Does Employee-Related Factors Success Mediate To The MSME's Marine Products Business?

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Abstract: Employee-related factors include recruiting and empowering individuals with diverse backgrounds. This study aims to identify the characteristics that impact employee performance. The sampling technique used in this research is cluster random sampling based on region. Questionnaires were randomly distributed to 90 employees from a population exceeding 600 marine products SMEs in the North Jakarta coastal area. The respondents included 54 male and 36 female employees, aged between 18 and 45 years, with work experience ranging from 1 to 5 years. The test results indicate that firm-related factors positively but less significantly affect employee performance. In contrast, other hypotheses show a positive and significant impact. Employee-related factors mediate the influence of firm-related factors on employee performance and job-related factors on employee performance.
Keywords: Firm Factors; Job-Related Factors; Employee Related Factors.

Abstrak: Employee related factors adalah mempekerjakan serta memberdayakan orang-orang yang memiliki beragam keterampilan. Penelitian ini berupaya untuk meneliti mengenai variabel-variabel yang mempengaruhi employee performance. Metode pengambilan sampel pada penelitian ini berdasarkan wilayah (*cluster random sampling*). Kuesioner disebar secara acak dengan sampel sebanyak 90 orang pegawai dari populasi lebih dari 600 UMKM hasil laut wilayah pesisir Jakarta Utara pada usaha UMKM hasil laut. Respondennya adalah karyawan laki-laki sebanyak 54 orang dan karyawan perempuan sebanyak 36 orang dengan usia antara 18 hingga 45 tahun. Lama bekerja antara 1 tahun sampai 5 tahun. Hasil pengujian membuktikan firm factors memiliki hubungan positif tapi kurang signifikan terhadap employee performance. Hipotesis lainnya memiliki hubungan positif dan signifikan. Employee related factors terbukti memediasi pengaruh firm factors terhadap employee performance dan memediasi pengaruh job related factors terhadap employee performance.
Kata Kunci: Firm Factors; Job-Related Factors; Employee-Related Factors.

INTRODUCTION

Employee performance plays a significant part in organisational development, with employee performance progress positively impacting organisational performance. Employee performance plays an important part in determining the progress or development of an organisation (Widjaja et al., 2018). An organisation's progress is also determined by the quality and capability of the resources available; for this reason, the importance of human resources for the organisation. Employee performance is important for every company, including micro, small, medium, and enterprise (MSMEs), especially the marine products business. It can be seen from the data presented by (Widjaja et al., 2018) that MSME's have become the backbone of the Indonesian and ASEAN economies, that 0.888 to 0.999 of business forms in ASEAN countries are MSME's with the highest workforce absorption reaching 0.517 to 0.972 percentage. MSMEs account for 99.990 per cent of total business entrepreneurs in Indonesia, or 56.540 million units. MSMEs in

Indonesia are the most numerous and have been able to survive the crisis period until now, so it is very important to provide human resource capacity development to MSME entrepreneurs to make MSMEs more able to compete and continue to progress even in today's era with the expertise obtained in training and development, MSME's entrepreneurs will continue to progress with the products they produce so that their products will be able to compete with other products.

This research shows that job-related factors and firm factors are the most influential factors on employee performance in MSME's marine products business. These factors are followed by factors related to each employee and the leader of MSME's marine products business. Researchers in Indonesia have yet to conduct this research, especially in the performance of MSME marine products business employees.

There is a need for MSME development and resilience through maximum employee performance, so it is essential to increase the competency of MSME human resources in creating entrepreneurs who can compete. The biggest challenge for MSME players is creating entrepreneurs who can compete. With professional and competitive human resource competencies, it is hoped that MSME performance, especially in Indonesia, can improve.

Employing and empowering individuals with diverse skills is crucial because they are valuable assets for companies, especially in the MSME marine products sector (Diamantidis & Chatzoglou, 2019). This perspective, referred to as employee-related factors (Diamantidis & Chatzoglou, 2019), emphasises the importance of these factors. According to (Kalwar et al., 2023), employee-related factors positively influence performance. The research examines employee performance issues within MSME marine products businesses in this context.

The problems in MSME's marine products business usually concern human resources (HR) according to (Arifin & Haryanto, 2021) is the backwardness about mastery of effective production technology, the ability to see market opportunities as optimal less, inability to analyse market needs, product marketing activities still use simple methods. In this case, marketing activities using social media or internet networks as product marketing activities have not been utilised optimally, limited use of labour due to limited ability to pay employee salaries and the owners of MSME's marine products business are still often involved in technical issues, so they do not think about a good business strategy.

Since MSMEs in Indonesia are primarily household businesses that employ many people, they significantly lower the country's unemployment rate because it helps reduce the number of unemployed in Indonesia (Kemenkeu, 2023). This condition is supported by (Arifin & Haryanto, 2021), who stated that MSMEs in Indonesia have the most significant number and can survive in any condition, so it is necessary to develop employee performance for MSME owners and their employees because, through MSMEs, Indonesia can progress. Moreover, the resulting products are competitive. (Perum Perikanan Indonesia, 2021) also has the same opinion regarding problems in MSME's marine products business, namely regarding human resources (HR) in terms of employee abilities and skills are not yet good, not yet optimal in implementing reward and punishment, not yet implementing education and training programs optimally and the level of employee rotation and career system have not been appropriately implemented.

(Indrastuti et al., 2019) They explained in their research that fish processing in Indonesia is still traditional, so it still has prospects for development. This can be seen

from the percentage of traditional processed fish production, which is always high because it has simple technology and a wide distribution distribution. Comprehensive because the product is relatively stable and always available. The development of traditional processed products must include improvement efforts to produce products consistent with high quality and nutritional value that are safe for consumers who enjoy MSME's marine products business. Improvement efforts can be identified by studying traditional fish processing business methods, from raw materials and additional materials and processes to final products. This is very important for increasing the human resources of MSME's marine products business. The government can provide guidance and coordinate well on an ongoing basis with MSME's marine products business entrepreneurs by collecting data, training, coordinating and conducting regular evaluations per year, five years to ten years, to see the development of MSME's marine products business.

This study utilises a research model developed by (Diamantidis & Chatzoglou, 2019), which is integrated with the model from (Paais & Pattiruhu, 2020). This combined model examines firm, job, and employee-related factors (Diamantidis & Chatzoglou, 2019) alongside the employee performance variable (Paais & Pattiruhu, 2020). Further research is necessary to explore whether these variables significantly affect employee performance in MSME marine goods companies. Employee performance is defined as the extent to which an individual can effectively execute their duties and responsibilities by their job description and the standard operating procedures set by management (Darvishmotevali & Ali, 2020). These job descriptions and standard operating procedures established by management are essential for evaluating employee performance (Berger et al., 2019; Bodin et al., 2019).

Therefore, enhancing employee performance within the organisation is crucial. Researchers aim to identify factors that influence employee performance, utilising both exogenous (independent) and endogenous (dependent) variables from established research models (Diamantidis & Chatzoglou, 2019; Paais & Pattiruhu, 2020). According to the study by (Diamantidis & Chatzoglou, 2019), employee-related factors positively impact employee performance. Additionally, their research demonstrates that employee-related factors mediate the relationship between firm factors and employee performance and between job-related factors and employee performance.

The goals of this study are to determine whether firm factors positively affect employee-related factors, whether firm factors positively affect employee performance, whether job-related factors have a positive affecting on employee-related factors, whether job-related factors positively affect employee performance, whether employee-related factors contribute positively to employee performance, whether employee-related factors mediate the relation between firm factors and employee performance and whether employee-related factors mediate the relation between job-related factors and employee performance.

THEORETICAL REVIEW

Firm factors in the MSME's marine products business. MSMEs have a labour absorption rate of around 97 per cent of Indonesia's total workforce and contribute to the gross domestic product (GDP) of around 60.500 per cent (Kemenkeu, 2023). MSMEs in Indonesia have existed for a long time (Syamsari et al., 2022). For this reason, MSME

needs to be maintained and its performance improved, especially regarding employee performance factors. (Diamantidis & Chatzoglou, 2019) Explains that employee performance can be affected by managerial support, training culture, organisationalorganisational atmosphere and environmental dynamic elements. Furthermore (Diamantidis & Chatzoglou, 2019) said that in a dynamic work environment, every employee can complete their work optimally despite limited raw materials. This can be addressed well if every employee from MSME's marine products business receives good training and is supported by management. (Diamantidis & Chatzoglou, 2019) It also suggests that managers should focus on training culture and employee performance. Training culture does not directly influence employee performance but has a strong influence on the skills possessed by employees, so it directly or indirectly influences employee performance. Apart from that, managers must also create training programs that suit the company's organisationalorganisational climate and employee relationships.

For every organisation, especially MSMEs, the goal is efficient and effective organisational performance. This is an absolute requirement for MSME continuity, and the best-performed MSMEs can survive in facing every problem (Widjaja et al., 2018). The opinions of (Widjaja et al., 2018) and (Diamantidis & Chatzoglou, 2019) are supported by (Armstrong & Taylor, 2020), who state that firm performance is something that is of concern to all organisations globally and by all stakeholders to be able to compete. For this reason, (Osolase, 2022) explains that limited raw materials and resources about human are the main issues for companies to solve this problem to obtain maximum profits. There is also research conducted by (Diamantidis and Chatzoglou, 2019) proving that firm factors have a positive influence on employee-related factors and employee performance.

Employee evaluation is vital to a company's long-term success but needs more attention. The proposed model (Diamantidis & Chatzoglou, 2019) can assist companies in evaluating the factors that influence employee performance. It allows company leaders to focus on employee management support and interpret this in the organisational climate and work environment.

For this reason, a hypothesis can be made:

H1a: Firm factors have a positive influence on employee-related factors.
H1b: Firm factors have a positive effect on employee performance.

Job-related factors in MSME marine products businesses. MSMEs are widespread among Indonesians and represent a large segment of business owners (Arifin & Haryanto, 2021). In Thailand, the marine products sector within MSMEs is crucial and has been shown to make a substantial contribution to the national economy (Madhavan et al., 2022). According to (Syamsari et al., 2022), employees in MSME's marine products businesses are often hired without a formal selection process, typically recruited from the owner's family. Research on job-related factors, such as job environment, job communication, and job autonomy, as explored by (Diamantidis & Chatzoglou, 2019), reveals that these aspects can significantly impact employee performance. A positive job environment can enhance performance, effective communication is linked to commitment and better performance, and adequate job autonomy can boost employee productivity. In today's highly competitive labour market and the future, companies must

retain a skilled workforce to sustain their competitive edge (Ketkaew et al., 2020).

The opinion (Diamantidis & Chatzoglou, 2019) is supported by (Chen et al., 2021), who said that the cleanliness factor in the work environment is very important because it can influence employee creativity, especially in MSME's marine products business. For this reason, (Miao & Cao, 2019) said a work environment policy is needed from the human resources division regarding employee moral values, independence and creativity. (Rahmawati & Gunawan, 2019) Explains that job-related factors influence job satisfaction. Furthermore, the business personnel of MSME's marine products must understand this issue to obtain maximum performance. However, while employee involvement at the firm management level is well known, it could be more optimal (Bailey et al., 2017). According to (Rahmawati & Gunawan, 2019), employees dislike payment, supervision, advancement, respect and responsibility, training, and work that does not reflect employee performance. Every employee is motivated to achieve goals aligned with company goals while performing their duties (Robbins, Stephen P. & Jugde, 2019). Define motivation as a process within each individual that determines the intensity, direction, and persistence of efforts to achieve a goal. According to the study's findings (Dias et al., 2017), all aspects of motivation have a positive and substantial link with job satisfaction. (Carter et al., 2018) discovered that employment is a duty that correlates positively with employee creativity and independence in the workplace. (Rahmawati & Gunawan, 2019) Found that job-related factors had a positive effect on employee satisfaction.

The research by (Diamantidis & Chatzoglou, 2019) indicates that job-related factors positively affect employee-related factors and employee performance, while the job environment can negatively impact employee performance. This negative effect arises because low motivation can lead to decreased performance. Their study (Diamantidis & Chatzoglou, 2019) found that although environmental dynamism and job autonomy had a minimal impact on the research model, the influence of environmental dynamism on training was notable. Specifically, companies with a dynamic internal environment showed improved performance following training. Thus, employees working for companies that continually update their methods and enhance their competitive edge are likely to see improvements in their skills and knowledge, which helps the company achieve its objectives.

According to the managerial view, research conducted (Diamantidis & Chatzoglou, 2019) shows that managers must flexibly support work-related actions carried out by employees. This support must be given to employees to improve the job environment, directly or indirectly affecting their level of job performance. In addition, managers must be aware that excessive support for employee actions can cause disorientation in employees when they are carrying out their work. For this reason, managers who know the company's strategic planning and ideal job environment must choose the level of support for employees well and be able to manage them well and correctly.

For this reason, a hypothesis can be made:

H2a: Job-related factors positively affect employee-related factors.
H2b: Job-related factors positively affect employee performance.

Employee-related factors in the MSME's marine products business. (Diamantidis & Chatzoglou, 2019) Employee-related characteristics are productivity,

adaptability, intrinsic motivation, skill flexibility, commitment, and skill level. (Diamantidis & Chatzoglou, 2019) One of the most important aspects of personnel management is hiring people with diverse abilities because they are significant assets to the firm. Employee work engagement and employee productivity influence employee retention in an organisation. Therefore, employee work engagement may be defined as excitement, dedication, and the ability to maintain a work-life balance for employees (Abdelwahed & Doghan, 2023).

(Dumaguing, 2022) believes that his research has employee-related aspects, including proactiveness, adaptability, intrinsic motivation, skills, flexibility, dedication, and skill level. (Kalwar et al., 2023) Found that employee-related factors have a beneficial influence on employee performance. According to (Diamantidis & Chatzoglou, 2019), employee-related factors have a positive influence on employee performance and mediate firm factors on employee performance as well as job-related factors on employee performance; however, motivation has a negative relationship with employee-related factors because factors other than motivation are more dominant than employee-related factors. (Dias et al., 2017) investigated the association between motivation, which is an indicator of employee-related characteristics. Job satisfaction is positively associated with all dimensions of motivation, regardless of working age. Employee-related factors consist of the following:

For this reason, a hypothesis can be made:

H3a: Employee-related factors positively affect employee performance.
H3b: Employee-related factors mediate the impact of firm factors on employee performance.
H3c: Employee-related factors mediate the effect of job-related factors on employee performance.

**Employee performance in the MSME's marine products business.** (Pawirosumarto et al., 2017) It also explains that employee performance is the effort, ability, and support of an employee in the company where he/she works. (Diamantidis & Chatzoglou, 2019) Explains that if hiring employees who have various skills is a valuable asset for the company, then management can make it a requirement to hire employees who are by their respective fields in the company in each division and believe that one of the most important aspects of personnel management is hiring people with diverse abilities because they are significant assets to the firm. (Paais & Pattiruhu, 2020) It also defines limitations for employees in working to meet firm performance standards. (Salsabilla & Suryawan, 2022) It also explains employee performance as the desire to do work, skills, and understanding of employees in doing their work according to what has been assigned to them by the company management.

There are previous studies that influence employee performance, including research conducted by ((Diamantidis & Chatzoglou, 2019) explaining that there is a model proposed by (Diamantidis & Chatzoglou, 2019) which combines various factors that influence employee performance in the form of management support, organizational organisational climate, work environment, adaptability, and motivation, in this case, management support for employee actions has a negative effect on employees. This negative effect also impacts employee proactivity, which affects adaptability and low employee performance. Meanwhile, research conducted by (Paais & Pattiruhu, 2020)

showed that employee performance was influenced by 0.735 variables of motivation, leadership, culture, and job satisfaction.

Next is the proposed research model for MSME's Marine Products Business. This research model is believed to be suitable for application to research on relationships: firm factors are factors that can support a company's success (Diamantidis & Chatzoglou, 2019), job-related factors consist of job environment, job communication and job autonomy, which are related to employee commitment and performance (Diamantidis & Chatzoglou, 2019), employee-related factors are a guide to hiring people who have various skills because they are valuable assets for the company skills. After all, they are valuable assets for the company, and employee performance is a limitation for employees working to meet firm performance standards (Paais & Pattiruhu, 2020).
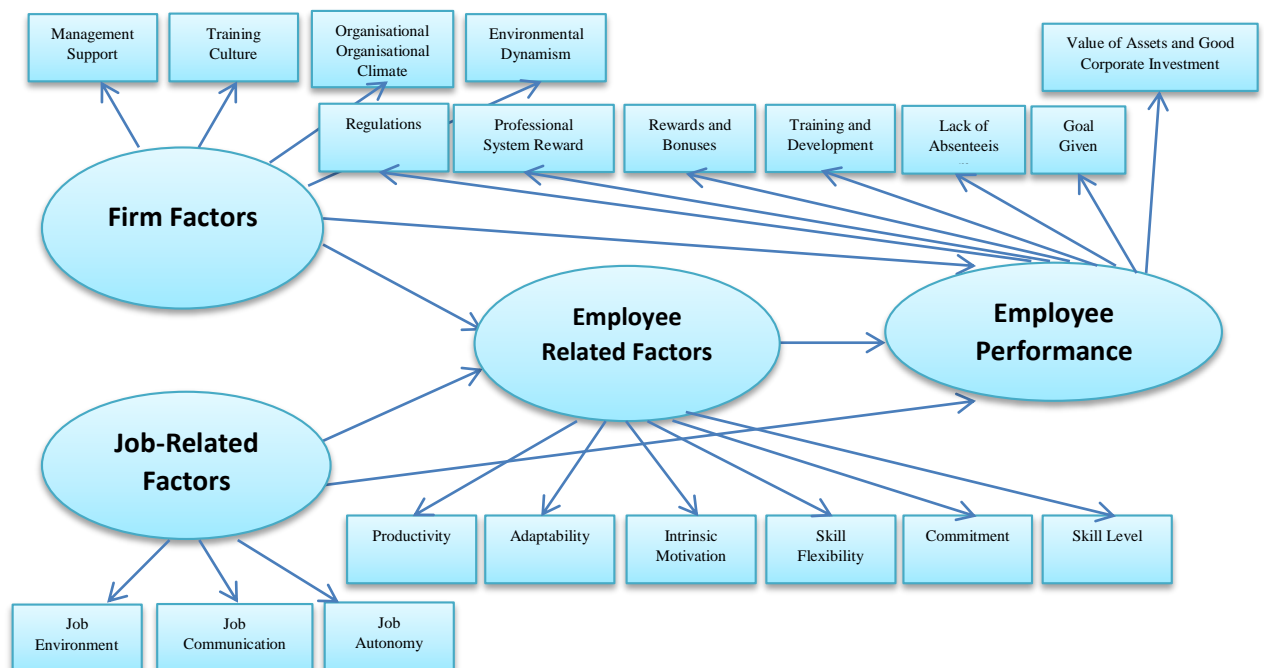
Figure 1. Mixed research models by (Diamantidis & Chatzoglou, 2019) with (Paais & Pattiruhu, 2020)

Figure 1 displays the mixed research model adopted based on the research models from (Diamantidis & Chatzoglou, 2019) and (Paais & Pattiruhu, 2020) regarding exogenous (independent) variables, firm factors, job-related factors with intervening variables, employee-related factors, and endogenous (dependent) variables employee performance.

METHODS

The sampling technique in this study is based on area (*cluster random sampling*). In this case, the sampling method consists of individual or cluster groups. In this case, the sample comes from a population of more than 600 MSME's in the coastal area of North Jakarta in MSME's marine products business. The questionnaire was distributed

randomly as a sample of 90 employees from a population of more than 600 MSMEs in coastal areas in North Jakarta in MSME's marine products business. The respondents were 54 male employees and 36 female employees aged between 18 to 45 years old. Length of employment was between 1 year to 5 years.

Structural Equation Modeling (SEM) explores the relationships between latent constructs and their indicators, the connections among different latent constructs, and direct measurement errors. The data collected from sample questionnaires are processed using WarpPLS software.

Table 1. Explanation of operational

No.	Construct	Definition of variables	Indicators	Scale	Sourced
1	Firm factors	Firm factors are factors that can support a company's success.	1. Management support (FF1) 2. Training culture (FF2) 3. OrganisationalOrganisational climate (FF3) 4. Environmental dynamism (FF4)	Likert	(Diamantidis & Chatzoglou, 2019)
2	Job-related factors	Job-related factors include job environment, job communication, and job autonomy, which are related to employee commitment and performance.	1. Job environment (JRF1) 2. Job communication (JRF2) 3. Job autonomy (JRF3)	Likert	(Diamantidis & Chatzoglou, 2019)
3	Employee related factors	Employee-related factors guide hiring people with various skills because they are valuable assets for the company.	1. Productivity (ERF1) 2. Adaptability (ERF2) 3. Intrinsic motivation (ERF3) 4. Skill flexibility (ERF4) 5. Commitment (ERF5) 6. Skill level (ERF6)	Likert	(Diamantidis & Chatzoglou, 2019)
4	Employee Performance	Limitations for employees in working to meet firm performance standards.	1. Regulations (EP1) 2. Professional system reward (EP2) 3. Rewards and bonuses (EP3) 4. Training & Development (EP4) 5. Lack of absenteeism (EP5) 6. Goal given (EP6) 7. Value of assets and good corporate investment (EP7)	Likert	(Paais & Pattiruhu, 2020)

Source: (Diamantidis & Chatzoglou, 2019; Paais & Pattiruhu, 2020)

Table 1 shows explains the operational variables of articles from (Diamantidis & Chatzoglou 2019) and (Paais & Pattiruhu 2020) for this study model. For firm factors, variable (FF) has operational definitions of variables, which are factors that can support a company's success. The indicators of firm factors are management support (FF1), training culture (FF2), organisational climate (FF3) and environmental dynamism (FF4). For job-related factors, variables have operational definitions of variables, which are the job environment, job communication and job autonomy, which are related to commitment and

employee performance with indicators such as job environment (JRF1), job communication (JRF2) and job autonomy (JRF3). For employee-related factors, the operational definition of variables is a guide to hiring people who have various skills because they are valuable assets for the company with indicators such as productivity (ERF1), adaptability (ERF2), intrinsic motivation (ERF3), skill flexibility (ERF4), commitment (ERF5) and skill level (ERF6). For employee performance variables, operational definitions of variables are constraints for employees in working to achieve firm performance criteria with indicators such as regulations (EP1), professional system reward (EP2), rewards and bonuses (EP3), training and development (EP4), lack of absenteeism (EP5), goal given (EP6) and value of assets and good corporate investment (EP7).

RESULTS

Table 2 displays the profile, revealing that 90 data samples were collected from MSME's marine products business employees in DKI North Jakarta. Traditional fishery goods processing (PHPT) is a marine products business owned by an MSME in North Jakarta. Muara Angke is a traditional fish processing facility established under Governor's Decree No. 2293 of 1984. PHPT is coordinated by the Ministry of Maritime Affairs and Fisheries' Technical Implementation Unit (UPT) for the Management of Fishing Port Areas and Fish Landing Bases (PKPP and PPI) (Indrastuti et al., 2019).

The MSME's traditional fishery goods processing (PHPT) entrepreneur profile is dominated by the male gender, with 54 people (60 per cent) and 36 people (40 per cent) being female. Respondents are led by employees aged 18 to 30 (41 individuals or 46 per cent), followed by employees aged 31 to 45 (33 people or 36 per cent), and finally by employees aged more than 45 (16 people or 18 per cent).

Employees who graduated from elementary school to junior high school accounted for 25 people (28 per cent), employees who graduated from high school or vocational high school with a diploma accounted for 51 people (57 per cent), and employees who graduated with bachelor's degrees accounted for 14 people (15 percentage).

Table 2. Profile

Profile	Total	Percentage
Gender		
1. Male employees	54	60
2. Female employees	36	40
Ages		
1. 18 to 30 years old	41	46
2. 31 to 45 years old	33	36
3. More than 45 years old	16	18
Level of educations		
1. Successfully completed elementary and junior high school.	25	28
2. Diploma for high school or vocational school graduates.	51	57
3. Bachelor degree.	14	15

Source: Profile, 2024

Outer Model Evaluation. The outer or measurement model includes indicators and the paths connecting them for each factor. The evaluation of the outer model involves the following indicators:

Validation Test. An indicator is considered valid if its value exceeds 0.700 to assess convergent validity. Factor loadings between 0.500 and 0.600 are deemed acceptable. If a loading factor is below 0.500, it is recommended to exclude that indicator.

Table 3. Convergent Validity

Construct	Indicator	Loading Factor	Description
Firm factors	Management support (FF1)	0.663	Valid
	Training culture (FF2)	0.759	Valid
	OrganisationalOrganisational climate (FF3)	0.831	Valid
	Environmental dynamism (FF4)	0.798	Valid
Job-related factors	Job environment (JRF1)	0.795	Valid
	Job communication (JRF2)	0.825	Valid
	Job autonomy (JRF3)	0.870	Valid
Employee related factors	Productivity (ERF1)	0.606	Valid
	Adaptability (ERF2)	0.757	Valid
	Intrinsic motivation (ERF3)	0.837	Valid
	Skill flexibility (ERF4)	0.876	Valid
	Commitment (ERF5)	0.885	Valid
	Skill level (ERF6)	0.883	Valid
Employee performance	Regulations (EP1)	0.851	Valid
	Professional system reward (EP2)	0.870	Valid
	Rewards and bonuses (EP3)	0.880	Valid
	Training & Development (EP4)	0.692	Valid
	Lack of absenteeism (EP5)	0.901	Valid
	Goal given (EP6)	0.852	Valid
	Value of assets and good corporate investment (EP7)	0.877	Valid

Source: Output process, 2024

Table 3 shows that all outer loadings are valid; each indicator has a factor loading value exceeding 0.700. Indicators with loadings below 0.500 may be candidates for removal.

Reliability Test. This test assesses whether the indicators are free from bias. It evaluates the outer model using Composite Reliability (CR) and Cronbach Alpha (CA) to determine reliability. For indicators to be considered internally consistent, the values should exceed 0.600. If the CR and CA values are 0.700 or higher, the variables are deemed reliable, and the questionnaire aligns with the research model. Values for Composite Reliability between 0.700 and 0.900 are considered satisfactory (Hair et al., 2017).

Table 4. Reliability test

Construct	Composite Reliability	Cronbach Alpha	Description
Firm factors	0.849	0.762	Reliable
Job-related factors	0.869	0.774	Reliable
Employee related factors	0.920	0.894	Reliable
Employee performance	0.947	0.934	Reliable

Source: Output process, 2024

Table 4 shows the Composite Reliability (CR) values: firm factors (0.849), job-related variables (0.869), employee-related factors (0.920), and employee performance (0.947). According to (Hair et al., 2017), Cronbach Alpha (CA) values should exceed 0.700. The CA values presented in **Table 4** are: company factors (0.762), job-related variables (0.774), employee-related factors (0.894), and employee performance (0.934).

Inner Model Evaluation: Following the evaluation of the outer model, the inner model is tested. This process involves developing a model to analyse the relationships between endogenous and exogenous variables based on concepts and theories. The steps for evaluating the inner model are as follows:

R-Squared (R^2): R-squared is a statistical measure that indicates the proportion of variance in a dependent variable that can be explained by the independent variables within the model. According to (Hair et al., 2017), R-squared reflects the extent to which the exogenous constructs explain the endogenous constructs. Higher R-squared values signify better prediction accuracy. This study examines two variables influenced by other factors: employee-related factors, which are affected by company characteristics and job-related factors, and employee performance, which is influenced by firm, job, and employee-related factors.

Table 5. Coefficient of determination

Indicator	R-square (R^2)
Employee related factors	0.631
Employee performance	0.741

Source: Output process, 2024

Table 5 shows reveals that the R-Square (R2) value for employee-related factors is 0.631, whereas the value for employee performance is 0.741. These findings show that 63 per cent of employee-related factors are influenced by firm and job-related factors, while other factors influence the remaining 37 per cent. Additionally, 74 per cent of employee performance is influenced by firm, job, and employee-related factors, while other factors influence the remaining 26 per cent.

Goodness of Fit Model (GoF). The goodness of the Fit Model indicates the comparison between the specified model and the covariance matrix between indicators or observed constructs (Hair et al., 2017). For this reason, if the model is good, it can be accepted.

Table 6. Goodness of Fit Model (GoF)

Construct	Composite Reliability	Cronbach Alpha	Average Variance Extracted	R Square	Q Square
Firm factors	0.849	0.762	0.586	-	-
Job-related factors	0.869	0.774	0.690	-	-
Employee related factors	0.920	0.894	0.662	0.631	0.627
Employee performance	0.947	0.934	0.720	0.741	0.739

Source: Output process, 2024

Table 6 shows the Composite Reliability and Cronbach Alpha values, each above 0.700. Cronbach Alpha (CA) should be more than 0.700, and Composite Reliability (CR)

values between 0.700 and 0.900 can be regarded as satisfactory (Hair et al., 2017). The value of AVE firm factors is 0.586, job-related factors 0.690, employee-related factors 0.662, and employee performance 0.720, far above the minimum value of 0.500. Thus, the four reflective constructs have a high level of validity. The table also shows that the R-Square value is above 0.500, so it is considered fit, namely, employee-related factors of 0.631 and employee performance of 0.741. Q-Square value is included in the large category because the value is above 0.350, namely employee-related factors of 0.627 and employee performance of 0.739.

Hypothesis Testing: Hypothesis testing is a statistical method to infer population characteristics from sample data. It aims to assess whether there is a significant positive or negative relationship between exogenous (independent) and endogenous (dependent) variables. According to (Ghozali & Latan, 2020), the standardised path coefficient and ρ-value should be below 0.050 with a 5-percent alpha level, whereas the t-table value at an alpha of 0.050 is 1.960. In this context, a hypothesis is supported if the significance level is less than 0.050 and the t-statistic exceeds 1.960. This study employs the ρ-value (or critical value) to test hypotheses, indicating the likelihood of observing the results. The results of the hypothesis tests are provided below:

Table 7. Hypothesis test

Path	StandardisedStandardised path coefficient	ρ-value	Information
Firm factors -> employee-related factors	0.370	0.001*	Positive and significant
Job-related factors -> employee-related factors	0.469	0.001*	Positive and significant
Firm factors -> employee performance	0.055	0.297	Positive and insignificant
Job-related factors -> employee performance	0.458	0.001*	Positive and significant
Employee-related factors -> Employee performance	0.409	0.001*	Positive and significant
Note: * = significant (ρ-value less than 0.050)			

Source: Output process, 2024

Table 7 provides a direct test result of 0.370 with a ρ-value of 0.001, indicating that firm factors directly and substantially affect employee-related factors. The influence of job-related factors on employee-related factors is 0.469, with a *ρ-value* of 0.001, indicating a direct and substantial effect. The influence of firm factors on employee performance is 0.055, with a *ρ-value* of 0.297, indicating an insignificant direct effect. Job-related factors had a 0.458 influence on employee performance, with a *ρ-value* of 0.001, indicating a direct and substantial effect. Employee-related factors directly and considerably impact employee performance (0.409, *ρ-value* of 0.001).

Indirect Effect: The test for indirect effects evaluates how an exogenous variable influences an endogenous variable through an intervening variable. In this study, firm and job-related factors are two exogenous variables that impact employee performance, with employee-related variables serving as mediators. A *ρ-value* less than 0.050 indicates a significant indirect effect, suggesting that the intervening variable effectively mediates the relationship between the exogenous and endogenous variables. Conversely, a *ρ-value* greater than 0.050 implies that the indirect effect is insignificant.

Table 8. Indirect effect

Path	Standardised Standardised path coefficient	ρ-value	Information
Firm factors -> employee-related factors -> employee performance	0.151	0.018*	Significant
Job-related factors -> employee-related factors -> employee performance	0.191	0.004*	Significant
Note: * = significant (ρ-value less than 0.050)			

Source: Output process, 2024

Table 8 shows depicts the indirect effects. The indirect effect of firm variables on employee performance through employee-related factors is 0.151, with a *ρ-value* of 0.018, indicating a substantial influence. Job-related factors have a strong indirect effect on employee performance through employee-related factors, with a coefficient of 0.191 and a *ρ-value* of 0.004.
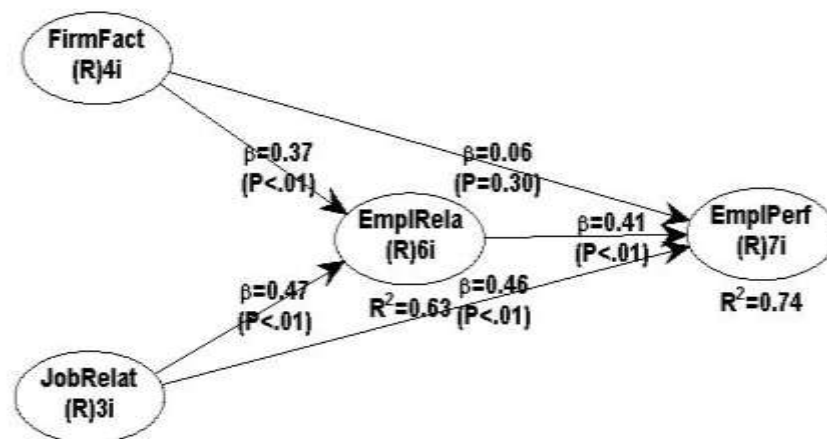
Figure 2. Test Results
Source: Output process, 2024

Figure 2 shows the test results above, showing that the firm factors variable on the employee-related factors variable is 37 per cent with a *ρ-value* of less than 1 per cent, the job-related factors variable on the employee-related factors variable is 47 per cent with a *ρ-value* of less than 1 per cent, the variable firm factors on the employee performance variable are 6 per cent with a *ρ-value* of 30 per cent, employee related factors variables on the employee performance variable are 41 per cent with a *ρ-value* of less than 1 per cent, job-related factors variables on the employee performance variable are 46 per cent with *ρ-value* less than 1 per cent. The R-Square value of employee-related factors is 63 per cent, and the R-Square value of employee performance is 74 per cent.

DISCUSSION

Research findings. This research was designed to apply the model from (Diamantidis & Chatzoglou, 2019) mixed with the model from (Paais & Pattiruhu, 2020). The firm, job, and employee-related factors variables use the (Diamantidis & Chatzoglou,

2019) research model, while the employee performance variable uses the (Paais & Pattiruhu, 2020) research model.

Firm factors have a positive effect on employee-related factors. This research proved that firm factors directly and significantly affect employee-related factors, showing that firm factors are directly related to employee-related factors. The results of this research strengthen research (Diamantidis & Chatzoglou, 2019). In a dynamic work environment, every employee of MSME's marine products business must be able to complete their work optimally, even though there are limited raw materials. This can be addressed well if every employee receives good training and is supported by management.

Job-related factors have a positive effect on employee-related factors. This research proved that job-related factors directly and significantly affect employee-related factors. This shows that job-related factors have a direct relation with employee-related factors. The results of this research strengthen research from (Miao & Cao 2019), which pays great attention to work environment policies in the human resources division, and also supports research from (Rahmawati & Gunawan 2019) and (Carter et al., 2018) regarding work as a responsibility which has a positive relation with employee creativity and independence. This research also strengthens research conducted by (Rahmawati & Gunawan, 2019) and research conducted by (Diamantidis & Chatzoglou, 2019) regarding job-related factors having a positive influence on employee-related factors.

Firm factors have a positive effect on employee performance. This research proved that firm factors have a direct but insignificant effect on employee performance. This shows that firm factors have a direct relation with employee performance. The results of this research confirm research from (Diamantidis & Chatzoglou, 2019), (Armstrong & Taylor, 2020) and (Osolase, 2022). Support factors from company management, training provided by management, and a work environment that supports the implementation of every job carried out by employees can increase employee performance. Evaluation of employees is related to the long-term success of the company; thus, the proposed model (Diamantidis & Chatzoglou, 2019) can help companies evaluate the factors that influence employee performance so that company leaders can focus their attention on management support for their employees and can interpret this in the organisationalorganisational climate and work environment.

Job-related factors positively affect employee performance. The results of this research succeeded in proving that job-related factors have a direct and significant effect on employee performance. This shows that job-related factors have a direct relation to employee performance. The results of this study confirm research from (Diamantidis & Chatzoglou, 2019), (Miao & Cao, 2019) and (Chen et al., 2021). Support from management, work environment and good communication with co-workers supports employee performance. This support must be given to employees to improve the job environment, directly or indirectly affecting their level of job performance. Managers must be aware that excessive support for employees' actions can cause disorientation in employees when they are carrying out their work. So, the managers who know the company's strategic planning and ideal job environment must choose the level of support for employees well and be able to manage them well and correctly.

Employee-related factors have a positive effect on employee performance. The results of this research succeeded in proving that employee-related factors have a direct and significant effect on employee performance. This shows that employee-related factors have a direct relation to employee performance. The results of this study strengthen

research from (Diamantidis & Chatzoglou, 2019) and (Kalwar et al., 2023). Management strives to employ people with various skills because they are valuable assets for the company. Employees who work will work as hard as possible to maximise employee performance.

Employee-related factors have been proven to mediate the effect of firm factors on employee performance. Employee-related factors in MSME's marine products business are something that needs to be paid attention to by business management, so it is necessary to think about and create strategies on how to employ people who have various skills and in this research, it is proven that employee-related factors mediate firm factors on employee performance. MSME's marine products business employees have the opportunity and trust of the company; they will help each other in teams to further improve employee performance. This proves that for every job given to MSME's marine products business, employees will gain trust, and the employees will try to work as hard as possible. Every job given to MSME's marine products business employees is becoming increasingly complex and fast-paced, requiring employees to manage their time to maximise employee performance.

Employee-related factors are proven to mediate the effect of job-related factors on employee performance. Job-related factors significantly affect employee performance because the more job-related factors are given by the management of MSME's marine products business to employees who have worked by high management demands and according to targets, the more optimal employee performance will be. This proves that job-related factors are essential if MSME's marine products business employees have worked according to the performance standards set by MSME's marine products business management to maximise employee performance.

This research shows that job-related factors and firm factors influence employee performance most, followed by factors related to each employee and those related to the leader. Every creative employee has a positive influence on the work activities they carry out. Employee-related factors were found to mediate between firm factors and job-related factors.

CONCLUSION

Conclusion The results of this research were obtained in a dynamic work environment; every employee of MSME's marine products business must be able to complete their work optimally even though there are limited raw materials. This can be addressed well if every employee receives good training and is supported by management. Work is a responsibility that has a positive relationship with employee creativity and independence. Support factors from management, training provided by management, and a work environment that supports the implementation of every job carried out by employees can increase employee performance. Support from management, a work environment and good communication with co-workers support employee performance.

Management strives to employ people with various skills because they are valuable assets for the company. Employees who work will work as optimally as possible to maximisemaximise employee performance. Every job given to MSME's marine products business employees is becoming increasingly complex and running fast. This requires employees to be able to manage their time to maximisemaximise employee performance. Job-related factors given by the management of MSME's marine products business to

employees who have worked under high management demands and according to targets will maximise employee performance.

This research has implications for further researchers. It proves that job-related factors are essential if MSME's marine products business employees have worked according to the performance standards set by MSME's marine products business management to maximisemaximise employee performance. This research's scope is limited to Jakarta and has yet to be carried out in other provinces. Research should be carried out in other regions with a larger total sample.

Implications for entrepreneurs. MSME's marine products business entrepreneurs should involve their employees and themselves in training to develop knowledge in the field of MSME's marine products business in order to be able to compete with other business entrepreneurs optimally and be able to utilise the internet in running their business, especially for employees and MSME's marine products business entrepreneurs in their marketing so that they have the opportunity to penetrate the international market. The use of the internet for employees and MSME's marine products business entrepreneurs in Indonesia needs to be optimised by conducting training and providing facilities for MSME's marine products business entrepreneurs and understanding so that the products produced have a quality that is not inferior to products from local business entrepreneurs in other fields from within the country or foreign products. MSME's marine products business entrepreneurs also need to pay attention to providing compensation and training for employees of MSME products business entrepreneurs so that employees can work as optimally as possible with good employee performance and support their families properly and correctly so that the processed fish products produced are even better.

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