Leaderships Strategic and Employee Performance

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Abstract. The low performance of employees which is illustrated by the phenomenon of a decline and increase in the performance of PT Perkebunan Nusantara VIII is a problem in the company's organization. If this problem is not addressed immediately, it will have an impact on the achievement of the company's management objectives which in turn also affect the performance, productivity and sustainability of the company. The research objective is to analyze about (1) strategic leadership and employee performance of PT. Perkebunan Nusantara VIII; (2) the influence of strategic leadership on the performance of employees of PT. Perkebunan Nusantara VIII. Respondents in this study were employees of PT. Perkebunan Nusantara VIII, the population in this study were employees of PT Perkebunan Nusantara VIII 16815 people, with a minimum sample size of 364 people. The data analysis technique used in this study uses Structural Equation Modeling (SEM) with SPSS computer software tools.

Keyword. Leaderships Strategic; Employee Performance

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INTRODUCTION

The number of plantation production in Indonesia, especially those managed by PT. Perkebunan Nusantara VIII experienced a decline and increase from 2014 to 2016. In addition to the decline and increase in the amount of production of PT. Perkebunan Nusantara VIII from 2014 to 2016, the same thing also happened a decrease andincrease in the number of product sales of PT. Perkebunan Nusantara VIII from 2014 to 2016. One of the factors causing the decline and increase in the number of production and sales of PT. Nusantara VIII Plantation from 2014 to 2016 is one of the problems of human resources (SDM). Symptoms of this problem can be seen from the achievement of the achievement of employee performance targets.

Leadership is an integral part and is very influential on innovation and performance. Effective leadership focuses on behaviors that are used to influence followers or subordinates. The influence used can be directly or indirectly. Based on Yukl's opinion (2006: 9), direct influence is usually carried out by leaders to followers or subordinates through meetings, speaking at presentations, sending messages or e- mails, and participating in work activities such as orientation or training. The indirect effect is usually carried out through a management system namely staffing, HR planning, training and development, compensation, rewards, quality or quality management, quality of work life of employees, knowledge management, and empowerment of employees or employees.

Leadership is an important aspect in the process of interacting various elements of human resources in the organization to achieve goals. From various studies on leadership, it was concluded that leadership describes as a process of individual or someone's activities to influence, foster relationships, motivate, inspire to achieve goals, anticipate change, increase competitive advantage and encourage innovation.

Based on the description above, on the side of leadership relations is a key factor in the context of involving other people or other parties, namely employees or subordinates, then leaders foster relationships by providing motivation to achieve organizational success. Other leaders' perspectives inspire their members, then leaders also give influence to achieve their vision, goals and objectives. In addition the leader must be able to bringthe organization to be able to adapt to the environment, change competition and innovation.

The concept of leadership continues to change and develop. The leadership role is crucial in today's modern organizations in the context of globalization, geopolitical power, technology and virtual collaboration. In order to anticipate environmental changes that have an impact on the organization, it requires new challenges for leaders. The new challenge is, a shift from traditional concepts to a new paradigm of leadership.

Leadership on the perspective of influence, leadership is interpreted as giving leadership influence to subordinates in order to achieve organizational goals. In this context, Hersey and Blancard (1995: 177) view that leadership is defined in three ways, namely: (1) activities influence people to try to achieve group goals voluntarily (2) interpersonal influence carried out in a situation and directed through the process communication on achieving certain goals or objectives. (3) efforts to influence people to participate in joint achievements. This opinion can be interpreted that leadership as a technique to achieve goals through others, leadership is a technique to achieve goals and leadership to influence through communication.

This opinion was reinforced by the thoughts of Yukl (2006: 5) in his study Leadership In Organization stated that " leaderships are a process whereby intentional influence is dedicated by one person over other people to guide, structure, and facilitating activities and relationships in a group or organization. ". This opinion can be interpreted that leadership as a given influence in the form of guiding, developing structures, developing activities and building relationships. Strategies that can improve innovative behavior and employee performance through leadership factors. The leadership factor that is able to encourage the birth of innovation and performance improvement so that it is able to compete in global competition in the long term, namely through strategic leadership.

According to Aslan, et al (2011) strategic leaders must have a number of features, namely (1) conceptual thinking ability, (2) able to formulate strategies to provide information from different sources: different sources of information make it easy to achieve the formulation of real strategies. (3) creating a future: can predict future leaders. (4) transformational thinking: product, market, industry leader in the field is a revolutionary way to monitor and motivate employees (5) redesign products or services: add value to your product or service, as a redesign. (6) redefining the market: global market focus and making it accessible to many people. (7) to determine industry boundaries: leaders are organizations of local, regional and global perspectives are the ability to re- identify. (8) creating a vision: the leader's vision also considers the long-term strategy of the followers.

Based on the study conducted by Yukl (2006: 370) explained how leadership can influence organizational performance. Furthermore Yukl (2006: 370) describes that leadership can influence the efficiency and reliability of processes, human resources and relationships, as well as innovation and adaptation in corporate organizations which can further encourage companies to compete in the long run. Leadership effectiveness can be seen in aspects of leadership characteristics, characteristics of followers, and characteristics of the situation. There is a positive relationship between leadership indirectly with performance.

Performance is an effort to complete the work done by individuals in the organization. According to Timpe (2002: 10), performance is related to the behavior and attitudes of employees towards the work they carry out. So that performance is perceived as a condition or level that can be achieved by someone in carrying out their duties. This thinking means that performance is defined as individual behavior in the completion of each task in his work. Another opinion was expressed by Mathis and Jackson (2006: 378) that performance is basically what an employee does or does not do. In this view performance is defined as two things: what

is done as high performance and what isnot done as low performance.

Complementing this thought, Rivai and Jauvani (2009: 548) provide the view that performance is the real behavior displayed by everyone as work performance produced by employees in accordance with their role in the company. According to Aguinis (2009: 81) understanding of performance is the contextual performance is defined as those that contribute to the organization's effectiveness by providing a good environment in which task performance can occur. Performance is about behavior or what employees do, not about employees produced or the outcome of their work. This opinion can be interpreted that the contextual work performance is defined as the behavior of people who contribute to organizational effectiveness by providing a good environment where task performance can occur.

According to Armstrong (2006: 7) in his study entitled Performance Management the Key Strategies and Practical Guidelines explained that: " Performance is accomplishment, execution, carrying out, working out of anything ordered of action. Appropriate behavior behavioral results, especially discretionary behavior, and the effective use of required knowledge, skills and competencies. Performance means both behavior and result. Behavior emanate from the performer and transform performance from abstraction to action. In this view performance is defined as achievement, implementation, execution, work out of whatever is ordered to be done. High performance results from appropriate behavior, behavior, especially wisdom, and effective use of the necessary knowledge, skills and competencies. Performance means both behavior and results. Behavior comes from the offender and changes the performance of the abstraction to act.

Another view expressed by Robbins (1996) in Sinambela (2012: 5), performance is the result of evaluating the work done by individuals compared to the criteria that have been set together. This thought adds that performance is not only interpreted as high work performance by individuals, activities carried out in the completion of work, as well as performance are interpreted as evaluations of the work that has been done which is then compared to the criteria set by the organization.

This statement was reinforced by Bernadin and Russel (2013: 241) which stated that "Performance as a record of produced on specified job functions or activities during a specified period". This statement can be interpreted that performance as a record of results produced at a particular job function or activity during a certain period. According to Shahzadi et al (2014) employee performance isconsidered as what employees do and what they do not do. Employee performance involves quality and quantity of output, workplace presence, accommodating and helpful nature and timeliness of output.

Based on the explanation above, it can be concluded that performance has several meanings as follows. First, performance is the result or work performance of each individual for each task and responsibility or role performed in the organization. Second, performance is an evaluation of the results achieved and carried out over a certain period of time. Third, the organization's ability to achieve goals by using resources efficiently and effectively.

Based on the description of the above problems, it is very relevant and important to conduct further research on strategic leadership and employee performance in Industry 4.0.

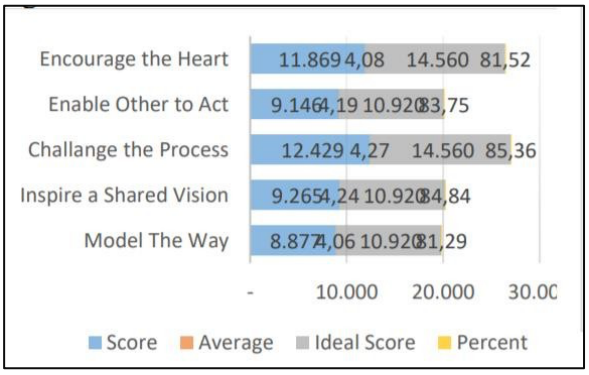
METHOD

This study analyzes the influence of strategic leadership on employee performance. The research subjects were employees of PT Perkebunan Nusantara VIII. The unit of analysis in this study is that individuals are employees involved in administrative activities at PT. Nusantara Plantation VIII. The population in this study were employees of PT. Perkebunan Nusantara VIII employees in administrative positions excluding pickers / tappers / harvesters, drivers, maintenance, security units and factory parts totaling 3999 people. The sample in this study amounted to 363.6 rounded to 364 people. The research data analysis technique uses structural equation modeling. The hypothesis in this study is that strategic leadership influences employee

performance.

RESULTS AND DISCUSSION

Strategic leadership consists of five indicators including: exemplifying the way, inspiring a shared vision, challenging the process, enabling others to act, and encouraging the soul. Description of the variable strategic leadership effectiveness variables are presented in the following figure



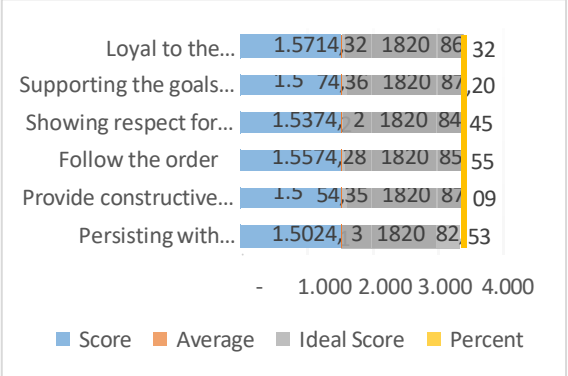
Source: Data Processing Result in 2018

Figure 1. Strategic Leaderships

Based on the picture above, the indicator challange the process gets the highest score of 12,492 or 85.36% compared to the ideal score of 14,560 for the 6 questions in the agreed area. Other to act enable indicators get the lowest score of 8,877 or 81.29% compared to the ideal score of 10,920 for the 6 questions in the agreed area.

The effectiveness of strategic leadership gets a score of 51,586 or 83.36%, according to the research data included in the Effective category. This value illustrates that most employees assume that leadership is one of the important factors of an organization. As Alalfy stated, (2014) strategic leaders need to have appropriate knowledge, skills and organizational leadership experience to manage complexity. In addition, strategic leaders use resources to improve employees' ability to handle complex and uncertain environments.

Employee performance level consists of six indicators, namely surviving enthusiastically to complete their own task activities successfully, providing constructive advice, following orders, showing respect for authority, in accordance with organizational values and policies, supporting the goals of achieving the organization, loyal to the organization. The description of the score for the variable level of employee performance is presented in the following figure.

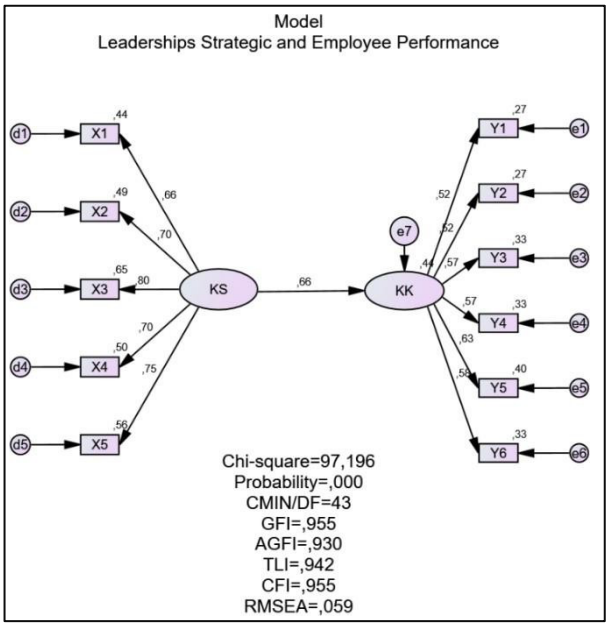


Source: Data Processing Result in 2018

Figure 2. Employee Performance

Based on the picture above, the statement of Supporting the goals of organizational achievement got the highest score of 1587 or 87.20% compared to the ideal score of 1820. The statement of Persisting with entusiasm and exerting extra succesfully obtained the lowest score of 1502 or 82.53% compared to the ideal score of 1820. Employee performance gets a score of 9.339 or 85.52% according to the research data included in the very high category. In accordance with the opinions of Iqbal, Ijaz, Latif, and Mushtaq, (2015) employees demonstrate the effectiveness of specific employee actions that contribute to achieving organizational goals.

A match test was conducted to check the level of match between the data with the model, the validity and reliability of the measurement model, and the significance of the coefficients of the structural model. Suitability tests are carried out through several stages, namely the suitability of the entire model, the suitability of the measurement model and the suitability of the structural model. Based on the resultsof data processing using AMOS 24 the results obtained for testing the model are as follows:



Source: Data Processing Result in 2018

Figure 3. Structural Modelling

The general evaluation of the degree of compatibility or Goodness of Fit (GOF) is as follows.

Table 1. Goodness of Fit (GOF).

Model Fit Criteria	Model Result	Interpretation
Chi Square	97.196	Good Fit
Probability	0,000	Close fit
Goodness-of-fit (GFI)	0.955	Good Fit
Adjusted GFI (AGFI)	0,930	Good Fit
Root-Mean-Square Error of Approximation (RMSEA)	0,059	Good Fit
Tucker-Lewis Index (TLI)	0,942	Good Fit
Normed Fit Index (NFI)	0,922	Good Fit
Comprative Fit Index (CFI)	0,955	Good Fit

Test the suitability of the model above produces df = 19 with a chi square value of 97,196, and a probability value (p-value) 0,000 <0,05 indicates a good fit model. Goodness-of-fit (GFI) value of 0.955 ≥ 0.90 indicates a good fit model. Adjusted GFI (AGFI) value 0.930 ≥ 0.90 indicates a good fit model. The Root-Mean-Square Error of Approximation (RMSEA) value of 0.059 ≤ 0.08 indicates a good fit model. The Tucker- Lewis Index (TLI) value of 0.942 ≥ 0.90 indicates a good fit model. The value of Normed Fit Index (NFI) 0.922 ≥ 0.90 indicates a good fit model. The value of CFI Comprative Fit Index 0.955 ≥ 0.90 indicates the marginal good fit model. Based on the statement, each size has been represented so that it can be said that the research model is fit.

Table 2. Result of Parameter Estimation of Leaderships Strategic and Employee Performance Models

			Estimate					
			RW	SRW	S.E.	C.R.	P	R2
PI	<---	KC	0,678	0,661	0,94	7,247	***	437

Source: Data Processing Result in 2018

The results of the significance test on the estimated path coefficients in the model are all significant at an error rate of 5% or the Pvalue value of each path coefficient has a value of <0.05. Based on the description above, it can be said that the model is a best- fit model in explaining the phenomenon of leaderhips strategic (LS) and employee performance (EP). Therefore the model will be used as an empirical footing to answer the research problem posed.

Strategic Leadership (KS) affects employee performance by 0.661 or 66,1%. Path coefficient value (SRW> 0. This shows that the influence of strategic leadership on employee performance gets positive and significant results. Based on these data shows the high and low performance of employees is influenced by strategic leadership.

Effectiveness of Strategic Leadership

According to Aslan et al (2011) Strategic leadership is a new leadership theory that has three dimensions; charismatic, transformational and visionary leadership. In comparison, strategic leadership has a top place rather than theories that emphasize the relationship between leaders and followers. In addition, it is explained that the current developments marked by technological progress, global competition, rapid changes and the impact of these changes are greater for this reason managers must have the features to be able to keep abreast of developments.

Strategic leadership consists of five indicators namely exemplifying the way, inspiring a shared vision, challenging the process, enabling others to act, and encouraging the soul. Examples of how to contribute is 0.633. Professional leaders not where leaders must have the ability and skills. In line with the opinion (Hahavandi (2015: 134) that the Leader clearly must have the ability, competence, and skills. These characteristics have a high correlation with the effectiveness of leadership. Then according to Tjiharjadi (2007: 33) that the principle of leadership is one that has the ability to operate technical and tactical. The statement was reinforced by Kartono (1983: 45) that every leader must be a model for his employees and have one or several technical skills to have authority in leading. In addition, according to Wibowo (2017: 327) the actions of leaders to achieve motivation by giving power to what the leader does

when giving examples, making clear communicationand giving the right challenges.

Inspiring a shared vision, contributing 0.702. Characteristics of a strategic leader that is having the ability to develop a vision in the future both in itself and for its members and organizations. As stated by Daft (2011: 350) that strategic leadership ability is to anticipate and imagine a vision in the future. According to Alalfy, (2014), vision management may be the responsibility of the most important leaders. Meanwhile, according to Palladan et al., (2016) that institutions need to have visionary leaders who will improve the attitude of innovation in the organization.

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Allows others to act, contributing 0.705. The principle of leadership is to ensure that actions in the organization can go according to the planning of the organization. According to Kartono (1983: 33), in encouraging action, the leader gives tasks and jobs in accordance with their abilities. In addition the leader must also be responsible for actions taken by individuals in the organization. Another opinion was stated by Daft (2011: 366) that action is interpreted as a technique or strategy in an organization. Further said that the strategy means using specific mechanisms, techniques or tools to direct organizational resources to achieve strategic goals.

Encouraging a soul contributing 0.747. The function of leadership is to build good relationships with employees. The relationship is encouraged to encourage increased employee motivation from the internal or intrinsic side of the individual employees in the organization. Encourage if done to increase motivation. This is in line with the opinion of Daft (2011: 203) that the leadership approach seeks to motivate people by giving them opportunities to meet higher needs and become intrinsic rewards. According to Wibowo (2017: 327) leaders create conditions in which workers can motivate themselves. Furthermore, the leader must give reasons to individual workers to be confident in themselves and the organization.

Effectiveness of Employee Performance

According to Youth, Rafiki, and Harahap (2014) that good employee performance reflects the ability to contribute through their work that leads to attainment of behavior that is in line with company goals. According to Stoffers, Van der Heijden, and Notelaers (2014) that high-performing companies focus on developing employees, giving them opportunities to experiment with new ideas. Meanwhile, according to Yamoah and Maiyo, (2013) that performance is the achievement of tasks given by employees. He further stated that predetermined standards were set against the actual performance measured and that without measurement rules it would be difficult to assess performance.

Employee performance is carried out through indicators that are surviving enthusiastically to complete their own task activities successfully, providing constructive advice, following orders, showing respect for authority, in accordance with organizational values and policies, supporting the goals of organizational achievement, loyal to the organization Surviving enthusiastically to complete the task activity yourself successfully 0.520. Provide constructive advice 0.523. Following orders, contributing 0.575. Demonstrate respect for authority, contributing 0.571. In accordance with organizational values and policies, contribute 0.632. Supporting the goals of organizational achievement, contributing as much as 0.576. Loyal to the organization, contributing as much as 0.57.

The Effect of Strategic Leadership on Employee Performance

The results of testing the influence of strategic leadership (KS) on employee performance is shown by analyzing the regression value (regression weights analysis of structural equation modeling) where the CR and P value of the data processing results are compared with the required statistical limits for CR> 1.978 and for values P <0.05. The effect of Strategic Leadership (KS) on employee performance (KK) has a standardized estimate (regression weight) of 1,078 with a CR value of 47,067> 1,978 and P *** <0,05, which means that strategic leadership (KS) has a significant effect on employee performance (KK). The results of data processing are supported by the research of Shahzadi et al (2014) which explains that if the leader encourages employee motivation, then the results of these actions are like productivity, performance and perseverance. The results of the study show that leaders are closely related to motivation in improving employee performance.

Alalfy (2014) states that strategic leaders function to provide direction, empower individuals to act with independence and initiative. From the perspective of the organization's direction, according to Alalfy (2014) that strategic leadership is a form of leadership that uses attributes of influence, motivation and communication but has the ability to establish the long-term direction of the organization while effectively building daily operational aspects. The results of this study indicate that strategic leaders give influence by setting direction, motivation and communication so that employee performance increases. The research results of Aslan et al (2011) explained that the strategy culture carried out by leaders has an influence on employee innovation and creativity. The results of this study indicate that the strategy culture carried out by leaders in the organization has an impact on increasing employee creativity.

CONCLUSION

Strategic leadership is categorized as effective by challenging the process in the new work system to make a dominant contribution. Strategic leadership has a positive effect on employee performance. Indicators of strategic leadership that contribute the most are indicators challenging the process. PTPN VIII needs to increase its strategic leadership role through factors providing challenges in the new work system process, realizing new products, and new services.

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