The Role of Leadership 4.0 and Harmonization as a Determinant of Employee Performance

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Received August 05, 2021; Accepted November 20, 2021  
ISSN: 1735-188X  
DOI: 10.14704/WEB/V19I1/WEB19020

Abstract

The purpose of this study is to examines the determinants of employee performance, which includes leadership and employee harmonization. The study uses a quantitative approach. The research data form of primary data which are assessments of respondents by the method of data collection is a survey using a questionnaire. The sample unit in this study was PT JICT (Persero) employees. Given the stratified population characteristics, the appropriate sampling technique to be used is stratified proportional random sampling. The sample in this study was 245 JICT employees taken randomly using the lottery method. Data analysis using the PLS (Partial Least Square) analysis model. The research show that Leadership 4.0 (X1) and Harmonization (X2) both have a significant positive impact on worker performance. The originality of this research is the development of a more comprehensive concept of employee performance involving leadership variables that are in line with industrial era 4.0 and harmonization.

Keywords

Leadership 4.0, Harmonization, Employee Performance.
Introduction

As a maritime country, Indonesia is characterized by ownership a add up to ocean region of 5.9 million km², comprising of 3.2 million km² of regional waters and 2.7 km² of waters of the Select Financial Zone. Indonesia, with a vast sea area, has a huge marine economic potential. The marine economy covers 11 economic sectors; one of the most important is sea transportation. Sea transportation is closely related to the role of the port. Lately, Indonesia's government has begun to pay serious attention to the development of the sea, including the development of ports.

According to the term, the type of the port is divided into three: (1) main port, (2) collecting port, and (3) feeder port. The main port has the primary function to serve domestic and international sea transportation activities in large and small quantities and cross transportation with provincial reach. The collecting port has the primary function to serve domestic sea transportation activities and intermediate transfer of domestic sea transportation, as a place of origin for passengers and goods, as well as crossing transportation with inter-provincial reach. The feeder port's primary function is to serve the activities of sea transportation and loading of domestic transportation in a limited amount and as a put of beginning for travelers and/or merchandise coming to the area. Benefit exercises related to ports incorporate exercises that bolster operational smoothness and give included esteem to the harbour.

_Pelabuhan Indonesia_ (Pelindo) is a State-Owned Company (BUMN) that manages four ports. One of the well-developed ports is Pelabuhan Indonesia II (Pelindo II). This can be seen from Pelindo II (Persero)'s target to become a world-class port in 2020. One of the methods carried out by Pelindo II is to digitize port operations based on automation.

Each subsidiary and group of companies makes a meaningful contribution to PT Pelindo II. One of the companies that made major contributions is PT Jakarta International Container Terminal (JICT). PT JICT can provide rental fees to PT Pelindo II up to Rp 1 trillion every year. On the other hand, PT JICT has also provided Rp. 15.44 trillion to the Government through tax payments and profits to Pelindo for two decades.

PT JICT was established in 1999 and is engaged in holder stacking and emptying administrations, both trade and moment at Tanjung Priok Harbour. Based on its operational scope and capacity, PT JICT is the largest and busiest container terminal in Indonesia. However, the relationship between the JICT Workers Union (employees) and the Board of Directors (management) is not good. Problems with poor relations between
two parties hinder employee performance. As such, PT JICT needs to identify the factors that shape the harmonization between the union and management. Also, to maximize employee performance, PT JICT needs to identify other variables that can affect worker skill.

Taskiran et al. (2017) also conducted a study entitled "The Effect of Harmony between Organizational Culture and Values on Work Goals" where the purpose of this study was to determine the effect of harmonization between organizational culture and values on job satisfaction. The analysis used in this research is regression analysis. Many of the respondents of this study were 181 employees working in private hospitals in Istanbul. The results of this study indicate that the cultural value that causes high employee job satisfaction is a traditionalist/conservative culture. Furthermore, the cultural variation that has the second strongest influence in influencing job satisfaction is the impulsive / hedonistic adhocracy culture.

Based on the literature review of the previous study, no research has been found on the concept or model of employee performance involving Leadership 4.0. This can be an opportunity to have this research, making it a gap in this research. On the other hand, there is no study of employee performance concepts or models that involve harmonization.

Based on the description above, the role of leadership is crucial and central to improve company performance, both directly and indirectly. Thus, a study is needed to determine what leadership style is suitable to bridge the interests of shareholders with the interests of JICT Trade Union employees or the effectiveness of the leadership style to deal with pressures from employee aspirations. Until today, there have been many leadership styles that were conceived. The leadership style is chosen and applied based on the conditions of each company. Currently, it closely related to the era of the industrial revolution.

Port leadership must evolve following the era. The industrial revolution 4.0 is more digitalistic, so the leader must be able to launch innovations and create mechanisms for leadership. The leader must be able to adapt and make efficient changes. Leadership should be industrialized with industry to produce performance satisfaction.

This study examines the determinants of employee performance, including leadership and employee harmonization. The novelty of this study is the use of harmonization variables as determinants of employee performance, which there has not been previous research using harmonization variables as determinants of employee work. In addition, the use of
the leadership 4.0 variable is also a novelty of this research, with previous research still using the leadership style variable as a determinant of employee performance.

In this case, the leadership chosen should be in accordance with the conditions of PT JICT, which currently follows the era of the industrial revolution 4.0 emphasizing digitalization. This is in line with PT JICT's parent company's target, i.e., PT Pelindo II, to become a world-class port by digitizing automated port-based operations in 2020. The development of comprehensive employee performance concepts by involving leadership variables under the era of the industrial revolution 4.0 and harmonization is also a novelty of this research.

Theoretical Framework

**Leadership theory.** Leadership can be interpreted as someone's actions to lead a group of people, such as organization. Over the years, theories about leadership have been a source of various studies. Leadership theories usually contain about what aspects are believed the most to shape a person into a leader. One widely known leadership theory is the Great Man Theory popularized by Carlyle around 1840. It assumes that leadership is intrinsic, meaning that great leaders are people who are born to be leaders.

The next leadership theory was Behavioral Theories, which emerged around 1940 - 1950. This theory considers that leaders are the result of formation, not just born. This theory focuses on the behavior of the leaders who conflict with mental, physical, and social characteristics. Furthermore, Behavioral Theories divide leaders into two categories. The first category is leaders who care about tasks, while the second category is leaders who care about people. The following is the presentation of several leadership theories.

Leadership is the process of influencing or setting an example to followers through communication in an effort to achieve organizational goals. A leader in the organization must be able to create a harmonious integration with the businesses under him which also includes fostering cooperation, directing and encouraging the work enthusiasm of subordinates so as to create positive motivation that will lead to maximum intention and (performance) also supported by organizational facilities. to achieve organizational goals (Rivai, 2020).

**Democratic Leadership.** Anderson (1959) defines democratic leaders as people who share decision making with other members. This opinion is supported by Hackman and Johnson (1996) which discusses the relationship between democratic leadership and productivity. Sharma & Singh (2013) assess the style of a leader by referring to the style
of democratic leadership. For this reason, eight statements relating to leadership behavior and actions have been used. The statement is related to parameters: (i) Decision making, (ii) Subordinate involvement, (iii) Ideas and input, (iv) Employee participation, (v) Motivating factors, (vi) Participation and sharing of skills, (vii) Working with employees, and (viii) Mediation.

**Strategic Leadership.** Strategic leadership is usually defined as determining where an organization is headed and how to get there. This is mainly about leaders involved in strategic and 'long-term' planning, and are seen as a process that only top-level management has, which often happens behind closed doors (Cheng, 2000). When leaders are involved in the management process to analyze, plan, implement, monitor and evaluate, they are basically considered strategic.

**Transformational Leadership.** Transformational leadership is developed by combining the nature, behavior, and contingency approach to leadership. This type of leadership was first developed in 1978 by Burns. According to Burns, transforming leadership is a process in which "leaders and followers help each other to advance to a higher level of morals and motivation." Transformational leaders try to change the organizational culture. In addition, transformational leaders encourage followers to do more than necessary (Sosik et al., 2002), be proactive and help followers achieve unexpected goals (Antonakis et al., 2003), they move followers beyond direct personal interests (Bass, 1999).

**Leadership 4.0.** Along with the development of the industrial revolution era, it emerges the types of leadership that can accommodate the characteristics and needs of leadership in each industrial era. It starts from the era of the industrial revolution 1.0 to the era of the industrial revolution 4.0. Quoted from the official website of the Ministry of Industry (kemenperin.go.id), the era 1.0 revolution began when the invention of the steam engine. Steam engines are used to support the production process of production machinery, trains' operation, and the operation of sailing ships. A positive impact in this era is that production can be increased and distributed to various regions on a massive scale. In this era, one of the leadership styles was the authoritarian leadership style that turned into a democratic leadership style. Authoritarian leadership is a leadership style that, absolute control over employees emphasizes, is a standard mode of leadership among Chinese people, and it depends on the personal dignity of leaders, which directly shows superior-inferior relations between leaders and subordinates (Zhang et al., 2015).

After the industrial revolution era 1.0 ended, it was continued with the emergence of the revolution era 2.0. The era began with the discovery of power plants and combustion
motors in the late 19th century and ended at the beginning of the first world war. Discoveries in the industrial revolution 2.0 era led to the emergence of the telephone in the field of communication as well as cars and aircraft in the field of transportation. During this era, the most popular style of leadership was the Transactional leadership style.

After that, the era of revolution 3.0 emerged in 1970. Electronic goods and computer-based information technology and the internet are characteristic of the 3.0 industrial revolution era. One of the leadership styles applied in this era is the transformational leadership style.

The industrial revolution continued until the fourth Industrial Revolutionary Era, begun in 2011. Quoted from the Faculty of Economics and Business, Universitas Brawijaya (feb.ui.ac.id), industry 4.0 is the name given to the trend of automation and data exchange. This includes cyber-physical systems, the internet, cloud computing and cognitive computing. Characteristics of the industrial era 4.0 are the emergence of Artificial Intelligence (AI), the Internet of Things (IOT), unmanned vehicles (UAV), mobile technology (5G), Shared Platform, Blockchain, robotics and Bio-Technology (tirto.id). The development of the industrial revolution 4.0 needs to be accompanied by an appropriate leadership style; therefore, this research develops leadership 4.0.

Based on the Focus Group Discussion (FGD) participated by JICT representatives, JICT directors and commissioners, as well as academics/practical and JICT service users, several opinions can support the theory of Leadership 4.0 at PT JICT:

1) Harbor Culture

According to Commissioner 2 of JICT, the port's primary function, which is also local wisdom, is the conventional port activities in principle as a transit point. According to the Regulator from JICT, the local wisdom that still exists at the port is Bassula. According to JICT staff, the work culture at the port is paternalistic or hereditary and respects seniors with local wisdom in solidarity, teamwork, and religion.

2) Port Conditions

In the world of Sea Port, a measure of Sea Port efficiency is the time from incoming to outgoing goods (the faster, the better). It must be supported by technology in the Seaport that keeps running. Ports can be a pioneer in digitalization, especially with the outbreak of the industrial revolution 4.0, which is the impact of the transformation of change from
traditional to modernization. According to one JICT staff member, a developed port indicates developed countries. If Indonesia wants to grow better, it must advance the ports because Indonesia is a maritime country. In the port world, the Submission of Personnel, Financing, Equipment, and Documentation (P3D), where there are around 400 ports handed over to the regional government, will be faced soon.

3) Company Conditions

JICT is a New Order product and is privatized by BUMN (managed by foreign investors). JICT is a unique company and can last until now. The working principle of the company is 70% of the process and 30% of the results, or arguably JICT highly values the process of doing a job. JICT is a very dynamic company and provides opportunities for growth. Digitalization at JICT is an advantage, but it is still very commercial. The government itself recognizes that the system is still very colonial or obsolete. JICT has tried to improve the system and how makes it more accessible, which has been done, for example, in terms of administration. The problem with JICT is no more inconsistent, confusing to find open employees or prospective employees, and limited technology. Workers are dominated by blue collar workers or commonly called laborers. Millennial generation workers are few. According to Pelindo 2 Representatives, the management and Development of HR had not been done optimally, and the system was inadequate. According to one JICT staff, the company must prepare resources to face industrial conflict. What can be done include changing the culture or negative culture and preparing positive programs. JICT is also expected to prepare a new business to face the digital era so that it will not be left behind. The industrial world must be ready to undergo 4.0. JICT must be ready to undergo, for example making technological changes so that JICT remains at the forefront.

4) Leadership Sea Port 4.0

Port leadership must evolve following the era. The industrial revolution 4.0 is more digital. Leaders must be able to launch innovations and create mechanisms for leadership. In the future, leaders must be able to adapt and make efficient changes. Leadership should be harmonized with the industry to produce performance satisfaction. According to JICT Deputy Commissioner, the nature of leaders must be possessed in organizations/industries is Humble, Adaptive, Visionary, and Engagement.

Maulana (2013) explains that visionary leaders involve extraordinary ability, capability, and expertise to offer success and glory. Besides, a visionary leader is able to see the challenges and opportunities before they occur while positioning the organization to
achieve its best goals. Engagement or work attachment is the ability of an organization member to perform his work role, work, and express himself physically, cognitively, and emotionally during work (Schaufeli et al., 2002). Thus, leaders who have work attachments will perform their roles to the maximum.

The leader challenges are to build a legacy and must develop a positive culture of the company. Leaders must be able to run an existing culture and develop Good Corporate Governance (GCG) as well as resolve pending matters and HR development. Meanwhile, according to the Port IPC representative, millennial expectations for future Leadership are the leader has a responsible nature for what determined, has integrity, and, capable of adapting. According to IPC Deputy Commissioner, what must be prepared to face industrial revolution 4.0 are the people before the technology. Humans are the key to everything; IT is only a tool. For that matter, in the future, it is expected that there will be surveys related to millennials and colonial so that working relations get better. Colonial aspirations may be significant, given the port world's experience and training in terms of technology.

**Theory of Harmonization.** The term harmonization comes from the word harmony (Greek: harmonia), bound harmoniously and accordingly. From the philosophical aspect, harmony is defined as cooperation between various factors in such a way that these factors produce sublime unity; for example, there must be harmony between a human body; if not, it cannot be called personal.

According to Goesniadhie (2010), harmonization is an effort or a process that wants to overcome the limitations of differences, conflicting things, and irregularities. Efforts or processes to realize harmony, compatibility, and balance, among various factors such that these factors produce unity or form a sublime whole as part of the system. Nobles and Parker (1981) define harmonization as "a process of increasing the comparability of accounting practices by setting limits on their level of variation."

**Employee Performance Theory.** Hasibuan (2006) argues that performance is the result of work carried out based on skill, experience, sincerity, and time. Performance is the result of work achieved by someone in carrying out the tasks under the established criteria.

There are 3 (three) main factors that affect performance: individuals (ability to work), work effort (desire to work), and organizational support (opportunities to work). Cash & Fischer (1987) in Thoyib (2005) argues that performance is often referred to as a result,
interpreted as what produced by an employee. Performance is influenced by organizational performance, including organizational development, compensation plan, communication system, managerial style, organizational structure, policies, and procedures. Robbins (2002) in Thoyib (2005) argues that another term of performance is individual output that can be measured from productivity, absenteeism, turnover, citizenship, and satisfaction. While Baron & Greenberg (1990) in Thoyib (2005) suggested that performance in individuals is also called job performance, work outcomes, task performance.

A person's performance is influenced by several factors, such as ability, capacity, held, incentive, environment, and validity (Notoatmodjo, 1992). Performance appraisal is the process of an organization evaluating or assessing employee work. If the performance appraisal is carried out properly, orderly, and correctly, it will increase achievement motivation. At the same time, it also increases the loyalty of the organization members, and if this happens, it will benefit the organization itself. Therefore, performance appraisal needs to be done formally with the criteria set by the organization objectively.

According to Potu (2013) Leadership provides a significant influence on employee performance. Another research was conducted by Alzghoul et al. (2018) which examines the relationship of management, workplace climate, creativity and employee performance and authentic leadership roles. Empirical results showed that authentic leadership influences climate, creativity, and employee performance. Based on the description above, the hypotheses were formulated as follows.

Hypothesis:
H1: Leadership 4.0 has an influence on Employee Performance
H2: Harmonization has an influence on Employee Performance

Figure 1 Conceptual Framework
Methodology

This research used a quantitative approach, aimed to test hypotheses and include research (explanatory research). The variables studied were Leadership 4.0, Harmonization, and Employee Performance. The data were in the form of perceived primary data or assessment of the respondents. The data collection method used was a survey through the questionnaire as the instrument. The survey was conducted directly by distributing questionnaires to respondents.

This research was conducted at PT JICT (Jakarta International Container Terminal) (Persero) by taking primary data in the form of perceptions or assessments from respondents. Therefore, a survey was done to the employees of PT JICT by submitting the questionnaire. This research was conducted from January to February 2020.

The sample units and analysis units were the employees of PT JICT (Persero). Thus, the population was all employees of PT JICT (Persero) by 626 people. PT JICT (Persero)'s employees are divided into six categories. Considering stratified population characteristics, the appropriate sampling technique for this study was stratified proportional random sampling. The sample of this study was 245 JICT employees taken randomly by the lottery method.

In this study, Leadership 4.0 was measured based on four indicators: Humble, Adaptive, Visionary, and Engagement. Harmonization has thirteen indicators: Benovelonce, Universalism, Self-direction, Stimulation, Hedonism, Achievement, Power, Security, Conformity, Tradition, clans, adhocracy, market, and hierarchy. Lastly, employee performance indicators are Work Results, Work Behavior, and Personal Traits. Data were analyzed using the PLS (Partial Least Square) analysis model through the assistance of the WarpPLS computer program package.

Result

Descriptive analysis was a research method providing an overview of situations and events so that this method intends to hold data accumulation. The average scores of the questionnaire distribution results are then calculated. An average score is obtained by dividing the number of subjects' responses to each item by the number of items. After the average score is calculated, the respondent's tendency will be categorized with a minimum score of 1 and a maximum of 5.
Table 1 Descriptive

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Indikator</th>
<th>Rata-rata skor</th>
<th>Kategori</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership 4.0 (X1)</td>
<td>Humble (X1.1)</td>
<td>3.023</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Adaptive (X1.2)</td>
<td>2.962</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Visionary (X1.3)</td>
<td>2.975</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Engagement (X1.4)</td>
<td>3.037</td>
<td>Sedang</td>
</tr>
<tr>
<td>Harmonization (X2)</td>
<td>Peaceful/Humanist (X2.1)</td>
<td>3.018</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Innovative/Proactive (X2.2)</td>
<td>2.930</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Impulsive/Hedonistic (X2.3)</td>
<td>2.990</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Traditionalist/Conservative (X2.4)</td>
<td>3.086</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Precautionary (X2.5)</td>
<td>3.021</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Clan Culture (X2.6)</td>
<td>3.001</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Market Culture (X2.7)</td>
<td>2.982</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Hierarchy Culture (X2.8)</td>
<td>3.002</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Adhocracy Culture (X2.9)</td>
<td>3.008</td>
<td>Sedang</td>
</tr>
<tr>
<td>Employee Performance (Y3)</td>
<td>Work results (Y3.1)</td>
<td>2.954</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Work behavior (Y3.2)</td>
<td>2.992</td>
<td>Sedang</td>
</tr>
<tr>
<td></td>
<td>Personality (Y3.3)</td>
<td>2.989</td>
<td>Sedang</td>
</tr>
</tbody>
</table>

Table 1 indicates that each indicator for Leadership 4.0 (X1), Harmonization (X2), and Employee Performance (Y3) variable has a medium average score.

Table 2 Goodness of Fit

<table>
<thead>
<tr>
<th>Index</th>
<th>Criteria</th>
<th>Result</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average path coefficient</td>
<td>significant if P &lt; 0.05</td>
<td>P&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Average R-squared</td>
<td>significant if P &lt; 0.05</td>
<td>P&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Average adjusted R-squared</td>
<td>significant if P &lt; 0.05</td>
<td>P&lt;0.001</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Goodness of fit evaluation is a suitability test conducted on the model used in research. This evaluation served to produce an indication of a comparison between the specified model through the covariance matrix with indicators or observational variables. From the index average path coefficient, Average R-squared, Average adjusted R-squared all produce P <0.001 (significant), meaning that the model is appropriate or acceptable.

Table 3 Outer Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indikator</th>
<th>Loading Factor</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership 4.0 (X1)</td>
<td>Humble (X1.1)</td>
<td>0.704</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Adaptive (X1.2)</td>
<td>0.743</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Visionary (X1.3)</td>
<td>0.737</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Engagement (X1.4)</td>
<td>0.741</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Harmonization (X2)</td>
<td>Peaceful/Humanist (X2.1)</td>
<td>0.495</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Innovative/Proactive (X2.2)</td>
<td>0.650</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Impulsive/Hedonistic (X2.3)</td>
<td>0.651</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Traditionalist/Conservative (X2.4)</td>
<td>0.658</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Precautionary (X2.5)</td>
<td>0.684</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Clan Culture (X2.6)</td>
<td>0.635</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Market Culture (X2.7)</td>
<td>0.665</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Hierarchy Culture (X2.8)</td>
<td>0.701</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Adhocracy Culture (X2.9)</td>
<td>0.679</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Employee Performance (Y3)</td>
<td>Work results (Y3.1)</td>
<td>0.807</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Work behavior (Y3.2)</td>
<td>0.781</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Personality (Y3.3)</td>
<td>0.786</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
</tbody>
</table>
The Outer Model contains a loading factor for each indicator. Indicators with a significant loading factor indicate that the indicator can be considered essential and has a strong influence on the variables it reflects. Table 3 shows that all latent variables have excellent and decent indicators. The loading factor of each indicator has a significant contribution in reflecting each variable. Besides, the p-value of each indicator is less than 0.05, which indicates that each indicator is significant in reflecting the variables.

The best indicator to describe the leadership variable 4.0 (X1) is the Adaptive indicator (X1.2) with a score of 0.743 and a p-value <0.001. This shows that the Adaptive indicator (X1.2) is the most powerful and dominant indicator in reflecting leadership 4.0 (X1).

The best indicator to describe the Harmonization (X2) variable is the Hierarchy Culture (X2.8) indicator with a score of 0.701 and a p-value <0.001. This shows that the Hierarchy Culture (X2.8) indicator is the most powerful indicator in reflecting Harmonization (X2).

The best indicator to describe the Employee Performance (Y3) variable is the Work results (Y3.1) with a score of 0.807 and a p-value <0.001. This shows that the Work results (Y3.1) is the most powerful and dominant indicator in reflecting Employee Performance (Y3).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coeff.</th>
<th>p-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Leadership 4.0 (X1) → Employee Performance (Y3)</td>
<td>0.310</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>H2: Harmonization (X2) → Employee Performance (Y3)</td>
<td>0.358</td>
<td>&lt;0.001</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Inner model testing basically tests the hypothesis. Hypothesis testing is done by t-test on each path of direct influence partially. Table 4 shows that H1 is rejected, meaning that leadership 4.0 has a positive and significant influence on employee performance with a p-value <0.001 and Path Coefficient amounted to 0.310. Besides, H2 is rejected, meaning that harmonization has a positive and significant effect on employee performance with a p-value <0.001 and a path coefficient of 0.358.

**Discussion**

The research results indicate that leadership 4.0 and the harmonization variable have a positive and significant effect on employee performance. Therefore, to improve the performance of the employees of PT JICT, one of the ways is to refine the leadership
referred to the industrial revolution 4.0 and implementing harmonization between the parts of work in PT JICT.

Conclusion

Based on the results of the analysis, the conclusions are as follows:

1. Leadership 4.0 (X1) has a positive and significant influence on Adaptive (X1.2), as the employee performance with a dominant indicator. That is, a good achievement of Leadership 4.0 can improve employee performance. So if the company wants to improve employee performance, it can be done by implementing good 4.0 leadership, taking into account the indicators that determine leadership 4.0, namely the Adaptive indicator.

2. Harmonization (X2) has a positive and significant influence on Hierarchy Culture (X2.8), as employee performance with a dominant indicator. That is, the better the harmonization will improve the performance of the company. So if the company wants to improve employee performance, it can increase harmonization by paying attention to the Hierarchy Culture indicator, with which the indicator is the indicator that is most able to reflect harmonization.

Suggestion

1. It is important to improve leadership abilities and harmonization to boost employee performance. So it is hoped that the implementation of better leadership and harmonization can improve employee performance.

2. Adaptive factors, hereditary culture, and work results are the dominant factors that must be considered to boost employee performance. So companies really need to pay attention to indicators of Adaptive factors, hereditary culture, and work results to be able to improve employee performance.

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https://doi.org/10.1108/JWL-12-2017-0111


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