The Direct and Indirect Influence of Leadership, Motivation and Job Satisfaction Against Employees’ Performance

Bambang Bernanthos

Abstract:

The results of this study showed that leadership has a positive and significant effect directly to job satisfaction, as well as motivation.

Leadership positively and directly affects employees performance, motivation has a positive and significant effect directly to employees performance.

Job satisfaction has a positive and significant effect directly on employees performance, leadership has a positive and significant effect indirectly on employees performance through job satisfaction.

Motivational leadership has an indirect positive and significant impact on employees performance through job satisfaction.

Keywords: Leadership, Motivation, Job Satisfaction, Employees Performance.

1Department of Economics, University of Borobudur, Jakarta, Email: b.bernanthos@yahoo.com
1. Introduction

Motivation is the foundation for a person to enter the organization in order to fulfill its need to achieve organizational goals. Therefore management becomes a key factor in providing motivation being an effective driving force in an effort to increase job satisfaction (Ali et al., 2012).

Organization in the achievement of its objectives have a very important factor that is human resources, because no matter how well an organization, no matter how the facilities and infrastructure owned by the organization, without any role of human resources all will not run well, because human resources as motor drive for life (Iqbal et al., 2012).

High employee performance will support the productivity of an organization, so it should be the leader of the organization always pay attention to improving the work of its members for the progress of the organization. Various ways can be taken by the company in improving the performance of its employees such as by realizing employee job satisfaction through motivation and leadership in accordance with the expectations of employees (Azar and Shafighi, 2013).

Each organization has distinctive features that distinguish it from other organizations, this characteristic becomes the identity of the organization (Wahyu, 2017). This characteristic is called motivation. deals with how the organization builds a commitment to realize its vision, win the hearts of customers, win the competition and build corporate strength (Suryanto et al., 2017).

Motivation determines the progress of every organization, no matter what type of organization it is. Motivation is formed from organizational philosophy and values embraced by human resources within the organization, but the role of top management is very large in the formation of motivation (Jyothibabu et al., 2010). In addition, the supporting factors that should be in the core of the company are leadership (Weldy and William, 2010).

Leadership is defined as a person's ability to influence others to work toward goals and targets according to Patola. The ability to influence a leader will determine how employees use to achieve the work. Organizational leaders can influence behavior by creating organizational systems and processes as needed, both individual needs, group needs and organizational needs. Applying the right leadership greatly affects employee job satisfaction (Jerez-Gomez et al., 2005).

Novelty in writing this call paper states that the employee's satisfaction directly and indirectly is influenced by motivation and leadership. It can not be dismissed from the fact that job satisfaction can be achieved if his expectations can be fulfilled in carrying out his job duties. Job satisfaction is a reflection of the individual's feelings
The Direct and Indirect Influence of Leadership, Motivation and Job Satisfaction Against Employees' Performance

238

and attitudes towards his / her work, which is the interaction between those concerned with the work environment (Weldy, T.G. and William, E.G. 2010).

2. Literature review

Employee performance:
Performance is the result of work in quality and quantity achieved by an employee in performing its duties in accordance with the responsibilities given to it (Jyothibabu and Farooq, 2010).

Job satisfaction:
Job satisfaction is an individual's general attitude towards his job. Each individual has a different level of satisfaction in accordance with the value system prevailing in him. The more aspects that are in accordance with the individual's desire the higher the job satisfaction.

Motivation:
Motivation is a set of attitudes and values to influence the individual to achieve the specific in accordance with the individual goals.

Leadership:
Leadership is to direct, nurture or organize, guide and also indicate or influence.

3. Methodology

3.1 Research Instruments

Measurements with the Likert Scale have advantages in diversity of scores so that respondents in this case can express their level of opinion to be close to the actual reality. Likert scale used in this study are as follows:

a. Strongly Agree (SS): Given weight / score 5
b. Agree (S): Given weight / score 4
c. Less Agree (KS): Given weight / score 3
d. Disagree (TS): Given weight / score 2
e. Strongly Disagree (STS): Given weight / score 1

3.2 The Normality of Data Test

Method of decision making is using the following criteria:

- Data is normally distributed if probability > 0.05
- Data is not normally distributed if the probability is <0.05

a. Multicollinearity Test:
According to Yudiaatmaja in Waridin and Masrukin (2006), to identify the presence or absence of multicollinearity we use the Variance Inflation Factor (VIF).

\textit{b. Heteroscedasticity Test:}
To detect the presence or absence of heteroscedasticity, the authors used rho Spearman's test method.

\textit{c. F Test for Hypothesis testing:}
\begin{align*}
\text{Ho: } & \beta_i = 0 \text{ (regression coefficient is not significant)} \\
\text{Ha: } & \beta_i \neq 0 \text{ (significant regression coefficient)}
\end{align*}
Where the value of F can be calculated as follows: If $F_{\text{hit}} > F_{\text{tab}}$ with a certain significant level (e.g., 5%) then Ho is rejected and Ha is accepted. If $F_{\text{hit}} < F_{\text{tab}}$ with a certain level of significance (e.g., 5%) then Ho is accepted and Ha is rejected.

\textit{d. Partial Test / T Test:}
T test is used to determine the influence of each independent variable to the dependent variable. T test is done by comparing $t_{\text{count}}$ with $t_{\text{table}}$. To determine the $t$ value at 5% significance level with degrees of freedom $df = (n-k-1)$ where $n$ is the number of respondents and $k$ is the number of variables we used the corresponding table.

\textit{e. Coefficient of Determination:}
Testing of the significant variables by finding its determination or value of $R^2$ (R-Square). If the coefficient of determination is zero it means independent variable has no effect on the dependent variable. If the value of the coefficient of determination is close to one, then it can be said that the independent variables affect the dependent variable quite strongly.

\textit{f. Path Analysis:}
The calculation of path coefficient is processed by using SPSS software version 22.0. Path analysis is used to analyze the relationship pattern between variables with the aim to know the direct or indirect effect of a set of exogenous variables.

\section*{4. Results and Analysis}

\subsection*{4.1 Descriptive Analysis}
The data collected for analysis in the form of an employee questionnaire data in Private Universities. Results of data processing in the form of information to determine the effect of motivation and leadership on job satisfaction and its impact on employee performance. In the path analysis model which is used in this study there are four input variables, namely employee performance as the dependent variable which is denoted by $Z$, the independent variable of motivation which is denoted by $X_1$, the leadership which is denoted by $X_2$ and job satisfaction which is denoted by $Y$. 

4.2 Hypothesis testing

In the following Tables 1-7 and in Figure 1 we present the empirical results of this study.

Table 1. Simultaneously of F Test

| Model    | Sum of Squares | df | Mean Square | F     | Sig. |
|----------|----------------|----|-------------|-------|------|
| Regression | 698,692        | 3  | 296,296     | 59,847| .000 |
| Residual  | 399,477        | 111| 5,006       |       |      |
| Total     | 984,958        | 114|             |       |      |

a. Dependent Variable: Performance.
b. Predictors: (Constant), Satisfaction, Leadership, Motivation

Table 2. Partial T Test Coefficients

| Model      | Unstandardized Coefficients | Standardized Coefficients | t   | Sig. |
|------------|-----------------------------|---------------------------|-----|------|
| 1 (Constant) | 22,939                      | 2.408                     | 7.228| .000 |
| Motivation | .578                        | .280                      | .672| 4.444| .000 |
| Leadership | .758                        | .227                      | .064| 4.303| .000 |
| Satisfaction | .357                        | .249                      | .540| 1.771| .000 |

a. Dependent Variable: Performance.

Table 3. Determination Test Coefficient of Sub Structure

| Model Summary | Model | R   | R Square | Adjusted R Square | Std. Error of the Estimate |
|----------------|-------|------|----------|-------------------|---------------------------|
| 1              | .839a | .790 | .777     | 2,20238           |

a. Predictors: (Constant), Satisfaction, Leadership, Motivation
b. Dependent Variable: Performance
Source: Processed data (2016)
**Figure 1. Path Analysis Model**

![Path Analysis Model Diagram]

---

**Table 4. Model Summary**

| Model | R   | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-----|----------|-------------------|----------------------------|
| 1     | .948| .880     | .877              | 1.8968                     |

a. Predictors: (Constant), Leadership, Motivation  
b. Dependent Variable: Satisfaction

**Table 5. Analysis Result Summary of Sub-Structures I Path**

| Antar Variabel | Path (Beta) | Direction | Result | Result | Coefficient | Coefficient |
|----------------|-------------|-----------|--------|--------|-------------|-------------|
| X1, X2, Y     |             |           |        |        |             |             |
| X1 Terhadap Y | 0.778       | Positive  | Significant | Significant | 0.880       | 0.260       |
| X2, Y         | 0.628       | Positive  | Significant | Significant | 0.880       | 0.650       |

**Table 6. Analysis Results of Determination Coefficient of sub structure II**

| Model Summary | Model | R   | R Square | Adjusted R Square | Std. Error of the Estimate |
|---------------|-------|-----|----------|-------------------|----------------------------|
| 1             | .869a | .790| .777     | 2.20248           |                            |

a. Predictors: (Constant), Satisfaction, Leadership, Motivation  
b. Dependent Variable: Performance

4.3 Determination Coefficient Results of Sub Structure II: Direct, Indirect Influence and Total Influence of Independent Variables Against the Dependent Variable
The results of path analysis can be described to explain the influence of motivation and leadership on job satisfaction and its impact on employee performance. It is presented and concluded in Table 7.

**Table 7. Path Coefficient, Direct & Indirect Effect**

| Variable Influence | Clausal Influence |  |  |
|--------------------|-------------------|---|---|
|                    | Direct            | Indirect Through Y | Total |
| X₁ thd Y           | 0.869             | -              | 0.869 |
| X₂ thd Y           | 0.708             | -              | 0.708 |
| X₁ thd Z           | 0.772             | 0.869          | 0.1416 |
| X₂ thd Z           | 0.564             | 0.708          | 0.1212 |
| Y thd Z            | 0.840             | -              | 0.840 |
| e₁                 | 0.894             | -              | -     |
| e₂                 | 0.903             | -              | -     |

5. Conclusions

The results showed that leadership as well as motivation have a positive and significant impact to job satisfaction. Leadership positively and directly affects employees performance, motivation has positive and significant effect directly to employees performance. Job satisfaction has a positive and significant effect directly on employees performance, leadership has positive and significant effect indirectly on employees performance through job satisfaction. Motivational leadership has an indirect positive and significant impact on employees performance through job satisfaction.

References:

Alegre, J. and Chiva, R. 2008. Assessing the impact of organizational learning capability on Product innovation performance: an empirical test. Technovation, 28(6), 315-326.

Ali, A., Abrar, M. and Haider, J. 2012. Impact of Motivation on the working performance of employees-A case study of Pakistan; Global Advanced Research Journal of Management and Business Studies, 1(4), 126-133.

Atwood, M.A. and Mora, J.W. 2010. Learning to lead: evaluating leadership and organizational Learning. Leadership and Organization Development Journal, 31(7), 576-595.

Azar, M., Shafighi, A. 2013. The Effect of Work Motivation on Employees’ Job Performance: International Journal of Academic Research in Business and Social Sciences, 3(9).

Chipika, S. and Wilson, G. 2006. Enabling technological learning among light engineering SMEs in Zimbawe through networking. Technovatin, 26(8), 969-979.

Chiva, E. and Delorme, S. 2004. The performance of motivational command agents in a Command post training simulation. Proceedings of the 2004 Conference on Behavior Resppresentation in Modeling and Simulation.
Chiva, R. and Alegre, J. 2007. Measuring organizational learning capability among the Workforce. International Journal of Manpower, 28(3/4), 224-242.

Chiva, R. and Alegre, J. 2009. Organizational learning capability and job satisfaction: an empirical assessment in the ceramic tile industry. British Journal of Management, 20(3), 323-340.

Gordon, S.R. and Tarafdar, T. 2007. How do a company’s information technology competences influence its ability to innovate? Journal of Enterprise Information Management, 20(3), 271-290.

Hemsworth, D., Sanchez-Rodriguez, C. and Bidgood, B. 2005. Determining the impact of quality management practices and purchasing related information systems on purchasing performance: a structural model. Journal of Enterprise Information Management, 18(2), 169-194.

Iqbal, J. Yusaf, A. Munawar, R. Naheed, S. 2012. Employee Motivation in Modern Organization: Interdisciplinary Journal of Contemporary Research in Business, 4(3).

Jerez-Gomez, P., Cespedes-Lorente, J. and Valle-Cabrera, R. 2005. Organizational learning capability: a proposal of measurement. Journal of Business Research, 58(6), 715-725.

Jyothibabu, C. and Farooq, A. 2010. An integrated scale for measuring an organizational learning system. The Learning Organization, 17(4), 302-327.

Kamal, M.M. 2006. IT innovation adoption in the government sector: identifying the critical success factors. Journal of Enterprise Information Management, 19(2), 192-222.

Knowles, C. 2007. Measuring innovativeness in the North American softwood sawmill industry. Journal of Forest Product Business Research, 5(5).

Koc, T. and Ceylan, C. 2006. Factors impacting the innovative capacity in large-scale companies. Technovatio, 27(3), 105-114.

Lin, H.F. 2008. Empirically testing innovation characteristics and organizational learning capabilities in e-business implementation success. Internet Research, 18(1), 60-78.

Suryanto, T., Thalassinos, E.J., Thalassinos, I.E. 2017. Board Characteristics, Audit Committee and Audit Quality: The Case of Indonesia. International Journal of Economics & Business Administration, 5(3), 47-57.

Tran, T. 2008. A conceptual model of learning culture and innovation schema. Competitiveness Review: An International Business Journal incorporating Journal of Global Competitiveness, 18(3), 287-299.

Twati, J.M. and Gammack, J.G. 2006. The impact of organizational culture innovation on the adoption of IS/IT: the case of Libya. Journal of Enterprise Information Management, 19(2), 175-191.

Wahyu M. 2017a. The Influence of Crude Oil Price in Biodiesel and its Implication on the Production of Palm Oil: The Case of Indonesia, European Research Studies Journal, 20(2A), 568-580.

Wahyu, M. 2017b. The Influence of the Contagion Effect and the Spillover Effect of Global Financial Market on the Stock Index: Case Indonesia. The International Conference on Economic, Business and Accounting, ICEBA.

Wahyu, M. 2017c. The Impact of the Global Stock Market and the Foreign Exchange Market on Domestic Financial Market. European Research Studies Journal, 20(4B), 99-111.

Weldy, T.G. and William, E.G. 2010. The learning organization: variations at different organizational levels. E-Learning Organization, 17(5), 455-470.

Wu, Y.C.J. 2006. Assessment of technological innovations in patenting for 3rd party logistics providers. Journal of Enterprise Information Management, 19(5), 504-524.