

The Role of *Work Engagement* in The Effect of *Job Demands* and *Job Resources* on Employee Performance at The Regional Financial and Asset Management Agency of Bontang City

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ABSTRACT

Regional financial management institutions operate under high administrative pressure, strict regulatory standards, and demanding accountability requirements, which may influence employees' psychological conditions and performance outcomes. However, limited empirical research has simultaneously examined the roles of job demands and job resources in shaping employee performance through work engagement within local government institutions. This study aims to analyze the role of work engagement in mediating the relationship between job demands, job resources, and employee performance at the Regional Financial and Asset Management Agency (BPKAD) of Bontang City. This research employed a quantitative, survey-based approach. Data were collected from 45 employees selected through purposive sampling based on their involvement in financial and asset management functions. The data were analyzed using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) technique to test both direct and mediating relationships among variables. The findings reveal that job demands negatively affect work engagement and employee performance, whereas job resources positively influence both. Work engagement also has a significant positive effect on employee performance and serves as a mediating variable in the relationships between job demands and performance, as well as between job resources and performance. These results confirm the central role of work engagement as a psychological mechanism that translates work conditions into performance outcomes in public sector financial institutions. The study highlights the importance of balancing job demands with adequate organizational resources to sustain employee engagement and enhance performance in regional government settings.

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1. INTRODUCTION

Employee performance is a critical element in determining organizational effectiveness, particularly in public sector institutions that carry substantial responsibility

for delivering transparent, efficient, and accountable public services. In the context of regional government, the Regional Financial and Asset Management Agency (BPKAD) of Bontang City plays a strategic role in managing public finances and regional assets, which directly affects the quality of local governance. With a workforce consisting of civil servants and contract-based government employees, BPKAD is required to meet demanding performance indicators, including the timely preparation of regional budgets and the accuracy of financial reporting. These responsibilities place considerable administrative pressure on employees and create a work environment characterized by high accountability and tight deadlines.

Despite BPKAD's strategic role in ensuring regional financial accountability, fluctuations in organizational performance and moderate levels of employee engagement suggest a research problem: how job demands and job resources interact to influence employee performance. The imbalance between high workload, strict deadlines, and limited supervisory or organizational support suggests that psychological factors may play a decisive role in determining performance outcomes. However, empirical evidence explaining this mechanism within regional public financial institutions remains limited.

Employee performance does not emerge in isolation but is shaped by complex interactions among work-related demands, available organizational resources, and employees' psychological engagement with their work. In organizational behavior literature, job demands refer to aspects of work that require sustained physical, cognitive, or emotional effort, such as heavy workloads, time pressure, and role conflict. In contrast, job resources encompass aspects of work that support employees in achieving work goals, reducing the impact of job demands, and stimulating personal growth, including supervisory support, autonomy, feedback, and development opportunities. The interaction between these two dimensions is systematically explained through the Job Demands–Resources (JD-R) model, which has become a dominant framework in contemporary organizational psychology [1].

The JD-R model posits that excessive job demands can lead to strain, stress, and performance deterioration, particularly when employees lack sufficient resources to cope with these demands. Conversely, adequate job resources serve as motivational drivers, fostering work engagement and enhancing performance outcomes. Work engagement, defined as a positive and fulfilling psychological state characterized by vigor, dedication, and absorption, serves as a key mechanism through which job demands and job resources influence employee performance [2]. Highly engaged employees tend to demonstrate greater persistence, enthusiasm, and concentration, enabling them to maintain performance even under demanding work conditions.

Empirical evidence across various organizational contexts supports the mediating role of work engagement in the relationship between work characteristics and performance. Recent studies consistently indicate that work engagement acts as a psychological conduit, transforming job resources into improved performance outcomes while simultaneously buffering the negative effects of excessive job demands [3], [4]. However, many existing studies focus on private-sector organizations or specific industries and often examine job demands or job resources in isolation. As a result, the integrated examination of both

dimensions within a single model, particularly in public sector organizations, remains limited.

In the Indonesian public sector context, bureaucratic institutions such as BPKAD face unique challenges. Employees are required to perform complex administrative tasks, including financial reporting, asset management, and regulatory compliance, often under strict deadlines and continuous external audits. These conditions intensify job demands and may lead to psychological strain if not balanced with adequate job resources. National-level reports indicate that a significant proportion of regional financial management employees experience high workloads and insufficient technological or supervisory support, suggesting that the challenges faced by BPKAD Bontang are part of a broader systemic issue in public sector human resource management [5].

Organizational performance data from BPKAD Bontang between 2021 and 2024 further illustrate this complexity. While some programs demonstrate relatively stable, high performance, others show considerable fluctuations and periods of decline. Such variation suggests that employee performance is influenced not only by technical or structural factors but also by the balance between job demands and job resources. Within the JD-R framework, this imbalance may weaken work engagement and, consequently, reduce performance outcomes.

Preliminary survey findings conducted among BPKAD employees reinforce this assumption. The results indicate that employees perceive their job demands as relatively high, particularly in terms of workload and time pressure, while perceived job resources, especially social and supervisory support, remain moderate to low. Work engagement levels are also reported as moderate, suggesting that employees have not yet reached an optimal level of psychological involvement in their work. These conditions are reflected in employee performance ratings, which are generally adequate but not optimal. Such patterns align with the JD-R model's proposition that high demands combined with insufficient resources undermine engagement and performance [6].

Based on these conditions, this study proposes problem-solving efforts by integrating job demands and job resources within a comprehensive analytical framework and positioning work engagement as a mediating variable. The author plans to employ Structural Equation Modeling using Partial Least Squares (SEM-PLS) to examine both direct and indirect relationships among variables, thereby providing a more robust explanation of the psychological mechanisms underlying employee performance at BPKAD Bontang.

The objectives of this research are: (1) to analyze the effect of job demands on work engagement; (2) to examine the effect of job resources on work engagement; (3) to assess the direct effects of job demands and job resources on employee performance; and (4) to test the mediating role of work engagement in the relationship between job demands, job resources, and employee performance.

Theoretically, work engagement plays a crucial role in explaining why employees respond differently to similar work conditions. Employees with high engagement are more likely to mobilize available resources effectively and remain resilient in the face of demanding tasks. Conversely, when engagement is low, the negative effects of job demands become more pronounced, and the benefits of job resources may not be fully realized. This

dynamic underscores the importance of treating work engagement as a mediating variable in examining the relationships among job demands, job resources, and employee performance.

Despite the growing body of literature on work engagement, several research gaps remain evident. First, many studies do not simultaneously integrate job demands and job resources within a comprehensive analytical framework, particularly in public-sector settings. Second, empirical research focusing on regional government institutions in Indonesia remains limited, even though such organizations operate under distinctive bureaucratic pressures. Third, the application of advanced analytical techniques, such as Structural Equation Modeling using Partial Least Squares (SEM-PLS), remains relatively rare in examining complex mediation processes involving work engagement in public organizations.

This study, therefore, offers novelty by applying the JD-R model simultaneously to job demands and job resources within a regional public financial management institution, employing SEM-PLS to test mediation effects, and contextualizing the analysis within Indonesian local government bureaucracy.

It is expected that this study will make theoretical contributions by strengthening empirical support for the JD-R model in the public sector and clarifying the mediating role of work engagement. In practice, the findings are expected to assist BPKAD Bontang and similar institutions in designing evidence-based human resource policies, such as workload management, supervisory development, and employee engagement programs, ultimately enhancing organizational performance and public service quality.

2. METHOD

This study adopted a quantitative research approach using a survey method to examine the relationships among job demands, job resources, work engagement, and employee performance at the Regional Financial and Asset Management Agency of Bontang City. The quantitative design was chosen to allow objective measurement of variables and statistical testing of causal relationships between constructs. Quantitative survey designs are widely recommended for testing theoretical models, such as the Job Demands–Resources (JD-R) framework, because they enable hypothesis testing and the generalization of findings across organizational settings [17]. The study used a cross-sectional design, collecting data at a single point in time to capture employees' perceptions of their work conditions and performance within the organizational context of BPKAD. Cross-sectional approaches are frequently applied in organizational behavior research to examine structural relationships among psychological and work-related variables efficiently and systematically [18].

The study population consisted of all employees at BPKAD Bontang City. Based on predetermined criteria, a total of 45 employees were selected as research respondents. The sampling technique used was purposive sampling, with consideration given to employment status, length of service, and direct involvement in financial and asset management activities. This approach ensured that respondents had sufficient experience and understanding of the organizational processes relevant to the research variables. Data collection was conducted

directly within the organization to ensure a high response rate and complete data. The adequacy of smaller sample sizes in structural modeling, particularly when using Partial Least Squares, has been supported in methodological literature, especially for exploratory and predictive research contexts [19].

Primary data were collected using a structured questionnaire designed to measure job demands, job resources, work engagement, and employee performance. All questionnaire items were measured using a five-point Likert scale, ranging from strongly disagree to agree strongly. The use of a Likert scale enabled the quantification of respondents' perceptions and facilitated statistical analysis. Likert-type scales are commonly employed in behavioral research due to their reliability in capturing attitudes and perceptions across organizational constructs [20]. The questionnaire was distributed directly to respondents, accompanied by an explanation of the research objectives to ensure clarity and consistency in responses.

Data analysis was conducted using Structural Equation Modeling with the Partial Least Squares (PLS) approach. This method was selected for its suitability for analyzing complex models with mediation effects and for its robustness when applied to relatively small sample sizes. The analysis process consisted of evaluating the measurement model to assess validity and reliability, followed by evaluation of the structural model to test the relationships among variables and the mediating role of work engagement. The SEM-PLS analysis provided a comprehensive understanding of both direct and indirect effects among the studied variables.

3. RESULTS AND DISCUSSION

3.1 Results

Respondent Characteristics

This section presents the demographic profile of respondents involved in the study to provide contextual background for the analysis of job demands, job resources, work engagement, and employee performance at the Regional Financial and Asset Management Agency of Bontang City. The respondent characteristics are important to ensure that the data reflect employees who are directly engaged in core organizational functions related to regional financial and asset management.

As shown in Table 1, the respondents comprise employees with diverse demographic backgrounds in terms of age, employment status, and length of service. The majority of respondents are civil servants and government contract employees who are actively involved in administrative and financial management processes at BPKAD Kota Bontang. This composition indicates that the respondents represent key personnel responsible for implementing organizational policies and managing public financial resources.

Table 1. Demographic Characteristics of Respondents (n = 45)

No	Characteristics	Category	Number (Persons)	Percentage (%)
1	Gender	Male	19	42.2
		Female	26	57.8
2	Age	< 25 years	4	8.9
		25–35 years	14	31.1
		35–45 years	17	37.8
		> 45 years	10	22.2
3	Work Unit	Budgeting	14	31.1
		Treasury and Accounting	13	28.9
		Asset Management (BMD)	9	20.0
		Secretariat	9	20.0
4	Length of Service	< 1 year	3	6.7
		1–3 years	7	15.6
		3–5 years	11	24.4
		5–10 years	14	31.1
		> 10 years	10	22.2
5	Highest Education	Senior High School / Vocational School	5	11.1
		Diploma (D3)	6	13.3
		Bachelor (D4/S1)	24	53.3
		Master (S2)	9	20.0
		Doctoral (S3)	1	2.2

In terms of length of service, most respondents have worked at BPKAD for several years, suggesting sufficient organizational experience and familiarity with internal procedures, workload distribution, and performance standards. Employees with longer tenure are generally better positioned to accurately assess job demands and resources, as they have experienced various work conditions and organizational changes over time.

The age distribution of respondents shows that employees are predominantly within the productive working-age group. This demographic profile reflects the operational needs of BPKAD, where tasks require sustained concentration, administrative accuracy, and coordination across organizational units. Overall, the respondent characteristics indicate that the sample adequately represents employees who are directly exposed to the organizational conditions examined in this study, thereby supporting the validity of subsequent analyses.

Descriptive Statistics of Research Variables

This section presents descriptive statistics for the main research variables: job demands, job resources, work engagement, and employee performance. Descriptive analysis provides an initial overview of respondents' perceptions of their work conditions and performance before further analysis using the SEM-PLS approach. The results reflect the general tendency of each variable based on respondents' responses and serve as a foundation for interpreting the structural relationships examined in subsequent sections.

Table 2. Descriptive Statistics of Research Variables

Questions		Skala					Mean
		1	2	3	4	5	
1. Employee Performance							
Level of accuracy and precision in preparing financial reports.	Y1	4	11	16	11	3	2,96
Amount of budget absorption successfully realized within a work period	Y2	4	10	15	12	4	3,04
Ability to meet report completion deadlines as scheduled	Y3	4	11	15	11	4	3,00
Readiness in demonstrating practical steps to address budget-related issues.	Y4	4	10	18	9	4	2,98
Ability to optimally utilize time and available resources.	Y5	4	9	16	13	3	3,04
Average Employee Performance Response							3,00
2. Work engagement							
Employee enthusiasm in carrying out budget management tasks.	M1	4	10	15	13	3	3,02
Sense of pride in the strategic role as a regional financial manager	M2	5	8	17	13	2	2,98
Full concentration when completing time-sensitive tasks	M3	4	11	16	12	2	2,93
Persistence in facing technical obstacles and financial data issues.	M4	5	9	16	13	2	2,96
Encouragement to work optimally to achieve organizational targets	M5	3	12	16	11	3	2,98
Average Work Engagement Response							2,97
3. Job Demands							
Volume of tasks related to financial report preparation borne by employees	X1.1	5	6	22	8	4	3,00
Limited time for completing reports that require high speed.	X1.2	2	17	8	15	3	3,00
Need to maintain professionalism when facing work pressure	X1.3	2	14	15	10	4	3,00
The level of difficulty in managing budget data and verification processes requires high accuracy.	X1.4	3	13	14	11	4	3,00
Misalignment between main budget management tasks and additional assignments	X1.5	1	13	16	11	4	3,09
Average Job Demands Response							3,02
4. Job Resources							
Flexibility in determining methods for preparing reports and managing workflows	X2.1	2	12	17	10	4	3,04
Guidance, direction, and technical solutions are provided by supervisors during report preparation.	X2.2	4	9	17	13	2	3,00
Availability of performance-related information used as a basis for task quality evaluation	X2.3	5	7	18	12	3	3,02
Opportunities to participate in training that support technical competency development	X2.4	3	11	17	12	2	2,98
Availability of equipment, software, and digital information systems that support work effectiveness	X2.5	2	14	14	11	4	3,02
Average Job Resources Response							3,01

As shown in Table 2, job demands exhibit a relatively high mean score, indicating that employees at BPKAD Kota Bontang perceive their workload, time pressure, and task complexity as demanding. This finding aligns with the organizational context of regional financial management, which demands high accuracy, accountability, and adherence to strict deadlines. The elevated perception of job demands suggests that employees operate under considerable work pressure in carrying out their daily responsibilities.

In contrast, job resources demonstrate a moderate mean score, indicating that employees perceive organizational support, autonomy, feedback, and work facilities as available but not yet optimal. This condition suggests that, while certain forms of support

are present, they may not be sufficient to counterbalance the high level of job demands employees experience. The imbalance between high job demands and moderate job resources poses a risk of decreased motivation and work strain if not properly managed.

The descriptive results also indicate that work engagement is moderate. This indicates that employees demonstrate a reasonable degree of enthusiasm, dedication, and focus in performing their tasks, yet their psychological involvement has not reached an optimal level. Moderate work engagement may reflect employees' efforts to remain committed despite high job demands, although limited job resources could constrain their ability to sustain higher levels of engagement over time.

Employee performance is also categorized as moderate based on the descriptive statistics. This finding suggests that employees generally meet performance expectations, but there is still room for improvement in work quality, timeliness, initiative, and consistency. Taken together, the descriptive results indicate a pattern in which high job demands are not fully supported by adequate job resources, resulting in moderate levels of work engagement and employee performance. This pattern provides an empirical basis for further analysis of the mediating role of work engagement in the relationship between job demands, job resources, and employee performance.

Measurement Model Evaluation

This section presents the evaluation of the measurement model to assess the validity and reliability of the constructs used in this study. Measurement model assessment is a critical step in SEM-PLS analysis, ensuring that all indicators appropriately measure their respective latent variables before testing the structural relationships among constructs. The evaluation focuses on indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. High outer loading values reflect strong correlations between observed variables and their underlying constructs, confirming that the indicators used to measure job demands, job resources, work engagement, and employee performance are appropriate and statistically reliable. These results indicate that no indicators needed to be removed from the measurement model.

Table 4. Reliability and Convergent Validity Statistics

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
M.Keterlibatan Kerja	0,908	0,911	0,931	0,731
X1.Job Demands	0,895	0,895	0,922	0,704
X2.Job Resources	0,911	0,925	0,933	0,736
Y.Employee Performance	0,894	0,903	0,922	0,702

Table 4 presents the results of internal consistency reliability and convergent validity testing. The values of Cronbach's alpha and composite reliability for all constructs exceed the minimum recommended criteria, indicating strong internal consistency among indicators within each construct. In addition, the Average Variance Extracted (AVE) values for all variables are above the acceptable threshold, confirming that each construct explains a

sufficient proportion of variance in its indicators. These findings demonstrate that the measurement model meets the requirements for reliability and convergent validity.

Table 5. Discriminant Validity (Fornell–Larcker Criterion)

	M.Keterlibatan Kerja	X1.Job Demands	X2.Job Resources	Y.Kinerja Pegawai
M.Keterlibatan Kerja	0,855			
X1.Job Demands	-0,520	0,839		
X2.Job Resources	0,296	-0,036	0,858	
Y.Kinerja Pegawai	0,572	-0,525	0,344	0,838

The discriminant validity assessment presented in Table 5 shows that the square root of the AVE for each construct is greater than its correlation with other constructs. This result confirms that each latent variable is empirically distinct and captures phenomena not represented by other constructs in the model. The fulfillment of discriminant validity indicates that job demands, job resources, work engagement, and employee performance are conceptually and statistically separable within the research framework.

Structural Model Evaluation

This section presents the evaluation of the structural model to assess the strength and explanatory power of the relationships among job demands, job resources, work engagement, and employee performance. Structural model evaluation in SEM-PLS focuses on examining the coefficient of determination, effect size, and overall model fit to determine how well the proposed model explains the observed data. This step is essential before interpreting hypothesis testing and mediation effects.

Table 6. Structural Model Summary (R-square, f-square, and Model Fit)

COEFFICIENT OF DETERMINATION (R-SQUARE)		
Endogenous Variable	R-square	Adjusted R-squared
Work Engagement	0.348	0.334
Employee Performance	0.448	0.430
EFFECT SIZE (F-SQUARE)		
Structural Path		f-square
Work Engagement → Employee Performance		0.121
Job Demands → Work Engagement		0.399
Job Demands → Employee Performance		0.158
Job Resources → Work Engagement		0.118
Job Resources → Employee Performance		0.090
MODEL FIT INDICES		
Fit Index	Saturated Model	Estimated Model
SRMR	0,065	0,065
D_ULS	0,878	0,878
D_G	0,449	0,449
Chi-square	248,141	248,141
NFI	0,828	0,828

As presented in Table 6, the R-square values indicate that job demands and job resources jointly explain a substantial proportion of variance in work engagement. In

addition, work engagement, together with job demands and job resources, explains a meaningful proportion of variance in employee performance. These findings suggest that the structural model has adequate explanatory power in capturing the relationships among the examined variables. The magnitude of the R-square values indicates that the proposed model can explain employee performance within the context of BPKAD Kota Bontang.

The f-square values further indicate the relative contribution of each exogenous variable to the endogenous constructs. The results show that job demands and job resources have meaningful effect sizes on work engagement, while work engagement exhibits a notable effect size on employee performance. These findings highlight the importance of both work-related demands and organizational resources in shaping employees' psychological engagement, which, in turn, influences their performance outcomes.

The model fit indices presented in Table 6 confirm that the structural model meets acceptable goodness-of-fit criteria. The fulfillment of model fit requirements indicates that the proposed research model is consistent with the empirical data and suitable for further interpretation. This result supports the theoretical foundation of the Job Demands–Resources model in explaining employee performance through work engagement in a public sector organizational setting.

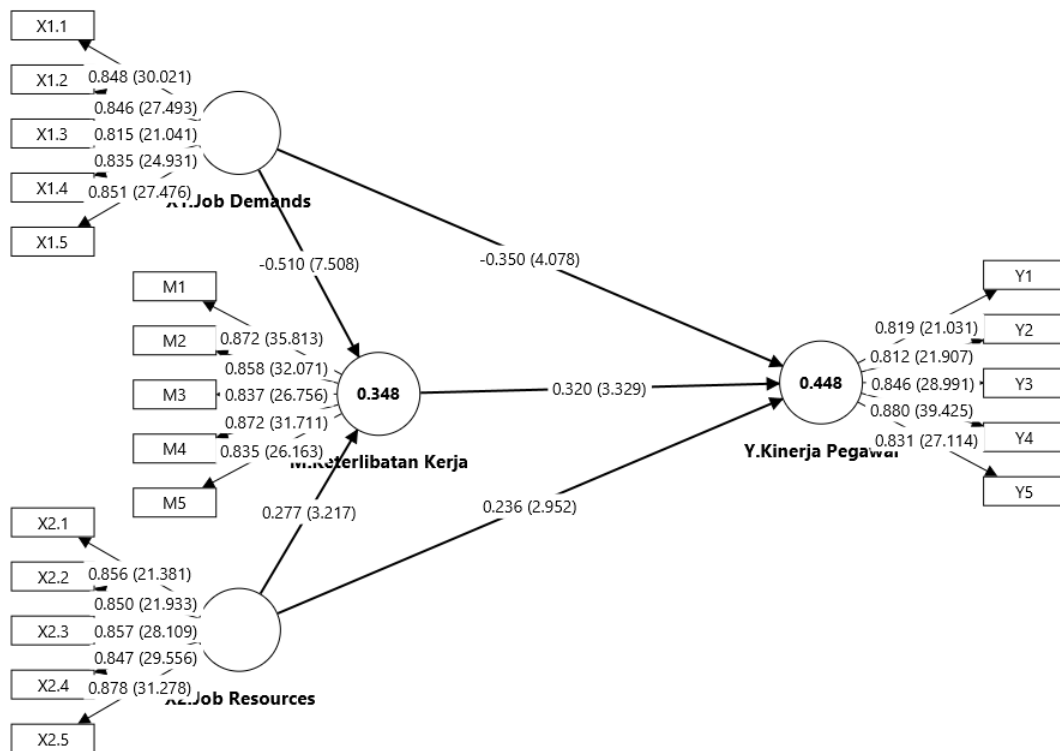


Figure 1. Structural Model Path Diagram (SmartPLS Output)

Figure 1 illustrates the structural relationships among the research variables, including the direct paths from job demands and job resources to work engagement and employee performance, as well as the indirect paths through work engagement. The diagram visually demonstrates the strength and direction of the relationships, providing a clear representation of the proposed mediation structure. Overall, the structural model evaluation

confirms that the research framework is statistically robust and theoretically coherent, thereby providing a solid foundation for hypothesis testing and mediation analysis presented in the following section.

Hypothesis Testing and Mediation Analysis

This section presents the results of hypothesis testing and mediation analysis to examine the direct and indirect relationships among job demands, job resources, work engagement, and employee performance. The analysis focuses on evaluating path coefficients, significance levels, and the mediating role of work engagement within the structural model. This stage is critical for confirming whether the proposed hypotheses are empirically supported and for understanding the mechanism through which job demands and job resources influence employee performance.

Table 7. Path Coefficients and Mediation Test Results

No	Relationship Path	Original Sample (O)	STDEV	T Statistics	P Values	Remarks
1	Work Engagement → Employee Performance	0.320	0.096	3.329	0.001	Significant
2	Job Demands → Work Engagement	-0.510	0.068	7.508	0.000	Significant
3	Job Demands → Employee Performance	-0.350	0.086	4.078	0.000	Significant
4	Job Resources → Work Engagement	0.277	0.086	3.217	0.001	Significant
5	Job Resources → Employee Performance	0.236	0.080	2.952	0.003	Significant
6	Job Demands → Work engagement → Employee Performance	-0.163	0.052	3.128	0.002	Mediation Significant
7	Job Resources → Work Engagement → Employee Performance	0.089	0.040	2.210	0.027	Mediation Significant

As shown in Table 7, job demands have a negative and significant effect on work engagement. This finding indicates that higher levels of workload, time pressure, and task complexity reduce employees' psychological involvement in their work. In the context of BPKAD Kota Bontang, where employees face strict deadlines and high administrative responsibility, excessive job demands may weaken enthusiasm and focus, thereby lowering work engagement.

The results also show that job resources have a positive and significant effect on work engagement. This suggests that organizational support, autonomy, feedback, and available work facilities play an important role in fostering employees' enthusiasm, dedication, and absorption in their tasks. Adequate job resources enable employees to cope more effectively with work pressures and strengthen their psychological attachment to their work.

Regarding employee performance, job demands are found to have a negative and significant direct effect. This finding implies that excessive work pressure can directly reduce employees' ability to maintain optimal performance levels, particularly in terms of work quality and consistency. In contrast, job resources demonstrate a positive, significant

direct effect on employee performance, indicating that supportive organizational conditions directly contribute to better performance outcomes.

Work engagement has been shown to have a positive, significant effect on employee performance. This result confirms that employees who are more engaged in their work tend to perform better, demonstrating higher levels of dedication, persistence, and focus in completing their tasks. Work engagement functions as a key psychological factor that translates organizational conditions into performance outcomes.

The mediation analysis further reveals that work engagement significantly mediates the relationship between job demands and employee performance. This indicates that job demands influence employee performance not only directly but also indirectly by reducing work engagement. Similarly, work engagement significantly mediates the relationship between job resources and employee performance, suggesting that job resources enhance performance by strengthening employees' psychological involvement in their work. These findings confirm the central role of work engagement as a mediating mechanism within the Job Demands–Resources framework in the context of public sector financial management.

3.2 Discussion

The findings of this study provide strong empirical support for the Job Demands–Resources (JD-R) model in explaining employee performance in a public-sector financial management institution. The JD-R model emphasizes that employee performance is shaped by two parallel processes: the health-impairment process, driven by excessive job demands, and the motivational process, driven by job resources [1], [2]. The results of this study confirm that both processes operate simultaneously in the context of the Regional Financial and Asset Management Agency of Bontang City. This dual-process mechanism has been extensively validated in longitudinal and cross-national studies, which demonstrate that job demands primarily predict strain while job resources primarily predict motivation and performance outcomes [21].

The negative effect of job demands on work engagement indicates that high workload, time pressure, and task complexity weaken employees' psychological involvement in their work. This finding is consistent with the JD-R framework, which explains that excessive job demands consume employees' physical and mental energy, leading to reduced motivation and engagement [1], [3]. Empirical studies in public and service-sector organizations have similarly reported that high job demands are associated with lower levels of vigor and dedication, particularly in environments characterized by strict deadlines and administrative pressure [4], [5]. In the context of BPKAD Kota Bontang, employees are required to manage complex financial reporting and asset administration under tight regulatory constraints, making them particularly vulnerable to the negative effects of excessive job demands. Previous research further confirms that chronic exposure to high demands is negatively related to engagement and may trigger emotional exhaustion if not balanced by adequate resources [22].

In contrast, job resources were found to have a positive and significant effect on work engagement. This result supports the motivational process proposed by the JD-R model, which posits that job resources such as supervisory support, autonomy, feedback, and work

facilities enhance employees' enthusiasm, dedication, and absorption at work [1], [2]. Previous studies have consistently demonstrated that job resources strengthen work engagement by enabling employees to cope with work pressures and achieve work goals more effectively [6], [7]. In public sector organizations, where job demands are often unavoidable, job resources play a crucial role in sustaining employees' psychological attachment to their work. Empirical findings from multi-sector studies also show that resources such as performance feedback and developmental opportunities significantly predict engagement and proactive performance behaviors [23].

The direct negative effect of job demands on employee performance further reinforces the health-impairment process described in the JD-R model. High job demands not only reduce work engagement but can also directly impair employees' ability to maintain consistent performance levels [3], [8]. This finding aligns with previous empirical research showing that excessive workload and time pressure reduce work quality and increase the risk of errors, particularly in administrative and financial tasks [4], [9]. For BPKAD employees, prolonged exposure to high job demands may lead to fatigue and reduced concentration, ultimately affecting performance outcomes. Studies conducted in high-accountability environments further indicate that job demands significantly predict performance decline when recovery opportunities are limited [24].

Conversely, the positive direct effect of job resources on employee performance indicates that supportive organizational conditions directly improve work outcomes. Job resources provide employees with the tools and support needed to perform their tasks efficiently, even in demanding work environments [6], [10]. Studies conducted in the public sector and financial institutions have shown that adequate organizational support and autonomy are associated with higher levels of task completion, accuracy, and initiative [7], [11]. These findings suggest that strengthening job resources at BPKAD Kota Bontang can directly enhance employee performance, independent of their level of work engagement. Recent empirical evidence also demonstrates that job resources stimulate both in-role and extra-role performance through motivational pathways consistent with the JD-R framework [25].

Work engagement was found to have a positive and significant effect on employee performance, confirming its role as a key psychological mechanism linking work conditions to performance outcomes. This result is consistent with prior studies that conceptualize work engagement as a motivational state characterized by vigor, dedication, and absorption, which translates into higher persistence, focus, and work quality [12], [13]. Employees who are highly engaged tend to invest more effort in their tasks and demonstrate greater commitment to organizational goals, resulting in superior performance [14]. In the context of BPKAD, engaged employees are more likely to maintain accuracy and timeliness in financial management tasks despite high work pressure.

The mediation analysis provides deeper insight into the mechanisms underlying employee performance. The significant mediating role of work engagement in the relationship between job demands and employee performance indicates that job demands reduce performance partly by diminishing employees' psychological involvement in their work. This finding supports previous studies showing that work engagement serves as a

buffer that explains how job demands influence performance outcomes [5], [15]. Similarly, the mediating role of work engagement in the relationship between job resources and employee performance suggests that job resources enhance performance by strengthening employees' motivational states [6], [16]. These results reinforce the central position of work engagement within the JD-R framework as a mechanism that translates work conditions into performance.

Overall, the discussion highlights that dynamic interactions among job demands, job resources, and work engagement shape employee performance in public-sector financial management institutions. High job demands are an inherent feature of public financial administration, but their negative effects can be mitigated through adequate job resources that sustain work engagement [1], [2], [7]. The findings of this study contribute to the growing body of literature applying the JD-R model in public sector contexts and provide empirical evidence that work engagement plays a critical mediating role in balancing work pressure and organizational support to achieve optimal employee performance.

4. CONCLUSION

This study emphasizes that employee performance in public-sector financial management institutions is not determined solely by technical competence or regulatory compliance, but by the dynamic interaction between work pressure and organizational support mechanisms. By applying the Job Demands–Resources (JD-R) framework, this research confirms that the balance between job demands and job resources shapes motivational processes that ultimately influence performance sustainability within a high-accountability government environment. Work engagement emerges as a central psychological mechanism that links organizational conditions to productive work behavior.

From a theoretical perspective, this study strengthens the application of the JD-R model in regional public administration, an area that has received relatively limited empirical attention. The findings extend prior research by integrating job demands and job resources simultaneously within a mediation framework using SEM-PLS, thereby offering a more comprehensive explanation of performance formation in bureaucratic institutions. This contributes to the development of public sector organizational behavior literature, particularly in emerging governance contexts.

In practice, the study implies that improving employee performance in government financial institutions should not rely solely on raising performance targets or tightening supervision. Instead, leaders and policymakers should adopt a balanced human resource strategy that includes workload management, enhanced supervisory support, adequate work facilities, and a psychologically supportive work climate. Strengthening these organizational resources may foster sustainable engagement and long-term performance stability.

This study is subject to several limitations. First, the use of a cross-sectional design restricts the ability to capture long-term causal dynamics among variables. Second, the relatively small sample size and focus on a single regional institution limit the generalizability of the findings to other public sector organizations. Third, the reliance on self-reported questionnaire data may introduce perceptual bias. These boundaries should be considered when interpreting the results.

Future research is encouraged to employ longitudinal designs to understand better changes in engagement and performance over time, particularly in response to fluctuations in job demands, such as fiscal cycles or audit periods. Expanding the sample to multiple regional government institutions would improve generalizability and allow comparative analysis. Additionally, incorporating other relevant variables, such as leadership style, organizational culture, psychological capital, and digital transformation readiness, could provide a broader understanding of performance drivers in public administration.

In a broader societal context, this research contributes to the general public by offering evidence-based insights into how internal work conditions influence the quality of financial governance. Since effective financial and asset management directly affects public accountability and service delivery, improving employee engagement and performance in institutions such as BPKAD ultimately supports better governance outcomes and public trust.

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