

The Effect of Talent Management and Employee Engagement on Employee Performance with Organizational Culture As A Mediating Variable

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ABSTRACT

This study aims to analyze the influence of talent management and employee engagement on employee performance, with organizational culture as a mediator at the Directorate General of Manpower Placement and Employment Opportunity Expansion, Ministry of Manpower of the Republic of Indonesia (Ditjen Binapenta & PKK). Employee performance is the work results or task accomplishments achieved by an employee in carrying out their functions, based on established standards and responsibilities. This study used a quantitative approach with a survey method, where data were collected through questionnaires distributed to 190 employees at the Ditjen Binapenta & PKK. The data analysis techniques used were descriptive analysis and SEM-PLS analysis. The results of this study prove that: Talent management has a positive and significant effect on employee performance. Employee engagement has a positive and significant effect on employee performance. Talent management has a positive and significant effect on organizational culture. Employee engagement has a positive and significant effect on organizational culture. Organizational culture has a positive and significant effect on employee performance. Organizational culture partially mediates the effect of talent management on employee performance. Organizational culture does not mediate the effect of employee engagement on employee performance because the indirect effect is insignificant.

INTRODUCTION

Human resources (HR) are strategic assets in public-sector organizations because employee contributions directly support organizational performance and goal achievement. Effective talent management and *employee engagement* are expected to improve employee performance (Ekhsan et al., 2023). Therefore, this study examines the effects of talent management and *employee engagement* on employee performance, with organizational culture as a mediating variable.

In the context of the State Civil Apparatus (ASN), digitalization, changing public service demands, and the need for adaptive work require improved HR management. Talent management systematically manages employees based on their potential, competencies, and performance. Talented employees can contribute to sustainable organizational growth and competitive advantage when optimally utilized (Meyers, 2016; Meyers & van Woerkom, 2014). Consequently, organizations increasingly adopt strategies to manage talented employees (Yuwono et al., 2021).

Bureaucratic reform requires ASN employees to be innovative, adaptive, competent, and results-oriented. Regulation of the Minister of Administrative and Bureaucratic Reform Number 3 of 2020 provides a national framework for ASN talent management through potential and performance mapping, competency development, and career planning. Within the Ministry of Manpower, Employment Placement Officers (*Pengantar Kerja*) play a strategic role in labor-market facilitation, employment counseling, and placement services. Their roles require competencies that can adapt to digitalization, changing labor-market needs, inclusive employment access, and technology-based employment programs.

The 2020–2024 Strategic Plan of Ditjen Binapenta and PKK indicates that several employment placement and employment opportunity expansion indicators did not fully achieve their targets. The main challenges include limited labor-market information, skill mismatch, restricted labor mobility and access, limited formal employment opportunities, digital transformation and automation, and insufficient cross-sector synergy. These conditions represent organizational-level phenomena rather than direct evidence of poor individual performance, but they provide a basis for examining HR factors associated with employee performance, particularly talent management.

Empirical findings on the effect of talent management on employee performance remain inconsistent. Ekhsan et al. (2023), Mantow & Nilasari (2022), Achmada et al. (2022), Hakro et al. (2022), and Aziz (2022) found a significant effect, whereas Yuwono et al. (2021) and Mubarok & Panjaitan (2024) found no significant effect. At Ditjen Binapenta and PKK, talent management is therefore important to examine in terms of talent identification, appropriate placement, compensation, and competency development.

Employee engagement is also expected to influence employee performance by supporting employee dedication, service quality, and productivity. This study examines *employee engagement* through dedication, vigor, and absorption. Previous studies have produced inconsistent results: Ekhsan et al. (2023), Sinulingga et al. (2025), Rohman et al. (2021), and Obedgiu et al. (2023) found significant effects on employee performance, while Achmada et al. (2022) and Budiarto et al. (2023) found insignificant effects.

The inconsistent findings regarding talent management and *employee engagement* provide a basis for introducing organizational culture as a mediating variable. Organizational culture, reflected in innovation, outcome orientation, and stability, can translate talent management and employee engagement into work behavior and measurable performance. It

can also align talent development and retention with organizational values while creating a supportive work environment.

Although previous studies have examined talent management, *employee engagement*, organizational culture, and employee performance, limited research has investigated these variables simultaneously, particularly in government organizations such as Ditjen Binapenta and PKK. Therefore, this study is expected to support the evaluation of talent management, the strengthening of *employee engagement* and organizational culture, and the improvement of employee performance, while contributing empirical evidence to public-sector human resource management.

RESEARCH METHOD

Research Type

This study employs a quantitative approach with an explanatory or causal-associative research design. The quantitative approach is used to describe the characteristics of respondents and research variables, while the causal-associative design is used to examine the direct and indirect effects of talent management, *employee engagement*, organizational culture, and employee performance.

The relationships among variables are analyzed using *Partial Least Squares Structural Equation Modeling* (PLS-SEM). This design is appropriate for the research objectives, which involve testing the structural model and examining the role of organizational culture as a mediating variable.

Research Time and Location

The research is planned to be conducted from April to July 2026, covering proposal preparation, data collection, data processing, and preparation of the research report. Field data collection will be conducted after the research instrument has been deemed appropriate and research permission has been obtained from the relevant institution.

The study will be conducted at the Directorate General of Manpower Placement and Employment Opportunity Expansion, Ministry of Manpower of the Republic of Indonesia. The research location was selected based on its relevance to the research object and variables.

Population and Sample

According to Pasaribu et al. (2022:46), a population refers to all elements possessing certain characteristics. The population in this study consists of 357 State Civil Apparatus (ASN) employees holding the Functional Position of Employment Placement Officer at the Directorate General of Manpower Placement and Employment Opportunity Expansion, Ministry of Manpower of the Republic of Indonesia.

A sample is a subset of the population used as a source of research data (Pasaribu et al., 2022:49). The Slovin formula is used to determine the minimum number of respondents with a 5% margin of error as follows:

$$n = N / [1 + N(d^2)] \quad (3.1)$$

Description:

n = Total sampel

N = Population size

d = Precision value (95%, error = 0,05)

Based on the formula above, the sample size can be calculated as follows:

$$n = 357 / [1 + 357(0,05^2)]$$

$$n = 188,64$$

The Slovin calculation resulted in a minimum requirement of 189 respondents, while 190 eligible respondents participated in the study. Respondents were selected using purposive sampling, with Slovin used only as a reference for the minimum sample size. The criteria were active ASN employees holding the Functional Position of Employment Placement Officer at Ditjen Binapenta and PKK who were willing to complete the questionnaire.

Data Collection Method

Primary data were collected through questionnaires measuring talent management, *employee engagement*, organizational culture, and employee performance. The questionnaire used a 5-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).

RESULT AND DISCUSSION

Structural Equation Modeling (SEM) Analysis

PLS-SEM analysis was used to examine the influence of talent management and employee engagement on employee performance, with organizational culture serving as a mediating variable. The measurement and structural models were evaluated using SmartPLS 4.

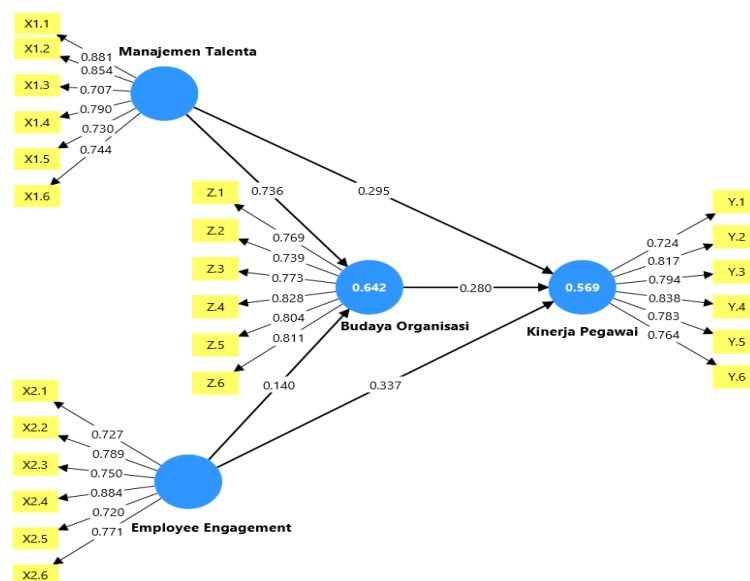


Figure 1. Full Structural Model Results (Standardized Output) – PLS Algorithm
Source: Primary data, 2026 (reprocessed)

Measurement Model Evaluation (Outer Model)

The outer model evaluation examines the relationship between latent variables and their indicators. The assessment includes convergent validity, discriminant validity, and reliability.

Convergent Validity

Convergent validity requires indicators within a construct to be strongly correlated. It is assessed using indicator loading factors, with a minimum threshold of 0.70, and Average Variance Extracted (AVE), which should exceed 0.50. The estimated loading factor results obtained using SmartPLS are presented below.

Table 1. Loading Factor Values

Variable	Indicator	Loading Factor	Description
Talent Management (X1)	X1.1	0.881	Valid
	X1.2	0.854	Valid
	X1.3	0.707	Valid
	X1.4	0.790	Valid
	X1.5	0.730	Valid
	X1.6	0.744	Valid
Employee Engagement (X2)	X2.1	0.727	Valid
	X2.2	0.789	Valid
	X2.3	0.750	Valid
	X2.4	0.884	Valid
	X2.5	0.720	Valid
	X2.6	0.771	Valid
Organizational Culture (Z)	Z.1	0.769	Valid
	Z.2	0.739	Valid
	Z.3	0.773	Valid
	Z.4	0.828	Valid
	Z.5	0.804	Valid
	Z.6	0.811	Valid
Employee Performance (Y)	Y.1	0.724	Valid
	Y.2	0.817	Valid
	Y.3	0.794	Valid
	Y.4	0.838	Valid
	Y.5	0.783	Valid
	Y.6	0.764	Valid

Source: Primary Data, 2026 (processed)

The results in Table 4.6 show that all indicators measuring talent management, *employee engagement*, organizational culture, and employee performance have *outer loading* values above 0.70, indicating high validity. Convergent validity is also assessed using *Average Variance Extracted* (AVE). According to Ghazali and Latan (2015), an AVE value above 0.50 indicates that the research model meets the requirements for convergent validity.

Table 2. Results of the Average Variance Extracted (AVE) Test

Variable	Average Variance Extracted (AVE)	Description
Talent Management	0.620	Valid
Employee Engagement	0.601	Valid
Organizational Culture	0.621	Valid
Employee Performance	0.620	Valid

Source: Primary Data, 2026 (processed)

The results in Table 2 show that all variables have AVE values above 0.50. In accordance with Ghazali and Latan (2015), all variables therefore meet the requirements for convergent validity.

Discriminant Validity

Discriminant validity is assessed using *cross loading*, the *Fornell–Larcker* criterion, and the *Heterotrait–Monotrait Ratio* (HTMT). Composite reliability is evaluated separately as part of the reliability assessment.

Cross Loading

Discriminant validity can be assessed through *cross loading*, where each indicator should have a higher loading on its associated construct than on other constructs. It can also be evaluated by comparing the square root of AVE with correlations between constructs. The SmartPLS results are presented below:

Table 3. Results of the Cross Loading Test

	Organizational Culture	Employee Engagement	Employee Performance	Talent Management
X1.1	0.806	0.373	0.559	0.881
X1.2	0.689	0.379	0.520	0.854
X1.3	0.485	0.161	0.427	0.707
X1.4	0.594	0.236	0.500	0.790
X1.5	0.577	0.349	0.536	0.730
X1.6	0.527	0.321	0.516	0.744
X2.1	0.443	0.727	0.481	0.362
X2.2	0.290	0.789	0.368	0.212
X2.3	0.311	0.750	0.399	0.332
X2.4	0.410	0.884	0.572	0.408
X2.5	0.273	0.720	0.376	0.269
X2.6	0.190	0.771	0.407	0.168
Y.1	0.487	0.358	0.724	0.484
Y.2	0.618	0.448	0.817	0.565
Y.3	0.454	0.497	0.794	0.487
Y.4	0.554	0.387	0.838	0.612
Y.5	0.526	0.511	0.783	0.468
Y.6	0.458	0.508	0.764	0.441
Z.1	0.769	0.400	0.457	0.618

	Organizational Culture	Employee Engagement	Employee Performance	Talent Management
Z.2	0.739	0.229	0.413	0.632
Z.3	0.773	0.274	0.491	0.576
Z.4	0.828	0.311	0.568	0.649
Z.5	0.804	0.425	0.603	0.623
Z.6	0.811	0.373	0.560	0.641

Source: Primary Data, 2026 (reprocessed)

The data in Table 3 indicate that all research indicators recorded their highest cross-loading coefficients on their respective primary variables compared to other variables. These findings demonstrate that the instruments used met adequate discriminant validity criteria for measuring each associated variable.

Construct Reliability

Construct reliability was evaluated using Cronbach's alpha, rho_A, and rho_C. Values above 0.70 indicate adequate internal consistency.

Table 4. Construct Reliability Test Results

Variable	Cronbach's Alpha	rho_A	rho_C	Description
Talent Management	0.876	0.888	0.907	Reliable
Employee Engagement	0.867	0.885	0.900	Reliable
Organizational Culture	0.878	0.881	0.907	Reliable
Employee Performance	0.877	0.880	0.907	Reliable

Source: Primary Data, 2026 (processed)

Table 4 shows that Cronbach's alpha, rho_A, and rho_C values for all constructs exceed 0.70, indicating adequate internal consistency of the indicators.

Fornell-Larcker Criterion

The *Fornell-Larcker* criterion evaluates discriminant validity by comparing the square root of AVE with correlations between latent variables. Each construct should have a square root of AVE higher than its correlations with other constructs. The results for *employee engagement*, *organizational culture*, *employee performance*, and *talent management* are presented below.

Table 5. Fornell-Larcker Criterion

	Organizational Culture	Employee Engagement	Employee Performance	Talent Management
Organizational Culture	0.792			
Employee Engagement	0.225	0.834		
Employee Performance	0.533	0.570	0.801	
Talent	0.734	0.221	0.582	0.814

	Organizational Culture	Employee Engagement	Employee Performance	Talent Management
Management				

Source: Primary Data, 2026 (reprocessed)

The diagonal values in Table 5 represent the square root of the AVE, calculated from Table . All diagonal values exceed the correlations between a given construct and other constructs in the same row and column; thus, discriminant validity based on the Fornell–Larcker criterion is established.

Heterotrait-Monotrait Ratio (HTMT)

The most highly recommended modern approach for assessing discriminant validity is the evaluation of the Heterotrait-Monotrait (HTMT) ratio. A construct is considered to meet the requirements for adequate discriminant validity if the obtained HTMT value falls below the 0.90 threshold.

Table 6. Heterotrait–Monotrait Ratio (HTMT) Test Results

	Organizational Culture	Employee Engagement	Employee Performance	Talent Management
Organizational Culture				
Employee Engagement	0.255			
Employee Performance	0.599	0.591		
Talent Management	0.816	0.229	0.630	

Source: Primary Data, 2026 (reprocessed)

The Heterotrait-Monotrait Ratio (HTMT) evaluation confirms that all inter-variable correlations recorded values below the 0.90 threshold. These findings demonstrate that each construct possesses adequate discriminant validity and is distinct. Consequently, the research model incorporating these four variables is considered valid.

Structural Model Measurement (Inner Model)

The structural model evaluation encompasses R^2 values, f^2 effect sizes, and path significance testing. Q^2 predict results were not available in the SmartPLS output appendix; therefore, out-of-sample predictive capability is not interpreted in this study.

R-square (R^2)

The coefficient of determination (R^2) indicates the proportion of variation in the endogenous construct that can be explained by the exogenous construct(s).

Table 7. Coefficient of Determination Results (R^2 Test)

Latent Variable	R^2
Organizational Culture	0.642
Employee Performance	0.569

Source: Primary Data, 2026 (processed)

Organizational culture has an R^2 of 0.642, indicating that 64.2% of its variance is explained by talent management and *employee engagement*, while 35.8% is explained by other factors. Employee performance has an R^2 of 0.569, meaning that 56.9% is explained by talent management, *employee engagement*, and organizational culture, while 43.1% is explained by other factors. Both values indicate moderate explanatory power.

Predictive Relevance (Q^2 Predict)

The SmartPLS output does not provide PLSpredict or Q^2 predict results. Therefore, the previously calculated value of 0.846 is not used, as Q^2 predict must be obtained through an out-of-sample prediction procedure.

Effect Size (f^2)

The f^2 value measures the relative effect of exogenous constructs on endogenous constructs, with 0.02, 0.15, and 0.35 indicating small, medium, and large effects, respectively.

Table 8. Results of the f^2 Test

	f^2
Organizational Culture → Employee Performance	0.065
Employee Engagement → Organizational Culture	0.047
Employee Engagement → Employee Performance	0.214
Talent Management → Organizational Culture	1.280
Talent Management → Employee Performance	0.075

Source: Primary Data, 2026 (reprocessed)

The conclusions drawn from the f-square (f^2) test in the table above are as follows:

- The effect of organizational culture on employee performance has an f^2 value of 0.065, indicating a small effect.
- The effect of employee engagement on employee performance has an f^2 value of 0.214, indicating a medium effect.
- The effect of employee engagement on organizational culture has an f^2 value of 0.047, indicating a small effect.
- The effect of talent management on organizational culture has an f^2 value of 1.280, indicating a large effect.
- The effect of talent management on employee performance has an f^2 value of 0.075, indicating a small effect.

Statistical Hypothesis Testing

Hypothesis testing in this study relies on parameters derived from SEM calculations, comparing them against established significance thresholds. An overview of the model evaluation and the results of the hypothesis testing is presented below:

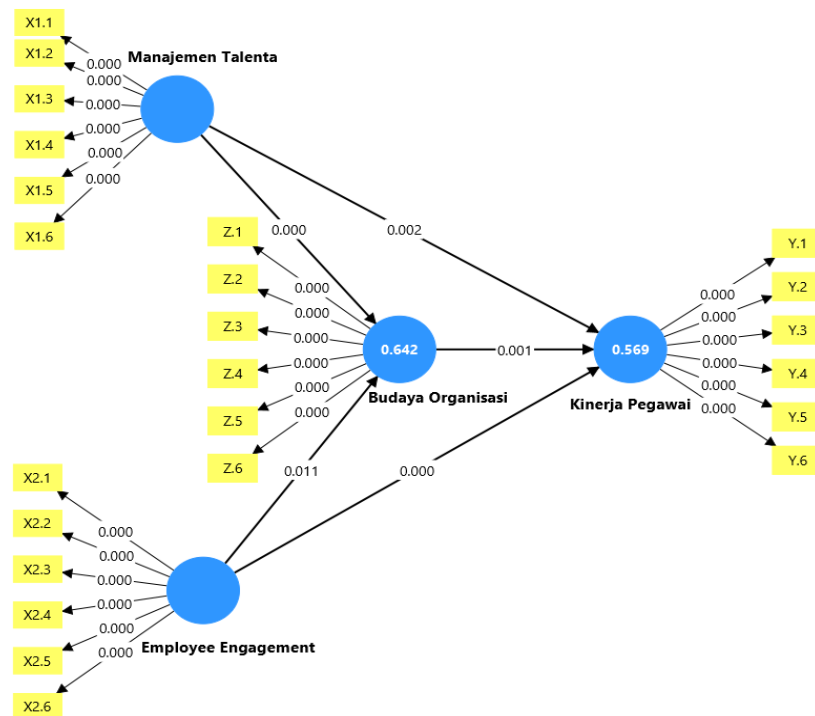


Figure 2. Standardized Output – Bootstrapping

Source: Primary data, 2026 (reprocessed)

Hypothesis testing was conducted using SmartPLS bootstrapping results at a 5% significance level. A relationship is considered significant if the t-statistic > 1.96 and the p-value < 0.05 .

Table 9. Hypothesis Test Results

Hypothesis	Variable	Path Coefficient	T-Statistics	P-Value	Description
DIRECT EFFECT					
H1	Talent Management → Employee Performance	0.295	3.167	0.002	H1 Accepted
H2	Employee Engagement → Employee Performance	0.337	5.488	<0.001	H2 Accepted
H3	Talent Management → Organizational Culture	0.736	20.109	<0.001	H3 Accepted
H4	Employee Engagement → Organizational Culture	0.140	2.542	0.011	H4 Accepted
H5	Organizational Culture → Employee Performance	0.280	3.296	0.001	H5 Accepted
INDIRECT EFFECT (MEDIATION)					
H6	Talent Management → Organizational Culture → Employee Performance	0.206	3.377	0.001	H6 Accepted; complementary partial mediation
H7	Employee Engagement → Organizational Culture → Employee Performance	0.039	1.735	0.083	H7 Rejected; no mediation occurs

Source: Primary Data, 2026 (reprocessed)

Based on the direct effect hypothesis testing results in Table 9, the findings can be explained as follows:

Direct Effect

H1: The effect of talent management on employee performance

H1 is accepted. Talent management has a positive and significant effect on employee performance, with a path coefficient of 0.295, a t-statistic of 3.167, and a p-value of 0.002.

H2: The effect of employee engagement on employee performance

H2 is accepted. Employee engagement has a positive and significant effect on employee performance, with a path coefficient of 0.337, a t-statistic of 5.488, and a p-value < 0.001.

H3: The effect of talent management on organizational culture

H3 is accepted. Talent management has a positive and significant effect on organizational culture, with a path coefficient of 0.736, a t-statistic of 20.109, and a p-value < 0.001.

H4: The effect of employee engagement on organizational culture

H4 is accepted. Employee engagement has a positive and significant effect on organizational culture, with a path coefficient of 0.140, a t-statistic of 2.542, and a p-value of 0.011.

H5: The effect of organizational culture on employee performance

H5 is accepted. Organizational culture has a positive and significant effect on employee performance, with a path coefficient of 0.280, a t-statistic of 3.296, and a p-value of 0.001.

Indirect Effect

In testing mediating variables, Hair et al. (2017) proposed an analytical framework within the context of PLS-SEM modeling, as presented in the following illustration:

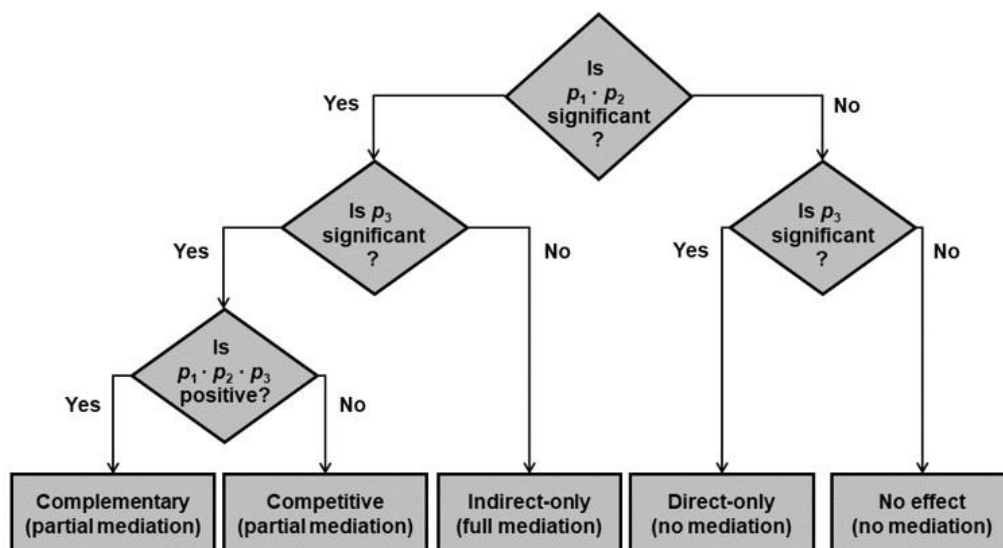


Figure 3. Mediation Model

Source: Hair et al. (2017)

Testing the indirect effect aims to evaluate the extent to which an exogenous variable influences an endogenous variable through a mediating variable. The assessment of indirect effects in this study encompasses two main hypotheses:

H6: The effect of talent management on employee performance through organizational culture

H6 is accepted. The indirect effect of talent management on employee performance through organizational culture has a coefficient of 0.206, a t-statistic of 3.377, and a p-value of 0.001. Since the direct effect of talent management on employee performance is also significant and positive, organizational culture acts as a complementary partial mediator.

H7: The effect of employee engagement on employee performance through organizational culture

H7 is rejected. The indirect effect of employee engagement on employee performance through organizational culture has a coefficient of 0.039, a t-statistic of 1.735, and a p-value of 0.083. Because the indirect effect is not significant, organizational culture does not mediate the relationship between employee engagement and employee performance.

Discussion

Effect of Talent Management on Employee Performance

Talent management has a positive and significant effect on employee performance ($\beta = 0.295$; $t = 3.167$; $p = 0.002$). This finding is consistent with Ekhsan et al. (2023), Mantow & Nilasari (2022), Achmada et al. (2022), Hakro et al. (2022), and Aziz (2022). Effective talent management supports appropriate placement, training, development, and resources for employees. The highest mean was X1.6 (4.08), while financial rewards (X1.3) had the lowest mean (3.45). These findings support strengthening talent mapping, competency-based placement, training, and career development with objective indicators.

Effect of Employee Engagement on Employee Performance

Employee engagement has a positive and significant effect on employee performance ($\beta = 0.337$; $t = 5.488$; $p < 0.001$), consistent with Ekhsan et al. (2023), Sinulingga et al. (2025), Rohman et al. (2021), and Obedgiu et al. (2023). The highest mean was X2.3, concerning perseverance in difficult tasks (4.30), while X2.6, concerning concentration on work, had the lowest mean (4.09), although still in the good category. These findings highlight the importance of feedback, clear goals, work support, and recognition in maintaining employee dedication, energy, and focus.

Effect of Talent Management on Organizational Culture

Talent management has a positive and significant effect on organizational culture ($\beta = 0.736$; $t = 20.109$; $p < 0.001$), representing the strongest direct effect in the model. This finding is consistent with Yuwono et al. (2021) and Setyawan and Nelson (2021). Talent identification, placement, compensation, and development are associated with organizational culture supporting innovation, outcome orientation, and stability.

The ASN organizational culture is also based on the BerAKHLAK core values: Service-Oriented, Accountable, Competent, Harmonious, Loyal, Adaptive, and Collaborative, which serve as the foundation of ASN work culture in Indonesia.

Effect of Employee Engagement on Organizational Culture

Employee engagement has a positive and significant effect on organizational culture ($\beta = 0.140$; $t = 2.542$; $p = 0.011$). This indicates that employee dedication, vigor, and absorption are positively associated with organizational culture. This finding should not be directly stated as supporting Hasan (2023) and Abdullahi et al. (2021), as those studies examined the opposite direction, namely organizational culture toward *employee engagement*. The effect is smaller than that of talent management, indicating that organizational culture is more strongly explained by talent management, while *employee engagement* still makes a significant positive contribution.

Effect of Organizational Culture on Employee Performance

Organizational culture has a positive and significant effect on employee performance ($\beta = 0.280$; $t = 3.296$; $p = 0.001$), indicating that innovation, outcome orientation, and stability are associated with higher employee performance. This finding is consistent with Hasan (2023), Rohman et al. (2021), and Mubarok and Panjaitan (2024). The highest mean for organizational culture was Z1 (4.13), while Z2 had the lowest (3.86). For employee performance, Y5 had the highest mean (4.28) and Y1 the lowest (3.96), with all indicators remaining in the good or very good category. These findings support strengthening a work culture that promotes innovation, clear outcome orientation, and consistent work processes.

Effect of Talent Management on Employee Performance Through Organizational Culture

The indirect effect of talent management on employee performance through organizational culture is positive and significant ($\beta = 0.206$; $t = 3.377$; $p = 0.001$), indicating that organizational culture mediates this relationship. This finding is consistent with Setyawan and Nelson (2021). The direct effect of talent management on employee performance also remains significant ($\beta = 0.295$), indicating complementary partial mediation. Thus, talent management improves performance both directly and through organizational culture. Strengthening talent management should therefore be accompanied by a culture that supports innovation, outcome orientation, and process stability.

Effect of Employee Engagement on Employee Performance Through Organizational Culture

The indirect effect of *employee engagement* on employee performance through organizational culture is not significant ($\beta = 0.039$; $t = 1.735$; $p = 0.083$). Therefore, organizational culture does not mediate this relationship. The conclusion is based on the indirect-effect *p-value* exceeding 0.05. However, *employee engagement* has a significant direct effect on employee performance ($\beta = 0.337$), indicating that its influence primarily

occurs through the direct pathway. Further research may examine other mediating mechanisms, broader organizational culture measures, or longitudinal designs.

CONCLUSION

Based on the model testing results and discussion, the research conclusions are as follows:

1. Talent management has a positive and significant effect on employee performance ($\beta = 0.295$; $t = 3.167$; $p = 0.002$); H1 is accepted.
2. Employee engagement has a positive and significant effect on employee performance ($\beta = 0.337$; $t = 5.488$; $p < 0.001$); H2 is accepted.
3. Talent management has a positive and significant effect on organizational culture ($\beta = 0.736$; $t = 20.109$; $p < 0.001$); H3 is accepted.
4. Employee engagement has a positive and significant effect on organizational culture ($\beta = 0.140$; $t = 2.542$; $p = 0.011$); H4 is accepted.
5. Organizational culture has a positive and significant effect on employee performance ($\beta = 0.280$; $t = 3.296$; $p = 0.001$); H5 is accepted.
6. Organizational culture partially mediates (complementary mediation) the effect of talent management on employee performance (indirect $\beta = 0.206$; $t = 3.377$; $p = 0.001$); H6 is accepted.
7. Organizational culture does not mediate the effect of employee engagement on employee performance because the indirect effect is not significant ($\beta = 0.039$; $t = 1.735$; $p = 0.083$); H7 is rejected.

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