

# The Influence of Managerial Coaching and Team Autonomy on Employee Performance in Palm Oil Plantation and Processing Companies in Sumatra

Fajar Rezeki Ananda Lubis <sup>1,\*</sup>, Syaifuddin <sup>1</sup>, Yusniar Lubis <sup>2</sup>, and Nasib <sup>3</sup>

<sup>1</sup> Department of Management, Postgraduate School, Universitas Prima Indonesia, 20118, Medan, North Sumatra Province, Indonesia

<sup>2</sup> Department of Agribusiness, Postgraduate Program, Universitas Medan Area, 54101, Medan, North Sumatra Province, Indonesia

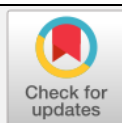
<sup>3</sup> Department of Management, Institut Bisnis Informasi Teknologi dan Bisnis, 20235, Medan, North Sumatra Province, Indonesia

\* Corresponding Author: [fajarrezekiananda@gmail.com](mailto:fajarrezekiananda@gmail.com)

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## ABSTRACT

*This study aims to examine the influence of managerial coaching and team autonomy on employee performance and to evaluate the mediating role of work climate on the influence of managerial coaching and team autonomy on work engagement. Additionally, this study investigates the role of work engagement as a mediator between managerial coaching, team autonomy, and work climate on employee performance in palm oil plantations and processing companies in Sumatra. The sample consists of 523 employees. Structural Equation Modeling Partial Least Squares (SEM PLS) is the analysis method. The results indicate that managerial coaching significantly influences work climate and work engagement, and team autonomy also significantly influences work climate and engagement. Work climate significantly influences work engagement and employee performance, and work engagement significantly influences performance. The indirect effects analysis shows that work climate mediates the influence of team autonomy on work engagement, and work engagement mediates the influence of managerial coaching and team autonomy on performance.*

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## 1. Introduction

The palm oil industry is one of the sectors that has remained resilient during the pandemic, even showing growth compared to other industries (Siregar et al., 2022). In Indonesia, the growth of the palm oil industry during the pandemic was positive, contributing 17% to the total contribution of agriculture and plantation industries to the GDP in 2020. The palm oil industry also contributed 30.3 million tons to Indonesia's export levels (Tandra et al., 2021). Indonesia holds the largest share of the global palm oil market at 58%, making it the largest exporter of palm oil, with exports reaching 44.5 million tons and covering a plantation area of 16.38 million hectares (ANTARA, 2021).

There are 2,056 palm oil companies operating across 26 provinces in Indonesia. Of these, 1,134 (55%) are in Sumatra, 823 (40%) in Kalimantan, 53 (3%) in Sulawesi, and 43 (2%) in Java, Nusa Tenggara, Maluku, and Papua (Badan Pusat Statistik, 2019). The palm oil industry is also known for employing a large workforce. In 2020, the industry employed 16.2 million people in Indonesia, with 4.2 million permanent workers and 12 million temporary workers (ANTARA, 2021).

Employees in manufacturing companies, such as those in palm oil processing, must understand their assigned tasks and adapt to changes in the work environment (Evianisa et al., 2021; Palumbo, 2021). Leaders play a crucial role in developing high-capability employees (Jaiswal & Dhar, 2015; Yasin Ghadi et al., 2013; Zehir et al., 2011). To achieve this, leaders must possess strong managerial coaching skills. Managerial coaching involves a manager's ability to encourage team members to achieve set goals, improve performance, and develop their skills (Tanskanen et al., 2019). This concept is relatively new in assessing leadership styles, emphasizing mutual support and trust between managers and their team members (Bond & Seneque, 2012; Tanskanen et al., 2019). A manager with effective coaching skills can collaborate with team members and motivate them to work autonomously.

Managerial coaching is positively associated with increased employee work engagement (Hawkins, 2011; Yasin Ghadi et al., 2013). For employees in palm oil processing, especially those working in plantations and factories, having a leader who provides clear work information, boosts morale, encourages independent work, and enhances individual and collective performance is essential (Osibanjo et al., 2018). Research has shown that managerial coaching can create a conducive and productive work climate, positively affecting work engagement (Quratulain & Al-Hawari, 2021; Tanskanen et al., 2019; Ye et al., 2020). Additionally, high levels of work engagement among employees significantly impact individual and collective performance (Buil et al., 2019; Karatepe, 2013).

Over the past decade, the concept of team autonomy has been extensively studied concerning various variables such as employee performance, work creativity, work engagement, job satisfaction, work climate, and work motivation (Bousinakos & Halkos, 2021; Jaiswal & Dhar, 2015; Parker et al., 2003). Team autonomy refers to the freedom companies give employees to work independently towards set targets (Palumbo, 2021). Employees in the palm oil processing sector must exhibit high adaptability and flexibility to cope with changes in the work environment (Moon & Choi, 2014; Shadur et al., 1999; Tsai, 2014). They must also be able to work in teams to create a supportive work climate (Fausing et al., 2013). These abilities

contribute to team autonomy, enabling employees to work optimally and understand their roles within the company (Fausing et al., 2013; Palumbo, 2021). Team autonomy is also believed to enhance engagement and motivate employees to work more effectively (Lv et al., 2018; Palumbo, 2021). According to the self-determination theory (SDT), team autonomy can stimulate employees to increase their work commitment aligned with company goals (Malek et al., 2020). Social comparison theory (SCT) views team autonomy as individual or collective efforts to achieve optimal performance (Molleman, 2005), while social facilitation theory (SFT) sees it as a desire to create a supportive work climate that encourages productive work in line with company targets (Korunka & Kubicek, 2017).

## **2. Theoretical Framework**

### **2.1. Managerial Coaching and Employee Performance**

The advancement of technology and the dynamic business environment require companies to have leaders who can effectively manage resources, especially adaptive and productive human resources (Kalkavan & Katrinli, 2014). Several studies have shown that leadership style significantly influences individual employee performance (Afsar et al., 2016; Kara et al., 2013; Zehir et al., 2011). Managerial coaching can be categorized as a new leadership style derived from transformational and democratic leadership styles, where a leader or manager actively encourages and motivates team members to achieve optimal performance (Ali & Aziz, 2018; Hugill et al., 2018; Tanskanen et al., 2019). In innovation-oriented companies, managerial coaching fosters employees' innovative capabilities (Ali et al., 2020).

Research by Kunst et al. found that leaders or managers who adopt a managerial coaching approach can transform previously unproductive employees who frequently made mistakes into more productive and meticulous workers (Kunst et al., 2018). Besides enhancing individual employee performance, managerial coaching is also considered capable of improving the performance of divisions, groups, and work units within a company (Ali et al., 2018; Ali & Aziz, 2018; Bond & Seneque, 2012; Tanskanen et al., 2019). Further findings suggest that applying managerial coaching can increase the level of collaboration among employees, ensuring that assigned tasks are completed according to set targets (Kalkavan & Katrinli, 2014; Tanskanen et al., 2019). Managerial coaching is also found to enhance the effectiveness of work units, aligning all work activities with the company's goals and targets, with managers directly involved in creating productive work systems within a unit (Buljac-Samardzic & van Woerkom, 2015).

**H1: Managerial coaching has a positive impact on employee performance.**

### **2.2. Managerial Coaching and Work Engagement**

Employee work engagement is often evaluated based on levels of creativity, adaptation to the work environment, job satisfaction, knowledge sharing, and involvement in various work activities (Mariam et al., 2020). High work engagement can also be assessed by the employee's comfort level in performing assigned tasks (Ali et al., 2018). Employee engagement does not occur automatically; it must go through various processes and be driven by several factors, such as leadership style, organizational culture, and the company's work system (Tanskanen et al., 2019).

Implementing managerial coaching can enhance employee engagement, with studies showing that employees can work more effectively and efficiently under managerial coaching (Ali et al., 2018). Moreover, managerial coaching can foster employees' confidence and high work enthusiasm (Yates & Scott, 2019). The managerial coaching approach, which emphasizes

providing positive stimulation to employees in their work, reduces the likelihood of employees feeling forced to perform tasks. Furthermore, it motivates employees to give their best effort to complete their work optimally (Ali et al., 2018; Buljac-Samardzic & van Woerkom, 2015).

**H2: Managerial coaching has a positive impact on work engagement.**

### **2.3. Managerial Coaching and Work Climate**

Work climate is often regarded as the collective perception of all company members regarding the methods or procedures implemented within the organization (Newstrom & Davis, 2002). Work climate plays a crucial role in establishing patterns of interaction and communication necessary to achieve the desired performance levels. The work climate in a company is influenced by factors such as corporate culture, leadership style, and the size and structure of the company (Jaiswal & Dhar, 2015; Palumbo, 2021). Implementing managerial coaching, which focuses on knowledge transfer activities, can create a company environment rich in knowledge and information, developing a productive and supportive work climate (Hugill et al., 2018).

In addition to enhancing employee performance, a leader is also responsible for creating a conducive work climate where all team members can fully utilize their capabilities to achieve the work targets set by management (Özdoğan & Tanova, 2017). The examination of the impact of managerial coaching on work climate is relatively new, with most studies positioning work climate as a moderating variable in the relationship between managerial coaching and employee performance (Özdoğan & Tanova, 2017; Zheng et al., 2022). Research by Matsuo et al. found that managerial coaching can drive work units within a company to be more target-oriented (Matsuo et al., 2020).

**H3: Managerial coaching has a positive impact on the work climate.**

### **2.4. Team Autonomy and Employee Performance**

Team autonomy is often seen as an intervention by company management to enhance collaboration within a work unit, improving individual employee performance (Zijl et al., 2019). Team autonomy can also drive changes in the structure of a work unit, work systems, work rules, leadership patterns, and job distribution (Palumbo, 2021). The successful implementation of team autonomy requires full awareness from management to boost the capabilities of all employees, ensuring that when employees work within a unit, they can achieve optimal performance (Palumbo, 2021; Zijl et al., 2019). A company with high team autonomy will have employees willing to apply new knowledge to their tasks, leading to improved performance (Lv et al., 2018). Sharing information and knowledge within a work unit with high team autonomy promotes collective performance improvement. Besides enhancing individual capabilities and performance, team autonomy has been shown to improve collective employee performance (Fausing et al., 2013).

**H4: Team autonomy has a positive impact on employee performance.**

### **2.5. Team Autonomy and Work Engagement**

Team autonomy results from a company's efforts to create flexible, adaptive, creative employees who can work well together where employees are given the freedom to perform their tasks (Fausing et al., 2013). The freedom given to employees in their work is accompanied



by full responsibility for acquiring new knowledge to enhance employee performance (Lv et al., 2018; Zijl et al., 2019). Furthermore, it has been found that team autonomy helps employees find significant meaning in their tasks, leading to strong work engagement (Palumbo, 2021). Research by Molleman found that team autonomy is significantly related to employee work engagement (Molleman, 2005). These findings are consistent with several studies that have found that team autonomy enhances employee work engagement, reflected in the emergence of work dedication, enthusiasm, and a desire to be involved in decision-making processes (De Spiegelaere et al., 2017; Palumbo, 2021).

**H5: Team autonomy has a positive impact on work engagement.**

## **2.6. Team Autonomy and Work Climate**

The impact of team autonomy on a company is significant, as evidenced by changes in work climate, communication patterns at work, and performance achievement levels (Basaglia et al., 2010; Palumbo, 2021). Team autonomy can also create a conducive work climate for all employees, leading to increased creativity and innovation in task execution (Basaglia et al., 2010; Molleman, 2005). Team autonomy also encourages employees to compete and enhance their knowledge at work, thus creating an employee growth climate (Schaufeli, 2016). A conducive, productive, and competitive work climate positively creates a competitive advantage for the company (Naseer et al., 2021). Therefore, it can be concluded that team autonomy can positively contribute to a company's work climate (Basaglia et al., 2010; Lv et al., 2018; Palumbo, 2021).

**H6: Team autonomy has a positive impact on the work climate.**

## **2.7. Work Climate as a Mediating Variable**

Work climate is often identified as a series of events within the employee work environment, considered part of the organization of company activities. Work climate becomes an important aspect to be controlled to create work congruity because it is considered that work climate can be a determining factor in employee performance achievement (Schneider & Barbera, 2014; Smith et al., 1969). Work climate is also considered as the perceived quality of the work environment by all employees in a company, where this condition can impact employee behavior in performing their tasks (Moon & Choi, 2014). In several studies, it has been found that work climate can influence the level of employee work engagement (Palumbo, 2021). Previous research (Palumbo, 2021; Tanskanen et al., 2019) found that work climate could mediate the influence of team autonomy and managerial coaching on work engagement.

**H7a: Work climate has a positive impact on employee performance.**

**H7b: Work climate has a positive impact on work engagement.**

**H7c: Work climate can mediate the influence of managerial coaching on work engagement.**

**H7d: Work climate can mediate the influence of team autonomy on work engagement.**

## 2.8. Work Engagement as a Mediating Variable

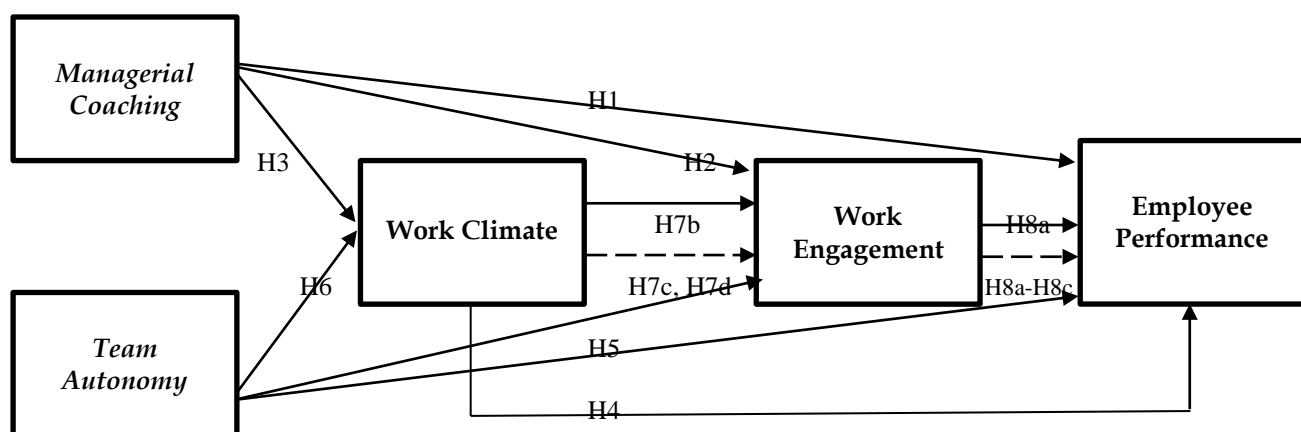
According to Gibbons, work engagement, or employee work engagement, is considered employees' emotional and intellectual attachment to their work, work environment, leadership, and company culture (Gibbons, 2015). Employee work engagement is also regarded as employees' positive attitude towards their company and its values. Thus, it can be concluded that employee work engagement can be considered a two-way relationship between employees and their work environment or company. Several studies have found that work engagement variables influence employee performance (Ozturk et al., 2021; Suhartanto et al., 2018). The research findings of Tanskanen et al. suggest that work engagement can act as a mediating variable for the influence of managerial coaching on both individual employee performance and unit performance (Tanskanen et al., 2019). Additionally, in Molleman's study, the implementation of team autonomy aims to create work engagement that impacts employee performance positively (Molleman, 2005). Furthermore, it has been found that work engagement can mediate the influence of work climate on employee performance (Ismail et al., 2019; Joo et al., 2016; Obuobisa-Darko, 2020; Schaufeli, 2016).

**H8a: Work engagement has a positive impact on employee performance.**

**H8b: Work engagement mediates the influence of Managerial Coaching on Employee Performance.**

**H8c: Work engagement mediates the influence of Team Autonomy on Employee Performance.**

**H8d: Work engagement mediates the influence of Work Climate on Employee Performance.**



**Figure 1. Research Framework**

Legend:

—————> = Direct Influence  
 - - - - -> = Indirect Influence

## 3. Research Methodology

This study employs an explanatory research design to examine the cause-effect relationships among the investigated variables. The research data approach utilized is

quantitative. The study was conducted from February 2021 to October 2021. The population comprises all employees of palm oil processing companies in Sumatra Island. The sampling technique employed is purposive sampling, with the following criteria: 1) Permanent employee status; 2) Minimum of 3 years of tenure; 3) Working in a palm oil factory or plantation on Sumatra Island. The total number of participating employees was 763, but those meeting the criteria amounted to 523 individuals. The operationalization of variables is presented in **Table 1** using a five-point Likert scale (Birks, 2016; Malhotra & Hall, 2015). Data was collected using questionnaires distributed through the Google Forms application or web service. The analytical method employed in this study is Structural Equation Modeling (SEM) analysis using Smart PLS 3.3.3 software, which is utilized to test direct and indirect hypotheses (Civelek, 2018; Kline, 2016).

**Table 1. Operationalization of Research Variables**

No.	Variables	Items	Sources
1	Managerial Coaching	1) The leader encourages coordination.	(Ali et al., 2018; Kunst et al., 2018; Mariam et al., 2020; Tanskanen et al., 2019)
		2) The leader understands employee issues.	
		3) The leader encourages employee skill improvement.	
		4) Leader conducts employee performance evaluation.	
2	Team Autonomy	1) Clear task allocation.	(Fausing et al., 2013; Lv et al., 2018; Palumbo, 2021)
		2) Clear work scheduling.	
		3) Freedom to determine job completion method.	
		4) Proportional unit work targets.	
3	Work Engagement	1) Employees have high work enthusiasm.	(Lv et al., 2018; Palumbo, 2021; Yasin Ghadi et al., 2013)
		2) Employees strive for optimal performance.	
		3) Employees maintain focus on tasks.	
		4) Employees feel proud of their work.	
		5) Employees find their work highly meaningful.	
4	Work Climate	1) A harmonious relationship between leaders and employees.	(Li et al., 2020; Parker et al., 2003)
		2) Establishment of mutual trust between leaders and employees.	
		3) Effective resolution of job conflicts.	
		4) Good cooperation across work divisions.	
5	Employee Performance	1) Employees achieve tasks as per targets.	(Bernardin & Russell, 1993; Tanskanen et al., 2019)
		2) Employees complete tasks without errors.	
		3) Employees utilize work time optimally.	

No.	Variables	Items	Sources
		4) Employees work independently without supervision.	

## 4. Results and Discussion

### 4.1. Results

#### 4.1.1. Characteristics of Research Respondents

**Table 2. Characteristics of Respondents**

Category	Description	Frequency	Percentage
Gender	Female	53	10.1
	Male	470	89.9
Education	High School	45	8.6
	Diploma	167	31.9
	Bachelor's Degree	245	46.8
	Master's Degree	66	12.6
Length of Employment	3-6 Years	245	46.8
	7-10 Years	198	37.9
	10-13 Years	43	8.2
	> 13 years	37	7.1
Work Region	Aceh	23	4.4
	North Sumatra	201	38.4
	West Sumatra	56	10.7
	Bengkulu	45	8.6
	Lampung	32	6.1
	Riau Province	166	31.7
Work Scope	Representative Office	221	42.3
	Plantation	167	31.9
	Factory	135	25.8

In **Table 2**, it is observed that the majority of respondents in this study are male, accounting for 470 people or 89.9%, while female respondents amount to 53 people or 10.1%. It is noted in several studies that the majority of employees working in the plantation sector, especially in oil palm plantations, are male due to the relatively heavy workload and high work-related risks (for those working in plantations and factories) (Evianisa et al., 2021; Osibanjo et al., 2018). Furthermore, the majority of respondents in this study have a Bachelor's degree (245 people or 46.8%) and a Diploma (167 people or 31.9%), as the respondents in this study are permanent employees. Regarding the length of employment, it is known that most employees have been working for 3-10 years, totaling 443 people or 84.7%. Most respondents came from North Sumatra, which has 201 people (38.4%), and Riau Province (166 people), or 31.7%. Regarding the scope of work, it is evident that most respondents work in representative offices (221 people or 42.3%) and at plantation locations (167 people or 25.8%).



#### 4.1.2. Research Instrument Testing

Based on [Table 3](#), it can be observed that the factor loading (FL) values for each statement in the instrument are greater than 0.70 (ranging from 0.717 to 0.921) and are statistically significant ( $p < 0.001$ ) ([Hair et al., 2014](#)). Composite Reliability (CR) testing results show values greater than 0.70 (ranging from 0.852 to 0.921). Furthermore, the Cronbach's Alpha values are greater than 0.70 (ranging from 0.811 to 0.891). The AVE testing results (ranging from 0.622 to 0.777) are also above the threshold of 0.50. Therefore, based on these test results, it can be concluded that the instruments used in this study have met the assumptions of validity and reliability.

**Table 3. Research Instrument Testing Results**

Item	FL	CR	$\alpha$	AVE	Weights
<b>Managerial Coaching (MC)</b>					
MC1	0.822	0.891	0.834	0.727	0.234***
MC2	0.789				0.324***
MC3	0.888				0.311***
MC4	0.818				0.321***
<b>Team Autonomy (TA)</b>					
TA1	0.899	0.921	0.891	0.777	0.234***
TA2	0.921				0.333***
TA3	0.932				0.322***
TA4	0.920				0.334***
<b>Work Climate (WC)</b>					
WC1	0.835	0.852	0.806	0.672	0.321***
WC2	0.723				0.345***
WC3	0.777				0.319***
WC4	0.848				0.333***
WC5	0.866				0.334***
<b>Work Engagement (EE)</b>					
WE1	0.777	0.899	0.845	0.687	0.333***
WE2	0.813				0.378***
WE3	0.892				0.399***
WE4	0.921				0.309***
<b>Employee Performance (EP)</b>					
EP1	0.853	0.860	0.811	0.622	0.301***
EP2	0.717				0.416***
EP3	0.779				0.423***
EP4	0.790				0.433***

Legend: FL = Factor Loading; CR = Composite Reliability;  $\alpha$  = Cronbach's Alpha; \*\*\* =  $p < 0.001$ , AVE = Average Variance Extracted

#### 4.1.3. Hypothesis Testing

In the determination coefficient testing results, it was found that the contribution of Managerial Coaching (MC) and Team Autonomy (TA) to Work Climate (WC) is 0.787 (78.7%). The contributions of Managerial Coaching (MC), Team Autonomy (TA), and Work Climate (WC) to Employee Performance (EP) are 0.852 (85.2%), and the contributions of Managerial

Coaching (MC), Team Autonomy (TA), Work Climate (WC), and Employee Performance (EP) to Work Engagement (WE) are 0.790 (79%). These contribution values fall into the high category (Cohen, 2013). Subsequently, to test the research hypotheses directly and indirectly using SEM PLS, the results are presented in Figure 2, Table 4, and Table 5 below.

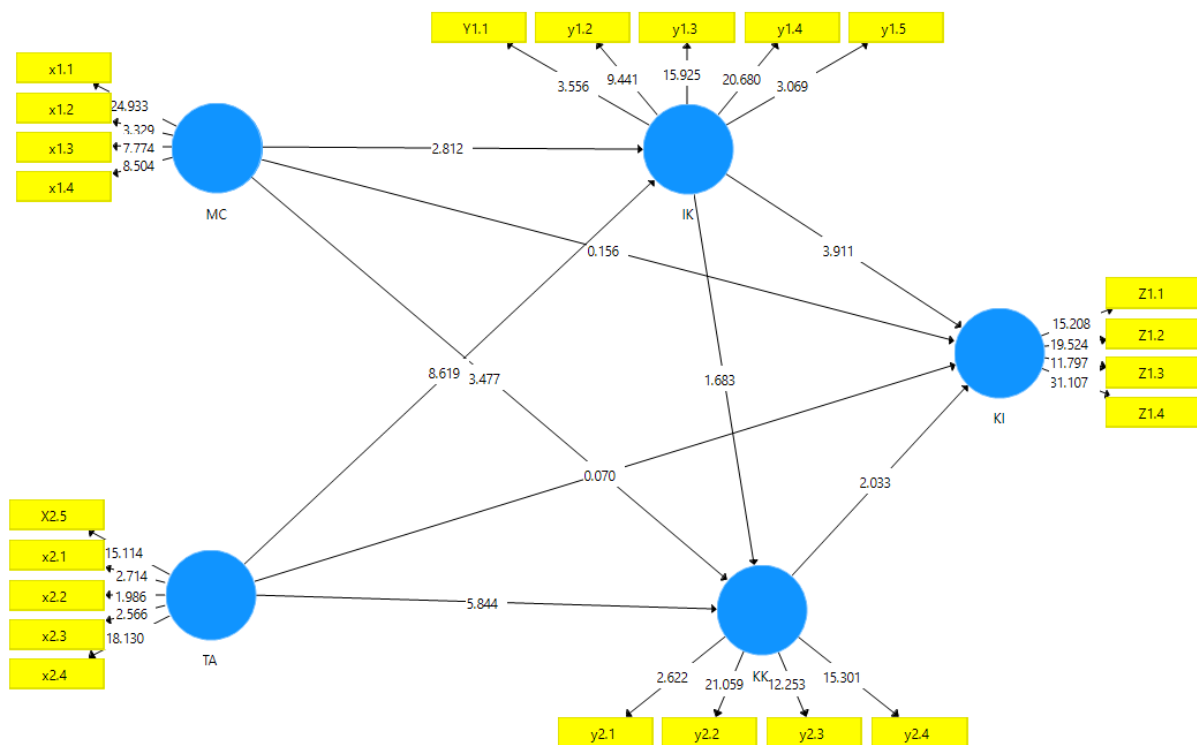


Figure 2. Hypothesis Testing Results

Table 4. Direct Hypothesis Testing Results

Hypothesis	$\beta$	T Statistics ( O/STDEV )	P Values	Acceptance/Rejection
MC $\rightarrow$ EP	0.018	0.115	-	Rejected
MC $\rightarrow$ WE	0.287	3.477	**	Accepted
MC $\rightarrow$ WC	0.239	2.033	**	Accepted
TA $\rightarrow$ EP	0.011	0.039	-	Rejected
TA $\rightarrow$ WE	0.529	5.844	**	Accepted
TA $\rightarrow$ WC	0.701	8.619	**	Accepted
WC $\rightarrow$ WE	0.179	1.683	**	Accepted
WC $\rightarrow$ EP	0.479	3.911	**	Accepted
WE $\rightarrow$ EP	0.419	2.033	**	Accepted

Legend:  $\beta$  = Path Coefficient; P Values \*\* < 0.05, \* < 0.10.

Based on Table 4, it is observed from the direct hypothesis testing results that Managerial Coaching does not have a significant effect on Employee Performance ( $\beta = 0.018$ ;  $p > 0.10$ ). Thus, H1 is rejected. Managerial Coaching significantly influences Work Engagement ( $\beta = 0.287$ ;  $p < 0.05$ ). Therefore, H2 is accepted. Managerial Coaching significantly influences Work Climate ( $\beta = 0.239$ ;  $p < 0.05$ ), thus H3 is accepted. Team Autonomy does not have a significant

effect on Employee Performance ( $\beta = 0.011$ ;  $p > 0.10$ ), hence H4 is rejected. Team Autonomy significantly influences *Work Engagement* ( $\beta = 0.529$ ;  $p < 0.05$ ). Therefore, H5 is accepted. Team Autonomy significantly influences *Work Climate* ( $\beta = 0.701$ ;  $p < 0.05$ ), thus H6 is accepted. *Work Climate* significantly influences *Work Engagement* ( $\beta = 0.179$ ;  $p < 0.05$ ); hence H7a is accepted. *Work Climate* significantly influences *Employee Performance* ( $\beta = 0.479$ ;  $p < 0.05$ ), thus H7b is accepted. Lastly, it is found that *Work Engagement* significantly influences *Employee Performance* ( $\beta = 0.419$ ;  $p < 0.05$ ). Therefore, H8a is accepted.

**Table 5. Indirect Hypothesis Testing Results**

Hypothesis	B	T Statistics ( O/STDEV )	P Values	Acceptance/Rejection
MC → WC → EP	0.043	1.200	-	Rejected
TA → WC → EP	0.125	1.751	**	Accepted
MC → WE → EP	0.120	1.885	**	Accepted
TA → WE → EP	0.222	2.000	**	Accepted
WC → WE → EP	0.075	1.150	-	Rejected

Legend:  $\beta$  = Path Coefficient; P Values \*\* < 0.05, \* < 0.10.

Mediation testing examines a mediating variable's role in connecting an independent variable's influence on a dependent variable (Hair et al., 2014). In this study, there are five indirect hypotheses, where the testing of the effect of Managerial Coaching on *Work Engagement* yielded results showing that *Work Climate* could not mediate this relationship ( $\beta = 0.043$ ;  $p > 0.10$ ), thus leading to the rejection of H7c. However, in the subsequent testing, it was found that *Work Climate* could mediate the effect of Team Autonomy on *Work Engagement* ( $\beta = 0.125$ ;  $p < 0.05$ ). Thus, H7d was accepted. *Work Engagement* can mediate the influence of Managerial Coaching on *Employee Performance* ( $\beta = 0.120$ ;  $p < 0.05$ ), leading to the acceptance of H8b. Similarly, it was found that *Work Engagement* can mediate the effect of Team Autonomy on *Employee Performance* ( $\beta = 0.222$ ;  $p < 0.05$ ); thus, H8c was accepted. However, *Work Engagement* cannot mediate the influence of *Work Climate* on *Employee Performance* ( $\beta = 0.075$ ;  $p > 0.10$ ), resulting in the rejection of H8d.

## 4.2. Discussion

This study extends previous research (Palumbo, 2021; Tanskanen et al., 2019). It implements the theories of Managerial Coaching and Team Autonomy in a single research model, which is subsequently tested on employees working in private palm oil plantations and processing companies on the island of Sumatra, Indonesia. Furthermore, this study also measures these variables' contribution level to employee performance through work engagement and work climate (Hugill et al., 2018; Matsuo et al., 2020; Palumbo, 2021; Tanskanen et al., 2019). Managerial Coaching and Team Autonomy are the main themes in this research due to the significant changes in technology, communication patterns, leadership styles, and work systems across various industries, especially in the palm oil plantation and processing industry (Osibanjo et al., 2018). These changes require leaders to adapt to their environment and support all members to improve their work capabilities. Additionally, employees in a unit must work independently, effectively, and efficiently to achieve set targets (Bond & Seneque, 2012; Hugill et al., 2018; Lv et al., 2018; Mariam et al., 2020).

Managerial coaching is often a supportive leadership style because leaders or managers must actively encourage their team members to work creatively and innovatively (Kalkavan & Katrinli, 2014). In manufacturing industry activities, the role of a leader is crucial. Besides providing work instructions, a leader also plays a role in improving and enhancing the performance of their team members (Tanskanen et al., 2019). This study found that managerial coaching cannot directly influence employee performance but must go through the work engagement variable. This result is consistent with the findings of Tanskanen et al., which found that improved employee performance can only be achieved through work engagement (Tanskanen et al., 2019). The results clarify that when employees have a high level of work engagement, they will automatically follow their leader's instructions to complete tasks according to the set targets. Managerial coaching in this study also directly impacts work engagement and work climate (Ali et al., 2018; Kalkavan & Katrinli, 2014; Matsuo et al., 2020). These results indicate that implementing managerial coaching toward motivating every employee creates a conducive work climate and fosters enthusiasm among all employees.

This study also found that team autonomy cannot directly influence employee performance. Team autonomy can only influence employee performance through work engagement (Palumbo, 2021). Independence and freedom, the basis of the team autonomy concept, cannot automatically improve employee performance because, without work engagement, employees tend to lack responsibility in completing assigned tasks. Additionally, the study found that team autonomy significantly impacts work engagement directly or through work climate (Palumbo, 2021). These findings show that team autonomy in palm oil plantation and processing employees in Sumatra can promote a growth climate and increase employee dedication to their work (Schaufeli, 2016).

Work climate and work engagement are two important aspects in improving employee performance, so their relationship and contribution levels to other aspects such as job satisfaction, performance, and job commitment are continuously tested in several studies (Karanika-Murray et al., 2017; Mirkamali et al., 2011; Palumbo, 2021). In companies operating in the palm oil plantation and processing sector, work climate plays a crucial role in creating productive employees. This study found that work climate can enhance employee performance (Karanika-Murray et al., 2017; Moon & Choi, 2014). Furthermore, it was found that work climate can mediate the influence of team autonomy on work engagement (Palumbo, 2021). These results indicate that a conducive work climate provides comfort for employees to perform tasks and can increase employee loyalty to their work and the company. Testing the role of work engagement in mediating the influence of managerial coaching, team autonomy, and work climate on employee performance showed that work engagement cannot mediate the influence of work climate on employee performance. In several studies, it has been found that a moderate level of work engagement leads to insignificant mediating roles (Tanskanen et al., 2019).

This study is a development of organizational behavior theory that focuses on discovering factors influencing employee performance. Determining managerial coaching and team autonomy as independent variables is a new approach used in palm oil plantation and processing companies. Therefore, for future researchers, this study can serve as a guideline for researching managerial coaching and team autonomy in the same or different industries.

## 5. Conclusion

The study's comprehensive analysis revealed several key insights regarding the dynamics between managerial coaching, team autonomy, work engagement, work climate, and employee

performance. Firstly, it elucidated that effective managerial coaching directly contributes to increased work engagement and fosters a positive work climate, both essential for enhancing employee performance. Similarly, empowering employees through team autonomy positively affected work engagement, work climate, and, ultimately, employee performance. These direct relationships highlight the critical role of leadership styles and employee empowerment strategies in shaping organizational dynamics and outcomes. Moreover, the study revealed that work engagement and climate are important mediators in the relationship between leadership practices, employee autonomy, and overall performance. Specifically, they found that a supportive work climate and high work engagement are conduits through which managerial coaching and team autonomy positively impact employee performance. This nuanced understanding underscores the interconnectedness of various organizational factors and their collective influence on employee outcomes. As for practical implications, the findings suggest that organizations should invest in leadership development programs tailored to enhance managerial coaching skills and promote employee autonomy to foster a conducive work environment conducive to high performance. However, it's essential to acknowledge the study's limitations, such as its reliance on cross-sectional data, which limits its ability to capture longitudinal changes, and its specific focus on palm oil plantation and processing companies in Sumatra, which may restrict its generalizability to other industries and regions. Therefore, future research should consider longitudinal designs and broader industry samples to validate and extend these findings across diverse organizational contexts.

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## 7. Declaration of Conflicting Interests

The authors have declared no potential conflicts of interest concerning this article's research, authorship, and/or publication.

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<https://doi.org/10.1111/hsc.12604>

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### About the Authors

1. **Fajar Rezeki Ananda Lubis**, obtained his Master's degree from Universitas Padjadjaran, Indonesia, in 2018. The author is an Associate Professor at the Department of Management, Postgraduate School, Universitas Prima Indonesia, Indonesia.  
E-Mail: [fajarrezekiananda@gmail.com](mailto:fajarrezekiananda@gmail.com)
2. **Syaifuddin**, obtained his Doctorate from Universitas Pasundan, Indonesia, in 2012. The author is a Professor at the Department of Management, Postgraduate School, Universitas Prima Indonesia, Indonesia.  
E-Mail: [drsyafuddin@unprimdn.ac.id](mailto:drsyafuddin@unprimdn.ac.id)
3. **Yusniar Lubis**, Yusniar Lubis obtained her Doctorate degree from Universitas Pasundan, Indonesia, in 2012. The author is a Professor at the Department of Agribusiness, Postgraduate Program, Universitas Medan Area, Indonesia.  
E-Mail: [yusniar@staff.uma.ac.id](mailto:yusniar@staff.uma.ac.id)
4. **Nasib**, obtained his Master's degree from Universitas Muhammadiyah Sumatera Utara, Indonesia, in 2013. The author is an Associate Professor at the Department of Management, Institut Bisnis Informasi Teknologi dan Bisnis, Indonesia.  
E-Mail: [nasibwibowo02@gmail.com](mailto:nasibwibowo02@gmail.com)