

## THE INFLUENCE OF LEADERSHIP STYLE, TRAINING AND DEVELOPMENT THROUGH EMPLOYEE ENGAGEMENT ON SENIOR MANAGER PRODUCTIVITY: A CASE STUDY AT BANK LAMPUNG

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### ABSTRACT

*Human resource management is one of the essential aspects to improve the company's performance in achieving the vision and mission of the organization. To face business competition for banks, they need to be supported by a productive leadership and resource role. Based on this, the author is interested in investigating employee productivity factors that affect banks' performance. Moreover, concerning the field's research results, several findings have made the author focus on studying leadership style, training and development, and employee engagement on employee productivity. A sample of the respondents consisted of 57 Senior Manager Officers of Bank Lampung employed in this research. The analysis technique used was structured equation modeling (SEM) with the Partial Least Square (PLS) research tool and the data retrieval method using questionnaires to all the respondents. The research analysis revealed leadership style, training and development through employee engagement significantly affected employee productivity.*

**Keywords:** Leadership Style, Training and Development, Employee Engagement, Employee Productivity

### 1.0 INTRODUCTION

In the face of changes in the business environment in banking, BPD challenges, effective leadership, and Human Resources (HR) roles are essential to increase the function and ensure Bank Lampung continues to grow and develop. In line with business challenges in the future, especially in the face of competition in the VUCA era, especially digitalization, Bank Lampung must respond appropriately, both from the business, operational, and management aspects. For that, Bank Lampung needs to draw up a strategic management plan that aligns with the company's strategy in Bank Lampung's Corporate Plan. This strategy ensures the availability of leaders and employees who have competence and performance based on the quantity and quality needed to support business needs.

The quality of human resources or employees can be measured through employee work productivity. Employee work productivity is a real behavior displayed by everyone as work performance is produced by employees following their role in the institution or company (Gaol, 2014). Every company always expects its employees to have high worker productivity. Having employees with high work productivity will make optimal contributions to the company and increase their work productivity. Bank Lampung strives to face the conditions of intense business competition with HR strategy, organizational and leadership changes, and the business potential of Lampung. Bank Lampung is trying to rise forward to survive and continue to grow its business (Bank Lampung, 2021). In addition, Bank Lampung views existing human resources as a very valuable resource to realize the company's success. For this reason, the

Human Capital Management System has become very important and strategic. This system considers the increasingly complex and competitive business environment that demands Bank Lampung to have techniques and strategies to provide and maintain competent leadership, human resources, and high commitment (Bank Lampung, 2021). Moreover, Bank Lampung's human capital strategy to achieve its vision & mission through strengthening organizational structures that support business development, increased core competency of workers through training and certification, and the application of a competitive corporate culture.

Based on the description above, the researcher would like to know "The Influence of Leadership Style, Training and Development through Employee Engagement towards the Productivity of Senior Manager of Bank Lampung." The scope of this research includes variables independent: leadership style, training and development, and employee engagement as variable intervening. The variable dependent in this research is Senior Manager Productivity, while the research object studied occurs at Bank Lampung. The results of this research are expected to be useful as input on the right human capital strategy for Bank Lampung in improving work culture and increasing the productivity of its employees to compete and improve business performance.

## 2.0 LITERATURE REVIEW

Human Resources has a very important role in an organization. Processing good human resources can encourage employee performance and further boost organizational performance. The performance of its employees greatly influences the success of a company. For this reason, the company strives always to improve the performance of its employees so that the company's goals or targets can be achieved by processing human resources. Edison et al. (2016) describe HR management as a way to manage, motivate and form Human Resources in supporting activities in organizations/companies effectively and efficiently under their goals. Meanwhile, Bintoro and Daryanto (2018) explained that HR management is the science of managing the relationships and roles of employees owned by each individual, efficiently and effectively and used to the maximum, so that organizational goals are achieved, and employees and society become maximal.

Performance management significantly impacts organizational effectiveness (Cardy, 2004) and should be the manager's top priority (Lawler, 2008). Studies show organizations today face challenges that require attention to improve performance management (Buchner, 2007). One of the important ways to improve employee performance is by focusing on maintaining employee engagement. Performance management literature now includes studies that focus on the contribution of employee engagement to employee performance, thus emphasizing the importance of employment in the performance management process.

Several factors influence employee performance. The factors are, first, various demographic factors that are individualistic, such as age, gender, physical condition, race or ethnicity, and the capabilities and experiences of employees. Second, organizational factors, such as corporate culture, executive support, leadership, and the physical condition of the workspace (Robbins et al., 2018). That is why a company is serious in evaluating the performance of its employees as there are profit targets to be achieved. The higher the productivity of work, the greater the company's profit.

Sedarmayanti (2011) explained that work productivity is a comparison between the results achieved (output) and the overall resources used (inputs). Employee productivity is a variable that is influenced by many factors, including work attitude, skill level, the relationship between the workers and the organization's leadership, productivity management, labor efficiency, and entrepreneurship. Input is commonly called a four-factor: work attitudes, skill levels, the relationships between workers, and management.

Sutrisno (2019) explained various determinants that can increase employee productivity, including continuous improvement, improving the quality of work results, empowerment of HR, training, mental and physical abilities, and relationships between superiors and subordinates. In comparison, Sunyoto (2012) mentioned three factors, education, training, and employee motivation, including organizational factors, employee health, employee motivation, and interpersonal communication involved in the production process. Hence, various factors can affect employee productivity, such as continuous improvement, improving the quality of work outcomes, and empowerment of human resources. In addition, training, mental and physical abilities of employees, relationships between superiors and subordinates, education, training, and employee motivation, including organizational factors, employee health, employee motivation, and interpersonal communication involved in the production process.

According to Fahmi and Sanika (2019), the company will get favorable or detrimental results based on its employees' performance. In line with Fahmi and Sanika (2019) and Suryana, et al. (2019) mentioned that employee engagement and organizational culture positively and partially affect performance significantly. In addition, employee engagement and organizational culture have a significant simultaneous effect on performance. The success of an HR that can drive the company's organizational performance is influenced by its employees.

Jaroslav (2013) has proven the link between leadership style and sales productivity of bank employees and the room for increased productivity in the banking sector in Slovakia. The effect of leadership style on employee attitudes towards leaders also influences employee performance. Fard and Nda (2013) concluded that training and development positively and significantly impact employee productivity as training can improve employee initiative and quality of work and help employees be more committed to achieving organizational goals to increase employee effectiveness. Demerouti et al. (2010) stated that engagement could improve performance due to various factors. These findings are supported by many studies that have come to a positive relationship between employee engagement and individual performance (Halbesleben, 2010; Mone & London, 2018). This research aimed to identify and quantify the influence of the key factors of employee engagement, recognized in the study towards employee performance.

Anitha (2014) tested the influence of employee engagement on employee performance and proved employee attachment significantly affects employee performance. In general, employee engagement is defined as the level of commitment and an employee's involvement responsibility to the organization and its values. When employees are involved, they are aware of their duties in the company's business objectives and motivate their colleagues to achieve mutual success under the company's goals. An employee's positive emotional relationship with his performance reflects a positive attitude towards the workplace and its value system. Fleming and Asplund (2007) examines further and presents employee engagement as the ability to capture your employees' heads, hearts, and souls. Fleming and Asplund (2007) established cognitive and emotional aspects of engagement to instill intrinsic desire and passion or passion for excellence to achieve excellence, thus adding a spiritual element. According to Sanford and Coffman, (2002), in engagement, there are three types of employees: engaged employees or employees who are involved, not engaged employees or employees who are not involved, and actively disengaged employees or employees who are not actively involved.

The literature proves that group performance and goal achievement are related to the leadership style used by leaders, directly influencing employee behavior. It utilizes extra effort on their work and considers their leaders effective. Furthermore, literature shows transformational leadership styles have no significant positive relationship with employees' willingness to employ extra effort (Spano-Szekely et al., 2016). Research also proves that when employees put in more effort and work more than is needed, it adds to those who become organizational performance leaders of their productivity. Previous studies have revealed

leadership styles affect employee performance in many ways. deVries et al. (1998) explain that more human-oriented leadership styles improve job satisfaction.

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 The Type of the Research**

The type of research used is descriptive research. According to Suryana (2010), a descriptive study aimed to create systematic, factual, and accurate descriptions of the facts and properties of populations of a particular area. Generally, the problems formulated in this method should not be too broad; instead, the goal is not very general. Besides, the data used must come from reliable facts, not opinions.

This research aimed to discover and analyze the influence of Leadership Style, Training and Development through Employee Engagement towards Senior Manager Productivity of Bank Lampung. The design used was a hypothesis test using a descriptive method - cross-sectional or one shoot data collection, where sample information is collected only once (Malhotra & Birks 2007). Data collection was carried out on September 2021; then, the data was processed, analyzed, and drawn conclusions.

The research used partial least square (PLS) analysis to test 3 (three) hypotheses proposed in the research. This method used Smart PLS 3.2 software to analyze each hypothesis to test the relationships between the variables.

#### **3.2 Data Collection Techniques**

Sampling techniques are saturated samples. All members of the population are used as samples. Saturated sampling in this research is all Senior Managers of Bank Lampung. They are 57 officers who work as Executive officers with a coordination line to the Board of Directors and have subordinate/team members. In this research, the data used was primary data: data collected by the researcher to solve problems proposed in the study (Malhotra et al., 2017). The researcher collects qualitative data from the source or the research object conducted. The research instrument or tool used in questionnaires was a data collection technique done by providing a set of questions or written statements to respondents for answers and questions related to the three variables of this research, Leadership Style, Training and Development, and Employee Engagement. The research instrument used was a questionnaire with the data type on the Likert scale. The Primary data was done by providing online questionnaires in Google forms to the Bank Lampung working environment officers.

### **4.0 FINDINGS AND DISCUSSION**

#### **4.1 Convergent Validity and Reliability**

In this research, hypothesis testing used Partial Least Square (PLS) analysis techniques with the SmartPLS program. To test convergent validity, the researcher used indicators of each variable, namely: GK (Leadership Style), PLP (Training and Development), EE (Employee Engagement), and Employee Productivity.

Convergent validity applied outer loading or loading factors. An indicator is declared to meet convergent validity well if it has an outer loading value of more than 0,7. Based on each of the indicators of research variables that already had a value, several indicators had values below 0,7, so the researcher needs to remove some outer loading indicator values below 0,7, including EE2, EE9, EE10, EE12, GK5, GK6. Therefore, the researcher draws invalid indicators and re-edits the data.

After testing again for the second validity, it showed the value of each indicator of the research variable that there were still indicators with an outer loading value of less than 0,7. However, according to Ghazali (2016), outer loading values can still be analyzed and tolerated up to 0,5 to 0,6. Hence, all indicators declared viable or valid to continue further research and analysis. In addition to convergent validity tests, there are several criteria for assessing outer models. One of the criteria is a construct reliability test that looks at the average variant extracted (AVE) value. According to Ghazali (2016), the required value must be more than 0,5 for a good model of each indicator.

**Table 1 Contract Reliability and Validity**

Matrix	Composite Reliability	Average Variance Extracted (AVE)
Employee Engagement - EE	0,924	0,604
Leadership Style - GK	0,91	0,593
Training and Development - PLP	0,906	0,617
Productivity	0,915	0,643

Based on the presentation of data in Table 1, the average variance extracted (AVE) value of employee engagement variables: 0,604, leadership style: 0,593, training & development 0,617, and employee productivity 0,643, each indicator required the AVE must be more than 0,5 for a good model. Thus, all variables already had good discriminant validity.

#### 4.2 The Goodness of Fit Test

The coefficient of determination (R square Adjusted) in Table 2 showed how much the influence of variable effects (independent variables/X variables) towards the variable affected (dependent variable/Y variable). Based on data processing through Smart PLS 3.0 software, the result of R- square value:

**Table 2: The Goodness of Fit R Square Test Results**

Matrix	R Square	R Square Adjusted
Employee Engagement (Z)	0,732	0,723
Productivity (Y)	0,668	0,662

Based on Table 2, the R Square Adjusted for Employee Engagement value result was 0,723, and the R square was 0,732. According to Ghazali (2016), the R Square adjusted result of bigger than 0,67 indicates exogenous variables against endogenous variables in the good category. In contrast, the 0,33-0,67 belongs to the medium category and the 0,19-0,33 in the weak. Therefore, this research design belongs to the good category with a value of 0,723. The R Square Adjusted value of the employee engagement variance in that table showed 72,3%, which could be explained by changes in the Leadership Style and Development Training variable. The other 27,7% was due to the other factors outside the model.

As for the total value result of Employee Productivity from R Square adjusted was 0.66 and R square was 0.67. According to Ghazali (2016), the R Square adjusted result of bigger than 0.67 indicates exogenous variables against endogenous variables in the good category. In contrast, the 0,33-0,67 in the medium category and the 0,19-0,33, in the weak. Therefore, this research design belongs to the medium category with a value of 0.66. The R Square Adjusted Productivity value of the employee productivity variance 0,66 showed 66%, which could be explained by changes in Employee Engagement variable of the productivity value. The other 34% was due to the other factors outside the model.

#### 4.3 Hypothesis Test

Hypothesis testing in research work is done by comparing the value of T-Statistics with T-Table or by comparing the value of P-Values and alpha (T-Statistics) determined. Regarding the data in this research that has been done, the results can be used to answer the hypothesis.

The research hypothesis is declared accepted if the value of P Values < 0,05. The following are the hypothesis test results obtained through the inner model.

**Table 3: Table of Construct Relationships Between Variables**

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics ( O/STDEV )	P-Values	Results
Employee Engagement_(Z) -> Productivity (Y)	0,818	0,83	0,036	22,581	0,000	Significant
Leadership Style_(X1) -> Employee Engagement_(Z)	0,651	0,651	0,087	7,967	0,000	Significant
Training and Development_(X2) -> Employee Engagement	0,293	0,293	0,088	3,32	0,001	Significant

(Source: **The Results of Analysis with smart PLS**)

Based on Table 3, T-Statistics must be bigger than 1,95, and P-Values smaller than 0,05 indicate relationships between significant variables. Figure 3 above summarizes the results of PLS calculations and significance, describing the relationship between the significant variables.

## 5.0 CONCLUSIONS

To conclude that all variables had a significant positive influence on employee productivity, this is the evidence from the results of the following hypothesis tests:

1. Leadership Style positively and significantly influenced on Employee Engagement, T-Statistics > T-Table or 7,97>1,96 with a significant rate of 0,000<0,05. It means that The Leadership Style had a positive and significant influence on Employee Engagement.
2. Training and Development positively and significantly influenced on Employee Engagement, T-Statistics > T-Table or 3,32>1,96 with a significant rate of 0,000<0,05. It means that Training and Development had a positive and significant influence on Employee Engagement.
3. Employee Engagement positively and significantly influenced on Employee Productivity, T-Statistic > T-Table or 22,581>1.96 with a significant rate of 0,000<0,05. It means that Employee Engagement had a positive and significant influence on Employee Productivity. Regarding all the results above, in increasing employee productivity through employee engagement, Bank Lampung focuses on developing leadership style and training and development for its senior manager officers.

The right human resources strategies for Bank Lampung are increasing its employee engagement by following improvements in leadership style and training and development to achieve the productivity of its employees and improving its business performance. The leadership role is essential in establishing, executing, and monitoring the company's goals and strategies in the bank's business plan. Leaders should do developing through mentoring and coaching to achieve employees' attention and complete work that supports performance beyond the targets that have been set. The company is also expected to develop and implement performance-based cultural programs that help more innovative and proactive employees. Besides that, it is necessary to rearrange career paths and employee talent development programs. For this reason, the employee engagement survey results are to be followed up by each work unit by creating an action plan under each team's agreement to build a more caring and comfortable work culture and work environment that can increase employee engagement.

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