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# The Effect Off Leadership Style and Work Environment on Online Team Performance Using SEM-PLS

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#### Abstract

The problem that occurs in the online group of Gen-Q Educational Product Distribution (EPD-R), namely the lack of qualified EPC which causes organizational performance in the EPD-R online group is less than optimal. The purpose of this study is to know whether the style of leadership and work environment affects the performance of the team in the EPD-R online group. The method used is SEM with the Tools Partial Least Square (pls). Partial Least Square (pls) is a multivariate statistical analysis technique by predicting the effect of variables X to Y variables and explaining theoretical relationships between the two variables. The results showed that the influence of leadership style variables on team performance was proven significant with a value of p-value 0.05 and the working environment variable on the team's performance did not have a significant effect because of the value of p-value 0.05. The coefficiency value of the leadership style variable on the performance will also increase. While the coefficient value of the work environment variable on the performance of the team has a positive value.

*Keywords*:*EPD-R team*, *Gen-Q*, *Organizational performance* 

#### 1. Introduction

The creative industry according to the Indonesian Ministry of Commerce (2009) is an industry that comes from the use of skills, creativity, a person's talent in creating well-being and employment. The creative industry is an economic activity related to innovation, ideas and ideas, creativity originating from human resources, so that products or goods and produced have added value (Djulius, H., et., al., 2019). Human resources are considered the main capital for the creative industry. To improve the creative industry in Indonesia, it is also necessary that superior and skilled human resources to increase economic growth in Indonesia.

Human resources are an important factor in an organization or company, especially in the creative industry. The company should pay attention to several aspects to minimize problems and utilize human resources for the creation of success in the company. According to Kalangi (2015), human resources are used as other resource drivers and have a strategic position that contributes to creating the performance of the company's organization with a competitive advantage. Therefore, human resources should be managed properly to further improve the effectiveness and efficiency of an organization.

In order to be able to compete, the company must have human resources that have high knowledge and skills and efforts to manage companies with as optimally as possible so that they can increase performance. Like research conducted by Suryani and John (2019), In research in the small and medium enterprises in the United Kingdom found a significant influence between human resource management on organizational performance. According to Mamik (2015) stated that performance as a form of work carried out by someone. Performance is used as a basic assessment or evaluation that is useful as the power to meet employee demand. The progress of an organization and company is very dependent on team performance. The team's performance will be good if the employee has high expertise, the willingness to work, the existence of rewards or proper wages and have future expectations (Prawirosentono, 2008). One aspect that has an influence on whether or not the performance in the organization is leadership.

Leaders have a very large role in supporting or realizing between expectations with reality in a company's success in achieving goals. Leaders are able to influence the performance of employees in achieving these goals through appropriate leadership. Leadership style will affect the skills of employees. The lack of employees motivated in their performance, it requires leadership roles in guiding, directing employees so that they create high discipline for employees. The success or failure of an organization, depends on the leadership style of its superiors. According to Utaminingsih (2014), leadership style is a tendency for orientation from a leader's activity when influencing subordinate activities to achieve organizational goals. Leaders with their leadership style determine the company's strategy both long-term and short-term. According to Indriartiningtias et al. (2019) and (2017), leadership style is one of the factor that influence the group's creativity, one of the importance variable to achieve organizational goals.

In addition to leadership styles, the work environment is one of the factors that influence the performance produced by employees. The work environment is attached to employees so that it is very influential in the effort to develop performance in the organization. The work environment consists of physical and non-physical. The non-physical work environment includes the hospitality of the attitude of employees, the attitude of mutual respect for differences of opinion which is a required requirement to continue to foster the quality of employee thinking that can create creative ideas in work (Sanny, et., al., 2013). The work environment is one of the factors that can affect work productivity and employee work effectiveness. The shape can be in the form of material environments such as places and production facilities, as well as psychological environments such as the atmosphere of social relations between personal companies, for example, namely relations with superiors, relations with subordinates and fellow coworkers relations. The work environment is everything around the workforce and can affect employees in carrying out the tasks given to him. The work environment is formed by external commitment that arises because of the demands of the settlement of duties and responsibilities and internal commitment is highly determined by the ability of leaders and organizational environments in needing professional attitude and behavior in completing the Company's responsibilities (Prihantoro, 2015). The conducive work environment provides a sense of security and allows employees to work optimally. The work environment can affect employee emotions.

#### 2. Research Methods

#### Performance

Performance is an idea of the level of achieving the implementation of tasks in an organization, to realize the objectives, objectives, and mission, and vision of an organization (Tangkilisan, 2005). According to Suryani and John, (2019), organizational performance will be achieved if the task or work is carried out effectively and efficiently and remains relevant to the desire of stakeholders. The main component of organizational performance includes an understanding of achieving goals that are appropriate (effective) and using relatively small (efficient) human resources as operational management behavior. Organizational performance is used as an indicator of organizational success in achieving independence and efficient goals. Organizational performance depends on employee behavior which is a source of sustainable competitive advantage (Kalangi, 2015). Organizational performance is influenced by many factors that can create success or failure. The factors that influence organizational performance are as follows: Motivation, organizational culture, compensation, leadership, job satisfaction. discipline, work environment, organizational commitment (Fikri, 2018).

Leadership style

According to Utaminingsih, 2014, leadership style is the tendency of orientation from a leader's activity that subordinate influences activity to achieve organizational goals. Leadership style is a pattern of behavior and strategies that are often applied by a leader. A good and appropriate leadership style should understand the personal characteristics of his subordinates. The leadership style that is preferred by subordinates is partly determined by their characteristics. The leadership style is divided into two dimensions, namely the dimensions of the task are called "directing" that are oriented to the product and human dimensions related to the term "support" oriented to subordinates. Leadership is divided into two. namelv transactional leadership and transformational leadership.

# Work Environment

The work environment is the entire tool for tools and materials faced, the surrounding environment where people work, their work methods, and their work arrangements are both individuals and as groups. The work environment is a whole of work facilities and infrastructure around employees who are doing work that can affect the work itself (Rahman, 2017). According to Afandi (2016), things that need to be considered to create a good work environment, namely: workplace buildings, spacious workspaces, good air ventilation, availability of places of worship, the availability of employee transportation facilities, the work environment consists of a work environment Physical and psychological work environment. Indicators for the work environment are as follows:

Table 1. Indicators of the Pawirosumarto WorkEnvironment, et al. (2017)

Indicator	Items
Work atmosphere	Great work atmosphere satisfying, work atmosphere wich support
Relationship with colleagues	Harmonius relationship, no there is mutual intrigue profitable
Work facilities	Complete equipment, equipment modern

## Structural equation modeling (SEM)

Structural Equation Modeling (SEM) is a multivariate analysis technique developed to cover the limitations that the previous analysis models have been widely used in statistical research. The models referred to include regression analysis, path analysis, and confirmer factor analysis (Jonathan and Herlina, 2012). Structural Equation Modeling (SEM) is one of the multivariate analyzes that can analyze the relationship between attributes more complex (Haryadi and Winda, 2015).

According to Yamin and Heri (2009), the main concept of SEM is minimizing the difference between the sample covariance matrix and implied covariance matrix. The sample covariance matrix is a covariance matrix obtained from the existing original data calculation, while the Implied Covariance Matrix is a covariance matrix calculated based on the estimated model made. In general, there are five stages in SEM procedures, namely: Model specification

- 1. Model specifications
- 2. Model identification
- 3. Estimated models
- 4. Model's compatibility test
- 5. Model interpretation

# PLS (Partial least square)

According to Abdillah and Jogiyanto (2015), the definition of pls is a multivariate statistical technique used to make a comparison between the dependent and independent variables. Other definitions pls are one of the SEM statistical methods based on variants, pls awaited to complete multiple regression when problems in data, such as missing values, small research samples, and multicollinearity. Pls are a variant analysis of structural or sem-based equations, can test the measurement model and at the same time for structural testing. The measurement model is used for reliability and validity tests, while structural models are used for hypothesis testing with predictive or causality models. SEM variant aims to predict the model in the development of theory. So pls are a tool used to predict causality for the development of theory.

#### 3. Results and Discussion

### 3.1 Description of the object of research

PT. Tigaraksa Satria, Tbk is an industrial engaged in the creative industry buying and selling educationalbased toys. PT. Tigaraksa Satria, Tbk has 4 business units, namely: Consumer Product, Educational Product, Blue Gaz, Manufacturing. PT. Tigaraksa Satria, Tbk. -Smart Family Division established in 1973, is an exclusive distributor and sales that focuses on developing potential children's intelligence in Indonesia through learning at home and the role of parents such as ETL Learning, Al Qolam, and others.

PT. Tigaraksa Satria, Tbk. - Smart Family Division has several online sales groups to market products such as online sales groups Idea, Gen-Q, CSC, and others. In each group, there is an EPD Leader (Educational Product Distribution) which is a partner appointed by the company to develop the Education Product business. EPD has a sales team called EPC (Educational Product Consultant). Each EPC has a sales team called Reseller to help increase sales. In EPC there are two categories, namely EPC Qualified, and EPC Freelancers. EPC Qualified is an EPC whose sales can achieve targets that have been determined by the company, namely 300 units of products in 3 months. While EPC Freelancers can only sell products less than 300 units in 3 months. The object used in this study is in the online group of Gen-Q EPD-R which oversees 80 EPC.

#### 3.2 Descriptive analysis

# 3.2.1 Descriptive Analysis of Respondents

Descriptive analysis of respondents discussed the general description of respondents which included gender, age, and last education. This research was conducted on EPC and Reseller of PT. Tigaraksa Satria. Most of the marketer are women with age around 20 - 35 years old. Almost of them have no experience with online marketing and have aducation in senior level.

## 3.2.2 Descriptive analysis of research variables

Descriptive analysis The research variable was conducted by viewing the average of the respondent's answer score then compared to the assessment interval. Measurement of these variables uses a score of 1 for the lowest score and score 4 for the highest score. Scale Interval Assessment as follows:

Interval = ((highest score - lowest score)) / (number of categories)

#### = ((4-1)) / 4 = 0.75

#### 3.2.3 Reliability test

The reliability test is used to measure the consistency of a research measuring device or questionnaire if the measurement is carried out repeatedly. If the value of r count is greater than 0.6, then the measuring instrument is declared reliable.

# 3.3. Partial Least Square Analysis

Analysis of Outer Models defines how each indicator is associated with its latent variable. The test carried out on the Outer model includes Convergent Validity, Discriminant Validity, Construct Reliability and Validity, and Average Variant Extracted (AVE).

# 3.3.1 Testing Measurement Model (Outer Model)

Testing Convergent Validity is used to determine the resulting value of the correlation relationship of each indicator and construction. If the value of the Convergent Validity of each indicator is greater than 0.5, it is said to be valid.

From the calculation, there are still attributes that produce convergent validity values below 0.5, namely the indicators X1.13, X1.5 and X1.7. Therefore, the three indicators must be eliminated from the model. Convergent validity can also be seen from the Average Variant Extracted (AVE) value with the condition that it has a value > 0.5.

#### 3.3.2 Evaluation of Inner model

Evaluation of the inner model can be done by analysis, namely by looking at the values of R-square, f-square and Q-square. From the results of the outer model test above, namely the convergent validity test, discriminant validity, there are several attributes that are committed for the evaluation stage of the inner model.



Picture 1 Final Model PLS

# Measurement of Goodness of fit (GOF)

Goodness of fit (GOF) Measurement of Godness of Fit (GOF) is used to determine the overall assessment of the PLS model. If the GOF value is 0.1, it can be said to be small, if the GOF value is 0.25, it can be said to be medium and if the GOF value is 0.36, it can be said to be large. The communality table and the calculation of GOF values in the final PLS model are as follows.

Table 2. Goodness of fit value

Variable	Communality
Leadership style	0,605
Work environment	0,606
Tea, performance	0,726

#### Hypothesis test

Hypothesis testing is done by comparing the pvalue with a significance level of 0.05. Decision making is in the form of if the p-value is less than equal to 0.05 then reject H0, if the p-value is more than 0.05 then accept H0. The following are the results of the influence of the work environment and work motivation on performance.

Table 3. P-value

Variable	P-Value	Limit Value
Leadership style	0.000	0.05
Work environment	0.043	0.05

*Influence of Leadership Style on Team Performance* a. Hypothesis

 $H_{\ensuremath{0}}$  : Leadership style has no effect on team performance.

 $H_1$ : Leadership style has an effect on team performance.

b. Decision-making:

If the p-value 0.05 then reject  $H_0$ , If p-value > 0.05 then accept  $H_0$ .

c. Decision

The p-value on the influence of leadership style on team performance is 0.000, meaning the p-value <0.05, then reject H<sub>0</sub> with the conclusion that leadership style affects the performance of the EPD-R online team. The leadership style for qualified EPCs is seen from the ideal influence on resellers, moving resellers in achieving sales targets by providing motivation and enthusiasm to always be diligent in promotions. When viewed from individual considerations, qualified EPCs give personal attention to resellers by providing input and stories of the struggles of the ups and downs of leaders on the road success. When viewed from inspirational to motivation, Qualified EPCs increase the enthusiasm and optimism of resellers in achieving sales targets by holding challenges to resellers and giving attractive appreciation and rewards if they can complete them. When viewed from the intellectual stimulus, qualified EPCs develop creative ideas by telling resellers to carry out promotions using attractive language and appearance so that customers can be interested. In a qualified EPC, if a reseller makes a mistake or his performance is decreasing, usually the EPC will take a personal approach by asking about the obstacles that make the reseller's performance decrease. Qualified EPCs develop creative ideas by telling resellers to carry out promotions using attractive language and appearance so that customers can be interested. In a qualified EPC, if a reseller makes a mistake or his performance is decreasing, usually the EPC will take a personal approach by asking about the obstacles that make the reseller's performance decrease. Qualified EPCs develop creative ideas by telling resellers to carry out promotions using attractive language and appearance so that customers can be interested. In a qualified EPC, if a reseller makes a mistake or his performance is decreasing, usually the EPC will take a personal approach by asking about the obstacles that make the reseller's performance decrease.

The leadership style in EPC freelancers is seen from the ideal influence on resellers, moving resellers in achieving sales targets by giving enthusiasm to always be diligent in promotions. When viewed from individual considerations, EPC freelancers motivate and increase the work spirit of resellers by sharing with resellers or holding classes that are felt needed by resellers by inviting speakers from more experienced (senior) EPCs. When viewed from inspirational motivation, EPC freelancers increase the enthusiasm and optimism of resellers in achieving sales targets, usually by greeting the sales group regularly and contacting them personally if they feel the need to do so.

When viewed from the intellectual stimulus, EPC freelancers develop creative ideas by telling resellers to do promotions in a unique way or in an attractive appearance so that customers can be interested. In freelancer EPCs, if the reseller makes a mistake or their performance decreases, usually the EPC will provide encouragement and support to the reseller. Most EPCs in the EPD-R sales team are dominated by women aged 26-30 years. Where that age is more experienced and mature in business so as to provide a fairly good

leadership style to resellers. When viewed from the last education of EPC, the majority of EPCs have a fairly good education, namely Diploma/Bachelor.

3.6.2 Influence of Work Environment on Team Performance

- a. Hypothesis
  - $H_0$ : The work environment has no effect on team performance.
  - $H_1$ : Work environment affects team performance.
- b. Decision-making: If the p-value 0.05 then reject H<sub>0</sub>, If p-value > 0.05 then accept H<sub>0</sub>.
- c. Decision

The p-value on the influence of the work environment on team performance is 0.043, meaning that the p-value <0.05, then reject H₀ then accept H₀ with the conclusion that the work environment affects the performance of the EPD-R online team. The qualified EPC group environment when viewed from the relationship between resellers has good communication, resellers support each other and are actively present in online sales groups. Meanwhile, if viewed from the relationship between EPC and resellers, EPC provides motivation and every day, holds sharing between resellers or provides materials that can inspire the resellers. In addition, EPC also provides information in completing tasks or sales.

The freelancer EPC group environment when viewed from the relationship between resellers has good communication, but in the freelancer EPC group, resellers are less active in the online sales group. Meanwhile, when viewed from the relationship between EPC and resellers, EPC freelancers communicate well with resellers so that they are enthusiastic about their work, namely by personally asking about resellers or exchanging information about sales. The information is usually about the difficulties of resellers in getting and dealing with customers. Most resellers in the EPD-R sales team are dominated by women aged 20-25 years. This shows that women aged 20-25 years are of productive age who have sufficient energy and have many ideas.

#### Discussion

Strategies to increase product sales targets for the team, qualified EPCs and freelancers have different strategies. In EPC qualified, the strategy is used to increase product sales targets, such as attractive promotions on social media on a regular basis and increase the ability of resellers to sell by holding learning classes, for example creating unique images or videos so that customers are more interested in viewing. Meanwhile, the freelancer EPC strategy increases product sales targets by continuously recruiting new resellers with the hope that the more resellers, the more customers will be obtained.

Strategies that can increase freelancer EPCs to become qualified EPCs according to interviews that

have been conducted with qualified EPCs are as follows.

# Table 1 Strategies to increase freelancer EPC to qualified EPC

No	Strategies
1	Understand product knowledge, routinely carry out
	product knowledge with resellers
2	Holding learning classes for resellers
3	Open recruitment for new resellers
4	Open lottery method, as one of alternative system
5	Greet frequently in sales groups or personally, with
	the aim of making resellers more active
6	Hold a challenge for resellers to be more active in
	selling.
7	Encouraging and motivating resellers to increase
	reseller sales.
8	Asking the problems faced by resellers.
9	Help solve reseller problems or help handle
	complaints from customers.
10	Sharing information that can move resellers to
	increase sales and how to get customers.
11	Promotions on various social media.
12	Giving directions and reminding resellers to always
	do promotions regularly.
13	Support each other.
14	Time management for both EPC and resellers.

#### 4. Conclusion

Based on the results of the previous analysis and discussion, the following conclusions can be drawn.

- 1. Leadership style has a positive and significant influence on the performance of the online EPC team at EPD-R PT. Tigaraksa. The path coefficient value of the leadership style variable on online team performance has a positive value. It can be said that the better the EPC leadership style, the better the team's performance.
- 2. The work environment has a positive and significant influence on the performance of the online EPC team at EPD-R PT. Tigaraksa. The path coefficient value of the work environment variable on online team performance has a positive value. It can be said that the better the EPC leadership style, the better the team's performance

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