

Analysis of Leadership Style and Performance Assessment Towards Work Productivity Case Study: PT KJP (Material Packing Company)

Yudhi Permadi^{1*} and Agung Surya Dwianto²

^{1,2} Paramadina University, Indonesia

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CORRESPONDING AUTHOR

yudhi.permadi@students.paramadina.ac.id

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ABSTRACT

This study explores the interplay between leadership style and performance appraisal systems and their influence on work productivity within PT KJP, a material packaging company operating under high operational pressure. Utilizing a qualitative case study with a phenomenological approach, data were collected through in-depth interviews, participant observations, and internal document analysis. The findings reveal that a dual leadership style combining transformational and transactional elements is practiced contextually across managerial levels. While transformational leadership enhances employee engagement and motivation, transactional mechanisms are applied for short term efficiency. Furthermore, the study identifies significant gaps in the performance appraisal system, which is perceived by employees as formalistic and lacking developmental value. Transparent and participatory appraisal processes, supported by consistent leadership, were found to positively influence motivation and productivity. The study concludes that an integrated human resource strategy aligning leadership development with feedback-oriented performance evaluations is essential for optimizing productivity. Recommendations are offered for leadership training and redesigning appraisal systems tailored to the operational dynamics of the organization.

ABSTRAK

Penelitian ini mengeksplorasi interaksi antara gaya kepemimpinan dan sistem penilaian kinerja serta pengaruhnya terhadap produktivitas kerja di PT KJP, sebuah perusahaan pengemasan material yang beroperasi di bawah tekanan operasional tinggi. Dengan menggunakan pendekatan studi kasus kualitatif berorientasi fenomenologis, data dikumpulkan melalui wawancara mendalam, observasi partisipatif, dan analisis dokumen internal. Hasil penelitian menunjukkan bahwa gaya kepemimpinan ganda menggabungkan unsur transformasional dan transaksional diterapkan secara kontekstual oleh manajer. Kepemimpinan transformasional meningkatkan keterlibatan dan motivasi karyawan, sementara pendekatan transaksional digunakan untuk menjamin efisiensi jangka pendek. Selain itu, penelitian ini menemukan adanya kesenjangan signifikan dalam pelaksanaan sistem penilaian kinerja yang dipersepsikan karyawan sebagai bersifat administratif dan minim nilai pengembangan. Proses evaluasi yang transparan dan partisipatif, jika didukung oleh gaya kepemimpinan yang konsisten, terbukti berpengaruh positif terhadap motivasi dan produktivitas kerja. Penelitian ini menyimpulkan bahwa strategi sumber daya manusia yang terintegrasi dengan menyelaraskan pengembangan kepemimpinan dan evaluasi berbasis umpan balik merupakan kunci dalam mengoptimalkan produktivitas. Rekomendasi praktis diberikan dalam bentuk pelatihan kepemimpinan dan perancangan ulang sistem evaluasi yang sesuai dengan dinamika operasional perusahaan.

1. Introduction

Work productivity is a multidimensional construct that reflects the efficiency, consistency, and contribution of employees in achieving organizational goals. It encompasses not only quantitative output but also work quality, time optimization, and value-added processes aligned with strategic objectives [1], [2]. In contemporary human resource management,

productivity is regarded as the outcome of dynamic interactions between individual motivation, managerial practices, and organizational climate [3]. Particularly in manufacturing environments, such as material packaging industries, productivity serves as a strategic indicator that directly influences profitability, customer satisfaction, and competitiveness [4]. Hence, understanding the determinants of work productivity is

essential for organizations aiming to sustain high performance in complex operational settings.

Despite the growing awareness of productivity challenges, many organizations continue to experience difficulties in maintaining employee performance at optimal levels. In PT KJP (Material Packing Company), for example, the organization faces high operational pressure and growing customer demands amid internal restructuring and resource limitations. Initial observations reveal a mismatch between formal performance standards and the practical realities of daily work. Employees also perceive gaps in communication and leadership consistency, while feedback mechanisms appear limited [5]. These issues highlight the need for a deeper exploration of internal managerial factors that potentially hinder productivity. Existing literature suggests that leadership style and performance evaluation practices are key internal drivers of employee behavior and organizational outcomes, but their combined effects in specific industrial contexts remain under explored [6], [7].

Leadership style refers to the consistent behavior and approach adopted by leaders in guiding and motivating subordinates. Among various leadership models, transformational leadership has garnered attention due to its ability to enhance intrinsic motivation, encourage innovation, and promote team engagement [8], [9]. Leaders who articulate a compelling vision, provide intellectual stimulation, and offer individualized consideration are more likely to foster a collaborative and high performing workforce [10]. Conversely, transactional or authoritarian leadership styles often fail to inspire commitment and may even lead to resistance, stress, or turnover in high demand work environments [11]. Therefore, analyzing how leadership is perceived and practiced at different managerial levels is crucial in understanding its influence on productivity in a company like PT KJP.

Performance appraisal, as a managerial instrument, plays a vital role in assessing employee contributions, providing feedback, and aligning individual goals with organizational targets. A well-designed appraisal system can enhance accountability, reinforce performance standards, and identify training needs [12]. However, appraisal mechanisms that are perceived as subjective, inconsistent, or disconnected from actual work conditions may demotivate employees and diminish trust in leadership [13], [14]. In the case of PT KJP, the formal evaluation system based on Key Performance Indicators (KPIs) is reportedly seen as overly administrative and lacking in constructive follow up. These issues point to a gap between the intended function of performance assessment and its perceived value on the ground, which could significantly affect work productivity.

Work productivity in manufacturing contexts has been significantly influenced by leadership style and

performance appraisal mechanisms, yet the integrated effect of these two factors remains underexplored. Numerous studies highlight the positive role of transformational leadership in enhancing intrinsic motivation, collaboration, and innovation, with significant results reported in manufacturing sectors of Uganda, China, and Indonesia [4], [9], [14]. Similarly, effective performance appraisal systems those that are objective, structured, and feedback oriented have been linked to increased accountability and productivity [1], [5], [7]. However, many organizations report persistent productivity issues due to misalignment between formal KPI based evaluations and practical work conditions. Studies from WHO offices in East Africa and Mumias Sugar Company, for instance, emphasize that appraisals perceived as inconsistent or disconnected from daily tasks may demotivate employees and erode trust [3], [15]. Moreover, prior research tends to rely heavily on quantitative methods such as SEM PLS or regression analysis, which often fail to capture the subjective experiences of employees in real-world, high-pressure settings like PT KJP. This creates a significant gap in understanding how leadership and appraisal systems are perceived on the ground and how they interact to affect productivity, especially in organizations undergoing restructuring and resource strain.

This study fills this gap by employing a qualitative phenomenological approach to deeply explore how employees at PT KJP perceive and experience leadership behaviors and appraisal fairness, particularly under operational stress. It is novel in three key aspects: (1) it investigates the lived experiences of employees to understand the practical dynamics of leadership and appraisal in influencing productivity, (2) it examines the interactive effects of leadership style and performance appraisal system rather than treating them as isolated variables, and (3) it provides context specific recommendations for PT KJP to reform its internal management systems for better performance outcomes. Unlike previous studies that treat appraisal or leadership as standalone elements, this research bridges both within the same organizational environment, offering theoretical contribution to management literature and practical value to industrial human resource management.

In light of these gaps, this study aims to investigate how leadership style and performance appraisal systems influence work productivity at PT KJP. Using a qualitative case study design, the research explores employees' perceptions and lived experiences to generate context specific insights. The findings are expected to contribute to the theoretical development of leadership and performance management literature, particularly in manufacturing settings. Practically, the study will offer actionable recommendations for improving leadership capacity and reforming

performance evaluation practices to foster a more productive and engaged workforce.

2. Research Method

This research adopts a qualitative case study approach with a phenomenological orientation, aimed at exploring how leadership style and performance appraisal systems are perceived and experienced by employees in relation to their work productivity. This methodology was selected due to its suitability for capturing deep, subjective insights into social and organizational phenomena that are not easily quantifiable.

Data were gathered through three primary techniques: in depth interviews, participant observation, and document analysis. Semi structured interviews were conducted with both managerial and non-managerial staff to investigate their perspectives on leadership behavior, the fairness and implementation of performance evaluations, and the influence of these factors on their motivation and performance. Participants were selected using purposive sampling to ensure representation across different units and hierarchical levels.

Participant observation allowed the researchers to directly observe daily work interactions, leadership dynamics, and employee behavior within the organizational context. In addition, internal documents such as company policies, performance reports, and evaluation templates were analyzed to provide background context and verify interview findings through triangulation.

The interview guide, serving as the main instrument, was developed based on theoretical insights from transformational and transactional leadership literature, performance appraisal theory, and productivity models. Thematic analysis was employed to analyze the collected data, involving stages of transcription, coding, categorization of recurring themes, and interpretation of underlying patterns and meanings.

This methodological approach is considered appropriate for understanding the contextual complexities and lived realities of employees in a high-pressure manufacturing setting like PT KJP. By focusing on employee experiences and perceptions, the study provides actionable insights and strategic recommendations for improving leadership effectiveness and performance appraisal systems in similar organizational environments.

3. Result and Discussion

The qualitative analysis conducted at PT KJP (Material Packing Company) illustrates the intertwined effects of leadership style and performance appraisal systems on employee productivity. The dominant leadership styles identified through in-depth interviews were

transformational and transactional, adopted in varying degrees across managerial levels. Transformational leadership marked by clear vision, individualized consideration, and intellectual stimulation was reported to enhance intrinsic motivation and strengthen employee commitment. Leaders who engaged subordinates in decision making processes and emphasized personal growth contributed to a work environment characterized by collaboration and innovation. This is in line with findings in [1], [16] which emphasized that knowledge-oriented leadership enhances organizational performance by stimulating creative behavior in employees. However, due to high operational demands, transactional leadership tactics were also prominent, particularly in reinforcing performance expectations through structured reward and punishment schemes. This dual adoption illustrates a pragmatic leadership model responsive to situational requirements, echoing insights from [2], [17] which advocate for adaptive personnel policies in high-stakes industries.

Discrepancies were noted between managerial and non-managerial perceptions of the performance appraisal process. While formal assessments based on Key Performance Indicators (KPIs) are held biannually, employees often perceive them as administrative formalities with limited developmental impact. Many participants described the appraisal system as lacking constructive feedback, thereby reducing its motivational effectiveness. Managers attributed this deficiency to time limitations and operational workload, which hinder their ability to conduct comprehensive evaluations. This mismatch reflects the concerns raised in [3], where inadequate feedback mechanisms were linked to stagnation in employee performance.

Thematic analysis further revealed that a transparent and participatory appraisal process featuring clear performance metrics, timely feedback, and career development insights is positively associated with enhanced engagement and productivity. In contrast, perceptions of subjectivity and unfairness in appraisals contribute to disengagement and reduced morale. Similar findings in [4], [18] demonstrate how effective performance assessment systems directly correlate with employee accountability and organizational efficiency. Ultimately, the study reinforces the notion that leadership and appraisal mechanisms should not operate in isolation. Instead, they must be integrated into a coherent human resource strategy that adapts to the operational and psychological realities of a manufacturing environment. Based on these insights, it is recommended that PT KJP revise its appraisal procedures to incorporate real time feedback and training oriented evaluations, while also investing in leadership development initiatives to align managerial behavior with employee expectations and productivity goals.

3.1. Dual Leadership Styles Transformational and Transactional Dynamics

The findings indicate that leadership practices at PT KJP are not confined to a singular model but rather represent a duality between transformational and transactional styles. Transformational leadership, characterized by articulating a clear vision, offering individual support, and fostering intellectual stimulation, was frequently associated with heightened employee motivation and engagement. Employees reported that leaders who encouraged participation and demonstrated moral commitment inspired stronger work ethic and collaboration. These observations support the assertion by [1], [19] that transformational leadership enhances intrinsic motivation and drives creative work behavior. Simultaneously, in high pressure operational contexts, transactional leadership elements were prominent especially in the use of reward and punishment systems to enforce performance targets. This adaptive combination suggests a context sensitive leadership approach, consistent with the insights of [2], [20] who emphasized the importance of flexible personnel policies in volatile industrial environments. Nevertheless, this blend of styles also risks creating perceptual inconsistencies among employees regarding leadership coherence and fairness.

3.2. Performance Appraisal Gaps Formal Intent versus Practical Reality

A significant gap emerged between the formal structure of performance evaluations and their actual implementation. While the organization follows a biannual KPI based appraisal process, many employees perceive it as overly administrative and lacking constructive follow up. Feedback an essential component of effective performance management is seldom delivered in ways that promote learning or behavior improvement. Managers attributed this to time constraints and workload, which limit their capacity to engage in meaningful evaluation discussions. Such conditions mirror the findings of [3], [17] who argued that performance appraisal without feedback mechanisms leads to stagnation and reduced employee engagement. This perceptual divide reveals the systemic disconnect between the strategic purpose of appraisals and how they are experienced on the ground. It suggests an urgent need to redesign the appraisal system to prioritize timely, relevant, and participatory evaluation processes that reflect actual work contributions and promote continuous development.

3.3. Leadership Appraisal Interaction and Its Effect on Productivity

The study further reveals that the interaction between leadership style and performance appraisal mechanisms significantly shapes employee productivity at PT KJP.

When managers employ a participative leadership approach and provide timely, constructive feedback, employees exhibit greater engagement, responsibility, and output. In contrast, autocratic leadership or opaque appraisal processes tend to undermine motivation and trust. These findings are supported by [4], [18] who reported that employees' trust in fair and inclusive performance assessments is a critical determinant of organizational effectiveness. Thus, the study underscores that leadership and appraisal systems must not be designed or executed in silos. A synergistic alignment between communicative leadership and feedback-oriented performance evaluation is essential to create a psychologically safe, accountable, and high performing work environment. Such integration is especially critical in manufacturing settings under resource constraints and continuous operational pressures.

4. Conclusion

This study examined the interrelationship between leadership style and performance appraisal systems in shaping work productivity at PT KJP, a manufacturing firm operating under significant operational pressure. The findings demonstrate that leadership practices at PT KJP reflect a dual approach, combining transformational and transactional elements in response to varying situational demands. Transformational leadership was found to foster intrinsic motivation and team engagement, while transactional methods helped ensure short term efficiency and compliance with production targets. However, performance appraisal mechanisms were perceived by employees as largely procedural and lacking in developmental value, revealing a disconnection between formal evaluation standards and real workplace dynamics. The effectiveness of productivity outcomes was shown to depend heavily on the alignment between leadership behavior and appraisal transparency. When leaders provided meaningful feedback and facilitated participatory evaluation processes, employee motivation and productivity increased significantly. This highlights the critical need for an integrated human resource strategy that bridges leadership development with appraisal reform. Practically, organizations like PT KJP should invest in leadership training tailored to contextual challenges and redesign performance appraisal systems to ensure feedback is timely, relevant, and developmental. Future research may explore longitudinal changes in leadership impact or apply mixed method approaches to validate and expand upon the qualitative insights presented in this study.

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