



# Examining the Moderating Role of Workload: The Impact of Soft Skill and Transformational Leadership on Frontliner

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**Abstract.** Employee performance is a very important element in a company's operational activities, high employee performance will encourage the achievement of company performance which can be assessed from financial or non-financial aspects. In the banking industry, the level of employee performance is assessed from the level of service provided by employees, especially frontline employees to customers. This study aims to examine the moderating role of workload on the influence of soft skills and transformational leadership on the performance of frontliners at branch offices belonging to PT Bank Mandiri Area Medan City Hall. This study uses a quantitative and inferential approach. The sample in this study amounted to 200 frontliners. The analytical method used in this research is the Structural Equation Model (SEM). The results showed that workload can only moderate the effect of soft skills on performance. Soft Skills and has a significant influence on performance.

**Keywords:** Frontliner Performance (FP) · Soft Skill (SS) · Transformational Leadership (TL) · Workload (WL)

## 1 Introduction

Bank is one of the financial institutions that have a very important or vital role in the economy of a country [1]. Banking also plays a role in connecting fund suppliers with fund users in an economic system or in transaction traffic in a country. Bank Mandiri is a State-Owned Bank with the largest number of assets, loans, and deposits compared to other State-Owned Banks. Bank Mandiri was first established on October 2, 1998, which was the result of the merger of 4 (four) banks, namely: Bank Bumi Daya (BBD), Bank Dagang Negara (BDN), Bank Export Import Indonesia (Bank Exim), and Bank Pembangunan Indonesia (Bank Mandiri). Bapindo). In 2021, Bank Mandiri was able to win The Best Financial Service Supper App, which award was given to banking companies that were able to aggressively improve their digital services in the face of a pandemic. Furthermore, Bank Mandiri also won an award as the best bank in the company's banking sector in 2021 with net profit reaching IDR 12.5 trillion or growing

21.45% from 2020, fee-based income reaching IDR 15.94 trillion or growing 17.27% from 2020, lending reached IDR 1014.3 trillion or grew by 16.37% from 2020 and Third Party Funds (DPK) reached IDR 1169.2 trillion or grew 19.73% from 2020 [2]. This achievement has enabled Bank Mandiri to become the market leader in the banking industry in Indonesia and Southeast Asia.

The company's performance service industry cannot be separated from the performance of employees individually or collectively. Based on Luthans [3], Employee performance is a very important element in a company's operational activities, high employee performance will encourage the achievement of company performance which can be assessed from financial or non-financial aspects. In the banking world, the level of employee performance is assessed from the level of service provided by employees, especially frontliner employees to customers [4]. Frontliners who have good performance are employees who are able to provide services without errors and provide satisfaction to customers [5]. Based on several studies found several factors that affect employee performance such as leadership style, company culture, workload, employee soft skills and hard skills, job satisfaction, work commitment, motivation, and technology application [6–11].

Employee performance can be assessed from various aspects with different assessment techniques, where in several studies it was found that companies assess employee performance based on: achievement of work targets, level of work discipline, employee's ability to work, and error rate at work [5, 12, 13]. Based on the results of observations and interviews with the head of the PT Bank Mandiri Medan City Hall Office, it was found that one way of assessing the work of frontliner employees was through the error correction rate which was assessed every month in one year of the work period.

Based on the results of the pre-survey, it was found that the level of error correction carried out on the performance of frontliner employees fluctuated with an increasing trend, where the highest number of error corrections occurred in December 2021 and the lowest error correction rate occurred in June of 16 times. These results indicate that there are still problems experienced by employees so the error correction rate tends to increase, where an increase in error correction will have a direct impact on the achievement of work targets set by management.

The effectiveness of the company's operations in realizing individual performance targets or company performance cannot be separated from the role of the leader. Leadership is very important in the company's development efforts because with good leadership, the company's goals can be realized optimally [14]. Leadership style can have a direct impact on subordinates, such as level of satisfaction, performance, and organizational commitment [15–17].

The transformational leadership approach will be more and more applied in the future because the essence of this approach describes the interaction between leaders and employees that can increase work motivation, skills, and trust in order to achieve common goals. Transformational leadership style is considered to be able to encourage increased company performance and employee performance [18, 19]. Based on the results of a pre-survey conducted by researchers on the leadership style of the Head of the Branch Office of PT Bank Mandiri Medan City Hall which is based on transformational leadership theory. There are still some aspects that received negative ratings from front

liner employees, such as managers not encouraging employees to create new ideas and not involving front liners in the decision-making process.

In several studies, it was found that the factors that cause employee performance to decline in a company are caused by a mismatch between the abilities or skills possessed by employees and the duties or responsibilities given by the company's management [20–22]. So based on that statement can be obtained information that employee performance is influenced by the level of expertise of employees.

A workload that is too large and heavy can result in work stress which has a direct impact on the physical and psychological state of employees. Meanwhile, a workload that is too low creates work boredom in employees because there are no new variations and work specifications [23]. Employees who are given tasks that are not in accordance with their educational background or expertise also have a negative impact on employee morale and have an impact on optimizing targeted work results in a relatively short time [24].

The study of organizational behavior is primarily grounded in behavioral science, which emerged from psychology's focus on human behavior in organizations [32]. Actually, the individual behaviors present in the organization are what shape the organizational behavior. Therefore, it is obvious that discussing individual behavior would be part of the research of organizational behavior problems. Thus, it is clear that the internal aspects of an organization are the only ones covered by the study of organizational behavior [33–35].

Soft skills are life talents that can be used with oneself, in groups, or in society at large. In general, interpersonal and intrapersonal skills are combined to form soft skills. The idea of soft skills is essentially a derivation of the idea of emotional intelligence that we are all familiar with [36]. While a person's EQ, or emotional intelligence, can always be enhanced, their IQ, or intellectual intelligence, is typically locked at a certain level. Soft talents are life skills that you can use for yourself, with others, in groups, in society, and with the creator. Additionally, possessing soft skills will increase a person's visibility in society [37].

Everyone possesses soft skills in varying degrees and to varying degrees, which are influenced by thought, speech, action, and behavior patterns. The ability to govern oneself (intrapersonal skills) and relate to others (interpersonal skills), as well as presenting skills, political awareness, leveraging diversity, service orientation, empathy, conflict management, and teamwork, are all examples of soft skills [25, 38].

Based on Durai [33] empowerment is a contemporary practice of great importance for human resources which is widely recognized in today's competitive business context [39]. Roller [40] defines empowerment as a form of transferring the element of power (power) to those who are considered most in need to complete a job, by delegating responsibility for decision making, and also giving authority and resources, and rights at the most appropriate level for each task. The empowerment process has been implemented, it is necessary to monitor the process and assess its success. To ensure that all efforts have really brought results in accordance with the efforts.

Based on Robbins & Judge [41], a leader who practices transformational leadership shows charm, shows individual concern, and stimulates the mind. According to Kim et al. [44], Transformational leadership is a series and is a level of motivating subordinates

to do more than expected. Transformational leadership can create an environment that motivates employees in achieving organizational goals and develops employee interest in work. Luthans [3] states companies that must deal with the pressures of renewal and change, transformational leadership creates the environment for high performance.

Every business must take into account the workload factor because it has the potential to lower staff productivity. Different experts' definitions of workload provide differing conclusions; these interpretations are frequently based on limitations and various sorts of work. The workload can be defined as the gap between an employee's capability or ability and the demands of the work they are doing [23]. The idea of workload is one that results from the information processing capacity being constrained. People are expected to be able to accomplish tasks at a specific level when presented with them. If the person's restrictions prevent them from completing their work at the expected level and within their capacity, this is considered a hindrance. Failures in performance result from this gap. This justifies the significance of a more thorough comprehension and measurement of workload [27].

## 1.1 Hypothesis Development

### SS – FP

Hard skills and SSs are prerequisites for the success of an employee or employee in living life. SSs are personal behavior and interpersonal skills needed to develop and optimize the performance of a human being. According to Ibrahim et al. [45], SSs possessed by employees are a determining factor for FP levels and can help employees to work more productively under any circumstances. Oladokun & Gbadegesin [25] also found that SSs were able to positively and significantly affect FP.

H1: SS has a significant effect on FP

### TL – FP

In this case, the factors that affect FP are associated with TL styles. That is, leaders who use this style are able to improve FP by paying attention to the high and low levels of employee maturity. According to TL, there is no single best way to influence FP. The leadership style applied by a leader to FP on the maturity level of each employee [46, 47].

H2: TL has a significant effect on FP

### The Role of WL Moderates the Effect of SS and TL on FP

WL is often considered a significant determinant of several variables that affect FP such as leadership, job satisfaction, organizational culture, hard skills, and SSs [48]. In several studies, it was found that a very high WL can reduce the influence of TL on FP [28]. Meanwhile, in other studies, it was also found that WL has a moderating role in the effect of SSs on FP [49].

H3: WL is able to moderate the influence of SS on FP

H4: WL is able to moderate the influence of TL on FP.

## 2 Method

The research population is all frontline employees of PT Bank Mandiri Medan City Hall Area (from Medan City to Banda Aceh) totaling 300 people. Furthermore, based on calculations using Slovin's formula, it was found that the number of samples in this study amounted to 200 frontliner employees. Employee performance indicators are quantity of work, quality of work, job knowledge, and cooperation [12, 15, 50, 51]. Soft skill indicators are communication skills, emotional intelligence, thinking skills, ethics and leadership skills [25, 26, 36, 37, 45, 52, 53]. Workload indicators are job variations, work targets, work difficulty levels, work completion time limits, and work pressure [10, 27, 30, 48, 49]. Transformational leadership indicators are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration [41]. This study will use the SEM method with the Smart PLS analysis tool to test the hypothesis in this study.

## 3 Result and Discussion

### 3.1 Respondents Profile

The respondents of this study consisted of 110 females (55%) and 90 males (45%). Respondents who have the final education Diploma are 100 people (50%), Bachelor is 69 people (34.5%) and Master Degree is 31 people or 15.5%. Respondents who have an income of IDR 4,510,000 – IDR 5,500,000 totaling 59 people (29.5%), respondents who have an income of IDR 3,510,000 – IDR 4,500,000 are 51 people (25.5%), respondents who have an income of IDR 2,500,000 – IDR 3,500,000 totaled 48 people (24%), respondents who had income > IDR 7,500,000 were 37 people (18.5%) and respondents who had income of IDR 5,510,000 – IDR 6,500,000 were 5 people. (2.5%). The majority of respondents who have permanent employee status are 153 people (76.5%), while respondents who have temporary employment status are 47 people (23.5%).

### 3.2 Measurement Model Assessment

In the loading factor test results, it was found that all values were in the range of 0.780–0.920 which was greater than 0.70. The result of the reliability test (0.860–0.910) is greater than 0.70. The AVE values are in the range 0.660–0.790 which is greater than 0.50. Furthermore, in the GOF test, a Q-Square value of 0.476 was found, these results indicate that this research model is quite good.

Inner model show by Fig. 1.

Result of hypothesis testing show by Table 1.

### 3.3 Discussion

Based on Table 1, it was found that SSs had a significant effect on FP ( $\beta = 0.409$ ;  $0.000 < 0.05$ ). TL has no significant effect on FP ( $\beta = 0.156$ ;  $0.171 < 0.05$ ). The results of testing the moderation hypothesis found that WL was able to moderate the effect of SSs

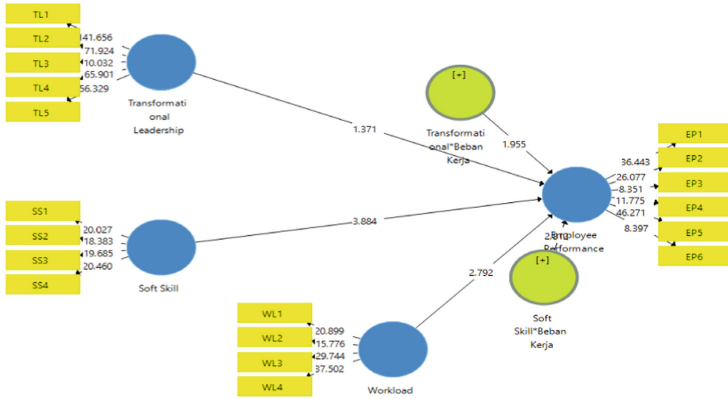


Fig. 1. Inner Model

Table 1 .

	B	T Statistics (IO/STDEV)	P Values	Result
Soft Skill - > Employee Performance	0.409	3.884	0.000	Supported
Soft Skill*Workload - > Employee Performance	-0.350	2.812	0.005	Supported
Transformational Leadership - > Employee Performance	0.156	1.371	0.171	Not-Supported
Transformational*Workload - > Employee Performance	0.214	1.955	0.051	Not-Supported

Note:  $\beta$  = Path Coefficient, Sig = 0.05.

on FP negatively and significantly ( $\beta = -0.350$ ;  $0.005 < 0.05$ ). Meanwhile, on the effect of TL on employees.

The SS of a frontliner will be seen in good communication with customers, being ability to solve problems calmly, and being able to motivate themselves to complete work optimally [53]. The high level of SSs possessed by frontliners will encourage them to work more productively, efficiently, and effectively [25, 45]. In several studies, it was found that employees who have a high level of SSs will make employees resistant to the emergence of work problems [26, 37].

TL is a leadership style that requires managers to be able to motivate employees to work and be able to provide solutions that can help employees to solve various work problems [54]. So this leadership style really needs a leader who also has a high level of optimism and empathy [46]. Managers who do not have this ability will find it difficult to encourage employees to work productively [31].

Excessive WL is considered to interfere with concentration and reduce employee morale [48]. So that the determination of WLs in several companies is very concerning

about the level of capability and capacity of all employees [55]. The high WL will also have a direct impact on the influence of SSs on FP [55].

## 4 Conclusion

Based on the results of direct hypothesis testing, it was found that TL has no significant effect on FP, these results are in line with research from Woerkom [31] who found that in some industrial sectors and conditions the TL style was not able to significantly improve FP. But SS has a significant and positive influence on FP, where the results are in line with research from Oladokun & Gbadegesin [25] which found that employees who have high SS will tend to work more optimally. In the results of the moderation test, it was found that the WL was only able to moderate the effect of SS on FP [49].

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