

## The Role of HR Strategy and Work Capability on Employee Performance of Bank Mandiri Palangka Raya Branch, Central Kalimantan-Indonesia

Ferdinand<sup>1\*</sup>, Vivy Kristinae<sup>2</sup>, Haipa Adila<sup>3</sup>, Astrid<sup>4</sup>

<sup>1,2</sup> Dosen Fakultas Ekonomi dan Bisnis Universitas Palangka Raya

<sup>3,4</sup> Mahasiswa, Fakultas Ekonomi dan Bisnis, Universitas Palangka Raya

**Corresponding Author:** Ferdinand: [ferdinand@feb.upr.ac.id](mailto:ferdinand@feb.upr.ac.id)

---

### ARTICLE INFO

*Keywords:* HR Strategy, Work Capability, Employee Performance

*Received :* 23, April

*Revised :* 25, Mei

*Accepted:* 27, June

©2023 Ferdinand, Kristinae, Adila, Astrid: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This study aims to determine HR Strategy Analysis, Through Work Capability on Employee Performance of Bank Mandiri Palangka Raya Branch. This research method is this type of research is descriptive and quantitative. The results of the research are to provide solutions to phenomena in research problems, and at the same time link the formulation, benefits in the research hypothesis as causation with the SmartPLS 3.0 statistical analysis test. The type of sample data is primary data with a questionnaire of 35 people, employees at Bank Mandiri KCP Palangka Raya. The results of the research on HR strategy have a significant positive effect of 52.8% on performance, work ability has a significant positive effect of 38.1% on performance, the mediating role of work ability has a positive and significant effect of 25.9% on the relationship between HR strategy on performance.

---

## **INTRODUCTION**

The level of interaction and suitability of (Navío-Marco et al., 2019) the organization in placing and assessing the role of its human capital, more than just placing HR at the level of organizational rhetoric. However, the main problem lies in the effort to find the right and unique HR strategy that is in accordance with the potential of the resources that are owned, the social and cultural environment of the organization. Because of that, a special strategy is needed to integrate HR management as a multidimensional process with HR strategy in order to be able to provide maximum contribution to the organization (Bas, 2012). Organizations that do not have defined human resources (HR) policies, or that do not take human resources into account when selecting business strategies, suffer a competitive disadvantage compared to companies that do. The human resources (HR) literature has recently used the term 'strategic' to describe the type of human resources (HR) that makes human factors an integral part of broad-based long-term planning for implementing organizational goals (Kang & Lee, 2021). Employee performance is the achievement of the company or business unit that influences the success and sustainability of the business. Performance that is supported by the performance of skilled and creative employees is a positive side in increasing company profits.

In research on employee performance, it is very difficult to maintain company profits if employees are not supported by work knowledge and work skills. Therefore, in improving employee performance, the company's support is needed to increase work knowledge, work ability in employee self-development (Vdovina et al., 2022). According to the theory of organizational behavior, states that human resources are the quality of work done by a person/employee in producing goods/services and has economic value to increase profits and to meet their needs (Opatha, 2013). Work ability is a condition that exists in workers who are truly efficient and effective in completing the specified work field. The ability of employees seen from the potential, intellectual ability is intelligence. Meanwhile, physical abilities are work skills.

Ability is something that is owned by an individual to carry out the task or work assigned to him (Faeni, 2016). Based on the explanation of the experts above, it can be concluded that work ability is the act of someone who can do work according to the knowledge, educational background and experience they have in their field of work. The leader is someone who is very important in an institution or organization, both formal and non-formal organizations. An HR strategy can only work properly if the implemented HR management policies and practices are integrated with the HR strategy (Wediawati et al., 2020). The level of interaction and suitability of HR strategy with HR management reflects the seriousness and commitment of the organization in placing and assessing the role of its human capital, more than just placing HR at the level of organizational rhetoric.

Bank Mandiri Palangka Raya branch has convenience with a variety of financing services that are suitable for the needs of MSMEs. One of them is people's business credit, which is credit/financing provided by banks to increase the competitiveness capacity of MSMEs. So that an HR strategy is needed, Work. Capability in increasing the success of KUR is right on target. Based on the results of field observations, it shows that it is necessary to make system changes such as providing education in improving work quality, providing education in improving work ability. Thus, it is necessary to conduct research to lead to good changes in the HR strategy variable in improving employee performance by mediating work ability.

## **LITERATURE REVIEW**

Work system design in HR strategy, integrating what employees do and what employees need related to work and connecting with other jobs (Rombaut & Guerry, 2020). The five core dimensions of work include: Skill diversity, Task identity, Task significance, Autonomy and Feedback. In the conception of the application of HR, it requires a variety of skills, task identity and task significance have an impact on the meaningfulness experienced in doing work (Pak et al., 2021). Autonomy has an impact on the outcome of the responsibility experienced on work and feedback has an impact on knowledge and the actual results experienced from work activities.

### **Hrm Strategies Improve Employee Performance**

The word strategy is formed from the word *stratu* which means military and which means leading. Strategy is a unified, comprehensive and integrated plan that links the advantages of a company's strategy with environmental challenges and is designed to ensure that the company's main goals can be achieved through proper implementation by the company (Ghinea & Moroianu, 2016). Based on the review of some of the strategic concepts above, organizational strategy can be defined as: a plan formulated by the organization as a result of an in-depth study of the conditions of strengths and weaknesses (Anwaar et al., 2016). Tools for the organization to achieve its goals. A set of internal and external opportunities and threats Dynamic flow patterns are applied in line with the decisions and actions chosen by the organization (Bruns, 2014).

HR strategy indicators are divided into several sections, namely: 1. Development strategy, namely the ability of employees to develop ideas to work well. 2. Motivational strategy, namely the ability of employees to be enthusiastic in carrying out work. 3. Strengthening strategy, namely the ability of employees to face problems and find solutions in teamwork. 4. Transfer strategy, namely the ability of employees to share knowledge and information. Based on previous theory and empirical studies, the following hypothesis is proposed: H<sub>1</sub>. HR strategy influences employee performance at Bank Mandiri Palangka Raya Branch.

### **Workability Improves Employee Performance**

The ability of employees seen from the potential, intellectual ability is intelligence (Talisayon, 2002). Meanwhile, physical abilities are knowledge skills. Ability is something that is owned by an individual to carry out the task or work assigned to him (Husain et al., 2022). Based on the explanation of the experts above, it can be concluded that work ability is the act of someone who can do work according to the knowledge, educational background and experience they have in their field of work.

The factors that determine a person's work ability are educational factors that are obtained regularly, systematically, multilevel or tiered and follow clear requirements. Furthermore, the training factor, training materials, abilities that have a significant effect on employee performance (Juned et al., 2021). A person's background or personality which includes education, work training to show someone in the past. The ability to work to improve performance results is a result achieved by workers in their work according to certain criteria that apply to a job (Sendawula & Nakyejwe Kimuli, 2019). According to the theory, ability is competence in performance as a weapon in getting work performance, namely the comparison between actual work results and established work standards, from the ability to carry out work. Thus, work ability can improve performance by focusing on work achievements. Based on the theory and previous empirical studies, the hypothesis proposed is H<sub>2</sub>: Work ability affects employee performance at Bank Mandiri Palangka Raya Branch. H<sub>3</sub>: HR strategy affects work ability at Bank Mandiri Palangka Raya Branch.

### **Employee Performance**

In general, performance is defined as a person's success in carrying out a job. The definition of performance is the work results achieved by employees based on job requirements (Sabuhari et al., 2020). An employee or employees are said to have succeeded in carrying out their work or have good performance, if the work results obtained are higher than the performance standard. Performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given in a certain period. Employee performance is a measure of work performance, namely the quality and quantity of work completed by individuals, groups or organizations (Alefari et al., 2020).

Performance as a result of one's efforts is achieved with the ability and actions in certain situations. So it can be said that work performance is the result of the relationship between effort, ability and perception of the task. Effort is the result of motivation that shows the amount of energy (physical or mental) used by individuals in carrying out a task. While the ability is an individual characteristic that is used in carrying out a job. Ability usually cannot be directly affected in the short term. Furthermore, the perception of the task is an indication in which individuals believe that they can realize their efforts at work (Wolor et al., 2020). Employee performance can be measured by the following indicators: Quantity of results, measured by employee perceptions of the number of assigned activities and their results (Younas et al., 2022). The quality of the results, measured from the employee's perception of the quality of the work produced and the perfection of the task on the abilities and abilities of employees.

Timeliness of results, measured from employee perceptions of an activity completed from the initial time until it becomes output. Can finish at a predetermined time and maximize the time available.

General Performance Factors is a range of performance factors that represent the overall contribution of employees to the organization. Task performance, namely employee behavior that is directed towards contributing to the production of goods or services (Ghani Al-Saffar & Obeidat, 2020). Declarative Knowledge is the employee's understanding of the tasks that need to be completed to demonstrate work responsibilities. Procedural Skills and Knowledge are the information and understanding employees need to perform specific actions. Employee performance indicators are as follows: 1. Quality of employee work, 2. Professional standards, 3. Quantity of employee work, 4. Employee creativity. Based on the theory and previous empirical studies, the hypothesis proposed is H<sub>4</sub>: The Mediation Role of Work Ability in the relationship between HR Strategy and Employee Performance at Bank Mandiri Palangka Raya Branch.

## METHODOLOGY

This research then looks at the existence of research phenomena and theories as well as previous empirical studies, into a conceptual way of thinking to answer HR problems and based on the conceptual research, the independent or exogenous variables are: HR strategy, and the dependent variable is work ability and employee performance. In other words, employee performance really needs work ability driven by an HR strategy style to improve employee performance. So this research has the following research framework:

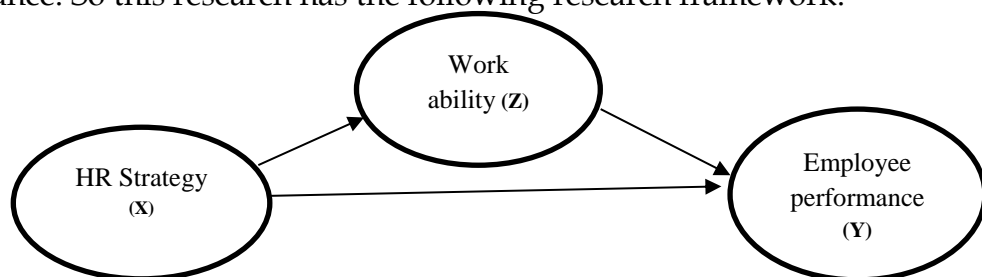


Figure.1. Research Conceptual Framework

Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection uses research instruments, data analysis is quantitative/statistical in nature, with the aim of testing established hypotheses (Nahan et al., 2019). Descriptive statistics. Descriptive statistics are used to analyze data by describing or describing the data that has been collected as it is without intending to make general conclusions or generalizations (Kristinae et al., 2019). The sample used was a non-probability sampling technique (purposive sampling). The sample was selected by the researcher according to the criteria made in the study. Based on employee data at Bank Mandiri Palangka Raya Branch, Central Kalimantan Province, there were 35 respondents. The analysis tool used is PLS 3.0 with the statistical condition that the outer model indicator

value is  $> 0.6$ , for hypothesis testing the t-statistic value is  $> 1.96$  and the p-value is  $< 0.05$ .

## RESEARCH RESULT AND DISCUSSION

This research was conducted using a questionnaire and data tabulation was carried out. For the results of the instrument based on the outer loading values presented in Figure 2. t, it can be seen that the loading factor values for all reflective construct indicators are  $> 0.60$ , which means that all construct indicators are valid. For the reliability value of Cronbach alpha  $> 0.7$  (Kristinae et al., 2020). It can be said that all the instruments used in this study have fulfilled the criteria or are suitable for use in measuring the HR strategy variables, work ability and employee performance.

Testing the path coefficient in this study examines the relationship between the variables Work ability, HR Strategy and Employee Performance. From the test results according to the rule of thumb testing the structural model, where the relationship between variables considered to have a significant influence is the t-statistic value  $> 1.96$  at  $\alpha = 0.05$ . These results will be used to test the proposed research hypothesis.

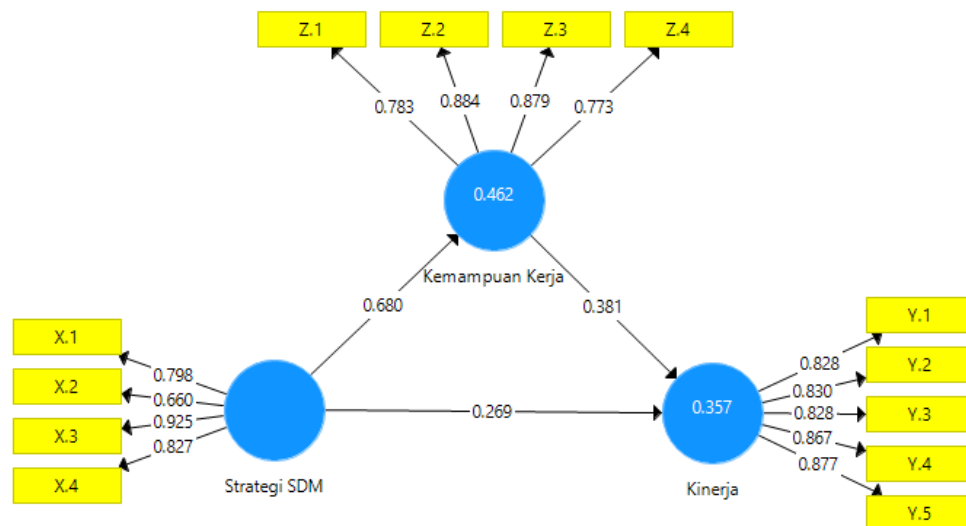


Figure.2 Path Coefficient Diagram and Direct Effect Hypothesis Testing

In full, the following table will display the results of testing the relationship between variables and the hypotheses related to this relationship.

**Table 1. Results of the Direct Effect Hypothesis Test**

<b>Hypothesis</b>	<b>Variable</b>	<b>Original sample</b>	<b>T statistic</b>	<b>P Value*)</b>	<b>result</b>
H <sub>1</sub>	HR Strategy → Employee Performance	0,528	3,865	0,000	accepted
H <sub>2</sub>	HR Strategy → Work ability	0,680	9,417	0,000	accepted
H <sub>3</sub>	Work ability → Employee Performance	0,381	2,042	0,041	accepted

Source : authors, 2023

Table 1. shows that all hypotheses can be proven empirically (accepted). Based on what is presented in the tables and figures, an analysis of the research hypothesis can be carried out. The results of testing the direct effect hypothesis can be explained as follows.

H<sub>1</sub>: Effect of HR strategy on employee performance

The test results show that there is sufficient empirical evidence to accept this hypothesis. The path coefficient value of the relationship between HR strategy variables on employee performance is 0.528 with a t-statistic value of 3.865 (> 1.96) and a P-value of 0.000 which is less than  $\alpha = 0.05$  which means it is significant. The path coefficient is positive which means that this relationship is unidirectional. From these results it can be concluded that the better the level of HR strategy, the employee's performance will improve significantly. Performance as a form of public assessment of service quality is basically an accumulation of various assessment aspects given by stakeholders. The HR management process which includes policies, strategies and practices that will be implemented must always be linked and adapted to the formulation of the implemented organizational strategy. Every change and adjustment of the organization's strategic focus as a form of response to changes in the external environment must always consider the ability to manage the utilization of the potential of its human resources.

Designing HR systems and practices that are consistent with each other (internal fit) is a basic prerequisite for enlarging the role of HR strategy in the process of executing organizational strategy. In fact, the dynamics of internal organizational processes is a learning process that must occur continuously. The capabilities and competencies possessed will result in competitive capabilities if they are not merely a reactive form of threats to changes in the organization's external environment.

H<sub>2</sub>: Effect of HR strategy on work ability

The results of testing the effect of HR strategy on work ability can be proven by looking at the estimated path coefficient value of 0.680 with a critical point value (t-statistic) of 9.417 ( $> 1.96$ ) and a P-value of 0.000 which is smaller than  $\alpha = 0.05$  which means it is significant. The test results show that there is sufficient empirical evidence to accept the hypothesis that the better the ability to work from the encouragement of HR strategy. These results indicate that improving HR strategies can improve work capabilities.

H<sub>3</sub>: Effect of work ability on employee performance

The results of testing the effect of work ability on improving employee performance can be proven by looking at the estimated path coefficient value of 0.381 with a critical point value (t-statistic) of 2.042 ( $> 1.96$ ) or a P-value of 0.041 smaller than  $\alpha = 0.05$  which means significant. The test results show that there is sufficient empirical evidence to accept the hypothesis that better work ability will improve employee performance. The path coefficient value is positive, meaning that the relationship between work ability and employee performance has a unidirectional relationship. A unidirectional relationship means that if work ability increases, employee performance will also increase.

Work ability that has been implemented if it is further improved then the employee's performance will also increase. From the results of the study it can be seen that employees at Bank Mandiri KCP Palangka Raya have good working abilities. This can be seen from the results of the answers to the questionnaire by the majority of employees agreeing that the work given is completed based on technical work ability or work practice. Testing the path coefficient of the effect of mediation aims to see the position or position of the mediating variable in the model. The mediating effect is the relationship between exogenous and endogenous constructs through connecting or intermediate variables. The influence of exogenous variables on endogenous variables can be direct but also through connecting or mediating variables. A variable suspected of being a mediating variable can act as a complete mediation variable, partial mediation or not as a mediating variable.

**Tabel 2. Hasil Pengujian Hipotesis Pengaruh Tidak Langsung**

Hypothesis	Variable	Original sample	T statistic	P Value *)	result
H <sub>4</sub>	HR Strategy → Work ability → Employee Performance	0,259	2,034	0,042	accepted

Source : Authors, 2023

H<sub>4</sub>: The role of work ability as a mediating influence between HR strategies on employee performance

From the results of testing and data processing as shown in Table 4.11, it can be seen that the calculated t value is 2.034 which is  $> 1.96$  and the P-value is 0.042 which is less than 0.05 so it can be proven that there is a mediation effect. Besides that, it can also be seen that the value of the HR strategy path coefficient on work ability is significant. Likewise, the value of the HR strategy path coefficient to employee performance is significant. The path coefficient value of work ability variable to employee performance is significant. These results indicate that the work ability variable in this research model is a partial mediation variable. This can be interpreted that the relationship between HR strategy both directly and indirectly has a significant effect on employee performance, through real work ability it is also able to influence employee performance.

## CONCLUSIONS AND RECOMMENDATIONS

The results of this study reveal that there is a more comprehensive influence than previous research regarding the influence of HR strategy on performance through employability. Work ability is competence and self-potential in carrying out or carrying out tasks. Work ability is closely related to performance skills and this is proven by the results of this study which state that work ability affects employee performance. In this case, if a person has the ability or expertise to carry out their duties, then all work can be carried out properly with high effort resulting in high performance as well. Vice versa. Performance is a person's ability to carry out their duties which produce satisfactory results, in order to achieve goals. The goal in this case is to maximize the service process to the community who are customers of Bank Mandiri KCP Palangka Raya. This study only uses HR strategy, work ability, and employee performance variables. There is a possibility that other variables influence employee performance variables that cannot be explained in this study, for example, leadership style.

## ADVANCED RESEARCH

Still conducting further research to find out more about the Role of HR Strategy and Work Capability on Employee Performance at Bank Mandiri, Palangka Raya Branch, Central Kalimantan, Indonesia.

## REFERENCES

- Alefari, M., Almanei, M., & Salonitis, K. (2020). A system dynamics model of employees' performance. *Sustainability* (Switzerland).  
<https://doi.org/10.3390/su12166511>
- Anwaar, S., Nadeem, A. Bin, & Hassan, M. (2016). Critical assessment of the impact of HR strategies on employees' performance. *Cogent Business and Management*. <https://doi.org/10.1080/23311975.2016.1245939>

- Bas, A. (2012). Strategic HR Management: Strategy Facilitation Process by HR. *Procedia - Social and Behavioral Sciences*.  
<https://doi.org/10.1016/j.sbspro.2012.09.1006>
- Bruns, H. J. (2014). HR development in local government: how and why does HR strategy matter in organizational change and development? *Business Research*. <https://doi.org/10.1007/s40685-014-0002-z>
- Faeni, D. (2016). Manager Characteristics, HR Renewal, Marketing Strategies, Partnership Motivation, Work Orientation, Work Standardization, on SMES Business Resilience in the Competition: A SMES Study in Jakarta Indonesia. *Scholedge International Journal of Management & Development* ISSN 2394-3378.  
<https://doi.org/10.19085/journal.sijmd030202>
- Ghani Al-Saffar, N. A., & Obeidat, A. M. (2020). The effect of total quality management practices on employee performance: The moderating role of knowledge sharing. *Management Science Letters*.  
<https://doi.org/10.5267/j.msl.2019.8.014>
- Ghinea, V. M., & Moroianu, M. (2016). Hr strategy - Necessity or fad for business sustainability? *Management and Marketing*. <https://doi.org/10.1515/mmcks-2016-0009>
- Husain, M., Mujanah, S., & Andjarwati, T. (2022). The Effect of Individual Characteristics, Resilient and Work Ability on Intention to Leave and Employee Performance at PT Clariant Adsorbent Indonesia, Gresik. *Jurnal Ekonomi & Bisnis JAGADITHA*. <https://doi.org/10.22225/jj.9.1.2022.47-56>
- Juned, V., Sanjaya, J., & Ikhbar, S. (2021). EFFECT OF WORKABILITY AND LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE AT BAPPEDA ACEH JAYA DISTRICT. *Business and Accounting Research (IJEBAR) Peer Reviewed-International Journal*.
- Kang, E., & Lee, H. (2021). Employee compensation strategy as sustainable competitive advantage for hr education practitioners. *Sustainability (Switzerland)*. <https://doi.org/10.3390/su13031049>

- Kristinae, V., Sambung, R., & Sahay, M. (2019). THE ROLE OF ENTREPRENEURIAL ORIENTATION IN PRODUCT INNOVATION IN EMERGING MARKETS ON THE LOCAL PRODUCTS. *Oradea Journal of Business and Economics*. <https://doi.org/10.47535/1991ojbe076>
- Kristinae, V., Wardana, I. M., Giantari, I. G. A. K., & Rahyuda, A. G. (2020). The role of powerful business strategy on value innovation capabilities to improve marketing performance during the covid-19 pandemic. *Uncertain Supply Chain Management*. <https://doi.org/10.5267/j.uscm.2020.8.005>
- Nahan, N., Kristinae, V., & Leiden, R. A. Z. (2019). The Strength of a Business Strategy with Value Innovation for Rattan Handicraft Entrepreneurs in Central Kalimantan, Indonesia. *The International Journal of Business & Management*. <https://doi.org/10.24940/theijbm/2019/v7/i12/bm1912-010>
- Navío-Marco, J., Solórzano-García, M., & Palencia-González, F. J. (2019). Human resource management as key pillar of company strategy: Analysis of the line managers' perception. *Journal of Management and Organization*. <https://doi.org/10.1017/jmo.2018.49>
- Opatha. (2013). Green Human Resource Management: A Simplified Introduction. *Proceedings of the HR Dialogue*.
- Pak, K., Kooij, D. T. A. M., De Lange, A. H., van den Heuvel, S., & Van Veldhoven, M. J. P. M. (2021). The influence of human resource practices on perceived work ability and the preferred retirement age: A latent growth modelling approach. *Human Resource Management Journal*. <https://doi.org/10.1111/1748-8583.12304>
- Rombaut, E., & Guerry, M. A. (2020). The effectiveness of employee retention through an uplift modeling approach. *International Journal of Manpower*. <https://doi.org/10.1108/IJM-04-2019-0184>
- Sabuhari, R., Sudiro, A., Irawanto, D. W., & Rahayu, M. (2020). The effects of human resource flexibility, employee competency, organizational culture adaptation and job satisfaction on employee performance. *Management Science Letters*. <https://doi.org/10.5267/j.msl.2020.1.001>

- Sendawula, K., & Nakyejwe Kimuli, S. (2019). TRAINING, EMPLOYEE ENGAGEMENT AND EMPLOYEE PERFORMANCE: EVIDENCE FROM MAKERERE UNIVERSITY, KAMPALA, UGANDA. *Journal of Wind Engineering and Industrial Aerodynamics*.
- Talisayon, S. D. (2002). Knowledge and People. *BusinessWorld*.
- Vdovina, O., Reznik, S., & Sazykina, O. (2022). HR management strategy. In *HR management strategy*. <https://doi.org/10.12737/1891037>
- Wediawati, T., Althalets, F., & Aransyah, M. F. (2020). HUMAN RESOURCES DEVELOPMENT STRATEGY IN THE POST- PANDEMIC COVID-19. *Jurnal Ekonomi Dan Bisnis*.
- Wolor, C. W., Kurnianti, D., Zahra, S. F., & Martono, S. (2020). The importance of work-life balance on employee performance millennial generation in Indonesia. *Journal of Critical Reviews*. <https://doi.org/10.31838/jcr.07.09.203>
- Younas, W., Farooq, M., Khalil-Ur-Rehman, F., & Zreen, A. (2022). The Impact of Training and Development on Employee Performance IOSR Journals The Impact of Training and Development on Employee Performance. *Research in Management of Technology and Business*.