



The Role of Employee Empowerment in Mediating the Effect of Leader-Member Exchange on Employee Performance in Dekranasda Riau Islands Province 2021-2024

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Abstract

The decline in the performance of employees at Dekranasda in the eight districts/cities of the Riau Archipelago province is the background of this research. This study aims to uncover and analyze the effect of empowerment, which mediated the effect of Leader Member Exchange (LMX) on employee performance in Dekranasda, which is dispersed toward eight regencies/the city of Riau Islands Province. The study contributes to the development of the LMX concept, which fosters its relation toward employee performance mediated by engagement. Furthermore, the study uses survey methods for gaining the data by questionnaire. The total respondents involved in this study are 303 persons in the Dekranasda Office Riau. The analysis data used Structural Equation Modeling (SEM). This study shows that LMX directly and significantly affects employee performance. Furthermore, empowerment affects employee performance positively but does not mediate the effect of LMX on employee performance. This study merely involves the employees of Dekranasda, who are dispersed in the eight districts/cities of the Riau Archipelago province. This study shows the importance of direct interpersonal relationships between managers and employees in the realm of public service. As suggested by the LMX theory, managers delegate responsibility and provide more support and appreciation to subordinates in the group, which is considered as empowerment. The results of this study are consistent with the LMX theory, which emphasizes the importance of interpersonal factors in the workplace, especially in the local government sphere. The results of this study can be used as a basis or input for stakeholders in Dekranasda in designing an ideal relationship between superiors and subordinates so that subordinates are able to produce good performance to achieve organizational goals.

Keywords *LMX, Empowerment, Performance, SEM, Survey, Dekranasda*

INTRODUCTION

There is various interesting research in management studies that are continuously being carried out to deepen understanding of behaviour such as leader-member exchange, organizational citizenship behaviour, learning, innovative work behaviour, and its positive effects on organizational performance. Thus, efforts to apply positively measurable human resource strengths and the development of psychological capacities are indispensable for improving performance in organizations (Luthans, 2018). This is increasingly emphasized in research on the paradigm of positive organizational behaviour that drives performance.

To understand and explore the phenomenon of individual or employee performance in organizations, many empirical studies have been conducted regarding the antecedents and outcome variables associated with such performance. Many factors are considered to have an important influence on employee performance. As an example, put forward by Ahearne et al. (2005), leadership and customer satisfaction affect employee performance. Vecchio et al. (2010) also stated that leadership, resistance, empowerment, and satisfaction affect performance. According to Vecchio et al. (2010) and Humborstad et al. (2014), employee empowerment, leadership, and goal orientation affect performance.

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Many scholars have theorized that the Empowerment variable may not only be linked to performance but also to Leader-Member Exchange (LMX). This view is supported by studies such as those by [Breevaart et al. \(2015\)](#), [Gomez and Rosen \(2001\)](#), [Liden et al. \(2000\)](#), and [Martin et al. \(2016\)](#). As a result, according to these experts, it is essential to discuss the part empowerment plays in the connection between LMX and employee performance. The power of the Empowerment variable, which is considered to be an important mediator in the relationship between LMX and performance ([Breevaart et al., 2015](#); [Harris et al., 2009](#); [Joo, 2012](#); [Martin et al., 2016](#)), must therefore be revealed and examined in further research. [Wong et al. \(2015\)](#) stated that turnover is important in determining performance. [Nazir and Islam \(2017\)](#) also stated that work commitment and involvement significantly affect performance. [Van Der Vegt and Bunderson \(2005\)](#) also stated that learning, organizational commitment, and organizational citizenship behaviour influence performance.

As described by these researchers, many factors significantly affect employee performance. Both a theoretical and an empirical gap exist. The ideas that will be employed and the constructs that will be measured in this investigation are connected to the theoretical gaps in the study. Throughout the 20th and 22nd centuries, the idea of leadership has been examined and analyzed in several social domains. The Leader-Member Exchange (LMX) hypothesis proposed by [Graen and Uhl-Bien \(1995\)](#) is one of the associated ideas. The interaction between the leader and followers is also a key component of leadership that many scholars seek ([Danseraeu et al., 1975](#); [Liden & Graen, 1980](#); [Northouse, 2000](#)). This study will provide light on the impact of employee performance. According to [Conger and Kanungo \(1988\)](#), the idea of empowerment is the next. According to [Conger and Kanungo \(1988\)](#), empowerment is the process of raising one's sense of self-efficacy. It is critical to comprehend self-efficacy in order to comprehend [Conger and Kanungo's \(1988\)](#) concept of empowerment.

According to [Green et al. \(1996\)](#), [Brower et al. \(2009\)](#), and [Dulebohn et al. \(2012\)](#), the leaders who develop diverse relationships with their subordinates will range from low (out-group) to high (in-group) quality LM. Furthermore, researchers such as [Chernyak-Hai and Tziner \(2014\)](#), [Martin et al. \(2016\)](#), and [Lebrón et al. \(2018\)](#) stated that A high-quality LMX leads to a higher level of information exchange, trust, competence, commitment, role clarity, greater job satisfaction, and lower job stress. On the other hand, a low-quality LMX leads to a low level of interaction, limited support, formal relations, counterproductive behaviour, psychological withdrawal behaviour, employee turnover, lower level of job satisfaction, and higher job stress ([Harris et al., 2005](#); [Wang & Yi, 2011](#); [Lebrón et al., 2018](#)).

Although there is a clear correlation between LMX and employee performance, [Martin et al. \(2016\)](#) noted that several elements need to be reported and examined to understand this link fully. [Martin et al. \(2016\)](#) also noted that there are variables that function as mediators in the connection between LMX and worker performance. This study will identify and examine the role of empowerment, leader satisfaction, and trust as mediators in the link between LMX and worker performance.

Dekranasda is one of the companies that constantly aims to enhance marketing initiatives for regionally excellent products, and these efforts are backed in its day-to-day operations by many human resources that work there. Success in selling locally superior products is one of the performance metrics shown by Dekranasda. Of course, Dekranasda's level of product sales is a good gauge of how well these efforts work. The author received the following information on the volume of sales of premium regional goods from the Riau Islands Province's district/city Dekranasda Board of Directors. Data on the sales of top-notch local goods, which have tended to fall over the previous five years, are shown in Figure 1.

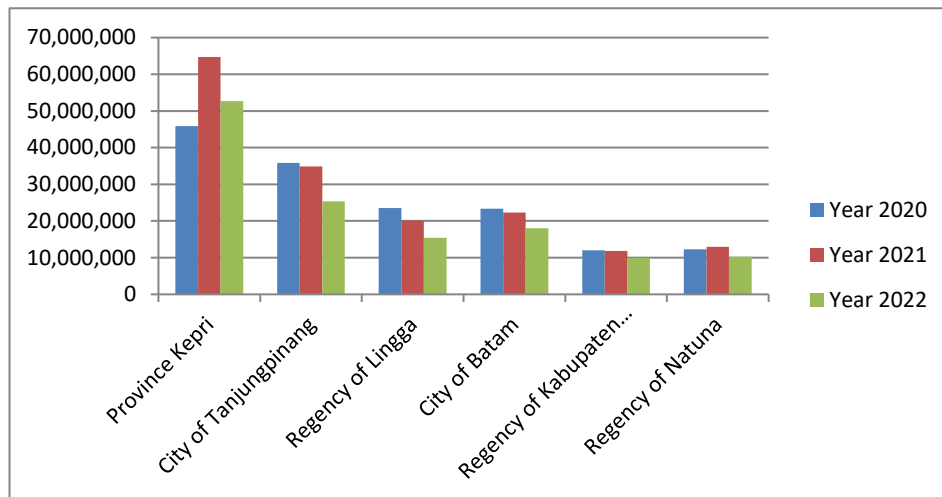


Figure 1. Level of Sales of Dekranasda Riau Islands Province in 2022

Based on the data shown in Figure 1, the level of sales for the last five years from the three districts/city Dekranasda shows a decline. This is an illustration of the organization's performance, which contains elements of the workforce that should have good performance. Based on the excerpts from the results of the initial interviews, it shows that basically, the perception of employees at the Dekranasda Riau Islands Province for the 2021-2024 service period is negative/not good for the relationship between superiors and subordinates, trust in superiors and employee empowerment. According to the staff at Dekrannasda, they feel that the quality of the relationship between superiors and subordinates, trust in superiors, and employee empowerment are important things that are considered to improve their performance.

Therefore, the authors of this study would like to try to uncover and analyze the role of employee empowerment in mediating the influence of the relationship between superiors and subordinates on employee performance. In other words, does employee empowerment mediate the effect of LMX on employee performance? The current study provides differences compared to the prior studies on this topic by focusing on Dekranasda, which is a novel aspect of the research field. In this study, the authors focused on the quality of leader-member exchange relationships and empowerment that affect employee performance.

LITERATURE REVIEW

Leader-Member Exchange (LMX)

According to [Graen and Uhl-Bien \(1995\)](#), three dimensions make up good leadership. The first is the leader's domain, which takes a more conventional approach and focuses only on leaders' qualities, tendencies, and deeds. The second area is the realm of followers, which examines the traits of followers and how they react to their surroundings. The interaction between the leader and followers, as well as the quality of the resultant dyadic connection, make up the third domain.

In contrast to dyadic relationships, interactions between leaders and followers have a more significant impact ([Graen & Uhl-Bien, 1991](#); [Graen & Uhl-Bien, 1995](#); [Liden et al., 1993](#)). As opposed to the Vertical Dyad Linkage (VDL) theory's exclusive focus on in-group and out-group dynamics, academics are starting to pay more attention to the nature of dyadic interactions and how they function. The Leader-Member Exchange Theory (LMX) was created as a result of this paradigm shift ([Graen & Uhl-Bien, 1995](#)). According to [Graen and Uhl-Bien \(1995\)](#), a critical distinction between LMX theory and VDL theory is that in LMX theory, leaders treat all subordinates equally, while in

VDL theory, leaders treat subordinates differently depending on the dyadic relationship they have with each follower.

Additionally, when a subordinate is given the option of a high-quality connection, the subordinate can continue a low-quality transactional relationship with the leader or pursue a high-quality relationship. Different organizational results can arise from the nature of the interaction between leaders and followers (Graen & Uhl-Bien, 1991; Graen & Uhl-Bien, 1995; Liden et al., 1993).

Employee Empowerment

Empowerment is etymologically related to power, which denotes the capacity to do an action. In the Indonesian language, with the prefix *ber-*, the word "empower" (*berdaya*) refers to having the capability, strength, and wisdom to conquer a challenge. Get the *pe-* prefix and suffix to make the word "empowerment" (*pemberdayaan*), which may be understood as an attempt or procedure to make someone capable or able to act or accomplish anything.

Empowerment is part of development activities through employee involvement, giving sufficient authority and responsibility to complete tasks and make decisions. Every employee has the potential to be involved and contribute to work and decision-making. Empowerment is one form of a decentralized system that involves subordinates in making decisions.

In this situation, empowerment refers to a strategy used to give autonomy, authority, and trust to every company employee and motivate them to use their creativity to carry out their responsibilities as effectively as possible. Thus, empowerment is essentially an activity to empower humans through change and human development in the form of competence, confidence, authority, and responsibility to carry out activities to improve organizational performance.

Employee Performance

Performance is the outcome of a person's overall efforts to complete tasks, such as those with predetermined and mutually agreed-upon work standards, objectives, or target criteria (Robbins & Judge, 2016). Employee performance is more than data for the corporation to use in wage or promotion decisions. However, performance deterioration may be prevented by developing a plan to better engage people and inspire them.

An employee performance evaluation is necessary so employers may decide how much to pay employees, whether to promote them and how they behave. This evaluation also allows employees to make career goals based on their strengths and limitations. "Performance rating" or "performance appraisal" are terms used to describe performance appraisal.

The Effect of Leader-Member Exchange (LMX) on Employee Empowerment

Researchers have been interested in LMX because it has emerged as a beneficial organizational feature and has helped them better understand the dynamic between superiors and subordinates (Cropanzano & Mitchell, 2005). Building trust, sharing knowledge, resources, appreciation, loyalty, and transparency will all boost company culture. Employees with high LMX express themselves more effectively within the business, are more sensitive to the context of their job, have a positive outlook on facing obstacles at work, and demonstrate creativity. Employees who perceive their dyadic relationship with the leader to be extremely high will perform better than those who are seen to have a poor dyadic relationship with the leader and have a great capacity to adapt to change, according to studies by Liden et al. (2000), Chen and Klimoski (2003), and others. Previous studies have this description informs the study's initial hypothesis, which is:

H1: Leader member exchange affects employee empowerment.

The influence of employee empowerment on performance

Employee empowerment has been extensively researched for a long time and is crucial to the efficiency of organizations. Empowerment is described by [Conger and Kanungo \(1988\)](#) as "the process of improving perceptions of self-efficacy. Furthermore, it is critical to comprehend self-efficacy, which [Bandura \(1977\)](#) defined as a hopeful sense of individual self-mastery that affects the beginning and persistence of follower-oriented behaviour, to comprehend the definition of empowerment given by [Conger and Kanungo \(1988\)](#). According to [Bandura \(1977\)](#) and [Conger and Kanungo \(1988\)](#), empowerment is the process of enhancing sentiments of optimism that are personal mastery.

Empowering employees improves organizational performance. When leaders successfully empower their subordinates, and the subordinates deliver strong performance, this indicates that employee empowerment works effectively for organizational effectiveness ([Bartram & Casimir, 2007](#)). Apart from being related to performance, employee empowerment is also related to the Leader-Member Exchange (LMX). Several studies have shown that employee empowerment is related to LMX and performance ([Breevaart et al., 2015](#); [Joo, 2012](#); [Martin et al., 2016](#)).

Furthermore, many research results show that employee empowerment serves as a significant mediator in the relationship between LMX and performance ([Breevaart et al., 2015](#); [Joo, 2012](#); [Martin et al., 2016](#)). Therefore, this research would like to reveal the role of employee empowerment in mediating the relationship between LMX and performance. Based on this description, the hypothesis proposed in this study is:

H2: Employee Empowerment affects employee performance.

H3: Empowerment of employees mediates the relationship between leader-member exchange and employee performance

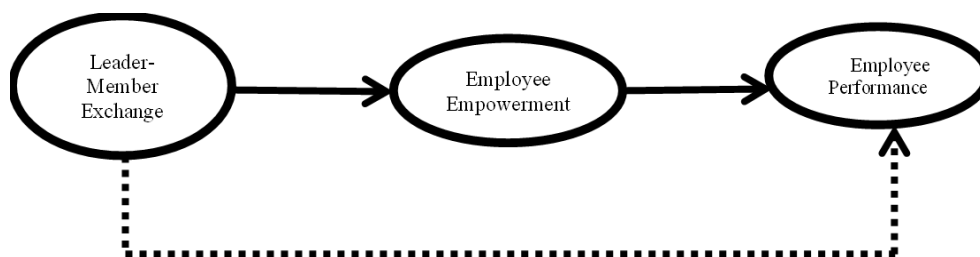


Figure 2. Research Model

RESEARCH METHOD

This study uses survey methods by gaining data through a questionnaire, where the answer format for the questionnaire was using a rating scale with five alternative answers with scores as on a Likert scale, namely: 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree. LMX in this research uses indicators adopted from previous research conducted by [Dansereau et al. \(1975\)](#), [Graen and Uhl-Bien \(1995\)](#) and [Graen and Scandura \(1987\)](#). Likewise, with employee empowerment. employee empowerment is providing sufficient authority and responsibility to complete tasks and make decisions ([Spreitzer, 1995](#)). Employee performance in this research is a person's overall results during a certain period in carrying out tasks, such as work standards, targets or target criteria that have been determined in advance and have been mutually agreed upon ([Borman & Motowidlo, 1993](#)).

The target population selected in this study were all employees at Dekranasda spread across eight regencies/cities, namely all Dekranasda in the Riau Islands province, namely

Dekranasda Bintan Regency, Dekranasda Karimun Regency, Dekranasda Batam City, Dekranasda Natuna Regency and Dekranasda Regency Anambas Islands whose employees total 307 people. In this study, the authors use census sampling, which involved respondents who were Dekranasda employees in seven districts/cities. Therefore, the size of the respondent population in this study was 307 people who were Dekranasda employees in the seven regencies/cities.

Determining the sample size in this study is closely related to the use of Structural Equation Modeling (SEM) as an analytical tool. According to [Chin \(1998\)](#), the minimum sample size in research using SEM is 5 to 10 times the number of indicators. In this study, the number of indicators was 27 indicators, so the minimum sample size for this study was $27 \times 10 = 270$ respondents. The minimum sample size for SEM, according to [Hair et al. \(2014\)](#), is 100–300, with a total construct of 5 or less. According to this, since sampling error will be reduced, the greater the sample size chosen, the better the research findings will be.

The IBM AMOS 23 application was employed in this study's structural equation modelling (SEM) for data processing. The results of construct validity and reliability tests before SEM analysis produced good scores. The average loading factor value from the discriminant validity test results is above 0.5. The results of the convergence validity test produce an AVE value > 0.5 , which indicates goodness. Likewise, the results of the construct reliability test using composite reliability, which produces a value above 0.6.

FINDINGS AND DISCUSSION

Based on Table 1, it can be concluded that the majority of respondents in this study were women. The majority of respondents are aged 36-45 years. The majority are unmarried and have jobs as civil servants. Most of them have high school education levels and have a working period of between 6-10 years and the majority spend Rp. 1,000,001 - 2,500,000 per month

Table 1. Profile and characteristics of respondents

Profile	Amount	Percentage
Gender		
Man	94	31.02
Woman	209	68.98
Age		
25–35	17	5,61
36–45	179	59.08
46–55	107	35,31
Marital status		
Married	251	82,84
Not married yet	52	17,16
Employee Status		
civil servant	203	67
Non-civil servants	100	33
Level of education		
Senior High School	200	66.01
S1	93	30,69
S2	10	3.30

Profile	Amount	Percentage
Working Period (year)		
6-10	293	96.70
11-15	10	3.30
Expenditure		
0 - 1,000,000	0	0
1,000,001 - 2,500,000	284	93.73
2,500,001 - 5,000,000	19	6,27
5,000,001 - 10,000,000	0	0
above 10,000,000	0	0

Table 2. Validity and Reliability Test Results

Construct	Indicator	Factor Loading	AVE	Composite Reliability	Cronbach Alpha
Leader-member exchange (LMX)	LMX1	0.760	0.588	0.908	0.900
	LMX2	0.657			
	LMX3	0.765			
	LMX4	0.880			
	LMX5	0.667			
	LMX6	0.907			
	LMX7	0.691			
Empowerment	EMP4	0.972	0.738	0.968	0.918
	EMP5	0.965			
Performance	K1	0.813	0.572	0.913	0.909
	K2	0.816			
	K3	0.801			
	K4	0.680			
	K5	0.790			
	K6	0.597			
	K7	0.841			
	K8	0.675			

Based on Table 2, the results of the validity and reliability tests show good values.

Testing the Structural Model and Mediation Role of Employee Empowerment Variables

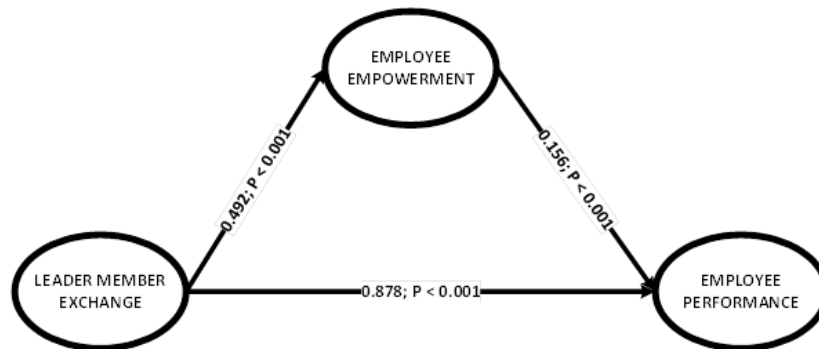


Figure 3. SEM test results and the mediating role of employee empowerment variables

Table 3. Results of the Significance Test for the Mediation Process Path of Employee Empowerment Variables

	Original Sample	Sample Means	Standard Deviation	T Statistics	P Values
Leader-Member Exchange -> Employee Performance	0.878	0.880	0.015	57,914	0.000
Leader-Member Exchange -> Employee empowerment	0.492	0.490	0.044	11,284	0.000
Employee Empowerment -> Employee Performance	0.156	0.153	0.021	7,377	0.000

Based on the results in Figure 3 and Table 3, the path coefficient values a, b, and c's are significant according to the steps proposed by [Baron and Kenny \(1986\)](#) and [Preacher and Hayes \(2004; 2008\)](#). These values must be significant. Therefore, by using the formula for calculating the VAF value, the VAF value in this relationship is

$$VAF = \frac{(0,492 \times 0,156)}{(0,492 \times 0,156) + 0,878}$$

Thus, based on calculations using the above formula, the VAF value in this relationship is 0.080 or 8%. It can be concluded from the results of this study that the employee empowerment variable does not mediate the effect of LMX on employee performance.

Table 4. SEM Estimation Results and Hypothesis Testing

Hypothesis	Original Sample	Sample Means	Standard Deviation	T Statistics	P Values	Conclusion
H1: Leader-Member Exchange influences employee empowerment	0.497	0.498	0.044	11,284	0.000	supported
H2: Employee empowerment affects employee performance	0.101	0.100	0.020	5,152	0.000	supported

Hypothesis	Original Sample	Sample Means	Standard Deviation	T Statistics	P Values	Conclusion
H3: Employee Empowerment mediates the effect of LMX on Employee Performance						Not Supported

Discussion

Hypothesis 1 in this study, which states that the Leader Member Exchange (LMX) affects the empowerment of Dekranasda office employees in eight districts/cities of the Riau Islands province, is supported. The results of data analysis show a significant CR value (CR = 11.284) and a standardized estimation value of 0.497 (see Table 4). This figure shows that LMX has a positive effect on empowering Dekranasda office employees in the eight districts/cities of the Riau Islands Province. The more positive the LMX is felt, the more positive the perception of employees regarding empowerment at the Dekranasda offices of the eight districts/cities of the Riau Islands province.

The results of this study are those stated by According to [Epitropaki et al. \(2016\)](#), [Schwepker \(2017\)](#), and [Siyal and Peng \(2018\)](#), the leader-member exchange relationship (LMX) has drawn a lot of interest from scholars in recent years due to its potential to boost worker performance. Because it addresses the dual interaction between leaders and followers, LMX is one of the most well-known ideas and concepts ([Pellegrini et al., 2010](#)).

According to the assumption of this theory, relationships between leaders and their subordinates can range from poor (out-group) to excellent (in-group) quality ([Brower et al., 2009](#); [Dulebohn et al., 2012](#)). According to [Chernyak-Hai and Tziner \(2014\)](#), [Martin et al. \(2016\)](#), and [Lebrón et al. \(2018\)](#), high-quality LMX results in increased levels of information sharing, trust, competence, dedication, and role clarity as well as improved job satisfaction and less job stress.

In contrast, deficient LMX is associated with diminished interaction, reduced support networks, more formalized relationships, unproductive behaviors, psychological disengagement, increased employee turnover, decreased job satisfaction, and heightened job-related stress ([Harris et al., 2005](#); [Wang & Yi, 2011](#); [Lebrón et al., 2018](#)). The findings of this study have demonstrated that the Dekranasda offices in the eight districts and cities of the province of the Riau Islands have high-quality LMXs. The favourable opinion of perceived employee empowerment suggests this.

Hypothesis 2 in this study, which states that empowerment affects the performance of Dekranasda office employees in eight districts/cities of the Riau Islands province, is supported. According to the data analysis results, the standardized estimation value is 0.101, and the CR value is significant (CR = 5.152; see Table 4). This graph demonstrates how empowerment improves the work output of Decranasda office staff in the eight districts and cities of the Riau Islands Province. Employee performance in the eight districts/cities of the province of the Riau Islands increased with the degree of perceived empowerment.

Many studies have found a clear correlation between employee empowerment levels and employee performance, job happiness, and commitment ([Cottini et al., 2011](#)). Employee empowerment has been generally acknowledged as a key factor in organizational success. Employee empowerment can increase organizational responsiveness and flexibility as well as individual and organizational performance ([Conger & Kanungo, 1988](#)). Employee empowerment is also essential for company innovation and success. In today's competitive world, where individuals can have information, experience, and abilities that can develop the firm, employee empowerment is more important ([Huang et al., 2009](#)).

[Viswesvaran et al. \(2005\)](#) found that the majority of companies anticipate talent retention to become more challenging in the future. Employees must, therefore, feel appreciated for their

contributions, have the tools necessary to accomplish their jobs as effectively as possible and be given clear opportunities to grow and advance within the company. In order to achieve performance goals, they must be given greater authority than is necessary. Therefore, human resource policies must focus on efforts to provide self-regulation to employees to avoid work turnover and burnout (Sonntag & Fresh, 2002). According to the results of this study, the empowerment felt by Dekranasda office employees in the eight districts/cities is very good, so they are trying to continue to improve their performance to achieve organizational goals.

This study's hypothesis number three, according to which employee performance at Dekranasda in eight districts and cities throughout the province of the Riau Islands is mediated via the Leader-Member Exchange (LMX), is unsupported. This is based on computations using the prior equation, which results in a VAF value of 0.080 or 8%. As a result, it is clear from the study's findings that the employee empowerment component does not act as a mediator between LMX's impact on employee performance and other factors.

LMX is a relationship-based leadership strategy, according to Graen and Uhl-Bien (1995), in which leaders create multiple connections with their followers via interaction and trade. In addition, it has been suggested by Tabak and Hendy (2016) and Chernyak-Hai and Rabenu (2018) that a leader's connection with his subordinates might be either high- or low-quality. The LMX concept is based on the idea that over time, via a series of interactions between leaders and members, dyadic relationships and job responsibilities are established and negotiated (Bauer & Green, 1996). A high LMX denotes favourable relationships with followers that go beyond official job definitions, mutual respect, and like between the two parties (Nahrgang et al., 2009). However, employees who exclusively carry out their duties in accordance with a written contract are referred to as "out-group" employees.

According to the theory of relative deprivation, whenever a follower is in a relationship below a low LMX, there are two possibilities. First, trying to improve oneself by comparing oneself with others, and second, carrying out counterproductive work behaviour such as withdrawal from the organization (Bolino & Turnley, 2009; Shkoler & Tziner, 2017; Lebrón et al., 2018). Employees under low LMX psychologically feel empowered and have low job satisfaction.

Regarding prior studies (Erdogan et al., 2006; Asgari et al., 2008; Chernyak-Hai & Rabenu, 2018), a high LMX will promote corporate culture in fostering trust, sharing knowledge, resources, appreciation, loyalty, and openness. Employees with a high LMX will be more innovative, have a positive attitude about taking on difficulties, and be able to express themselves better inside the firm. Employees who have a high opinion of their relationship with the leader will work harder and be better at adapting to change than those who have a low dyadic relationship with the leader (Liden et al., 2000; Chen & Klimoski, 2003). Numerous prior research has demonstrated that high LMX consistently results in high psychological empowerment among employees (Newman et al., 2014). Therefore, as demonstrated by the study's findings, LMX always results in empowerment, as perceived by the staff members of the Dekranasda offices in the eight districts and cities of the province of the Riau Islands.

Additionally, empowerment is crucial for employee happiness, which raises productivity inside the company (Huang et al., 2009). According to Huang et al. (2009), empowerment is the process that enables and empowers people to think, act, make decisions, and manage their own jobs. Meanwhile, another study by Heathfield (2012) stated that this is a feeling of control over one's course in life. Increased job autonomy and meaningful work results also impacted the increase of perceived control and empowerment, according to Menon's (2001) study of 311 employees at a firm.

Thus, according to the background of this research and these descriptions, the empowerment of employees in this study does not mediate the effect of LMX on their performance.

LMX has a direct effect on employee performance, which will automatically be shown when the LMX relationship between superiors and subordinates is very high. Likewise, perceived empowerment will directly shape the performance of Dekranasda office employees in the eight districts/cities of the Riau Islands province.

CONCLUSIONS

Based on the results of the analysis and discussion of the Leader-Member Exchange (LMX), employee empowerment, and the performance of Dekranasda office employees in the seven districts/cities of the Riau Archipelago Province, the conclusions are as follows: LMX has a positive and significant effect on the empowerment of Dekranasda office employees in the seven districts/cities of the Riau Archipelago Province. Employee empowerment has a positive and significant effect on the performance of Dekranasda office employees in the seven districts/cities of the Riau Archipelago Province. Employee empowerment does not mediate the effect of LMX on the performance of Dekranasda office employees in the seven districts/cities of the Riau Archipelago Province. According to the LMX hypothesis, managers empower employees by giving them more responsibility and perhaps even more encouragement and recognition. The LMX hypothesis, which supports the significance of interpersonal variables in the workplace, is compatible with the study's findings. According to the study, employees who believe they belong to a group feel more powerful. According to the LMX theory, employees who score highly will have a high degree of empowerment. For the next researcher, the ability to create study variables is expected. The results of this study can be used as a basis or input for stakeholders in Dekranasda in designing an ideal relationship between superiors and subordinates so that subordinates are able to produce good performance to achieve organizational goals.

LIMITATION & FURTHER RESEARCH

The limitation of this study lies in the use of respondents, namely Dekranasda employees who only reside in the Riau Islands region. For further research, it would be better to include Dekranasda employees located throughout Indonesia so that research results can be generalized. The following recommendations might be made for more research: to further understand the factors that influence employee performance at the Dekranasda office in the eight districts/cities of the Riau Archipelago Province, additional study must be conducted by further analyzing other variables. The performance of employees at the Dekranasda offices in the eight districts/cities of the Riau Archipelago Province will vary as a result of changes in the circumstances and conditions of the organization. Thus, research should be conducted on a regular basis. It would be preferable to include factors that regulate the Leader-Member Exchange's impact on worker performance at the Dekranasda offices in the eight districts/cities of the Riau Archipelago Province in future studies. Furthermore, future studies should include participants who dispersed in the whole region of Indonesia this because of a large sample size will guarantee the generalization of research results

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