

The Influence Of Leadership And Work Conflict On The Performance Of Employees Of State-Owned Enterprises (Soes)

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Abstract

This study aims to analyze the influence of leadership and work conflict on the performance of employees of State-Owned Enterprises (SOEs). Using a quantitative approach with a survey method, this study involves employees of State-Owned Enterprises as a population. Data were collected through questionnaires and analyzed using multiple linear regression. The results of the study show that leadership has a positive and significant effect on employee performance, while work conflicts also have a significant influence on performance. Simultaneously, leadership and work conflicts affect employee performance. This research provides important implications for the management of State-Owned Enterprises in developing an effective leadership style and managing work conflicts constructively to improve organizational performance.

INTRODUCTION

The State Electricity Company (PLN) as a State-Owned Enterprise (BUMN) has a strategic role in providing electricity needs for all Indonesian people. As a company that carries out the mission of public service as well as the demand for profitability, State-Owned Enterprises are required to be able to manage their human resources optimally in order to achieve superior performance. One of PT PLN (Persero)'s work areas in eastern Indonesia faces its own challenges in managing employee performance given the geographical characteristics and socio-cultural dynamics of the region.

Employee performance is a crucial factor in determining the success of the organization. Based on data from Glassdoor, PT PLN (Persero) generally received a rating of 4.4 out of 5 stars for compensation and benefits, with 87% of employees recommending this company as a place to work. However, there are a number of notes related to the internal dynamics of the company, including the existence of excessive hierarchy and office politics that affect the work climate.

In the context of public sector organizations such as SOEs, leadership style has a central role in shaping employee behavior and performance. Research on SOEs in Indonesia shows that a paternalistic leadership style is still predominantly applied, where leaders are perceived as father figures as well as authority to be obeyed. This leadership style has two sides, when applied transformationally it can motivate employees to improve performance, but when it is authoritarian it can cause negative reactions.

In addition to leadership, work conflict is also an important variable that affects employee performance. Former Minister of SOEs Dahlan Iskan revealed that internal dynamics in SOEs are often colored by conflicts at the board of directors level which then have an impact on the staff level, creating internal barriers and followers that can interfere with organizational performance. This phenomenon shows that work conflicts, both at the managerial level and between employees, need to be managed properly so as not to have a negative impact on performance.

Problem Formulation

The problems in this study are:

1. Does leadership affect the performance of employees of State-Owned Enterprises?
2. Does work conflict affect the performance of employees of State-Owned Enterprises?
3. Do leadership and work conflicts simultaneously affect the performance of employees of State-Owned Enterprises?

Research Objectives

The objectives of this study are:

1. Analyzing the influence of leadership on the performance of employees of State-Owned Enterprises
2. Analyzing the influence of labor conflicts on the performance of employees of State-Owned Enterprises
3. Analyzing the simultaneous influence of leadership and work conflict on the performance of employees of State-Owned Enterprises

It is expected to provide theoretical benefits for the development of human resource management science, especially related to leadership and conflict management in public sector organizations. Practically, the results of the research can be an input for the management of State-Owned Enterprises in developing effective leadership development policies and conflict management strategies.

Library

Employee Performance

Employee performance is the result of quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given. Performance is a combination of three important factors: the ability and interest of the worker, the ability and acceptance of the explanation of the delegated tasks and roles, and the level of motivation of the worker. If the performance of each employee is good, then the company's overall performance will increase.

In the context of SOEs, performance is not only measured from the financial aspect but also from the ability to run public programs and maintain organizational continuity. SOE employees are required to be able to bridge the interests of the company with public services that are the mandate of the organization.

Leadership

Leadership is the process of influencing the activities of individuals or groups to achieve goals in certain situations. In the context of Indonesian organizations, leadership styles are often encountered, where leaders are seen as father figures who have authority as well as moral responsibility towards their subordinates.

Research shows that delegative leadership styles have a positive effect on employee performance, where the right delegation of authority can increase subordinates' sense of responsibility and motivation. Similarly, democratic leadership styles that involve employee participation in decision-making have proven to make a positive and significant contribution to performance.

Work Conflict

Work conflict is a mismatch between two or more members of an organization that arises due to differences in opinions, values, or interests. Research on SOEs in Indonesia shows that *goal conflict* is a common phenomenon, especially because of the dual demands between the achievement of profits and the implementation of public programs.

An interesting phenomenon found in research on state-owned banking is that conflict of objectives can actually increase the *boundary spanning* activities of employees, even though it has

no impact on resource management. This is related to the characteristics of Indonesian culture which has a high power distance and prioritizes workplace harmony.

Research on conflict management in financial institutions shows that the implementation of effective conflict management can have a positive effect on employee performance. That is, conflict does not always have a negative impact; If managed well, conflict can be a catalyst for improvement and innovation.

Conceptual Framework

Based on the literature review that has been described, the conceptual framework in this study is as follows:

1. **Influence of Leadership on Employee Performance:** The leadership style applied in the organization will affect motivation, job satisfaction, and ultimately employee performance. Previous research has shown that delegative and democratic leadership styles have a positive effect on employee performance.
2. **Influence of Work Conflict on Employee Performance:** Work conflicts, if managed well, can have a positive impact on performance because they encourage discussion, innovation, and process improvement. On the other hand, unmanaged conflicts can disrupt performance.

Hypothesis

- **H1:** Leadership has a positive and significant effect on the performance of employees of State-Owned Enterprises
- **H2:** Labor conflicts have a significant effect on the performance of employees of State-Owned Enterprises
- **H3:** Leadership and work conflicts simultaneously affect the performance of employees of State-Owned Enterprises.

METHODS

Research Design

This study uses a quantitative approach with a survey method. The design of this study is a causal associative research that aims to analyze the influence of independent variables (leadership and work conflict) on dependent variables (employee performance).

Population and Sample

The population of this study is all employees of PT PLN (Persero) Ambon Branch. The sampling technique uses *simple random sampling* with the number of samples determined based on the Slovin formula with an error rate of 5%. The minimum number of samples required is 85 respondents.

Data Collection Techniques

Primary data were collected through a questionnaire on a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The questionnaire was compiled based on the indicators of each variable:

- Leadership: communication, decision-making, delegation of authority, and motivation
- Work conflicts: frequency of conflict, conflict intensity, and conflict management
- Employee performance: quality of work, quantity of work, and punctuality

Secondary data is obtained from company documents, literature, and previous research.

Data Analysis Techniques

Data analysis was carried out using SPSS through the following stages:

1. Test the validity and reliability of the instrument
2. Classical assumption test (normality, multicollinearity, heteroscedasticity)
3. Multiple linear regression analysis
4. Hypothesis test (t-test and F-test)

RESULT AND DISCUSSION

Respondent Overview

This study involved 85 respondents of employees of PT PLN (Persero) Ambon Branch. The characteristics of respondents are dominated by male employees (82.4%) which is a common characteristic in energy sector companies. The length of service of respondents varied, with the highest proportion in the 5-10 year category (41.2%).

Validity and Reliability Test Results

The results of the validity test show that all statement items have a *corrected item-total correlation* value of > 0.30 , so it is declared valid. The reliability test showed Cronbach's Alpha values for the leadership variables (0.872), work conflict (0.801), and employee performance (0.845), all of which > 0.70 so that the instrument was declared reliable.

Classical Assumption Test Results

The normality test with Kolmogorov-Smirnov showed a significance value of $0.156 > 0.05$, so the data was normally distributed. The multicollinearity test showed VIF values for leadership (1,423) and work conflict (1,412) < 10 , so that multicollinearity did not occur. The heteroscedasticity test with Glejser showed a significance value of > 0.05 for all variables, so heteroscedasticity did not occur.

Results of Multiple Linear Regression Analysis

Table 1. Results of Multiple Linear Regression Analysis

Variable	Regression Coefficients	t-count	T-Table	Significance
Constant	8,234	3,456	-	0,001
Leadership	0,421	4,891	1,663	0,000
Work Conflict	0,287	3,234	1,663	0,002

$R = 0.623$; $R\text{ Square} = 0.388$; $\text{Adjusted } R\text{ Square} = 0.373$; $F\text{-count} = 26,854$; $\text{Sig. } F = 0.000$

Source: Primary Data processed, 2026

The regression equations obtained are:

$$Y = 8.234 + 0.421X_1 + 0.287X_2 + e$$

Hypothesis Test

The Influence of Leadership on Employee Performance (t-test)

The results of the t-test showed a t-calculated value for the leadership variable of $4.891 > t\text{-table}$ of 1.663 with a significance value of $0.000 < 0.05$. This means that leadership has a positive and significant effect on employee performance, so **H1 is accepted**.

These findings are in line with previous research showing that delegative leadership styles have a positive effect on employee performance. At PT. PLN (Persero) Ambon Branch, the leadership style applied by managers and supervisors has a positive impact on the performance of subordinates. Leaders who are able to communicate well, delegate authority appropriately, and provide motivation will encourage employees to work more optimally.

In the context of SOEs, research on leadership shows that transformational leadership styles applied with a positive paternalistic approach can improve employee motivation and performance. This is relevant to the findings in the field that employees of PT. PLN (Persero) Ambon Branch responded positively to leadership that paid attention to the welfare of subordinates while providing clear directions.

The Effect of Work Conflict on Employee Performance (t-test)

The results of the t-test showed a t-calculated value for the work conflict variable of $3.234 > t$ -table 1.663 with a significance value of $0.002 < 0.05$. This means that work conflicts have a significant effect on employee performance, so **H2 is accepted**.

The direction of the positive regression coefficient indicates that an increase in work conflict is followed by an increase in employee performance. These findings may seem contradictory to the common view that conflict always has a negative impact. However, research on state-owned banking in Indonesia shows that *goal conflict* can actually increase employee activities in bridging various interests (*boundary spanning activities*).

Research on conflict management in financial institutions also shows that the implementation of effective conflict management can have a positive effect on employee performance. This means that well-managed conflicts can be a driver of performance improvement. Conflict encourages discussion, sparks new ideas, and triggers improvements in work processes. At PT. PLN (Persero) Ambon Branch, conflicts that occur within employees are managed constructively so that they actually encourage performance improvement.

These results are also in line with the findings of research on PT. Victory International Futures shows that labor conflicts have a positive and significant impact on employee performance.

The Simultaneous Influence of Leadership and Work Conflict on Employee Performance (F test)

The results of the F test showed an F-count value of $26.854 > F$ -table 3.11 with a significance value of $0.000 < 0.05$. This means that leadership and work conflicts simultaneously have a significant effect on employee performance, so **H3 is accepted**.

The Adjusted R Square value of 0.373 indicates that 37.3% of the variation in employee performance can be explained by leadership and work conflict variables, while the remaining 62.7% is explained by other variables outside of the research model, such as compensation, work environment, motivation, and competence.

Discussion

The findings of this study provide several important implications for human resource management at PT. PLN (Persero) Ambon Branch. First, effective leadership is a key factor in improving employee performance. Companies need to continue to develop the leadership capacity of managers and supervisors through training and development. A leadership style that fits the local cultural context in Ambon, which values togetherness and warm paternalistic relationships, needs to be integrated with the principles of participatory modern leadership.

Second, work conflicts need to be seen as something normal in the organization and managed constructively. The management of PT. PLN (Persero) Ambon Branch needs to develop effective conflict management systems and mechanisms, including open communication channels, mediation, and negotiation. With proper management, conflict can be a source of positive energy for improving organizational performance.

The characteristics of Indonesian culture that have a high power distance, collectivism, and prioritize workplace harmony need to be considered in implementing leadership and conflict management strategies. An overly confrontational approach to dealing with conflict may be less appropriate for the local cultural context. On the contrary, an approach that prioritizes deliberation and consensus is more likely to be accepted.

Findings about the positive effects of work conflict on performance also need to be interpreted carefully. This positive influence may only apply to well-managed functional conflicts. Dysfunctional conflicts that are destructive in nature still have the potential to disrupt organizational performance. Therefore, it is important for management to distinguish the types of conflicts and handle them appropriately.

CONCLUSION

1. Leadership has a positive and significant effect on the performance of employees of State-Owned Enterprises. This shows that the better the leadership style applied, the higher the employee's performance.
2. Work conflicts have a significant effect on the performance of employees of PT PLN (Persero) Ambon Branch in a positive direction, which means that conflicts that are managed constructively can encourage performance improvement.
3. Simultaneously, leadership and work conflicts have a significant effect on the performance of employees of State-Owned Enterprises with a contribution of 37.3%.

Suggestions

1. For State-Owned Enterprises:
 - Develop a sustainable leadership development program that blends modern approaches with local cultural wisdom
 - Establish an effective conflict management system, including clear conflict handling procedures and negotiation skills training for employees
 - Creating a culture of open communication that allows differences of opinion to be expressed constructively
2. **For the next** researcher:
 - Conduct research with mediation or moderation variables such as work motivation or organizational commitment
 - Expand research by involving more scope of work in State-Owned Enterprises
 - Using a mixed-methods approach to gain a deeper understanding of leadership dynamics and work conflicts in public sector organizations

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