DIJEMSS: Dinasti International Journal of Education Management and Social Science
E-ISSN: 2686-6331
P-ISSN: 2686-6358
https://dinastipub.org/DIJEMSS dinasti.info@gmail.com +62 811 7404 455
DOI: https://doi.org/10.38035/dijemss.v6i1
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Received: 08 September 2024 | Revised: 10 October 2024 | Publish: 10 October 2024

# The Influence of Leadership with Heart on the Performance of Palm Oil Plantation Company Managers at PT Perkebunan Nusantara III (Persero)

**Darmansyah Siregar[1], Zulkarnain Lubis[2], Vivi Gusrini Rahmadani[3], Muhammad Reza Aulia[4], Mehaga Bastanta Sinulingga[5]**
[1]Universitas Medan Area, Indonesia, darmansyah_siregar@students.uma.ac.id.
[2]Universitas Medan Area, Indonesia, zulkarnainlubis@uma.ac.id.
[3]Universitas Sumatera Utara, Indonesia, vivigusrini.rahmadani@usu.ac.id.
[4]Universitas Teuku Umar, Indonesia, muhammadrezaaulia@utu.ac.id.
[5]PT Perkebunan Nusantara III Operasional, Indonesia, mehagabastanta@gmail.com.

Corresponding Author: darmansyah_siregar@students.uma.ac.id[1]

**Abstract:** The urgency of this study stems from the multitude of leadership styles that have emerged over the last five years, leaving us uncertain about the most appropriate style to implement in oil palm plantation companies, particularly PT Perkebunan Nusantara III. The problem in this study is that manager performance and leadership vary greatly; some are highly influential and some have no influence. One way to improve manager performance is to apply leadership with heart. Therefore, there needs to be a study on the influence of leadership style with the heart on the performance of oil palm company managers. The anticipated findings aim to determine whether the heart leadership model has a significant impact on manager performance. The targeted output is the mandatory output of a reputable international journal, Scopus Q3, published in the Journal of Leadership Studies, SJR value 0.29, ISSN 1935-262X, and additional outputs of monograph books, international proceedings, and book rights. As for the technology readiness level, this study is included in the category of technology readiness level 1 with a target of technology readiness level 3, namely the formulation of the concept of the heart leadership model on manager performance.

**Keyword:** Heart Leadership, Manager Performance, Palm Oil Plantation Companies

## INTRODUCTION

Using people resources to their full capacity in order to achieve organizational objectives and results is one of the biggest difficulties facing executives. As the significance of teams in the corporate environment increases, so does the role that leaders play in directing their teams. Problems are not solved by leaders on their own. The complicated world we live in demands the cooperation of a wide range of employee abilities and resources. Because of this, developing good leadership and teamwork is highly valued [1]. Leadership is a pressing issue and an under-recognized concept in the business world. Leadership, as a universal activity, is

essential to the effective functioning of organizations and societies. Leadership's moral purpose is to empower followers, leading to moral outcomes achieved through moral means [2].

Leadership is critical in an organization because it determines much of its success and failure. Leadership is a managerial activity in an organization that guides employees in a direct chain of command toward achieving work goals. The interactions between coworkers and managers greatly influence employee commitment. Commitment is complex and ongoing, requiring managers to find ways to improve employee performance. Consequently, competent employee commitment is critical to organizational success [3].

Leadership behaviors have a significant effect on employee job satisfaction, motivation, and performance [4]. Understanding this, the organization has made significant efforts and invested a lot of money, with mixed results, to find and train people who will fill the leadership roles required to satisfy present and future demands. A lot of an organization's development is accelerated by good leadership behavior. Leaders are not considered true leaders unless they have an emotional appeal. The foundation of leadership is trust, which is based on competence, honesty, integrity, openness, responsiveness, caring, and benevolence.

Every era has obstacles for leaders, but modern politicians confront considerably greater difficulties [5]. Improving employee performance has grown in importance and concern over the last few decades in public sector enterprises [6]. The way a leader leads has a big influence on how their team members feel about their work [7]. One of an organization's many responsibilities is to motivate its employees to achieve its goals and objectives. Leaders use employee motivation levels to influence employee and organizational performance [8]. However, some organizational leaders are unaware of the impact their leadership style has on employee motivation and performance [9].

Previous studies have shown that leadership is critical to organizational growth and performance [10, 11]. Individual and organizational productivity, employee motivation, job satisfaction, and behavior all benefit from effective leadership. Leaders have the ability to persuade employees to work toward organizational goals [12]. Leadership style will also determine employee work engagement [13, 14]. No single leadership style can address all leadership issues, as it relies on a leader's traits, employee capabilities, and a variety of intricate organizational circumstances and issues [10].

**Problem Solving Approach**

As part of its performance assessment implementation, PT Perkebunan Nusantara III (Persero) created a competency-based performance management system. This system, along with other systems integrated into the competency-based human resource management system, is known as the integrated competency-based management system.

The competency-based performance management system governs the process of enhancing employee performance within a company. It does this by identifying the necessary performance milestones, providing necessary guidance and counseling, assessing work performance, assessing the company's results and contributions, and devising an employee's competency development plan. Establishing a competency-based performance management system not only enables measurement of individual employee performance and contribution to company goals, but also serves as a valuable resource for future evaluation and improvement of HR development.

The values implemented at PT. Perkebunan Nusantara III influence the work patterns of employees, necessitating the use of a suitable leadership style to bolster this approach. Over the past decade, numerous leadership concepts have emerged, with at least five prominent leadership styles [15]. Table 1 illustrates the differences between the components of each leadership style.

**Table 1. Leadership Style Components**

| Transformational Leadership | Authentic Leadership | Servant Leadership | Ethical Leadership | Empowering Leadership |
|---|---|---|---|---|
| Idealized influence | Self-awareness | Empowerment | Moral person | Delegation of authority |
| Intellectual stimulation | Balanced processing | Accountability | Moral manager | Accountability for outcomes |
| Inspirational motivation | Relational transparency | Standing back | | Self-directed decision making |
| Individualized consideration | Internalized moral perspective | Humility | | Information sharing |
| | | Authenticity | | Skills development |
| | | Courage | | Coaching for innovative performance |
| | | Forgiveness | | |
| | | Stewardship | | |

Source: Decuypere and Schaufeli (2020)

Despite extensive research on leadership styles and behaviors [16–18], there remains a rare understanding of how leaders act and behave in terms of heart, emotional intelligence, and spiritual intelligence, and how this relates to performance [19]. Empirical findings have significantly and substantially shaped our understanding of leadership, despite the cultural context shaping people's behaviors, values, and beliefs. Emotional and spiritual intelligence can provide valuable insights into the behavior of leaders. Leading with the heart closely aligns with emotional and spiritual intelligence [19]. Furthermore, a deeper study of numerous factors related to heart-centered leadership is necessary.

### State of the Art and Novelty

This study aims to bridge the knowledge gap by examining the influence of a heart-centered leadership style on the performance of managers in oil palm plantation companies. This study introduces a novel approach by formulating the dimensions of leadership with the heart and examining its impact on various mediating variables and manager performance.

## METHOD

The leadership with heart variable requires several variables as mediating variables to assess the effect on performance. Decision-making participation and well-being are the mediating variables. The utilization of six main aspects in testing mediation in leadership research is expected to contribute to a deeper understanding of the complex relationship between heart-centered leadership and performance. We can define well-being as a psychological aspect in mediation, and decision-making participation as a managerial aspect. No previous studies have simultaneously tested these two aspects to explain the effect of leadership on performance. This study is useful for providing a more comprehensive understanding of the underlying mechanisms that link leadership to performance, building on and expanding previous research.

Partial least squares (PLS) will be the analysis approach used in this investigation. PLS is a different approach that requires less samples to solve intricate multilevel models. PLS also

has a number of benefits, one of which is that it has ideal implications for prediction accuracy. PLS is a strong analysis technique that can validate hypotheses because it does not assume a data measurement scale. If it proves that these six aspects act as mediators of leadership, influencing performance, it could serve as a model for other companies to develop their leadership styles. We hope this study will yield pertinent recommendations to address company issues, particularly in oil palm plantations.

We intentionally (purposefully) selected the research location because PT Perkebunan Nusantara III is the largest, oldest, and most significant group in Indonesia. We conducted the research period over three months, from June 2024 to August 2024. Both primary and secondary data are used in this investigation. Observations were made through interviews, and questionnaires measuring spiritual and emotional intelligence, among other things, were used to collect primary data. We acquired secondary data from the company, such as performance indexes, staff attendance statistics, and the promptness of reporting operations, among other things. The target demographic for this study consisted of all businesses affiliated with PT Perkebunan Nusantara 3 Holding. We selected a sample strategy based on proportional stratified random sampling. In order to guarantee that every stratum is represented, this method modifies the number of samples from each subpopulation to the total number of subpopulations (20). 137 managers in all, representing 225 manager populations (plantation and factory executives), responded to the survey. Our calculation of the sample size was based on the Isaac and Michael Table.

The partial least squares (PLS) analytic approach can be applied to evaluate the hypothesis about the link, either direct or indirect, between somewhat complicated variables. In a single analysis, PLS is able to characterize every relationship between the independent and dependent variables. Among the programs available for PLS analysis is SMART PLS 4. With the ability to characterize every relationship in the model, this software may study the effects of a heart-centered leadership style on manager performance while accounting for all mediating factors. This analysis also tests the indirect influence between variables.

This study produces reputable international journals and monograph books, as well as the most appropriate model for improving manager performance. The research questionnaire's data are based on indicators for each variable. Every business entity, both private and state-owned, especially palm oil plantation companies, can use reputable international journals and monograph books as reference materials to maximize leadership performance.

## RESULTS AND DISCUSSION

### The Influence of Leadership with Heart on Decision Making Participation

According to the research results, the concept of leadership with heart prioritizes relationships between people and has a positive and significant influence on decision-making participation. The concept of Leadership with Heart, which emphasizes emotional intelligence, spiritual intelligence, and teamwork, can have a positive impact on organizational dynamics, especially in the context of participation in decision-making and employee engagement. Leadership with heart is characterized by empathy, compassion, and genuine concern for employee well-being. When leaders demonstrate leadership with heart, they create a positive work culture, improve relationships, and strengthen trust and collaboration within the organization. This, in turn, can result in better decision-making, decreased turnover, and higher job satisfaction among employees. Therefore, the influence of leadership with heart on participation in decision-making can indeed have a positive impact on organizational dynamics, as it promotes a supportive and inclusive environment that values the input and well-being of all individuals involved.

This is consistent with Siddique and Nawaz's (2019) research, which states that sharing decision-making by leaders with related officers/employees considers the concerns of all employees when making decisions. This injects a sense of ownership among co-workers, which

is obviously very motivating. Siddique says that decision-making participation is more likely to occur in transformational leadership than in transactional leadership. This suggests that Leadership with Heart is closer to transformational leadership.

**The Influence of Leadership with Heart on Well-Being**

This study reveals that leadership with heart has a significant impact on the leader's own well-being at PT Perkebunan Nusantara III. In this context, the way leaders lead and interact with others in the organization influences their physical, mental, and emotional well-being.

The study's findings show that leaders who practice leadership with heart tend to experience increased personal well-being. Their satisfaction comes from seeing their actions benefit employees and the company. Leaders who focus on empathetic and caring relationships with their subordinates feel calmer and more balanced because they not only achieve organizational goals but also fulfill personal goals to make a positive impact.

Leadership with heart encourages leaders to listen and understand the people around them better, which in turn reduces conflict and increases harmony in work relationships. With reduced pressure and conflict, leaders experience lower levels of stress, which directly contributes to their mental and emotional well-being. This sense of peace and satisfaction is the result of job satisfaction achieved by creating a positive and constructive work environment.

Additionally, this study discovered that leaders who lead with passion reap physical benefits. When leaders focus not only on outcomes but also on processes and human relationships, they are more likely to avoid the burnout and energy drain that often occur in highly demanding leadership. A balance between professional responsibilities and personal well-being means leaders have more energy and vitality to lead effectively.

On the emotional side, leaders who practice heart-led leadership also report increased emotional well-being. They experience greater happiness and satisfaction in their work because they lead with integrity and authenticity. This lessens the emotional strain resulting from isolation or conforming to expectations that don't align with personal values.

Overall, these findings suggest that heart-led leadership not only benefits employees and organizations but also has a very positive impact on the well-being of leaders themselves. By prioritizing empathy, integrity, and attention to human relationships, leaders can achieve higher levels of well-being, which ultimately increases their effectiveness in carrying out their leadership duties in the company.

**The Influence of Leadership with Heart on Manager Performance**

According to the study's findings, Leadership with Heart has no direct influence on manager performance, but there is an indirect influence. This indicates that the impact of leadership with heart on manager performance is not direct but rather requires the involvement of other variables, known as mediators, such as self-efficacy, well-being, and job satisfaction. Applying the concept of leadership with heart will lead to an increase in self-efficacy, well-being, and job satisfaction, which in turn will ultimately enhance manager performance. We assess Leadership with Heart subjectively, while we objectively assess manager performance based on production and yield using secondary data. This could potentially account for the rejection of the hypothesis. Extending the performance measures can alter the results and potentially have a significant direct impact. Therefore, there is room for additional investigation.

**The Influence of Decision-Making Participation on Manager Performance**

According to the study's findings, decision-making participation has no effect on manager performance. Most likely, in the context studied, managers can achieve good performance without relying too much on the level of participation in decision-making. This

study may reflect that manager in the organization of PT Perkebunan Nusantara III are more guided by the clarity of their roles and responsibilities rather than involving many parties in the decision-making process. Perhaps the organization has set up an efficient structure for managers to operate autonomously.

It is important to consider the organizational context that may affect the relationship between decision-making participation and manager performance. There may be situations where high participation has a positive impact, while in others, it is not very important. It may be necessary to look further into whether the high level of decision-making participation in the organization is truly qualified and makes a significant contribution to the decision-making process.

**The Influence of Well-Being on Manager Performance**

This study revealed that well-being has a significant influence on the performance of managers at PT Perkebunan Nusantara III. In this context, well-being includes physical, mental, and emotional aspects that affect a manager's overall condition, ultimately having a direct impact on how they carry out their leadership roles and managerial responsibilities.

The results showed that managers who have high levels of well-being tend to show more optimal performance. Good well-being allows managers to maintain the focus and energy needed to complete their tasks effectively. Managers who feel physically and mentally healthy are better able to cope with work pressure, make positive decisions, and direct their teams more effectively. Good physical condition also allows them to have the stamina necessary to handle high workloads without experiencing excessive fatigue.

In addition, this study found that excellent mental and emotional well-being contributes to emotional stability and managers' ability to maintain positive interpersonal relationships with their teams. Well-being helps managers handle workplace conflicts and challenges with patience, empathy, and wisdom. This creates a more harmonious and conducive work environment, where team performance and effective manager performance can improve.

Well-being also plays a significant role in increasing managers' motivation and commitment to their work. Managers who feel overall well-being are more likely to remain highly motivated and committed to achieving company goals. They tend to be more eager to continue learning and developing, as well as willing to take the necessary initiatives to drive innovation and operational improvement. In other words, high well-being strengthens managers' sense of responsibility and dedication to their roles, which leads to better performance.

Furthermore, the study revealed that positive well-being helps managers maintain a work-life balance. Managers who achieve this balance are happier at work and more optimistic about their careers. This not only improves their performance at work but also reduces the risk of exhaustion and burnout, which can be detrimental to long-term productivity.

Overall, the results of this study confirm that well-being is a key factor that influences manager performance. Companies can improve their leadership effectiveness by ensuring good well-being among managers, which in turn has a positive impact on overall organizational performance. Well-off managers are valuable assets to companies, as they are not only able to perform their tasks better but also serve as an inspiration and positive example for their teams.

**The Influence of Leadership with Heart on Manager Performance through Decision Making Participation**

Although Leadership with Heart focuses on empathy, open communication, and creating a supportive and inclusive work environment, the study's results showed that this leadership had no significant effect on manager performance through participation in decision-making. This indicates that although managers are involved in the decision-making process, this participation does not necessarily have a direct impact on improving manager performance.

One possible reason is that participation in decision-making alone is insufficient to trigger performance changes. There are other factors that may play a greater role in driving performance, such as managerial skills, resource allocation, or work environment conditions that support productivity. Participation in decision-making can indeed increase a sense of involvement and ownership, but this may not be strong enough to have a significant impact on objectively measured aspects of performance, such as production or operational targets.

In addition, managers' subjective perceptions of Leadership with Heart may not directly translate into objective performance improvements. Quantitative data, like production or yields, often serve as the basis for assessing performance, and aspects of participation may not always directly influence them. Therefore, although Leadership with Heart encourages involvement in decision-making, this may not be enough to significantly affect manager performance improvements in this context.

**The Influence of Leadership with Heart on Manager Performance through Well-Being**

One of the benefits of Leadership with Heart is its ability to improve managers' well-being. Well-being includes mental, emotional, and physical health that affects a person's productivity and quality of work. In the context of leadership with a heart approach, leaders create a work environment that supports work-life balance, listens to individual needs, and provides the necessary emotional support. Well-cared-for managers are more motivated and comfortable at work.

This increase in well-being then acts as a mediator in the relationship between leadership with heart and manager performance. When managers' well-being increases, they tend to have higher energy and motivation to achieve predetermined performance targets. To work more efficiently and productively, they can handle workplace stress and challenges better. In other words, leadership that focuses on individual well-being can indirectly improve managers' performance by improving their well-being.

## CONCLUSION

This study yields seven main conclusions based on the tested hypotheses. First, this study demonstrates that heart-centered leadership significantly influences decision-making participation, well-being, and manager performance. However, participation in decision-making itself does not have a direct effect on manager performance. In contrast, well-being has a positive impact on manager performance. In addition, leadership with the heart does not affect manager performance through decision-making but has an indirect effect on manager performance through increased well-being. This conclusion emphasizes the importance of well-being as a mediator between leadership with the heart and manager performance.

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