The Influence of Transformational Leadership, Work Stress & Organizational Commitment on the Performance of the Ship Building Project Team at PT. PAL Indonesia Mediated by the Job Satisfaction of Project Team Members

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ABSTRACT

Purpose: PT. PAL Indonesia is a shipping industry that applies advanced technology in its operational processes. This factory is one of the best factories in Indonesia and in the Southeast Asia region. The company conducts an ongoing evaluation due to the fact that there have been delays in design & planning in the last five years. This evaluation is to find solutions to problems that occur, where the performance of employees (ship building project team) is the main concern of the Director.

Design/methodology/approach: This research identifies the influence of these factors on the performance of employees (ship construction project team) of PT. PAL Indonesia. The method used is a quantitative approach where data is obtained by distributing questionnaires online to PT. PAL Indonesia. This study involved 91 respondents from employees involved in ship building projects. Then analyzed using SEM – PLS 3.3 (Structural Equation Modeling - Partial Least Square).

Findings: Based on the results of the literature review, there are many factors that influence employee performance, some of which include leadership style, organizational commitment, work stress & job satisfaction. Based on the results of the SEM analysis, only 2 variables were obtained that affect the performance of the project team at PT. PAL Indonesia. The most dominant factor is in the transformational leadership variable.

Practical implications: The benefits of research results can be input for companies, especially in the field of ship building.

Paper type: Research paper

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I. INTRODUCTION

Human Resources (HR) is one of the important factors in a company to achieve its goals and objectives. In an effort to realize these goals, the role of HR will continue to be optimized to be able to improve their performance for the continuity of the organization or company. In this era of globalization, companies really need competent and qualified human resources.

PT. PAL in the last five years, faced the risk of slowing down in ship construction, namely in design and planning, delays in the supply of materials / equipment, and delays in the production work process. In the construction project of one of the ships ordered by the Indonesian Navy, it was found that there was a contract change in the manufacturing project, which initially took 30 months of duodenum to 32 months. The Covid-19 pandemic also affected the company's production capacity and the performance of the project team, making the

company implement new policies, namely implementing health protocols, including by always being diligent in washing hands and social distancing (Triyawan & Fendayanti, 2021). Another reason that causes a decrease in the performance of the project team is because the ability of the Project Leader to achieve project objectives is lacking and in making decisions related to constraints in the project still takes a long time (Messah et al., 2013).

Demands from the company's management (PT. PAL) to be able to complete the project in order to be on time causes work stress for project team members because it is the opposite of the fact in the field that requires many design revisions due to additional requests from the owner.

The fact that the status of project team personnel is limited by the duration of the project time itself makes the emotional attachment of project team members to the project organization even greater, so that the organizational commitment of project team members has an influence on the performance of the project team.

In organizational change both planned and unplanned, the most important aspect is individual change. Changes in this individual are not easy, but they have to go through a process. Job satisfaction is one of the variables that affect individual performance, in project organizations project team members get different benefits (project benefits) compared to employees who are not involved in the project organization.

Based on the background description above, it can be concluded that the leadership style of a project manager has an influence on the success of a ship building project.

A. Problem Formulation

How does it affect Transformational Leadership Style, Work Stress and Organizational Commitment to the Performance of the project team in ship building at PT. PAL Indonesia mediated by Job Satisfaction of project team members?

B. Research Objectives

The purpose of writing this study is to examine the influence of Transformational Leadership Style factors, Work Stress & Organizational Commitment on the performance of the ship building project team at PT. PAL Indonesia mediated by Job Satisfaction project team members.

C. Bibliography Review

1. Transformational Leadership

According to Grahn et al. (2001) a transformational leadership style is a leadership style used by a manager if he wants a group to widen boundaries and have performance beyond the status quo or achieve a whole new set of organizational goals. Whereas according to Bass in Gordon & Yukl (2016) transformational leadership style is a leadership style where the leader changes and motivates the followers so that they feel trust, admiration, loyalty and respect for the leader.

2. Work Stress

Robbins (2006:793) posits that stress is a dynamic condition in which the individual faces opportunities, constraints, or demands related to what he wants and whose results are perceived as uncertain but important. In the context of organizational behavior, stress can be seen from the negative side as well as from the positive side. On the positive side, stress is an opportunity when stress offers potential gains in the form of improved performance (Erisna, 2017). Robbins (2006:800-801) mentions several consequences of stress that can also be used as indicators to measure stress levels in organizations. Some indicators that can be used to measure the level of stress, namely:

- 1. Physiological symptoms, which are related to health and medical aspects seen from metabolic changes, increased rate of heart rate and breathing, increased blood pressure, generating headaches and causing heart attacks.
- 2. Psychological symptoms, judging from dissatisfaction, tension, anxiety, irritability, boredom and procrastination.
- 3. Behavioural symptoms, seen from changes in productivity, absenteeism, employee entry and exit rates, changes in eating habits, increased consumption of cigarettes and alcohol, fast talk, restlessness and the presence of sleep disorders.

3. Organizational Commitment

Jensen & Luthans (2006) defines organizational commitment as an attitude that reflects employee loyalty to the organization and the ongoing processes by which members of the organization express their concern for the organization and its continued success and progress. Robbins (2003) defines organizational commitment as a situation in which an employee takes sides in a particular organization and its goals and intends to maintain membership in that organization. This has an impact when an employee is facing the condition of a choice in the

external environment, the employee will tend to think like the company he works for and will implicitly show his partiality over the advantages of the company he works for.

4. Job Satisfaction

The definition of job satisfaction proposed by Jensen & Luthans (2006) is a happy emotional state or a person's positive or pleasant emotions resulting from the assessment of a job or work experience. According to Robbins et al. (2010) job satisfaction as a positive feeling about a person's work which is the result of an evaluation of his characteristics.

5. Employee Performance

According to Bangun (2012:231) performance (*performance*) is the result of work achieved by a person based on job requirements (*job requirements*). A job has certain requirements to be carried out in achieving goals which are also known as job standards so job *standards* are the level that a certain job is expected to be completed properly by employees in an organization.

II. METHODS

A. Types of Research

The type of research used in this study is explanatory research with a quantitative approach with survey research methods. Explanatory research not only describes existing phenomena but also aims to explain the influence between the variables tested using statistical hypothesis testing. The research approach used in this study is a quantitative approach that demands the use of numbers, starting from data collection, interpretation of the data, and the appearance of the results.

B. Research Location

This research was conducted at PT PAL Indonesia which is located at Jalan Ujung, Surabaya 60155. This location was chosen because researchers wanted to know the extent of the influence of transformational leadership styles, work stress and organizational commitment to employee performance through job satisfaction of the shipbuilding project team at PT PAL Indonesia.

C. Operational Definitions & Measurements

Based on the description of the previous concept, it can also be determined the research variables and operational dimensions, as follows:

1. Free Variables

- a. Charisma & Influence
- b. Inspirational
- c. Psychological Symptoms
- d. Personal Factors

2. Bound Variables

- a. Quality of Work
- b. Quantity of Work
- c. Cost Effectiveness

3. Mediation Variables

- a. Wages
- b. Promotion
- c. Co workers

D. Measurement Scale

In this study, what was used to measure the scale of the study was the likert scale. The measurement method is to confront a respondent with a question and then be asked to give an answer according to what has been provided in the questionnaire. Once it was developed by Rensis Likert and has five categories namely strongly agree, agree, neutral, disagree, strongly disagree. This answer is given a score of one to five.

E. Data Analysis

Data processing was carried out using a questionnaire based on data filled in by respondents and subsequently tested for feasibility using *Partial Least Square Structural Equation Modeling* (PLS – SEM). The software used in the data analysis process is SmartPLS. In analyzings data using the PLS – SEM method consists of 2 stages, namely the *outer* model and *the inner model*.

F. Research Hypothesis

The research hypothesis is made based on a conceptual framework that is used as a reference reference, aiming to clearly and clearly describe the influence between variables & indicators (Fandy, 2021).

- H1 = Gor transformational leadership has a significant effect on project team members' job satisfaction
- H2 = Transformational leadership style has a significant effect on project team performance
- H3 = Project team members' job satisfaction has a significant effect on project team performance
- H4 = Organizational commitment has a significant effect on the job satisfaction of project team members
- H5 = Organizational commitment has a significant effect on project team performance
- H6 = Work stress has a significant effect on the job satisfaction of project team members

H7 = Work stress has a significant effect on the performance of the project team

III. RESULTS AND DISCUSSION

Based on the results of the hypothesis test that has been carried out from 7 hypotheses, 4 hypotheses were accepted and 3 hypotheses were rejected. The predictive model form of the research results is depicted in Figure 1. the following:

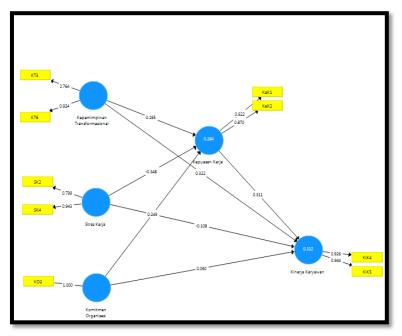


Figure 1. Final Research Model (SmartPLS 3.3 Result Data)

Based on *path coefficient* testing using *bootstrapping* which has been described earlier, the next stage of SEM testing is to test hypotheses based on *t-statistical and p-value* values. Research hypothesis testing is carried out to determine whether the hypothesis proposed in the study is accepted or rejected. The results of hypothesis testing in this study are shown in Table 1. below:

Information	Path Coefficient	T Statistics	P Values	Information
Transformational Leadership->Job Satisfaction	0.195	1.662	0.01	Ditolak
Transformational Leadership->Employee Performance	0.322	2.582	0.009	diterima
Job Satisfaction->Employee Performance	0.311	2.603	0.008	diterima
Organizational Commitment->Job Satisfaction	0.249	2.844	0.005	diterima
Organizational Commitment->Employee Performance	0.09	0.809	0.04	ditolak
Stress->Job Satisfaction	0.348	3.097	0.002	diterima
Stress->Employee Performance	0.108	1.112	0.03	ditolak

Table 1. Research Hypothesis Test Results (SmartPLS 3.3 Results Data)

IV. CONCLUSION

A. Conclusion

Based on the results and analysis in this study, the following is the overall conclusion of the data results that have been processed and analyzed based on the objectives of this study, namely:

- 1. Transformational Leadership affects but is not significant to Job Satisfaction.
- 2. Transformational Leadership has a significant effect on Employee Performance.
- 3. Job Satisfaction has a significant effect on Employee Performance.
- 4. Organizational Commitment has a significant effect on Job Satisfaction.
- 5. Organizational Commitment affects but is not significant to Employee Performance.
- 6. Work Stress has a significant effect on Job Satisfaction.
- 7. Work Stress has an effect but is not significant on Employee Performance.

B. Suggestion

- 1. Companies are advised to hold advanced leadership training.
- 2. Counseling is held periodically, at least once every 2 a week.

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