

## Strategy to Improve Employee Performance at Pt. Pindad in Making Toolsmain Weapons System In Bandung

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**Abstract.** *Building a company strategy requires reliable human resources to achieve company goals ranging from production, sales, and profits. Human resources are very important for companies in managing, organizing, and using employee performance so that they can function productively and to achieve company goals as stated in their vision to be achieved in order to realize optimal company performance, it is appropriate for every company to be able to pay attention to problems related to employees, this shows how important employees are for a company. This study aims to analyze employee performance improvement strategies at PT. Pindad that can influence work in order to achieve optimal results. The data obtained include primary and secondary data, primary data in the form of empirical facts obtained directly in the field, and secondary data obtained from literature compiled in documents. The method used is a qualitative research method, an approach used to understand complex phenomena in depth through the collection and analysis of descriptive data, such as interviews, observations, or document analysis. The results of the study were found in the company's strategy to improve employee performance in making the main weapon system tools that can produce optimal work/achieve the planned target, namely by providing rewards/gifts or performance allowances, and carrying out a leadership/leadership attitude that has integrity, is wise, and is able to communicate well with employees, and provides a comfortable environment for all employees, this can influence employees so that they can produce optimal work according to the planned target.*

**Keywords:** Employees; Improvement; Performance; Strategy.

### 1. Introduction

Building a company strategy requires having reliable human resources to achieve company goals ranging from production, sales, and profits. Human resources are very important for companies in managing, organizing, and utilizing employee performance so that they can function productively and to achieve company goals as set out in its vision to be achieved. To realize optimal company goals, it is appropriate for every company to be able to pay attention to issues related to employees, this shows how important the meaning of employees for a

company. Companies and employees are generally two elements that need each other, employees are a company asset because without the human aspect, it is difficult for the company to develop its mission and goals that have been set. No matter how sophisticated the equipment and devices in the company. Because the success or failure of a company in achieving its goals does not always depend on how sophisticated the technology is owned, if not supported by human resources to control and operate it, then the equipment and devices will not be able to work according to their functions. Maximum Human Resources (HR) for production is very necessary in maintaining and improving the quality of the company. In its efforts to utilize Human Resources optimally, the company must be able to motivate its employees to work optimally. Considering the importance of human resources which includes the role, management, and utilization of employees, encouragement is needed to spur employee work motivation. Factors that can influence increasing company productivity include: providing a comfortable work environment, complete work facilities/tools that can support employee performance, providing training and information so that they will work continuously in the company or are committed to the company, if employees are committed to a company then the company will move in a positive direction and the company will achieve targets in accordance with what is expected. The National Defense Industry is an industry that makes equipment used to defend state sovereignty, territorial integrity and the safety of the entire nation from threats and disturbances to the integrity of the nation and state.

Empowerment and strengthening of the national defense industry is directed at the independence of fulfilling domestic defense equipment needs both in terms of the quantity of human resources and the quality of technology, as well as for national economic growth with maximum utilization, so that the defense industry in Indonesia can transform to build a strong, modern and developing defense industry ecosystem. In accordance with Law of the Republic of Indonesia No. 16 of 2012 Article 8 concerning the Defense Industry. The creation of such a law aims to reduce the level of dependence of the military and police on products of the main weaponry system (alutsista) from abroad. Law No. 16 of 2012 Articles 11 to 14 regulate that if it is related to defense equipment, the producer is a State-Owned Enterprise.

In defense production, BUMN builds the main components, raw materials, and also builds the main weapons system (alutsista). Indonesia has a defense industry production managed through BUMN to make the main weapons system, namely: 1. PT. Pindad (Limited Liability Company for Army Industry) makes weapons, ammunition, explosives, combat vehicles, tactical vehicles, etc. 2. PT. Pal Indonesia makes warships, tactical ships, cargo ships, etc. 3. PT. Dirgantara makes fighter planes, cargo planes, etc. (Source: Defense Industry Policy Committee).

PT. Pindad (Perseroan Terbatas Perindustrian Angkatan Darat) in controlling its company strives to be able to optimize the performance of its employees in order to achieve its goals. To build the independence of the defense industry in the country. PT. Pindad carries out the mandate of the Republic of Indonesia as stated in Law of the Republic of Indonesia No. 16 of

2012 concerning the Defense Industry. The creation of such a law aims to reduce the level of dependence of the army and police on the main weaponry system (alutsista) products from abroad. PT. Pindad (Persero) has two business locations, namely in Bandung, West Java as the head office by producing weapons, special function vehicles and industrial products, and in Turen, Malang, East Java producing ammunition and explosives. In an effort to achieve optimal performance, PT. Pindad creates a strategy to improve employee performance by creating ways that can influence employee enthusiasm to work optimally.

In terms of employee performance at PT. Pindad, each employee does not need to know what they are doing because there are some jobs that must be kept secret, for example making weapons, making explosives, making combat intelligence drones, and so on. Employees are focused on working according to their respective expertise as stated in the employment contract. Employment agreements/contracts at PT. Pindad can vary depending on PT Pindad's internal policies and applicable regulations, some can be extended and some cannot be extended according to the needs of the company. This condition results in a gap phenomenon in employees, there is a gap between employees, why are there employees who can be extended and some cannot be extended in the employment agreement contract.

## 2. Research Methods

The type of research used in this paper is qualitative descriptive research. According to Moleong (2008), qualitative research is research that aims to understand phenomena about what is experienced by research subjects, such as behavior, perception, motivation, actions holistically (whole) and through descriptions in the form of words and language, in a specific, natural context and by utilizing various natural methods. Therefore, in this case, it is not permissible to separate individuals or organizations from variables, but they need to be considered as a whole.

## 3. Results and Discussion

In the employee performance conducted by PT Pindad in Bandung, it shows that in the past three years, the performance of PT. Pindad employees achieved results as in the table below:

**Table Achievement of Production Targets and Realization of Production of PT. Pindad (in 3 years with figures calculated in Billions/Trillions)**

Description	Production Target	Realization		
		2020	2021	2022
<b>A. Bandung</b>				
<b>1. Weapon Products</b>	689.86	669.37	432.09	<b>303.52</b>
<b>2. Special Vehicle Products</b>	859.40	936.82	1,023.97	<b>1,068.87</b>

<b>3. Heavy Equipment Products</b>	174.94	71.95	200.86	<b>231.90</b>
<b>Amount</b>	2,058.19	1,990.17	1,921.89	<b>1,741.05</b>
<b>B. Malang</b>				
<b>Ammunition Products</b>	689.86	679.81	702.56	<b>768.53</b>
<b>Mining Service Products</b>	410.76	426.87	451.63	<b>478.51</b>
<b>Amount</b>	1,100.62	1,106.68	1,154.19	<b>1,247.04</b>
<b>Total amount A + B</b>	3,158.81	3,096.85	3,076.08	<b>2,988.09</b>

Source: Annual Report of PT. Pindad

Table Work Motivation for PT. Pindad Employees in Bandung

No.	Variables	Dimensions	Frequency					Total Score	Average
			5 SS	4 S	3 KS	2 TS	1 ST S		
3.	<b>Leadership</b>	innovate							
		Leadership motivation	4	10	10	5	1	101	<b>3.37</b>
		Leadership controller	7	8	5	7	3	99	<b>3.30</b>
	<b>Average Training Score</b>								<b>3.41</b>
4.	<b>Work environment</b>	Work environment temporary	3	2	8	12	5	76	<b>2.53</b>
		Environment psychological work	2	4	12	11	1	85	<b>2.83</b>
	<b>Average Work Environment Score</b>								<b>2.74</b>
6.	<b>Reward</b>	Salary and bonus	3	4	9	13	1	85	<b>2.83</b>
		Welfare	3	5	7	11	4	83	<b>2.76</b>
		Development career	3	7	9	8	3	89	<b>2.96</b>

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	Award psychological	2	5	8	11	4	80	<b>2.67</b>
	<b>Average Reward Score</b>							

Source: Questionnaire results

Judging from the figures in Tables 1 and 2 above, PT Pindad's employee performance over the past three years (2020, 2021, and 2022) has not been optimal in achieving its targeted work.

After PT. Pindad created a strategy to improve employee performance through providing rewards or performance allowances, good leadership, and a comfortable work environment, it was able to produce optimal performance as described by the resource persons and the results of target achievement below. Notes:

- 1) The above salary is an estimate and may vary depending on various factors.
- 2) Some positions may also receive additional allowances and bonuses according to Company policy.

In addition to their base salary, PT Pindad employees also receive various other allowances and benefits. Some of these include:

- 1) Health benefits: Employees receive health insurance that covers inpatient, outpatient, and dental care.
- 2) Transportation Allowance: The company provides transportation subsidies for employees to facilitate travel to and from the office.
- 3) Meal allowances: Every employee gets a daily meal allowance for their needs while working.
- 4) Training and Development Program: PT Pindad supports employee career development by providing regular training and self-development opportunities.
- 5) Performance Bonus: Employees who achieve performance targets will receive a competitive annual bonus.
- 6) Annual Leave and Special Leave: Employees are entitled to annual leave as well as additional leave such as maternity leave, marriage leave, and other leave according to company policy.

There are several factors that can affect salaries at PT Pindad:

- 1) Education and Qualifications

Education level and professional qualifications often significantly influence salary levels.

Graduates with advanced degrees or specialized certifications typically receive better compensation than those with minimal education.

## 2) Work experience

More work experience is usually accompanied by higher salaries. Companies tend to reward employees with relevant experience that supports their performance.

## 3) Geographical Location

Salaries can vary depending on where a person works. Areas with a high cost of living or a competitive labor market typically offer higher salaries to attract and retain employees.

## 4) Industry and Sector

The type of industry or sector a person works in also affects salary. Some industries, such as technology, healthcare, and finance, often offer higher salaries than more traditional industries or those with lower profit margins.

## 5) Company and Organizational Culture

A company's salary policies and organizational culture can influence salary levels. Larger companies or those known as good employers may have more favorable salary structures and offer additional benefits.

## 6) Special Skills and Abilities

Specialized skills, such as technical skills, foreign languages, or expertise in specific software, can increase an employee's bargaining power in salary negotiations. Employees with rare skills are often valued higher.

## 7) Responsibilities and Position

Job responsibilities and position level are also important factors. Employees in managerial positions or those with greater responsibility typically earn higher salaries than those in entry-level positions.

## 8) Economic Conditions and Labor Market

Overall economic conditions and the labor market situation can affect salaries. In a healthy economy with low unemployment, salaries tend to increase due to high labor demand.

## 9) Salary Negotiation

A person's ability to negotiate when accepting a job offer or during a performance evaluation also plays a role. Employees who actively participate in the negotiation process may be able to earn higher salaries.

## 10) Achievement and Performance

Individual performance on the job is also taken into consideration. Employees who demonstrate exceptional work results or significant contributions to the company often receive salary increases or bonuses.

Source :<https://cekgajimu.com/gaji-pt-pindad/>

An employee performance improvement strategy is a series of actions and plans designed to improve employee skills, productivity, and work outcomes. The goal is to achieve company targets and ensure employees can work effectively and efficiently.

There are several strategies that PT. Pindad can implement to improve employee performance:

### 1). Creating a Comfortable Work Environment:

Ensure workplaces are equipped with adequate facilities, such as ergonomic desks and chairs, good lighting, and stable internet access. Ideal facilities and infrastructure encompass various aspects that support daily life and economic growth. This includes basic infrastructure such as roads, bridges, efficient transportation systems, clean water supply, sanitation, electricity, and telecommunications, as well as public facilities such as schools, hospitals, and service centers. Furthermore, good infrastructure also includes effective waste management, access to adequate housing, and green open spaces.

Maintaining a clean and tidy workplace so that employees feel comfortable and at home. Comfortable cleanliness and tidiness refer to an environment or area that is kept clean and tidy, thus creating a conducive atmosphere.

pleasant and calming for those who are in it. This includes personal hygiene, the surrounding environment, and neatness in arranging things. ([bkpsdm@purworejokab.go.id](mailto:bkpsdm@purworejokab.go.id))

Create a conducive, friendly, and supportive work environment. Avoid conflict and excessive stress. A positive work environment is one in which employees feel happy, motivated, and supported, enabling them to work effectively and efficiently. Characteristics include open communication, respect, teamwork, and recognition of employee contributions. A positive work environment contributes to increased productivity, employee well-being, and overall company success. (visecoach)

An effective reward system can motivate employees, improve performance, and ultimately contribute to the achievement of company goals. However, reward effectiveness also depends on various other factors, such as fair and transparent reward system design and alignment with employee needs and expectations.

The effects of rewards include:

Rewards, both financial and non-financial, can trigger both intrinsic and extrinsic motivation in employees. Intrinsic motivation arises when employees feel satisfied with their work, while extrinsic motivation arises from external incentives, such as bonuses or promotions.

With rewards, employees will be motivated to work harder and better to achieve their targets and earn the desired rewards. This can increase overall productivity and work quality.

If employee performance improves, then company goals, including production, sales, or innovation targets, will be easier to achieve.

While rewards are important, their effectiveness is also influenced by other factors, such as:

1) Reward System Design: Reward systems must be designed to be clear, fair, and transparent. Employees need to understand the assessment criteria and how rewards are awarded.

Alignment with Employee Needs: The rewards offered must align with employee needs and expectations. Not all employees are motivated by the same things.

2) Supportive Work Environment: Besides rewards, a positive work environment, support from superiors, and opportunities for self-development are also available.

3) important to improve employee performance.

4) Effective Communication: Companies need to communicate reward policies effectively to employees so that they understand and are motivated to achieve them.

Rewards play a crucial role in motivating employees and improving their performance. However, to achieve optimal results, a well-designed reward system is essential, aligned with employee needs, and supported by a positive work environment.

Providing rewards has a significant positive impact on employee performance. Rewards, whether financial or non-financial, can increase employee motivation, productivity, and job satisfaction, ultimately contributing to improved overall performance.

The strategy for improving employee performance at PT Pindad Bandung in creating the main weapon system is to find ways that can influence employee work to achieve the company's desired targets, namely by providing rewards, leadership, and a work environment. Rewards can increase work motivation because they provide a sense of appreciation and encourage employees to work better and can

Optimal performance. Effective leadership, with the right style, can also increase motivation by providing clear direction, inspiring employees, and involving them in decision-making. The work environment provides facilities, an atmosphere, and harmonious interactions between employees, which have a significant impact on employee motivation. Factors that can influence employee performance at PT. Pindad include not only rewards, leadership, and a

supportive environment, but also security and health facilities that can support employee health, safety, and security.

Three ways of giving that can influence employees are:

Rewards don't just come in the form of salaries or bonuses, but can also include awards, promotions, or opportunities for personal development. Employees who feel appreciated and rewarded commensurate with their contributions tend to be more motivated to work.

An effective leadership style can improve employee motivation and performance. Leaders who provide clear direction, inspire, and involve employees in decision-making will create a more productive and motivating work environment.

A comfortable and conducive work environment, including adequate facilities, a pleasant work atmosphere, and positive employee interactions, is also crucial for maintaining employee motivation. A negative work environment can decrease motivation and productivity.

Thus, the results of the analysis in the strategy to improve employee performance at PT PINDAD in Bandung by providing the three factors mentioned above, namely providing rewards, a good work environment and leadership, mean that their work will be optimal and can achieve the company's desired targets.

#### **4. Conclusion**

By implementing the strategies above, PT. Pindad can create a positive work environment, improve employee performance, and achieve its stated business goals. Rewards play a crucial role in motivating employees and improving their performance. However, to achieve optimal results, a well-designed reward system aligned with employee needs and supported by a positive work environment is essential. By considering these factors, PT. Pindad can create a conducive work environment and motivate employees to achieve optimal performance. Ensure that all appropriate strategies implemented by the company can create a positive work environment, improve employee performance, and help achieve business goals. By focusing on constructive strategies, the company...can increase job satisfaction, productivity, and ultimately, long-term success. Rewards should be tailored to employee needs and preferences. Not all employees are motivated by the same things. The reward system must be fair and transparent, so all employees feel treated equally. Provide a variety of rewards, both financial (bonuses, salary increases, incentives) and non-financial (recognition, promotions, training, work flexibility). Evaluate the effectiveness of the reward system regularly to ensure it achieves its goals. To motivate employees to achieve optimal performance, companies need to create a positive work environment, provide recognition and rewards, and provide opportunities for growth. Effective communication, clear goal setting, and flexibility are also important. Building good relationships with employees and providing a sense of security and comfort can also increase their motivation.

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### Regulation:

Law of the Republic of Indonesia Number 19 of 2003 concerning State-Owned Enterprises  
Law of the Republic of Indonesia Number 14 of 2008 concerning Public Information Disclosure

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Republic of Indonesia Law Number 16 of 2012 Concerning the Defense Industry

PP No. 120 of 2015 concerning Additional Capital Participation of the Republic of Indonesia into the Share Capital of the Limited Liability Company (Persero) PT. Pindad.

PP No. 4 of 1983: Establishes the establishment of PT Pindad as a Limited Liability Company.

PP No. 120 of 2015: May be related to BPK regulations relevant to PT Pindad.

PP No. 29 of 2018: Concerning Industrial Empowerment, which may have implications for PT Pindad.

PP No. 28 of 2021: Amends PP No. 29 of 2018 concerning the Implementation of the Industrial Sector, and may be relevant to PT Pindad.

BUMN Ministerial Regulation No. PER-3/MBU/03/2023: Regulates BUMN Organs and Human Resources.

Minister of Finance Regulation Number 149/PMK: May be related to finance and procurement of goods/services at PT Pindad.