The Analysis of Leadership Style and Motivation Toward Performance of Employees

Andre Suandi Simbolon*, Anton Robiansyah, Kadek Masakazu, Nining Suryani

Department of Economic
Universitas Terbuka
Jakarta, Indonesia

*andre.simbolon@ecampus.ut.ac.id, anton.robiyansyah@ecampus.ut.ac.id, kadek.masakazu@ecampus.ut.ac.id, niningsuryani@ecampus.ut.ac.id

Abstract—The aim of this study to determine the effect of leadership style and motivation on employee performance in PT. Propan Raya Samarinda (PT. RCS). The population and sample in this study consisted of 42 employees. Methods of data collection using questionnaires, observations, and interviews. Data analysis techniques with regression analysis that explains the influence of leadership style and motivation on employee performance. The results showed that leadership has a positive impact on employee performance in PT RCS. A better leadership style will give a better performance of the employee. And also, motivation has a positive impact on employee performance. An employee who has a great motivation will show a good performance. Both variables have an impact on performance, and all of them have to be good in all organizations, so employee's performance will increase along with organization operational. But, from this analysis, results mean that the leadership style variable is more significant in influencing employee performance than the motivation variable.

Keywords: leadership style, work motivation, employee performance

I. INTRODUCTION

A company in carrying out programs and objectives to be achieved must have Human Resources (HR) in the form of labor called employees. Employees are one of the basics that play an essential role in achieving goals in developing a company. Therefore, a company must be able to treat its employees well so that employee performance gets maximum results. There are no conflicts between employees and the achievement of employee performance satisfaction. Employee performance is a measure that can be used to determine the comparison of the results of the implementation of tasks, responsibilities given by the organization in a certain period and can be used relative to measure work performance or organizational performance [1]. Likewise, to face competition today, employees are one of the tools to carry out company goals, where companies must have quality employees who work well because, without employees, the company cannot achieve its goals and cannot meet the company's stated targets.

PT. Propan Raya Samarinda Branch (from now on abbreviated as PT. Propan RCS) is a company engaged in paint marketing, where PT. Propan RCS has employees to carry out company goals to be achieved. The performance of the employees of PT. Propan RCS is expected to be able to work following what is desired by the company and not make mistakes continuously, which will result in not achieving the company's targets optimally. However, based on the fact that there is still employee performance that is less following what is desired by the company, namely accuracy in working like mistakes in checking the products to be ready for sale. Maintaining the existence of the performance of employees of PT. Propan RCS is not an easy task for company management. Many factors can affect employee performance issues, including; leadership style factors, work discipline, job satisfaction, and motivation. Leadership decision making to set company policies in overcoming the achievement of company targets is expected to provide job satisfaction for its employees so that employees are motivated to work better and always comply with company regulations set by the company. Problems in employee performance is an indication that the vital role of leadership is to manage company management as a manager of human resources to improve employee performance as a whole.

The success of an organization in achieving its goals and objectives depends on the organization's leaders and their leadership style [2]. Given the importance of employee performance, a leader in carrying out the leadership role must be able to see, observe, understand the circumstances and situations of the workplace, in terms of how his subordinates, the assignment situation and also the leadership role that is applied to integrate the company's goals with individual goals. The leader is the key to success in the company. Leadership is the process of providing goals (meaningful directives) to a collective effort, which results in efforts being made to achieve the goals [3]. The leadership is the influence of the process between leaders and subordinates in which a leader tries to influence the behavior of subordinates to achieve organizational goals [2].

The leadership can increase motivation and empowerment among nurses, examine the relevance of transformational leadership with motivation, and suggest practical ways to maintain a motivated work environment [4]. A leadership style

Copyright © 2020 The Authors. Published by Atlantis Press SARL.
This is an open access article distributed under the CC BY-NC 4.0 license -http://creativecommons.org/licenses/by-nc/4.0/.
of a leader will affect employee performance and productivity [5]. The leadership style can increase the motivation of the employee. This situation requires a quality corporate leadership role that can anticipate the times. Through these developments, the role of leadership also has experienced changes in strength, intelligence, wealth, mentality [6]. The leader should have an ability to attract or influence their employee, can set the standard to their peers and act as the best role models for their subordinate [7]. Therefore, leaders and employees are a unified whole in the sense of always supporting and needing one another.

In addition to leadership style, employee motivation is also one of the factors that influence employee performance. Motivation is a factor that causes or encourages a person to improve the quality of his establishment. The employee motivation is considered to be a force that drives employees to achieve specific organizational goals and objectives [8]. Today, this is one of the hissing problems in organizations because everyone wants to make the best use of their financial and human resources. People who have the motivation, they will do their best. With right motivation will always improve performance from time to time, for that a leader must know how to motivate the right [9], and motivation plays an important role in all public and private organizations. Without knowing how to motivate their employees, the organization cannot run and achieve its goals [10]. Motivational issues for the performance of employees of PT. Propan RCS, which as a salesperson in general, must face rejection by the customer several times due to not having the necessary basic skills such as knowledge of the types of products to sell in convincing the customer. Motivation is formed from the attitude of an employee in dealing with work situations [11]. Mental unpreparedness in the face of rejection makes the motivation for employee performance to work decrease because the salary and additional results that employees get cannot meet their physiological needs so that it affects the employee's performance in achieving the targets expected by the company.

Conducted on previous research, the related to employee performance, results were obtained that simultaneously leadership and job satisfaction have a significant positive effect on employee work motivation [12]. The obtained results that simultaneously leadership, work environment, and motivation affect employee performance [13]. From the results of previous studies, the researchers concluded that the leadership style and motivation could affect the performance of employees at PT. RCS Propan. The purpose of this paper is to examine the effect of two independent variables, leadership style, and work motivation, simultaneously and partially on employee performance also, to the two independent variables, which one is more dominant in influencing employee performance.

II. METHODS

This research is an analytic study using a cross-sectional design. This research uses a case-control design. The time of the study was carried out from March 2017. The research location was carried out at PT. Propan Raya Samarinda Branch. The sampling technique using a total sampling technique.

| TABLE I. VARIABLE DEPENDENT AND INDEPENDENT |
|---------------------------------------------|
| **Variable** | **Leadership** | **Motivation** | **Performance** |
| Indicator     | Analytical Capability | Physiological needs | Work output |
|               | Communication skills  | Security and safety needs | requirements Knowledge of work |
|               | Courage              | Social Needs          | Initiative |
|               | The ability to hear things well | Appreciation abilities | Mental ability |
|               | Assertiveness        | Need for self-actualization | Attitude |

Leadership style and motivation variables as independent variables, with five indicators on each independent variable. performance variable as a dependent variable with five indicators

III. RESULTS AND DISCUSSION

PT Propan RCS has a total of forty-two employees. Thirty-six male employees and six female employees. The age of the employees also varied; employees under 21 years were 11 people; employees between 21-32 years old were 19. Employees between 33-43 years old were ten people, and employees aged over 43 years old were two people. There are 24 employees with a senior high school degree, 10 with a Diploma degree, and eight people with a Bachelor's degree. Employee tenure also consists of several types, ten years less than one year with 11 people, 1-5 years with 28 people, and 3-10 years with three people.

A. Research Model

![Fig. 1. Research model.](image)

B. Multiple Regression Analysis

The author uses multiple linear regression analysis to measure the effect between independent variables, namely from Leadership (X1) and Motivation (X2) to Employee Work Performance (Y). In order to simplify and accelerate the process of multiple regression analysis in this study, a
computerized system using the Statistical Package for Social Science (SPSS) version 19.0 program is the following results of data analysis taken based on a questionnaire to 53 respondents, as follows:

**TABLE II. REGRESSION ANALYSIS RESULT**

|       | B     | Sig. | R Square (Partial) | F (Partial) | R Square (Simultaneous) | Adjusted R Square (Simultaneous) | F (Simultaneous) |
|-------|-------|------|--------------------|-------------|-------------------------|----------------------------------|------------------|
| Constant | -.909 | .050 | -                  | -           | -                       | -                                | -                |
| Leadership | .820  | .000 | .678               | 84.351      | .762                    | .749                             | 62.282           |
| Motivation | .368  | .001 | -.320              | 18.814      |                         |                                  |                  

Based on the table above, the Leadership variable (X1) directly affects the Performance variable (Y) with an F value of 84,351; this means that the leadership of PT. Propan Raya's employees have a high enough value. This results related to the former research, show that a transformational leadership style positively affected employee performance [15,16]. Leadership in this study was measured through the ability of leaders to conduct analytical, communication skills, dare to give and carry out responsibilities, can hear, and have the firmness to each decision making to improve the performance of employees of PT. Propan Raya. The leaders of PT. Propan Raya listens to employee complaints, by listening to various complaints the leaders try to investigate the cause of the problem so that they can provide appropriate advice and direction on the problems faced by their employees. Some of the problems that are often complained to leaders are the issue of salary received, promotion of positions, leave, or permission for family matters. Leaders offer advice and direction when they relax and rest, not during work hours. So that leaders can find out the characteristics of their employees before communicating further, mainly to provide appropriate advice. In this way, leaders hope that the advice they give can be well received and not interfere with employee performance when operational. Relationships between leaders and employees also become closer. Leaders use this approach in solving problems faced by employees so that employees can work as well as possible to achieve the expected results.

Motivation Variable (X2) also directly affects the Performance variable (Y) with an F value of 18,814; this means that motivation has been able to provide the increased performance of employees of PT. Propan Raya. This results related to former research show that motivation has positively affected employee performance [15,17]. Leaders motivate employees to work following company targets. Of the various stages of providing motivation, the main factors are the needs and direction of behavior. With the motivation to direct behavior, it will trigger changes in the quality of work for the better. Through performance improvement, performance appraisal, organizational goals can be achieved, while personal goals are also achieved. Through the achievement of company targets, some employee needs can be achieved slowly. Some needs such as physiological needs (salary increase), security and safety needs (leave and family permit), social needs (interact with friends) and appreciation needs, and self-actualization needs (promotion of position).

Based on the F value of the two variables in the table above, the variable that is more dominant in influencing the Performance variable (Y) is the Leadership variable (X1). Because of the leaders of PT. Propan Raya gives direction to employees, especially now that everything is open, so the leadership needed is the leadership that can empower its employees. Leaders with analytical problem-solving skills, communicative of all colleagues, courage to go to the field and help employees who need help, are willing to listen to complaints decisively and adequately in deciding to encourage employees to give their best performance. Based on the table above, it is known that a value of -0.909 b1 value is 0.820 b2 value of 0.368 From these data, the regression equation values are obtained as follows:

\[ Y = -0.909 + 0.820 X_1 + 0.368 X_2 \]

The equation shows that the Leadership coefficient (X1) is 0.820, and Work Motivation (X2) is 0.368. It means that if the value of Leadership Style (X1) increases by 1 point, the value of Employee Performance (Y) will increase by 0.820. It means that if the value of Motivation (X2) increases by 1 point, the value of Employee Performance (Y) will increase by 0.368. If the two independent variables together increase by 1 point, the value of Employee Performance (Y) will increase by 1.188. If the Leadership Points (X1) and Work Motivation (X2) are getting higher, then the Employee Performance of PT. Propan RCS will be even higher. The results of the analysis of the influence of leadership style and motivation variables on employee performance in this study amounted to 0.762 or 76.2%. It means that the two independent variables affect the Employee Performance variable by 76.2%. There are still other factors that can affect employee performance by 23.8%.

Based on the results of the analysis above, it can be concluded that if there is an increase in leadership support provided by the leadership in supporting and assisting the implementation of tasks and work of employees in their work, then this increase will also be followed by an increase in employee performance. It is in line that there is a relationship between leadership and employee performance [3]. This opinion suggests that the characteristics, skills, and behavior of leaders will affect the nature and behavior of followers. If the nature and behavior of the leader are right, then it will be useful also the nature and behavior of the leader who will ultimately affect employee performance. The test results show that the leadership variable has a significant effect on employee performance.

Motivation variables affect employee performance, the stronger the work motivation, the higher employee performance [18]. Each increase in employee motivation will provide a very significant increase in improving employee performance in carrying out their work. This research is following the results of research paper "The Influence of Leadership and Motivation Factors on Employee Performance in the Paser District Forestry and Energy Forest Service" [19] and results of research paper "The Effect of Leadership, Work Environment and Motivation on Employee Performance of PT. Jasa Raharja Samarinda ". The test results show that the
motivation variable has a significant effect on employee performance [13].

IV. CONCLUSION

Partially or simultaneously, leadership and motivation variables have a positive and significant influence on the performance of PT Propan Raya's employees. Based on research results show that better leadership will cause the performance of PT Propan employees to increase. Although in the case of PT Propan Raya, the leadership variable is more dominant than the motivational variable in influencing employee performance. It is due to analytical skills, communication skills, courage, the ability to hear things well, and the firmness possessed by the leaders of PT. Propan Raya in managing employees.

REFERENCES

[1] Gibson, Ivancevich, Donnelly, “Organizations Behavior Structure Processes,” Tenth Edition. New York : McGraw Hill, 2004.

[2] M.L. Voon, M.C. Lo, K.S. Ngui, N.B. Ayob, “The influence of leadership styles on employees' job satisfaction in public sector organizations in Malaysia,” International Journal of Business, Management and Social Sciences, Vol. 2, No. 1, pp. 24-32, 2011.

[3] G. Yukl. Kepemimpinan Dalam Organisasi, edisi kelima, Jakarta : PT. INDEKS, 2010.

[4] E. Curtis, R. O’Connell, “Essential leadership skills for motivating and developing staff,” Nursing Management, Vol 18, no. 5, pp.32-35, 2011.

[5] T.S. Nanjundeswaraswamy and D.R. Swamy, “Leadership styles,” Advances In Management. Vol. 7, No. 2, 2014.

[6] N. Iqbal, S. Anwar and N. Haider, “Effect of Leadership Style on Employee Performance,” Arabian Journal of Business and Management, Review 5: 146, 2015.

[7] D.D. Pradeep, N.R.V. Prabhu, “The Relationship between Effective Leadership and Employee Performance,” International Conference on Advancements in Information Technology With workshop of ICBMG IPCSIT, vol.20. Singapore : IACSIT Press, 2011.

[8] I. Shahzadi, A. Javed, S.S. Pirzada, S. Nasreen, F. Khanam, “Impact of Employee Motivation on Employee Performance,” European Journal of Business and Management, Vol.6, No.23, 2014.

[9] S.P. Siagian, “Kiat Meningkatkan Produktivitas kerja,”, Jakarta : Rineka Cipta, 2002.

[10] H. Zameer, S. Ali, W. Nisar, M. Amir, “Motivation on the Employee's Performance in Beverage Industry of Pakistan,” International Journal of Academic Research in Accounting, Finance and Management Sciences, Vol. 4, No.1, pp. 293–298, 2014.

[11] P.A. Mangkunegara, “Evaluasi Kinerja Sumber Daya Manusia,” Bandung : Refika Aditama, 2009.

[12] M. Elfa, “Pengaruh Kepemimpinan dan Kepuasan Kerja Terhadap Kinerja Pegawai Melalui Motivasi Sebagai Variabel Intervening Pada Dinas Pertanian Lingkup Kota Sungai Penuh,” Universitas Bung Hatta, Padang, 2013.

[13] Y. Romadona, Pengaruh Kepemimpinan, Lingkungan Kerja dan Motivasi Terhadap Kinerja Pegawai PT. Jasa Raharja Samarinda,” Universitas Mulawarman, Samarinda. 2014.

[14] Sugiyono, “Metode Penelitian Kuantitatif, kualitatif dan R & D,” Bandung: Alfabeta, 2011.

[15] A. Risambessy, B. Swasto, A. Thoyib, E.S. Astuti, “The Influence of Transformational Leadership Style, Motivation, Burnout towards Job Satisfaction and Employee Performance,” Journal of Basic and Applied Scientific Research, Vol. 2, No. 9, pp.8833-8842, 2012.

[16] M. Asrar-ul-Haq, K.P. Kuchinke, “Impact of leadership styles on employees’ attitude towards their leader and performance: Empirical evidence from Pakistani banks,” Future Business Journal, vol. 2, Issue 1, Pages 54-64, 2016.

[17] E.K. Kiruja, E. Mukuru, “Effect of Motivation on Employee Performance In Public Middle Level Technical Training Institutions In Kenya,” International Journal of Advances in Management and Economics, vol. 2, Issue 4, 2013.

[18] V. Rivai, “Manajemen Sumber Daya Manusia Untuk Perusahaan,” Jakarta: PT. Raja Grafindo Persada, 2005.

[19] D.M. Sari, “Pengaruh Faktor-Faktor Kepemimpinan dan Motivasi Terhadap Kinerja Pegawai Dinas Keuangan Pertambangan dan Energi Kabupaten Paser,” Universitas Mulawarman, Samarinda, 2010.