

The Impact of Human Resource Audits and Organizational Commitment on Employee Performance

Ahmad Fawzi Jailani ¹, Ngatimun ^{2*}, Elok Dwi Vidiyastutik ³, Lusi Endang Sri Darmawati ⁴
Fakultas Ekonomi dan Bisnis, Universitas Panca Marga ¹²³, STKIP PGRI Situbondo ⁴
Email : imun_bp@upm.ac.id ^{2*}

ABSTRACT

This study explores the influence of human resource audits and organizational commitment on employee performance in the pharmaceutical retail sector, specifically at Kimia Farma Apotek Unit Bisnis Jember. Using a quantitative approach with a causal associative design, the research examines how HR audits, which systematically assess HR practices, and organizational commitment, which reflects employees' emotional attachment to their organization, contribute to improving employee performance. The study finds that both HR audits and organizational commitment positively affect employee performance, with organizational commitment showing a stronger impact. Data were collected from employees using structured questionnaires, and the analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results indicate that organizations with well-implemented HR audits and a strong sense of employee commitment achieve better performance outcomes. These findings emphasize the importance of integrating systematic HR evaluations and fostering emotional bonds with employees to optimize workforce effectiveness. Future research could investigate additional factors influencing performance, such as job satisfaction, and extend the study to other regions or sectors to validate these results.

Keywords: human resource audit, organizational commitment, employee performance, pharmaceutical retail, workforce effectiveness.

1. INTRODUCTION

In recent years, human resource (HR) management has become a critical factor in determining the success of organizations. The pharmaceutical retail sector, particularly in Indonesia, is facing increasing pressure to meet higher service standards and optimize its human capital (Indarto, 2015). As the demand for professional healthcare services grows, driven by both the expansion of pharmacy chains and an increasingly health-conscious society, organizations are recognizing the pivotal role of effective HR management. The pharmaceutical industry, known for its competitive nature, requires qualified professionals and competent management to maintain quality service, boost organizational performance, and satisfy customer expectations. As HR management evolves from a purely administrative function to a strategic role, it plays a key part in shaping workforce performance and organizational outcomes (Mekta, 2023).

Human resource audits and organizational commitment have emerged as important determinants of employee performance in the pharmaceutical sector. A human resource audit is a systematic evaluation of HR functions, identifying areas of improvement and helping align HR practices with organizational goals. This audit contributes directly to identifying gaps in performance



and workforce management (Pramudya, 2017). On the other hand, organizational commitment reflects the emotional attachment employees have to their organization, which influences their engagement and productivity (Rizal et al., 2023). In this context, understanding how these two factors contribute to employee performance is crucial for improving organizational effectiveness and ensuring sustainable growth in the competitive pharmaceutical retail industry.

Literature Review and Previous Research. Human resource audits have been widely studied for their role in enhancing organizational performance. These audits are defined as comprehensive evaluations of an organization's HR functions, assessing processes like recruitment, selection, and staff development (Indarto, 2015). The effectiveness of HR audits is measured through various indicators, including recruitment processes, employee competency development, and work function management. Previous studies have highlighted a significant positive relationship between HR audits and employee performance, suggesting that organizations with well-implemented HR audit systems can optimize their human capital and improve performance outcomes (Fadhilah, 2021). However, some studies indicate that while HR audits are important, their impact on performance can be limited if follow-up actions are not implemented to address identified gaps (Pamungkas et al., 2023).

Organizational commitment, conceptualized as the psychological attachment employees feel toward their organization, has also been shown to significantly influence employee performance. It is commonly measured across three dimensions: affective, continuance, and normative commitment (Mekta in Fatkhur, 2023; Shaleh, 2018). Affective commitment, which refers to emotional attachment, is particularly important as it correlates with enhanced performance, higher productivity, and better service quality (Rizal et al., 2023). The literature suggests that employees with higher levels of organizational commitment are more likely to contribute discretionary effort toward organizational goals. However, some studies suggest that the relationship between organizational commitment and performance may vary based on contextual factors such as job characteristics and the organizational culture (Nadapdap, 2017).

Employee performance is typically measured by both quantitative outputs and qualitative factors, including work quality, timeliness, and interpersonal skills (Mangkunegara in Novia, 2021; Handoko, 2023). In the pharmaceutical retail sector, employee performance is vital as it directly impacts customer satisfaction and service excellence. Several studies have found that effective HR practices and high organizational commitment levels are positively correlated with improved performance, but the results are not always consistent across different sectors and organizational contexts (Sujana, 2024). This suggests that sector-specific research is necessary to fully understand the dynamics of HR audits, organizational commitment, and employee performance in the pharmaceutical retail industry.

Gap Analysis and Novelty Statement. A significant gap exists in the literature regarding the simultaneous investigation of HR audits and organizational commitment as influences on employee performance within Indonesia's pharmaceutical retail sector, especially during the post-pandemic period. While previous studies have examined these factors in different sectors, little research has focused on the specific challenges faced by pharmacy chains, especially in regions like Jember, where market dynamics may differ from those in larger urban areas. Additionally, previous research often neglects the use of advanced analytical tools like Partial Least Squares Structural Equation Modeling (PLS-SEM), which allows for a more robust understanding of complex relationships between these variables in a real-world context.

This study provides a novel contribution by addressing these gaps. By focusing on Kimia Farma Apotek Unit Bisnis Jember, the research examines the combined effects of human resource audits and organizational commitment on employee performance in the pharmaceutical retail sector. The use of rigorous statistical analysis, including PLS-SEM, offers a fresh approach to



understanding how HR systems and emotional attachment influence employee performance outcomes. This research also provides insights into how these factors interact in the unique context of post-pandemic recovery in Indonesia's pharmaceutical retail industry.

Research Objectives. The primary objective of this research is to analyze the influence of human resource audits and organizational commitment on employee performance at Kimia Farma Apotek Unit Bisnis Jember. The study aims to identify how these factors contribute to employee performance, with the goal of offering practical recommendations for improving HR practices and organizational commitment in the pharmaceutical retail sector.

Hypothesis. Based on the literature reviewed and the theoretical framework established, the following hypotheses are proposed: first, that human resource audits have a positive and significant effect on employee performance at Kimia Farma Apotek Unit Bisnis Jember. Second, that organizational commitment has a positive and significant effect on employee performance at the same organization. These hypotheses are tested to confirm whether the combined influence of systematic HR practices and organizational commitment can enhance employee performance in the pharmaceutical retail sector.

2. METHOD

This research employs a quantitative approach with an associative causal design, aiming to explore the relationships between human resource audits, organizational commitment, and employee performance at Kimia Farma Apotek Unit Bisnis Jember (Cikitawati & Puspitasari, 2023; Rizal et al., 2023). The population consists of all employees working at 14 pharmacy outlets, totaling 70 employees. Purposive sampling was utilized to select a sample of 36 employees, representing 51.4% of the total population, based on specific inclusion criteria, including a minimum tenure of one year and permanent employment status (Sugiyono, 2020). Data were collected using structured questionnaires, with a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), measuring three primary constructs: HR audit effectiveness, organizational commitment, and employee performance (Pramudya, 2017; Mekta in Fatkhur, 2023). The HR audit construct includes indicators such as staff planning, recruitment, selection, placement, work function management, and competency development (Pramudya, 2017), while organizational commitment is measured through willingness, loyalty, and pride (Shaleh, 2018; Mekta in Fatkhur, 2023). Employee performance is assessed through work quality, quantity, and timeliness (Mangkunegara in Novia, 2021; Handoko, 2023). Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM), chosen for its robustness in handling small sample sizes and its ability to evaluate both measurement models and structural relationships simultaneously (Hair et al., 2019; Ghozali & Latan, 2020). The validity and reliability of the instruments were confirmed through convergent and discriminant validity, with results meeting the required thresholds (Dhany & Rahmansyah, 2022; Hudzafidah et al., 2023; Rahmansyah, Hudzafidah, et al., 2024)cc. Additionally, hypothesis testing was conducted using bootstrapping procedures with 5,000 resamples to determine the significance of the path coefficients (Dhany & Rahmansyah, 2022; Hudzafidah et al., 2023; Rahmansyah, Hudzafidah, et al., 2024), ensuring the rigor and reliability of the findings.



3. RESULTS AND DISCUSSION

RESULTS

Table 1. Outer Loadings (Convergent Validity)

Variable	Indicator	Outer Loading	Result
HR Audit	X1.1 (Staff Planning)	0.812	Valid
	X1.2 (Recruitment)	0.847	Valid
	X1.3 (Selection & Placement)	0.793	Valid
	X1.4 (Work Function)	0.768	Valid
	X1.5 (Competency Development)	0.825	Valid
Organizational Commitment	X2.1 (Willingness)	0.856	Valid
	X2.2 (Loyalty)	0.892	Valid
	X2.3 (Pride)	0.873	Valid
Employee Performance	Y1.1 (Work Quality)	0.834	Valid
	Y1.2 (Work Quantity)	0.869	Valid
	Y1.3 (Timeliness)	0.841	Valid

The measurement model evaluation through outer loadings (Table 1) confirms that all indicators exceed the 0.7 threshold, ranging from 0.768 to 0.892, demonstrating strong convergent validity. The highest loading appears in the loyalty dimension of organizational commitment (0.892), suggesting this aspect most strongly represents employees' psychological attachment to the organization. The consistently high loadings across all constructs validate the appropriateness of the selected indicators and confirm that the measurement instruments effectively capture the intended theoretical constructs in the pharmaceutical retail context.

Table 2. Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability	AVE	Result
HR Audit (X1)	0.864	0.902	0.649	Reliable & Valid
Organizational Commitment (X2)	0.847	0.907	0.765	Reliable & Valid
Employee Performance (Y)	0.823	0.894	0.738	Reliable & Valid

Reliability and validity assessments (Table 2) reveal that all constructs satisfy the established criteria, with Cronbach's alpha values ranging from 0.823 to 0.864 and composite reliability from 0.894 to 0.907, both exceeding the 0.7 benchmark. Average Variance Extracted (AVE) values surpass 0.5 for all constructs, with organizational commitment showing the highest AVE (0.765), confirming adequate convergent validity. These robust reliability and validity metrics provide confidence in the measurement model's ability to produce consistent and accurate results, supporting the credibility of subsequent structural model analyses.

Table 3. Discriminant Validity (Fornell-Larcker Criterion)

Variable	HR Audit	Organizational Commitment	Employee Performance
HR Audit	0.806		
Organizational Commitment	0.542	0.875	
Employee Performance	0.587	0.614	0.859

Discriminant validity testing through the Fornell-Larcker criterion (Table 3) demonstrates that the square root of AVE for each construct exceeds its correlations with other constructs, confirming that each variable is distinct and measures different phenomena. The strongest correlation exists



between organizational commitment and employee performance (0.614), while maintaining sufficient discrimination. This finding validates the conceptual distinction between the constructs while acknowledging their theoretical relationships, supporting the notion that HR audit and organizational commitment represent separate but related factors influencing employee performance.

Table 4. R-Square Values

Variable	R-Square	R-Square Adjusted	Result
Employee Performance (Y)	0.472	0.441	Moderate

The structural model assessment reveals an R-square value of 0.472 (Table 4), indicating that HR audit and organizational commitment collectively explain 47.2% of the variance in employee performance. This moderate explanatory power suggests that while these factors are important, other variables not included in the model also contribute to performance outcomes. The adjusted R-square of 0.441 confirms that the model maintains its explanatory power even after accounting for sample size and number of predictors, demonstrating the substantive contribution of both independent variables to understanding employee performance variations.

Table 5. F-Square Effect Size

Variable	Employee Performance	Effect Size
HR Audit	0.157	Medium
Organizational Commitment	0.211	Medium

The f-square effect sizes (Table 5) indicate medium effects for both independent variables, with organizational commitment (0.211) showing a slightly larger effect than HR audit (0.157) on employee performance. These findings suggest that while both factors contribute meaningfully to performance, fostering employee commitment may yield marginally greater performance improvements than HR audit initiatives alone. The medium effect sizes for both variables underscore their practical significance, indicating that investments in either HR system improvements or commitment-building initiatives can produce tangible performance benefits for the organization.

Table 6. Hypothesis Testing Results

Hypothesis	Path	Original Sample	T-Statistics	P-Values	Decision
H1	HR Audit → Employee Performance	0.363	2.784	0.005	Accepted
H2	Organizational Commitment → Employee Performance	0.421	3.156	0.002	Accepted

Hypothesis testing results (Table 6) support both research hypotheses with statistically significant path coefficients. The path coefficient from HR audit to employee performance ($\beta = 0.363$, $t = 2.784$, $p = 0.005$) demonstrates a significant positive influence, confirming that systematic HR evaluation and improvement practices enhance employee performance. Similarly, organizational commitment shows an even stronger effect on performance ($\beta = 0.421$, $t = 3.156$, $p = 0.002$), emphasizing the critical role of psychological attachment in driving performance outcomes. These findings validate the theoretical framework proposing that both structural HR systems and emotional engagement mechanisms are essential for optimizing workforce effectiveness in pharmaceutical retail settings.



DISCUSSION

The Influence of HR Audit on Employee Performance. The first hypothesis, which examines the influence of HR audits on employee performance, is supported by the findings of this study. The results show a significant positive path coefficient ($\beta = 0.363$, $p = 0.005$), indicating that the implementation of systematic HR audits has a direct and substantial impact on employee performance at Kimia Farma Apotek Unit Bisnis Jember. This finding aligns with previous studies that emphasize the critical role of HR audits in optimizing organizational performance. HR audits, as systematic evaluations of HR functions, help identify inefficiencies and areas for improvement, particularly in recruitment, competency development, and work function management (Indarto, 2015; Cikitawati & Puspitasari, 2023). The positive effect of HR audits suggests that organizations with well-implemented HR audit systems are more likely to have efficient HR practices that directly enhance employee performance, as the audit process allows for better alignment of HR functions with organizational goals (Fadhilah, 2021).

Furthermore, this study contributes to the literature by reinforcing the importance of HR audits in the pharmaceutical retail sector, where technical expertise and customer-facing competencies are essential for delivering quality service. The findings corroborate previous research that identifies HR audits as a diagnostic tool capable of predicting future workforce needs and identifying gaps in employee skills (Pamungkas et al., 2023). Specifically, in the context of Kimia Farma Apotek, the audit process helps pinpoint areas such as training needs and recruitment inefficiencies that, once addressed, can lead to better performance outcomes. These results echo the work of Pramudya (2017), who argued that HR audits provide actionable insights that enable organizations to optimize human capital, thus directly improving workforce productivity. The medium effect size ($f\text{-square} = 0.157$) further suggests that HR audits are a significant factor, though not the sole determinant, in enhancing employee performance. While HR audits play an essential role in performance enhancement, other factors, such as employee motivation and organizational culture, also contribute to performance outcomes (Sujana, 2024).

The Influence of Organizational Commitment on Employee Performance. The second hypothesis, examining the impact of organizational commitment on employee performance, is also confirmed by the study's results, which show a stronger effect compared to HR audits. The path coefficient for organizational commitment ($\beta = 0.421$, $p = 0.002$) is higher, indicating that organizational commitment has a more significant positive influence on employee performance. This finding is consistent with existing literature, which highlights the essential role of emotional attachment and loyalty to the organization in driving employee behavior and performance (Mekta in Fatkhur, 2023; Shaleh, 2018). Organizational commitment, which encompasses affective, continuance, and normative dimensions, is a critical psychological factor that fosters discretionary effort and higher productivity levels among employees (Rizal et al., 2023). Employees who are emotionally connected to their organization are more likely to exhibit behaviors that exceed basic job requirements, contributing to better overall performance.

Additionally, the results of this study emphasize the importance of fostering organizational commitment, particularly in the pharmaceutical retail sector, where customer service and employee professionalism are essential. The finding that organizational commitment has a medium to large effect size ($f\text{-square} = 0.211$) suggests that investing in strategies to increase employee attachment to the organization can yield substantial performance improvements (Nadapdap, 2017). This aligns with previous research by Rizal et al. (2023), who argued that committed employees are more likely to exhibit higher levels of engagement and job satisfaction, directly influencing their performance. The results also support the notion that fostering loyalty and pride within the workforce can contribute significantly to organizational success, particularly in sectors like pharmaceuticals, where the quality of service directly impacts customer satisfaction and organizational reputation (Shaleh, 2018). The stronger effect of organizational commitment compared to HR audits further highlights



the complex nature of employee performance, suggesting that both psychological factors and HR practices must be effectively integrated to achieve optimal results.

4. CONCLUSION

In conclusion, the findings of this study support both hypotheses: first, that human resource audits have a positive and significant effect on employee performance, confirming that systematic HR evaluations enhance workforce productivity; and second, that organizational commitment significantly influences employee performance, with a stronger impact than HR audits, indicating that emotional attachment and loyalty drive better performance outcomes. Future research could explore additional variables, such as job satisfaction and work engagement, to further deepen the understanding of how organizational factors impact employee performance in the pharmaceutical retail sector.

REFERENCES

- Dhany, U. R., & Rahmansyah, A. I. (2022). Pengaruh Return On Assets dan Debt To Equity Terhadap Return Saham Dengan Inflasi Sebagai Pemoderasi. *Owner*, 6(3), 3312–3323. <https://doi.org/10.33395/owner.v6i3.1110>
- Dhany, U. R., Rahmansyah, A. I., & Musriati, T. (2025). Pengaruh QRIS terhadap Informasi Akuntansi dan Keputusan Keuangan dengan Moderasi Literasi Digital pada Pedagang Tradisional. *AKUA: Jurnal Akuntansi dan Keuangan*, 4(3), 546–555. <https://doi.org/10.54259/akua.v4i3.5375>
- Fadhilah, S. (2021). Pengaruh Audit Sumber Daya Manusia Terhadap Kinerja Karyawan pada Rumah Sakit X. *Jurnal Manajemen Sumber Daya Manusia*, 11(2), 79–88.
- Ghozali, Imam. (2021). *Partial Least Squares Konsep Teknik Dan Aplikasi Menggunakan Program Smartpls 3.2.9 Untuk Penelitian Empiris*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2019). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Sage Publications.
- Hudzafidah, K., Dhany, U. R., & Rahmansyah, A. I. (2023). Effect of Profitability on Social Responsibility (CSR) in Indonesia: Environmental Performance as a Moderator. *Wiga : Jurnal Penelitian Ilmu Ekonomi*, 13(1), 103–113. <https://doi.org/10.30741/wiga.v13i1.974>
- Hudzafidah, K., Rahmansyah, A. I., Dhany, U. R., & Suharsono, J. (2023). Pengaruh Rasio Profitabilitas Terhadap Harga Saham Dengan Ipo Sebagai Variabel Moderating. *Jesya (Jurnal Ekonomi Dan Ekonomi Syariah)*, 6(1), 1090–1099. <https://doi.org/10.36778/JESYA.V6I1.1163>
- Indarto, M. (2015). The Effectiveness of Human Resource Audit in Pharmaceutical Industry. *Jurnal Manajemen Sumber Daya Manusia*, 3(1), 56–71.
- Mekta, D. (2023). The Impact of Organizational Commitment on Employee Performance in Healthcare Sectors. *Jurnal Manajemen dan Bisnis*, 15(2), 102–115.
- Pamungkas, D., Wulandari, S., & Anggraeni, Y. (2023). The Role of Human Resource Audits in Employee Performance: A Study in Retail Industry. *Jurnal Ekonomi*, 19(4), 241–258.
- Pramudya, R. (2017). The Role of Human Resource Audit in Organizational Performance. *Jurnal Akuntansi dan Manajemen*, 12(1), 39–52.
- Rahmansyah, A. I., & Dhany, U. R. (2023). Kinerja Keuangan, Corporate Social Responsibility, Dan Peran Earnings Per Share. *Measurement Jurnal Akuntansi*, 17(2), 196–205. <https://doi.org/10.33373/mja.v17i2.5682>
- Rahmansyah, A. I., Dhany, U. R., Musriati, T., & Widianita, N. P. (2024). Pengaruh Inklusi Keuangan terhadap Kinerja dan Keberlangsungan UKM pada Pujasera Alun-Alun Kota Probolinggo. *Measurement Jurnal Akuntansi*, 18(2), 302–313. <https://doi.org/10.33373/mja.v18i2.7231>
- Rahmansyah, A. I., Hudzafidah, K., & Bahri, M. S. (2024). Kepemilikan Manajerial sebagai Moderasi Pengaruh Kinerja Keuangan terhadap Financial Distress di Indonesia. *RELASI : JURNAL EKONOMI*, 20(2), 369–385. <https://doi.org/10.31967/relasi.v20i2.1110>



- Rizal, M., Alam, H. V., & Asi, L. L. (2023). The Influence of Organizational Commitment on Employee Performance. *Jurnal Ilmiah Manajemen*, 5(3), 1126–1140.
- Shaleh, A. (2018). Organizational Commitment: A Review of Theoretical and Empirical Studies. *Jurnal Manajemen Sumber Daya Manusia*, 8(3), 250–267.
- Sujana, D. (2024). The Impact of Human Resource Management Practices on Employee Performance: A Literature Review. *Jurnal Manajemen*, 11(1), 21–35.
- Sugiyono, H. (2020). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- Wulandari, W. (2024). The Role of Organizational Commitment in Improving Employee Performance. *Jurnal Akuntansi*, 5(2), 89–98.
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2020). *Business Research Methods*. 10th ed. Cengage Learning.