Abstract

Recently, government employees encountered issues of service performance because of the rising citizen’s demand to get a better service quality. The concern of the researchers to relate employee service performance with equal employment opportunities and the practices of human resource management still limited. Using social exchange theory, recent study aims to examine the relationship between equal employment opportunity and employee service performance in the public sector. This research also investigates the mediating role of human resource management practices between the equal employment opportunity and employee service performance. This study was conducted among public servants in Tanjungpinang. A total of 258 public servants responded to the survey. The data were analyzed using structured equation modeling. The findings showed a positive relationship between equal employment opportunity and service performance. Besides, this study also claimed that human resource management practices mediate the connection between equal employment opportunity and service performance. The research implications and future research area need further elaboration.

Abstrak


Kata Kunci: Teori Pertukaran Sosial, Kesempatan Kerja yang Setara, Praktik Manajemen Sumber Daya Manusia, Kinerja Pelayanan.

A. INTRODUCTION

Human resources are a vital asset to organizations. Numerous organizations attempt to preserve their employees because they are a significant factor in achieving competitive advantage (Albrecht, Bakker, Gruman, Macey, & Saks., 2015:8; Mayfield, Mayfield, & Wheeler., 2016:4). To achieve this goal, every organization attempts to manage its workers by applying the idea of human resource management (HRM) appropriately. HRM related to the governance of individual facet in the organization. When a member of an organization establishes an organization, it is noteworthy for obtaining their resources, developing their skills, inspiring them to high-performance levels, and ensure that they continue to maintain their dedication to the organization to attain organizational goals. HRM plays a critical role in the process of governing organizations by preparing qualified human resources in the workplace. This is vastly necessary to be practiced regardless of what type of organization, government, industry, education, health, recreation, or social action.

Diagnosing the human resource problem and introducing more successful HRM approaches are no longer a current trend but a must. If the organization desires to reach a triumph, HRM should be consistently implemented by the management. HRM activities provide details about benefits provided by the organization for the involvement of an employee, improving employee engagement with the organization. Because it is related to service orientation, HRM practices have become a crucial factor in a public organization (Maheshwari & Vohra, 2015:873; Tummers, Kruyen, Vijverberg, & Voesenek., 2015:629). Public organizations continuously maintain their staff by implementing sufficient policy on equal employment opportunity (EEO) and HRM practices. EEO is a consequence of diversity in the workplace. EEO related to equality for every employee in all processes of HRM in the organization (Williamson & Colley, 2018:585). The nature of an organization always contains people with a different background. In the context of public agencies, they have been more committed to workplace diversity than private organizations through EEO and affirmative action programs, increasing at a higher level of diversity in public
organizations (Finney, Finney, & Parry, 2014:445; Riccucci, 2018:11). EEO and affirmative policy are the embodiment of diversity management applied by the public sector.

As a consequence of the reform movement after 1998, the Indonesian government has implemented numerous administrative reform policies all over central and regional governments (Turner, Prasojo, & Sumarwono, 2019:5), directly related to EEO concepts and sufficient HRM practices. The reform is noteworthy not only to respond to the assertion of the reform movement of 1998 in Indonesia but also to adapt to a paradigm shift in global governance reform. Even though it is still in advancing progress, the transformation of the Indonesian public sector has been applied in various dimensions of HRM. For instance, in the selection process of permanent officials, called by Pegawai Negeri Sipil (PNS), has utilized computer-assisted tests (CAT) to gain the best applicants relied on their score. In terms of the promotion of public officials, through Minister of Civil Service Regulation No. 13 of 2014, an open biding has been promoted by the government to select the best candidates to fill a higher-level position in Indonesian bureaucracy, such as the top, middle, and lower leader position (Jabatan Pimpinan Tinggi Utama, Jabatan Pimpinan Tinggi Madya, and Jabatan Pimpinan Tinggi Pratama).

The existing body of EEO and HRM literature has studied EEO and HRM practices, and its relations with many factors in the workplace. A number of prior research has asserted that the effective implementation of EEO policies can enhance organizational productivity (Doverspike, Arthur, & Flores, 2017:197), service performance (Choi, 2020:3) enterprise performance (Bisom-Rapp, 2018:337). Several studies have also addressed the role of HRM practices on organizational performance (Amin, Ismail, Rasid, & Selemani, 2014:125; Cho, Song, Yun, & Lee, 2013:23), intention to quit (Whitford & Lee, 2015:375), firm performance (Lai, Saridakis, & Johnstone, 2017:470; Perryman, Fernando, & Tripathy, 2016:580; Zhang, 2020:245), and employee outcomes (Boon, Hartog, Boselie, & Paauwe, 2011:138; Mostafa & Gould-Williams, 2014:276). The key findings of these studies highlight that HRM practices potentially increase much of organizational and individual effects in the workplace. Implementation of good HRM practices is believed to elevate the attendant’s behaviors and attitudes toward their job through an assertive response to the HRM process within the organization.

This study is an effort to fill out several research gaps in the current research of EEO, HRM practices, and service performance in three ways. First, the present study focused on applying social exchange theory to shed light on the impact of EEO and HRM practices on the service performance of public sector personnel. This concept is more recently used for seeking the motivation behind employee behavior and the formation of positive attitudes among public sector employees (Bos-Nehles & Meijerink, 2018:3069; Gould-Williams, 2007), including service performance. Lam, Huo, & Chen (2018:484) had noted that policy practices at the organizational level contributed to employee service performance. Using the social exchange perspective, I argue that public officials’ service performance is socially constructed by appropriate policies and practices of EEO and HRM in the public organization. Second, although scholars had examined the relationship between HRM practices in some variables, the majority of these studies outline in the context of private organizations. There is still a lack of attention from the researchers to highlight the issue in public organizations (Bastida, Marimon, & Careras, 2018:323; Blom, Kruyen, Heijden, & Thiel, 2020:4). In this study, I therefore address this critical gap in the existing literature by empirically testing the relationship between EEO and employee service performance in the stream of public administration, especially local government organization in Indonesia. Third, this study also investigates the mediating role of HRM practices in the relationship
between EEO and public worker’s service performance. I believe that the positive association between civil servants’ perception of EEO and service performance socially exchanged by HRM practices.

The remainder of this paper is presented successively. The following section describes the research methods used in this study. This part explains the study design, technique in reaching the data, and analytical procedures of the research. Then, the theoretical context is explored to draw the theory and the relationships among studied variables before proposing related hypotheses. Subsequently, this paper displays and analyzes the data with such statistical methods. The limitations of this inquiry and recommendations for future research are also illuminated in this section. Finally, the paper summarizes the study’s results and highlights theoretical contributions, along with the practical implications of this study in concluding remarks.

B. RESEARCH METHOD

This study had three latent variables consisted of one independent variable (EEO), one mediating variable (HRM practices), and one dependent variable (employee service performance). The subjects of this study were the public servants working at all departments in the city government of Tanjungpinang, Indonesia. Based on the data of BPS (2019), the number of population of public employees in Tanjungpinang city was 3,099. From the total population, 320 participants were chosen as participants in this research and initially approached. The respondents were asked to self-reported and answer each item in the questionnaire individually. Two hundred eighty participants were returned the questionnaires in which 258 surveys were valid, yielding a rate of approximately 81%, which could be further processed. From the data in Table 1, it can be seen more female (62%) than the male population or respondents (38%) reflecting national and local trends of the number of civil service in Kepulauan Riau (Yudiatmaja, Edison, & Samnuzulsari., 2018:148). The data also informed that non-echelon public officials were the largest respondent (91.1%) than other echelons in the city government of Tanjungpinang. While coming to educational background, it relatively spread in which each category of education frequently different responded, as follow university graduates (43.4%), diploma (29.8%), senior high school (24.8%), junior high school (1.2%), and elementary school (0.8%).

The questionnaires sent out used closed-item and self-administered system. The questionnaire consisted of six main parts; the respondent profile, EEO, HRM practices, and employee service performance. It was proposed in Indonesian after translating from English. A back-translation procedure suggested by Brislin (1970, 1988) was applied to turn the English questionnaire into Indonesian. Then, the pilot test was conducted to 30 respondents to check the validity and reliability of questionnaire items before distributing them in the large sample size. To test constructs in the conceptual model of this study, a series of questionnaires were developed. The measurements for multi-item constructs used have been verified by the prior studies. EEO instrument was modified from Stoilkovska, Ilieva, & Gjakovski., (2015:288–290). EEO measured official’s perception of justice and discrimination in the workplace, including discrimination of gender, age, disabilities, and political affiliation. This research employed Aladwan, Bhanungopan, & D’Netto., (2015:479) instrument to assess HRM practices. HRM practices conceived eight questions to seek the process of selection, training, development, performance appraisal, and reward within the bureaucracy. The employee service performance instrument was adjusted from Wang, Xu, & Liu., (2018:1188). It used different scales to measure assessments of the trait. EEO and service performance used a 5-point Likert scale, ranging from 1 (strongly disagree) to 5
(strongly agree). HRM practices used a 7-point Likert scale with scale anchors ranging from 1 (very bad) to 7 (great deal).

Table 1.
Population and Sample

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Sub-Categories</th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>1228</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>1871</td>
<td>160</td>
</tr>
<tr>
<td>Position</td>
<td>Specific Function</td>
<td>1333</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>General Function</td>
<td>1179</td>
<td>183</td>
</tr>
<tr>
<td>Echelon</td>
<td>Non-echelon</td>
<td>2512</td>
<td>235</td>
</tr>
<tr>
<td></td>
<td>4th Echelon</td>
<td>447</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>3rd Echelon</td>
<td>114</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>2nd Echelon</td>
<td>26</td>
<td>2</td>
</tr>
<tr>
<td>Education</td>
<td>Primary School</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Junior High School</td>
<td>24</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Senior High School</td>
<td>651</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>763</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>University Graduates</td>
<td>1648</td>
<td>112</td>
</tr>
<tr>
<td>Tenure</td>
<td>Ia-Id</td>
<td>17</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Iia-IId</td>
<td>649</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Iii-IIdId</td>
<td>1765</td>
<td>138</td>
</tr>
<tr>
<td></td>
<td>IVa-IIVd</td>
<td>668</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Population of the public employees was retracted from Badan Pusat Statistik (2019)
The total of sample is proportionally withdrawn from the whole of the population

The data were analyzed by using structural equation modeling (SEM) with the assistance of analysis of moment structures (AMOS) 24.0 software (Arbuckle, 2013). It was adequately used because of the sample size of this research over 100 respondents required for SEM (Anderson & Gerbing, 1988; Hair, Black, Babin, & Anderson, 2010). Before analyzing the data, a preliminary evaluation of measured models was conducted to seek the reliability and validity of the models. It was carried out in two crucial steps. The reliability and validity of each measure were firstly checked. Eventually, confirmatory factor analysis was performed among the nexus of EEO, HRM practices, and service performance. Following Baron & Kenny (Meynhardt, Brieger, & Hermann, 2020:1574) and Hayes (2018:78–79), the data were analyzed in three steps. First, the direct effects from independent to dependent variables were investigated. Second, the significance of individual path coefficients was first assessed to test the mediating role of HRM practices. Third, the combined indirect effect was evaluated using the bootstrapped variant of the Sobel test by Wang & Preacher (2015:253).

C. THEORETICAL FRAMEWORK

Social exchange theory was developed from the idea of social exchange proposing that non-economic exchange relationships in human behavior (Blau, 1964; Homans, 1958) and the norm of reciprocity suggesting that individuals feel forced to give back to others who gave them back (Gouldner, 1960). A social exchange arrangement entails undefined obligations in which favors establish vague, not clearly established, future commitments, and the essence of the return can not be negotiated. Still, it must be left to the discretion of the individual, making the return (Blau, 1964:93). There is a fundamental difference between
economic and social exchange in terms of a transaction of resources, form and strength of commitments, reciprocity, and the consistency of the relationship changing over time (Madanoglu, 2018:652). If the exchange of human resources involves both social and economic exchange, but social exchange often includes socio-emotional property, reflecting a broader involvement in the relationship (Wang, Long, Zhang, & He., 2019:475).

The scholars of human resources management have long used the idea of social exchange to explain the motivational foundation behind employee actions and the development of positive attitudes in the workplace (Cioban, Androniceanu, & Lazaroiu., 2019:4; Slack, Corlett, & Morris., 2015:540). More recently, this concept has been used to elucidate why individuals express loyalty to the organization and engage in behaviors that are typically neither formally recompensed nor enforceable by contract (Otto & Mamatoglu, 2015:196). Relationships in the organization also include exchanges of physical and intangible capital, a process partly governed by the rule of reciprocity. Employees who think they benefit from the discretionary and benevolent actions taken by their employer frequently feel obliged to reciprocate. Relationships in the social exchange are based on mutual trust and expectations that benefits will be shared over time (Mitchell, Cropanzano, & Quisenberry., 2012:100). Consequently, employee behaviors and attitudes in the workplace are consistently involved in social exchange.

EEO is the manifestation of justice and diversity in society. The idea of EEO appears to protect employees from all forms of discrimination. As a consequence, many governments around the world had anti-discrimination regulations. For instance, Australia has the Australian Prohibition of Discrimination Act 1966 and the Racial Discrimination Act 1975. In the United States, the Civil Rights Acts of 1866, 1871, 1964, and 1991 and the EEO Act of 1972 are the set of regulations protecting the employees from the race, color, religion, disability, and political discriminations. Kurtulus (2016:40) argue that EEO is policies designed to eliminate all forms of workplace discrimination and values, ensuring fair employment and hiring opportunities, promotion, training, transition, and the like. EEO is exceptionally noteworthy in the workplace for ensuring that the HRM process performs excellently.

Few inquiries have sought the importance of EEO in increasing the number of individual and organizational aspects in the office, such as own performance, organizational culture, and employee service performance. It means the perception of the staff on EEO practices in organizations strongly related to them and their organization. Multiple studies conducted by Guerrero & Posthuma (2014:616) reviewed the research on Hispanic workers in the US and how the discrimination occurred to them. Analyzing 112 peer-reviewed papers published in the scholarly journal, they found that Hispanic employees obtained discrimination in the variety of shapes, including prejudice, diversity, and sexual harassment. It can be possible because of a lack of policy on EEO and diversity management in many enterprises in the US. As reported, the perceived discrimination significantly affected organizational engagement, job satisfaction, and work stress of Hispanic laborers. Cho, Kim, & Barak., (2017:193) explored the impact of EEO, workforce diversity, and diversity management on employee perceptions of organizational performance in several social enterprises in California. Their study generally suggested that social enterprises reported high levels of diversity in gender, race or ethnicity, education, and sexual preference. In contrast, low levels of age and diversity in value were identified. Differences in the workplace and diversity management had been key determinants positively influencing the success of the organization. Although interviewees thought that diversity management played a significant role in enhancing organizational performance, they were less likely to
adopt diversity management. The results show a paradox of the practice of diversity management in American enterprises.

Like EEO, HRM practices also have a significant role in many organizations. HRM practices can be described quite simply as the manner in which employees were handled as inputs of resources into this process (Florén, Rundquist, & Fischer, 2016:167; Vanhala & Ritala, 2016:98). The HRM practices involve a total element of HRM in the organization, namely recruitment, selection, staffing, training and development, and retention. In the context of service organizations, HRM practices played a necessary role in achieving the service performance of the laborer through organizational antecedents, such as employee involvement, service training, and incentives for the official’s best performance (Liao & Chuang, 2004:43). The worker’s perception of HRM practices and service performance obviously shows a robust connection. Consequently, the increase of the best practices of HRM will be followed by the positive appraisal of the staff and almost certain rises officer’s service performance.

Guest (2011:5) conceptualized that HRM practices can influence HRM outcomes (e.g., commitment, quality, and flexibility), behavior outcomes (e.g., motivation, involvement, cooperation, organizational citizenship), and performance outcomes of the employees (e.g., productivity, quality, and innovation). Recent research has found the positive connection of HRM practices on several dimensions of service delivered by the employee, such as service quality (Russo, Mascia, & Morandi, 2018:293; Iqbal, Ahmad, Allen, & Raziq, 2018:283), service behavior (Rubel, Rimi, Yusliza, & Kee, 2018:316; Shin, Jeong, & Bae, 2018:264), service culture (Malik, Boyle, & Mitchell, 2017:1363), and service performance (Lee, Chao, & Chen, 2015:1). Prior studies also highlighted that HRM practices related to public personnel’s work attitudes, namely organizational citizenship behavior (OCB), work engagement, and turnover intentions (Li, Rees, & Branine, 2019:1419; Vet, Kozlilius, Heijden, Emans, & Lange, 2019:2777). These studies unequivocally note the essential and decisive role of HRM practices not only to enhance service features but also attitudes provided by the service workers.

From the social exchange theory viewpoint, public workers in a high-level perception of EEO and HRM practices will experience deep feelings of support from their organization they belong to, enabling them to make further sacrifices on behalf of that organization, including high service performance. This argument is consistent with the view of (Cropanzano, Anthony, Daniels, & Hall, 2017:480), proposing that the social exchange relationship arises when employers take care of workers in order to achieve beneficial organizational results, such as service performance. Social exchange theory offers another explanation of why government employees can respond positively to EEO and HRM practices in their organization – some workers can reciprocate the benefits they receive from the programs. Based on the perspective of social exchange theory, the hypotheses of the study can be formulated, respectively; (1) EEO will be positively related to service performance, (2) EEO affects HRM practices positively and significantly, (3) There is a positive association between HRM practices and service performance, and (4) The relationship between EEO and service performance is mediated by HRM practices. These hypotheses and the relationship among the studied variables can be drawn as Figure 1.
D. RESULT AND DISCUSSION

Validity and Reliability

In general, reliability analysis, convergent validity, and differential validity were appropriate. Table 2 illustrates the reliability and validity analysis of items of measurable variables. It depicts that factor loading of all variable items ranging from 0.62 to 0.93 reveals satisfactory magnitude (Clark & Watson, 2019:1420). The factor loading of t value is between 9.482 and 19.607, indicating that it is in an acceptable range (Gerbing & Anderson, 1988:189). Because the composite reliability (CR) of the measurable variable is from 0.89 to 0.92, exceeding 0.60, as suggested by Cha, Yi, & Bagozzi (2016:242) and Hair, Hult, Ringle, & Sarstedt (2017:112). The average variance of extracted (AVE) of the constructs ranges from 0.50 to 0.62, above the required value of 0.50, confirming that the reliability of all latent variables is consistent value for the model (Voorhees, Brady, Calantone, & Ramirez, 2016:122). Cronbach’s alpha ranges between 0.90 and 0.92 and indicates good internal validity among the variable items (Cheah, Sarstedt, Ringle, Ramayah, & Ting, 2018:3198).

Table 2.
Analysis of Reliability and Validity of Each Measurable Variable

<table>
<thead>
<tr>
<th>Item</th>
<th>Index</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal Employment Opportunity (CR = 0.91; AVE = 0.56; Cronbach α = 0.91)</td>
<td>EEO 1 The organization does not pre-determine the gender of the nominee</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>EEO 2 The applicants will be chosen regardless of their gender and sexual orientation</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>EEO 3 The institution is designed for the mobility of disabled people</td>
<td>0.67</td>
</tr>
<tr>
<td></td>
<td>EEO 4 In the selection process, people with disabilities are not discriminated against</td>
<td>0.72</td>
</tr>
<tr>
<td></td>
<td>EEO 5 The applicants have participated in the recruitment process, irrespective of their political affiliation</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>EEO 6 Once the selection process is finished, the best candidates are chosen irrespective of their political affiliation</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>EEO 7 My organization uses the Government’s positive initiatives for citizens over 50</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>EEO 8 When the selection process is complete, the best candidates are chosen irrespective of age</td>
<td>0.72</td>
</tr>
<tr>
<td>HRM Practices (CR = 0.89; AVE = 0.50; Cronbach α = 0.90)</td>
<td>HRM 1 How comprehensive is the selection procedure for an employee to work in this institution?</td>
<td>0.77</td>
</tr>
</tbody>
</table>
### Table 3: Means, Standard Deviations, Reliabilities, and Correlations among Studied Variables

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Inter-Construct Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1. EEO</td>
<td>4.19</td>
<td>0.86</td>
<td>(0.750)</td>
</tr>
<tr>
<td>2. HRM Practices</td>
<td>5.66</td>
<td>1.24</td>
<td>0.630**</td>
</tr>
<tr>
<td>3. Service Performance</td>
<td>3.84</td>
<td>1.00</td>
<td>0.486*</td>
</tr>
</tbody>
</table>

Source: Processed from data analysis (N = 258; parentheses along diagonal show internal consistency reliabilities; **p < 0.05; *p < 0.01)
Model and Hypotheses Testing

Before analyzing the hypotheses of this research, a confirmatory factor analysis (CFA) was used to check the validity of the research construct created by a group of parameters and then to check whether or not the measurements are a great indicator of the model concerned (Byrne, 2016:69). This analysis, consistent with previous research and literature on CFA, validated model fit by applying a test of chi-square ($\Delta \chi^2$), goodness-of-fit index (GFI), comparative fit index (CFI), the root-mean-square error of approximation (RMSEA), and the Tucker-Lewis index (TLI) (Shi, Lee, & Maydeu-Olivares., 2019:310).

As seen in Table 4, this research has three measurement models. The first one is the baseline model linking EEO, HRM practices, and service performance. Then, model 1 is the measurement model regressing two variables, namely EEO and service performance. Finally, model 2 was the measurement model associating HRM practices and service performance. $\Delta \chi^2$ among studied variables in all measurement models yield $p < 0.001$ and indicate adequate model. Because all measurement models are not fit yet, the models are revised as recommended: TLI more than 0.90, CFI greater than 0.90, SRMR lower than 0.08, and RMSEA shorter than 0.08 (Byrne, 2016:98; McNeish, An, & Hancock., 2018:44). After revision, the measurement of each model shows sufficiently statistical levels, as follows: model 1 is $\chi^2$(d.f) = 461.921(233); $\chi^2$/d.f = 1.982; TLI = 0.941; CFI = 0.950; SRMR = 0.071; RMSEA = 0.062, model 2 has $\chi^2$(d.f) = 220.066(97); $\chi^2$/d.f = 2.269; TLI = 0.949; CFI = 0.959; SRMR = 0.052; RMSEA = 0.070, and model 3 is $\chi^2$(d.f) = 238.054(90); $\chi^2$/d.f = 2.645; TLI = 0.938; CFI = 0.954; SRMR = 0.087; RMSEA = 0.080. Thus, our model depicts a good fit and on acceptable range (Kline, 2015:262).

Table 4.

Comparison of the Measurement Model of Fit Indices (Before and After Revision)

<table>
<thead>
<tr>
<th>Baseline Model: Three Factors (EEO-HRM Practices-SP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Model before Revision</td>
</tr>
<tr>
<td>Measurement Model after Revision</td>
</tr>
<tr>
<td>Model 1: Two Factors (EEO-SP)</td>
</tr>
<tr>
<td>Measurement Model before Revision</td>
</tr>
<tr>
<td>Measurement Model after Revision</td>
</tr>
<tr>
<td>Model 2: Two Factors (HRM Practices-SP)</td>
</tr>
<tr>
<td>Measurement Model before Revision</td>
</tr>
<tr>
<td>Measurement Model after Revision</td>
</tr>
</tbody>
</table>

Notes: N = 258, ***$p < 0.001$; $\chi^2$ = chi-square discrepancy, df = degrees of freedom; TLI = Tucker-Lewis index; CFI = comparative fit index; SRMR = standardized root mean square residual; RMSEA = root mean-square error of approximation
Source: The results of data analysis

All of the hypotheses tested in this study are according to the results of path analysis (see Figure 2). In terms of R square ($R^2$) of variance explained, EEO directly sheds light on HRM practices ($R^2 = 0.40$) (Hair et al., 2010). Importantly, the variance of government employees’ service performance ($R^2 = 0.41$) is largely determined by EEO and HRM
practices of government organizations. H1, H2, and H3 assert positive and significant relationships among EEO, HRM practices, and service performance. From the evaluation of hypotheses testing, it can be displayed that EEO influences HRM practices ($\gamma = 0.630$, $t = 9.65, p < 0.001$), and service performance of public employees ($\gamma = 0.152$, $t = 2.03, p < 0.05$). Additionally, public officials’ service performance also absolutely affected by HRM practices ($\gamma = 0.531$, $t = 6.55, p < 0.001$). H1, H2, and H3 are thus accepted.

Figure 2.
The Relationships among EEO, HRM Practices, and Service Performance
(Baseline Model)
Source: The results of data analysis

The Mediating Role of HRM Practices
This paper examines the mediating role of HRM practices in the connection between EEO and service performance by using Baron & Kenny’s (Andersson, Cuervo-Cazurra, A., & Nielsen., 2020:333) logic, to consider competitive models to meet the following four conditions, respectively: (1) the effect of the independent variable (EEO) on the mediator (HRM practices) requires to be significant; (2) The association between the independent variable (EEO) and dependent (service performance) needs to be significant; (3) the nexus between mediator (HRM practices) and dependent variable (service performance) entails to be significant; (4) the relationship from independent (EEO) and mediator (HRM practices) variable to dependent variable expect to be simultaneously significant. Figure 2, Figure 3, and Figure 4 clearly draw that these four conditions are met by the proceeds of the statistical analysis. After including the mediating variable (HRM practices), the effect of EEO on service performance reduces from 0.50 to 0.15. In addition, although $R$ square ($R^2$) increases from 0.25 to 0.40, it still attains the level of significance of $p < 0.05$. These results indicate that the relationship between EEO and service performance is partially mediated HRM practices.

Figure 3.
Structural Model without Mediator (Model 1)

Figure 4.
Structural Model without Mediator (Model 2)

To assess whether HRM practices significantly mediate the links between EEO and service performance, this paper was applied a Sobel’s test. The calculation of statistics confirms that the indirect effect among the relationships of EEO, HRM practices, and service
performance is 5.42 (p < 0.001). It means the nexus between EEO and service performance is significantly mediated by HRM practices, and H4 is supported.

Discussion

Overall, the findings of this inquiry fit the hypotheses: EEO is positively related to HRM practices, and employee service performance is affected by HRM practices. In addition, HRM practices implemented by local government significantly contributes to the service performance of public officials. Thereafter, HRM practices mediate the EEO-employee service performance link. The theory of social exchange offers a basis for understanding how EEO and HRM practices determine the individual service performance of public personnel. Social exchanges were ‘voluntary acts’ triggered by the treatment of its workers by an individual, with the understanding that such care will eventually be in kind (Blau, 1964:91; Homans, 1958:606). Thus, according to the theory of social exchange, when public organizations indicate the desire to participate in social exchange relationships by investing in EEO systems, public workers respond by becoming more empathic towards the mission of the organization and reciprocating with beneficial attitudes and behaviors for the organization in serving the public. This study provides empirical evidence that social exchange theory determines public workers’ behavior regarding their service performance in helping society. In other words, the notion of social exchange is strongly supported and corroborated by this study.

The research findings complete few studies underlining the critical role of EEO in the particular invigorating capacity of work outcomes, as customer service orientation (Daubner-Siva, Vinkenburg, & Jansen, 2017:315), personal performance (Otaye-Ebede, 2019:2610), and organizational performance (Kundu & Mor, 2017:160). This study shows that perceptions of EEO exhibited by the officials increase their public service performance. The unequivocal image designated by the public organization tends to motivate the civil servants to offer their maximum service performance. The ethical perceptions of EEO practices will be followed by positive attitudes in public service by public personnel. In short, fair policy and action on civil services concerning how their manage, in terms of recruitment, selection, staffing and development, reward and punishment, and retention, has a significant impact on their performance while serving the public.

The empirical results of this study support the findings of Lee, Chao, & Chen, (2015:1), seeking how HRM practices influence the employees’ service performance in the Taiwanese hotel industry. Lee et al. (2015:5) claimed that service performance was positively influenced by HRM practices, such as recruitment, selection, staffing, and development. This study also provides empirical evidence of the review conducted by Albrecht et al. (2015:15), proposing that HRM practices can strengthen competitive advantage through service performance. Using local government organizations as a focus of this research, the result of this work also similar to prior studies that public officials also offer positive responses on the implementation of HRM practices and its role in strengthening service performance delivered by the public servant. It can be summarized that the workers are highly motivated to the willingness of their institution in performing EEO and HRM decisions both in private and public sector services.

Implications to the Theory and Practice

From a theoretical perspective, a pivotal contribution of this study is to corroborate the existing body of research on social exchange theory. It was conducted through the case of public workers’ service performance by analyzing their perceptions on EEO and HRM
practices as an independent variable using the Indonesian public sector as a case study. Although EEO is considered an essential variable in determining employee service behavior, there is a limited number of an attempt to link EEO and service performance. In addition, the utilization of HRM practices as the mediator in the relationship between EEO and service performance has received little concern and evidence by the previous researchers. Thus, this study offers empirical evidence regarding the role of these factors as mediators.

The local governments in Indonesia face pressure to reform, in particular, after the reform movement in 1998 (Yudiatmaja, 2012, 2015:20). The contemporary study notes the role of EEO and HRM practices in elevating employee service performance in the context of the Indonesian local government. These results provide relevant policy and managerial implications to the local government in Indonesia in reaching bureaucratic reform by paying attention to the individual service performance of public employees in the local government. In this study, this work revealed that public officials’ service performance exceptionally influenced by EEO and HRM practices. This study also found that HRM practices partially mediated the influence of EEO on service performance. Thus, the local governments can use our hypothetical model in encouraging employee service performance by considering EEO and HRM practices in the management of human resource features. Principles of EEO and HRM practices carried out by the central and regional government in Indonesia in the process of recruitment, selection, and development of civil service, in particular after 1998 reform (Samnuzulsari & Yudiatmaja, 2015:39-40; Wihantoro, Lowe, Cooper, & Manochin., 2015:45–46), can be consistently forwarded. It is crucial to ensure employee trust and their positive response to the program of bureaucratic reform.

At the policy level, the central government vitally needs to initiate and formulate inevitable regulations of civil service to accommodate EEO principles because of no rule created until now. It also can be conducted by revising Act No. 5 of 2014 adjusting civil service in Indonesia by introducing EEO notions. At the managerial level, public administrators should notice EEO and HRM practices in the process of human resources management in the public sector. Actually, there is no one best way to managing workforce diversity (McGrandle, 2017:534). Despite no specific policy on EEO in Indonesian public organizations, the local governments should use the discretion in executing EEO notions in the process of managing human resources. As asserted by Waheed & Yang (2019:1345), managers can adapt the principles of EEO in selecting and promoting subordinates. Regarding the importance of service quality and performance in the public sector (Yudiatmaja, Alfiandri, & Hidayat., 2017:31), this paper suggests that EEO can be enhanced by incorporating the justice in a whole dimension of the management of the public human resource.

Limitation and Outlook

The findings and contributions of this study have to be considered in several limitations. The first one is that this research merely focused on the service performance of permanent employees (PNS) in Indonesia. Whereas, after revision of civil service regulation to be Act No. 5 of 2014, there are two cohorts of the public servant in Indonesia, notably permanent and contract employees (Pegawai Pemerintah dengan Perjanjian Kerja, PPPK) (Yudiatmaja, 2017:330). Hence, it can be bias and powerless in capturing Indonesian public officials exhaustively (Certo, Busenbark, Woo, & Semadeni., 2016:2642; Jakobsen & Jensen, 2015:6). Accordingly, future research can extend the sample group by combining permanent and contract officials. The second one is that the data in this research come from self-reported from public servants raising a bias (Yudiatmaja, 2019:171). To address this
problem, the next inquiry should use multiple evaluations of workers’ service performance by investigating their colleagues, supervisors, and customers (Mardani, Jusoh, Zavadskas, Khalifah, & Nor., 2015:1060). The third one is that this work solely performs one independent and dependent variable so that the results have not yet powerfully portray the service performance of the civil servants. So, the addition of latent variables is required for further inquiries to respond to the issue. Lastly, the findings indicate a partial mediation caused by HRM practices in the connection between religiosity and employee performance. In the future, we need much more both mediating and moderating variables, intermediating a variety of latent variables in the context of EEO construct and its relationship with the service performance of the employee in the public sector organizations, like a high performance of HRM, strategic HRM, etc.

E. CONCLUSION

The aims of this study are to answer whether EEO affects the service performance of public employees entirely, and the connection is mediated by HRM practices. In summary, this study clearly shows that public employees’ service performance can be elicited by a high level of perceptions of EEO within their organizations. Additionally, the association between EEO and service performance is partially mediated by HRM practices. The extraordinary insight of this study is to deliver the first rigorous research aligning EEO with HRM practices in the study of service performance. Therefore, this study adds to the body of knowledge on the literature of service performance in the context of Indonesian local government by considering EEO and HRM practices. This study also has useful and obvious guidance for policymakers and managers in Indonesian public sector organizations in enhancing employees’ service performance by creating, adopting, and implementing better principles of EEO and HRM practices in the human resources management process.

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