organizational effectiveness, considering that the direct influence of HRM practices on organizational effectiveness is relatively weak. By increasing employee competency through training,

development and continuous evaluation, organizations can ensure that HRM policies are implemented effectively and improve the performance and quality of public services. This will have a positive impact on community satisfaction and achievement of organizational goals. Employee competency plays an important role in effective policy implementation, adaptability to change, administrative problem solving, and effective communication. To maximize the role of employee competency, strategies that can be implemented include continuous training and development, mentoring and coaching programs, periodic competency evaluations, and the development of clear career paths for employees.

The Role of Employee Involvement in Mediating the Influence of HRM Practices on Organizational Effectiveness

The research results show that employee involvement partially mediates the influence of Human Resource Management (HRM) practices on organizational effectiveness at the North Konawe Regency Regional Secretariat Office. This means that employee involvement can bridge the influence of HRM practices on organizational effectiveness, considering that the direct influence of HRM practices on organizational effectiveness is relatively weak. In these offices, employee engagement plays an important role in mediating the influence of HRM practices on organizational effectiveness. By increasing employee involvement through various strategies, organizations can ensure that the HRM practices implemented have a positive impact on individual and organizational performance as a whole, which will ultimately improve the quality of public services and achieve organizational goals more effectively. Employee involvement can mediate the influence of HRM practices by increasing motivation and productivity, service quality, employee retention, as well as reducing conflict and increasing cooperation. Strategies to increase employee engagement include creating a positive work environment, improving communication, providing recognition and rewards, developing career development programs, and involving employees in decision making.

CONCLUSION

HRM practices have a positive and significant effect on organizational efficiency. This means that changing HRM practices towards a better direction has a positive and significant effect on increasing organizational effectiveness for employees of the Regional Secretariat Office of North Konawe Regency. Competence has a positive and insignificant effect on organizational effectiveness. This means that changes in employee competency for the better do not have a positive and significant effect on increasing organizational efficiency at the North Konawe Regency Regional Secretariat Office. Work engagement has a positive and significant effect on organizational effectiveness.

This means that changes in employee involvement towards a better direction have a positive and significant effect on increasing the organizational effectiveness of the North Konawe Regency Regional Secretariat office. HRM practices have a positive and significant effect on employee competency. This means that changing HRM practices for the better will have a positive and significant effect on increasing employee competency. HRM practices have a positive and significant effect on employee engagement.

This means that changing HRM practices for the better will have a positive and significant effect on increasing employee engagement. Competence acts as a partial mediation of the influence of HRM practices on organizational effectiveness. This means that if there is a change in competence for the better, the influence of HRM practices on organizational effectiveness will be stronger. Employee involvement plays a full mediating role in the influence of HRM practices on organizational effectiveness. This means that if work involvement changes for the better, the influence of HRM practices on organizational effectiveness will be stronger.

It is necessary for the North Konawe Regency Regional Secretariat office to pay attention to and evaluate the variables of good HRM practices and improve and encourage employee motivation continuously, increase employee capabilities through education and training and open up opportunities for employee career advancement. It is necessary for the North Konawe Regency Regional Secretariat office to pay attention to and evaluate employee competency variables within the scope of the North Konawe Regency Regional Secretariat Office.

Several things that need attention to improve employee competency are evaluating factors that are still low in implementation, especially competency. TEAMS and change competencies. It is necessary for the North Konawe Regency Regional Secretariat office to pay attention to and evaluate work engagement variables, especially the indicator of employee dedication. Money was found to be the most important indicator in supporting employee work engagement which ultimately increases organizational effectiveness. It is necessary to carry out a re-study by adding variable

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