

How to Maintain Employee Performance in The New Normal Era ?

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Abstract. This study examines the strategy of improving Human Resources performance in the New Normal Era with Transformative Leadership and Organizational Commitment through employee readiness for change, A case study in private companies in Kuningan. This study is included in quantitative research, which uses data or numbers as a tool in the analysis process. The sampling technique in this research is non-probability sampling. The data analysis method in this study uses Path Analysis. Based on the results of the study, it indicates that Transformational Leadership and Organizational Commitment have a significant effect on readiness for change, Transformational Leadership and Organizational Commitment have a significant effect on employee performance, readiness for change has a significant effect on employee performance and readiness for change significantly mediates the effect of Transformational Leadership and Organizational Commitment on employee performance.

Keywords: Employee performance; transformational leadership; organizational commitment; readiness for change.

1 Introduction

The COVID-19 pandemic in early 2020 caused various fundamental changes in all aspects of human life. It happened because the pandemic conditions required governments in various countries to issue social restrictions policies to overcome the spread of the COVID-19 virus. Indonesia was not in exception, the high rate of the spread of COVID-19 from the early to the end of 2020 caused many changes in various activities which then required all levels of society to be able to adapt to the new normal era. New normal era is an era of a change in behavior to continue normal activities while still implementing the health protocols.

On the other hand, the era of the Industrial Revolution 4.0 also has a significant effect on various changes that cannot be avoided. Therefore, every business organizations must be able to prepare the best strategy to remain competitive and win the market. One of the important aspects in winning business competition is Human Resources. Human Resources is considered as a key factor in maintaining company performance because the progress of the company depends on Human Resources performance (Istijanto, 2010; Navimipour, et al. 2015; Yuniarsih, 2018).

However, according to Yuniarsih (2018), although Indonesia has a surplus in Human Resources, it has not been able to assist the national economic growth, this is due to the low quality of human resources and the competencies that do not match the needs. Based on the results of a research by Yuniarsih, et al (2014, 2015, 2016 in Yuniarsih 2018) it shows

empirical conditions that the quality of Human Resources performance in various institutions has not shown the excellent performance.

In order to improve the performance of Human Resources in the global competition of Industry 4.0 in the New Normal era, currently, it is very necessary for Human Resources to have the readiness for change. The willingness of employees to change will build up the company in the future because change is a major need for the survival of the company (Muhdin, 2018). Bernerth (2004) in Zulkarnain and Hadiyani (2014) suggests that the success factor for organizational change is the readiness of employees to change.

Various studies have shown that Organizational Commitment plays an important role related to the employees readiness for change, so that, the Organizational Commitment is considered as one of the factors that influence employees readiness for change (Pranatha & Majorsy, 2018; Pramadani & Fajrianthi, 2012; Astuti & Khoirunnisa, 2018; Mangundjaya, 2012 ; Qureshi, et al. 2018).

Besides the Organizational Commitment, Transformational Leadership is a factor that influence employees readiness for change (Radian & Magundjaya, 2018; Sasmita, 2019; Asbari, et al. 2020). The implementation of the Transformational Leadership style will make the subordinates loyal, respect their superiors and at the end, their subordinates will be motivated to do more than expected (Alam, et al, 2013).

Based on the background, the researchers are interested in exploring strategies for improving Human Resources performance in the New Normal Era by establishing employees readiness for change through Transformational Leadership and Organizational Commitment study on employees of private companies in Kuningan Regency.

2 Methodology

Based on the data analysis, this research is included in quantitative research, which uses data or numbers as a tool in the analysis process (Suliyanto, 2018). The data analysis method in this study used the Path Analysis, which is an analysis that explains the indirect effect given by the independent variable through the intervening variable on the dependent variable. The population of this study is the employees of the private companies in Kuningan Regency.

The model in this study is described as follows:

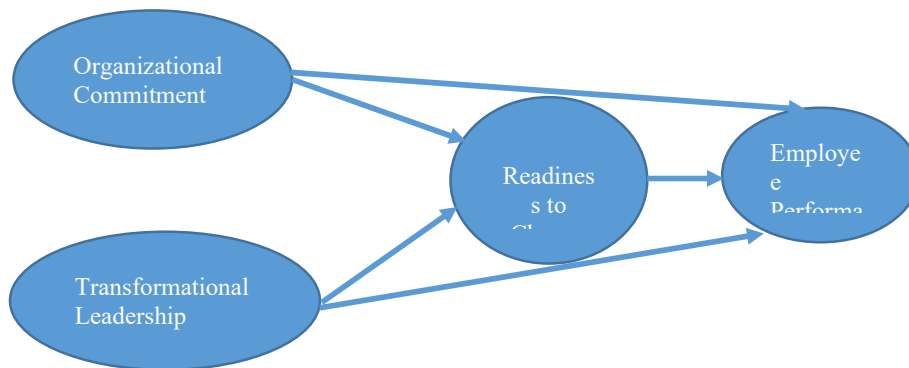


Figure 1. Research Model

The hypothesis on this study are :

- H¹ : Organizational Commitment affects readiness for change
- H² : Transformational Leadership affects employees' readiness for change
- H³ : Organizational Commitment affects employee performance
- H⁴ : Transformational Leadership affects employee performance
- H⁵ : Readiness to change affects employee performance
- H⁶ : Organizational Commitment has a significant effect on employee performance through readiness for change
- H⁷ : Transformational Leadership has a significant effect on employee performance through readiness for change

3 Result and Discussion

Based on the result of the path analysis calculations, the following results are obtained:

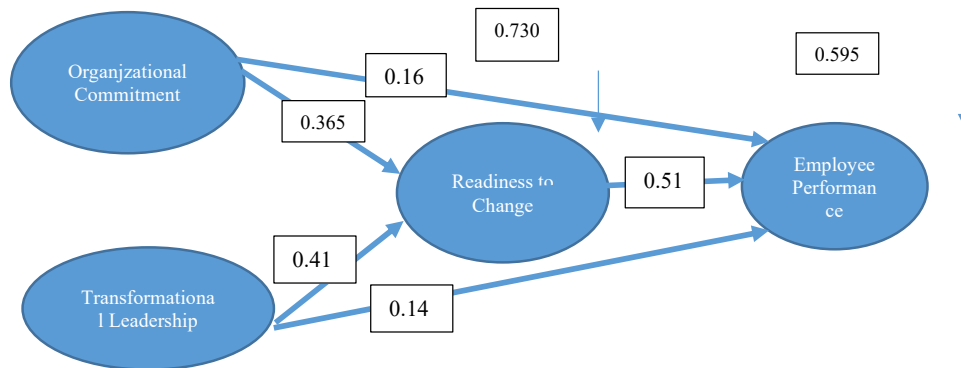


Figure 2. The Result of Path Analysis Calculation

Organizational commitment has a significant effect on readiness for change, this is in accordance with the results of a research conducted by Astuti (2018), Pramadani & Pajrianty (2012); Mangundjaya and (2012) which shows that organizational commitment has a significant effect on readiness for change.

Transformational leadership has a significant effect on readiness for change. This is in accordance with the result of a research conducted by Asbari, et al. (2020), Fitriana & Sugiono (2019), Radian & Mangundjaya (2019), Sasmita (2019), and Gazali et al. (2020) which research results show that transformational leadership has a positive and significant effect on employees readiness for change.

Readiness for change has a significant effect on employee performance. This is in accordance with the research results of Kustini, et al (2020) which states that readiness for change affects employee performance. Holt, et al (2007) stated that employees who are ready to change will believe that the organization will have a progress if the organization makes changes, besides that they have a positive attitude towards organizational change and have a desire to be involved in implementing organizational change.

Organizational commitment has a significant effect on employee performance. This is in accordance with the results of a research by Thamrin (2012), Vipraprastha, et al. (2018) Ahmad, et al (2019), and Erina (2021) which shows that organizational commitment has a positive and significant effect on employee performance.

Transformational leadership has a significant effect on employee performance. This is in accordance with the results of a research by Thamrin (2012), Ahmad, et al (2019), and Erina (2021) which shows that transformational leadership has a positive and significant effect on employee performance. Another study from Vipraprastha, et al. (2018) shows different results that transformational leadership has no significant effect on employee performance.

Based on the results of the Path Analysis calculation, the magnitude of the indirect effect of organizational commitment on employee performance through readiness for change is $(0.365 \times 0.512) = 0.186 > 0.162$, and the magnitude of the indirect effect of transformational leadership on employee performance through readiness for change is $(0.415 \times 0.512) = 0.212 > 0.147$. Therefore, the readiness for change significantly mediates the effect of organizational commitment and transformational leadership on employee performance. According to Alam, et al (2013) The implementation of a transformational leadership style will make subordinates loyal, respect their superiors and at the end their subordinates will be motivated to do more than expected. Furthermore, according to Rafferty, et al. (2013) employees who are ready to face organizational change produce supportive behavior towards the changes, positive work attitudes, and commitment to the organization. Asbari, et al. (2020) states that when changes are made, two attitudes will be appeared, which are positive and negative. A positive attitude is indicated by a readiness for change and a negative attitude is indicated by a rejection of change, to create a positive attitude in employees, it can be done by creating a readiness for change in employees so that the changes that are made can achieve the expected success.

4 Conclusion

Based on the results of the study, it can be concluded that organizational commitment has a significant effect on readiness for change, transformational leadership has a significant effect on readiness for change, readiness for change has a significant effect on employee performance, organizational commitment has a significant effect on employee performance, transformational leadership has a significant effect on employee performance and readiness for change significantly mediates the effect of organizational commitment and transformational leadership on employee performance.

This study provided an answer that companies can maintain the performance of their employees in the new normal era by paying attention to maintain the organizational commitment of employees, maintain a transformational leadership style, and strengthen the mentality of employees to have an attitude that is ready for change.

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