

HUMAN RESOURCE MANAGEMENT | RESEARCH ARTICLE

# The Role of Employee Engagement in Mediating the Effect of SHRM, Leadership Effectiveness, and Training and Development on HR Performance Management

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## ABSTRACT

This study aims to analyze the factors influencing human resource performance management in private manufacturing companies in Garut Regency. The study focuses on the effect of Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management, with Employee Engagement as a mediating variable. This research employed a quantitative approach using a survey method by distributing questionnaires to employees of private manufacturing companies. The data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS. The results indicate that Strategic Human Resource Management and Leadership Effectiveness have a positive effect on Employee Engagement, while Training and Development has a negative effect on Employee Engagement. Furthermore, Employee Engagement has a positive effect on HR Performance Management and is proven to mediate the relationship between Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management. These findings indicate that employee engagement is an important factor in improving the effectiveness of human resource performance management. This study implies that companies need to strengthen their human resource management strategies and leadership effectiveness, while also reevaluating training and development programs to ensure that they are more relevant to employee needs and job demands. Therefore, effective human resource performance management can be achieved through the continuous improvement of employee engagement. These findings are consistent with previous research showing that Employee Engagement is an important variable in explaining HR Performance Management.

**Keywords:** Strategic Human Resource Management, Leadership Effectiveness, Training and Development, Employee Engagement, HR Performance Management.

**JEL Code:** M12, M54, J24.

## I. Introduction

Human resource performance management has become an increasingly urgent issue for manufacturing companies, as organizational success is no longer determined solely by the availability of capital, technology, and production capacity, but also by the company's ability to manage, direct, train, and sustain employee engagement. In an increasingly competitive business environment, companies are required to establish a performance management system that is not merely administrative in nature, but is also capable of aligning organizational goals with individual contributions, providing clear feedback, and encouraging productivity as well as value-added work behavior. The literature shows that employee engagement is associated with task performance, contextual performance, and organizational business outcomes (Harter et al., 2002; Christian et al., 2011), while studies on performance management emphasize that performance management systems should be understood as integrated systems rather than merely periodic performance appraisals (DeNisi & Smith, 2014; Schleicher et al., 2018). Therefore, research on the factors influencing HR performance management is important and needs to be conducted in order to enable companies to identify the strategic aspects that most determine employee performance effectiveness, particularly through strategic human resource management practices, leadership effectiveness, training and development, and employee engagement.

The object of this study is private companies in the manufacturing industry sector in Garut Regency, as reflected in the research title "Factors Influencing HR Performance Management in Private Companies in Garut Regency: A Case Study in the Manufacturing Industry." The selection of this object is relevant because manufacturing companies have work characteristics that require process discipline, technical skills, quality standards, productivity, and consistent coordination between leaders and employees. Unlike service organizations or the public sector, manufacturing companies face more direct operational pressures, such as production targets, cost efficiency, quality control, occupational safety, and timely completion of work. In addition, private manufacturing companies in regional areas such as Garut Regency have a different context from large companies in metropolitan industrial zones, as HR management dynamics tend to be closer to direct work relationships, limited formal systems, practical training needs, and the highly influential role of leadership in shaping the daily work climate. Therefore, this object is important to examine because it can provide empirical insight into how HR management practices operate in the context of regional manufacturing, which has different managerial challenges compared to similar objects in major industrial centers.

Conceptually, this study positions Strategic Human Resource Management as an HR management practice oriented toward aligning HR policies with organizational strategy. Strategically designed HR practices can shape employees' positive perceptions of the organization and improve work behaviors that support the achievement of company goals (Jiang et al., 2012; Kehoe & Wright, 2013; Boon et al., 2019). Furthermore, Leadership Effectiveness plays an important role because effective leaders are able to provide direction, support, communication, and motivation that encourage employee involvement in work (Tims et al., 2011; Breevaart et al., 2014). The Training and Development variable is also related to competency improvement, work readiness, and development opportunities; however, its effectiveness greatly depends on the alignment of training with job needs and employee needs (Aguinis & Kraiger, 2009; Salas et al., 2012; Hassett, 2022). In this model, Employee Engagement serves as a mediating variable because employee engagement reflects energy, dedication, cognitive, emotional, and behavioral involvement that can connect organizational practices with the effectiveness of HR performance management (Kahn, 1990; Schaufeli et al., 2002; Saks, 2006; Macey & Schneider, 2008; Bailey et al., 2017). In other words, strategic HR practices, effective leadership, and training and development are expected not only to influence performance management directly, but also through increased employee engagement as a psychological and behavioral mechanism among employees.

Although the relationships among HR practices, leadership, training, employee engagement, and performance have been widely studied, there are still gaps that need to be addressed. Jiang et al. (2012) emphasized that HRM practices influence organizational outcomes through mechanisms related to employee

ability, motivation, and opportunity, while Kehoe and Wright (2013) showed that high-performance HR practices are associated with employee attitudes and behaviors. Alfes et al. (2013) also found that employees' perceptions of HRM practices are related to employee engagement and employee behavior. On the other hand, Hassett (2022), as one of the more recent studies, showed that access to training and development is positively correlated with work engagement in the context of the United States federal workforce. However, most of these studies were conducted in the context of large organizations, the public sector, or cross-industry settings that do not specifically explain the dynamics of private manufacturing companies in regional areas. In addition, previous studies often view training and development as factors that always have a positive impact, whereas in practice, training that is not aligned with job needs may lead to ineffectiveness, fatigue, or the perception that training is irrelevant to job demands. Therefore, empirical research is still needed to examine the relationship between Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management, with Employee Engagement as a mediating variable in the context of private manufacturing companies in Garut Regency.

Based on these gaps, the novelty of this study lies in testing an integrative model that connects three organizational factors, namely Strategic Human Resource Management, Leadership Effectiveness, and Training and Development, with HR Performance Management through the mediating role of Employee Engagement in private manufacturing companies in Garut Regency. This study does not only examine the direct effects among variables, but also explains the indirect mechanism showing how employee engagement can serve as a bridge between organizational practices and the effectiveness of HR performance management. Theoretically, this study contributes to enriching the literature on strategic human resource management, job demands-resources theory, and social exchange theory in the context of regional manufacturing. Practically, the findings of this study can serve as a basis for company management to improve HR strategies, enhance leadership effectiveness, design more relevant training programs, and develop a performance management system that is fairer, more measurable, and more impactful on employee productivity. Therefore, the objectives of this study are to analyze the effects of Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on Employee Engagement; to analyze the effect of Employee Engagement on HR Performance Management; and to examine the mediating role of Employee Engagement in the relationship between the three independent variables and HR performance management in private manufacturing companies in Garut Regency.

## **II. Literature Review and Hypothesis Development**

### **2.1. Strategic Human Resource Management**

Strategic Human Resource Management refers to an approach to human resource management that positions HR policies, practices, and systems as an integral part of organizational strategy. From this perspective, human resources are not merely viewed as an administrative function, but as a strategic resource that can create competitive advantage through workforce planning, competency development, reward systems, employee engagement, and the alignment of individual goals with organizational objectives. Boon et al. (2019) explained that SHRM research increasingly emphasizes the importance of the overall HR system rather than individual HR practices, because employees experience various HR practices simultaneously within a work system. In the context of manufacturing companies, SHRM plays an important role because production processes require employees who are competent, disciplined, adaptive, and able to work according to quality standards. Good SHRM practices can be reflected in planned recruitment processes, relevant training, objective performance appraisal systems, clear organizational communication, and career development policies that support company needs. Kehoe and Wright (2013) found that high-performance HR practices are associated with employee attitudes and behaviors, including organizational commitment, intention to stay, and organizational citizenship behavior.

Therefore, in this study, SHRM is understood as the company's ability to design and implement HR management practices that are aligned with business strategy. The more strategic the HR practices implemented by the company, the greater the opportunity to develop employees who are engaged, productive, and able to contribute to the effectiveness of HR Performance Management.

## 2.2. Leadership Effectiveness

Leadership Effectiveness refers to the ability of leaders to direct, influence, motivate, and support employees so that they can achieve work objectives optimally. Effective leadership is not only reflected in formal authority, but also in the ability to build trust, communicate clearly, make appropriate decisions, provide feedback, and create a work climate that encourages employee engagement. In a manufacturing environment, leadership effectiveness is crucial because work processes greatly depend on coordination, compliance with procedures, timeliness, and the leader's ability to resolve operational obstacles. Effective leaders can create role clarity, provide support when employees face work pressure, and build positive working relationships. From the perspective of social exchange theory, when employees receive support, fairness, and clear direction from leaders, they tend to reciprocate through commitment, engagement, and higher performance. Leadership effectiveness is also closely related to the formation of employee engagement. Leaders who are able to inspire, show concern, and provide work support can make employees feel valued and find meaning in their work. Therefore, effective leadership can become an organizational factor that encourages employee engagement and ultimately strengthens HR Performance Management.

## 2.3. Training and Development

Training and Development is a systematic process carried out by organizations to improve employees' knowledge, skills, attitudes, and capabilities so that they can perform their work effectively. Training generally focuses on improving short-term competencies needed in current jobs, while development is more directed toward long-term capacity building, career readiness, and employees' ability to adapt to organizational change. Aguinis and Kraiger (2009) explained that training and development can provide benefits at the individual, team, organizational, and societal levels, especially when supported by needs analysis, appropriate training design, evaluation, and the transfer of training to the workplace. In a more recent study, Hassett (2022) also showed that access to training and development is positively correlated with work engagement, particularly when training is understood as a high-performance work practice and a job resource within the job demands-resources theory framework. However, training and development do not always produce positive outcomes if they are not aligned with employee needs, are not relevant to job demands, or are not supported by opportunities to apply training outcomes. Under such conditions, training may be perceived as an additional burden, an administrative formality, or an activity that does not provide real value. Therefore, the Training and Development variable in this study is important to analyze not only in terms of its existence, but also in terms of its relevance, quality, and alignment with employee and company needs.

## 2.4. Employee Engagement

Employee Engagement refers to a positive psychological condition in which employees demonstrate energy, dedication, enthusiasm, emotional involvement, and willingness to provide their best contribution at work. Kahn (1990) is one of the main references in the concept of engagement, emphasizing that engagement occurs when individuals are able to bring themselves physically, cognitively, and emotionally into their work roles. Furthermore, Schaufeli et al. (2002) developed the concept of engagement through three main dimensions, namely vigor, dedication, and absorption. In organizations, employee engagement serves as a bridge between managerial practices and work outcomes. Employees with high engagement tend to be more enthusiastic, have a stronger sense of belonging to their work, show greater responsibility, and are more willing to contribute beyond minimum requirements. Bakker et al. (2014) explained that engagement is a

positive motivational state related to job resources and capable of producing valuable work outcomes for organizations. In this study, Employee Engagement is positioned as a mediating variable because employee engagement can explain how SHRM practices, leadership effectiveness, and training and development influence HR Performance Management. This means that good organizational practices do not automatically improve the effectiveness of performance management if they fail to build employee engagement with work and the organization.

## 2.5. HR Performance Management

HR Performance Management refers to a systematic process used by organizations to plan, measure, evaluate, provide feedback, and develop employee performance so that it is aligned with organizational goals. This concept differs from performance appraisal alone. Performance appraisal usually focuses on periodic evaluation, while performance management covers a broader process, including target setting, monitoring, coaching, feedback, competency development, and continuous improvement. Schleicher et al. (2018) emphasized that research and practice in performance management should be understood as a system, not merely as an individual evaluation activity, because performance management involves various interconnected components. The article also developed a system-based taxonomy and research agenda to improve performance management practices. In the context of manufacturing companies, HR Performance Management is important because employee performance is directly related to productivity, product quality, process efficiency, and production target achievement. Effective HR Performance Management requires the support of HR strategy, leadership, training, and employee engagement. A good performance system must be able to provide clarity regarding work standards, assess performance objectively, provide constructive feedback, and encourage employees to continuously improve the quality of their contributions. Therefore, in this study, HR Performance Management is positioned as the main dependent variable influenced by employee engagement as an outcome of organizational practices.

## 2.6. Hypothesis Development

### a. The Effect of Strategic Human Resource Management on Employee Engagement

Strategic Human Resource Management has a strong theoretical relationship with Employee Engagement because strategic HR practices can shape employees' perceptions of the quality of the relationship between the organization and employees. When a company provides fair recruitment systems, appropriate training, career development, proportional compensation, clear organizational communication, and objective performance appraisal, employees tend to feel valued and regarded as an important part of the organization. From the perspective of social exchange theory, positive treatment from the organization toward employees will encourage employees to reciprocate through commitment, loyalty, and work engagement. In addition, from the perspective of ability-motivation-opportunity theory, SHRM practices can improve employees' ability, motivation, and opportunities to contribute. Boon et al. (2019) emphasized that the HR system should be understood as a set of mutually supportive practices directed toward achieving organizational outcomes. Kehoe and Wright (2013) also showed that employees' perceptions of high-performance HR practices are associated with positive work attitudes and behaviors. Therefore, the better the implementation of Strategic Human Resource Management, the greater the possibility that employees will have positive perceptions of the organization. These perceptions will increase their sense of belonging, motivation, and engagement with their work and company.

H1: Strategic Human Resource Management has a positive and significant effect on Employee Engagement.

b. The Effect of Leadership Effectiveness on Employee Engagement

Leadership effectiveness is one of the important factors in shaping Employee Engagement because leaders are the closest parties to employees' daily work experiences. Effective leaders are able to explain work objectives, provide support, create two-way communication, resolve conflicts, and give recognition for employee contributions. In a manufacturing work environment, the relationship between leaders and employees strongly determines work discipline, coordination, and clarity in task implementation. Theoretically, this relationship can be explained through leader-member exchange theory and social exchange theory. Employees who have high-quality relationships with their leaders tend to feel trusted, valued, and supported. This condition can increase employees' emotional and cognitive involvement in their work. Effective leaders also serve as job resources because they can reduce role ambiguity, improve psychological safety, and strengthen work motivation. Employee Engagement is not only formed by individual factors, but also by the quality of the social environment at work. Therefore, effective leadership can trigger enthusiasm, dedication, and employee involvement. The better the leadership effectiveness perceived by employees, the higher their level of engagement with work and the organization.

H2: Leadership Effectiveness has a positive and significant effect on Employee Engagement.

c. The Effect of Training and Development on Employee Engagement

Training and Development has an important relationship with Employee Engagement because training and development signal that the organization cares about improving employee competencies and future growth. When employees receive opportunities to learn, develop skills, and improve work capacity, they tend to feel that the organization supports their professional growth. This condition can increase motivation, self-confidence, and involvement in work. From the perspective of job demands-resources theory, training and development can be understood as job resources that help employees deal with job demands. Hassett (2022) showed that access to training and development is positively related to work engagement. Meanwhile, Aguinis and Kraiger (2009) emphasized that the benefits of training will be optimal when supported by needs analysis, training design, evaluation, and transfer of training to the workplace. However, the relationship between Training and Development and Employee Engagement can also depend on the quality and relevance of the training program. If training is not aligned with job needs, is not applicable, or is merely a formality, employees may perceive the program as an additional burden. Therefore, in this study, Training and Development is assumed to have an effect on Employee Engagement, either through competency improvement or through employees' perceptions of the relevance of the development provided by the company.

H3: Training and Development has a significant effect on Employee Engagement.

d. The Effect of Employee Engagement on HR Performance Management

Employee Engagement plays an important role in improving HR Performance Management because employees who are emotionally, cognitively, and behaviorally engaged are easier to direct within the performance management system. Engaged employees tend to understand work targets, receive feedback more constructively, show responsibility for work outcomes, and have the willingness to improve performance continuously. Schaufeli et al. (2002) explained that engagement consists of vigor, dedication, and absorption, which reflect energy, dedication, and deep involvement in work. Within the JD-R framework, Bakker et al. (2014) also positioned engagement as a positive motivational state related to work outcomes that are valuable to organizations. Therefore, employee engagement can strengthen the effectiveness of the performance management system because employees not only perform their work obligations, but also show active participation in achieving organizational goals. In the context of manufacturing companies, employee



engagement can support performance management by improving discipline, productivity, work quality, and compliance with operational standards. The higher the level of employee engagement, the greater the possibility that the HR Performance Management system will operate effectively because employees have the psychological readiness to accept targets, evaluations, and performance development.

H4: Employee Engagement has a positive and significant effect on HR Performance Management.

e. The Effect of Strategic Human Resource Management on HR Performance Management through Employee Engagement

Strategic Human Resource Management not only has a direct effect on employee attitudes and behaviors, but can also influence HR Performance Management through Employee Engagement. Good SHRM practices create a work system that is structured, fair, and supportive of employee development. However, the effectiveness of these practices depends greatly on the extent to which employees respond to them in the form of work engagement. Theoretically, employee engagement serves as a psychological mechanism that explains how SHRM practices are transformed into performance management outcomes. When strategic HR practices are perceived positively, employees will feel valued and receive organizational support. This perceived support encourages the emergence of engagement, which then strengthens compliance with targets, willingness to accept evaluation, and motivation to improve work outcomes. Therefore, effective SHRM will be better able to improve HR Performance Management if it first builds Employee Engagement. This means that engagement acts as a bridge connecting strategic HR policies with the success of HR Performance Management.

H5: Employee Engagement mediates the effect of Strategic Human Resource Management on HR Performance Management.

f. The Effect of Leadership Effectiveness on HR Performance Management through Employee Engagement

Leadership Effectiveness can influence HR Performance Management through Employee Engagement because leaders are the main actors who communicate targets, provide direction, conduct coaching, and give feedback on employee performance. However, direction and performance management systems will not run optimally if employees do not have engagement with their work and organization. Effective leaders can increase employees' trust, motivation, and psychological safety. When employees feel supported by their leaders, they tend to show higher engagement. This engagement then makes employees more prepared to accept performance management processes, such as goal setting, performance measurement, evaluation, correction, and competency development. Therefore, employee engagement can serve as a mediating mechanism that explains the relationship between leadership effectiveness and HR Performance Management. Effective leadership not only affects interpersonal relationships, but also strengthens the effectiveness of the performance system through employee engagement.

H6: Employee Engagement mediates the effect of Leadership Effectiveness on HR Performance Management.

g. The Effect of Training and Development on HR Performance Management through Employee Engagement

Training and Development can influence HR Performance Management through Employee Engagement because relevant training can improve employees' competence, self-confidence, and readiness to meet performance standards. Good training also shows that the company is committed to employee development, thereby strengthening employees' positive perceptions of the organization. However, the

effect of Training and Development on HR Performance Management is not always automatic. Training will only have an impact on performance management if employees perceive the program as relevant, beneficial, and applicable to their work. If training is perceived as aligned with employee needs, engagement will increase and employees will become more prepared to achieve performance targets. Conversely, if training is not aligned with employee needs, engagement may weaken, causing performance management to become less optimal. Aguinis and Kraiger (2009) emphasized that the benefits of training depend greatly on conditions such as needs analysis, training design, evaluation, and training transfer. Therefore, Employee Engagement in this relationship serves as a mechanism that explains whether training and development are truly translated into the effectiveness of HR Performance Management.

H7: Employee Engagement mediates the effect of Training and Development on HR Performance Management.

### III. Research Method

This study employed a quantitative approach with an explanatory research design. The quantitative approach was used because this study aimed to examine causal relationships among variables through numerical data obtained from respondents. Explanatory research was selected because this study not only described the phenomenon of HR Performance Management, but also explained the effects of Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management through Employee Engagement as a mediating variable. The research design used in this study was a cross-sectional survey, in which data were collected at one specific point in time from predetermined respondents. This design is relevant in management and organizational behavior research because it can efficiently capture respondents' perceptions of organizational phenomena at a particular time (Rindfleisch et al., 2008). In this study, the cross-sectional design was used to measure the perceptions of employees in private manufacturing companies in Garut Regency regarding strategic HR management practices, leadership effectiveness, training and development, employee engagement, and HR performance management. The analytical method used was Partial Least Squares-Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS software. PLS-SEM was selected because it is suitable for studies that examine relationships among latent variables, predictive models, and complex mediating relationships (Hair et al., 2019). In addition, PLS-SEM is appropriate when the research aims to explain the variation of endogenous variables through a structural model involving several independent constructs and a mediating construct (Henseler et al., 2015).

#### 3.1. Research Location and Time

This research was conducted in private companies in the manufacturing industry sector in Garut Regency. The selection of this location was aligned with the focus of the study, which was to analyze the factors influencing HR Performance Management in private manufacturing companies in Garut Regency. The title of this research is "Factors Influencing HR Performance Management in Private Companies in Garut Regency: A Case Study in the Manufacturing Industry." The research was carried out according to the research stages, including instrument preparation, data collection, data processing, analysis using SmartPLS, and research report writing. Operationally, the research can be conducted within a period of three to four months.

#### 3.2. Data Sources

The data sources in this study consisted of primary data and secondary data. Primary data were obtained directly from respondents through the distribution of questionnaires. The respondents in this study were employees of private manufacturing companies in Garut Regency who met the research criteria.



Secondary data were obtained from reputable scientific journals, academic articles, methodology books, and other scholarly references relevant to Strategic Human Resource Management, Leadership Effectiveness, Training and Development, Employee Engagement, and HR Performance Management. Secondary data were used to strengthen the theoretical foundation, instrument development, and interpretation of the research findings.

### 3.3. Population and Research Sample

The population in this study consisted of all employees working in private companies in the manufacturing industry sector in Garut Regency. This population was selected because employees are the parties who directly experience HR management practices, leadership, training, work engagement, and performance management systems within the company. The sampling technique used was non-probability sampling with a purposive sampling approach. This technique was used because respondents had to meet certain characteristics relevant to the objectives of the study. In organizational research, purposive sampling can be used when researchers need respondents who have direct experience with the phenomenon being studied. The criteria for respondents in this study were as follows:

1. Active employees of private manufacturing companies in Garut Regency.
2. Employees with a minimum tenure of six months.
3. Employees who had received policies related to performance management, leadership direction, training, or work evaluation.
4. Employees who were willing to complete the questionnaire.

The sample size in this study was set at 200 respondents. This number was considered adequate for PLS-SEM analysis because the research model involved several latent constructs, reflective indicators, and mediating relationships. In the context of PLS-SEM, sample size should consider model complexity, the number of constructs, the number of indicators, and the expected statistical power (Hair et al., 2019; Kock & Hadaya, 2018).

### 3.4. Research Instrument

The research instrument used in this study was a closed-ended questionnaire. The questionnaire was developed based on the indicators of each research variable and measured using a 1 to 5 Likert scale. The Likert scale was used because it can measure respondents' attitudes, perceptions, and levels of agreement with statements related to the research variables. The Likert scale criteria used in this study are presented as follows:

**Table 1. Likert Scale Measurement**

| Score | Response Category |
|-------|-------------------|
| 1     | Strongly Disagree |
| 2     | Disagree          |
| 3     | Neutral           |
| 4     | Agree             |
| 5     | Strongly Agree    |

The research instrument consisted of five main variables, namely Strategic Human Resource Management, Leadership Effectiveness, Training and Development, Employee Engagement, and HR Performance Management. The research indicators included SHRM1–SHRM6, LE1–LE4, TnD1–TnD5, EE1–EE5, and HRP1–HRP5, as reflected in the outer loading results of the research model. To reduce the potential for common method bias, the questionnaire was designed using clear language, avoiding leading statements,

and ensuring the confidentiality of respondents' identities. Common method bias needs to be considered in survey research because data for several variables are collected from the same source and using the same method (Podsakoff et al., 2003).

### 3.5. Operational Definition of Variables

**Table 2. Operational Definition of Variables**

| Variable                                 | Operational Definition                                                                                                                                                         | Indicators  | Theoretical Sources                               |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------------|
| Strategic Human Resource Management (X1) | Strategic HR management practices that align HR policies with organizational goals, including HR planning, competency development, reward systems, and performance evaluation. | SHRM1–SHRM6 | Boon et al. (2019); Kehoe and Wright (2013)       |
| Leadership Effectiveness (X2)            | The ability of leaders to provide direction, support, motivation, communication, and decision-making that encourages the achievement of work objectives.                       | LE1–LE4     | Breevaart et al. (2014); Tims et al. (2011)       |
| Training and Development (X3)            | Training and development programs provided by the company to improve employees' knowledge, skills, and readiness to perform their work.                                        | TnD1–TnD5   | Aguinis and Kraiger (2009); Salas et al. (2012)   |
| Employee Engagement (Z)                  | A condition of employee engagement reflected in enthusiasm, dedication, a sense of belonging, and involvement in work.                                                         | EE1–EE5     | Kahn (1990); Schaufeli et al. (2002); Saks (2006) |
| HR Performance Management (Y)            | An HR performance management system that includes target setting, measurement, evaluation, feedback, and employee performance development.                                     | HRPM1–HRPM5 | DeNisi and Smith (2014); Schleicher et al. (2018) |

### 3.6. Data Analysis Technique

The data analysis technique used in this study was PLS-SEM with the assistance of SmartPLS software. The analysis was conducted through two main stages, namely the assessment of the measurement model or outer model and the assessment of the structural model or inner model. This two-stage approach is commonly used in PLS-SEM because researchers must ensure that the constructs are valid and reliable before testing the structural relationships among variables (Hair et al., 2019; Henseler et al., 2015).

### 3.7. Descriptive Statistical Analysis

Descriptive statistical analysis was used to describe respondent characteristics and response tendencies for each variable. Respondent characteristics may include gender, age, educational background, length of service, position, and work unit. Meanwhile, variable descriptions were analyzed by examining the mean, standard deviation, minimum value, and maximum value.

### 3.8. Outer Model Assessment

The outer model assessment was conducted to evaluate the validity and reliability of the research instrument. In this study, all constructs were treated as reflective constructs. The outer model assessment was

conducted through convergent validity, discriminant validity, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted. Convergent validity was assessed based on loading factor values. An indicator is considered valid if it has a loading factor above 0.70 (Hair et al., 2019). In the research findings, all indicators had loading factor values above 0.70, ranging from 0.910 to 0.962, indicating that the indicators were convergently valid.

Discriminant validity was used to ensure that each construct was distinct from the other constructs. Discriminant validity testing can be conducted using the Fornell-Larcker criterion and HTMT. Fornell and Larcker (1981) explained that discriminant validity can be assessed by comparing the square root of AVE with the correlations among constructs. Furthermore, Henseler et al. (2015) proposed HTMT as a more sensitive approach for detecting discriminant validity issues. Construct reliability was assessed using Cronbach's Alpha and Composite Reliability. A construct is considered reliable if the Cronbach's Alpha and Composite Reliability values are greater than 0.70 (Hair et al., 2019). In addition, an AVE value greater than 0.50 indicates that the construct is able to explain more than half of the variance of its indicators (Fornell & Larcker, 1981). In the research findings, Cronbach's Alpha values ranged from 0.953 to 0.972, Composite Reliability values ranged from 0.964 to 0.978, and AVE values ranged from 0.843 to 0.918, indicating that all constructs were reliable and valid.

### 3.9. Inner Model Assessment

The inner model assessment was conducted to evaluate the structural relationships among latent variables. This assessment included R-square values, path coefficients, t-statistics, p-values, effect size, and mediation testing. R-square was used to measure the ability of independent variables to explain the dependent variables. A higher R-square value indicates better predictive capability of the model (Hair et al., 2019). In the research findings, Employee Engagement had an R-square value of 0.945 and HR Performance Management had an R-square value of 0.871. Path coefficients were used to determine the direction and strength of relationships among variables. The effect among variables is considered significant if the t-statistic value is greater than the critical value and the p-value is less than 0.05. The significance testing procedure in PLS-SEM is generally conducted through bootstrapping because this method does not require multivariate normal distribution (Hair et al., 2019). In this study, relationships among variables were considered significant if the t-statistic value was greater than 1.972 and the p-value was less than 0.05, in accordance with the hypothesis testing criteria used in the research findings.

Effect size or f-square was used to determine the magnitude of the contribution of each exogenous variable to the endogenous variable. The f-square value helps researchers understand whether a variable has a small, medium, or large effect in the structural model (Hair et al., 2019). In the research findings, Employee Engagement had an f-square value of 6.747 on HR Performance Management, Strategic Human Resource Management had an f-square value of 1.279 on Employee Engagement, Training and Development had an f-square value of 0.352 on Employee Engagement, and Leadership Effectiveness had an f-square value of 0.214 on Employee Engagement. Mediation testing was conducted to determine whether Employee Engagement served as an intervening variable in the relationship between Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management. The mediating effect was assessed through indirect effects, t-statistics, and p-values. In modern mediation analysis, indirect effects serve as the main basis for determining the existence of mediation (Zhao et al., 2010).

## IV. Result and Discussion

### 4.1. Data Analysis

Data analysis in this study was conducted using SmartPLS through two main stages, namely the assessment of the outer model and the inner model. The outer model was used to evaluate the validity and

reliability of the constructs, while the inner model was used to examine the relationships among variables, the coefficient of determination, direct effects, mediating effects, and effect size.

a. Outer Model Assessment

The outer model assessment was conducted to ensure that the indicators used were able to measure the research constructs validly and reliably. The assessment stages included convergent validity, discriminant validity, and composite reliability.

b. Convergent Validity

Convergent validity was assessed based on the outer loading values. An indicator is considered valid if it has a loading factor above 0.70. The results of the outer loading test are presented in Table 1.

**Table 3. Outer Loadings (Measurement Model)**

| Indicator | Employee Engagement (Z) | HR Performance Management (Y) | Leadership Effectiveness (X2) | Strategic Human Resource Management (X1) | Training and Development (X3) |
|-----------|-------------------------|-------------------------------|-------------------------------|------------------------------------------|-------------------------------|
| EE1       | 0.930                   |                               |                               |                                          |                               |
| EE2       | 0.932                   |                               |                               |                                          |                               |
| EE3       | 0.923                   |                               |                               |                                          |                               |
| EE4       | 0.932                   |                               |                               |                                          |                               |
| EE5       | 0.938                   |                               |                               |                                          |                               |
| HRPM1     |                         | 0.932                         |                               |                                          |                               |
| HRPM2     |                         | 0.938                         |                               |                                          |                               |
| HRPM3     |                         | 0.936                         |                               |                                          |                               |
| HRPM4     |                         | 0.930                         |                               |                                          |                               |
| HRPM5     |                         | 0.925                         |                               |                                          |                               |
| LE1       |                         |                               | 0.960                         |                                          |                               |
| LE2       |                         |                               | 0.953                         |                                          |                               |
| LE3       |                         |                               | 0.958                         |                                          |                               |
| LE4       |                         |                               | 0.962                         |                                          |                               |
| SHRM1     |                         |                               |                               | 0.932                                    |                               |
| SHRM2     |                         |                               |                               | 0.942                                    |                               |
| SHRM3     |                         |                               |                               | 0.927                                    |                               |
| SHRM4     |                         |                               |                               | 0.939                                    |                               |
| SHRM5     |                         |                               |                               | 0.931                                    |                               |
| SHRM6     |                         |                               |                               | 0.951                                    |                               |
| TnD1      |                         |                               |                               |                                          | 0.910                         |
| TnD2      |                         |                               |                               |                                          | 0.922                         |
| TnD3      |                         |                               |                               |                                          | 0.911                         |
| TnD4      |                         |                               |                               |                                          | 0.926                         |
| TnD5      |                         |                               |                               |                                          | 0.920                         |

Based on Table 3, all indicators have loading factor values above 0.70, ranging from 0.910 to 0.962. Therefore, all indicators meet the criteria for convergent validity and are appropriate for use in the next stage of analysis.

c. Discriminant Validity

Discriminant validity was used to determine whether each construct in the model was clearly distinct from the other constructs. The results of the discriminant validity test using the Fornell-Larcker criterion are presented in Table 4.

**Table 4. Discriminant Validity Values (Fornell-Larcker)**

| Variable                                 | Employee Engagement (Z) | HR Performance Management (Y) | Leadership Effectiveness (X2) | Strategic Human Resource Management (X1) | Training and Development (X3) |
|------------------------------------------|-------------------------|-------------------------------|-------------------------------|------------------------------------------|-------------------------------|
| Employee Engagement (Z)                  | 0.931                   |                               |                               |                                          |                               |
| HR Performance Management (Y)            | 0.933                   | 0.932                         |                               |                                          |                               |
| Leadership Effectiveness (X2)            | 0.929                   | 0.950                         | 0.958                         |                                          |                               |
| Strategic Human Resource Management (X1) | 0.958                   | 0.987                         | 0.936                         | 0.937                                    |                               |
| Training and Development (X3)            | 0.898                   | 0.978                         | 0.919                         | 0.970                                    | 0.918                         |

Based on Table 4, several correlations among variables still show high values. Therefore, although the model has met the criteria for convergent validity, the discriminant validity results require further attention to ensure that each construct can be empirically distinguished. To strengthen these results, additional testing such as the Heterotrait-Monotrait Ratio (HTMT) can be used if available in the SmartPLS output.

d. Composite Reliability

Composite reliability was used to assess the internal consistency of each construct. A construct is considered reliable if the Cronbach's Alpha and Composite Reliability values are above 0.70, and the AVE value is above 0.50.

**Table 5. Composite Reliability Values**

| Variable                                 | Cronbach's Alpha | rho_a | rho_c | AVE   |
|------------------------------------------|------------------|-------|-------|-------|
| Employee Engagement (Z)                  | 0.962            | 0.962 | 0.970 | 0.867 |
| HR Performance Management (Y)            | 0.962            | 0.962 | 0.971 | 0.869 |
| Leadership Effectiveness (X2)            | 0.970            | 0.970 | 0.978 | 0.918 |
| Strategic Human Resource Management (X1) | 0.972            | 0.972 | 0.977 | 0.878 |
| Training and Development (X3)            | 0.953            | 0.953 | 0.964 | 0.843 |

Table 5 shows that all variables have Cronbach's Alpha values ranging from 0.953 to 0.972, composite reliability values ranging from 0.964 to 0.978, and AVE values ranging from 0.843 to 0.918. Therefore, all constructs are declared reliable and have good convergent validity.

e. Structural Model / Inner Model Assessment

The inner model assessment was conducted to determine the ability of the model to explain the relationships among variables. This assessment was carried out through the R-square value, path coefficients, t-statistic values, p-values, mediating effects, and effect size.

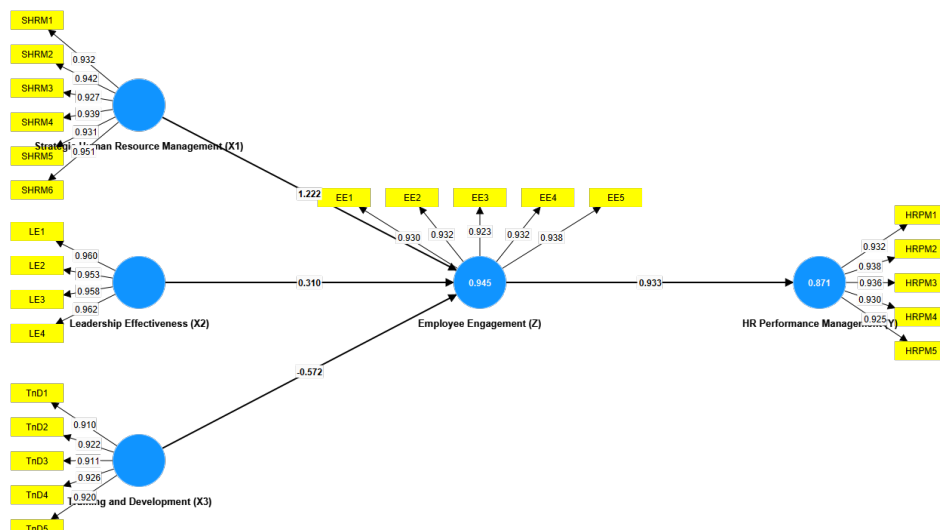


Figure 1. Tested Structural Model

## f. R-Square Value

The R-square value was used to examine the ability of the independent variables to explain the dependent variables.

Table 6. R-Square Values

| Variable                      | R-square | Adjusted R-square |
|-------------------------------|----------|-------------------|
| Employee Engagement (Z)       | 0.945    | 0.944             |
| HR Performance Management (Y) | 0.871    | 0.870             |

Based on Table 6, the Adjusted R-square value for Employee Engagement is 0.944, meaning that 94.4% of the variation in Employee Engagement can be explained by Strategic Human Resource Management, Leadership Effectiveness, and Training and Development. Meanwhile, the Adjusted R-square value for HR Performance Management is 0.870, meaning that 87.0% of the variation in HR Performance Management can be explained by the variables in the model. Thus, the research model has very strong predictive capability.

## 4.2. Hypothesis Testing Results

## a. Direct Effects

The direct effect test was conducted to examine the influence among variables based on the original sample, t-statistic, and p-value. A relationship among variables is considered significant if the t-statistic value is greater than 1.972 and the p-value is less than 0.05.

Table 7. Hypothesis Testing Results for Direct Effects

| Relationship Among Variables                                       | Original Sample | Mean   | STDEV | T-statistic | P-value | Conclusion               |
|--------------------------------------------------------------------|-----------------|--------|-------|-------------|---------|--------------------------|
| Employee Engagement (Z) → HR Performance Management (Y)            | 0.933           | 0.933  | 0.013 | 69.927      | 0.000   | Positive and significant |
| Leadership Effectiveness (X2) → Employee Engagement (Z)            | 0.310           | 0.315  | 0.074 | 4.187       | 0.000   | Positive and significant |
| Strategic Human Resource Management (X1) → Employee Engagement (Z) | 1.222           | 1.213  | 0.093 | 13.179      | 0.000   | Positive and significant |
| Training and Development (X3) → Employee Engagement (Z)            | -0.572          | -0.567 | 0.078 | 7.348       | 0.000   | Negative and significant |



Based on Table 7, all relationships among variables have t-statistic values greater than 1.972 and p-values less than 0.05. These results indicate that all direct effects in the model are significant. Strategic Human Resource Management and Leadership Effectiveness have a positive effect on Employee Engagement, while Training and Development has a negative effect on Employee Engagement. In addition, Employee Engagement is proven to have a positive effect on HR Performance Management.

b. Mediating Effects

The mediation test was conducted to determine whether Employee Engagement mediates the effect of Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management.

**Table 8. Hypothesis Testing Results for Mediating Effects**

| Mediating Relationship                                                                             | Original Sample | Mean   | STDEV | T-statistic | P-value | Description  |
|----------------------------------------------------------------------------------------------------|-----------------|--------|-------|-------------|---------|--------------|
| Leadership Effectiveness (X2) → Employee Engagement (Z) → HR Performance Management (Y)            | 0.290           | 0.294  | 0.068 | 4.256       | 0.000   | signifigcant |
| Strategic Human Resource Management (X1) → Employee Engagement (Z) → HR Performance Management (Y) | 1.141           | 1.132  | 0.085 | 13.352      | 0.000   | signifigcant |
| Training and Development (X3) → Employee Engagement (Z) → HR Performance Management (Y)            | -0.534          | -0.528 | 0.069 | 7.748       | 0.000   | signifigcant |

Based on Table 8, Employee Engagement is proven to mediate the effect of Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management. The mediation in the relationship between Strategic Human Resource Management and Leadership Effectiveness is positive, while the mediation in the relationship involving Training and Development is negative. This indicates that training and development programs that are not aligned with employee needs can reduce Employee Engagement, which ultimately affects HR Performance Management.

c. Effect Size / f-Square

Effect size was used to determine the magnitude of each variable's contribution in explaining the endogenous variables.

**Table 9. Effect Size Values (f-square)**

| Relationship Among Variables                                       | f-square | Category   |
|--------------------------------------------------------------------|----------|------------|
| Employee Engagement (Z) → HR Performance Management (Y)            | 6.747    | Very large |
| Leadership Effectiveness (X2) → Employee Engagement (Z)            | 0.214    | Moderate   |
| Strategic Human Resource Management (X1) → Employee Engagement (Z) | 1.279    | Very large |
| Training and Development (X3) → Employee Engagement (Z)            | 0.352    | Large      |

Based on Table 9, Employee Engagement has the largest contribution to HR Performance Management, with an f-square value of 6.747. Furthermore, Strategic Human Resource Management also has a very large contribution to Employee Engagement, with a value of 1.279. Training and Development has a large effect, with a value of 0.352, while Leadership Effectiveness has a moderate effect, with a value of 0.214. Therefore, Employee Engagement serves as a key variable in explaining the effectiveness of HR Performance Management.

#### 4.3. Discussion

##### a. The Effect of Strategic Human Resource Management on Employee Engagement

The results of this study indicate that Strategic Human Resource Management has a positive effect on Employee Engagement. This finding suggests that the better a company designs and implements strategic human resource management practices, the higher the level of employee engagement with their work and organization. In the context of private manufacturing companies in Garut Regency, integrated HR practices can create clarity of work direction, a sense of security, trust in the organization, and confidence that the company is committed to employee development. This finding is consistent with previous research showing that employees' perceptions of high-performance HR practices are related to positive work attitudes and behaviors (Kehoe & Wright, 2013). Kehoe and Wright explained that employees' perceptions of HR practices can influence behaviors such as intention to stay, organizational citizenship behavior, and affective commitment.

This finding is also supported by Boon et al. (2019), who emphasized that SHRM research should view HR practices as an interconnected system rather than as independent practices. This means that employee engagement cannot be built through only one aspect, such as training or rewards, but through the alignment of HR planning, competency development, leadership, evaluation, and work systems. Boon et al. also noted that HR system research still faces challenges in conceptualization and measurement, so studies examining SHRM in specific contexts such as regional manufacturing can provide more contextual empirical contributions. However, not all previous studies fully support the view that strategic HR practices always have a positive impact on employees. Van De Voorde et al. (2012) showed that the relationship between HRM, employee well-being, and organizational performance is not always mutually beneficial. In certain situations, HR practices aimed at improving organizational performance may increase work pressure, work intensification, or excessive demands perceived by employees. This difference may occur because SHRM practices are not only assessed based on their existence, but also on how employees interpret them. If HR practices are perceived as support, engagement increases; conversely, if they are perceived as pressure, engagement may decrease.

The difference between this study and previous research lies in the context and the model being tested. Kehoe and Wright's (2013) study was conducted in a large-scale food service organization, whereas this study was conducted in private manufacturing companies in Garut Regency. In addition, this study does not only examine HR practices in relation to work attitudes, but also positions Employee Engagement as an important mechanism linking strategic HR practices to HR Performance Management. Therefore, this study extends the understanding that SHRM in the context of regional manufacturing can be an important factor in building employee engagement, particularly when HR practices are perceived as relevant, fair, and aligned with job needs.

##### b. The Effect of Leadership Effectiveness on Employee Engagement

The results of this study indicate that Leadership Effectiveness has a positive effect on Employee Engagement. This finding shows that effective leadership can increase employee engagement through clear direction, support, communication, motivation, and positive work relationships. In a manufacturing environment, the role of leaders is crucial because work processes require coordination, discipline, responsiveness, and compliance with operational standards. Leaders who are able to provide clear direction and build good working relationships can make employees feel valued, trusted, and more willing to engage in their work. This finding is in line with the study by Tims et al. (2011), which found that transformational leadership can enhance work engagement because leaders are able to provide inspiration, support, and meaning to employees. The study by Breevaart et al. (2014) also showed that daily leadership behavior, both transformational and constructive transactional leadership, is associated with increased employee engagement. Theoretically, this relationship can be explained through social exchange theory, which states

that when employees receive support and positive treatment from leaders, they tend to reciprocate through engagement, loyalty, and better work contributions.

Recent research by Decuyper and Schaufeli (2020) also supports the relationship between leadership and work engagement, but explains that the influence of leadership is not always direct. Leadership may affect engagement through psychological mechanisms such as the need for autonomy, competence, social relatedness, meaningfulness, and trust. Therefore, leadership effectiveness should not only be viewed from the ability to give instructions, but also from the ability to create psychological conditions that encourage employees to become actively engaged. However, some studies indicate that the relationship between leadership and engagement may differ depending on follower characteristics and organizational context. Zhu et al. (2009) explained that the effect of transformational leadership on work engagement can be influenced by employee characteristics. This means that the same leadership style may not produce the same level of engagement among all employees. This difference may occur because employees have different needs, work experiences, levels of autonomy, and expectations toward leaders. In the context of this study, the positive relationship may occur because manufacturing employees require direct guidance and support from leaders in their daily work. Therefore, leadership effectiveness becomes a tangible factor in shaping work engagement.

The difference between this study and previous research lies in the object of study and the orientation of the final variable. Most previous studies have linked leadership to engagement or general work behavior, whereas this study links it to HR Performance Management through Employee Engagement. In other words, this study not only shows that leaders can increase employee engagement, but also explains that such engagement becomes an important part of the effectiveness of HR Performance Management.

#### c. The Effect of Training and Development on Employee Engagement

The results of this study indicate that Training and Development has a negative effect on Employee Engagement. This finding is one of the most interesting results of the study because training and development are generally assumed to have a positive impact on employee engagement. In the context of this study, the negative direction indicates that the training and development implemented may not be fully aligned with employee needs, job demands, or actual conditions in the manufacturing environment. Irrelevant training may be perceived as an additional burden, an administrative formality, or an activity that does not provide direct benefits for completing work. This finding differs from Hassett (2022), who found that access to training and development was positively related to work engagement among federal employees in the United States. Hassett explained that training can serve as a high-performance work practice as well as a job resource within the job demands-resources theory framework. This finding also differs from Aguinis and Kraiger (2009), who stated that training and development can provide benefits for individuals, teams, organizations, and society when properly designed and evaluated. Salas et al. (2012) also emphasized that training is effective when supported by needs analysis, good instructional design, practice opportunities, feedback, and transfer of training to the workplace. However, the negative finding in this study can be explained from another perspective. In job demands-resources theory, training can indeed become a job resource, but under certain conditions it can also become a job demand. This may occur when training increases time burden, does not match technical needs, provides no opportunity for application, or is not supported by leadership and work facilities. Jensen et al. (2013) showed that high-performance work practices can lead to negative consequences such as pressure, role overload, and anxiety when not accompanied by adequate job control. Thus, training that is originally designed to improve employee capacity may reduce engagement if employees perceive it as irrelevant, burdensome, or unable to solve real work problems.

The difference between this study and Hassett's (2022) research may be due to differences in organizational context. Hassett examined federal employees with a focus on access to training opportunities, whereas this study was conducted in private regional manufacturing companies, which may face different challenges such as limited production time, target pressure, specific technical skill requirements, and potentially suboptimal training evaluation systems. In the manufacturing context, training that is not directly

related to daily work needs may be more easily perceived as disrupting the work rhythm. Therefore, this study provides an important contribution by showing that training and development do not automatically increase Employee Engagement. The quality, relevance, and alignment of training with employee needs determine whether training becomes a resource or a burden.

d. The Effect of Employee Engagement on HR Performance Management

The results of this study indicate that Employee Engagement has a positive effect on HR Performance Management. This finding shows that employee engagement is an important factor in supporting the effectiveness of human resource performance management. Employees with high engagement tend to be more prepared to accept work targets, open to feedback, willing to improve performance, and committed to contributing to organizational goals. In a performance management system, employee engagement is important because performance management requires not only an appraisal system but also active participation from employees. This finding is in line with Christian et al. (2011), who, through a quantitative review, showed that work engagement is related to task performance and contextual performance. Harter et al. (2002) also found that employee engagement is associated with various business outcomes at the work-unit level. From a performance management perspective, Schleicher et al. (2018) emphasized that performance management should be understood as a system involving various components, not merely performance appraisal. They developed a system-based taxonomy to integrate performance management research and guide future research in a more practical direction.

However, some studies show that engagement does not always produce positive outcomes when it exists in a highly demanding work context. Halbesleben et al. (2009) explained that excessive engagement may be associated with work interference with family if the organization does not manage workload in a balanced manner. This means that employee engagement must be managed in a healthy way. Employees who are emotionally and cognitively engaged can contribute significantly to performance management, but if engagement is used merely to push targets without adequate support, fatigue, resistance, or declining work quality may emerge.

The difference between this study and previous research lies in the focus of the dependent variable. Many previous studies have linked engagement to individual performance, productivity, or business outcomes, whereas this study specifically links it to HR Performance Management. Therefore, this study extends the understanding that engagement not only affects employee work outcomes but also the effectiveness of the HR performance management system. In the manufacturing context, employee engagement can make the processes of target setting, evaluation, supervision, and performance improvement more effective because employees have the psychological readiness to participate in these processes.

e. The Mediating Role of Employee Engagement in the Effect of Strategic Human Resource Management on HR Performance Management

The results of this study indicate that Employee Engagement mediates the effect of Strategic Human Resource Management on HR Performance Management. This finding means that strategic HR practices do not only influence performance management directly, but also work through the improvement of employee engagement. In other words, good HR strategies will be more effective when they are able to create employees who are engaged, feel valued, and are committed to their work. This finding is in line with Jiang et al. (2012), who explained that the effect of HRM on organizational outcomes can occur through the mechanisms of employee ability, motivation, and opportunity. When HR practices improve employee ability and motivation, employees are more likely to show engagement and contributions that support organizational performance. Alfes et al. (2013) also found that perceptions of HRM practices are related to engagement and employee behavior. Kehoe and Wright (2013) also support this argument, as their study showed that perceptions of high-performance HR practices influence employee behavior through affective commitment.

However, Boon et al. (2019) reminded that the effects of HR systems are not always easy to explain because SHRM research still faces issues of conceptualization, measurement, and levels of analysis. This means that the relationship between SHRM and organizational outcomes may differ across studies depending on how HR practices are measured, who the respondents are, and how the organizational context operates. In this study, Employee Engagement becomes the mechanism that explains how SHRM practices are translated into the effectiveness of HR Performance Management. The difference between this study and previous research is that this study does not only use engagement as an outcome variable of HR practices, but also as a mediating variable that links SHRM to HR Performance Management. In addition, the context of this study is private manufacturing companies in Garut Regency, rather than public organizations, multinational companies, or large service organizations. Thus, this study contributes to the understanding that in regional manufacturing companies, strategic HR practices need to be directed toward building employee engagement so that the performance management system can operate more effectively.

f. The Mediating Role of Employee Engagement in the Effect of Leadership Effectiveness on HR Performance Management

The results of this study indicate that Employee Engagement mediates the effect of Leadership Effectiveness on HR Performance Management. This finding indicates that effective leadership can strengthen HR performance management when leaders are able to build employee engagement. In practice, leaders act as the link between organizational policies and employees' work experiences. Leaders explain targets, provide direction, conduct supervision, give feedback, and create a work environment that supports performance achievement. This finding is in line with Tims et al. (2011) and Breevaart et al. (2014), who showed that leadership can increase engagement. When engagement increases, employees are more prepared to accept performance management processes such as goal setting, evaluation, coaching, and performance improvement. This is also consistent with Schleicher et al. (2018), who viewed performance management as a system that requires the involvement of many parties, including leaders and employees.

However, this relationship does not always occur automatically. Some studies on performance management emphasize that the effectiveness of performance systems is strongly influenced by perceptions of fairness, quality of feedback, and trust in the evaluator. If leaders are unable to provide fair and constructive feedback, leadership may fail to encourage engagement and the effectiveness of performance management. Dusterhoff et al. (2014), for example, emphasized the importance of organizational justice and leader-member exchange quality in shaping satisfaction with performance appraisal. Therefore, effective leadership must be translated into concrete behaviors that support the performance process, rather than merely formal position or structural authority. The difference between this study and previous research is that this study connects leadership, engagement, and HR Performance Management in one mediation model. Most previous studies have focused more on the effect of leadership on engagement or individual performance, while this study shows that engagement is the mechanism that explains how effective leadership can support the HR performance management system. In the manufacturing context, effective leaders can increase employee engagement through clear direction, good communication, and support in completing work, making the performance management process more acceptable to employees.

g. The Mediating Role of Employee Engagement in the Effect of Training and Development on HR Performance Management

The results of this study indicate that Employee Engagement mediates the effect of Training and Development on HR Performance Management, but with a negative direction. This finding shows that training and development in this study have not fully succeeded in building employee engagement, so their impact on HR Performance Management is also not optimal. This is important because it shows that training cannot be assessed merely by the number of programs or frequency of implementation, but must be evaluated based on relevance, quality, alignment with job needs, and the company's ability to support the application of training outcomes.



This finding differs from Hassett (2022), who showed that access to training and development is positively related to work engagement. Aguinis and Kraiger (2009) and Salas et al. (2012) also showed that training can improve knowledge, skills, and performance when designed systematically. The difference in the direction of the relationship may occur because previous studies often emphasized training as a development opportunity, whereas in this study training may be perceived as not yet relevant to the needs of manufacturing employees or as not providing practical benefits for their work. The findings of this study can be explained through the perspectives of training transfer and job demands-resources theory. Training will only have a positive impact if employees are able to apply the knowledge and skills acquired to their work. If training does not match job needs, is not followed by leadership support, is not accompanied by adequate work facilities, or is not directly related to production targets, training can become an additional demand. In such conditions, employees do not perceive training as organizational support, but rather as an administrative burden or an obligation that does not help them perform their work. This may reduce engagement and ultimately weaken the effectiveness of HR Performance Management.

The difference between this study and previous research lies in the critical finding that training and development do not always increase employee engagement. This study provides an important contribution for manufacturing companies by showing that training must truly be based on job needs, relevant to technical competencies, adjusted to operational conditions, and evaluated based on its benefits for work. Therefore, companies need to ensure that Training and Development programs are not merely implemented as formalities, but serve as strategic instruments to improve competence and engagement.

## V. Conclusion

The results of this study indicate that Strategic Human Resource Management and Leadership Effectiveness play an important role in increasing Employee Engagement. This means that the better the company implements human resource management strategies that are aligned with organizational goals, and the more effective leaders are in providing direction, support, and communication to employees, the stronger the employees' engagement with their work and the company. Conversely, Training and Development has a negative effect on Employee Engagement, indicating that the company's training and development programs need to be reevaluated to ensure that they are more aligned with employee needs, job demands, and the company's operational conditions. Furthermore, Employee Engagement is proven to be an important factor in improving HR Performance Management. Employees with high engagement tend to be more prepared to accept work targets, participate in evaluation processes, respond to feedback, and contribute to the achievement of company goals. In addition, Employee Engagement is also proven to mediate the relationship between Strategic Human Resource Management, Leadership Effectiveness, and Training and Development on HR Performance Management. Thus, employee engagement serves as the main mechanism that bridges human resource management practices, leadership, and training and development with the effectiveness of human resource performance management.

Overall, this study confirms that the success of human resource performance management in private manufacturing companies in Garut Regency is not only determined by performance appraisal systems or work procedures, but also by the company's ability to build employee engagement. Strategic human resource practices and effective leadership are key factors that need to be maintained and strengthened, while training and development programs need to be adjusted to become more relevant, applicable, and capable of increasing employee engagement. Therefore, companies need to place Employee Engagement at the center of their HR Performance Management strategy so that employee productivity, commitment, and work effectiveness can improve sustainably.



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