The Antecedents of Employee Performance in Consumer Goods Companies during Covid-19 Pandemic

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Abstract

The purpose of this study is to investigate and analyze transformative leadership and work motivation regarding job satisfaction and employee performance in the consumer goods industry. The survey used a sample of 220 employees from Coca-Cola EuroPacific Partners Indonesia (CCEPI). This study uses quantitative analysis and the data source used is primary data. The data was analyzed with SmartPLS3 to obtain the shape of the SEM model and the hypothetical results. Based on the results of hypothesis testing, it has been shown that transformational leadership does not affect employee performance, but it does significantly affect job satisfaction and work motivation. Also, work motivation does not affect employee performance, but work motivation has a significant impact on job satisfaction. In this case, job satisfaction has a significant impact on employee performance. Of the above three variables (transformational leadership, work motivation, and job satisfaction), job satisfaction has the greatest impact on employee performance.

Keywords  
Employee Performance; Job Satisfaction; Transformational Leadership; Work Motivation

1. Introduction

In today's competitive and turbulent environment, all companies face major challenges in terms of the pace of change. In addition, this change requires sufficient human resources within the company. According to Ulrich and Lake (1990), the importance of talent in an organization is not only related to its strategic role in determining the dynamics of the
organization, but also an asset of the organization. Therefore, organizations need quality leaders who can best utilize
corporate resources to align employee activities with the achievement of company goals.

Organizations are looking for more adaptable and flexible managers to keep up with the pace of change in new
situations (Bass et al. 2003). At the same time, Covid 19 Pandemic disrupted the way organizations run. Now
organizations implemented work from home for specific jobs that cannot be done from home such as team sales.

In leadership research, transformational leadership is the most common study (Bozdogan and Aksoy 2020; Braun et
al. 2013). Several previous studies have shown general support for hypothetical relationships between
transformational leadership and employees' ability to perform their jobs (Bass et al. 2003; Bozdogan and Aksoy 2020).
Other studies have also shown a link between leadership and job satisfaction and job performance. (Chandrasekara
2019; Koh et al. 1995; Cummings et al. 2010).

According to Maharani et al. (2013), Muthuveloo et al. (2014), Rasool et al. (2015), Noermijati (2015) and Akbar et
al. (2016) states that transformational leadership impacts employee performance. Leadership in organizations,
especially consumer goods companies, aims to create a good organizational climate and improve employee
performance. As reported by Buble et al. (2014) Leadership is the ability of people to influence, motivate and
contribute to the effectiveness and success of an organization.

Organizations need work motivation to improve employee performance. According to Chuang et al. (2009) With high
motivation within the organization, their influence can drive people to achieve the satisfaction of specific needs and
expectations. Based on Chitiris (1988) and Jayaweera (2015), work motivational variables are thought to affect
employee performance, as well as studies examining the relationship between work motivation and employee
performance increase.

Job satisfaction is a psychological aspect that reflects a person's feelings about work, so job satisfaction is necessary
to improve employee performance. A study by Gu and Siu (2009), Tsai et al. (2010), Mahalani et al. (2013), Rahayu
(2014), Elgelal and Noermijati (2015) found a positive correlation between job satisfaction and employee
performance. Here's a brief explanation: when employees are happy with their work, they are willing to contribute
themselves to the organization at their own expense.

This survey focuses on expanding the survey on factors that affect the performance of employees of consumer goods
companies. We will also investigate the sales team to see the impact of the Covid 19 pandemic on their views on
leadership, performance, motivation, and job satisfaction. Hopefully, these studies will provide a better understanding
of previous sub-studies on transformational leadership, job satisfaction, work motivation, and employee performance.

2. Literature Review
2.1 Transformational Leadership
Burns (1978) and Bass (1985) established the concept of transformational leadership theory. According to Bass,
transformational leadership is intellectually inspiring and therefore encourages subordinates to look at leadership
positions from a new perspective. By stimulating motivation and charisma, managers can gain personal recognition
as individuals who can take care of their subordinates (Bass 1985). According to Mekpor and Darrey-Baah (2017),
transactional leadership is a leadership style known as management leadership that prioritizes monitoring, organizing,
assigning, controlling, and monitoring individual performance. Transactional leadership-style leaders reward talented
employees and subordinates directly, monitor their work, and warn and punish employees who deviate from
predefined standards.

2.1.1 Transformational Leadership Dimensions
Transformational leadership is divided into three parts, namely task orientation, relationship orientation, and position
power (Nur and Sjahruddin 2019). This can be clearly explained as follows:
1) Task orientation:
   (a) Tasks according to ability, (b) Direct directions on assignments, (c) Give tasks clearly and in detail, and
   (d) Demand for timely completion of tasks.
2) Relationship orientation:
   (a) Communicate well with the employee (b) Build harmonious relationships with the employee (c) Minimize conflicts in the workplace and (d) Provide solutions to problems at work.

3) Position power:
   (a) Involve employees in making every decision, (b) Require employees to be responsible for their work, (c) Require employees to do work quickly and precisely, and (d) Set a good example for every employee.

2.2 Work Motivation
In general, motivation is a psychological force that creates a complex process of intentional thinking and action. These processes revolve around an individual's internal psychological and external environmental / contextual forces to determine the direction, intensity, and sustainability of an individual's actions towards a particular goal. (Kanfer et al., 2017). In the realm of work, work motivation is a set of energy forces generated both within an individual and in its environment to elicit work-related behaviors and determine their shape, direction, intensity, and duration. (Pinder, 2008). The hierarchy of needle theory is incorporated into the development of motivational theory.

2.2.1 Work Motivation Dimensions
Work motivation is divided into three parts, namely expectations, possibilities, and values (Nur and Sjahruddin 2019). This can be clearly explained as follows:
1) Hope:
   (a) Work optimally for career advancement, (b) Work earnestly to be promoted as desired, and (c) The leadership's concern for employees at work.
2) Possibility:
   (a) Praise to outstanding employees, (b) Work hard to avoid sanctions, and (c) The leadership's concern for employees at work.
3) Value:
   (a) Provide bonuses to outstanding employees, (b) Salary increases are carried out periodically, and (c) Provide incentives for employees who work overtime

2.3 Job Satisfaction
Companies with happier employees tend to be more effective and productive. In addition, highly satisfied employees have less fluctuation (Chen, 2006). Robbins (2008) states that job satisfaction is a common behavior related to job performance and has corresponding awards and achievements. In theory, work satisfaction is related to work performance. Furnham, Eracleou and ChamorroPremuzic (2009) define job satisfaction as employee satisfaction with the work. This often happens when the two concepts are discussed together. This is because the two concepts are said to be happy in the workplace because of the motivational factors and conditions.

2.3.1 Job Satisfaction Dimensions
Robbins (2008) states that are five aspects of job satisfaction:
1) The Work Itself:
   (a) Happy with challenging work and (b) Jobs according to skills and abilities.
2) Relationship with immediate Supervisor:
   (a) Happy with the way the leader gives orders and (b) Happy with the way the leader provides guidance.
3) Relationship with co-workers:
   (a) Have friendly coworkers and (b) Good cooperation and communication with co-workers.
4) Career development opportunities:
   (a) Equal opportunities in career development and (b) The process of promotion in the organization is open.
5) Salary:
   (a) The salary received is sufficient to meet the needs and (b) The salary received is proportional to the skills in work.

2.4 Employee Performance
Performance is defined as the degree of success in accomplishing a task and the ability to achieve its intended purpose. (Gibson et al., 1985). Employee performance is about the individual performing responsibilities and duties (Singh et al., 1996). Colquitt et.al (2011) states that job performance is a set of employee behaviors that contribute to the
achievement of an organization's goals, while organizational goals (both employees and managers) are job performance and organizational involvement. It states that there is.

2.4.1 Employee Performance Dimensions
Employee performance can be measured based on three criteria resulting from the work in question (Nur and Sjahruddin 2019), as follows:
1) Quality of work: (a) The results of the work are free from errors and mistakes, (b) Do the job carefully, and (c) Improve the quality of work.
2) Quantity of work: (a) Proportionate workload and (b) Set targets at work.
3) Attendance: (a) Arrive on time, (b) Never leave the workplace without permission, and (c) Notify my supervisor if I am unable to attend.

2.5 Research Model And Hypotheses

The research model is showed in the figure 1 and the hypothesizes are as follows:
- H1: There is a significant influence between Transformational Leadership on Work Motivation
- H2: There is a significant influence between Transformational Leadership on Employee Performance
- H3: There is a significant influence between Transformational Leadership on Job Satisfaction
- H4: There is a significant influence between Work Motivation on Job Satisfaction
- H5: There is a significant influence between Work Motivation on Employee Performance
- H6: There is a significant influence between Job Satisfaction on Employee Performance

3. Methods
3.1 Research Purpose
Based on the purpose of the study, this study is a hypothesis testing study. The definition of a hypothesis test based on Sekaran and Bougie (2013), is a method of testing whether a statement generated from a theoretical framework fits into a rigorous test. This type of research describes a particular relationship between a dependent variable and an independent variable, or other factors that affect one variable to another.
### 3.2 Population and Sampling

#### 3.2.1 Population
According to Sekaran and Bougie (2013), population refers to the entire group of people, events, or interests a researcher wants to infer. The respondents to this survey are sales teams from Coca-Cola Europe Partners Indonesia (CCEPI) engaged in traditional or general trade. The survey includes a total of 300 CCEPI sales teams operating in the Jakarta region.

#### 3.2.2 Sampling
According to Sekaran and Bougie (2013), the overall sample is a type of target sample that examines a population that exhibits specific characteristics. The sampling method used in this study is a specific sampling method or purpose. According to Notoatmodjo (2010), the sample of interest is based on specific considerations such as population characteristics and 4,444 known characteristics. Therefore, the required sample size is 220 employees.

### 3.3 Data Measurement Method
Surveys are the primary data collection tool for this survey. According to Sekaran and Bougie (2013), the Likert scale is an interval scale, especially using the 5-point scale. Labeled Likert Scale: (1) I don't think so at all. (2) I do not agree. (3) Neutral. (4) I agree. (5) I fully agree. As a data analysis method, SEM (Structural Equation Modeling) using SmartPLS 3 is adopted.

### 4. Results

#### 4.1 Numerical Results

| Path Analysis | Original Sample(O) | Sample Mean(M) | Standard Deviation(STDEV) | T Statistics (|O/STDEV|) | P-Values |
|---------------|---------------------|----------------|---------------------------|-----------------|----------|
| TL -> WM      | 0.707               | 0.706          | 0.054                     | 13.020          | 0.000    |
| TL -> EP      | 0.065               | 0.084          | 0.098                     | 0.667           | 0.505    |
| TL -> JS      | 0.245               | 0.253          | 0.078                     | 3.162           | 0.002    |
| WM -> JS      | 0.515               | 0.521          | 0.084                     | 6.102           | 0.000    |
| WM -> EP      | 0.231               | 0.262          | 0.128                     | 1.807           | 0.071    |
| JS -> EP      | 0.497               | 0.455          | 0.155                     | 3.2067          | 0.001    |

First, the magnitude of the parameter coefficient from TL to WM is 0.707. From the table 1, you can see that the p-value is 0.000 < 0.05 means that the assumption of H1 or the direct effect of TL on WM is statistically significant. Second, the magnitude of the parameter coefficients from TL to EP is 0.065, but the p-value is 0.505 > 0.05 Therefore, it does not accept H2. Otherwise, this means that the direct effect of TL on EP is not statistically significant. Third, the magnitude of the parameter coefficients from TL to JS is 0.245 and the p-value is 0.002 < 0.05 Therefore, accept H3. In other words, the direct impact of TL on JS is statistically significant. Fourth, the magnitude of the parameter factor from WM to JS is 0.515. The p-value is 0.000 < 0.05 and therefore accepts H4. This means that the direct impact of WM on JS is statistically significant. Fifth, the magnitude of the parameter factor from WM to EP is 0.231, but the p-value is 0.071 > 0.05 H5 is not accepted. In other words, the direct impact of WM on EP is not statistically significant. Sixth, the magnitude of the parameter coefficient from JS to EP is 0.497. In this case, the p-value is 0.001 < 0.05. Therefore, it means accepting H6 or the direct impact of JS on EP is statistically significant.

### Confirmatory Factor Analysis
A valid criterion for confirmatory factor analysis (CFA) analysis can be considered valid when the sample size is 200-249 and the load factor is> 0.40 (Hair, 2010).
Based on the table 2, the results of all indicators on each variable are valid. In the Transformational Leadership variable, the largest loading factor value is in the OH2 indicator with a value of 0.882 located in the Relationship Orientation dimension. And the smallest loading factor value is on the KJ1 indicator with a value of 0.647 located in the Position Power dimension.
the Position Power dimension. Then in the Work Motivation variable, the largest loading factor value is on the \textbf{K3} indicator with the value of 0.819 located in the Possibility dimension. And the smallest loading factor value is on the \textbf{N2} indicator with a value of 0.604 located in the Value dimension. Then in the Job Satisfaction variable, the largest loading factor value is on the \textbf{PPK1} indicator with a value of 0.791 located in the Career Development Opportunities dimension. And the smallest loading factor value is on the \textbf{U1} indicator with a value of 0.550 located in the Salary dimension. Then in the Employee Performance variable, the largest loading factor value is in the \textbf{KLHK2} indicator with a value of 0.841 located in the Quality of Work dimension. And the smallest loading factor value is on the \textbf{KNHK1} indicator with a value of 0.583 located in the Quantity of Work dimension.

\textbf{Validity Test And Reliability Test}

The way to validate the determination is to check the value of the square root of the average variance extracted (AVE). The recommended value is 0.5 or more. From Table 3 below, you can see that the results show AVE values greater than 0.5 for all configurations included in the study model. The minimum value for AVE is 0.502 for the Job Satisfaction construct.

<table>
<thead>
<tr>
<th>Table 3. Average Variance Extracted (AVE)</th>
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<tbody>
<tr>
<td>Average Variance Extracted (AVE)</td>
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<tr>
<td>TL</td>
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<td>WM</td>
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<tr>
<td>JS</td>
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<td>EP</td>
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Reliability testing is performed by examining the composite reliability value of the indicator block that measures the configuration. Composite reliability results show satisfactory values above 0.7. Table 4 below shows that the composite confidence score for all configurations is greater than 0.7. This shows that all configurations of the estimation model meet the criteria. The lowest combined confidence score is 0.908 for work motivation.

<table>
<thead>
<tr>
<th>Table 4. Reliability</th>
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<tbody>
<tr>
<td>Composite Reliability</td>
</tr>
<tr>
<td>TL</td>
</tr>
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<td>WM</td>
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<tr>
<td>JS</td>
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<td>EP</td>
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Reliability testing can also be enhanced with Cronbach's Alpha, with recommendations above 0.6. Table 5 below shows that Cronbach's alpha value is above 0.6 in all configurations. The lowest work motivation is 0.886.

<table>
<thead>
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<th>Table 5. Cronbach's Alpha</th>
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<tr>
<td>Cronbach's Alpha</td>
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<tr>
<td>TL</td>
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<td>WM</td>
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<td>JS</td>
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<td>EP</td>
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</table>
4.2 Graphical Results
4.2.1 SEM Model

First, the size of the parameter factor from TL to WM is 0.707. Second, the magnitude of the parameter coefficients from TL to EP is 0.065, Third, the size of the parameter factor from TL to JS is 0.245. Fourth, the size of the parameter factor from WM to JS is 0.515. Fifth, the magnitude of the parameter factor from WM to EP is 0.231. Sixth, the size of the parameter factor from JS to EP is 0.497 (figure 2).

![Figure 2 SEM Analysis Result](image)

**Table 6. Model Fit**

<table>
<thead>
<tr>
<th></th>
<th>Saturated Model</th>
<th>Estimated Model</th>
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</thead>
<tbody>
<tr>
<td>SRMR</td>
<td>0.088</td>
<td>0.088</td>
</tr>
<tr>
<td>d_ULS</td>
<td>6.067</td>
<td>6.067</td>
</tr>
<tr>
<td>d_G</td>
<td>2.210</td>
<td>2.210</td>
</tr>
<tr>
<td>Chi-Square</td>
<td>2426,612</td>
<td>2426,612</td>
</tr>
<tr>
<td>NFI</td>
<td>0.654</td>
<td>0.654</td>
</tr>
</tbody>
</table>

Based on table 6, shows that the value of SRMR is 0.088, due to 0.088 < 1.0, then this is accepted as a fit model according to (Hu and Bentler, 1999). The value Chi-Square is 2426,612. And the NFI is 0.654 because the value of NFI < 0.95 which according to (Hu and Bentler 1999) states that if the cut-off value > 0.95, it will show a good match, then the value of NFI here looks weak.
5. Discussion
In this study, the results of the analysis support H1, an important link between transformational leadership and work motivation. This is because the transformational leadership demonstrated by CCEPI executives provides a work motto for all local sales teams. The results of this study are presented by Avolio et al. (2004) state that transformational leadership influences work motivation.

This study found that H2 was rejected based on the hypothesis test table. In other words, leaders cannot demonstrate the characteristics of transformational leadership. The situation at Covid 19 limits direct communication between field personnel and the sales team, and more communication is virtualized. Respondents are unaware that transformational leadership impacts performance. This study is inconsistent with previous studies by Maharani et al. (2013), Muthuveloo et al. (2014), Rasool et al. (2015), Noermijati (2015) and Akbar et al. (2016), a previous study found that transformational leadership impacts employee performance.

This study supports H3. Transformative leadership plays an important role in improving job satisfaction, so it has a great impact on work satisfaction. Based on Podsakoff et al. (1996a), the results of this study show that job satisfaction is influenced by transformational leadership.

The H4 hypothesis is also supported by the fact that work motivation plays a very important role in improving job satisfaction and therefore has a significant impact on job satisfaction. In theory, work motivation plays a role in improving job satisfaction. This is in line with the findings of Gupta and Joshi (2008), who showed that employee work productivity is a result of satisfaction and that productivity can be used as an indicator of satisfaction.

The H5 hypothesis was rejected. As a result, work motivation did not have a significant impact on employee performance. This study is inconsistent with a previous study by Jayaweera (2015). The study found that work motivation has a direct and significant positive impact on employee performance. In this survey, members of the CCEPI sales team recognize that the work motivations planted in them improve employee performance. This can be due to an interaction with leadership that motivates the local sales team but does not improve the performance of the personnel. The impact of the Covid 19 pandemic has complicated face-to-face interactions between executives and field teams, reducing work motivation for the CCEPI sales team.

As recognized in H6, this has a significant impact on employee performance with job satisfaction. This plays a very important role in improving employee performance. This is Gu and Siu (2009), Tsai et al. Consistent with the study by. (2010), Mahalani et al. (2013) and Elgelal and Noermijati (2015) show that job satisfaction has a significant impact on employee performance. Support from CCEPI colleagues and bosses is consistent with the theory that CCEPI employees are considered a factor in increasing job satisfaction.

6. Conclusion
Transformational leadership does not have a significant impact on employee performance with p-values 0.505. This means implementing a transformative leadership model at Coca-Cola EuroPacific Partners Indonesia. In this model, rules that limit direct interaction with the local sales team facilitate efforts to improve employee performance. What is not met is the current pandemic period. In this way, work motivation does not significantly affect employee performance with p-values 0.071. This is Coca Cola EuroPacific Partners Indonesia, which implements a work motivation model that limits employee interactions and improves employee performance during a Covid 19 pandemic. That means that encouragement is not important. Transformative leadership has a great impact on work motivation with p-values 0.000. This is because the transformative leadership demonstrated by Coca-Cola EuroPacific Indonesia executives is the motto of all local sales teams. Transformational leadership has a great impact on job satisfaction with p-values 0.002. This shows that Coca-Cola EuroPacific Partners Indonesia's transformative leadership can meet the needs of its employees and create satisfaction in their work. And work motivation has a great influence on job satisfaction with p-values 0.000. This shows that the more motivated you are, the happier you will be to work at Coca-Cola EuroPacific Partners Indonesia. job satisfaction has a significant impact on employee performance with p-values 0.001. This shows that employee satisfaction automatically impacted employee performance and achieved the goals of Coca-Cola EuroPacific Partners Indonesia.
The results of this study will have a positive impact on consumer goods companies and research institutes, especially with respect to knowledge management frameworks. The results of this survey highlight the need for ongoing and adaptable research to identify new phenomena related to employee performance.

In this study, we will look at what influences employee performance, such as transformational leadership, job satisfaction, and work motivation, and how the state of the Covid-19 pandemic affects the relationships between variables. We will highlight and consider the limitations of this study. The results of this survey should be interpreted with caution as they focus only on the survey of 220 respondents in total, the respondents of the CCEPI sales team.

We encourage you to consider future research by broadening the scope of respondents and expanding the scope of research in the consumer goods industry. Alternatively, you can do this by investigating other consumer goods companies.

References


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