

CHAPTER I

INTRODUCTION

1.1 Background Research

Human resources (HR) is a very important factor that cannot even be separated from an organization, both institutions and companies. There are many factors related to improving company performance, one of which is the human resource (HR) factor. Whatever the form and purpose, the organization is made based on various visions for the benefit of humans and in carrying out its mission it is managed and managed by humans.

According to Fei Lie & Siagian (2018) human resources are assets and function as capital (non-material / non-financial) in business organizations, which can be realized into real potential (real) physically and non-physically in realizing the existence of the organization. Therefore human resources must be managed properly to increase the effectiveness and efficiency of the organization, as one of the functions in a company known as human resource management.

Employee performance in practice can be influenced by several factors. According to Batra & Rastogi (2023) these factors are internal organizational environmental factors, external environmental factors, and internal employee factors. Internal organizational environmental factors mean that employees need support from their place of work in carrying out their duties which will later affect

the resulting performance, for example corporate leadership, organizational culture, compensation systems, work climate, and management systems. Meanwhile, internal employees mean the innate factors present within the employee and the factors acquired during development such as emotional intelligence, work experience, work stress, and commitment. The performance factors used in this study are charismatic leadership, organizational culture and emotional intelligence.

One of the factors that can affect employee performance is the leadership factor. According to Gibson, (1996) provides an understanding of leadership (leadership) as an effort to use non-coercive types of influence to motivate people to achieve certain goals. Meanwhile, according to Hasibuan (2017) states leadership is a way for someone to influence the behavior of subordinates, so they want to work together and work productively to achieve organizational goals.

Many types of leadership are applied by a leader, but according to Duarte et al., (2021) charismatic or transformational leadership is a leadership style that has extraordinary influence on its members. The great influence that charismatic leadership has is being able to change the focus of members from a personal focus to a collective focus. Kim et al., (2023) also stated that charismatic leadership style is a type of leadership that is considered to have a major influence on its members. The results of his research state that charismatic leadership has a positive effect on employee motivation, performance and teamwork.

In addition, one of the efforts to improve human resources that can be carried out by companies is through the implementation of organizational culture within the company. Ivancevich et al., (2007) explain that culture is a pattern of assumptions that are created, discovered, or developed so that people can adapt to organizational life. Employees who are able to adapt to the organizational environment are expected to be able to work well according to organizational goals.

According to Wardani et al., (2016) explained that the application of culture in a company will shape the character of employees by itself in carrying out their duties and achieving the goals of the company. The implementation of organizational culture for employees is expected to be able to improve employee performance which will eventually lead to increased human resource performance in the company.

In addition there are other factors that affect performance, namely emotional intelligence or often referred to as EQ (Emotional Intelligence Quotient) is the ability to realize one's own emotions or the emotions of others (Batool & Khalid, 2012). Someone who has high emotional intelligence is able to control emotions and understand other people so as to create a harmonious group of people. Rachmelya & Suryani (2017) in their research stated that emotional intelligence is needed in teamwork in the world of work so that common goals are achieved. Good emotional management can lead to a commitment to provide the best for the organization so that it helps employees to develop their careers in the organization. An employee's

emotional intelligence is needed to manage his feelings so that he can express them appropriately and effectively.

In this study, the authors determined the object of research at PT Jawa Makmur. PT Jawa Makmur is located at Jln. Overtime Warung RT/RW 001/001 Kel. Purbaratu, Kec. Purbaratu, Tasikmalaya. PT Jawa Makmur is a company engaged in the supply and credit of household appliances, electronics and consumer goods. PT Jawa Makmur itself has been established since 2007 with the current number of employees reaching 405 employees. As a product and service provider company, of course the existing human resources are required to have good quality. The background to the problem is that it was found that employee performance was far from consumer expectations, slow delivery or service, and the lack of communicative employees to consumers made consumers feel uncomfortable using services and shopping at PT Jawa Makmur.

This becomes an interesting problem to study, to what extent is the charismatic leadership and organizational culture of PT Jawa Makmur employees or employees in serving consumers. The role of charismatic leadership and organizational culture is very important for the performance of HR in a company, because these two factors are internal factors in influencing Employee performance, the better the charismatic leadership and organizational culture, the better the Employee performance. In addition, emotional intelligence also has an influence on Employee performance, this is because if individuals have high emotional

intelligence they are able to control their emotions and understand the tasks assigned so that they affect Employee performance.

Research conducted by Aldian (2019), Aisah (2020), and Banks et al., (2017) states that charismatic leadership has a direct influence on Employee performance in a company. Other research which states that organizational culture has a direct influence on Employee performance, namely Jufrizen & Rahmadhani (2020) and Rivai (2020). This study did not add intervening variables, so in this study researchers added emotional intelligence as an intervening variable. Research that supports emotional intelligence has an influence on Employee performance, namely emotional intelligence also influences Cuéllar-Molina et al., (2019), and Octavia et al., (2020).

However, different research results were actually found in research conducted by Marsoit et al., (2017) where charismatic leadership had no significant effect on performance. In addition, several studies suggest that organizational culture does not always affect Employee performance, this is found in Maabuat (2016) research which state that organizational culture has no significant effect. This research is a modification of the research conducted by Hardiyani (2020) and the research conducted by (Mona & Subagja, 2020).

Based on the explanation of the data, the researcher is interested in conducting research entitled "THE EFFECT OF CHARISMATIC LEADERSHIP AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE

THROUGH EMOTIONAL INTELLIGENCE AS AN INTERVENING VARIABLE (Study at PT Jawa Makmur)".

1.2 Research Question

Referring to the background of the problems that have been described, the problems can be formulated as follows:

1. Does charismatic leadership have a significant effect on Employee performance at PT Jawa Makmur?
2. Does organizational culture have a significant effect on Employee performance at PT Jawa Makmur?
3. Does charismatic leadership have a significant effect on emotional intelligence in PT Jawa Makmur?
4. Does organizational culture have a significant effect on emotional intelligence at PT Jawa Makmur?
5. Does emotional intelligence have a significant effect on Employee performance at PT Jawa Makmur?
6. Does charismatic leadership significantly influence Employee performance through emotional intelligence as an intervening variable at PT Jawa Makmur?
7. Does organizational culture significantly influence Employee performance through emotional intelligence as an intervening variable at PT Jawa Makmur?

1.3 Research Purpose

Based on the formulation of the problems that have been described, the objectives of this study are as follows:

1. Analyzing the influence of charismatic leadership on Employee performance at PT Jawa Makmur.
2. Analyzing the influence of organizational culture on Employee performance at PT Jawa Makmur.
3. Analyzing the effect of charismatic leadership on emotional intelligence in PT Jawa Makmur.
4. Analyzing the influence of organizational culture on emotional intelligence at PT Jawa Makmur.
5. Analyzing the effect of emotional intelligence on Employee performance at PT Jawa Makmur.
6. Analyzing the effect of charismatic leadership on Employee performance with emotional intelligence as an intervening variable at PT Jawa Makmur.
7. Analyzing the influence of organizational culture on Employee performance with emotional intelligence as an intervening variable at PT Jawa Makmur.

1.4 Benefit of Research

The results of this study can be used as material for consideration or reference for related parties including:

1. For Researchers

Gaining research experience so that they can make comparisons between the knowledge obtained theoretically and the realities of life, especially in organizational practice.

2. For Academics

The results of this study are expected to be useful as reference material and additional knowledge for other parties, especially other researchers who will take similar topics for research material in the future.

3. For Companies

It is hoped that this research can provide an overview of the influence of leadership and organizational culture on Employee performance through emotional intelligence, so that it can become a reference and consideration for PT Jawa Makmur in formulating policies to realize even better Employee performance.