

# The Effect of Implementation of 4 Disciplines of Execution of Millennial Leaders in the Transformation Era on Employees' Work Effectiveness of PT PLN (Persero) UP3 Lhokseumawe

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## Abstract

This research aims to study the the effect of implemetation of 4 disciplines of execution of millennial leaders in the transformation era on employees' work effectiveness of PT PLN (PERSERO) UP3 Lhokseumawe. This study's population was all PT PLN (Persero) UP3 Lhokseumawe employees, totaling 144 employees. All members of the population were taken as respondents. Data were processed using structural equation modeling (SEM) for the direct influence test and the Sobel test for the indirect influence test. The research results show that wildly important goal affects work effectiveness, lead measure affects work effectiveness, compelling scoreboard affects work effectiveness, cadence of accountability affects work effectiveness, the wildly important goal does not affect organizational performance, lead measure does not affect organizational performance, coupling scoreboard affects organizational performance, cadence of accountability affects organizational performance, work effectiveness affects organizational performance, work effectiveness does not mediate the wildly important goal influence on organizational performance, work effectiveness does not mediate the lead measures influence on organizational performance, work effectiveness partially mediates the compelling scoreboard influence on organizational performance, and work effectiveness partially mediates the cadence of accountability influence on organizational performance.

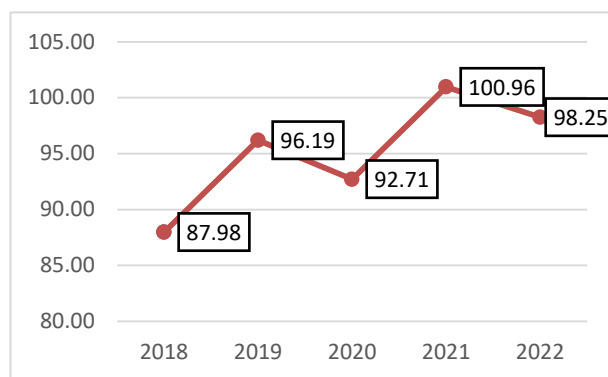
**Keyword: Wildly Important Goal, Lead Measure, Scoreboard, Cadence of Accountability, Work Effectiveness, Organizational Performance**

## 1. Introduction

The Government, through the Minister of State for State-Owned Enterprises (BUMN), has issued a policy (PER-01/MBU/2011) regarding the Implementation of Good Corporate Governance (GCG) Practices in BUMN. The Government seriously views GCG as the basis for managing BUMN as a company. GCG is a management practice that is trustworthy and prudent by considering the balance of meeting the interests of all stakeholders. With GCG practices, company resource management is expected to be efficient, effective, economical, and productive by always being oriented toward company goals and paying attention to stakeholders' interests in a balanced manner. PT PLN (Persero), as one of the state-owned companies, realizes that the current implementation of GCG is not only a fulfillment of obligations but has become necessary in carrying out the company's business activities to maintain sustainable growth and improve the company. It is an effort so that the company can survive competition in the era of globalization and realize its vision, namely, to become the leading electricity company in Southeast Asia and the #1 customer choice for energy solutions. Therefore, it can be accepted that nowadays, executing strategic targets to make them happen is the biggest challenge faced in the business world in maintaining its performance.

The level of performance achievement is a significant concern within the company. The better the ability to achieve performance targets, the higher the unit/organization's performance. In other words, the performance value indicates the unit's level of success. Referring to the performance achievements of PT PLN (Persero) Customer Service Implementation Unit (UP3) Lhokseumawe, results have not been optimal in recent years. In recent years, the Organizational Performance Value of PT. PLN (Persero) UP3 Lhokseumawe has shown inconsistent figures. Performance of PT. PLN (Persero) UP3 Lhokseumawe for the 2018-2022 period

experienced fluctuations where in 2020 performance decreased by -3.48 percent from 2019. Likewise, performance in 2022 decreased by -2.71 percent from 2021. The following is the performance of PT PLN (Persero) UP3 Lhokseumawe in 2018 to 2022.



**Figure 1 Performance of PT PLN (Persero) UP3 Lhokseumawe in 2018-2022**

PT PLN (Persero) UP3 Lhokseumawe's less-than-optimal performance indeed results from employee work effectiveness. The more effective a person's work in the company, the more the company's performance will increase. Based on the initial survey results, respondents' overall perception of organizational performance is good, with an average value of 3.61 (>3.41). However, there are still indicators that have an average value of less than 3.41, namely the employees are still less able to optimize resources in the workplace appropriately to support completing work, and the employees are also less able to work to achieve targets at affordable costs optimally. Thus, the organization's performance has not been optimal.

Work effectiveness plays a vital role in achieving success for a company. Managers must ensure that the goals and objectives to be achieved have been met and used efficiently. Companies spend more money to increase employee work effectiveness to achieve the desired targets, but this makes the company wasteful because employees are not working optimally, causing the company to fail in execution. Employee performance is considered ineffective if there is a failure in executing goals and targets. The cause of a company's failure is that managers need more focus on maximizing employee performance to achieve goals, which causes employees to lack understanding of the company's goals. Based on the initial survey results, it is known that overall, the respondents' perceptions regarding work effectiveness are good, with an average score of 3.50 (>3.41). However, there is still an average value of less than 3.41, namely that employees cannot complete the work assigned by the specified time, and the leadership needs to provide encouragement and assistance with work-related information. Thus, work effectiveness could be more optimal. According to (McChesney, Covey, & Huling, 2012), the failure of execution in several companies was caused by unclear goals, so employees needed to understand the targets they had to execute. Based on a survey conducted by (McChesney et al., 2012), only 1 in 7 employees can understand one of their organization's critical goals. Therefore, as one of the strategic initiatives to achieve superior performance, the board of directors sees the need to implement a superior execution management system that is best practice through the instructions contained in letter No 0550/AGA.01.01/DIRUT/2018 on September 4 2018 concerning the implementation of 4DX as execution management process at PT PLN (Persero).

4DX is a strategic execution practice from the concept of The 4 Disciplines Of Execution (4DX), which is the best execution management process that has been implemented in several units and proven successful in executing the company's strategic priorities, this is because the 4DX method directs leaders to involve employees in determining and achieving targets through focusing on the right ones, namely on the most critical goals, acting with the most impactful activities, carrying out precise measurements for their performance and creating regular team and individual accountability. The 4DX method has also been applied in several large companies in America, such as Nash Finch and Marriott International INC. It brought significant changes to that companies. The 4 DX execution in question is the execution of the strategy that the company has determined to achieve the target. (McChesney et al., 2012) explained that 4DX is a simple, repeatable, and proven formula for executing the most critical strategic priorities amidst the whirlwind. By implementing 4DX at every layer level, companies can make breakthroughs by changing the

behavior of their teams when executing the strategies created so that company targets can be achieved without the need to increase production operational costs. The 4 disciplines applied in the 4 Disciplines of Execution method are the first, focusing on the most crucial goal (Wildly Important Goal). Based on the initial survey results, respondents' overall perception of the Wildly Important Goal is good, with an average score of 3.76 (>3.41). However, there are still indicators with an average value of less than 3.41, namely that there are still employees who feel that responsibility for achieving WIG is entirely (at least 80%) the responsibility. Therefore, the Important goal is maximal.

The second discipline is acting on Lead Measure. The lead measure shows employees' stages or methods to achieve specified targets. (McChesney et al., 2012) stated that determining lead measures makes it easier for leaders to achieve targets because lead measures become a lever for employees and teams to achieve targets. Based on the initial survey results, respondents' overall perception of Lead Measure is good, with an average score of 3.79 (>3.41). However, there is still an average value of less than 3.41, namely that the team still needs to fully carry out the process and implementation of Lead Measure yet to achieve the target. Thus, the Lead Measure could be more optimal.

The third discipline is managing the scoreboard. Scoreboards are used to present or show targets that have been successfully achieved. The scoreboard not only presents what targets they have achieved, but employees will know how much they have achieved. According to (McChesney et al., 2012), presenting a motivating scoreboard creates high employee engagement (ownership) because they know the score. High engagement makes employees more motivated, thereby creating a good work environment and employees focused on achieving targets. (Steers, 2013) states, "Environmental characteristics are one of the factors that influence work effectiveness." Based on the initial survey results, it is known that the overall perception of respondents regarding the scoreboard is good, with an average value of 3.51 (>3.41). However, there is still an average value of less than 3.41; namely, the placement of the WIG scoreboard in my work unit is strategic and easy to see, and the WIG scoreboard in the work unit cannot be understood in a matter of seconds. Thus, the scoreboard could be more optimal.

The fourth discipline is creating a rhythm of accountability. Meetings held regularly create a sense of responsibility for employees for their results regularly and regularly (McChesney et al., 2012). The sense of responsibility that arises in employees will shape worker characteristics. According to (Steers, 2013), worker characteristics are one of the factors that influence work effectiveness. The initial survey shows that overall, the respondents' perception regarding the rhythm of accountability is good, with an average value of 3.45 (>3.41). However, there is still a low average; namely, the WIG Sessions in my unit are carried out briefly and dynamically (no more than 20 to 30 minutes). Therefore, the rhythm of accountability has yet to be optimal. To answer various phenomena that arise at the PT PLN (Persero) UP3 Lhokseumawe Office, researchers are very interested in researching further regarding "The Influence of Implementing The 4 Discipline of Execution (4DX) at PT PLN (Persero) UP3 Lhokseumawe".

## **2. Literature**

### **Organizational Performance**

According to (Etzioni, 1964), organizational performance describes how far an organization realizes its ultimate goals (Keban, 2008). Meanwhile, according to (Bastian, 2010), organizational performance is a description of the achievement of tasks in an organization to realize the goals, objectives, mission, and vision (Tangkilisan, 2005). So, organizational performance is the organization's ability to carry out every task to achieve its predetermined goals, objectives, mission, and vision. Organizational performance focuses on achieving results or goals and emphasizes the implementation process and resources to achieve its goals. There are several indicators for measuring organizational performance put forward by experts, including Jerry Harbor (Sudarmanto, 2014), who suggests that there are six aspects that can be used as benchmarks or indicators in assessing organizational performance, namely: 1) Productivity; 2) Quality; 3) Timeliness; 4) Turnover time; 5) Use of resources; 5) Costs.

### **Work Effectiveness**

According to (Steers, 2013), effectiveness comes from the word effective, namely that a job is effective if it can produce one unit of output. Work is effective if it can be completed on time according to a predetermined plan. (Hasibuan, 2003) stated work effectiveness is a condition that shows the level of success of management activities in achieving goals, including quantity of work, timeliness in completing

work, and good quality of work. (Siagian, 2014) stated that work effectiveness is a measure of company effectiveness through several approaches whose results can be seen from achieving organizational goals. Thus, work effectiveness is a measure of completing work achievements determined following organizational procedures and objectives. The indicators used to measure the level of work effectiveness, according to (Syam, 2023), are:

- 1) Task Clarity  
Subordinates must be informed of the purpose and importance of the tasks authorized by them.
- 2) Punctuality  
Timeliness in completing a job is a major factor. The longer the assigned task is carried out, the more other tasks will follow, and this reduces the level of work effectiveness because it takes much time.
- 3) Supervision  
With supervision, employee performance can continue to be monitored, and this can reduce the risk of errors in carrying out tasks.
- 4) Motivation  
Leaders can encourage subordinates by paying attention to their sensitive needs and goals. The more motivated employees are to work positively, the better the resulting performance.
- 5) Work environment  
The work environment is related to the layout of light and the influence of sound, which affects an employee's concentration while working.
- 6) Job Evaluation  
Leaders provide encouragement, assistance, and information to subordinates. Otherwise, the subordinates must carry out their duties well or not.

#### **4 Disciplines of Execution (4DX)**

##### **Wildly Important Goals**

Wildly important goal (WIG) is a practice of defining important goals and narrowing the team's focus on those goals. Focusing on less allows teams to achieve more. The first discipline in 4DX starts with choosing one (or at most two) wildly important targets. If you try to execute more important targets, a person or organization will not be able to focus. According to (McChesney et al., 2012), a Wildly Important Goal (WIG) is a goal that can make all the difference. According to this discipline, companies should determine their focus less. Focusing on too many things makes companies unable to achieve their desired targets. According to (Aji, Fathoni, & Haryono, 2018), there are several indicators used as a basis for assessing the WIG variable, including:

- 1) Alignments(Harmony)
- 2) Measurable(measurable)
- 3) Own (Ownership)
- 4) Team

##### **Lead Measure**

The lead measure is the measure of an action planned and believed to be a way to achieve WIG, while acting on the lead measure is the practice of carrying out activities that are the levers that encourage the achievement of WIG. This is following the results of research conducted by (McChesney et al., 2012), who said that the lead measure is a step in how team members can influence the results of the team's WIG. Apart from that, research conducted by (Akob & Arianty, 2019) also states that this discipline is a lever to achieve targets based on the simple principle that actions or activities carried out to achieve targets have different impacts. According to (McChesney et al., 2012), the indicators used as a basis for assessing the lead measure variable are:

- 1) Predictive
- 2) Measurable (Harmony)
- 3) Own
- 4) Process
- 5) Team

## **Compelling Scoreboard**

The third discipline is managing a motivating scoreboard. A motivating scoreboard tells the team where they are and where they should be. Information that is important for the team to solve problems and make decisions. This will encourage individuals to give their highest performance so they know whether they are winning or losing. Following the results of research conducted by (Aji et al., 2018), which states that the scoreboard functions as a medium for collecting information regarding the results of 4DX implementation, apart from that, the scoreboard has a role in motivating team members to continue competing. According to (McChesney et al., 2012), "managing a motivating scoreboard is the practice of monitoring measures of success against a goal" (p.319). According to (Aji et al., 2018), In creating a Scoreboard, several indicator aspects can motivate team members, including:

- 1) Simple
- 2) Strategic  
must be visible from a distance.
- 3) Easy to understand

## **Cadence Accountability**

The fourth discipline is aimed at achieving targets, namely creating a rhythm of accountability where this discipline is where execution occurs, and this is based on the principle of accountability, meaning that as long as there is no sense of mutual responsibility, then achieving targets will be lost in the middle of the Whirlwind (Akob & Arianty, 2019). According to (McChesney et al., 2012), "creating a rhythm of accountability is the practice of regularly planning and reporting activities aimed at moving measures on the WIG scoreboard" (p.319). Work teams that apply this discipline make individual and collective commitments and account for these commitments in weekly WIG Sessions. Apart from that, this discipline is a discipline that unites team members, which is why this discipline includes other disciplines. In this discipline, all team members will meet at least once a week in a WIG session. These meetings last at most 20 to 30 minutes, setting the agenda and establishing a weekly accountability cadence to drive WIG progress. Accountability within the team is shared by making commitments and then being accountable to superiors and each other. The focus of the WIG Session is quite simple, namely, taking mutual responsibility to take actions that will move Lead Measure to achieve WIG even in the face of a whirlwind. According to (Aji et al., 2018), indicators that can influence the Cadence of Accountability or rhythm of accountability are place and time,

## **3. Method**

In this study, the population was all PT PLN (Persero) UP3 Lhokseumawe employees, totaling 144 employees. All members of the population were taken as respondents (census). Data were processed using structural equation modeling (SEM) for the direct influence test and the Sobel test for the indirect influence test. The hypotheses tested were :

- H1 : wildly important goal affects work effectiveness,
- H2 : Lead measure affects work effectiveness,
- H3 : Compelling scoreboard affects work effectiveness,
- H4 : cadence of accountability affects work effectiveness,
- H5 : wildly important goal affects organizational performance,
- H6 : Lead measure affects organizational performance,
- H7 : Coupling scoreboard affects organizational performance,
- H8 : cadence of accountability affects organizational performance,
- H9 : Work effectiveness affects organizational performance,
- H10 : Work effectiveness mediates the wildly important goal influence on organizational performance,
- H11 : Work effectiveness mediates the lead measures' influence on organizational performance,
- H12 : Work effectiveness mediates the compelling scoreboard influence on organizational performance,
- H13 : Work effectiveness mediates the cadence of accountability influence on organizational performance.

## **4. Result and Discussion**

To assess the significance, the SmartPLS provides the output below.

**Table 1. Regression Weight**

			Estimate	S.E	CR	P
Work_Effectiveness	<---	Wildly_ImportantGoal	.340	.099	2.706	.005
Work_Effectiveness	<---	Lead_Measure	.438	.079	3.187	***
Work_Effectiveness	<---	Compelling Scoreboard	.305	.087	2.444	.014
Work_Effectiveness	<---	Cadence of Accountability	.273	.107	2.220	.031
Organizational_Performance	<---	Wildly_ImportantGoal	.122	.127	.245	.806
Organizational_Performance	<---	Lead_Measure	.107	.116	.186	.853
Organizational_Performance	<---	Compelling Scoreboard	.329	.133	2.483	.011
Organizational_Performance	<---	Cadence of Accountability	.336	.128	2.527	.009
Organizational_Performance	<---	Work_Effectiveness	.466	.061	2.939	.003

Source: Processed Primary Data, (2023)

### **Wildly important goal influence on Work Effectiveness (H1)**

The wildly important goal influence test on work effectiveness obtained a significance value of 0.005. This explains how wildly important goals affect work effectiveness. The influence size of wildly important goals on work effectiveness is 0.340 or 34.0%. This indicates that improving wildly important goal will have a positive and real influence on increasing work effectiveness.

### **Lead Measure Influence on Work Effectiveness (H2)**

The lead measure influence test on work effectiveness obtained a significance value of 0.000. This explains how the lead measure affects work effectiveness. The lead measure's influence on Work Effectiveness is 0.438 or 43.8%. This indicates that the higher the lead measure level, the more work effectiveness will increase.

### **Compelling Scoreboard Influence on Work Effectiveness (H3)**

The Compelling scoreboard influence test on work effectiveness obtained a significance value of 0.014. This shows that the compelling scoreboard affects work effectiveness. The influence size of the compelling scoreboard on work effectiveness is 0.305 or 30.5%. This indicates that the higher the compelling scoreboard level, the more work effectiveness will increase.

### **Cadence of Accountability Influence on Work Effectiveness (H4)**

The Cadence of accountability influence test on work effectiveness obtained a significance value of 0.031. Thus, the cadence of accountability affects work effectiveness. The influence size of the cadence of accountability on work effectiveness is 0.273 or 27.3%. This indicates that the higher the level of cadence of accountability, the greater the effectiveness of work.

### **Wildly important goal influence on Performance (H5)**

A wildly important goal influence test on organizational performance obtained a significance of 0.806. This reveals that a wildly important goal does not affect organizational performance because the significance value is  $> 0.05$ .

### **Lead Measure Influence on Performance (H6)**

The lead measure influence test on organizational performance obtained a significance of 0.853. The lead measure does not influence organizational performance because the significance obtained is  $> 0.05$ .

### **Compelling Scoreboard Influence on Performance (H7)**

The compelling scoreboard influence test on organizational performance obtained a significance of 0.011. This explains why the compelling scoreboard influences organizational performance because the significance obtained is  $<0.05$ .

**Cadence of Accountability Influence on Performance (H8)**

The cadence of accountability influence test on the organizational performance obtained a significance of 0.009. This explains that the cadence of accountability influences organizational performance because the significance obtained is  $<0.05$ .

**Work Effectiveness Influence on Performance (H9)**

The work effectiveness influence test on organizational performance obtained a significance of 0.003. This means work effectiveness influences organizational performance. The influence size of work effectiveness on organizational performance is 0.466 or 46.6%. This explains that the higher the work effectiveness, the higher the organizational performance.

**Wildly important goal influence on Organizational Performance through Work Effectiveness (H10)**

The Work Effectiveness mediation effect test on Wildly important goals affecting Organizational Performance provides a value that is not significant ( $p < 0.05$ ), so there is no impact on Work Effectiveness in the model of H10.

**Lead Measure Influence on Organizational Performance through Work Effectiveness (H11)**

The Work Effectiveness mediation effect test on Wildly important goals affecting Organizational Performance provides a value that is not significant ( $p < 0.05$ ), so there is no impact on Work Effectiveness in the model of H11.

**Compelling Scoreboard Influence on Organizational Performance through Work Effectiveness (H12)**

Sobel test reveals the result was 4.704 with  $p$  0.000. Thus, Work Effectiveness acts as a mediating variable between the Compelling Scoreboard and Organizational Performance. So, because the Work Effectiveness effect is significant and also acts as a mediator, the compelling scoreboard affects Organizational Performance. The Work Effectiveness role in mediating the relationship between the compelling scoreboard and organizational performance is partially mediating. Partial mediation means that the compelling scoreboard can directly and indirectly influence organizational performance through Work Effectiveness.

**Table 2. Sobel Test Result of Compelling Scoreboard Influence on Organizational Performance Through Work Effectiveness**

Input:	Test statistic:	Std. Error:	p-value:
a 0.327	Sobel test: 4.70453822	0.04868703	0.00000254
b 0.509	Aroian test: 4.68166131	0.04892494	0.00000285
s <sub>a</sub> 0.087	Goodman test: 4.72775382	0.04844795	0.00000227
s <sub>b</sub> 0.061	Reset all	Calculate	

**Cadence of Accountability Influence on Organizational Performance through Work Effectiveness (H3)**

Sobel's test reveals the result was 2.274 with  $p$  0.022. Thus, Work Effectiveness is a mediating variable between the Cadence of Accountability and Organizational Performance. So, because the Work Effectiveness effect is significant and acts as a mediator, the Cadence of Accountability affects Organizational Performance; the role of Work Effectiveness in mediating the relationship between Cadence of Accountability and Organizational Performance is partially mediating. Partial here means that the Cadence of Accountability can impact Organizational Performance directly or indirectly with Work Effectiveness as a mediator.

**Table 3. Sobel Test Result of Cadence of Accountability Influence on Organizational Performance Through Work Effectiveness**

Input:		Test statistic:	Std. Error:	p-value:
a	0.253	Sobel test: 2.27491525	0.05660738	0.02291101
b	0.509	Aroian test: 2.25994214	0.05698243	0.02382484
$s_a$	0.107	Goodman test: 2.29018997	0.05622983	0.02201031
$s_b$	0.061	Reset all	Calculate	

## 5. Conclusion

The research results show that wildly important goal affects work effectiveness, lead measure affects work effectiveness, compelling scoreboard affects work effectiveness, cadence of accountability affects work effectiveness, wildly important goal does not affect organizational performance, lead measure does not affect organizational performance, coupling scoreboard affects organizational performance, cadence of accountability affects organizational performance, work effectiveness affects organizational performance, work effectiveness does not mediate the wildly important goal influence on organizational performance, work effectiveness does not mediate the lead measures influence on organizational performance, work effectiveness partially mediates the compelling scoreboard influence on organizational performance, and work effectiveness partially mediates the cadence of accountability influence on organizational performance. These findings explain that not all existing models have a significant impact. So, the PT PLN (Persero) UP3 Lhokseumawe performance improvement model is a function of increasing the compelling scoreboard, the cadence of accountability, and work effectiveness. This finding is a premise that contributes to theory development. For further research, it is hoped that we can consider testing other related factors that influence organizational performance, such as workload, work stress, and work environment.

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