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Ways to Enhance the Performance of an Organization: Teachings from PT Pupuk Indonesia Logistik (PILOG)

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Abstract

The organizational performance of PT Pupuk Indonesia Logistik (PILOG) is declining due to a number of problems, including inadequate human resource development and acquisition. Achieving corporate objectives and enhancing organizational performance depend on having high-quality people resources. This study will examine the impact of pawnshops, competency, and organizational support on enhancing organizational performance within the corporation using multiple linear regression analysis. The study's findings, which totaled 0.187, 0.477, and 0.298, showed that organizational performance was positively impacted by procurement, competence, and organizational support, all partially and simultaneously.

Cara Meningkatkan Kinerja Organisasi: Kajian dari PT Pupuk Indonesia Logistik (PILOG)

Abstrak

Kinerja organisasi PT Pupuk Indonesia Logistik (PILOG) menurun karena sejumlah permasalahan, antara lain pengembangan dan akuisisi sumber daya manusia yang belum memadai. Pencapaian tujuan organisasi dan peningkatan kinerja organisasi bergantung pada penyediaan sumber daya manusia yang berkualitas tinggi. Penelitian ini menggunakan analisis regresi linier berganda untuk mengetahui pengaruh pengadaan, kapabilitas, dan dukungan organisasi terhadap peningkatan kinerja organisasi perusahaan. Hasil penelitian sebesar 0,187, 0,477, dan 0,298 yang artinya menunjukkan bahwa kinerja organisasi secara parsial dan simultan dipengaruhi secara positif oleh pengadaan, kapabilitas, dan dukungan organisasi.

INTRODUCTION

In the current business environment, which is developing at an ever-increasing rate, every company needs to have comparative and even competitive advantages over its rivals (Ford, 2020). Equipped with these benefits, the business will be more appealing to customers. Strategies to meet organizational objectives will never be successful if the organization's human resources are of a low caliber. This makes sense given that the people who directly carry out the company's strategy are its employees, who are the human resources in this instance (Farida & Setiawan, 2022). Therefore, any organization has to have human resources that are devoted, capable, and fully support business operations. A division of PT Pupuk Indonesia (Persero), PT Pupuk Indonesia Logistik (PILOG) is engaged in the provision of shipping and maritime transportation services. PT. Pupuk Indonesia (Persero) owns 56% of the shares of PILOG, while PT. Sriwidjaja Palembang fertilizer has up to 44%. The founder of PILOG was on December 23, 2013. To support the national food security program, PT. Pupuk Indonesia Logistik (PILOG) would distribute fertilizers, both subsidized and non-subsidized, using the Six Right Concept (quantity, type, place, time, price, and quality). The commercial distribution of fertilizers, liquids, ammonia, coal, gypsum, and other needs of businesses that are part of the PT group is a business opportunity that PILOG can investigate. Companies with significant potential to boost productivity and earnings include Pupuk Indonesia Holding Company (PIHC)

(Adik Pembayun & Syarifuddin, 2021; Sahudiyono & Parta, 2023).

The goal of PT. Pupuk Indonesia Logistik is to keep expanding and evolving into a highly dynamic, networked workplace. This corporation offers land transportation services such trucking, warehousing, loading and unloading, shipping expedition services, and sea dock/agency/port infrastructure in addition to maritime transportation services. The primary goal of this company's founding was to increase shareholder wealth and create value through business activities related to logistics. Efforts include operating a commodities logistics company on an irregular and irregular basis for the community's advantage as well as for the irregular and irregular benefit of organizations and business affiliates.

Between 2018 and 2022, PILOG's revenue and net profit fluctuated. This scenario points to declining organizational effectiveness. According to the researcher's first findings, organizational support was not yet at its best for promoting larger-scale organizational performance. In addition, there is another issue with human resources, as the organizational structure has more support staff than employees that are actively involved in the company's main operations. This uneven composition demonstrates that PT Pupuk Indonesia Logistik still struggles with the acquisition of human resources. However, the polarization in the educational backgrounds of the heterogeneous workforce means that the process of the company's growth and development takes time.

LITERATURE REVIEW

Procurement

Purchasing human resources, according to (Sawitri et al., 2019), entails assembling a workforce capable of foreseeing issues and business tasks that arise both today and in the future. Put differently, procurement functions as a decision-making process concerning the human resources anticipated to be required to address issues or execute company tasks that have been successfully and efficiently planned (Nguyen & Hadikusumo, 2017). This concept makes it clear that every leader needs to assess organizational resources and determine the best approach to distribute them in order to meet goals.

Numerous studies, including (Odhiambo & Theuri, 2015); (Kakwezi & Nyeko, 2019), bolster the idea that human resource procurement affects organizational performance. Additionally, research suggests that effective procurement will enhance organizational effectiveness (hypothesis 1).

Competency

Competency is a set of abilities, information, and conduct that can be critically applied and observed for an organization's success, employee contributions to the workplace, and work performance (Shavelson, 2010). According to Spencer, a competency is an underlying personal trait that is directly linked to the efficacy and/or better performance standards mentioned in a job or circumstance (Messelink et al., 2015). Good employee competency may promote improved

organizational performance, according to a number of research (Farisi, 2022; Kolibáčová, 2014; Sarumaha, 2022; Shet et al., 2019). The second hypothesis in the study supports earlier findings that competence improves organizational performance.

Perceived organizational support

According to (Kurtessis et al., 2017), perceived organizational support is the state in which an organization looks out for or supports the well-being of its workers. According to (DeConinck, 2010), perceived organizational support refers to an employee's opinion of the assistance they receive from the company, as well as an evaluation of their contributions and the degree to which the company values their well-being. Beyond the required reciprocity offered by the company, employees unquestionably require help from the organization. Employees will be greatly impacted by the support that the organization offers.

Employee psychology will be impacted by organizational support at work. Staff members may provide their all for the company when they use positive psychology. Workers will feel more like they belong to and are more involved in the organization if they perceive strong levels of organizational support. In doing so, workers will take on a greater sense of accountability and help the company achieve its objectives (Arifin & Darmawan, 2021; Chaidir et al., 2023; Chiang & Hsieh, 2012; Miao & Kim, 2010). It appears from these findings that performance will be enhanced by organizational assistance (Hypothesis 4).

Performance

According to (Mills & Smith, 2011), organizational performance is a term used to describe how well an activity, program, or policy realizes an organization's vision, mission, goals, and objectives as stated in the strategic planning of the organization. Another view holds that performance is a broad term that refers to all or some of an organization's actions or activities over a given period of time in relation to a number of standards, including past costs projected based on efficiency, accountability or management accountability, and similar concepts (Abubakar et al., 2019). The way the performance process is carried out determines whether the organization's objectives and values succeed or fail.

Factors that impact an organization's performance are inextricably linked to it (Barasa et al., 2018; Cera & Kusaku, 2020). First, technology, which refers to the tools and processes employed by the company to create its goods and services. The performance level of a company increases with the quality of the technology employed. The second is the caliber of the organization's inputs or materials. Workplace safety, room layout, and cleanliness are all aspects of the physical environment's quality. The third concept is organizational culture, which is the work and behavior patterns that are typical of the organization in question. Fourth, leadership is an endeavor to manage members of an organization so that they operate in line with the objectives and standards of the

organization. The fifth is human resource management, which covers bonus structures, pay scales, and other topics.

METHODOLOGY OF RESEARCH

This research was conducted at PT Pupuk Indonesia Logistik Jakarta, whose address is Pusri Building, Jl. Lt. Gen. S. Parman No. Kav.101, RT.2/RW.1, Tomang, Kec. Grogol Petamburan, West Jakarta City, Special Capital Region of Jakarta. The time needed to complete this research is two months from June to July 2023.

The 53 workers of PT. Pupuk Indonesia Logistics make up the research population. Both land-based and maritime workers make up this total. To get a complete picture of what occurred to the research subjects, the researcher sampled the entire population. In light of this, non-probability sampling with a saturated sampling type is the sampling strategy employed (Saifuloh et al., 2021).

Primary and secondary data are the two types and sources of data used in this study. Primary data are those that are gathered straight from respondents via questionnaires (Rasbin, 2016). On the other hand, secondary data comes from documentation found in scientific publications and literature pertaining to the variables and study objects in question.

RESULT

Table 1. Data Quality Test

No.	Test	Result	Cut-off	Information
1.	Validity			All indicators valid
	HR procurement	0,433	0,2706	Valid
	HR Competency	0,5303	0,2706	Valid
	Organizational Support	0,64253	0,2706	Valid
	Organizational Performance	0,52253	0,2706	Valid
2	Reliability			All indicators reliable
	HR procurement	0,819	0,6	Reliabel
	HR Competency	0,878	0,6	Reliabel
	Organizational Support	0,923	0,6	Reliabel
	Organizational Performance	0,870	0,6	Reliabel

Source: Attachment 1.

Table 2. Classical Test

No.	Test	Result	Information
1.	Normality	Asymp. Sig. (2-tailed) 0.200 > 0.05	Data are normally distributed
2.	Multicollinearity	Tolerance > 0,1 VIF < 10	Variables have a high degree of freedom from other variables
	HR procurement	0,542 1,845	
	HR Competency	0,181 5,537	
	Organizational Support	0,235 4,251	
3.	Heteroscedasticity	The dots are spread randomly and do not form a pattern	There is no indication of heteroscedasticity

Table 3. Multiple Regression Results and Goodness of Fit

No.	Test	Description/ Variables	Significance	Information
1.	Coefficient of Determination (R-Square)	R ² Adjusted R ²	0,835 0,825	
2.	F-Test	F-Value Constant	82.760*** 1.277***	Significant Significant
3.	t-Test	X1 X2 X3	0.187*** 0.477*** 0.298***	Significant Significant Significant

DISCUSSION

Based on the results of multiple linear regression analysis, the following equation is obtained $Y = 1.277 + 0.187$. The constant shows that if all independent variables are zero, then the value of organizational performance is 1.277.

Organizational performance will rise by 0.187 percent if the value of the procurement variable rises, provided that all other independent variables remain zero, according to the procurement regression coefficient of 0.187. Management must closely monitor the HR procurement process since it can improve organizational performance. In order to find people that meet the demands of the business, companies need to make sure that recruitment and selection are done efficiently. In this instance, it is imperative that the management comprehend the particular requirements of the firm and seek out people who possess the necessary qualifications.

According to the competency regression coefficient of 0.477, organizational performance will rise by 0.477 if the value of the HR competency variable rises, provided that all other independent variables remain zero. Employee competency development is something that organizational management needs to focus on especially. Programs for leadership development, staff training and development, and other strategies can be used to accomplish this. It is possible to enhance organizational performance overall by raising individual competency within the company.

The regression coefficient for organizational support is 0.298, suggesting that a one-unit increase in the organizational support variable will result in a 0.298 unit increase in organizational

performance, providing all other independent variables remain constant. An essential element in enhancing performance is receiving robust backing from the organization. Management should establish a culture that fosters creativity, cooperation, and prudent risk-taking. In addition, management must ensure the provision of enough resources, such as financial allocation, advanced technology, and suitable facilities, to support operational tasks.

CONCLUSION

This study reveals that procurement, expertise, and organizational support have a favorable impact on organizational performance, both individually and collectively. Hence, firms seeking to enhance performance might focus on these three variables. If a corporation has achieved exceptional staff proficiency, it must exert measures to sustain it. Prevent firms from prioritizing high profits at the expense of reducing their skilled staff.

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