Research.

Analysis of the Role of Leadership in Improving Employee Performance at Palm Oil Processing Factories

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Abstract. The survival of a company can be maintained by increasing the productivity of its workers so that production results increase and provide more profits for the company. Increasing employee productivity, one of which is performance, is affected by the role of company leaders. The performance of PTPN IV Adolina Perbaungan Palm Oil Processing Factory employees has decreased. One of the factors that affect employee performance is the leadership role. Based on the results of interviews, this is due to a lack of employee awareness regarding the motivation provided by their leaders. This research is quantitative with a cross-sectional method using a research instrument in the form of a research questionnaire. Data analysis uses multiple linear regression tests. This research obtained results that the leadership and employee performance conducted at PTPN IV Adolina Perbaungan in the good category each had an average value of 3.9 and 4.0. Leadership has a significant effect on employee performance with a t table value of 16.358 > 1.993 and a significance value of 0.000. The role of leadership affects improving employee performance. Companies need leaders who can empower their employees so that the company's vision and mission can be achieved.

Key words: leadership, performance, employees

INTRODUCTION

Background

The industrial world certainly requires human resources (HR) from employees to implement engineering principles to design, improve and install systems that have been integrated involving humans, materials and energy in industry (Sanusia et al., 2023). HR capabilities are the knowledge and technology capabilities possessed by an individual or company as well as experience in the business field they are involved in. Human resources owned by employees have an important role in a company. Good quality human resources in a company are usually more technologically and financially advanced than companies with poor quality human resources. Apart from that, poor employee human resources will slow down a company in achieving the company's vision and mission (Wahyudiana, 2022). Human resources owned by employees in a company have a very important role in improving the performance of employees in a company. Human resources owned by employees must be managed well so that performance can increase. Scientific studies researching industry explain that employee performance is affected by behavior, cognition, emotions and motivation. Apart from that, human mental processes in an organization must have a system orientation of activities that are coordinated in a group cooperatively under the authority of certain leadership (Wijono, 2010) (Arifin, 2020).

Performance is the achievement of work that has been conducted by a person in accordance with the authority and responsibility delegated in order to officially achieve goals in an organization without violating existing legal rules and in accordance with
applicable morals (Sutrisno, 2020). In a company, ways are needed to improve employee performance. This is considered very important to achieve maximum results from a company. Apart from that, employee performance affects productivity, namely the company’s ability to produce goods that can provide satisfaction to consumers and customers. The main indicators of productivity are quality, quantity, timeliness, effectiveness and work ethic. These indicators can be fulfilled by the role of a leader (Sulaksono, 2015).

A leader is someone with special skills and strengths in their field who is able to affect other people, namely employees, in order to jointly conduct certain activities to achieve the goals of a company. Leaders not only have internal roles but also external ones (Arifin, 2020). A company can progress and develop with the role of a leader who is able to realize the company’s vision and mission, compete fairly without committing moral deviations and has adequate competence in conducting his duties and obligations as a leader (Astriati, 2018). Competence will not be optimal if it is not balanced with good performance and high discipline. This requires the role of a leader who is able to provide maximum support, motivation, direction and supervision so that employees can conduct their duties and obligations as a leader. Strength, communication skills, objectivity, managerial skills and honesty of a leader are the main indicators that a leader in a company must have (Kartono, 2016).

Each individual in a company has different characteristics, traits, abilities and skills that determine the effectiveness of employee performance. Support provided by a company so that employees are able to receive information and support from colleagues and superiors, including clear written policies and procedures according to employee rights and obligations, a company system that is able to make managers support employees and a system that functions to encourage employees to work together. Mutual support between colleagues (Wicaksana et al., 2021).

The PTPN IV Adolina Perbaungan palm oil processing factory is one of the business units of PT. Perkebunan Nusantara IV (Persero) and is a State-Owned Enterprise (BUMN). The company operates in the plantation industry with the business of cultivating oil palm plants. Not only is it cultivated, but oil palm is also sold in the form of crude products, namely palm oil and tea. PTPN IV had a concession area of 175,244.43 ha in 2009 with an oil palm plantation area of 137,981.40 ha. PTPN IV is the largest CPO producer among other PTPNs. Apart from that, PTPN IV has the potential to gain large income by maximizing the processing of palm oil fruit in addition to producing CPO (Crude Palm Oil) (Satria, 2017). Based on 2020 data regarding employee performance assessments at the PTPN IV Adolina Perbaungan palm oil processing factory, there has been an increase since 2016, estimated at around 76.41 in the good category. In 2017 it increased to approximately 79.33 in the good category, and in 2018 it increased to approximately 81.46 in the good category. However, based on the results of interviews according to research by Nasution (2018) which states that there are employees who are still less aware of the motivation provided by their leaders. If there are errors at work, employees lack the initiative to correct them, and there are still employees who prioritize personal interests over office interests. These things cause employee performance to decline. Leaders must interact more often with their employees and encourage their work enthusiasm in order to generate new ideas in completing the employee's tasks and responsibilities (Nasution, 2018).

The large number of employees at PTPN Adolina means that leaders are needed who are able to embrace and adapt to every condition and problem so that employee performance is maintained and productivity is maintained. Currently, PTPN IV Adolina uses a mixed type of leadership, which sometimes is not suitable for certain problems. This research purposes to determine the role of leaders in improving employee performance at the PTPN IV Adolina Perbaungan palm oil processing factory.
LITERATURE REVIEW

Leader Role

A role is a behavior that is regulated and expected from someone in a certain position, so that leaders in an organization have a role, every job carries expectations on how to conduct the role of behavior. Leaders in an organization have a very important role, not only internally for the organization concerned, but also in dealing with various parties outside the organization, all of which are intended to increase the organization's ability to achieve its goals. A leader is a person who has skills and strengths, especially strengths and skills in one area, so that he is able to affect other people to jointly conduct certain activities, in order to achieve one or several goals. So, a leader is someone who has one or several strengths, talents that are innate from birth, so that he has the authority to direct and guide subordinates towards certain goals (Kartono, 2016). The role of a leader can be divided into 5 parts including:

1) Flow disbursement is the role of determining a definite vision and mission
2) Alignment is the role of ensuring that the organization's structure, systems and operational processes provide support for achieving the vision and mission.
3) Empowerment is the role of mobilizing enthusiasm in people to express talent, ingenuity and creativity to do anything and be consistent with agreed principles.
4) The role of decision making is a very big role for a leader, so making decisions and taking responsibility for the results is one of the duties of a leader.
5) The role of a leader in building a team is to make the common goals of an organizational group or society a success. A team is a group of people with complementary skills and committed to the same mission, performance achievement and approach where they depend on each other.

Characteristic of leader

Characteristic of leader according to Rivai & Mulyadi (2018):

1. Formal leader. A formal leader is a person who is appointed by a particular organization/institution as a leader, based on an official decision and appointment to assume a position in the organizational structure, with all rights and obligations related to it, to achieve organizational goals. The following are the characteristics of a formal leader:
   a) Status as a formal leader for a certain term of office, on the basis of formal legality by appointment of the authorized party.
   b) Before appointing him, he must fulfill several formal requirements first.
   c) He is given support by a formal organization to conduct his duties. Because of that he always has a boss/superior.
   d) He gets certain material and immaterial rewards, as well other emoluments (extra profits, side income).
   e) He can achieve formal promotion or promotion, and can be transferred.
   f) If he makes mistakes, he will be subject to sanctions and punishment.
   g) While serving as leadership, he is given power and authority, including: determining policy, providing work motivation to subordinates, outlining guidelines and instructions, allocating positions and placement of his subordinates, conducting communications, providing supervision and control, setting organizational targets, and taking other important decisions.
2. Informal leader. An informal leader is a person who does not receive a formal appointment as a leader, but because he has a number of superior qualities, he achieves a position as a person who is able to affect the psychological conditions and behavior of a group or society. Characteristics of informal leaders include:
   a) Does not have a formal appointment or legitimacy as a leader.
   b) The people's group or community appoints themselves and recognizes them as leaders. His leadership status lasts as long as the group concerned is still willing
to recognize and accept his personality.

c) He does not receive support from a formal organization in conducting his leadership duties.

d) Usually there is no remuneration for services, or the remuneration for services is given voluntarily.

e) Cannot be transferred, never achieve promotion, and have no superior. He does not need to fulfill any particular formal requirements.

f) If he makes a mistake, he cannot be punished, it's just that people's respect for him is reduced, his personality is not recognized or he is abandoned by the masses.

Leadership Theory

Leadership theory generally attempts to explain the factors that cause the emergence of leadership and the nature of leadership. Leadership theory according to Fahmi (2017), namely:

1) Trait Theory
This theory teaches that leadership requires a series of certain traits, characteristics or temperaments that can guarantee success in every situation. These traits are obtained based on an effort to compare the traits of existing leaders. Then they are formulated into general traits. leader, so that these characteristics are used as guidelines for developing a person's leadership. This theory has weaknesses, including:

a) Among its supporters there is no agreement or similarity regarding the details of the characteristics in question.

b) It is too difficult to determine the qualities that a leader must have.

c) History proves that certain situations and conditions require certain leadership qualities.

2) Environmental Theory
This environmental theory, the emergence of leaders is the result of time, place and events. A challenge or an important and extraordinary event will present someone to become a leader. Certain situations and conditions give rise to certain challenges, and this naturally requires people who have certain suitable traits or characteristics. Each situation and condition demand different leadership qualities. A leader who is successful in certain situations and conditions does not guarantee that he will definitely be successful in other situations and conditions.

3) Personal and situational theories.
Adherents of trait theories and situational theories only try to explain leadership as the result of a single set of forces. The existence of interactive consequences between personal factors and situational factors is ignored. This theory basically recognizes that leadership is a product and is related to three factors, namely:

a) Personal temperament (traits) of the leader

b) The nature of the group and its members.

c) Events (problems) faced by the group.

d) A leader must know himself, know the group he is leading, about the situation and conditions and then develop his own characteristics in a direction that is appropriate to the group he is leading and also to the situation and conditions in which he is leading. A person's leadership is determined by his personality by adapting it to the situation at hand. The situation in question consists of three layers, namely: the work task or problem faced, the people being led, the circumstances that affect the task, work and these people.

4) Interaction theory and expectations.
This theory is based on variables: action, reaction, interaction, and feelings. A leader moves his followers with the hope that his goals will be successful, gain profits, awards and so on. This theory will be about interaction and participation in joint activities, increasing and clarifying understanding of group norms. Likewise, the
higher a person is in a group, the closer the activity is to conformity with norms, the wider the range of interaction and the greater the number of group members who are moved.

5) Humanistic theory.
This theory is based on the postulate that humans by their nature are organic and motivated, while organizations by their nature are structured and controlled. The function of a leader is to create an organization in such a way that it gives a little freedom or leeway to individuals to realize their own potential motivation to meet their needs and at the same time contribute to the achievement of organizational goals.

6) Trade-off theory.
This theory is based on the assumption that social interaction depicts a form of exchange in which group members contribute sacrificially and receive rewards. Interaction continues because members feel that this social exchange provides mutual appreciation. Likewise, between leaders and those who are led, between members who are led by each other, financial exchanges must take place, there must be mutual give and take.

Employee Performance

Employee performance is one of the factors that supports the success of a company's goals. Good performance from an employee will result in good productivity at work, and if the employee's performance is good, the company will also get good results because employee performance greatly affects the performance of the company itself. Performance is the result of an employee's work during a certain period compared to various possibilities, for example standards, targets or criteria that have been determined in advance and mutually agreed upon. Employee performance is a function of the interaction between ability and motivation. According to Rahmawanti et al., (2014), what is meant by performance is the quality and quantity of work results achieved by an employee in conducting his duties in accordance with the responsibilities given to him (Rival & Mulyadi, 2018).

Performance comes from the word performance. Meanwhile, performance itself is defined as the result of work or work achievement. Performance is the implementation of the plans that have been prepared. Performance implementation is conducted by human resources who have the ability, competence, motivation and interests. The results of the work conducted by an employee are the implementation of plans that have been prepared previously so as to form a satisfactory performance from an employee which is supported by certain abilities and competencies, motivation and interests (Suwatno & Priansa, 2021).

Employee performance is the state or enthusiasm that an employee has in doing their work. Employee performance is the result of work both in quality and quantity that has been achieved by employees, in conducting their duties in accordance with the responsibilities given by the organization, the work results are adjusted to what the organization expects, through the criteria or standards that apply within the organization. Performance is the result of what employees do or do not do and employee performance is how much employees contribute to the company including quantity of output, quality of output, time period, presence at work and cooperative attitude. Employee performance refers to the employee's ability to conduct all the tasks that are their responsibility (Tambunan, 2015).

Employee contributions to the company include the quality of output which includes presence at work and the employee's cooperative attitude towards the company, especially employees who are required to conduct tasks that are their responsibilities as an employee.
Factors That Affect Employee Performance

In working as an employee, of course there are many factors that affect an employee himself at work. These factors usually affect employee performance both directly and indirectly. There are two factors that affect employee performance according to Arifin (2020):

1. Ability factor. Employee abilities consist of potential ability (IQ) and knowledge ability (knowledge). Employees who have an IQ above average with adequate education for their position and are skilled in conducting daily tasks will find it easier to achieve the expected performance. Therefore, each employee must be placed in a job that suits his or her skills.

2. Motivational factors. Motivation is formed from an employee's attitude in facing work situations. Motivation is a condition that moves employees towards achieving company goals. According to Sutrisno (2021) factors that affect employee performance are divided into two categories, namely:

   1. Financial factors. Financial factors include salary, benefits and social security
   2. Non-financial factors. Non-financial factors include the work environment, job description, leadership and tools. An employee must be mentally ready, physically capable, understand the main goals and work targets to be achieved, be able to utilize and create work situations.

Apart from that, there are three factors that affect performance background according to Sulaksono (2015), namely:

   1. Individual factors. Individual factors include ability, abilities, family background, work experience and social level.
   2. Psychological factors. Psychological factors include perceptions, roles or attitudes, personality, motivation and others.
   3. Organizational factors. Organizational factors include the basis of work, leadership, reward systems.

Factors that affect performance according to Steers quoted in Tambunan (2015) are:

   1. Abilities, personality and work interests
   2. Clarity and acceptance or explanation of a worker's role is the level of a person's understanding and acceptance of the tasks given to him.
   3. The level of employee motivation is the energy force that encourages mobilizing and maintaining behavior.

According to Sutrisno (2021), other factors are as follows:

   1. Personal/Individual Factors, including knowledge, skills, abilities, self-confidence, motivation and commitment possessed by each individual.
   2. Leadership Factors, including: quality in providing encouragement, enthusiasm, direction and support provided by managers and team leaders
   3. Team Factors, including: the quality of support and enthusiasm provided by colleagues in a team, trust in fellow team members, the cohesiveness and closeness of team members;
   4. System Factors; includes: work systems, work facilities or infrastructure provided by the organization, organizational processes, and performance culture within the organization.
   5. Contextual (situational) factors include; external and internal environmental pressures and changes.

Employee Performance Indicators

In working as an employee, of course there are many factors that affect an employee himself at work. These factors are usually Indicators mean measurements or criteria regarding the good, bad or high or low of something. Through indicators, it will be possible to measure whether employee performance is in accordance with what is required by the company.
According to Rahmawanti et al., (2014) the main criteria for measuring performance can be done in the following way:

1. Quality measurement, which involves calculating the output of a process or implementation of an activity.
2. Quantity measurement, which involves calculating output that reflects a measurement of the level of satisfaction, i.e. how well it was completed. This is related to the quality of the work produced.
3. Timeliness measurement is a special type of measurement and quantitative measurement that determines the accuracy of completion of the work conducted. Meanwhile, according to Kristanti & Pangastuti (2019) the performance indicators are as follows:

   1. Quality. Performance quality is measured from employee perceptions of the quality of work produced as well as the perfection of tasks regarding employee skills and abilities.
   2. Quantity. Represents the resulting amount expressed in terms such as units, the number of activity cycles completed.
   3. Punctuality. It is the level of activity completed at the beginning of the stated time, seen from the perspective of coordinating with output results and maximizing the time available for other activities.
   4. Effectiveness. It is the level of use of organizational resources (energy, money, technology, raw materials) that is maximized with the aim of increasing the results of each unit in the use of resources.
   5. Independence. It is the level of an employee who will later be able to conduct committed performance functions with independence.

The indicators of employee performance according to Tampi (2014) are as follows:

1. Quality, the level at which the results of the activities conducted are close to perfect, in the sense of conforming to some ideal way of performing the activity or fulfilling the expected goals of an activity.
2. Quantity, the amount produced in terms of the number of units, the number of activity cycles completed.
3. Timeliness, the degree to which an activity is completed at the desired initial time, seen from the point of coordination with the output results and maximizing the time available for other activities.
4. Effectiveness, the level of use of an organization's human resources is maximized with the aim of increasing profits or reducing losses of each unit in the use of resources.
5. Independence, the level to which an employee can conduct his work functions without asking for guidance from a supervisor or asking for interference from the supervisor to avoid

RESEARCH METHODS

2.1 Types and Research Approaches

This research uses a quantitative type of research with a cross-sectional method using an instrument in the form of a research questionnaire.

2.2 Place and time of research

This research was conducted at the PTPN IV Adolina Perbaungan Palm Oil Processing Factory and carried out for 3 months from March – June 2023.
2.3 Flowchart of Research Stages

![Flowchart of Research Stages](image)

2.4 Operational Definition of Research Variables

The operational definition of the independent variable is that a leader is someone who has one or several talents and innate strengths from birth. The indicators used to measure leadership are planning, organizing, actuating, motivating, controlling, and evaluating. Apart from that, the operational definition of the dependent variable is performance which is the result of an employee's work during a certain period compared to various possibilities, for example standards, targets or criteria that have been determined in advance and mutually agreed upon. The indicators used to measure performance are work quality, work quantity and timeliness.

2.5 Data and Data Sources

The data that will be used in this research is data about the role of leaders in improving employee performance at the PTPN IV Adolina Perbaungan Palm Oil Processing Factory. The data used in this research is primary data, namely data obtained directly from respondents using the Slovin formula.

\[
\begin{align*}
    n &= \frac{N}{1 + Ne^2} \\
    n &= \frac{280}{1 + 280(0.1)^2} \\
    n &= 73.64 \text{ (Rounded to 75)}
\end{align*}
\]

The sample used in this research was 75 respondents.

2.6 Data Collection Technique

Data collection techniques in this research start from interviews and observations, literature studies and questionnaires. Distribution of the questionnaire was conducted on Friday 2 June 2023 at 13.00 WIB at PTPN I Adolina. The questionnaire went through validity and reliability testing stages.

2.7 Data Processing Techniques

The data obtained is processed in the following order starting from editing, coding, scoring and tabulating.

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2.8 Data Analysis Technique

The data analysis used in this research is descriptive statistical analysis, testing the validity and reliability of research instruments and simple regression analysis using the formula \( Y = a + bX \) with the explanation \( Y = \) Independent Variable (Employee Performance), \( X = \) Dependent Variable (leadership style) and \( a = \) intercept while \( b = \) variable coefficient.

RESULTS AND DISCUSSION

The results of this research indicate that leadership partially has a positive and significant effect on employee performance at PTPN IV Adolina Perbaungan. With a t table value of 16.358 > 1.993 and a significance value of 0.000 < 0.05. Research according to Erdi (2016) obtained results that leadership affected employee performance by 75.81%. Individual attitudes and behavior in an organization need to be considered to increase the effectiveness of processes within the organization so that the company or industry can survive in increasingly tight industrial business competition. This is not only needed in financial terms, but aspects of the role of a good leader also need to be paid attention to. A leader's productive performance is really needed by a leader to be able to run an industry in order to run and manage the system within it (Erdi, 2016).

Performance can be seen in indicators of the ability to complete work in less than the standard time, the ability to complete tasks on time, reliable work experience in achieving production targets, skills to support achievement, carelessness in work, potential to advance one's career, work results with neatness standards, cooperation in groups, work results that meet quality criteria (Busyairi, 2014). Performance appraisal is an activity that assesses or measures all activities and aspects in an industry which is useful for seeing the value of employee productivity in conducting their duties (Nurmansyah, 2018). Based on the results of the performance assessment, you can not only assess the index of employee performance but also determine the skills and abilities of employees in the company (Lorisa & Doaly, 2017).

Superior behavior is the main factor in achieving employee satisfaction. If employees get maximum job satisfaction, they will increase their work ethic and performance in the company. This will indirectly have an impact on the running of the company. A good boss is willing to be friendly, offer praise for good performance, listen to employees' opinions, and show a personal interest in them (Andri, 2008). The results of this research are in line with research according to Adwiyah which states that leadership has a positive and significant effect on employee performance at the PT XYZ palm oil processing factory (Adawiyah, 2019).

CONCLUSIONS AND SUGGESTIONS

The leadership conducted at PTPN IV Adolina Perbaungan is in the good category with an average score of 3.9. Employee performance at PTPN IV Adolina Perbaungan is in the good category with an average score of 4.0. Leadership partially has a significant effect on employee performance at PTPN IV Adolina Perbaungan. With the t table, namely 16.358 > 1.993 and a significance value of 0.000 < 0.05. This can happen because leadership is an important factor in providing direction to employees, especially at this time where everything is open, so the leadership needed is leadership that can empower employees.

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