

# THE EFFECT OF STRATEGIC ECONOMIC MANAGEMENT AND LEADERSHIP STYLES ON JOB SATISFACTION AND ITS IMPLICATIONS ON EMPLOYEE PERFORMANCE (Survey in Telkom Divre III, West Java)

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## Abstract

This research aims to find out, analyse and review the strategic management, leadership style, job satisfaction and employee performance and influence of strategic management and leadership style towards job satisfaction and implications on employee performance. The method used in this research uses the Explanatory Survey method, the data analyzed using the path analysis technique. Based on the analysis of the research results, obtained the following findings, strategic management is in the category good towards. Very good job satisfaction is in the category of good towards very good and employee performance is in the category good towards very good. Strategic management and leadership style have both partial and simultaneous positive influences on job satisfaction, and job satisfaction has a positive and significant influence on employee performance.

**Keywords:** *Strategic, Management, Leadership Style, Job Satisfaction, Employee Performance.*

## 1. Introduction

The development of technology that is very fast brings change and progress for its users, technology has been applied in various fields such as government, health, education, and business, in this work it has an impact on the rapid exchange of information and facilitates human work so that work can be done effectively and efficiently. The ease of completing work with technology does not necessarily reduce the role of humans in an organization and because humans are an important aspect of being a resource as a driving force for an organization or company, there is a need for good managers through resource management so that employees have optimal work ethic and employee performance.

Human resource management is a process consisting of planning, organizing, leading to job evaluation and other matters related to the role of humans in an organization or company. Managing human resources must be able to improve the quality of a workforce who has an optimal work ethic and employee performance, human resource management is needed to increase employee contributions to the organization in order to achieve organizational productivity so that

organizational goals are achieved, because all organizational activities in achieving goals, depend to humans who manage the organization concerned.

Human resources are an important factor in an organization or company that determines the development of a company, people in the organization are an important asset that needs to develop skills and abilities in order to be able to work productively for the progress of the organization and achieve its goals. However, any differences in employees need to be managed as an organizational resource.

Organization is a place for two or more people to come together to carry out collaborative activities to achieve predetermined goals. Every human being who joins an organization has interests and goals which according to him can be fulfilled through the achievement of organizational goals. PT Telkom Telekomunikasi Indonesia is included in a profit organization where the cooperation carried out in it has the aim of getting a profit. PT Telkom Indonesia is a state-owned company engaged in telecommunications and network services in the territory of Indonesia. PT Telekomunikasi Indonesia provides a variety of other

communication services including interconnection of multimedia telephone networks, data and services related to internet communications, satellite transponder leasing, leased lines, paid telecommunications and VoIP services. A company that has a vision of being a company that excels in providing Telecommunication, Information, Media, Education and Services (“TIMES”)

The Indonesian government has taken steps, namely, strategic policies for government-owned enterprises, namely an increase in efficiency for BUMN, through privatization with capital ownership and restructuring. Privatization is part of BUMN efforts, specifically this privatization policy begins with regulation No. 55 of 1990, concerning limited liability companies that sell their shares to the public through the capital market and then amended by government regulation No. 12 of 2004, concerning the implementation of activities in the capital market sector.

The development of PT Telekomunikasi Indonesia shares is as shown in the table below:

Table. 1.1  
PT Telekomunikasi Indonesia Share Report  
2012-2016

Year	Revenue	percentage
2012	71,143	
2013	82,967	
2014	88,696	
2015	102,470	
2016	116,133	

Source: Saham PT Telekomunikasi Indonesia

Table 1.1 shows that in terms of revenue, PT Telekomunikasi Indonesia has increased, but the increase is not very significant.

The insignificant increase in PT Telekomunikasi Indonesia's shares was due to the very fast business in the telecommunications sector, innovations which are developing rapidly in line with the growing market demand which is getting higher. This study aims to determine, observe, and examine more deeply about:

1. Strategic management, leadership style, job satisfaction and employee performance at PT Telekomunikasi

Indonesia Tbk Regional Division III West Java.

2. The magnitude of the influence of strategic management on job satisfaction at PT Telekomunikasi Indonesia Tbk Regional Division III West Java.
3. The size of the influence of leadership style on job satisfaction at PT Telekomunikasi Indonesia, Tbk Regional Division III West Java.
4. The magnitude of the influence of strategic management and leadership style simultaneously on job satisfaction at PT Telekomunikasi Indonesia Tbk Regional Division III West Java.
5. The magnitude of the influence of job satisfaction on employee performance at PT Telekomunikasi Indonesia Tbk Regional Division III West Java.

## 2. Method

This research is descriptive and verification. Descriptive research is research that aims to obtain descriptive characteristics of strategic management variables, leadership styles, job satisfaction, and performance. The nature of verification research is research that wants to test the truth of a hypothesis carried out through data collection, which tests the influence of strategic management, leadership style on employee job satisfaction and its implications for performance (survey at PT. Telekomunikasi Indonesia tbk Regional Division III West Java).

The research method used is descriptive survey and explanatory survey method. Where the descriptive survey is used to get data from certain scientific places, but the researchers do the treatment in collecting data (Sugiyono, 2012) the unit of analysis is the employees of PT. Telekomunikasi Indonesia tbk Regional Division III West Java.

## 3. Result and Discussion

### Descriptive Analysis

Descriptive analysis aims to describe the responses of respondents about strategic management and leadership style as the independent variable, job satisfaction as an intervening variable, and employee performance as the dependent variable.

After testing the data, the research step is to conduct an assessment as a description of the phenomenon of the research variables at this time. The determination of the criteria for the average value of the respondents' answers is included in the interpretive criteria as follows:

Table. 3.1  
Interpretive Criteria

Average Score	Interpretation
4,2 – 5,0	Very good / Very Strong
3,4 – 4,1	Good / Strong
2,6 – 3,3	Good enough / enough
1,8 – 2,5	Not good / Weak
1,0 – 1,7	Very bad / Very weak

Source: J. Supranto 2001

#### Strategic Management Variable (X1)

Strategic management is measured by 12 statement items from three dimensions, namely, Strategy Formulation, Strategy Implementation, Strategy Evaluation (Sedarmayanti, 2011), here are the results of the research.

Based on the results of the study, the score for the range of data values for strategic management was obtained which was represented by 12 statements for 91 employees of PT. Telkom Drive III West Java. The value is obtained from multiplying 91 employees with 12 questions and then multiplying it by the maximum number (5) and drinking (1) alternative answers, so that the maximum answer value range is obtained ( $R_{max} = 5,460$ ), and the minimum answer value ( $R_{min} = 1,092$ ).

Based on the recapitulation results of respondents' answers regarding strategic management which consists of 12 statements with the following frequency details: the number of items of respondents who answered scale 1 was 0.09%, answered scale 2 was 2.11%, answered scale 3 was 10, 16%, answered scale 4 of 56.78% and the answer to scale 5 of 30.86%.

This means that the data is scattered from the smallest to the largest with an average value of 4.1978 and a standard deviation of 0.49933 with the category of answers in the criteria of good enough to good. The average of each

dimension in the strategic management variable can be sorted from the largest dimension to the lowest dimension, namely the order of the largest average dimension is the dimension: strategy implementation 4.29. The strategy evaluation was 4.21, and the strategy formulation was a mean of 4.09.

Furthermore, the average value of the answers from each statement is sorted based on the lowest average, namely: "Leaders are able to make the right budget, with an average of 3.75 and the leadership statement is able to measure performance, with an average of 3.69.

Meanwhile, the highest statement: "The leader is able to formulate the company mission in the formulation of strategy, and in the statement the leader is able to evaluate the work results with an average of 4.37.

#### Leadership Style Variable (X2)

Based on the results of the study, the score for the range of data values for the Leadership Style was represented by 12 statements for 91 employees of PT. Telkom Divre III West Java. The value is obtained from multiplying 91 employees with 12 questions and then multiplied by the maximum number (5) and minimum (1) alternative answers, so that the maximum answer value range is obtained ( $R_{maks} = 5, 460$ ), and the minimum answer value ( $R_{min} = 1, 9092$ ).

Based on the recapitulation results of the respondents' answers regarding the leadership style which consists of 15 statements with the following frequency details: the number of items of respondents who answered scale 1 was 0.00%, answered scale 2 was 4.49%, answered scale 3 was 10.99% , answering a scale of 4 is 55.22%, and answering a scale of 5 is 28.94%.

This means that the data radiates from the smallest to the largest with an average value of 4.11 and a standard deviation of 0.42644 with the answer categories being in good criteria. As for the average of each dimension in the leadership style variable can be sorted from the largest dimension to the lowest dimension, namely the order of the largest average dimension is the dimension of ability

to make decisions with an average of 4.29%; ability to control subordinates, 4.24 average; responsibility, 4.18; 4.03 communication skills; and motivation ability 3.95.

For the average value of the answers of each statement, the order is based on the lowest average: Leaders are able to complete work on time, with an average of 3.75 and on the statement the leadership uses power effectively and appropriately, with an average of 3.80 .

With the highest question the Leader takes the most appropriate Action; The statement that the leader is able to carry out the procedure and in the statement the leader is able to communicate up and down with an average of 4.37.

#### Job Satisfaction Variable (Y)

Based on the results of the study, the score for the range of data values for job satisfaction is represented by 14 statements for 91 employees of PT. Telkom Drive III Answer West. The value is obtained from the multiplication of 91 employees with 14 questions and then multiplied by the maximum and minimum number of alternative answers, so that the maximum answer value range is obtained ( $R_{max} = 6.370$ ) and the minimum answer value ( $R_{min} = 1.274$ ).

Based on the results of the recapitulation of the respondents' answers regarding job satisfaction which consists of 14 statements with details of the following frequencies; The number of items of respondents who answered scale 1 was 0.08%, answered scale 2 was 2.11%, answered scale 3 was 12.11%, answered scale 4 was 63.13% and answered scale 5 was 22.58%.

This means that the data is scattered from the smallest to the largest with an average value of 4.1319 and a standard deviation of 0.422710 with the category of answers in good criteria. As for the average order of each dimension in the job satisfaction variable, it can be sorted from the lowest dimension, namely the order of the largest average dimensions; average pay 4.20; average admission 4.18, supervisory average 4.16;

promotion on average 4.10, fellow workers on average 4.01; work with an average of 3.99; the average working conditions 3.86.

Furthermore, the average value of the answers from each statement is sorted based on the lowest average, namely; The company provides the same infrastructure as support, with an average of 3.84 and on average among employees always help each other with an average of 3.87.

While the highest statement; the company always provides bonuses and incentives if it exceeds the work target, with an average of 4.21 and in the leadership statement it rewards employees who excel at an average of 4.20.

#### Employee Performance Variable (Z)

Employee performance is measured by 16 statement items from eight dimensions, namely, Quantity of Work, Job Knowledge, Creativeness, Corporation, Dependability, Initiative, and Personal Qualities (Faustino Gomes: 2003)

Based on the results of the recapitulation, the number of items of respondents who answered scale 1 was 1.03%, answered scale 2 was 1.99%, answered scale 3 was 9.81%, scale 4 was 60.15%, answered scale 5 was 27.2 %.

#### Verification Analysis

The calculation of the correlation coefficient using the Pearson Product Moment correlation analysis was carried out in order to determine how strong the relationship between several independent variables studied. The calculation of the correlation coefficient uses the SPSS 23 program, which has a correlation between the strategic management variables and the leadership style.

"High or low correlation, depends generally on the nature of variables being studied. You may, how ever the following categorization which most specialists in statistics usually agree with "(Sevilla et. At.: 1997).

To interpret the figures obtained as follows:

Table. 3.2  
The criteria for interpreting the level of the relationship between variables

Correlation coefficient	Relationship Level
0,0 – 0,199	Very low
0,20 – 0,399	Low
0,40 – 0,599	Moderate
0,60 – 0,799	Strong
0,80 – 1,000	Very Strong

Source: Sugiono 2009

From the table above, it can be explained that the relationship between strategic management variables and leadership style is obtained a value of 0.324. So that when consulted with the r value interpretation table (correlation), it has a moderate and unidirectional level of relationship because the value is positive with moderate criteria.

#### 4. Conclusion

Based on the analysis of secondary data and primary data as well as the results of path analysis and hypothesis testing from research data at Telkom Divreg III-West Java, it can be concluded as follows::

1. Strategic management is in good to very good criteria, meaning that the strategic management in Telekom Divreg III-West Java is well executed, where all employees need to carry out strategic management well. However, there are still some aspects of weakness among them: "The leadership has not been optimal in making the right budget" and the statement "The leadership has not optimally measured performance".
2. Leadership style is in good to very good criteria, meaning that the leadership style has been done well, so that it can improve employee performance. However, there are still some aspects of weakness among them, "Leaders have not been optimal in completing work on time, in the statement" Leaders in using power need to be done effectively and according to their competence ".
3. Job satisfaction is in the criteria of good to very good, meaning that if job satisfaction increases, employee performance will increase. However,

there are still some aspects of weakness including: "The company in running its business needs to provide supporting infrastructure" and in the statement all employees are not always helping each other.

4. Employee performance is in good to very good criteria, meaning that the performance of employees of PT. Drive III-West Java Telkom is generally good, as indicated by the results of the work of employees in completing work according to predetermined targets. However, there are weaknesses; "All employees are not optimally able to adapt to the environment" and in the statement "All employees work less according to procedures"

The influence of strategic management and leadership style on job satisfaction and its implications for employee performance.

1. Strategic management has a positive and significant effect on job satisfaction, it can be interpreted that the higher the strategic management, the higher the employee's performance. Strategic management is predominantly shaped by: Strategy implementation, the second scattered dimension of strategy evaluation, and the smallest dimension of strategy formulation. These three dimensions must support each other, if strategic management increases, job satisfaction will increase and affect employee performance.
2. The leadership style has a positive and significant effect on employee job satisfaction. The dominant leadership style is formed by the ability to make decisions, the second largest dimension is the ability to control subordinates, the third largest is responsibility, and the smallest dimension is communication skills and motivation abilities. The five dimensions must support each other, increasing the leadership style of job satisfaction will increase.
3. Strategic management and leadership style have a positive and significant effect simultaneously on job satisfaction. Strategic management and leadership style must be implemented properly and continue to be improved. The influence of leadership style on job satisfaction is

greater than strategic management, but these two variables need to support each other and be carried out continuously so that by improving strategic management and leadership styles can increase job satisfaction and have implications for employee performance.

4. Job satisfaction has a positive and significant effect on employee performance, increasing job satisfaction will also increase employee performance. Job satisfaction is formed with seven dimensions, the most dominant dimension (pay), the second largest dimension of recognition, the third largest supervision, then the promotion dimension, co-workers and work choking dimensions. ) and work conditions. The seven dimensions must support each other, so if job satisfaction increases, employee performance will increase and the implications for company performance..

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