# Model for Improving Customer Service Performance through Strengthening Human Resource Competencies

**Agus Susanto, Hernawaty**

**Abstract**

This study aims to examine the effect of Human Resource Competency Strengthening and Customer Relationship Management (CRM) on Customer Service Performance with Training as an intervening variable at PLN UID Aceh. A total of 140 respondents were selected using purposive sampling. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results indicate that Human Resource Competency Strengthening and Customer Relationship Management have a positive and significant effect on Training. Training also has a positive and significant effect on Customer Service Performance. Furthermore, Customer Relationship Management has a direct positive effect on Customer Service Performance, while Human Resource Competency Strengthening does not have a direct effect but operates through Training as a mediator. These findings highlight the importance of Training as a mechanism to enhance customer service performance through competency strengthening and effective CRM implementation.

**Keywords:** Strengthening HR Competence, Customer Relationship Management, Training, Customer Service Performance

Agus Susanto[1]

[1]Management Study Program, Universitas Pembangunan Panca Budi, Indonesia e-mail: susantoagus0483@gmail.com[1]

Hernawaty[2]

[2]Management Study Program, Universitas Pembangunan Panca Budi, Indonesia e-mail: hernawaty@dosen.pancabudi.ac.id[2]

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## Introduction

Customer service plays a crucial role in building relationships between customers and companies through direct interaction, information delivery, complaint handling, to technical problem resolution. Good performance from this department not only increases customer satisfaction but also influences the public image and trust towards PLN as a national vital service provider. Therefore, improving customer service performance is very important and must be pursued systematically and sustainably. The main factor determining the success of customer service performance is human resource (HR) competency. Competency encompasses a combination of knowledge, skills, attitudes, and work behaviors used by individuals in carrying out their duties. According to Spencer and Spencer (2016), competency is a fundamental characteristic of a person that is causally related to effective job performance. In the context of PLN UID Aceh, strengthening HR competency is an urgent need, considering the increasingly complex service demands and continuously rising customer expectations. Employees with good technical and interpersonal competencies will be more adaptable to technological changes and able to provide quick solutions to various customer complaints. In addition to competency, the success of customer service also depends heavily on the extent to which the organization manages Customer Relationship Management (CRM). Effective CRM implementation at PLN UID Aceh enables the company to manage customer data in an integrated manner, understand customer behavior and needs, and adjust services to be more responsive and personalized. CRM can be a strategic tool in creating customer satisfaction, loyalty, and trust in PLN services. Training has an important role in bridging the gap between the basic competencies possessed by employees and the dynamic job demands. Through appropriate and continuous training, employees can update knowledge, improve skills, and develop work behaviors in line with the expected customer service values of PLN. Even with good competency and CRM, without effective training, optimal performance results may not be achieved. Training functions to ensure that employees have the same understanding of the CRM system, can operate service technology optimally, and possess good communication skills and empathy towards customers. The relationship between strengthening HR competencies, CRM, training, and customer service performance is very close and interdependent. PLN UID Aceh, as a public service organization, needs to pay attention to the synergy between these four aspects in efforts to improve service quality to the community. Through an integrated HR management approach combined with a CRM system and supported by continuous training programs, it is hoped that customer service performance can improve significantly and be able to meet customer expectations in the era of service digitalization.

## Problem Formulation

1. Does Strengthening HR Competencies have a positive and significant effect on Customer Service Performance at PLN UID Aceh?
2. Does Customer Relationship Management (CRM) have a positive and significant effect on Customer Service Performance at PLN UID Aceh?
3. Does Strengthening HR Competencies have a positive and significant effect on Training at PLN UID Aceh?
4. Does Customer Relationship Management (CRM) have a positive and significant effect on Training at PLN UID Aceh?
5. Does Training have a positive and significant effect on Customer Service Performance at PLN UID Aceh?
6. Does Strengthening Competencies have a positive and significant effect on Customer Service Performance through Training at PLN UID Aceh?
7. Does Customer Relationship Management (CRM) have a positive and significant effect on Customer Service Performance through Training at PLN UID Aceh?

**Research Objectives**

The objectives of this research are:

1. To test and analyze the effect of Strengthening HR Competencies on Customer Service Performance at PLN UID Aceh.
2. To test and analyze the effect of Customer Relationship Management (CRM) on Customer Service Performance at PLN UID Aceh.
3. To test and analyze the effect of Strengthening HR Competencies on Training at PLN UID Aceh.
4. To test and analyze the effect of Customer Relationship Management (CRM) on Training at PLN UID Aceh.
5. To test and analyze the effect of Training on Customer Service Performance at PLN UID Aceh.
6. To test and analyze the effect of Strengthening HR Competencies on Customer Service Performance through Training at PLN UID Aceh.
7. To test and analyze the effect of Customer Relationship Management (CRM) on Customer Service Performance through Training at PLN UID Aceh.

**Literature Review Customer Service Performance**

According to Robbins & Judge (2019): Performance is the result of an individual's work in carrying out tasks according to set standards. According to Mathis & Jackson (2017): Customer Service Performance is the ability of employees to provide services that meet standards of quality, speed, and effectiveness of problem resolution. Good performance contributes to customer satisfaction and organizational image.

**Indicators of Customer Service Performance**

According to Mathis & Jackson (2017), indicators of Customer Service Performance are:

1. Speed of response to customers
2. Accuracy of problem resolution
3. Quality of communication and interaction
4. Customer satisfaction
5. Adherence to procedures

**Factors Influencing Customer Service Performance:**

According to Mathis and Jackson (2017) in the book Human Resource Management, employee performance, including customer service, is influenced by several main factors, namely: 1. Ability, The level of knowledge and skills possessed to carry out customer service tasks well.

2. Motivation, Internal and external drives that make employees enthusiastic about providing the best service.
3. Organizational Support, Encompasses facilities, policies, and leadership that help employees work optimally.
4. Work Environment, Comfortable working conditions and harmonious social relationships among employees and with customers.
5. Performance Evaluation and Feedback, A clear assessment and feedback system helps improve performance.

**Strengthening Human Resource (HR) Competencies**

According to Armstrong & Taylor (2017), HR Competency is the observable and measurable ability of employees, which enables them to perform tasks and contribute to organizational success. According to Sutrisno (2017), strengthening HR competencies is the process of nurturing and developing employee abilities through directed training, education,

and work experience so that individuals have skills appropriate to job demands and organizational development.

**Indicators of Human Resource Competency**

Indicators of HR Competency according to Sutrisno (2017) are as follows:

1. Knowledge The ability of employees to understand theory, procedures, and information relevant to the work performed.
2. Skills The ability of employees to apply knowledge practically to complete work tasks.
3. Work Attitude/Behavior Employee behavior that reflects professionalism, work ethics, and responsibility towards work.
4. Adaptability The ability of employees to adapt to changes in the work environment, technology, or new procedures.
5. Problem-Solving Ability The ability of employees to analyze problems, make appropriate decisions, and find effective solutions in work.

**Customer Relationship Management (CRM)**

According to Buttle & Maklan (2019): CRM is a managerial strategy for building mutually beneficial long-term relationships between companies and customers. Payne & Frow (2017): CRM is an integrated approach to managing customer interactions with the aim of increasing satisfaction and loyalty. CRM implementation utilizes technology and data to understand customer needs.

**CRM Indicators (Buttle & Maklan, 2019) are as follows:**

1. Customer data management
2. Effective communication
3. Complaint handling
4. Service personalization
5. Customer loyalty

**Training**

According to Dessler (2017), training is a systematic effort to improve employee effectiveness through mastery of relevant skills and knowledge. Training plays an important role in improving employee competency and work effectiveness. Training helps employees develop abilities and skills relevant to their duties. According to Noe (2017), training is the process of developing employee abilities through learning activities to improve knowledge, skills, and work behavior.

**Training Indicators (Noe, 2017):**

1. Frequency of training
2. Quality of training materials
3. Relevance of training to the job
4. Employee participation
5. Application of training results

## Conceptual Framework

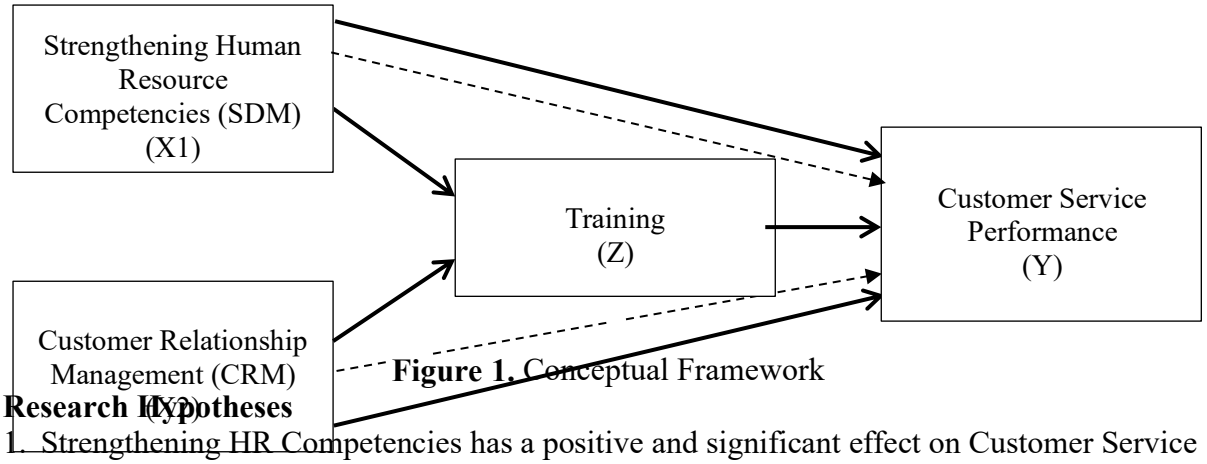


**Figure 1.** Conceptual Framework

## Research Hypotheses

1. Strengthening HR Competencies has a positive and significant effect on Customer Service Performance at PLN UID Aceh.
2. Customer Relationship Management (CRM) has a positive and significant effect on Customer Service Performance at PLN UID Aceh.
3. Strengthening HR Competencies has a positive and significant effect on Training at PLN UID Aceh.
4. Customer Relationship Management (CRM) has a positive and significant effect on Training at PLN UID Aceh.
5. Training has a positive and significant effect on Customer Service Performance at PLN UID Aceh.
6. Strengthening HR Competencies has a positive and significant effect on Customer Service Performance through Training at PLN UID Aceh.
7. Customer Relationship Management (CRM) has a positive and significant effect on Customer Service Performance through Training at PLN UID Aceh.

## Research Type

This research is quantitative research with a survey approach. According to Sugiyono (2019), quantitative research is a research method based on the philosophy of positivism used to study specific populations or samples, data collection uses research instruments, and data analysis is statistical to test predetermined hypotheses. Furthermore, according to Arikunto (2018), quantitative research with the survey method aims to obtain factual and objective data about the variables studied in a specific population using a representative sample.

Thus, this research uses a quantitative approach because the data collected is in the form of numbers and will be analyzed statistically, and uses the survey method because data is obtained by distributing questionnaires to respondents.

## Research Time and Place

This research was conducted at Jl. Tgk. Moh. Daud Beureueh No.172, Bandar Baru, Kecamatan Kuta Alam, Kota Banda Aceh, Aceh 24415. The selection of this location is based on the relevance of the place to the research object being studied. According to Sugiyono (2017), determining the research location must consider ease of data access and the connection between the location and the variables studied. The research implementation time started in October 2025 until the research is completed, covering the preparation stage, instrument preparation, data collection, data analysis, and research report preparation. According to

Arikunto (2018), research time is an important aspect that must be explained in detail so that the research has clear implementation stages.

**Research Population and Sample**

According to Arikunto (2019), a population is the entire subject of research that has certain characteristics and is determined by the researcher to be studied and from which conclusions are drawn. According to Sugiyono (2018), a population is the generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions are drawn. The respondents in this study were all 215

According to Umar (2019), the Slovin formula is used to determine the sample size when the population size is known and the researcher wants to determine a certain error level (margin of error).

The Slovin formula is as follows:

The following are the results of calculating the sample size using the Slovin formula based on a population of 215 respondents with an error level (e) of 0.05 (5%).

Slovin Formula: n
= N / (1 + N * $e^2$)
Description:
N = population size (215) e
= error level (0,05)
Calculation steps:
1. Calculate $e^2 = 0,05 \times 0,05 = 0,0025$
2. Multiply $N \times e^2 = 215 \times 0,0025 = 0,5375$
3. Add $1 + (N \times e^2) = 1 + 0,5375 = 1,5375$
4. Divide N by that result: $n = 215 / 1,5375 = 139,83$

The calculation result is rounded up to 140 respondents.
Thus, the sample size used in this study is 140 people.

**Data Collection Technique**

According to Sugiyono (2020), a questionnaire is a data collection technique carried out by providing a set of written questions or statements to respondents to be answered. This technique is suitable for use in quantitative research because it is able to collect large amounts of data in a relatively short time.

**Data Sources**

This research uses two types of data sources, namely primary data and secondary data. **a.** Primary Data

According to Sugiyono (2021), primary data is data obtained directly from primary sources in the field through interviews, observations, or questionnaires. Primary data in this study was obtained through respondents' answers to the distributed questionnaires. b. Secondary Data

According to Arikunto (2020), secondary data is data obtained by the researcher from existing sources such as institutional reports, documentation, literature, scientific journals, and other supporting data relevant to the research. Secondary data is used to complement and strengthen the results of primary data.

**Data Analysis Technique with SmartPLS**

1. Data Analysis

According to Sugiyono (2019), data analysis is the process of processing data so that it can provide meaning and conclusions regarding the research results. Meanwhile, according to Hair et al. (2017), data analysis is the activity of organizing, processing, and interpreting the obtained data so that it can be used to test hypotheses and answer research questions.

In this study, data analysis was performed using Partial Least Squares – Structural Equation Modeling (PLS-SEM) through the latest version of the SmartPLS software, because this method is able to analyze complex relationships between latent variables and their indicators, both reflective and formative.

2. Data Analysis Stages Using SmartPLS

a. Measurement Model Evaluation (Outer Model)

Evaluation of the measurement model aims to assess the validity and reliability of the constructs. According to Hair et al. (2021), there are three main stages in evaluating the outer model:

1. Convergent Validity Test: Seen from the value of outer loading and Average Variance Extracted (AVE).
2. Discriminant Validity Test: Seen from the value of the Fornell-Larcker Criterion and Cross Loading.
3. Construct Reliability Test: Seen from the value of Composite Reliability and Cronbach's Alpha.

b. Structural Model Evaluation (Inner Model)

The steps for evaluating the inner model include:

1. R-Square ($R^2$) Test: Measures how much variation in the endogenous construct can be explained by the exogenous constructs.
   - $R^2 = 0.67$ (strong), $R^2 = 0.33$ (moderate), $R^2 = 0.19$ (weak).
2. Predictive Relevance Test ($Q^2$): Used to assess the predictive ability of the model.
   - A $Q^2$ value > 0 indicates that the model has predictive relevance.
3. Goodness of Fit (GoF) Test: Assesses the overall model fit (although optional in PLS).
4. Path Coefficient Significance Test: This test uses the bootstrapping method with 5,000 samples to obtain the t-statistic and p-value. Relationships between variables are significant if t-statistic ≥ 1.96 and p-value ≤ 0.05.

**Results Outer Model Analysis**

The measurement model (outer model) test is used to determine the specification of the relationship between latent variables and their manifest variables. This test includes convergent validity, discriminant validity, and reliability.

**Convergent Validity**

Convergent validity of the reflective measurement model can be seen from the correlation between the item/indicator score and its construct score. Individual indicators are considered reliable if they have a correlation value above 0.70. However, in scale development research, loadings of 0.50 to 0.60 are still acceptable. Based on the result for outer loading, it shows that some indicators have loadings below 0.60 and are not significant. The structural model in this study is shown in the following Figure:

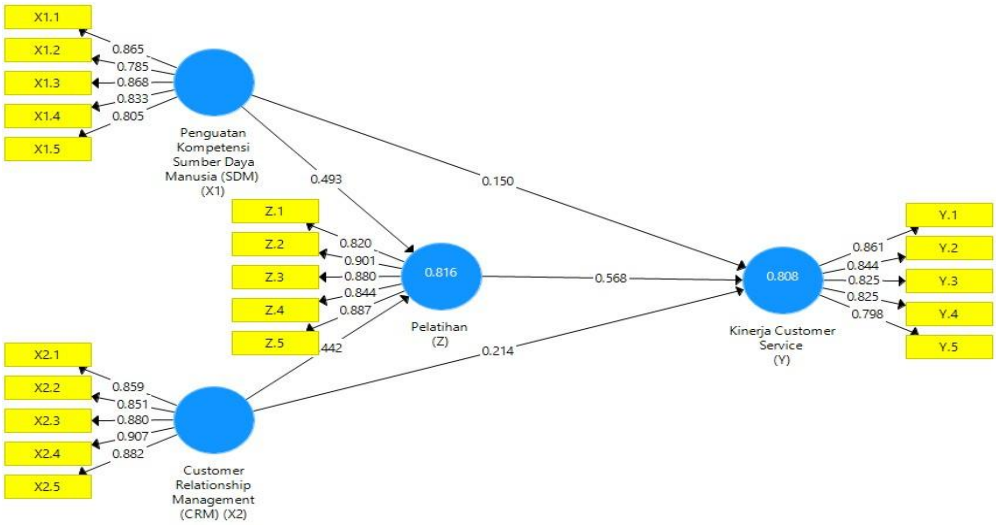


**Figure 2.** Outer Model

Source: Smart PLS 3.3.3

Smart PLS output for loading factor provides the following table results: Outer Loadings. In this study, there are equations and the equation consists of two substructures for substructure 1.

Z = b1X1 + b2X2 + e1

Z = 0,493 + 0,442 + e1

For substructure 2

Y = b3X1 + b4X2 + b5Z + e2

Y = 0,150 + 0,214 + 0,568 + e2

**Table 1.** Outer Loadings

| | Customer Relationship Management (CRM) (X2) | Customer Service Performance _(Y) | Training _(Z) | Strengthening Human Resource Competencies (SDM) _(X1) |
|---|---|---|---|---|
| X1.1 | | | | 0,865 |
| X1.2 | | | | 0,785 |
| X1.3 | | | | 0,868 |
| X1.4 | | | | 0,833 |
| X1.5 | | | | 0,805 |
| X2.1 | 0,859 | | | |
| X2.2 | 0,851 | | | |
| X2.3 | 0,880 | | | |
| X2.4 | 0,907 | | | |
| X2.5 | 0,882 | | | |
| Y.1 | | 0,861 | | |
| Y.2 | | 0,844 | | |
| Y.3 | | 0,825 | | |
| Y.4 | | 0,825 | | |
| Y.5 | | 0,798 | | |
| Z.1 | | | 0,820 | |
| Z.2 | | | 0,901 | |

| | | | | |
|---|---|---|---|---|
| Z.3 | | | 0,880 | |
| Z.4 | | | 0,844 | |
| Z.5 | | | 0,887 | |

Source : Smart PLS 3.3.3

Based on the outer loadings results, all indicators of the Strengthening HR Competencies, Customer Relationship Management, Customer Service Performance, and Training variables have values above 0.7, ranging from 0.785 to 0.907. This shows that all indicators are valid and reliable in measuring their respective variables, so they can be used consistently in the research model.

**Discriminat Validity**

The next research is to determine data that is valid in terms of Discriminant Validity, aiming to see if the cross loading value is greater than other latent variables to determine the result that indicators correlate highly with their construct. The following table shows the cross loading results from the validity test:

**Table 2.** Discriminant Validity

| | Customer Relationship Management (CRM) (X2) | Customer Service Performance _(Y) | Training _(Z) | Strengthening Human Resource Competencies (SDM) _(X1) |
|---|---|---|---|---|
| X1.1 | 0,757 | 0,674 | 0,739 | 0,865 |
| X1.2 | 0,661 | 0,709 | 0,759 | 0,785 |
| X1.3 | 0,711 | 0,718 | 0,758 | 0,868 |
| X1.4 | 0,698 | 0,646 | 0,637 | 0,833 |
| X1.5 | 0,778 | 0,710 | 0,739 | 0,805 |
| X2.1 | 0,859 | 0,773 | 0,741 | 0,754 |
| X2.2 | 0,851 | 0,778 | 0,775 | 0,750 |
| X2.3 | 0,880 | 0,661 | 0,764 | 0,736 |
| X2.4 | 0,907 | 0,725 | 0,772 | 0,758 |
| X2.5 | 0,882 | 0,727 | 0,754 | 0,800 |
| Y.1 | 0,751 | 0,861 | 0,799 | 0,763 |
| Y.2 | 0,746 | 0,844 | 0,791 | 0,745 |
| Y.3 | 0,651 | 0,825 | 0,690 | 0,604 |
| Y.4 | 0,638 | 0,825 | 0,694 | 0,635 |
| Y.5 | 0,685 | 0,798 | 0,692 | 0,702 |
| Z.1 | 0,754 | 0,722 | 0,820 | 0,693 |
| Z.2 | 0,783 | 0,818 | 0,901 | 0,785 |
| Z.3 | 0,739 | 0,800 | 0,880 | 0,802 |
| Z.4 | 0,691 | 0,703 | 0,844 | 0,721 |
| Z.5 | 0,799 | 0,789 | 0,887 | 0,792 |

Source : Smart PLS 3.3.3

Based on Table 2 Discriminant Validity, all indicators show loading values on their respective variables are higher than the loading on other variables. This indicates that each indicator more strongly represents its own variable than other variables, so it can be concluded that the four variables, namely Strengthening HR Competencies, Customer Relationship Management, Customer Service Performance, and Training, have good discriminant validity. In other words, the constructs of each variable are clearly separate and do not overlap.

**Composite reliability**

In the research, composite reliability is used to see each variable with its reliability value. If the variable's value is greater than 0.60, the research is considered reliable, and if below 0.60 and 0.7, it is not reliable. There are several blocks to determine whether the research is reliable or not and valid or not, including Cronbach's alpha value, composite reliability, and AVE value, as can be seen in the table below:

**Table 3.** Construct Reliability and Validity

| | Cronbach's Alpha | Composite Reliability | Average Variance Extracted (AVE) |
|---|---|---|---|
| Customer Relationship Management (CRM) (X2) | 0,924 | 0,943 | 0,767 |
| Customer Service Performance _(Y) | 0,888 | 0,918 | 0,690 |
| Training _(Z) | 0,917 | 0,938 | 0,751 |
| Strengthening Human Resource Competencies (SDM) _(X1) | 0,888 | 0,918 | 0,692 |

Source : Smart PLS 3.3.3

Based on Table 3 Construct Reliability and Validity, all variables have Cronbach's Alpha and Composite Reliability values above 0.7, and AVE values above 0.5. This shows that the four variables, namely Strengthening HR Competencies, Customer Relationship Management, Customer Service Performance, and Training, have high reliability and good construct validity, so their indicators are consistent and able to represent their respective variables well.

**Inner Model Analysis**

Evaluation of the structural model (inner model) is carried out to ensure the built structural model is robust and accurate. The analysis stages performed in the evaluation of the structural model are seen from several indicators, namely:

**1. Coefficient of Determination (R2)**

Based on data processing that has been carried out using the SmartPLS 3.0 program, the R Square values obtained are as follows:

**Table 4.** R Square Results

| | R Square | Adjusted R Square |
|---|---|---|
| Customer Service Performance _(Y) | 0,808 | 0,804 |
| Training _(Z) | 0,816 | 0,814 |

Source : Smart PLS 3.3.3

Based on Table 4. R Square Results, the independent variables are able to explain Customer Service Performance by 80.8% (Adjusted $R^2$ = 0.804) and Training by 81.6% (Adjusted $R^2$ = 0.814). This shows that the research model has high predictive ability, and most of the variation in Customer Service Performance and Training can be explained by the variables in the model.

**Hypothesis Testing**

After assessing the inner model, the next step is to evaluate the relationship between latent constructs as hypothesized in this study. Hypothesis testing in this study is performed by looking at T-Statistics and P-Values. A hypothesis is stated as accepted if the T-Statistics value > 1.96 and P-Values < 0.05. The following are the Path Coefficients results for direct effects:

**Table 5.** Path Coefficients (Direct Effects)

| | Original Sample (O) | T Statistics (\| O/STDEV \|) | P Values | Results |
|---|---|---|---|---|
| Customer Relationship Management (CRM) (X2) -> Customer Service Performance _(Y) | 0,214 | 2,473 | 0,007 | Accepted |
| Customer Relationship Management (CRM) (X2) -> Training _(Z) | 0,442 | 6,254 | 0,000 | Accepted |
| Training _(Z) -> Customer Service Performance _(Y) | 0,568 | 4,934 | 0,000 | Accepted |
| Strengthening Human Resource Competencies (SDM) _(X1) -> Customer Service Performance _(Y) | 0,150 | 1,451 | 0,074 | Rejected |
| Strengthening Human Resource Competencies (SDM) _(X1) -> Training _(Z) | 0,493 | 7,416 | 0,000 | Accepted |

Source : Smart PLS 3.3.3

1. The effect of Customer Relationship Management on Customer Service Performance is accepted with a path coefficient value of 0.214, T-statistic 2.473, and p-value 0.007. This shows that improving Customer Relationship Management contributes positively and significantly to improving Customer Service Performance.
2. The effect of Customer Relationship Management on Training is accepted with a path coefficient of 0.442, T-statistic 6.254, and p-value 0.000. This means that the better the implementation of Customer Relationship Management, the more the effectiveness of Training increases.
3. The effect of Training on Customer Service Performance is accepted with a path coefficient of 0.568, T-statistic 4.934, and p-value 0.000. This shows that Training has a strong and significant effect in improving Customer Service Performance.
4. The effect of Strengthening Human Resource Competencies on Customer Service Performance is rejected with a path coefficient of 0.150, T-statistic 1.451, and p-value 0.074. This means that Strengthening Human Resource Competencies does not have a direct significant effect on Customer Service Performance.

5. The effect of Strengthening Human Resource Competencies on Training is accepted with a path coefficient of 0.493, T-statistic 7.416, and p-value 0.000. This means that improving Strengthening Human Resource Competencies significantly increases the effectiveness of Training.

**Table 6.** Path Coefficients (Indirect Effects)

| | Original Sample (O) | T Statistics (\| O/STDEV \|) | P Values | Results |
|---|---|---|---|---|
| **Customer Relationship Management (CRM) (X2) -> Training _(Z) -> Customer Service Performance _(Y)** | 0,251 | 3,731 | **0,000** | **Accepted** |
| **Strengthening Human Resource Competencies (SDM) _(X1) -> Training _(Z) -> Customer Service Performance _(Y)** | 0,280 | 4,251 | **0,000** | **Accepted** |

Source : Smart PLS 3.3.3

6. The effect of Customer Relationship Management on Customer Service Performance through Training is accepted with an indirect coefficient value of 0.251, T-statistic 3.731, and p-value 0.000. This shows that Customer Relationship Management significantly increases Customer Service Performance through the mechanism of Training.
7. The effect of Strengthening Human Resource Competencies on Customer Service Performance through Training is accepted with an indirect coefficient of 0.280, T-statistic 4.251, and p-value 0.000. This means that Strengthening Human Resource Competencies has a positive and significant effect on Customer Service Performance when mediated by Training.

**Conclusion**

1. Work Ethic Culture has a positive and significant effect on Employee Performance with a coefficient of 0.417, T-statistic 2.545, and p-value 0.006, which indicates that improving work ethic culture directly improves employee performance.
2. Work Ethic Culture has a positive and significant effect on Organizational Commitment (coefficient 0.448; T-statistic 3.386; p-value 0.000), showing that a good work ethic culture increases employee commitment to the organization.
3. Leadership does not have a significant effect on Employee Performance (coefficient -0.038; T-statistic 0.216; p-value 0.415), so leadership directly does not yet impact employee performance in this model.
4. Leadership has a positive and significant effect on Organizational Commitment with a coefficient of 0.490, T-statistic 3.428, and p-value 0.000, indicating that effective leadership can increase employee commitment to the organization.
5. Organizational Commitment has a positive and significant effect on Employee Performance (coefficient 0.584; T-statistic 3.820; p-value 0.000), so increasing commitment directly improves employee performance.
6. Work Ethic Culture through Organizational Commitment has a positive and significant effect on Employee Performance with an indirect coefficient of 0.261, T-statistic 3.140, and p-

value 0.001. This shows that Organizational Commitment acts as a mediator that strengthens the influence of work ethic culture on employee performance.

7. Leadership through Organizational Commitment has a positive and significant effect on Employee Performance with an indirect coefficient of 0.286, T-statistic 2.171, and p-value 0.015, indicating that Organizational Commitment also mediates the relationship between leadership and employee performance.

**Suggestions**

1. Organizations should continue to instill a good work ethic culture through training, coaching, and the application of ethical values, as it has been proven to improve employee performance and commitment.
2. Improving effective leadership needs to be a focus, especially in increasing organizational commitment, for example through clear communication, exemplary behavior, and support for employees.
3. Organizations are advised to utilize organizational commitment as a mediator by increasing employee loyalty and engagement through development programs and performance recognition.
4. Employee training and development should be aligned with the applied work culture and leadership to maximize the positive influence on performance.

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