

The influence of Leader Member Exchange on Employee Performance with Job Security, Job Resources and Work Engagement as Mediation at Banda Aceh Tax Office

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ABSTRACT: This study examines the impact of Leader-Member Exchange (LMX) on employee performance, with job security, job resources, and work engagement serving as mediating variables at the Banda Aceh Tax Office. The research population comprises 100 civil servants employed at the Banda Aceh Tax Office, all of whom were included as respondents through the census method. The results of the descriptive analysis indicate that LMX, job security, job resources, work engagement, and employee performance at the Banda Aceh Tax Office are at favorable levels. The direct effect analysis confirms that LMX has impact on job security, job resources, work engagement, and employee performance. Furthermore, job security and job resources are found to positively and significantly influence work engagement, while work engagement, in turn, has impact on employee performance. The findings from the indirect effect analysis reveal that job security and job resources each partially mediate the relationship between LMX and work engagement. Additionally, work engagement is identified as a partial mediator in the relationship between LMX and employee performance. Moreover, job resources and work engagement jointly function as partial mediators in the relationship between LMX and employee performance, reinforcing their significant and positive role in enhancing employee outcomes. This research contributes to management science by reinforcing JD-R Theory and SET Theory SET, emphasizing that leaders play a crucial role in shaping work environments that enhance engagement and performance. It provides empirical evidence that organizations should focus on leadership development, job security, and resource allocation to improve workforce productivity. These insights help refine leadership and organizational behavior theories while offering practical guidance for public sector human resource management.

KEYWORDS: Leader Member Exchange, Job Security, Job Resources, Work Engagement, Employee Performance

INTRODUCTION

Tax revenue plays a crucial role in national development, accounting for over 85% of state revenue. The Directorate General of Taxes (DJP) is responsible for optimizing tax revenue through two primary strategies: enhancing taxpayer services and monitoring tax compliance. High-quality services promote voluntary compliance, while effective monitoring ensures adherence to tax regulations. The successful implementation of these strategies relies heavily on DJP's human resources. Without competent, dedicated, and high-performing employees, the government's tax revenue targets cannot be met. Therefore, a critical issue to address is how to improve the performance of employees at the Banda Aceh Tax Office, enabling them to effectively enhance taxpayer compliance and, ultimately, contribute to increased state tax revenue.

Employee performance plays a vital role in shaping an organization's overall success. Employees who perform well not only complete their tasks effectively but also exhibit strong commitment, dedication, and proactive behavior in the workplace. Several key factors influence employee performance, including (1) the quality of interactions between leaders and subordinates (LMX), which affects trust and communication, (2) job resources such as autonomy, social support, and career development opportunities that enhance productivity, (3) job security, which fosters a sense of stability and confidence, (4) work engagement, which drives motivation and enthusiasm, (5) competence, ensuring employees possess the necessary skills and knowledge, (6) intrinsic and extrinsic motivation, which encourages goal achievement, and (7) the work environment, which impacts morale, collaboration, and overall efficiency. By optimizing these factors, organizations can cultivate a high-performance culture that contributes to long-term success.

Enhancing employee performance can also be achieved through proper training, recognition, rewards for achievements, and the development of a conducive work environment. When employees feel appreciated and motivated, they tend to perform at their best, demonstrating higher levels of dedication and efficiency. This positive work attitude enhances individual productivity, fosters teamwork, and ultimately drives the organization toward achieving its goals. A workplace culture that prioritizes employee recognition and motivation creates a cycle of continuous improvement, innovation, and long-term success.

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LITERATURE REVIEW

Employee Performance

(Locke, 2017) defines performance as the achievement of work results by individuals or groups in executing assigned tasks, measured in terms of quantity and quality. According to (Dessler, 2020) performance refers to an employee's contribution to the organization's overall work outcomes. Similarly (Mathis & Jackson, 2019) describe performance as a measure of an individual's capacity to complete tasks, encompassing quality, quantity, and attendance. According to (Mendis & Weerakkody, 2018) define performance as the process of establishing a shared understanding to achieve organizational goals. (Qatmeemalmarhoon et al., 2017) describe performance as the execution of tasks or work in accordance with a predefined plan.

Job Security

(Saydam, 2000) defines security as a condition that reflects stability in life, the presence of adequate protection, and freedom from fear, anxiety, and uncertainty. Security is also associated with clarity in organizational structure, legal certainty, and well-defined boundaries. Additionally, strong protective factors contribute to creating a safe and supportive environment for individuals. (Handoko, 2016) states that security in the workplace encompasses several key aspects, including fairness in employee treatment, consistency in managerial policies and decisions, and the establishment of a harmonious and peaceful work environment. Furthermore, close relationships among employees, clear mechanisms for submitting complaints, and assurances of personal rights are essential factors in fostering a sense of security at work. Meanwhile, (Wening, 2005) defines job security as a condition in which employees feel calm and comfortable in the workplace. This sense of security is closely related to job continuity guarantees and the alignment of working conditions with employees' expectations and needs.

Job Resources

(Schaufeli & Bakker, 2004) define job resources as positive aspects of the work environment whether physical, social, or organizational that facilitate goal attainment, alleviate workload, and promote personal growth and development through motivational processes. Job resources play a crucial role in enhancing motivation and work engagement, particularly in high-demand work settings. These resources can function as intrinsic motivational factors by fostering learning, adaptability, and employee development, or as extrinsic motivational factors by facilitating goal achievement. According to (Bakker et al., 2005), job resources encompass physical, psychological, and organizational elements of the workplace that support employees in performing their tasks effectively, mitigate job demands, and enhance both motivation and job engagement.

Work engagement

According to (Albrecht, 2010), as cited in (Afrida et al., 2022), work engagement refers to a state in which employees are actively and deeply psychologically connected to their work. In this context, employees are not only physically engaged in performing their tasks but also demonstrate cognitive involvement in understanding and completing their work, as well as emotional involvement in fostering commitment to the organization. A high level of work engagement reflects employees' dedication and enthusiasm in contributing to the achievement of organizational goals. (Schaufeli & Bakker, 2004) define morale as mental resilience, energy, and a strong determination to perform optimally. In the management context, morale is a critical component of employee motivation, reflected in persistence and dedication when carrying out tasks. This commitment is most evident when individuals encounter challenges at work yet continue to strive with consistency and high dedication to achieve established goals. Morale encompasses both affective and cognitive processes, which may persist beyond work hours, such as when employees reflect on their tasks or discuss their work with others. Dedication shares conceptual similarities with work commitment but is considered a broader construct, as it encompasses feelings of pride, enthusiasm, challenge, and inspiration.

Leader Member Exchange

According to (Graen & Uhl-Bien, 1995), LMX is a relational leadership approach that highlights the significance of dyadic relationships between leaders and their subordinates. Central to this theory is the notion that leaders do not treat all subordinates uniformly; rather, they develop distinct relationships with each individual. The quality of these relationships plays a crucial role in organizational dynamics, influencing trust, communication, and overall work engagement. This approach emphasizes that leaders establish varying levels of exchange with different team members, which can impact workplace interactions, the degree of trust, and the extent to which employees receive support and access to resources from their leader (Robbins & Judge, 2013). Consequently, leaders may develop stronger levels of trust, communication, and support with certain subordinates compared to others (Malik et al., 2023).

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Research Framework

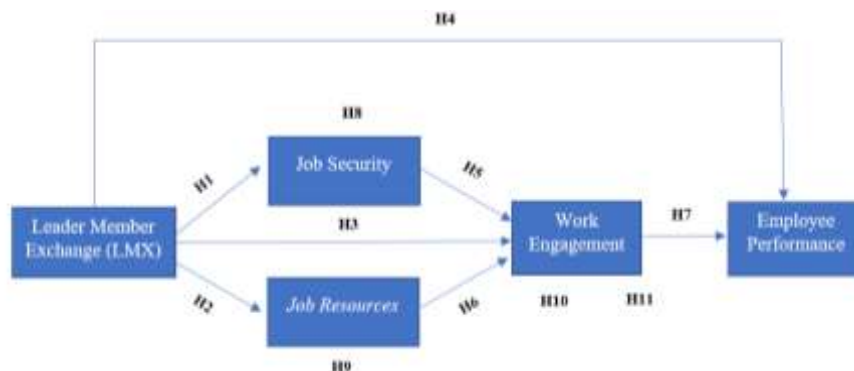


Figure 1. Framework

Hypothesis

- H1 : LMX, job security, job resources, work engagement, and employee performance are good.
- H2 : Impact LMX on job security
- H3 : Impact LMX on job resources
- H4 : Impact LMX on work engagement
- H5 : Impact LMX on employee performance
- H6 : Impact Job security on job engagement
- H7 : Impact Job resources on work engagement
- H8 : Impact Job engagement on employee performance
- H9 : Impact LMX on work engagement is mediated by job security.
- H10 : Impact LMX on work engagement is mediated by job resources.
- H11 : Impact LMX on employee performance with work engagement as mediation
- H12 : Impact LMX on employee performance with job resources and work engagement as mediation.

RESEARCH METHODS

This study was conducted at the Banda Aceh Tax Office, with all employees serving as the research population. To ensure that the findings accurately represent the overall conditions within the organization, a saturated sampling method, also known as a census, was employed. This method was chosen because the entire population, consisting of 100 employees, was included as respondents, eliminating the need for random selection or specific criteria-based sampling.

The use of a saturated sample is deemed appropriate for this study due to the relatively small population size, making it feasible to include all employees. By incorporating the entire population, this approach enhances the accuracy and representativeness of the data, thereby providing a comprehensive understanding of the studied variables. Additionally, this method minimizes the risk of sample bias, which could arise if only a subset of the population were analyzed.

The data collection process involved distributing questionnaires containing structured questions that were carefully designed to align with the research variables. These questionnaires aimed to capture respondents' perceptions and experiences related to the study, ensuring the reliability and validity of the collected data. By utilizing this method, the research obtained quantifiable insights that facilitated a comprehensive analysis of the relationships among the variables. The questionnaire was administered online via Google Forms, ensuring accessibility for all employees and improving efficiency in data collection and processing. The collected data were subsequently analyzed using SmartPLS 3.0, a software tool that facilitates the simultaneous examination of relationships between variables. This analytical approach enhances the comprehensiveness of the findings, allowing for a more robust evaluation of the proposed research model.

RESULTS AND DISCUSSION

Descriptive Hypothesis

Descriptive hypothesis is conducted to assess respondents' perceptions of the research variables, including LMX, job security, job resources, work engagement, and employee performance. This assessment is based on the mean values of these variables. A t-test for a sample, conducted at a significance level of $\alpha = 5\%$, yields the following results:

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Table 1. One Sample Test

	Test Value = 3.41					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence interval of the Difference	
					Lower	Upper
LMX	10.420	99	0.000	0.73400	0.5942	0.8738
Employee_Performance	16.289	99	0.000	0.88400	0.7763	0.9917
Job Security	4.873	99	0.000	0.39800	0.2359	0.5601
Job Resources	6.416	99	0.000	0.47100	0.3253	0.6167
Work Engagement	11.266	99	0.000	0.64300	0.5298	0.7562

Source: Primary data processed (2025)

Based on the results of the One-Sample Test with a test value of 3.41, the significance value obtained for all variables in this study is 0.000, which is less than 0.05. These findings indicate that the descriptive hypothesis (H1) is supported, leading to the acceptance of H_{a1} and the rejection of H₀₁. This result suggests that the variables of LMX, job security, job resources, work engagement, and employee performance at the Banda Aceh Tax Office are perceived positively.

Direct Path

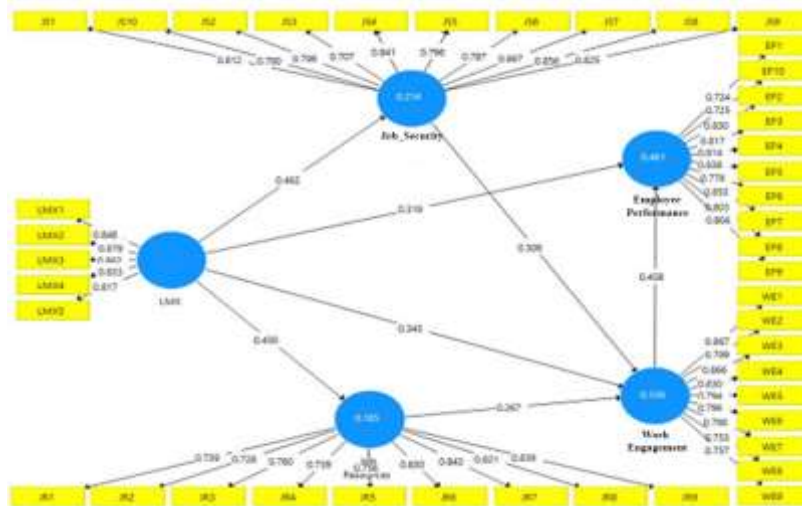


Figure 2. PLS Testing

The results of the direct hypothesis testing (direct path) examining the relationships between LMX, job security, job resources, work engagement, and employee performance are presented in Table 2.

Table 2. Direct Hypothesis Testing Results (Direct Path)

Variables	O	M	STDEV	O/STDEV	P
LMX -> Job Security	0.462	0.467	0.094	4.923	0.000
LMX -> Job Resources	0.430	0.435	0.083	5.206	0.000
LMX -> Work_engagement	0.343	0.338	0.082	4.167	0.000
LMX -> Employee_Performance	0.319	0.319	0.095	3.365	0.001
Job Security -> Work_engagement	0.306	0.309	0.097	3.168	0.002
Job Resources -> Work_engagement	0.267	0.273	0.082	3.236	0.001
Work engagement -> Employee_Performance	0.438	0.438	0.074	5.928	0.000

Source: Primary data processed (2025)

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The following is an explanation of the results of direct hypothesis and an analysis of the impact of each variable in this study:

H₂: Impact of LMX on job security

The findings from Hypothesis 2 testing reveal that LMX has a significant positive effect on job security among employees at the Banda Aceh Tax Office. The path coefficient (O value) of 0.462 indicates that LMX contributes to job security by 46.2%. Furthermore, the T-statistic value of 4.923 surpasses the critical threshold of 1.96, and the p-value of 0.000 falls below 0.05, confirming the statistical significance of this relationship. These results suggest that employees who experience high-quality exchanges with their leaders tend to feel more secure in their jobs due to increased trust, support, and stability within the workplace. As a result, the alternative hypothesis (H_{a2}) is accepted, while the null hypothesis (H₀₂) is rejected.

This finding suggests that stronger relationships between leaders and subordinates contribute to a greater sense of job security among employees at the Banda Aceh Tax Office. This effect may be attributed to increased trust, more effective communication, and greater support from supervisors, all of which enhance employees' perceptions of stability within the organization.

These results align with the findings of (Kraimer et al., 2005), who define job security as a psychological state reflecting employees' expectations of continued employment within an organization. In this context, positive and harmonious relationships between leaders and subordinates play a crucial role in fostering a stable work environment. When leader-member interactions are strong, employees are more likely to feel valued, supported, and confident about their career prospects. Furthermore, greater certainty about job stability can enhance employees' motivation and commitment to the Banda Aceh Tax Office, ultimately leading to improved productivity and performance.

H₃: LMX Impact on Job Resources

The results of Hypothesis 3 testing demonstrate that LMX has a significant positive effect on job resources at the Banda Aceh Tax Office. The path coefficient (O value) of 0.430 indicates that LMX accounts for a 43% improvement in job resources. Additionally, the T-statistic value of 5.206 and the P of 0.000, confirming the statistical significance of this relationship. These findings suggest that employees with strong LMX relationships receive better access to job resources, such as autonomy, social support, and career development opportunities. As a result, H_{a3} is accepted, while H₀₃ is rejected.

This finding suggests that stronger leader-subordinate relationships within the organization lead to greater access to job resources. In this context, job resources encompass physical, psychological, social, and organizational factors that support work effectiveness. When leaders and employees maintain positive relationships, employees are more likely to receive necessary support, professional development opportunities, and access to critical resources that enhance their performance.

These results align with the findings of (Breevaart et al., 2015), who state that employees with strong LMX relationships tend to have greater access to job resources. Employees actively seek, maintain, and develop these resources to manage job demands and enhance their well-being (Breevaart et al., 2015).

In this regard, LMX functions as a key resource that facilitates access to various other resources essential for employee performance. High-quality communication between leaders and subordinates enables employees to benefit from increased autonomy at work, enhanced career development opportunities, and stronger social support from both supervisors and colleagues. With greater access to job resources, employees can work more effectively, experience higher motivation, and develop a stronger attachment to the Banda Aceh Tax Office.

H₄: Impact of LMX on work engagement

The analysis results confirm that LMX has a significant impact on work engagement at the Banda Aceh Tax Office. This is evidenced by an original sample value of 0.343, indicating that a stronger relationship between leaders and subordinates increases work engagement by 34.3%. Additionally, the statistical test results show a T-statistic value of 4.167 (which exceeds the critical threshold of 1.96) and a p-value of 0.000 (which is below 0.05). These findings support Hypothesis 4 (H₄), leading to the acceptance of H_{a4} and the rejection of H₀₄.

This finding highlights the critical role of a positive leader-subordinate relationship in enhancing employees' work engagement. When employees feel valued, supported, and experience effective communication with their leaders, they tend to be more motivated and exhibit higher levels of emotional, cognitive, and physical engagement in their work. This, in turn, contributes to greater productivity and job satisfaction within the organization.

These results align with the findings of (Khan & Malik, 2017), who assert that high-quality LMX relationships significantly influence work engagement. Employees who develop strong relationships with their leaders are more likely to be emotionally, cognitively, and physically invested in their tasks. Furthermore, when employees feel valued and receive adequate attention from their superiors, they are more motivated to contribute effectively to the organization. Positive leader-member interactions foster trust, support, and a conducive work environment, ultimately enhancing employee loyalty and commitment. Therefore, high-quality LMX relationships serve as a key factor in strengthening work engagement and improving overall productivity at the Banda Aceh Tax Office.

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H5: Impact LMX on employee performance

The analysis results demonstrate that LMX is essential for improving worker performance at the Banda Aceh Tax Office. The original sample value of 0.319 suggests that improvements in LMX contribute to a 31.9% increase in employee performance. A T-statistic value of 3.365 provides additional confirmation of this link, and a p_value of 0.001, confirming statistical significance. These findings indicate that strong leader-subordinate relationships foster motivation, commitment, and job satisfaction, ultimately improving overall performance. As a result, Hypothesis 5 (H₅) is supported, with H_{a5} accepted and H₀₅ rejected.

These results highlight the crucial role of positive leader-subordinate relationships in fostering productivity and enhancing performance effectiveness. Employees who feel supported, valued, and experience open communication with their superiors tend to exhibit greater dedication to their work, produce higher-quality output, and take a proactive approach to completing their responsibilities. Enhancing the quality of LMX can serve as a key strategy for organizations in optimizing employee performance and achieving operational goals more effectively.

(Wang et al., 2008) demonstrated that employees with high-quality LMX relationships tend to exhibit higher levels of creativity, which is a critical factor in delivering superior services and improving overall performance. When employees develop positive relationships with their leaders, they are more inclined to innovate in task execution, feel more supported in decision-making processes, and gain greater confidence in developing solutions that enhance work effectiveness and efficiency. Support and trust from supervisors create a conducive work environment for exploring new ideas, ultimately contributing to increased individual productivity and overall organizational performance at the Banda Aceh Tax Office.

H6: Impact of Job Security on work engagement

Findings from testing Hypothesis 6, which examines the impact of job security on employee work engagement at the Banda Aceh Tax Office, indicate a significant positive relationship. The path coefficient value was found to be 0.306, with a T-statistic of 3.168, and a p-value of 0.002 < 0.05. These findings confirm that job security contributes to increased work engagement, meaning that for every improvement in employees' perceived job security, their level of work engagement rises by 30.6%. Consequently, Hypothesis 6 (H_{a6}) is accepted, while the null hypothesis (H₀₆) is rejected.

The findings further demonstrate that a higher sense of job security leads to greater employee engagement—emotionally, cognitively, and physically. Clear job status, career continuity assurance, and a supportive work environment foster employee loyalty to the Banda Aceh Tax Office, which, in turn, enhances their level of work engagement.

(Altinay et al., 2019) provide empirical evidence supporting the positive impact of job security on employee engagement and their connection to work. Job security extends beyond physical safety measures, such as accident prevention, to encompass job stability and career progression within the organization.

These results suggest that when employees feel secure in their employment—both in terms of their work environment and long-term career prospects—they are more likely to develop a strong attachment to their jobs. This sense of stability fosters trust in the organization, enhances work motivation, and encourages employees to contribute optimally toward the achievement of the Banda Aceh Tax Office's objectives. Therefore, job security serves as a crucial factor in fostering positive work relationships and strengthening employees' commitment to the organization.

H7: Impact of Job resources on work engagement

The results indicate that job resources significantly impact employee engagement at KPP Pratama Banda Aceh. This is evidenced by the O-value of 0.267, a T-statistic value of 3.236, and a p_value of 0.001. These findings confirm that job resources contribute 26.7% to increasing work engagement. Thus, Hypothesis 7 (H_{a7}) is accepted, while H₀₇ is rejected.

This study emphasizes the value of workplace tools including coworker and supervisor support, self-development opportunities, and workplace autonomy in enhancing employee motivation and organizational commitment. At the Banda Aceh Tax Office, employees with access to adequate job resources tend to be more emotionally, cognitively, and physically engaged in their work. Moreover, sufficient job resources help alleviate work-related stress and foster a more conducive work environment, leading employees to feel valued and motivated to contribute effectively to the organization.

These outcomes concur with those of (Breevaart et al., 2015), who emphasized that job resources—such as career growth opportunities, social support, and autonomy play a crucial role in enhancing employee work engagement. Job resources serve as motivational factors that not only facilitate the achievement of work goals but also improve employee well-being and commitment to the organization. Access to sufficient job resources enables employees to manage job demands more effectively, enhances their sense of competence and control over tasks, and contributes to a positive work environment. Employee commitment is higher when they have access to the resources they need and feel encouraged, emotionally and cognitively engaged, and demonstrate optimal job performance.

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Hg: Impact of work engagement on employee performance

The findings of the test for Hypothesis 8 demonstrate a strong positive correlation between work engagement and employee performance at the Banda Aceh Tax Office. The O value of 0.438 indicates that work engagement contributes to a 43.8% improvement in employee performance. Additionally, the T_statistic of 5.928, and the p_value of 0.000 confirms statistical significance. These findings highlight the crucial role of work engagement in enhancing employee productivity, motivation, and overall performance. As a result, Hypothesis 8 (Ha₈) is accepted, while the H0₈ is rejected.

These findings support the concept that employees with high levels of work engagement are more focused, motivated, and dedicated to their work. From the perspective of work engagement theory, individuals who are emotionally, cognitively, and physically engaged in their roles tend to perform better, as they derive meaning from their work, exhibit positive energy, and possess an intrinsic drive to achieve optimal results.

Furthermore, this result aligns with previous research by (Gupta & Sharma, 2018), which highlights that employees with high work engagement tend to be more productive, innovative, and contribute significantly to achieving organizational goals. This suggests that the Banda Aceh Tax Office should focus on factors that enhance work engagement—such as fostering a conducive work environment, providing career development opportunities, and ensuring strong support from supervisors and colleagues—to optimize overall employee performance.

According to (Gupta & Sharma, 2018), work engagement plays a crucial role in enhancing employee performance. Employees with high engagement levels tend to be more motivated, strongly committed to their organization, and willing to exert extra effort voluntarily. Within the framework of work engagement theory, employees who feel emotionally and psychologically connected to their work demonstrate greater dedication, higher energy levels, and increased resilience in overcoming job challenges. Additionally, work engagement contributes to a positive work environment where individuals feel valued, supported, and empowered to grow. To maximize employee performance, organizations should develop strategies to enhance work engagement, such as offering career development opportunities, providing constructive feedback, and fostering a supportive and inspiring work culture. These initiatives can directly contribute to increased productivity and the successful achievement of organizational objectives.

Indirect Path

The results of *indirect path* hypothesis testing between *LMX* variables, *job security*, *job resources*, work engagement, and employee performance can be seen and explained in the table below:

Table 3. Indirect Path Hypothesis Testing Results

Variable	O	M	STDEV	O/STDEV	P Values
LMX -> Job_Security -> Work_Engagement	0.142	0.145	0.056	2.511	0.012
LMX -> Job Resources -> Work_Engagement	0.115	0.118	0.043	2.685	0.007
LMX-> Work_Engagement-> Employee_Performance	0.150	0.147	0.042	3.596	0.000
LMX -> Job Resources -> Work_Engagement -> Employee_Performance	0.050	0.053	0.023	2.219	0.027

Source: Primary data processed (2025)

Hg: Impact LMX on work engagement through job security.

The results indicate that job security partially mediates the relationship between LMX and work engagement among employees at the Banda Aceh Tax Office. This is supported by a path coefficient of 0.142, a T_statistic of 2.511, and a P_value of 0.012, confirming the statistical significance of the indirect effect. These findings suggest that employees who experience strong leader-member relationships are more likely to feel secure in their jobs, which in turn enhances their engagement at work. Thus, job security serves as an essential mechanism that strengthens the influence of LMX on work engagement. These results confirm the significance of the indirect effect, as demonstrated in the following calculations

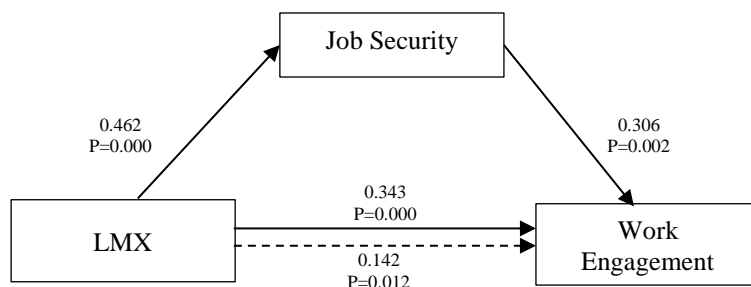


Figure 3 Hypothesis Testing Results 9

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The results indicate that job security serves as a partial mediating variable in the relationship between LMX and the work engagement of employees at the Banda Aceh Tax Office. This is demonstrated by a path coefficient of 14.2%, where the direct effect of LMX on work engagement remains significant, although a portion of the effect is mediated by job security. Consequently, Hypothesis 9 is supported (H_{a9} accepted, H_{09} rejected), confirming that job security only partially facilitates the relationship between LMX and work engagement.

This finding aligns with the research of Altinay et al. (2019), which suggests that Through increased job security, LMX indirectly affects employee engagement at work. Workers who have positive LMX connections with their managers are more likely to feel appreciated, supported, and assured in their career stability. Job security, in this context, encompasses not only job stability but also trust in leadership and confidence in the organization's commitment to providing protection and continuous development opportunities.

These results imply that the Banda Aceh Tax Office should strengthen LMX by ensuring that leaders offer clear support, maintain open communication, and cultivate a secure and stable work environment. Employee engagement can be further increased in this way, which will eventually boost worker performance and company effectiveness as a whole.

H10: Impact of LMX on Work engagement through Job

The impact of LMX on the work engagement of employees at the Banda Aceh Tax Office through job resources is demonstrated by a O_value of 0.115, a $T_statistic$ value of 2.685, and a P_value of 0.007 (<0.05). These findings suggest that LMX significantly influences work engagement indirectly through job resource. Further details are presented in Figure 4 below.

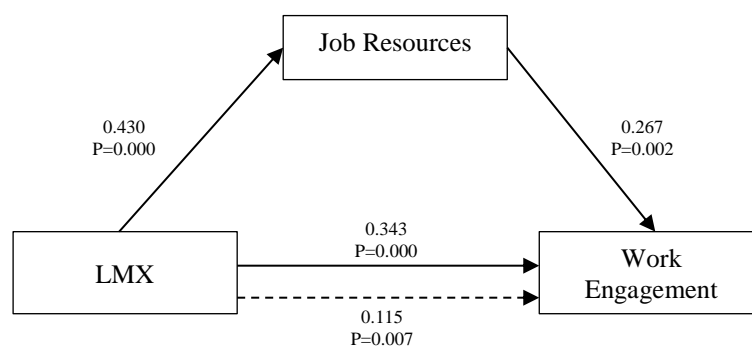


Figure 4. Hypothesis Testing Results 10

The analysis results confirm that job resources play a partial mediating role in the relationship between LMX and work engagement at the Banda Aceh Tax Office. This is demonstrated by a mediation effect of 11.5%, indicating that a portion of LMX's impact on work engagement is channeled through job resources. Workers who have positive connections with their managers are more likely to have access to workplace resources like support, autonomy, and development opportunities, all of which increase their level of engagement at work. Therefore, Hypothesis 10 (H_{a10}) is accepted, while the H_{010} is rejected, reinforcing the importance of job resources in strengthening employee engagement.

The Job Demands-Resources (JD-R) theory, which highlights the importance of job resources as motivating elements in raising employee engagement, is in line with this finding. A strong LMX relationship enables employees to access essential job resources, including social support from leaders and colleagues, opportunities for career growth, and greater autonomy in decision-making. These resources help employees feel more valued and empowered, leading to increased motivation, commitment, and overall engagement in their work.

Moreover, (Breevaart et al., 2015), which states that employees with strong LMX relationships are more likely to receive the support and job resources necessary to strengthen their attachment to the organization. In other words, when leaders provide substantial support to their subordinates, employees gain better access to job resources, which in turn enhances their engagement at work.

The implications of this research suggest that the Banda Aceh Tax Office should focus on strengthening leader-subordinate relationships and ensuring the availability of adequate job resources. By improving access to these resources, the organization can boost employee motivation, engagement, and productivity, ultimately leading to enhanced overall performance. This conclusion is further supported by Wagner & Koob (2022), who examined the impact of LMX on work engagement with job resources as a mediator. Their study demonstrated that high-quality leader-subordinate relationships provide essential job resources such as social support, development opportunities, and job autonomy which significantly contribute to increased employee engagement.

H11: Impact of LMX on Employee Performance through Work engagement

The impact of LMX on the employee performance of the Banda Aceh Tax Office through work engagement is presented in the figure below.

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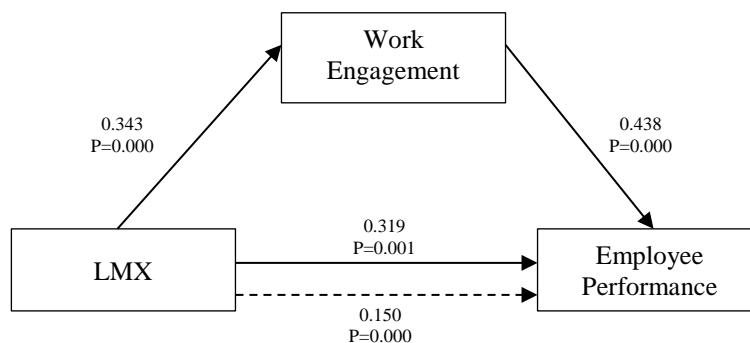


Figure 5. Hypothesis Testing Results 11

The analysis results confirm that work engagement partially mediates the relationship between LMX and employee performance at the Banda Aceh Tax Office. This is supported by a O_Value of 0.150, a T_statistic of 3.596, and a P_value of 0.007. These findings suggest that 15% of LMX's influence on employee performance occurs through work engagement, reinforcing its role as a crucial factor in enhancing performance. As a result, Hypothesis 11 (Ha₁₁) is accepted, while the null hypothesis (H0₁₁) is rejected.

This finding aligns with research conducted by Gupta and Sharma (2018), which highlights the crucial mediating role of work engagement in the relationship between LMX and employee performance. Their study confirms that LMX positively affects work engagement, which subsequently enhances employee performance. Employees who establish strong and high-quality relationships with their leaders tend to be more emotionally and psychologically invested in their work. This heightened engagement drives intrinsic motivation, fosters commitment, and strengthens dedication, ultimately contributing to improved individual effectiveness and overall organizational success.

In this sense, "work engagement" refers to how emotionally, cognitively, and physically involved individuals are with their jobs. Employees who maintain strong interpersonal relationships with their supervisors tend to feel more valued, supported, and develop a sense of ownership over their responsibilities. As a result, they exhibit higher levels of intrinsic motivation, commitment, and dedication, leading to improved efficiency and productivity.

Furthermore, these findings are consistent with SET, which posits that workplace relationships built on mutual trust, open communication, and reciprocal appreciation encourage individuals to deliver higher performance. When employees perceive that their leaders provide support, recognition, and opportunities for development, they are more likely to exert extra effort in their tasks, thereby enhancing overall organizational productivity.

From a practical perspective, these results suggest that organizations, particularly the Banda Aceh Tax Office, should focus on strengthening leader-subordinate relationships to enhance work engagement. Implementing strategies such as improved communication, mentoring programs, and employee engagement-driven policies can foster better LMX relationships. Consequently, enhancing work engagement can serve as a key driver in optimizing employee performance and achieving organizational objectives.

H12: Impact of LMX on Employee Performance Through Job resources and work engagement

The effect of LMX on employee performance at the Banda Aceh Tax Office through job resources and work engagement is presented in Figure 6 below. This analysis examines the mediating role of job resources and work engagement in strengthening the relationship between LMX and employee performance, highlighting the extent to which these factors contribute to performance improvement.

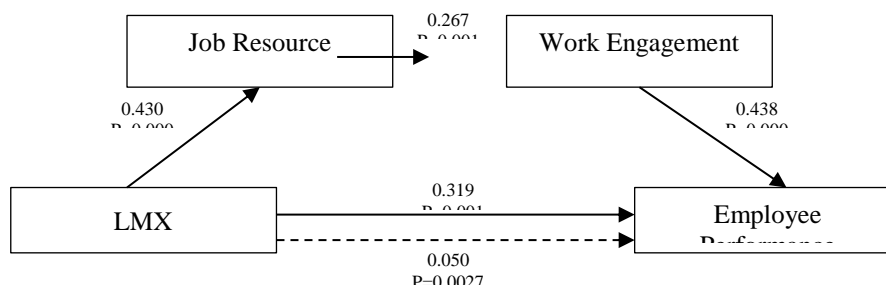


Figure 6. Hypothesis Testing Results 12

The statistical analysis confirms that job resources and work engagement act as partial mediators in the relationship between LMX and employee performance at the Banda Aceh Tax Office. This conclusion is supported by the O_value of 0.050, a T_statistic of 2.219, and a P_value of 0.027, indicating statistical significance. These findings suggest that 5% of LMX's influence on employee

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performance occurs through job resources and work engagement. Therefore, hypothesis Ha12 is accepted, while H012 is rejected, reinforcing the importance of providing adequate job resources and fostering engagement to enhance employee performance.

These findings align with the Job Demands-Resources (JD-R) Theory, which posits that job resources such as support from colleagues and supervisors, opportunities for professional development, and autonomy in the workplace serve as motivational factors that enhance work engagement. This, in turn, positively influences employee performance. Within the LMX framework, high-quality leader-subordinate relationships provide employees with greater support, improved access to job resources, and career development opportunities. These factors contribute to employees' emotional attachment and commitment, ultimately enhancing their performance within the organization (Dulebohn et al., 2012).

Furthermore, these results corroborate previous studies, which have demonstrated that strong leader-subordinate relationships facilitate access to job resources, thereby reinforcing work engagement and motivating employees to achieve optimal performance. From the perspective of Social Exchange Theory (SET), relationships built on trust, support, and effective communication between leaders and employees foster a more positive work environment. As a result, employees feel valued and are more motivated to enhance their productivity (Dulebohn et al., 2012).

From a practical standpoint, these findings highlight the importance of implementing strategies that enhance job resources and work engagement as part of an effective human resource management approach. For organizations such as the Banda Aceh Tax Office, key initiatives may include improving communication between leaders and subordinates, providing structured career development support, and fostering a flexible and responsive work environment that meets employees' needs. By implementing these strategies, the Banda Aceh Tax Office can further optimize employee performance and enhance overall operational efficiency.

CONCLUSION

Based on the results of the research conducted at the Banda Aceh Primary Tax Service Office, the following conclusions can be drawn:

1. The descriptive analysis demonstrates that LMX, job security, job resources, work engagement, and employee performance at the Banda Aceh Tax Office are in a favorable condition. This is reflected in the average respondent's perception of the research variables, which reached 4.03, exceeding the threshold value of 3.41. Additionally, the One Sample Test method, with a cut-off value of 3.41, indicates that all variables have a P-value of 0.000, which is below the 0.05 significance level. These results confirm that the descriptive hypothesis is accepted, signifying that the studied variables are perceived positively by the respondents.
2. The examination of direct relationships reveals that LMX significantly influences multiple variables in this study. Specifically, LMX has a notable effect on job security, job resources, work engagement, and employee performance. Moreover, job security is found to have a significant positive influence on work engagement, while job resources also contribute significantly to enhancing work engagement. Additionally, work engagement exerts a strong influence on employee performance. These findings underscore the importance of these interconnections in enhancing employee performance at the Banda Aceh Tax Office.
3. The analysis of indirect relationships confirms the presence of mediating effects in the interaction between LMX and other variables in this study. In particular, job security serves as an intermediary in the relationship between LMX and work engagement. Similarly, job resources function as a mediator between LMX and work engagement. Furthermore, work engagement is established as a mediating factor between LMX and employee performance. Additionally, job resources and work engagement jointly mediate the relationship between LMX and employee performance. These findings emphasize the vital role of mediation mechanisms in strengthening the impact of LMX on work engagement and employee performance at the Banda Aceh Tax Office.

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