



The Influence of Effectiveness of Management, Work Culture, Trust and Engagement, towards Work Effectiveness of Employee Property Company at Jakarta

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ABSTRACT

This study aims to measure and analyze the effect of management effectiveness, work culture, trust, and engagement on the work effectiveness of employees of family-based property companies in Jakarta. A sample of 130 people was taken from 193 employee populations, using the Slovin formula. This study uses a quantitative approach with linear regression analysis, single test, and path analysis. From the results of the study, it can be seen that: (1) management effectiveness, work culture, and trust have a positive and significant direct effect on work effectiveness, (2) effectiveness of management and work culture indirectly affect work effectiveness through trust, (3) engagement is not effect directly or indirectly on work effectiveness. The results of the study found that Trust is the most influential and very significant variable in influencing the work effectiveness of employees in family companies. Conclusions obtained, namely transparency, honesty, and fairness, and high integrity can make work more effective.

Keywords: Management effectiveness, Work culture, Trust, Engagement, Work effectiveness.

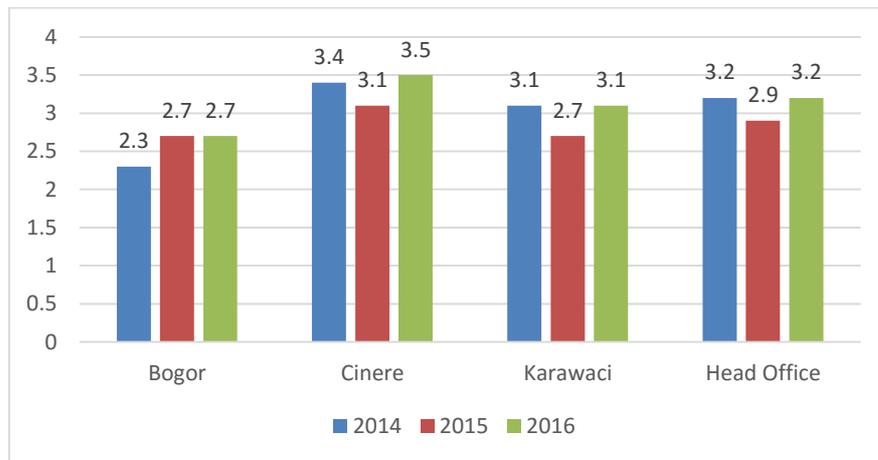
INTRODUCTION

Many factors cause employee work to be ineffective, especially in a family-run company (Basco & Pérez Rodríguez, 2011), where there is intense competition within the family environment itself which leads to power struggles that have an impact on many conflicts, intrigue, and high nepotism in every internal business process factor (Visio, 2012). The main problem is that employees feel at this time is a long and layered bureaucracy, having a leader comes from nepotism (Mutlu, 2000), elements of likes and dislike of directors / management are very thick, making employees feel anxious (Jones, 2012), which has a high employee turnover that exceeds the normal rate and the high level of employee absence (Wijnmaalen, Julia; Heyse, Liesbet; Voordijk, 2016).

Regarding the character of family companies that cause poor conflict management (Villalonga & Amit, 2006), employee turnover (De Lange, De Witte, & Notelaers, 2008) and high employee absence rates (Gosselin, Lemyre, & Corneil, 2013), researchers see the

ineffectiveness of employee work in realizing the planned work plan. Following is a graph of employee turnover and absence:

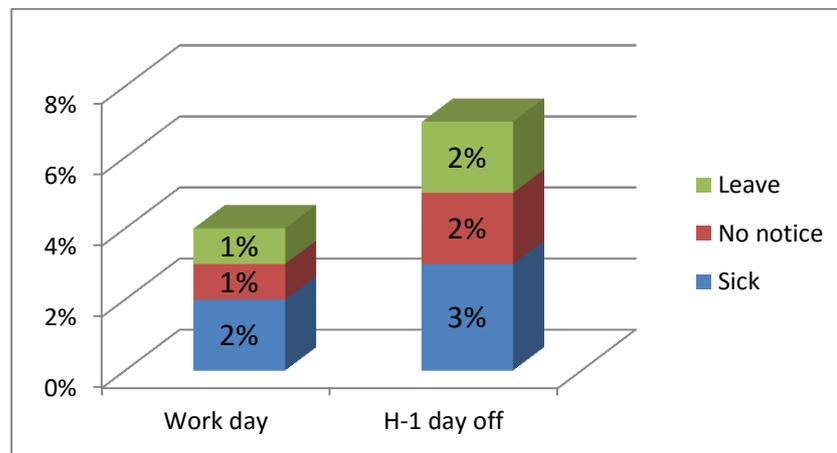
Picture 1
Employee Turn over (%)



Resources : Human capital division PT. MD

The problem that is often faced besides the turnover of 3% is employee absence on certain days (Demerouti, Le Blanc, Bakker, Schaufeli, & Hox, 2009), namely H-1 day off. Some employees choose not to attend work, especially reasoned sick and not present without any information (Cooper & Dewe, 2013) as follows:

Picture 2
Employee Absenteism



Resources : Human capital division PT. MD

The goal of the research is to finding the answer of twelve hypothesis as follows (1) Does Management Effectiveness have a positive direct effect on Work Effectiveness, (2) Does Work culture has a direct positive effect on Work Effectiveness, (3) Does the Trust have a direct positive effect on Work Effectiveness, (4) Does Engagement have a direct positive effect on Work Effectiveness, (5) Does Management Effectiveness have a direct positive effect on the Trust, (6) Does Work culture has a direct positive effect on Trust, (7) Does Management Effectiveness have a positive direct effect on Engagement, (8) Does Work culture has a direct positive effect on Engagement, (9). Does Management Effectiveness have a positive indirect effect on Work Effectiveness through Trusts, (10). Does Work culture has a positive indirect effect on Work Effectiveness through Trusts, (11) Does Management Effectiveness have a positive indirect effect on Work effectiveness through Engagement, (12) Does Work culture has a positive indirect effect on Work effectiveness through Engagement.

The novelty of this research as follows, (1). In examining the object of work effectiveness, this research is more complete, more comprehensive, more detailed, and more research variables than previous studies, (2) Out of 72 (seventy two) global studies relevant to this study, none of them discussed the effect of management effectiveness, Work culture, Trust, and Engagement on employee work effectiveness simultaneously, many other studies conducted research separately, (3). Another novelty in this study is the existence of mediating variables from trust and engagement to work effectiveness, where related to this the researchers added Sobel Test to see the indirect influence, (4). In this study it was found that Trust is the most influential variable in making employees effective for work, (5). In this study it was found that Engagement has no effect in making employees effective for work.

LITERATURE REVIEW

Trust is the feeling of trust and confidence of employees in management and companies in managing their business. Trust in the organization is important (Avolio, Gardner, Walumbwa, Luthans, & May, 2004). Organizations that have high trust from employees are easier to carry out their operational activities (Muhl, 2014). With high trust, a commitment to carry out activities more strongly, the risk of internal intrigue is smaller, productivity and performance of employees and organizations ultimately increases (Tirelli, Andrew; Goh, 2015). Trust in the company has a strong positive impact on emotional commitment. employees (de Vries, Bakker-Pieper, & Oostenveld, 2010).

Work effectiveness in this study is the accuracy in the implementation of employee work in accordance with the targets set by Management. This is in accordance with expert opinion, work effectiveness is *shows persistence in overcoming obstacles* (Spartan, 2016), is a measure of the achievement of a task or goal with indicators of realization of achievement by planning, measuring the success of the policy, controlling operational activities (Schermerhorn, 2013), *is an evaluation of how people, rather than processes or markets, react to client demands*" (Schlenker, Lee; Matchan, 2015).

Management effectiveness in this study is the accuracy of management work in protecting the values of the company and achieving the goals set by using the rules of the POAC. This is in accordance with expert opinion, management effectiveness is acquiring power, active listening, assessing cross-cultural differences, budgeting, choosing an effective leadership style (Robbins & Coulter, 2011), good in empowering skill (Daft, 2014), defined as the satisfaction and commitment (Luthans, 2010), balance in task and people oriented (C Levy, 2010), take ethical decisions and value commitment to an organization (Chen, 2015), protecting values and achieving goals and objectives (Hockings, 2010).

Work culture in this study is the values of Employee work behavior in thinking and acting that are cultured and become a driving force that can be used to improve efficiency and cooperation between Employees who work in the Company. This is in accordance with expert opinion, Work culture is a combination of qualities to think and act (Rollins & Robert, 2010), habits that employees do in thinking and acting (Bersin et al, 2015), habituating process (Levy, 2010), internalized psychological framework (Osborn, 2010), learning in dealing with problems (Amnuhai, 2013), discipline, openness, mutual respect, cooperation (Kreitner, 2013), set of assumptions, understandings, and beliefs shared by a working community (Lotze, 2014).

The trust in this study is the positive expectation of the Employees on honesty and commitment of Management that brings confidence and truth in conducting collaborative work. This is in accordance with expert opinion, The trust is a psychological part to accept deficiencies based on positive expectations of the intentions or behavior of others (Rousseau et al, 2012), Trust is a psychological idea, experience from the results of the interaction of values, attitudes, moods and emotions with others (Jones, G.R. and George, 2013), honesty and cooperative behavior sharing the same norms and values (P.M Doney, J.P Cannon, 2014), positive attitudes towards goodwill and the reliability of others who are trusted in

situations that are volatile and risky (Long & Sitkin, 2014), Trust reflects an aspect of possibility, namely expectations (R. Bhattacharya, T.M. Devinney, 2009).

Engagement in this study is employee positive attitudes and behaviors towards the company that improve performance and commitment so that they can work in total / all-out. There are several theories that say that engagement influences the work effectiveness of employees, but there are some recent theories that say otherwise. This is in accordance with expert opinion Engagement is an illusory power that motivates employees to improve performance at a higher level (Gill, 2014), is the degree to which an employee is able to commit to an organization (Lindgren, 2016), improve performance in work for the benefit of the organization (Albdour & Altarawneh, 2014), commitment, and loyalty (Yuan, Lin, Shieh, & Li, 2012).

METHODOLOGY

This study uses quantitative methods and is analyzed by path analysis. Samples were taken using simple random sampling technique in a homogeneous population of 193 people. The number of samples is determined by the Slovin formula with a 5% error margin of 130 people with the following formula:

Picture 3
Formula Slovin

$$n = \frac{N}{1 + Ne^2} \qquad n = \frac{193}{1 + (193 \times 0,05^2)} = 130$$

dimana:
n = Jumlah Sampel Minimal
N = Jumlah Populasi
e = Margin Error 5%

The sample criteria are as follows:

Picture 4
Sample Criteria

<u>Age</u>	<u>Age (yo)</u>	<u>%</u>	<u>Yos</u>	<u>Year service</u>	<u>%</u>
< 25	8	6%	< 3	8	6%
25 - 40	97	75%	3 - 10	77	59%
> 40	25	19%	> 10	45	35%
	130	100%		130	100%

<u>Sex</u>	<u>Number</u>	<u>%</u>	<u>Educations</u>	<u>Number</u>	<u>%</u>
Men	92	71%	High School	65	50%
Woman	38	29%	Diploma	23	18%
	130	100%	Bachelor	42	32%
				130	100%

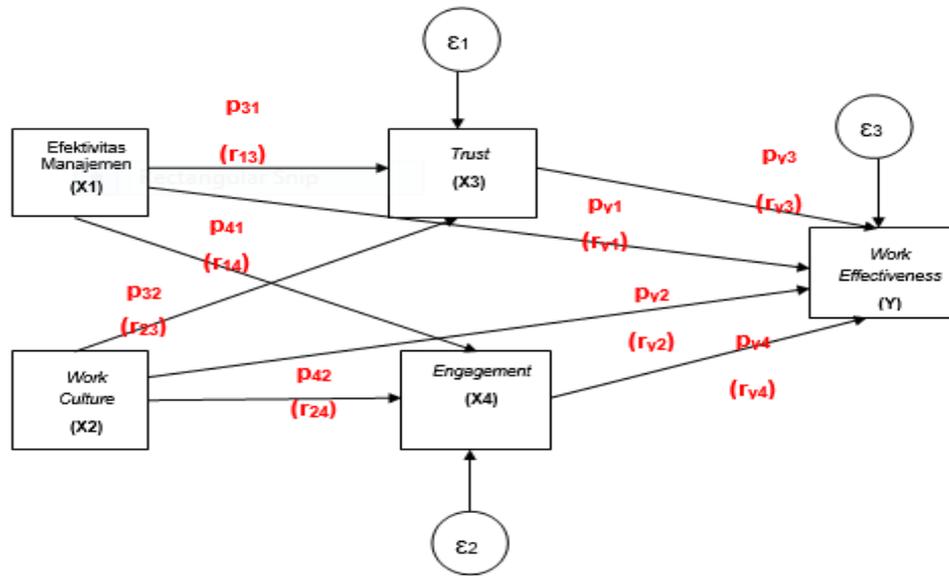
Processing data using SPSS version 24.00 software. Aside from the significance test t, a sobel test is conducted to test the direct indirect effect or intervening variable namely trust and engagement with the following formula:

Picture 5
Sobel Formula

$$Sab = \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2}$$

The research drawings in this study consist of three structural equations as follows:

Picture 6
Research flow chart



Keterangan:

$$X_3 = p_{31}X_1 + p_{32}X_2 + \varepsilon_1 \quad (\text{persamaan sub structural 2})$$

$$X_4 = p_{41}X_1 + p_{42}X_2 + \varepsilon_2 \quad (\text{persamaan sub structural 3})$$

$$Y = p_{y1}X_1 + p_{y2}X_2 + p_{y3}X_3 + p_{y4}X_4 + \varepsilon_3 \quad (\text{persamaan sub structural 1})$$

The research instrument test was carried out through the validity-reliability test to ensure that the questionnaire prepared could be understood by the respondents and had measurement consistency (Ghozali, 2005: 41). The dependent variable is Y (work effectiveness) and the independent variables are : X1 (management effectiveness), X2 (work culture), X3 (trust), and X4 (engagement).

Table 1
Operational Variables

No	Variables	Indicator	Reference
1	Management effectiveness	<ol style="list-style-type: none"> Running POAC, work planning, organization & work actuation, control & evaluation of work results. Empower employees and resources appropriately. Paying attention to employee job satisfaction by providing the right reward. Resolve work problems / conflicts appropriately. Establish & control work quality standards. Implement rules & work discipline. 	Robbins & Coulter (2011), Daft (2014), Luthans (2010), Silverthorne (2015), Gibson (2012)
2	Work culture	<ol style="list-style-type: none"> Have positive habits that tend to work. Have a commitment to be professional at work. Having a work ethic that reflects high values. There are positive habits in increasing the comfort of the work atmosphere. There is character formation in the habituating process. 	Rollins & Robert (2010), Wakefield (2015), Levy (2010), Lotze (2014), Mills (2010)
3	Trust	<ol style="list-style-type: none"> Positive thinking about the intentions of Management. Able to behave cooperatively towards Management decisions. Able to behave honestly & can be trusted. Have a healthy and good reciprocal working relationship. 	Rousseau (2012), Jones (2013), Doney (2014), Robinson (2010), Pruitt (2009)

		5. Have positive expectations for a closer working relationship.	
4	Engagement	<ol style="list-style-type: none"> 1. Have a high commitment to work and the Company. 2. Having high work dedication. 3. Having high work interest. 4. Have pride in the Company. 	Norton (2014), Federman (2016), Schaufeli (2011)
5	Work effectiveness	<ol style="list-style-type: none"> 1. Able to carry out work systematically, persistently, with the right time. 2. Able to achieve work realization that is right on target according to the work plan. 3. Able to overcome the workload and risk. 4. Optimizing work facilities & infrastructure to support work success. 5. Use adequate competence & expertise to achieve work success. 6. Having the right character to achieve work results. 	Spartan (2016), Genesys (2014), Haden (2016), Schlenker & Marchan (2015)

RESULT AND DISCUSSION

Based on the findings in this study it can be argued that management effectiveness actually has a direct effect on trust. This is in line with Luthans' theory, that human resources are said to be successful if management is able to establish information and communicate with each other, pay attention to and empower employees, resolve conflicts, and trust their organization (Norman, Avolio, & Luthans, 2010). This opinion is in line with Gardner's research regarding leadership effectiveness in management that affects employee trust (Gardner, 2012).

Based on the findings of this study, it can be stated that management effectiveness actually has a direct effect on work effectiveness. This is in line with the research conducted by Genesys, that Management Effectiveness can encourage employees to work prioritizing priorities, handle multiple projects simultaneously, set regular project goals, show persistence in overcoming obstacles, and ensure follow-through to desired results (Genesys, 2014). This means that the higher the effectiveness of management, the better the work effectiveness of employees, this is also in line with the research conducted by Tucker et al which emphasizes effective leader behavior and direct involvement in operations (A.L.a & S.J.b, 2015).

Based on the findings of this study, it can be stated that management effectiveness actually has a direct effect on engagement. This is in line with Medlin's theory which says that the impact of effective management will result in employees who are more involved in their work (Medlin, B., Green, 2014). Management that performs its functions effectively makes employees comfortable and at work. This is in line with the research conducted by Hasan who said that effective leaders will produce employees who are tied to the company (Hassan & Ahmed, 2011).

Based on the findings in this study it can be argued that work culture actually has a direct effect on trust. This is in line with Rollins' theory which says that Work culture is consistent, influencing the overall performance of the organization. and generate employee trust in management and the company (Rollins & Robert, 2008). This is also in line with research related to work culture that influences employee job satisfaction (Santosh Dev; Santoshi Sengupta, 2015), as well as work culture related to company performance (Bendassolli, 2017) and employee performance (Den Hartog & Verburg, 2004).

Based on the findings in this study it can be argued that work culture actually has a direct effect on engagement. This is in line with the theory from Schaufeli that positive work culture has an impact on employees who are happier, healthier and more productive (Schaufeli et al., 2002). This is also in line with the research of Timms et al which argues that work culture that brings flexibility will result in employees being more comfortable in their work (Timms et al., 2015).

Based on the findings in this study it can be argued that work culture actually has a direct effect on trust. This is in line with Rollins' theory which says that Work culture is consistent, influencing the overall performance of the organization. and generate employee trust in management and the company (Rollins & Robert, 2008). This is also in line with research related to work culture that influences employee job satisfaction (Santosh Dev; Santoshi Sengupta, 2015), as well as work culture related to company performance (Bendassolli, 2017) and employee performance (Den Hartog & Verburg, 2004).

Based on the findings in this study, it can be stated that the Trust actually has a direct effect on Work Effectiveness. This is in line with Bowen et al's research regarding management sovereignty in giving trust to employees (Cropanzano, Bowen, & Gilliland, 2007), where one type of authentic leadership based on servant leadership principles brings effectiveness to teamwork (Rezaei, Salehi, Shafiei, & Sabet , 2011), while trustworthy management can make employees work more performably (Ashley Fulmer & Gelfand, 2012).

A comprehensive assessment of work effectiveness needs to be done in view of the limitations in this study. This is because there are other variables that influence work effectiveness that need to be studied further such as bureaucratic reform, organizational behavior, reward and punishment systems, compensation, job satisfaction, work motivation, leadership behavior and so on. The many variables that influence this work effectiveness indicate that all factors can have a link with work effectiveness, this also means that work effectiveness variables have a large influence on the sustainability or the future sustainability of the company.

CONCLUSION

Based on the results of research, data analysis and statistical calculations and hypothesis testing, conclusions are obtained as follows, in family companies, trust is the biggest foundation in the effectiveness of all jobs. Management will not be effective if it acts inconsistently, makes decisions based on like or dislike, recruits high-ranking officials based on nepotism, many family interest conflicts that influence decision making, the number of intrigues and conflicts that are created by themselves by 'family clans', gives increased welfare based on 'closeness' not because of work performance, will have an impact on employee trust in management.

Management effectiveness has a positive direct influence on work effectiveness. That is, the management of the company that performs its work function effectively, will improve the work effectiveness / work effectiveness of employees in the Company. If all policies from very large to very small matters are decided by top management, this will have an impact on work effectiveness in the field. A job will be done longer because it awaits the decision of the top management center. Trust has a positive direct effect on work effectiveness. This means that the higher the employee trust in the company, the more effective employees will be at work. Trusts create a comfortable and conducive working atmosphere so that employees can feel security to behave the way they are. For this reason, in the study of employee work effectiveness, the most influential variable is the trust variable. Future studies are expected to explore in more detail the items that are the most prominent indicators in this study, namely how employees can realize work goals correctly and effectively if they feel management cannot resolve conflicts within the company.

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