Research Article

## Marketing Management Concept and Coaching of Leadership Methods in Operations Management of Companies: Case Study of Cellular Telecommunications Companies in Medan City

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## ABSTRACT

The development of the telecommunications industry in Indonesia is determined by the company's ability to manage its operational systems and human resources, as seen in the inability of employees to solve customer problems and the low quality of employee services in marketing company products and have an impact on the number of customer complaints that have not been resolved by employees. Therefore, an effective training method is needed to overcome this problem. The purpose of this study is to examine and analyze the extent of the quality of the use of marketing management concepts and the effectivity of the use of these training methods. This study used a descriptive method with a qualitative and quantitative approach. The data used are primary data and secondary data. The population in this study is 250 employees and the sampling technique uses saturated samples, which means all members of the research on coaching methods for success haves a negative and significant effect; participative and affiliative approaches in practical implications haves a positive and significant effect while the visionary and situational methods have no effect on the operational management of cellular telecommunications companies in the city of Medan.

Keywords : Coaching Methods, Marketing Management Concept, Operations Management

#### INTRODUCTION

Telecommunication companies in Indonesia have different marketing and service concepts. Some marketing concepts in general, are often used in company operations management. Operational management of a company must be able to regulate and supervise the role of employees in increasing employee productivity to achieve targets set by the company. Also, the companies operational management requires several ways to overcome the inability of employees to face job challenges that require more innovative thinking and higher creativity. The problems that often occur in the companies operational management are the lack of understanding and knowledge of employees in implementing the policies made by the company so far. This has an impact on the achievement of employee targets that are always not achieved especially in serving company customers. Therefore, many things must be considered by companies, especially operational management, which can control the operation of customer service. Service to the companies customers is the final assessment given by the customer to the company where the customer will give a positive and negative assessment of the products owned by the company. To overcome that, companies must have effective methods so that the operations of the company can run well.

The use of marketing management concepts is part of the company's operations management. In company operations, service quality is a measure of customer assessment of services that have been provided. Quality services must follow the company's standard operating procedures (SOP), especially in solving customer problems. The services provided must be fast, accurate and well resolved. For this reason, company strategy management is needed to place employees who have good service quality, especially in communication techniques and understanding service procedures. Measurements that can be done by the company are how employees provide good service and understand employees in solving customer problems by minimizing the number of customer complaints. Many customer complaints occur in the discrepancy in the use of data experienced by customers. In addition, the company is also not serious in responding to customer complaints about services due to multiple numbers with different data. This is clearly detrimental to the customer because the money is deducted but does not use the name of the customer itself but uses the

name of another customer and the customer's complaint does not immediately get a settlement for returning customer money that has been deducted during a transaction that was not carried out on the blanja.com website. Customer problems must be taken seriously because customers have given an assessment of the quality of services provided by employees. Customer problems can be overcome if there are clear guidelines and don't blame each other. Discrepancies often occur but if handled seriously then there will be a solution given. The development of strategic management and the use of effective coaching methods can help accelerate problem-solving. Fewer complaints from customers will have an impact on the company's operations management. The use of coaching methods by treating employees properly and taking part in problems faced by employees is one way to approach employees. Furthermore, maintaining a good relationship between employees and having a clear vision in supporting the company's goals by looking at the situation and condition of the company faced to face a competition between telecommunications companies in Indonesia. The purpose of this study is how to influence the use of the concept of marketing management and the use of coaching methods on the company's operational management. The success and seriousness of the company using the concept of marketing management, management strategies, and coaching methods will affect the company's operations.

#### THEORETICAL STUDY

#### 1. Marketing Management Concept

#### **1.1 Service Quality**

Buchori and Djaslim (2010:5) say the marketing management is the process of planning and implementing conceptions, pricing, promotion, and distribution of ideas, goods, and services, to produce exchanges that satisfy individuals and meet organizational goals. Tjiptono (2011: 59) says that "Service quality is the expected level of excellence and controlling over the level of excellence is to meet customer desires. In essence, the measurement of the quality of a service or product is almost the same as the measurement of consumer satisfaction, which is determined by the variable expectations and perceived performance. To be able to manage services or products well and quality, the company must recognize and pay attention to the five gaps related to the company's failure. Tjiptono (2011: 80) says that the five gaps as follows: (1) Gap between consumer expectations and management; perceptions. (2) Gap between management's perception and service or product quality specifications; (3) Gap between service or product quality specifications; (5) Gap between perceived or expected services or products.

#### 1.2 Marketing Strategy

On a corporate life, strategy management is designed in three main stages, i.e strategy formulation, strategy implementation, and strategy control or evaluation. At the strategy formulation stage, there are some activities carried out including conducting an internal environmental analysis, conducting an external environmental analysis, developing a clear vision and mission, setting company goals and objectives, formulating strategic choices and choosing the right strategy, establishing control actions. Assauri (2013: 15) says that marketing strategy is a set of goals and objectives, policies and rules that give direction to businesses company marketing from time to time, at each level and reference and allocation, especially in response to the company in dealing with the environment and a state of competition that is always changing. Jurini and Swastha (2008: 61) say that every company runs a marketing strategy for achieve the expected goals. There are three stages taken by companies to set marketing strategies i.e choosing the intended customers, identifying consumer desires, and determine the marketing mix.

## 2. Coaching of Leadership Method

## 2.1 Coaching Method

The use of coaching with confidence and empowerment from a new perspective and can provide understanding and awareness and courage to take new actions, so they can achieve results that have never been achieved before. In other words, coaching is a change and transformation, regarding a person's ability to grow, change behavior that blocks progress, to give birth to new behaviors and actions. Sibarani (2016) says that coaching focused on ability, someone's knowledge, and capabilities, or in other words, coaching involves the process of working with members of the organization, usually managers and executives on a regular basis to help them set their goals, deal with potential problems that may occur, and improve their work performance.

#### 2.2 Participative

The leadership style at this stage encourages individuals or groups to share ideas and simultaneously facilitate work with the enthusiasm they show. This style arises when followers feel confident in doing their work so that the leader is no longer too acting as a director. Leaders maintain open communication but now do so by tending to be more good listeners and ready to help their followers. Tamara, Margaretha (2016) says in her research entitled the influence of leadership style and work motivation on employee performance at headquarters of Samarinda City of local water company, participatory leaders consult with subordinates and use their suggestions and ideas before making a decision. Participatory leadership can increase subordinate work motivation.

#### 2.3 Affiliative

Goleman, Daniel (2007) say this type of leader highly respects the feelings of the people who work for him, because he does not emphasize the results or achievement of goals, but rather on the emotional needs of his employees. This style is very suitable for companies that have a group climate. The characteristic of this leader is to enjoy cooperation, harmonization, friendly interactions, build good relationships with the people they lead. Therefore this type of leader highly appreciates leisure time, because then he can approach with subordinates to help them through the busy times later. Empathy is highly prioritized by him because he wants to care for his employees as a whole not just based on duty responsibilities.

#### 2.4 Visionary

Juhana, Dudung & Reni Ambarsari (2012) say in his research stated that the clarity of the leadership's vision of the organization he led and the efforts to make it happen, certainly greatly helped the employees in carrying out their respective duties. Because with a clear vision and mission, which is accompanied by a strategic plan up to programs to achieve each set target will make employees feel facilitated in carrying out their duties. So that in turn employees will feel satisfied with their own work.

#### 2.5 Situational

According to this theory, everyone can be a leader, but in certain situations, because he has the advantages needed in that situation. In other situations where the advantages are not needed, he will not become a leader, maybe even just a follower. Thus a leader who wants to improve his abilities and skills in leading needs to know the scope of an effective leadership style. Leaders in the field of leadership have researched and developed leadership styles that differ according to the evolution of leadership theory. For the scope of leadership style, there are three main approaches, namely: the approach to the personality traits of leaders, leader behavioral approaches, and situational approaches or contingencies.

#### 3. Management Operational

Heizer and Rander (2011) say operations management is a series of activities that produce value in the form of goods and services by converting inputs into outputs. Stevenson and Chuong (2014) say it is explained that operations management is the management of the operations section responsible for producing goods or services. Russel and Taylor (2011) say operations management is often defined as the process of transforming Input (such as materials, machinery, labor, management, and capital is transformed into output (goods and services).

#### **CONCEPTUAL FRAMEWORK**

The use of marketing management concepts is part of the company's operations management. In company operations, service quality is a measure of customer assessment of services that have been provided. Quality services must follow the company's standard operating procedures (SOP), especially in solving customer problems. Customer problems must be taken seriously because customers have assessed the quality of services provided by employees. Customer problems can be overcome if there are clear guidelines and don't blame each other. Discrepancies often occur but if handled seriously then there will be a solution given. The development of strategic management and the use of effective coaching methods can help accelerate problem-solving. For this reason, company strategy management is needed to place employees who have good service quality, especially in communication techniques and understanding service procedures. Measurements that can be done by the company are how employees provide good service and understand employees in solving customer problems by minimizing the number of customer complaints. Fewer complaints from customers will have an impact on the company's operations management. The use of coaching methods by treating employees properly and taking part in problems faced by employees is one way to approach employees. Based on the explanation above, a conceptual framework can be made

systematically about the impact of the use of marketing management concepts consisting of service quality and management strategy and leadership of coaching methods i.e coaching of methods, participative, affiliative, visionary and situational in the company's operational management as shown in Figure 1 below this:



Figure 1. Conceptual Framework

#### **RESEARCH METHOD**

This study used a descriptive method with a qualitative and quantitative approach. The theoretical orientation that can be used in qualitative research is a phenomenon that occurs in the companies operational management. This type of research is a case study and interactive the employees with the customer at a telecommunications cellular company in the city of Medan. Quantitative descriptive research is gathering data to test hypotheses or answer questions about the final status of research subjects. In quantitative research, the main criteria for the research data are valid, reliable and objective while in qualitative research, findings or data can be declared valid if there is no difference between what the researcher reports and what actually happens to the object under study.

**Population and Sample.** The sampling technique uses simple random sampling. The population and sample used were 250 respondents who were employees of cellular telecommunications companies in the city of Medan. Data processing techniques using the SEM method based on Partial Least Square (PLS) requires 2 steps to assess the Fit Model of a research model.

#### Assessing the Outer Model or Measurement Model

There are three criteria in using data analysis techniques with SmartPLS to assess the outer model, namely Convergent Validity, Discriminant Validity, and Composite Reliability. Convergent validity of the measurement model with reflexive indicators is assessed based on the correlation between item scores/component scores estimated with PLS software. Individual reflexive measures are said to be high if they correlate more than 0.70 with the construct measured. But according to Chin, 1998 (in Ghozali, 2006) for the initial stage of research, the development of a measurement scale of loading values of 0.5 to 0.6 is considered sufficient. In this research, a loading factor limit of 0.60 will be used.

#### Table 1. Outer Loadings (Measurement Model)

Research Article

	Marketing Management Concepts (X1)		Operations Management (Y)
MMC			
1	0.748		
MMC 1 MMC			0.694
2	0.846		
MMC 2			0.740
CLM1		0.680	
CLM1			0.797
CLM2		0.727	
CLM2			0.675
CLM3		0.639	
CLM3			0.786
CLM4		0.641	
CLM4			0.615
CLM5		0.735	
CLM5			0.872

Source : Data Processing with PLS, 2019

The results of processing using SmartPLS can be seen in Table 1. The outer model value or the correlation between the construct and the variables initially did not meet convergent validity because there are still many indicators that have a loading factor value above 0.60. Modification of the model is done by issuing indicators that have a loading factor value above 0.60. The modification model as shown in Table 1 shows that not all loading factors have values above 0.60 so that constructs for all variables are eliminated from the model.

#### **Discriminant Validity**

Discriminant validity is carried out to ensure that each concept of each latent variable is different from the other variables. The model has good discriminant validity if each loading value of each indicator of a latent variable has the greatest loading value with another loading value of another latent variable. The results of the discriminant validity test were obtained as follows :

## Table 2. Discriminant Validity Value

	Coaching Leadership Methods (X2)	of	Marketing Management Concepts (X1)	Operations Management (Y)
CLM1	0.680		0.787	0.797
CLM1	0.680		0.787	0.797
CLM2	0.727		0.638	0.675
CLM2	0.727		0.638	0.675
CLM3	0.639		0.742	0.786
CLM3	0.639		0.742	0.786
CLM4	0.641		0.697	0.615
CLM4	0.641		0.697	0.615
CLM5	0.735		0.653	0.872
CLM5	0.735		0.653	0.872

Vol.12 No.13 (2021), 4350-4357

Research Article

MMC1	0.673	0.748	0.694	
MMC1	0.673	0.748	0.694	
MMC2	0.622	0.846	0.740	
MMC2	0.622	0.846	0.740	

Source : Data Processing with PLS, 2019

From table 2 it can be seen that some loading factor values for each indicator of each latent variable still have a loading factor value that is not the greatest compared to the loading value when connected with other latent variables. This means that each latent variable does not yet have good discriminant validity, whereas some latent variables still have a measurer highly correlated with other constructs.

#### Evaluating Reliability and Average Variance Extracted (AVE)

Validity and reliability criteria can also be seen from the reliability value of a construct and the value of the Average Variance Extracted (AVE) of each construct. The construct is said to have a high reliability if the value is 0.70 and AVE is above 0.50. Table 3 presents the Composite Reliability and AVE values for all variables.

Reliability	Extracted (AVE)
0.778	0.638
0.751	0.568
0.743	0.668
	0.778 0.751

Source : Data Processing with PLS, 2019

Based on table 3, it can be concluded that all constructs meet reliable criteria. This is indicated by the value of composite reliability above 0.70 and AVE is above 0.50 and there is above 0.50.

## Structural Model Testing (Inner Model)

Testing the inner model or structural model is carried out for viewing the relationship between the construct, significance value and R-square of the research model. The structural model is evaluated using R-square for the dependent construct of the t-test as well as the significance of the coefficient of structural path parameters.



#### Figure 2. Structural Model Hypothesis Testing

F test (simultaneous test) is carried out to see together the impact of service of quality (X1), management strategy (X2), coaching of method (X3), participative (X4), affiliative (X5), visionary (X6), situational (X7) in operations management companies (Y). Based on the results of the above test, the  $F_{count}$  value is 1,774 and the significantly value is 0,104.  $F_{count}$  value will be compared with  $F_{table}$  value that is equal to 1,75 (obtained by seeing  $F_{table}$  then the results obtained are  $F_{count} > F_{table}$  (8,036 > 2,32) and significance value of 0,000 < 0,05, so that It can be concluded that coaching for success, participative, affiliative, visionary and situational together has a positive and significantly effect in increasing the success of operations management in cellular telecommunications companies in Medan City.

Test the partial hypothesis of the coaching for success variable from the table can be seen the value of  $t_{count}$  the coaching for success variable (X1) is equal to -2.705 with a significance of 0.008. Then the results of the study show that the H1 hypothesis is accepted because  $-t_{count} < -t_{table}$  (-2.705 < -1.98896) and is significantly smaller than 0.05 which means that the coaching for success variable (X1) has a negative and significantly effect in increasing the success of operations management (Y) in cellular telecommunications companies in Medan City.

- 1. Test the partial hypothesis of participative variable from the table can be seen the value of  $t_{count}$  the participative variable (X2) is equal to 3.166 with a significance of 0.002. Then the results of the study show that the H1 hypothesis is accepted because  $t_{count} > t_{table}$  (3.166 > 1.98896) and significantly smaller than 0.05, which means that the participative variable (X2) has a positive and significantly effect in increasing the success of operations management (Y) in cellular telecommunications companies in Medan City.
- 2. Test the partial hypothesis of affiliative variable from the table can be seen the value of  $t_{count}$  the affiliative variable (X3) is 4.140 with a significance of 0,000. Then the results of the study show that the H1 hypothesis is accepted because  $t_{count} > t_{table}$  (4.140 > 1.98896) and significance is smaller than 0.05, which means that the affiliative variable (X3) has a positive and significant effect in increasing the success of operations management (Y) in cellular telecommunications companies in Medan City.
- 3. Test the partial hypothesis of the visionary variable from the table can be seen that the value of  $t_{count}$  the visionary variable (X4) is 0.481 with a significantly of 0,000. Then the results of the study show that the H0 hypothesis is accepted because of  $t_{count} < t_{table}$  (0.481 < 1.98896) and significantly greater than 0.05, which means that the visionary variable (X4) has no effect in increasing the success of operations management (Y) in cellular telecommunications companies in Medan City.
- 4. Test the partial hypothesis of situational variables from the table can be seen that the value of  $t_{count}$  the situational variable (X5) is -1.223 with a significantly of 0.225. Then the results of the study show that the H0 hypothesis is accepted because  $-t_{count} > -t_{table}$  (-1.223 > -1.98896) and is significantly greater than 0.05 which means that situational variables (X5) has no effect in increasing the success of operations management (Y) in cellular telecommunications companies in Medan City.

## CONCLUSION AND SUGGESTIONS

- 1. The results of partial hypothesis testing show that coaching for success variables have a negative effect which means that if coaching is carried out in operations management by directly giving punishment without changing the way employees think it will have a negative impact on the employee, while participative and affiliative have influence positive and significant towards increasing the success of operations management in cellular telecommunications companies in the city of Medan. Visionary and situational variables do not have a dominant influence in increasing the success of operations management in cellular telecommunications companies in Medan City.
- 2. The results of simultaneous hypothesis testing obtained that coaching variables for success, participative, affiliative, visionary and situational simultaneously have a positive and significant effect in increasing the success of operations management in cellular telecommunications companies in Medan City
- 3. Factors that influence the increasing success of operations management in cellular telecommunications companies in the city of Medan are affiliative variables because by maintaining good relationships between all employees in the management of the company will have a positive and most dominant impact on the implementation of operations management in cellular telecommunications companies in the city of Medan.

4. Telecommunications companies should use coaching methods to make changes to employee performance and the use of marketing management concepts in company operational management is one way that can be used to improve service quality and corporate management strategies in dealing with problems that often occur between employees and customers.

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Vol.12 No.13 (2021), 4350-4357

Research Article