

# Employee Engagement And Leadership Style At PT PLN West Kalimantan: Impact On Employee Productivity

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## Abstract

**Objective:** The purpose of this study is to look at how employee engagement and leadership style affect worker productivity at the main unit of PT PLN (State Electricity Company) in the West Kalimantan Region.

**Design/Methods/Approach:** An explanatory design and a quantitative methodology were used in the study. Documentary studies, questionnaires, and observation were some of the methods used to collect data. Customers who have utilized go-pay services in Pontianak made up the respondents. A Likert scale was used to measure the data, and multiple regression analysis was used.

**Findings:** With a statistical analysis result of t-value  $6.794 > t\text{-table } 1.984$  and a significance value of  $0.000 < 0.05$ , the research findings show that the Employee Engagement variable has a positive and substantial impact on employee productivity in the partial test (t-test). In a similar vein, the leadership style variable also strongly influences the work productivity variable, as seen by the resulting t-value of  $5.889 > t\text{-table } 1.984$  and a significance value of  $0.000 < 0.05$ . The estimated F-value is  $91.568 > F\text{-table } 3.090$ , and the significant value is  $0.000$ , which is less than the significance level of  $0.05$ , according to the simultaneous test (F-test).

**Originality/Value:** This study focuses on how leadership style and employee engagement affect workers' productivity at West Kalimantan's PT. PLN (Persero) Regional Main Unit. A crucial component is employee involvement. The study's findings can give the business information that it can use to improve decision-making procedures and raise worker productivity.

**Practical/Policy implication:** This research can be utilized in formulating company management policies that emphasize the importance of employee engagement and the implementation of effective leadership styles, which can result in a more motivated and productive workforce.

**Keywords:** Employee Engagement, Leadership Style, and Work Productivity.

Received; 27 Februari 2024 Received in revised form 18 Maret 2024 Accepted; 25 Maret 2024

**JEL Classification :** J59

## Introduction

An organization must have and require human resources to achieve the goals and targets set by the organization. In any activity, humans are the primary factor, regardless of the presence of advanced equipment that can work directly. If not managed by humans, such equipment will not operate (Marcellino, 2022). Human resources are an asset to the success of an organization because their role in strategy implementation is crucial as the executing subjects of organizational strategy. Competent human resources enhance the productivity of the respective organization (Indrawati & Sembiring, 2020). Human resources encompass every employee working in an institution, whether in leadership or managerial roles in an organization, playing a vital role internally and externally (Sakinah AS & Anang Suprianto, 2017), including subordinates (Satriadi, D., 2016). Human resources are a crucial asset for both private and public sector organizations, as people are essential elements in every organization. The success of an organization in achieving goals and targets, as well as its ability to face various internal and external challenges,

is determined by competent human resources (Indrawati & Sembiring, 2020). To acquire competent human resources, they must be professionally managed to achieve optimal work productivity. Competent human resources enhance the productivity of the respective organization. High-quality and effective employee work productivity are obtained when organizational leaders lead well and wisely (Indrawati & Sembiring, 2020).

An organization's ability to function efficiently frequently hinges on how well its people resources are managed and used. For this reason, every manager plans out each line's operations and resolves employee-related issues in order to accomplish organizational objectives. The core of human resource management is this. Therefore, in keeping with the idea of several studies saying that a firm will run successfully or as predicted if it can organize its human resources efficiently, controlling the strategic aspects of human resources is deemed vital for attaining a competitive edge. One of the necessities of life that cannot be separated from humans is electricity. Indonesia's state-owned enterprise, PT PLN (Persero), is in charge of managing all facets of power. In the increasingly dynamic business environment of globalization, PT PLN (Persero) must show consistent performance in order to satisfy stakeholder demands. Employee productivity at work must therefore be great.

Employees who consistently believe that the job they do today is better than what they have done in the past and that future work should be better than it is now are considered productive at work. Employees also need to believe that today's work must be more effective and efficient than past work patterns and systems, and the output to be achieved in the future must be of higher quality and quantity than the current output. Fremont (2002) defines productivity as a measure of efficiency in the use of resources at the societal, organizational, or individual level. Meanwhile, according to Muchdarsyah (1992), labor productivity reflects the benefits of labor, its intensity indicates the quantity/labor, and can be considered as the acceleration of work. This work productivity behavior will encourage employees to be dynamic, creative, innovative, and open. Additionally, productivity is also related to employee engagement. Employee engagement is defined as the emotional and intellectual connection employees have with their work, organization, manager, or colleagues, which, in turn, influences them to put in extra effort at work (Vibrayani, 2012).

Employees who are engaged will be motivated to improve their productivity, accept challenges, and find meaning in their work. Employee performance as well as organizational growth and productivity will benefit from this. Thus, it can be concluded that employee engagement has the potential to transform people, groups, and companies (Margaretha and Saragih, 2008). In building employee engagement, leaders play a crucial role in enhancing employee motivation, job satisfaction, and work commitment. A good leader is not just someone who can give orders and instructions but is more focused on setting a real example for subordinates or their team.

According to George R. Terry (Miftah Thoha, 2010:5), The role of leadership is to persuade others to work toward the objectives of the organization. In order to attain corporate goals, followers must be motivated to behave in a certain way. Additionally, leadership entails influencing procedures to enhance group and cultural features. Thus, the role of a leader is to influence and encourage enthusiasm, passion, security, work quality, and organizational performance. Because the success of an organization is a manifestation of good performance resulting from competent leadership functions. The phenomenon that often arises nowadays is the lack of employee engagement in employees, which may be caused by inappropriate leadership styles.

## **Literature Review and Hypotheses Development**

### **Employee Engagement**

Employee engagement refers to the sentimental dedication of workers toward the firm and its objectives. Employees who exhibit this emotional engagement are really invested in both the organization and their work. They work toward the goals of the company rather than just for a paycheck or a promotion (Kruse, 2012). Engaged employees have beliefs that align with and support the organization's goals. They have a sense of ownership, take pride in the organization they work for, and have a desire to grow and thrive within the organization (Bakker and Leiter, 2010). According to Kreitner and Kinicki (2010), Employee Engagement is seen as positive and fulfilling work, characterized by vigor (enthusiasm), dedication, and absorption (deep engagement), as defined by Schaufeli & Bakker (2010).

### **Leadership Style**

Leadership is essentially the capacity required by individuals to stimulate, direct, guide, and mobilize others so that they can collaborate in fulfilling or achieving predetermined goals (Kurnia & Purba, 2022). Leadership is crucial because it gradually influences the behavior of employees by transforming their values to align more closely with the organization as a learning process. When employees perceive top management as trustworthy, organizational performance becomes stronger (Kiki Farida Ferine, 2021). A leader's style is a pattern of behavior intended to combine group objectives with personal objectives in order to accomplish a certain purpose (Satriadi, D., 2016). Therefore, leadership style represents the behavioral patterns of leaders in directing their subordinates to follow the leader's will in achieving a goal (Latief, Abdul, 2015). Leadership styles are differentiated into two: transformational leadership and transactional leadership."

According to Daft (2015), transformational leadership is characterized by leaders who can bring about significant results or changes for subordinates and the organization as a whole. On the other hand, transactional leaders are those who enforce rules and regulations, establish written authority, set and focus on specific goals, and direct employees to accomplish predetermined tasks (Avolio & Bass, 2004). Transactional leadership strictly enforces these rules to ensure that employees demonstrate optimal performance (Shah & Kamal, 2015). Transactional leadership has four characteristics: management by exception (active), management by exception (passive), contingent reward, and contingent punishment.

### **Work Productivity**

According to Edy Sutrisno (2016), The link between output (goods or services) and input (labor, materials, money) is the general definition of productivity. Productivity can be defined as the difference between input and output, or as a measure of productive efficiency. Labor constraints frequently limit input, but output is quantified in terms of shape, value, and physical characteristics. Productivity is defined as the difference between total resources consumed (input) and results attained (output). Indicators such as the capacity to increase results attained, work passion, self-development, quality, efficiency, and employee work productivity enhancement are necessary to gauge work productivity (Safina, 2018). Additionally, according to Edy Sutrisno (2016), the improvement of work productivity can be seen as a behavioral issue but may also encompass technical aspects. These factors include continuous improvement, improved job quality, and empowerment of human resources."

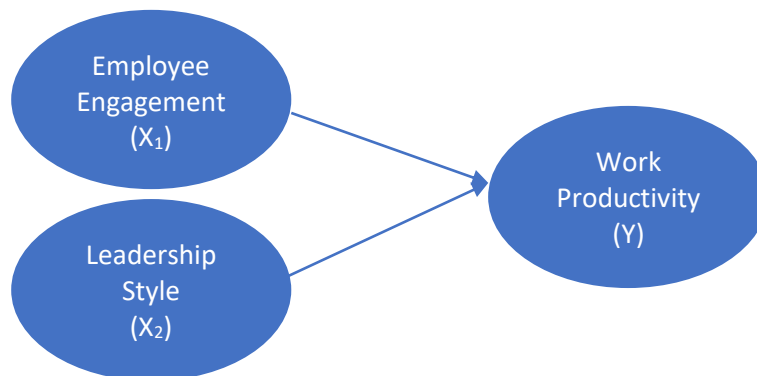
### **Conceptual Framework and Research Hypotheses**

Every employee should be able to work productively. A leader, in turn, should be capable of managing employees productively and creating a strong emotional and intellectual connection to their work, organization, manager, or colleagues, which, in turn, influences them to exert extra

effort in their work, commonly referred to as employee engagement. As stated by Harte, Schmidt & Hayes, 2002 (in Little & Little, 2006), productivity is interconnected with employee engagement. Employee engagement is defined as the involvement and satisfaction of individuals as well as enthusiasm for their work. Similarly, in line with the statement presented by Schaufeli & Bakker, 2004 (in Margaretha and Saragih, 2008), employees with high engagement levels tend to have a high emotional attachment to the organization, influencing task completion and tending to have satisfactory work quality. Committed employees are motivated to enhance their productivity, willingly accept challenges, and find meaning in their work.

Furthermore, in building employee engagement, leaders play a crucial role in increasing motivation, job satisfaction, and work commitment. A good leader is not just someone who can give orders and instructions but is more focused on setting a real example for subordinates or their team. Thus, the role of a leader is crucial in influencing and fostering enthusiasm, passion, security, work quality, and organizational achievements. Considering the considerations outlined above, it can be concluded that employee engagement and leadership will affect the work productivity of employees. Therefore, as leaders of a company, it is essential to be aware of the importance of these factors. Based on the literature review above, the research hypotheses are formulated as follows :

- H<sub>1</sub> : Employee Engagement influences the work productivity of employees at PT. PLN (Persero) Main Unit in the West Kalimantan Region.
- H<sub>2</sub> : Leadership Style influences the work productivity of employees at PT. PLN (Persero) Main Unit in the West Kalimantan Region.
- H<sub>3</sub> : Employee Engagement and Leadership Style influences the work productivity of employees at PT. PLN (Persero) Main Unit in the West Kalimantan Region.



Picture 1. Research Model

**Method**

The research employed a quantitative method with an explanatory approach. The population of this study consists of all employees at PT. PLN (Persero) Main Unit in West Kalimantan, totaling 150 individuals. The sample size selected for the study is 100 respondents, determined using the method developed by Isaac and Michael as follows :

$$s = \frac{\lambda^2 \cdot N \cdot P \cdot Q}{d^2(N - 1) + \lambda^2 \cdot P \cdot Q}$$

By using the formula above, the calculation is obtained as follows :

$$s = \frac{\lambda^2 \cdot N \cdot P \cdot Q}{d^2(N - 1) + \lambda^2 \cdot P \cdot Q}$$

$$s = \frac{2,706 \cdot 150 \cdot 0,5 \cdot 0,5}{0,05^2(150 - 1) + 2,706 \cdot 0,5 \cdot 0,5}$$

$$s = \frac{101,475}{1,049} = 96,73 = 100 \text{ sample}$$

The research variables consist of 2 independent variables, namely Employee Engagement (X1), Leadership Style (X2), and Productivity (Y). The operationalization of the research variables can be seen in the following table :

**Table 1. Operationalization of Research Variables**

No	Variabel Penelitian	Indicator	Scale
1	Employee Engagement (X1)	1. Vigor 2. Dedication 3. Absorption	Interval
2	Leadership Style (X2)	1. Transformational leadership 2. Transactional leadership	Interval
4	Work productivity (Y)	1. Ability 2. Enhancing achieved results 3. Work enthusiasm 4. Self-development 5. Quality 6. Efficiency	Interval

Source : Process Data, IBM SPSS 23, 2023

The data collection techniques in this study are observation, questionnaires, and literature review. Data analysis technique employs multiple regression analysis using IBM SPSS 23. However, before entering the multiple regression analysis, classical assumption tests are conducted first. The necessary tests to meet the classical assumption requirements include normality test, autocorrelation test, multicollinearity test, and heteroskedasticity test.

## Result and Discussion

### Multiple Linear Regression Analysis

Multiple regression analysis aims to test the partial and simultaneous effects on independent and dependent variables. The results of multiple linear regression are as follows.

#### Partial t-test

The t-test is used to determine whether Employee Engagement and Leadership Style, partially, have a significant effect on Purchase Decision. The significance level used is 0.05. The results of the partial t-test can be seen in the following table :

**Table 2. Partial t-test Results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.036	.146		7.098	.000
Employee Engagement	.258	.038	.490	6.794	.000
Leadership Style	.274	.047	.425	5.889	.000

Source : IBM SPSS 23, 2023

Based on the table above, it can be observed that Employee Engagement ( $X_1$ ) has a significance value of  $0.000 < 0.05$ , and the calculated t-value (6.794) > the tabulated t-value (1.984). Therefore, it can be concluded that the Employee Engagement variable significantly influences Employee Work Productivity at PT PLN (Persero) Main Unit in West Kalimantan. Furthermore, for Leadership Style ( $X_2$ ), it also has a significance value of  $0.000 < 0.05$ , and the calculated t-value (5.889) > the tabulated t-value (1.984). Thus, it can be concluded that the Leadership Style variable significantly influences Employee Work Productivity at PT. PLN (Persero) Main Unit in West Kalimantan.

**Simultaneous F-test**

The F-test is used to determine whether Employee Engagement and Leadership Style simultaneously influence Purchase Decision. The significance level used is 0.05. The results of the simultaneous F-test can be seen in the following table :

**Table 3. Simultaneous F-test Results**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.937	2	1.968	91.568	.000 <sup>b</sup>
Residual	2.085	97	.021		
Total	6.022	99			

*Sumber : IBM SPSS 23, 2023*

Based on the table above, the calculated F-value (91.568) > the tabulated F-value (3.090) with a significance level of  $0.000 < 0.05$ . Therefore, it can be concluded that the variables Employee Engagement and Leadership Style collectively (simultaneously) influence Employee Work Productivity at PT. PLN (Persero) Main Unit in West Kalimantan.

**Coefficient of Determination ( $R_2$ )**

The coefficient of determination (Adj.  $R^2$ ) from the regression results indicates how much the dependent variable can be explained by its independent variables. The results of the coefficient of determination can be seen in the following table:"

**Tabel 4. Coefficient of Determination ( $R_2$ ) Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809 <sup>a</sup>	.654	.647	.14662

*Source : IBM SPSS 23, 2023*

The results of the R-squared test in this study yielded a value of 0.654. This indicates that the proportion of the influence of the variables Employee Engagement and Leadership Style on Employee Work Productivity is 65.4%, while the remaining 34.6% is influenced by other factors not examined in this study.

**Conclusion and Future Direction**

The results of this study's data analysis and hypothesis testing indicate that employee work productivity is positively and significantly impacted by the variable of employee engagement. With a significance level of  $0.000 < 0.05$ , the statistical analysis yields a calculated t-value of 6.794 > the tabulated t-value of 1.984. Similarly, with a significance level of  $0.000 < 0.05$ , the estimated t-value for the Leadership Style variable is 5.889 > the tabulated t-value of 1.984. The results of the regression analysis thus indicate that the first hypothesis (H1) and the second hypothesis (H2) are both accepted. Additionally, this study's R-Square test resulted in a value of 0.654. This

shows that the variables of employee engagement and leadership style have a 65.4% influence on employee work productivity, with other factors not included in this study accounting for the remaining 34.6%.

The simultaneous significance test confirms the results of the double correlation coefficient (R) test, showing that leadership style and employee engagement both significantly and favorably affect job productivity at the same time. With a significance level of  $0.000 < 0.05$ , the computed F-value of  $91.568 >$  the tabulated F-value of  $3.090$  is displayed in the derived F-test result. This suggests that there is a strong concurrent relationship between all independent variables—that is, employee engagement and leadership style—and employee work productivity. As a result, the third hypothesis (H3) is accepted in this instance.

### Implication

This research can be utilized for the development of strategic leadership by enhancing leadership training programs to adopt styles that promote higher employee engagement, thereby increasing overall productivity. Additionally, the findings of this study can be used to develop policies related to employee engagement and effective leadership styles, contributing to a more productive and motivated workforce, as well as serving as data for continuous improvement efforts.

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