

## THE INFLUENCE OF HRM PRACTICES ON ORGANIZATIONAL PERFORMANCE THROUGH INNOVATION AS A MEDIATING VARIABLE IN GOVERNMENT INSTITUTIONS

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Received: February 12, 2026; Revised: March 04, 2026; Accepted: May 26, 2026

**Abstract:** The aim of this study is to understand the effect of HRM Practice which consists of Selective Recruitment, Training, Participation in Decision Making, and Rewarding on Organizational Business Performance with Innovation as a mediating variable in several government institutions in Jakarta, especially ASN employees. The object of this research is several government institutions in Jakarta with descriptive and causality research forms. The sample in this study were ASN employees with echelon 3 & 4 levels of position as many as 139 employees. This study uses non probability sampling technique with purposive sampling method. The data collection technique used a questionnaire method. This study uses the SEM-PLS technique to process data. The results of this study indicate that Selective Recruitment has no influence on Innovation, while Training, Participation in Decision Making and Rewarding have an influence on Innovation, besides that Innovation, Training, and Rewarding have an influence on Organizational Business Performance, while Selective Recruitment and Participation in Decision Making have no influence on Organizational Business Performance, and Innovation has a mediating effect between the influence of Participation in Decision Making, and Rewarding variables on Organizational Business Performance, but Innovation does not have a mediating effect between the influence of Selective Recruitment and Training variables on Organizational Business Performance.

**Keywords:** HRM Practice, Innovation, Organizational Business Performance

### INTRODUCTION

In an increasingly complex economy and technological advances and the transformation of the world towards a digitized life, organizations will face a dynamic business environment characterized by increasing global competition, continuous changes in technological products, and changes in the business environment towards something unimaginable before. Effective human resource management (HRM) practices can contribute effectively to the organization's business

performance, practices such as training, participation, rewards, recruitment, and so on can create a valuable asset for the organization in helping achieve goals.

In addition to HRM, the role of innovation is also one of the engines driving the success of the organization in achieving its goals, one of the things that makes innovation important is the change towards a direction that cannot be ascertained so that the role of innovation becomes important for organizations

to survive and grow. [Turulja et al. \(2023\)](#) define innovation as an organization's focus on developing new technologies, products and services, or improving production and other business processes to achieve competitive advantage.

Government institutions in Jakarta as those responsible for the optimization of local revenue have a vital role in supporting the city's development. As the capital city of Indonesia, Jakarta also serves as a benchmark or reference for institutions and local governments in other regions. The challenges faced by government institutions in Jakarta—such as the need for transparency, efficiency, and innovation in revenue management—are growing in response to increasing public demands and evolving local government policies.

One concrete issue is the ongoing difficulty faced by the Jakarta Provincial Government in implementing a merit-based Human Resource Management (HRM) system for civil servants (ASN). In addition, the role of innovation in supporting the performance of government organizations in Jakarta has yet to be fully optimal in achieving its objectives. This requires government institutions in Jakarta to continue to strengthen their HRM and innovation practices in order to adapt to change and produce superior performance. Based on the description above, this study aims to measure how much influence HRM practices and innovation affect organizational business performance at government institutions in Jakarta.

The research gap that exists in this study which is taken based on the results of previous studies shows the following results. The effect of all independent and mediating variables on the dependent variable shows the same results, namely that there is an effect and no effect. There is at least one that states the results of no influence between the independent and mediating variables on the dependent variable. The novelty that arises in this study is from the results of research that show

differences compared to the results of previous studies.

The theory in this study is management theory. Management is defined as achieving organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources ([Daff 2016](#)). On this basis, human resource management is very important to be applied to an organization or institution so that the achievement of organizational goals can run effectively. Human resource management (HRM) is the process of acquiring, training, assessing, and compensating employees, as well as paying attention to labor relations, occupational health and safety, and justice issues ([Dessler 2020](#)).

Human resource management can be applied to an organization effectively if the organization understands well what to do and how to apply it. An organization is a consciously coordinated social unit consisting of two or more people, which functions on a relatively continuous basis to achieve a common goal or set of goals ([Robbins and Judge 2019](#)).

### **Organizational Business Performance**

Organizational business performance is usually considered as the extent to which an organization achieves its desired goals and objectives, such as increasing revenue, profit, market share, return on investment, customer satisfaction, and employee productivity ([Turulja et al. 2023](#)). [Almatrooshi et al. \(2016\)](#), define organizational performance as the actual results or output of an organization measured against the organization's desired output. [Otoo \(2019\)](#) defines organizational performance as the degree of success of an organization in achieving its goals. Basically, a combination of financial and non-financial indicators, such as sales growth, profitability rate, return on investment, employee turnover rate, customer retention, and brand recognition, can be used to evaluate the business performance of an organization.

### **The Effect of Selective Recruitment on Innovation**

Research [Anh and Huong \(2022\)](#) shows employee recruitment has a positive impact on innovation in the company. Research results [Farouk et al. \(2016\)](#) shows there is a positive relationship between HRM practices (i.e. recruitment and selection, training and development, compensation/incentives, performance appraisal) and organizational innovation. The results of the study [Nawal et al. \(2021\)](#), state that HRM practices (recruitment and selection, training and development, performance appraisal management, compensation and rewards, career planning, employee engagement, and job security) have a positive impact on service innovation. The results of research [Shah and Soomro \(2023\)](#) state that green recruitment and selection (GRS) positively and significantly predicts green innovation (GI). Based on the description above, it can be said that when the selective recruitment process is carried out, it can improve the innovation process in an organization. The following hypothesis can be stated:

**H<sub>1</sub>: There is an effect of Selective Recruitment on Innovation.**

### **The Effect of Training on Innovation**

Research [Husnah and Nurhayati \(2018\)](#) states that training has a positive and significant effect on innovation. There is a significant influence between training on employee innovation performance in research [Alfikri et al. \(2023\)](#). [Rosmayati et al. \(2021\)](#) stated in their research that training and development helps employees and organizations to have innovative work behavior. Based on the description above, it can be said that when the training process is carried out correctly, it can improve the innovation process within an organization. The following hypothesis can be stated:

**H<sub>2</sub>: There is an effect of Training on Innovation.**

### **The Effect of Participation in Decision Making on Innovation**

Research [Nurcahyani \(2010\)](#) states that budget participation has an effect on the perception of innovation is fully proven. Research [Nurcahyani \(2010\)](#) states that budget participation affects the perception of innovation is fully proven. The results of the study [Susanto et al. \(2023\)](#) prove that knowledge sharing practices and participative leadership affect innovative performance. The results of the study [Cheng et al. \(2017\)](#), show that the participation of middle managers in Chinese manufacturing companies has a significant effect on the innovation performance of the company. Based on the results of research [Cheng et al. \(2014\)](#), it shows that budget participation affects attitudes and ultimately, product innovation performance. Based on the description above, it can be said that when the decision-making participation process is carried out properly and correctly, it can improve the innovation process in an organization. The following hypothesis can be stated:

**H<sub>3</sub>: There is an effect of Participation in Decision Making on Innovation.**

### **The Effect of Rewarding on Innovation**

Research results [Farouk et al. \(2016\)](#) shows there is a positive relationship between HRM practices and organizational innovation. The results of the study [Aman et al. \(2018\)](#), show that the reward strategy is significantly related to innovation. The results of the study [Ling and Nasurdin \(2010\)](#), showed that the reward system was found to have a negative effect on product innovation. Based on the description above, it can be said that when the rewarding process is carried out correctly, it can increase the innovation process within an organization. The following hypothesis can be stated:

**H<sub>4</sub>: There is an effect of Rewarding on Innovation.**

### **The Effect of Innovation on Organizational Business Performance**

Study results [Sartika \(2015\)](#) confirm that there is a positive and significant relationship between organizational innovation and organizational performance. Research [Rediyono and Ujianto \(2013\)](#) states that organizational innovation has a positive and significant effect on organizational performance. Based on the results of research [Hamzali and Arwin \(2022\)](#), it was found that organizational innovation has a negative and significant effect on organizational performance. The results [Pratiwi and Nursyamsiah \(2019\)](#) show that knowledge management and product innovation and process innovation have a positive and significant effect on organizational performance directly. Based on the description above, it can be said that when the innovation process is done correctly, it can improve the business performance of an organization. The following hypothesis can be stated:

**H<sub>5</sub>: There is an effect of Innovation on Organizational Business Performance.**

### **The Effect of Selective Recruitment on Organizational Business Performance**

The results of the study [Butali and Njoroge \(2020\)](#) state the results of selective recruitment significantly affect organizational performance. Research results [Ekwoaba et al. \(2015\)](#) show that recruitment and selection criteria have a significant effect on organizational performance. The results of the study [Khan \(2023\)](#) can be concluded that recruitment and selection are significant predictors of organizational performance. The implementation of effective human resource practices such as recruitment and selection, is key to organizational success as revealed by research findings [Oyadiran et al. \(2023\)](#). Based on the description above, it can be said that when the selective recruitment process is done correctly, it can improve the business performance of an organization. The following hypothesis can be stated:

**H<sub>6</sub>: There is an effect of Selective Recruitment on Organizational Business Performance.**

### **The Effect of Training on Organizational Business Performance**

There is a significant impact of training on organizational performance based on research results [Sumayya et al \(2022\)](#). The results of the study [Cera and Kusaku \(2020\)](#) state that training and development produce a positive relationship to organizational performance. Research results [Mohd Said et al. \(2022\)](#) state that training and development improves overall organizational performance. The results of the study [Ognjanović et al. \(2023\)](#) showed the contribution of all observed components of employee training to hotel business performance. Based on the description above, it can be said that when the training process is done correctly, it can improve the business performance of an organization. The following hypothesis can be stated:

**H<sub>7</sub>: There is an effect of Training on Organizational Business Performance.**

### **The Effect of Participation in Decision Making on Organizational Business Performance**

The results of the study [Ijeoma \(2020\)](#) state that employee participation in decision making has a positive effect on organizational performance. The results of the study [Butali and Njoroge \(2018\)](#) showed a significant effect of employee participation and involvement on organizational performance. The results of the study [Huss \(2010\)](#) show that participation in decision making has a positive correlation with motivation and performance. The findings of the study [Ojokuku and Sajuyigbe \(2014\)](#) revealed that employee participation has a significant impact on organizational performance. Based on the description above, it can be said that when the decision-making participation process is carried out correctly, it can improve the business

performance of an organization. The following hypothesis can be stated:

**H<sub>8</sub>: There is an effect of Participation in Decision Making on Organizational Business Performance.**

### **The Effect of Rewarding on Organizational Business Performance**

The results of the study [Tripathy \(2022\)](#) show that there is a significant impact of rewards on organizational performance. The results of the study [Senanayake and Gamage \(2017\)](#) found that compensation significantly impacts organizational performance. The results of the study [Tarigan et al. \(2022\)](#) found that the total reward system has a significant impact on the company's financial performance. The results of the study [Okwuise and Ndudi \(2023\)](#) show three variables to measure the reward system are CP, PR, and ER, which statistically show a significant positive effect on organizational performance. Based on the description above, it can be said that when the rewarding process is done right, it can improve the business performance of an organization. The following hypothesis can be stated:

**H<sub>9</sub>: There is an effect of Rewarding on Organizational Business Performance.**

### **The Effect of Selective Recruitment on Organizational Business Performance through Innovation**

Research results [Setyadi \(2017\)](#) state that human resource management practices affect organizational performance through organizational innovation. The results of the study [Zakaria et al. \(2021\)](#) state that selection practices have a positive relationship with SME performance through organizational innovation.

The results of the study [Nawal et al. \(2021\)](#) found that innovation services fully mediate the effect of HRM practices on organizational performance. Based on the description above, it can be said that when the selective recruitment process is done correctly through the innovation process, it can ultimately improve the business performance of an organization. The following hypothesis can be stated:

**H<sub>10</sub>: There is an effect of Selective Recruitment on Organizational Business Performance through Innovation.**

### **The Effect of Training on Organizational Business Performance through Innovation**

The results of the study [Nguyen and Dao \(2023\)](#) prove that a high-performance human resource management system has an indirect impact on firm performance, or innovation is a mediator variable between high-performance human resource management system practices and firm performance. The results of the study [Nawal et al. \(2021\)](#) found that innovation services fully mediate the effect of HRM practices on organizational performance. The results of the study [Al-Hakim and Hassan \(2013\)](#) show that innovation has a significant and positive mediating effect on the relationship between knowledge management strategies and organizational performance. Based on the description above, it can be said that when the training process is done correctly through the innovation process, it can ultimately improve the business performance of an organization. The following hypothesis can be stated:

**H<sub>11</sub>: There is an effect of Training on Organizational Business Performance through Innovation**

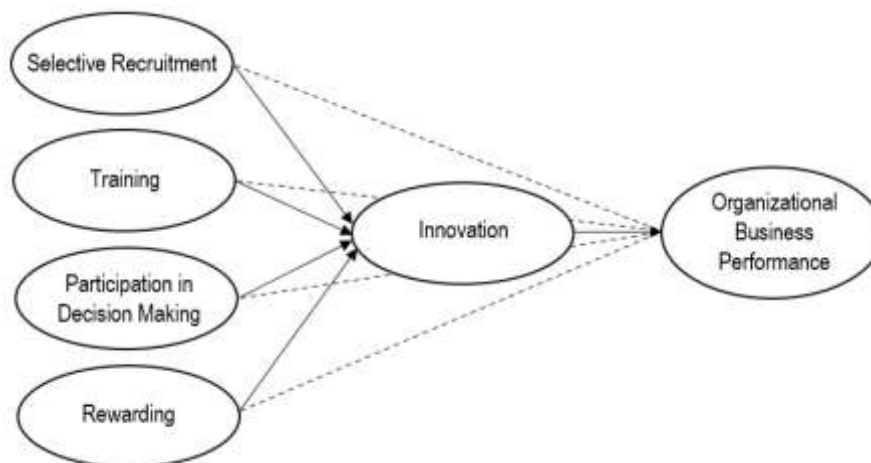


Figure 1. Research Mode

### The Effect of Participation in Decision Making on Organizational Business Performance through Innovation.

The results of the study [Nawal et al. \(2021\)](#) found that innovation services fully mediate the effect of HRM practices on organizational performance. The results of the study [Zakaria et al. \(2021\)](#) state that communication practices and information sharing have a positive relationship with SME performance through organizational innovation. Based on the description above, it can be said that when the decision-making participation process is done correctly through the innovation process, it can ultimately improve the business performance of an organization. The following hypothesis can be stated:

**H<sub>12</sub>: There is an effect of Participation in Decision Making on Organizational Business Performance through Innovation.**

### The Effect of Rewarding on Organizational Business Performance through Innovation.

The results of the study [Rasool et al. \(2019\)](#) found that OI (products, processes, and knowledge) mediated the relationship between HRM practices and SOP. Research results [Setyadi \(2017\)](#) state that human resource management practices affect organizational performance through organizational innovation.

The results of the study [Zakaria et al. \(2021\)](#) state the results of compensation practices have a positive relationship with SME performance through organizational innovation. Based on the description above, it can be said that when the rewarding process is done correctly through the innovation process, it can ultimately improve the business performance of an organization. the following hypothesis can be stated:

**H<sub>13</sub>: There is an effect of Rewarding on Organizational Business Performance through Innovation.**

## RESEARCH METHODS

The population in this study were ASN employees with a total of 762 employees. According to [Sekaran and Bougie \(2016\)](#) the sample is part of the population. The sample in this study were ASN employees at the echelon 3 & 4 position level with a total of 139 employees, consisting of 56 echelon 3 level employees and 83 echelon 4 level employees.

The reason for determining the sample in this study is based on the researcher providing sample criteria and limits, namely understanding the organization's business conditions in terms of financial prospects, and having a participation role in the organization, besides having a good level of knowledge of the organization itself. The sample collection technique used in this

research is non-probability sampling, namely using purposive sampling method.

The scale used to measure the variables in this study is a Likert scale. According to [Sekaran and Bougie \(2016\)](#) the Likert scale is a scale designed to examine how strongly respondents agree with a statement (such as "I enjoy using social media") on a five-point scale with the following anchors: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

### DISCUSSION RESULT

This research uses descriptive statistical methods to explain the data that has been obtained. Respondent data in this study include gender, age, latest education, position level, and job tenure. The total respondents in this study were 139 respondents.

Based on Table 2, the following is data on existing employees at Bapenda Jakarta. There are 61 employees with male gender, 78 employees with female gender. Bapenda Jakarta employees with an age range of 20-30 years are 14 people and an age range of more than 30 years are 125 people. In addition, based on the level of position, there are 56 employees with echelon 3 positions and 83 echelon 4 positions.

Based on the last level of education, there are 49 people at the last level of education S1, 75 people at the last level of education S2, and 15 people at the last level of education S3. In addition, it can be seen from the tenure of work, there are employees with a tenure of 0-5 years as many as 1 person, employees with a tenure of 6-10 years as many as 35 people, and employees with a tenure of more than 10 years as many as 103 people.

**Table 1. Indicators and Variable Measurement**

No.	Variable	Question Indicators	Scale
1.	Recruitment Selective ( $X_1$ )	1. Employee Withdrawal Method 2. Source of Employee Withdrawal	Likert
2.	Training ( $X_2$ )	1. Participant 2. Material	Likert
3.	Participation in Decision Making ( $X_3$ )	1. Work Participation 2. Share Knowledge 3. Responsibility	Likert
4.	Rewarding ( $X_4$ )	1. Salary and Bonus 2. Well-being	Likert
5.	Innovation (Z)		Likert
	Behavioral Innovation	1. Developing and Maintaining Interpersonal Relationships 2. Involving Others 3. Implementation-Oriented Work Behavior 4. Creative-Oriented Work Behavior	
	Product Innovation	1. Number of New Products Launched 2. Provide products that are relatively new to the market 3. Market Acceptance Rate of New Products	
	Process Innovation	1. Production Process Improvement 2. Development of Production Process Methods 3. Adding a New Service Process	

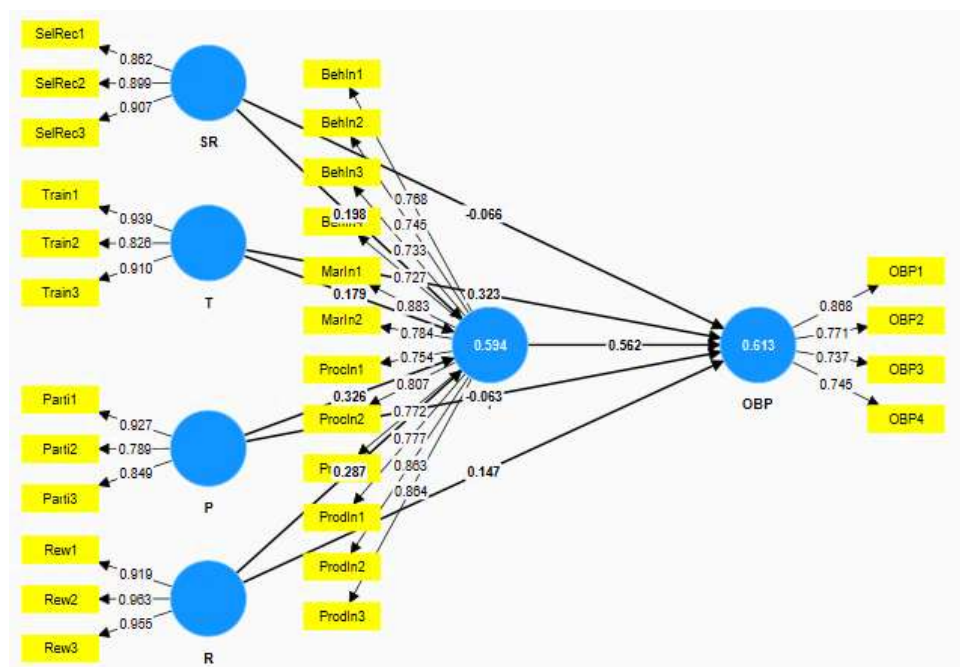
No.	Variable	Question Indicators	Scale
6.	Market Innovation	1. Product Development	Likert
		2. Technical Innovation	
	Organizational Business Performance (Y)	1. Increased Profit/Profits	
		2. Increased Sales	
		3. Market Growth	

Source: Previous Journals

**Table 2. Descriptive Statistics of Respondents**

Description	Criteria	Total	Presentation (%)
Gender	Male	61	43,9 %
	Female	78	56,1 %
Age	20-30 Years	14	10,1 %
	> 30 Years	125	89,9 %
Position Level	Eselon III	56	40,3 %
	Eselon IV	83	59,7 %
Education Level	Bachelor	49	35,3 %
	Master	75	54 %
	Doctor	15	10,8 %
Tenure	0-5 Years	1	0,7 %
	6-10 Years	35	25,2 %
	> 10 Years	103	74,1 %

Source: Result Data Test IBM SPSS Statistics 25



**Figure 2. SmartPLS Measurement Model**  
 Source: Result Data Test IBM SPSS Statistics 25

**Table 3. Validity and Reliability Test**

Item	Outer loading	AVE	CR	Cross Loading
SelRec1	0.862			0.862
SelRec2	0.899	0.792	0.875	0.899
SelRec3	0.907			0.907
Train1	0.939			0.939
Train2	0.826	0.797	0.906	0.826
Train3	0.910			0.910
Parti1	0.927			0.927
Parti2	0.789	0.734	0.876	0.789
Parti3	0.849			0.849
Rew1	0.919			0.919
Rew2	0.963	0.894	0.971	0.963
Rew3	0.955			0.955
BehIn1	0.768			0.768
BehIn2	0.745			0.745
BehIn3	0.733			0.733
BehIn4	0.727			0.727
ProdIn1	0.777			0.777
ProdIn2	0.863			0.863
ProdIn3	0.864	0.626	0.949	0.864
Procln1	0.754			0.754
Procln2	0.807			0.807
Procln3	0.772			0.772
MarIn1	0.883			0.883
MarIn2	0.784			0.784
OBP 1	0.868			0.868
OBP 2	0.771	0.612	0.800	0.771
OBP 3	0.737			0.737
OBP 4	0.745			0.745

Source: Result Data Test SmartPLS 4.0

**Table 4. Fornell-Larcker Criterion of Discriminant Validity**

	I	OBP	P	R	SR	T
I	0.791					
OBP	0.743	0.782				
P	0.616	0.46	0.857			
R	0.521	0.471	0.226	0.945		
SR	0.7	0.613	0.622	0.579	0.89	
T	0.586	0.605	0.571	0.258	0.742	0.893

Source: Result Data Test SmartPLS 4

**Table 5. Summary of the Structure Model**

Hypotesis	Konstruk	Original Sample (O)	T statistics	P-values	Supported
H <sub>1</sub>	SR -> I	0.198	1.737	0.082	No

Hyphotesis	Konstruk	Original Sample (O)	T statistics	P-values	Supported
H <sub>2</sub>	T -> I	0.179	2.159	0.031	Yes
H <sub>3</sub>	P -> I	0.326	4.724	0.000	Yes
H <sub>4</sub>	R -> I	0.287	3.941	0.000	Yes
H <sub>5</sub>	I -> OBP	0.562	5.726	0.000	Yes
H <sub>6</sub>	SR -> OBP	0.045	0.356	0.721	No
H <sub>7</sub>	T -> OBP	0.423	5.381	0.000	Yes
H <sub>8</sub>	P -> OBP	0.120	1.502	0.067	No
H <sub>9</sub>	R -> OBP	0.308	3.481	0.001	Yes
H <sub>10</sub>	SR -> I -> OBP	0.112	1.520	0.129	No
H <sub>11</sub>	T -> I -> OBP	0.100	1.941	0.052	No
H <sub>12</sub>	P -> I -> OBP	0.183	4.129	0.000	Yes
H <sub>13</sub>	R -> I -> OBP	0.161	3.862	0.000	Yes

Source: Result Data Test SmartPLS 4.0

Based on Table 3, all items on the variables have met the requirements to be considered valid and reliable. By meeting the requirements, namely outer loading > 0.70, AVE value > 0.50, cross loading value > 0.70, and composite reliability value > 0.70, an indicator item can be said to be valid and reliable.

The results in table 4 show that the value for variable correlation has a value greater than the correlation between constructs in other models, so the Fornell-Larcker Criterion has a good validity value

Based on the results in table 5, it can be seen that hypothesis 1 (H<sub>1</sub>) has a t statistics value of 1.737 < 1.96 and p values of 0.082 > 0.05, which means that there is no effect of Selective Recruitment on Innovation. The results of this study are not in line with the results of research [Anh and Huong \(2022\)](#) which shows employee recruitment has a positive impact on innovation in the company.

Hypothesis 2 (H<sub>2</sub>) has a t statistics value of 2.159 > 1.96 and p values of 0.031 < 0.05, which means that there is an effect of Training on Innovation. The results of this study are in line with the results of research [Husnah and Nurhayati \(2018\)](#) stating that training has a positive and significant effect on innovation.

Hypothesis 3 (H<sub>3</sub>) has a t statistics value of 4.724 > 1.96 and p values 0.000 < 0.05, which means that there is an effect of Participation in

Decision Making on Innovation. The results of this study are in line with the results of research [Cheng et al. \(2017\)](#), showing that the participation of middle managers in Chinese manufacturing companies has a significant effect on corporate innovation performance.

Hypothesis 4 (H<sub>4</sub>) has a t statistics value of 3.941 > 1.96 and p values of 0.000 < 0.05, which means that there is an effect of Rewarding on Innovation. The results of this study are in line with the results of research [Aman et al. \(2018\)](#), showing that the reward strategy is significantly related to innovation.

Hypothesis 5 (H<sub>5</sub>) has a t statistics value of 5.726 > 1.96 and p values of 0.000 < 0.05, which means that there is an effect of Innovation on Organizational Business Performance. The results of this study are in line with the results of the study [Sartika \(2015\)](#) confirming that there is a positive and significant relationship between organizational innovation and organizational performance.

Hypothesis 6 (H<sub>6</sub>) has a t statistics value of 0.356 < 1.96 and p values 0.721 > 0.05, which means that there is no effect of Selective Recruitment on Organizational Business Performance. The results of this study are not in line with the results of research [Khan \(2023\)](#) that recruitment and selection are significant predictors of organizational performance.

Hypothesis 7 ( $H_7$ ) has a t statistics value of  $5.381 > 1.96$  and p values  $0.000 < 0.05$ , which means that there is an effect of Training on Organizational Business Performance. The results of this study are in line with the results of research [Mohd Said et al. \(2022\)](#) which states that training and development improves overall organizational performance.

Hypothesis 8 ( $H_8$ ) has a t statistics value of  $1.502 < 1.96$  and p values  $0.067 > 0.05$ , which means that there is no effect of Participation in Decision Making on Organizational Business Performance. The results of this study are not in line with the results of research [Huss \(2010\)](#) showing the results of participation in decision making have a positive correlation with motivation and performance.

Hypothesis 9 ( $H_9$ ) has a t statistics value of  $3.481 > 1.96$  and p values  $0.001 < 0.05$ , which means that there is an effect of Rewarding on Organizational Business Performance. The results of this study are in line with the results of research [Tarigan et al. \(2022\)](#) found that the total reward system has a significant impact on the company's financial performance.

Hypothesis 10 ( $H_{10}$ ) has a t statistics value of  $1.520 < 1.96$  and p values  $0.129 > 0.05$ , which means that there is no effect of Selective Recruitment on Organizational Business Performance through Innovation. The results of this study are not in line with the results of research [Turulija et al. \(2023\)](#) which shows that innovation affects the relationship between selective recruitment and organizational performance.

Hypothesis 11 ( $H_{11}$ ) has a t statistics value of  $1.941 < 1.96$  and p values  $0.052 > 0.05$ , which means that there is no effect of Training on Organizational Business Performance through Innovation. The results of this study are not in line with the results of research [Turulija et al. \(2023\)](#) which shows that innovation affects the relationship between training and organizational performance.

Hypothesis 12 ( $H_{12}$ ) has a t statistics value of  $4,129 > 1.96$  and p values  $0.000 < 0.05$ ,

which means that there is an effect of Participation in Decision Making on Organizational Business Performance through Innovation. The results of this study are in line with the results of research [Turulija et al. \(2023\)](#) which shows that innovation affects the relationship between participatory decision making and organizational performance.

Hypothesis 13 ( $H_{13}$ ) has a t statistics value of  $3,862 > 1.96$  and p values  $0.000 < 0.05$ , which means that there is an effect of Rewarding on Organizational Business Performance through Innovation. The results of this study are not in line with the results of research [Turulija et al. \(2023\)](#) which shows no mediating effect was found in the relationship between awarding and organizational business performance.

## CONCLUSION

Based on the research results that have been described, it can be concluded that the research results are as follows; there is no effect of Selective Recruitment on Innovation, there is an effect of Training, Participation in Decision Making, Rewarding on Innovation.

There is an influence of Innovation, Training, Rewarding on Organizational Business Performance, there is no influence of Selective Recruitment and Participation in Decision Making on Organizational Business Performance.

There is no effect of Selective Recruitment on Organizational Business Performance through Innovation, there is no effect of Training on Organizational Business Performance through Innovation, there is an effect of Participation in Decision Making on Organizational Business Performance through Innovation, there is an effect of Rewarding on Organizational Business Performance through Innovation. The limitations of this study are researcher limitations in terms of time, distance and energy so that the research process cannot be carried out optimally, limitations in obtaining internal data from several government institutions in Jakarta limitations in the

population studied, researchers did not examine the entire scope contained in several government institutions in Jakarta, and limitations in terms of researcher knowledge regarding various aspects of the research.

For further research, it is recommended that future studies expand the scope of research so that the results obtained become more comprehensive. In addition, further research is expected to use more accurate and detailed data in order to improve the quality of analysis. Moreover, future researchers can spend more

time on the research process so that the results obtained are more optimal. For companies, it is recommended that they pay attention to the recruitment techniques that have been applied to ensure their effectiveness in obtaining qualified human resources. In addition, companies also need to evaluate the current reward system, whether it is fair and effective in improving employee performance. Lastly, companies can improve the current training evaluation process in order to achieve better evaluation results and provide more optimal impact.

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