Factor Affecting Employee Performance at PT GMF Aeroasia

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Abstract

This study examines the factor that affects employee performance at PT.GMF Aeroasia such as organizational culture, transformational leadership, and employee engagement. In order to conduct this study, primary data were collected by distributing questionnaires to employees who work at PT. GMF Aeroasia especially the component shop, totalling 155 respondents with random sampling technique. Data analysis in this study is quantitative data analysis. The multiple regression linear, t-test, and f-test, and also path analysis for the mediation are all included in this study. The research results show that after going through the test above, it is known that organizational culture, transformational leadership, and both together have a positive and significant effect on employee engagement and also employee performance. This means that hypothesis is accepted. But employee engagement does not have a significant effect and the hypothesis is rejected. And also when employee engagement is used as mediation for organizational culture and transformational leadership, it is smaller than the direct effect so the hypothesis is rejected. According to this research recommendations, the company's primary concerns should focus on transformational leadership and employee engagement to improve employee performance.

Key words: organizational culture, transformational leadership, employee engagement, employee performance, path analysis

Introduction

Undoubtedly, the COVID-19 epidemic has a significant influence on our lives. Starting with social and economic factors, moving on to the transportation sector, and obviously, one of the most impacted is the aviation sector. The two impacted airlines, Garuda Indonesia and Citilink, saw a drop in performance this year. PT.GMF Aeroasia is a company that is engaged in the aviation industry. This organization operates one of Southeast Asia's largest airplane maintenance facilities and offers maintenance, repair, and overhaul services for a variety of aircraft types. Garuda Indonesia and Citilink are the PT.GMF Aeroasia's biggest customers so far and this pandemic has had a significant effect on business operations. In the middle of this epidemic, PT.GMF Aeroasia needs effective management to keep the business performance on the intended course. By paying attention to objectives, metrics, and evaluations, performance is a technique to make sure that each member of a team or person knows what is expected of them and maintains their focus on successful performance (Wibowo, 2016). Maintaining and enhancing performance is crucial for attaining organizational strategic goals, increasing customer happiness, and boosting the economy.
Productivity, efficiency, and utilization are the three variables that PT.GMF Aeroasia utilizes to determine employee performance. Through observation, it is known that productivity, efficiency, and utilization to measure employee performance are inconsistent. Every week in 2021, there is a significant variation or disparity in terms of production, efficiency, and utilization. There are several factors that might influence uneven employee performance.

The organizational culture of PT.GMF Aeroasia, which originally used five GMF Values—concern for people; integrity; professionalism; teamwork; and customer focus—has changed. The PT.GMF Aeroasia entity of Garuda Indonesia, however, must adapt its core values to those of BUMN named AKHLAK, which stands for Amanah, Competent, Harmonious, Loyal, Adaptive, and Collaborative. This is according to a circular letter from BUMN about the main values in managing human resources of state-owned enterprises. According to the author, a change in corporate culture might affect employee performance generally because people are more likely to commit to something when they feel like it (Sedarmayanti, 2017). Organizational culture itself can be defined as a system of values, beliefs, assumptions, or conventions that have long been accepted and obeyed by members of an organization as a standard for conduct and the resolution of organizational issues (Sutrisno, 2018).

Next, the CEO of PT.GMF Aeroasia has changed, and the new CEO has a dominant transformative leadership style. According to Putri and Soedarsono (2017), this transformational leadership style encourages PT.GMF Aeroasia employees to benefit from organizational goals such as high productivity, better service, and the ability to address social problems. It also empowers team members to change the organization by developing, communicating, and demonstrating an organizational vision and motivating them to realize that vision (Wibowo, 2017). The general performance of the staff is also impacted by this adjustment. And finally, the engagement of employees in this company, employee engagement is directly impacted by the proportion of retired employees as well as new and young hires. If workers feel strongly connected to their everyday job, the company will benefit from increased profitability, customer happiness, attendance and retention rates, work safety, and staff performance (Ramadhan & Sembiring, 2017). The performance of the employees of PT.GMF Aeroasia is also impacted by the disparity in sense of belonging between the old and new employees.

H1 : There is an impact of organizational culture on employee engagement
H2 : There is an impact of transformational leadership on employee engagement
H3 : There is an impact of employee engagement on employee performance
H4 : There is an impact of organizational culture and transformational leadership on employee engagement.
H5 : There is an impact of organizational culture and transformational leadership on employee performance.
H6 : There is an impact of organizational culture on employee performance through employee engagement
H7 : There is an impact of transformational leadership on employee performance through employee engagement

Method

The methods used in this study is quantitative method. Conducted data collection by distributing questionnaires to all component services employees at PT.GMF Aeroasia. Instrument used to measure employee performance was adapted from (Handoyo & Setiawan, 2017) using 15 items, employee engagement adapted from (Handoyo & Setiawanm 2017) using 12 items, organizational culture adapted from BUMN minister letter number SE- 07/MBU/07/2020 using 12 items, and transformational leadership adapted from (Kosasih, 2018) using 12 items. Each items of questions is given five answer options, namely: Strongly agree (SS) score 5, agree (S) score 4, Neutral score 3, disagree (TS) score 2, and strongly disagree (STS) score 1. Then the data is processed using spss version 25 with multiple linear regression, t-test, f-test, and path analysis test. The population in this study are component services permanent employees which numbered 255 people. Component services are one of the services in this company that works specifically in the components of aircraft such as wheel brakes and landing gear, life vests, control panels, aircraft lighting, emergency components, etc. Using Slovin theory, the sample that this study need is 155 people and this questionnaire was distributed using a random sampling technique for staff level/equivalent to senior manager/equivalent.

Results and Discussion

Result

Based on the output of multiple linear regression, it can be obtained the regression equation

\[ Y = 11.444 + 0.001Z + 0.528.X1 + 0.089.X2 \]

The constant value of the above equation is 11.444 so it can be explained that three variable that has no addition and constant, then 11.444 is the value of employee performance. The regression coefficient value is 0.001 for the employee engagement variable means when independent variable is fixed but there is an increase in the employee engagement, the a number of 0.001 is the value of increase in employee engagement variable. The regression coefficient value is
Table 1. Multiple Linear Regression and T-Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>11.444</td>
<td>2.377</td>
</tr>
<tr>
<td>Culture (X1)</td>
<td>.528</td>
<td>.050</td>
</tr>
<tr>
<td>Leadership (X2)</td>
<td>.089</td>
<td>.047</td>
</tr>
</tbody>
</table>

Dependent Variable: Employee engagement (Z)

Engagement (Z) | .001 | .047 | .002 | .020 | .984 |

Source: SPSS Output

0.528 for the organizational culture variable means when the independent variable is fixed but there is an increase in the organizational culture, the number of 0.528 is the value of increase in employee engagement variable. The regression coefficient value is 0.089 for the transformational leadership variable means when the independent variable is fixed but there is an increase in the transformational leadership, the number of 0.089 is the value of increase in employee engagement variable. Through the result in Table 1, this multiple linear regression also resulted a t-test between the dependent and independent variable. Significance level of 0.005 (<0.05) and a number of 2.847 which is the t-value of the organizational culture means that organizational culture has a significant impact on employee engagement (H1 accepted). Significance level of 0.000 (<0.05) and a number of 15.616 which is the t-value of the transformational leadership means that transformational leadership has a significant impact on employee engagement (H2 accepted). Significance level of 0.984 (≥0.05) and a number of 0.20 which is the t-value of the employee engagement means that employee engagement has no significant impact on employee performance (H3 rejected).

Table 2. F-Test Result 1

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>7.477</td>
<td>7.477</td>
<td>7.477</td>
<td>7.477</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>3.268</td>
<td>3.268</td>
<td>3.268</td>
<td>3.268</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>10.746</td>
<td>10.746</td>
<td>10.746</td>
<td>10.746</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Engagement
b. Predictors: (Constant), Culture, Leadership

The significance value produces f-test 0.000 (≤0.05) and number of 173.855 and 93.092 means that organizational culture and transformational leadership has a simultaneous effect on the employee engagement or employee performance as dependent variable (H4 & H5 Accepted).

These path analysis result indicate that employee engagement cannot act as a mediating factor between organizational culture and employee performance and between transformational leadership and employee performance since the indirect effect (through Z) has a smaller value than the direct effect. (H6 & H7 Rejected).

Discussion

This study impact the factor that affecting employee performance at PT.GMF Aeroasia. Finding in this study shows that organizational culture has a significant impact on employee engagement. It is consistent with earlier studies (Zahreni et al., 2021) (Mullawarn, 2017) (Humairoh & Wardoyo, 2017) (Leung & Wijaya, 2016) (Giovanni & Hendrika,
Table 4. Path Analysis Result

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Direct Effect</th>
<th>Indirect Effect (through Z)</th>
<th>Total Effect</th>
<th>Unstandardized</th>
<th>Std.Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>X1 to Z</td>
<td>0.14</td>
<td>-</td>
<td>-</td>
<td>0.24 (a1)</td>
<td>0.84 (sa1)</td>
</tr>
<tr>
<td>2</td>
<td>X2 to Z</td>
<td>0.767</td>
<td>-</td>
<td>-</td>
<td>0.788 (a2)</td>
<td>0.05 (sa2)</td>
</tr>
<tr>
<td>3</td>
<td>X1 to Y</td>
<td>0.647</td>
<td>0.140 x 0.002 = 0.00028</td>
<td>0.64728</td>
<td>0.089</td>
<td>0.47</td>
</tr>
<tr>
<td>4</td>
<td>X2 to Y</td>
<td>0.182</td>
<td>0.767 x 0.002 = 0.001534</td>
<td>0.183534</td>
<td>0.528</td>
<td>0.05</td>
</tr>
<tr>
<td>5</td>
<td>Z to Y</td>
<td>0.002</td>
<td>-</td>
<td>-</td>
<td>0.001 (b)</td>
<td>0.47 (sb)</td>
</tr>
</tbody>
</table>

Description: X1: Culture; X2: Leadership; Z: Engagement; Y: Performance
Source: Primary Data, 2022

2013) which states that there is a positive influence between organizational culture and employee engagement. Another finding in this study shows that transformational leadership has an significant impact on employee engagement. It is also consistent with earlier studies (Sari & Yuniawan, 2021) (Ode et al., 2020) (Arokiasamy & Tat, 2020) (Thisera & Siewwandi, 2018) (Mulawam, 2017) where there is a significant impact between transformational leadership style and employee engagement. Employee engagement has no significant impact on employee performance and it consistent with earlier studies from (Pebransyah N. & Udjang R., 2021) and (Aprilian, 2013) that states there is no impact between employee engagement and employee performance. In accordance with the results of the descriptive analysis and questionnaire, several factor that cause the lack of employee engagement are:

a. Respondent in this study were dominated by staff with working periode 6–10 years. This factor causes differences in the understanding of company business, ability to work together, loyalty, and work experience that make the sense of belonging not grow optimally
b. Opportunity for growth, career path, and also unsatisfactory salary and rewards. Employee must be able to meet the required competencies and qualification. So that employee must be able to grow and develop themselves assisted by work environment such as leaders and other colleagues before moving to next career level. This pandemic also makes the career path move slowly and also makes salary and reward programs not ideal. This situation can affect employee engagement for this company.

Because of employee engagement has no impact on employee performance, it also makes that the employee engagement cannot act as a mediating factor between organizational culture and employee performance, and also between transformational leadership and employee performance. This result is not consistent with earlier studies (Abdullahi et al., 2021) (Hutomo et al., 2020) (Rizza Akbar, 2013) which states that there is a positive and significant impact of organizational culture on employee performance through employee engagement. It also not consistent with earlier studies (Ali Muhtar & Rizqa Anita, 2022) (Hee et al., 2018) which shows that there is a significant influence between transformational leadership on employee performance through employee engagement.

This study also found that organizational culture and transformational leadership has a simultaneous effect on the employee engagement. It is consistent with earlier studies from (Mulawam, 2017) and (Rukmana, 2014) which states that organizational culture and transformational leadership have a significant influence on employee engagement. This study also found that that organizational culture and transformational leadership has a simultaneous effect on the employee performance. This statement supports research (Wicaksono & Brahmasari, 2021) (Handayani & Rivai, 2021) (Rival, 2020) (Handoyo & Setiawan, 2017) which states that there is a positive and significant influence of organizational culture and transformational leadership together on employee performance.

Conclusion

The factors impacting employee performance at PT.GMF Aeroasia were investigated in this study. Developing employee engagement with aspects of the work environment, leadership, work welfare, career development and training, and corporate rules, according to research, can help organizations improve employee performance. And also company can improve through transformational leadership with dimension of ideal influence, individual attention, intellectual stimulation, and individual consideration.

References


