

The Effect of Leadership Style and Work Motivation on Employees' Performance (A Case Study on Employees at Department of Human Resource Development ESDM)

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Article History

Received: 21.01.2018

Accepted: 12.02.2018

Published: 28.02.2018

DOI:

10.21276/sjhss.2018.3.2.9



Abstract: This research needs to be done because Employee's Performance on BP SDM ESDM during the last 5 years tends not to reach the target. The purpose of the research is to analyze the effect of leadership style and work motivation on employee performance. The research analytical unit is the employees of the BP SDM ESDM, Number of population is 133 employees by determining the Slovin sample and the questionnaire research instrument. Quantitative analysis method is used in this research with multiple linear regression analysis, followed by determination analysis (R Square), partial hypothesis testing (t test) and simultaneous hypothesis test (F test), alpha (tolerance error) 5 percent. Before spreading the questionnaire first in the validity and reliability test until all questionnaires are valid and reliability. In order to meet the criteria and requirements of multiple linear regression analysis, first classical assumption analysis such as normality test, homogeneity test, and other. SPSS data processing tool version 20.0. The result of this research is that leadership style does not affect on employees' performance and work motivation have positive and significant effect on partial employees' performance. The good leadership style applied in motivating employee to work will generate in good employees' performance.

Keywords: Employee performance, leadership style and work motivation.

INTRODUCTION

Employees are essential assets required by corporation. Typically, institutions run in human resource development that highly emphasizes on employees' performance levels, and then they are charged to optimize their employees' performance. One of the approaches to promote employees' performance can be conducted through leadership style in accordance to corporation work culture and improvement of employees' performance.

Many factors may predispose to an institution in boosting employees' performance and some of them are leadership style and work motivation. These are in line with Edy Sutrisno [1] who proposed that leadership style and work motivation factors have effect on employees' performance. Every leader basically has different attitude in directing his/her employees and it's called with leadership style.

Leadership has highly correlation on employees' performance since the successful leader in provoking others to attain stipulated goal are completely depending on authority and leader as well to promote motivation to all employees, colleagues, or bosses. Lack of leadership role to generate harmonious

communication and coaching will prompt low employees' performance. It indicates that the successful leader is the capable leader being role model for employees by promoting work environment and stimulating employees' performance in growth and development.

Each leader of every department has own leadership style and it highly correlates to employees' performance s/he leads. Leadership style that is accordance to corporation work culture indirectly may promote employees' performance and corporation as well in better development. Moreover, employees' performance should be important part for corporations to develop theirs to be better. It is highly depends on leadership style in leading the corporation.

Based on the obtained data from Department of Human Resource Development ESDM that employees' performance has degraded and it can be discerned from number of absorbed fund from 2012 through 2016. The number was depended on all activities have been done as planned at the beginning of the year and they were stated on Work and Budgets Plans (Rencana Kerja dan Anggaran). The following table is absorbed fund at

Department of Human Resource Development ESDM in 2012 to 2016.

Based on the table, it can be seen that absorbed fund at Department of Human Resource Development ESDM degraded during 2012 through 2016, in 2013 the absorbed fund was 96% and 2016 was 90%. It indicated that the performance at Department of Human Resource Development ESDM was depreciation from year to year. Consequently, it can be concluded that by the depreciation meant productivity was low as well at the time. The institution should take serious action to solve the problem. If employees' performance could not lift up, Department of Human Resource Development ESDM's achievement would continuously declined. It was happened by some reasons, were leader attitude could not solve problems. Moreover, the problems were only solved by leader without employees' involvement. Ultimately, lack of motivation was provoked by difficulty in promotion.

Statement of the Problems

Based on the background of the research, problem identification and limitation of the problem, the problem of the research can be formulated as follows:

- Does leadership style have effect on employees' performance?
- Does work motivation have effect on employees' performance?

LITERATURE REVIEW

Human Resource Management

Human resource management is noteworthy factor concurrently with other factor in corporation running. It relates to design and implementation of planning system, staffing, employee development, career management, performance evaluation, employee compensation and good employment relationship. An institution management has to be manageable well and properly. The management that may boost institution and employee's performance highly needed to attain organization's goal.

Leadership Style

Leadership style is a set of behavior norm that applied by somebody in trying to predispose others' behavior as leader's view. The attained vision and mission are going to be prescribed by leadership style of a leader in organization. Leader is being locomotive and model for employees.

According to Siagian [2] that leadership style of a leader is identic to his/her leadership character. On the other hand, somebody is in high position having capacity to peruse on going situation precisely and accustoming his/her leadership style to be in line with real demanded situation, though it is temporary.

Miftah Thoha [3] posed that there are four common leadership style applied in decision making, they are:

- 1) Instruction, a type of leadership style is characterized in one direction communication. A leader delegates a limited role to employees and informs them of what, how, when, and where the shared tasks to be completed. Problem solving and decision making are completely decided by a leader.
- 2) Consultation, a leader attitude in intensely directing and motivating. Mostly, s/he directs and decides by two direction communication intensively and supportive attitude. Although, the impetuous to be boosted up, control for decision making is by leader.
- 3) Participation, a leadership style of a leader is in participation, it more emphasizes on impetuous but lack of directing since control position to solve problem and make decision are random. Leader and employees are mutually exchange their idea in problem solving and decision making. However, employees mostly have charge on to deal with them.
- 4) Delegation, this leader attitude is lack in both of impetuous and directing of charged task for employees. Employees has control to decide how task execution. Leader gives big chance to them in dealing task since they have capability and belief in charge directing their attitude. This leadership style is mostly found in structural government.

The four leadership style are elucidated by Miftah Thoha [3] common applied in any organization. Instruction type does not allow comprehensively in identifying employees' characteristic and attitude, if a leader instructs to employees then it generates less intimacy among the leader and employees. A leader should behold employees or employees' work and mutually communicate each other in elevating work organization stability.

Work Motivation

Work motivation originates from Latin word, *Movore* means impetuous or stimulating. In the following, it can be provided some motivation's theories are proposed by experts, they are:

Malayu S.P Hasibuan [4] defined work motivation as an impetus to generate somebody's passionate in work and wish to cooperate, work in effective, and integrate his/her effort thoroughly to meet satisfaction.

In addition, Suwanto [5] asserted that work motivation is human's physiological and mental demeanor state supplying energy, prompting activities or movement, and directing or rendering attitude in satisfying needs to meet satisfaction or reducing

imbalance.

Based on the theories are posed by those experts, it can be inferred that work motivation is how somebody maximize their thrust to contribute as much as possible for organization's success in attaining goals. By this means, the attaining of organization goals useful for organization member's as well.

Employees' Performance

Performance correlates to employees' achievement in work. The optimum achievement may promote to get to goals have been stipulated by corporation. As a result, employees' performance is employees' achievement in work to satisfy their task and responsibility to be charged.

According to Rivai [6], performance is totally

corporation state and achievement in particular time that is predisposed by corporation operational activities in empowering owned sources. Moreover, it is achievement in quality and quantity that can be attained by employees' in work as their task and responsibility to be charged in [7].

Based on those definitions, it indicated that employees' performance is employees' achievement in work either in quality or quantity to contribute attaining corporation's goals. Most of employees' performance consist of some elements, are achievement of quality, quantity, punctuality, attendance, and cooperation.

Research Framework

Based on the research objectives` and theoretical studies in order to build the hypothesis, the conceptual framework of this research is as follows.

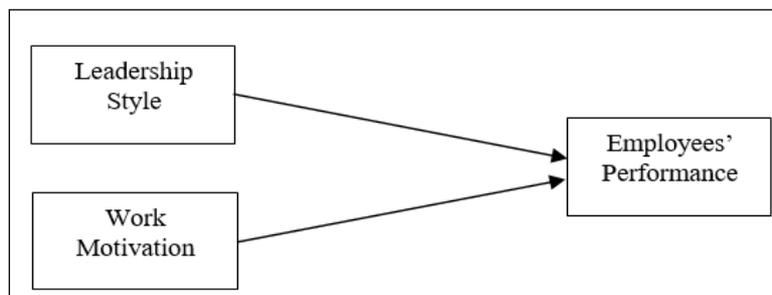


Fig-1: Research Framework

Hypothesis

Based on the theoretical and conceptual framework study, this research hypothesis is as follows

- H1 : Leadership style had effect on employees' performance.
- H2 : Work motivation had effect on employees' performance.

RESEARCH METHODOLOGY

The object of this research is the Human Resources Development Agency of ESDM, the unit of analysis is the employee of BP SDM ESDM. This research method is by survey method to examine perception of respondent. The research population is all employees of BP SDM ESDM as many as 133 employees and sample determination with slovin technique and obtained sample 100 respondents. Sampling technique with simple random sampling technique, Instrument used in this research is a questionnaire. Data is sourced from secondary data and primary data. Before the data collected through the respondents, the questionnaire has been tested the validity and reliability, until all the questionnaires valid and reliable.

The analytical method used is quantitative analysis method with multiple linear regression analysis

tool, with 5% error tolerance level (0,05) and tool for data processing is with application of SPSS 20.00. Multiple Linear Regression Analysis can be done if it meets the criteria and requirements of classical assumption such as normality test, homogeneity test, multicollinearity test, heteroskedasticity and autocorrelation (choose 3 of 5). The Multiple Linear Regression Equation is $Y = a + b_1X_1 + b_2X_2 + e$. Where: $Y = yyyyy$; $a =$ Constants; $b_1 =$ Regression coefficient of X_1 ; $b_2 =$ Regression coefficient of X_2 ; $X_1 = xxxxxx$; $X_2 = xxxxxx$; $X_3 = xxxxxx$; $e =$ error / other factors.

Multiple Linear Regression Analysis followed by Determination analysis (R Square) to show how far independent variable (X_1 & X_2) able to explain and contribute to dependent variable (Y). Then followed by partial test of hypothesis (t test), hypothetical test simultaneously (F test) and continued with correlation analysis between dimensions. The criteria for hypothesis testing are as follows:

- If $t_{arithmetic} > t_{table}$ means independent variables (X_1 & X_2) affect the dependent variable (Y) partially. If α (significant level) $< 0,05$ means independent variable (X_1 & X_2) have significant influence to variable dependent (Y) partially; and
- If $F_{arithmetic} > F_{table}$ means independent

variables (X1 & X2) affect the dependent simultaneously and if alpha (significant level) <0.05 means independent variables (X1 & X2) have significant effect on variable dependent (Y) simultaneously

RESULTS AND DISCUSSION

The Result of Data Quality Test

Validity Test on Leadership Style Variable. Based on the question items that leadership style had loading factor > 0,5, it means that all of question items for leadership style were valid. Validity Test on Work Motivation variable. Referring to the question items that Work Motivation had loading factor > 0,5, it means that all of question items for work discipline were valid. Validity Test on Employees' Performance Dependent Variable. Based on the test that all of question items for employees' performance variable had loading factor > 0,5, it means that all of question items for employees' performance variable were valid.

Reliability Test. Questionnaire Reliability of Transformational Leadership Independent variable. Training standard of reliability coefficient for leadership style variable (X1) in this research denoted that cronbach alpha value was 0,712 or higher than

0,60, it means that leadership style variable was stated reliable. Questionnaire Reliability of Work Motivation Variable. Reliability coefficient of work motivation variable (X2) in this research denoted that cronbach alpha value was 0,707 or higher than 0,60, it means that work motivation variable was stated reliable. Questionnaire Reliability of Employees' Performance Independent Variable, Reliability coefficient of employees' performance variable (Y) in this research denoted that cronbach alpha value was 0,707 or higher than 0,60, it means that employees' performance variable was stated reliable.

Multiple Linear regressions

Multiple linear regression test is to identify description of effect between two or more of X variable as independent variable and Y variable as dependent variable. Multiple linear regression analysis in this research was conducted to identify regression coefficient or magnitude effect of the dependent variable, was employees' performance (Y), while independent variable leadership style (X1), and work motivation (X2). Additionally, it used since independent variable in this research was more than one.

Table-1: Multiple Linear Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(constant)	1,100	0,484		2,272	0,025
1 Leadership Style	0,142	0,104	0,112	1,374	0,172
Work Motivation	0,612	0,083	0,603	7,412	0

Based on the table, the obtained regression equation was: $Y = a + b_1X_1 + b_2X_2 + e = 1,100 + 0,142X_1 + 0,612X_2$. Where the variable Work Motivation is more dominant influence on Employee's Performance than Leadership Style. This can be a priority to improve

performance. If management does not do anything then the performance already has a performance of 1,100.

Determination Coefficient test (R²)

The result of determination coefficient both transformational leadership and work environment on employees' performance can be seen in table below.

Table-2: Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.645 ^a	0.416	0.404	0.22282

a. Predictors: (Constant), Leadership Style, Work Motivation

b. Dependent Variable: Employees' Performance

Source: Questionnaire data was processed by SPSS 20.00

Based on the Table 3 that the result of *Model Summary* analysis can be described in adjusted R square (R²) value was denoting determination coefficient. Number on R was changed to be percentage; it means that percentage of independent variable contributed on dependent variable. Based on the obtained results denoted that adjusted R square value were 0,404, it

means that 40, 4% of employees' performance can be described by both independent variables- transformational leadership and work environment. Then, the rest of 59,6% (100% - 40,4%) can be elucidated by other variables and they were out of variable used in this research.

- 1) Based on the coefficient of determination regression test, there are many other factors that can affect Performance, apart from Work Environment, Transformational Leadership. Other factors such as the style of leadership, morale and so forth. These other factors based on the results of previous research to support and strengthen this research include:
- 2) Motivation and Job Satisfaction have positive and significant effect on teacher performance either partially or simultaneously or in this context bias also to employees performance in general in company and other organization. The higher motivation and job satisfaction of employees will have a positive impact on performance, Riyanto, S; Adonia; & Ali, Hapzi [8];
- 3) Work Motivation and Job Satisfaction have positive and significant impact on Organizational Commitment and impact on Employee / Employee Performance, Masydzulhak; Ali, Hapzi; & Leni [9]; and Work Discipline and Morale have a positive and significant impact on the Employee's Performance of Tax Office Pratama Padang Dua, either partially or simultaneously, Agussalim; Ali, Hapzi *et al.*, [10].

Individual Parameter Significance Test (t test)

T statistic test can be conducted through beholding its probability or significance. Based on the regression test partially (T test), it can be seen in table below:

Table-3: Statistical t Test

Coefficients		
Model	t	Sig.
(Constant)	2.272	0.025
Leadership Style	1.374	0.172
Work Motivation	7.412	0.000

- a. Predictors: (Constant), Leadership Style, Work Motivation
 - b. Dependent Variable : Employees' Performance
- Source: Questionnaire data was processed with SPSS 20.00

Referring to Table-4, it can be obtained that the result of t value was as follow:

- Regression coefficient of leadership style variable had t value of 1,374 with probability significance, 0,172 higher than significance level, 0,05. It indicated that leadership style variable had no effect on employees' performance of BP SDM ESDM. Thus, hypothesis of leadership style on employees' performance (H_a1) rejected and (H_01) accepted.
- Regression coefficient of work motivation variable had t value of 7,412 with probability significance, 0,000 lower than significance level, 0,05. It indicated that work environment variable had significant effect on employees' performance of BP SDM ESDM. Thus, hypothesis of work motivation on employees' performance (H_a2) accepted and (H_02) rejected.

DISCUSSION

The Effect of Leadership Style on Employees' Performance

Based on the t test, it can be known that leadership style variable had sig value, 0,172>0,05, it means that leadership style had no effect on employees' performance BP SDM ESDM. It was not in line with the prior studies were conducted by some researchers, such as Siswandi [11], Aries Susanti [12], and Dika Arizona [13].

These results indicate that leadership style in BP SDM ESDM is still lacking in supporting operational activities for the improvement of employee performance, it is caused by the style of a leader who is more concerned with personal interests than the interests of the team and his subordinates, and let his subordinates do their own work without supervision a clear and definite from superiors. The results are also reflected in the achievement of targets of employees who most have not been able to meet the targets set, it can be seen from the characteristics of respondents who the majority of achieving the target is still below 90%, but if viewed from the majority of the work already has experience enough, because the matoritas experience work over two years.

Should have sufficient years of work and experience to meet the company's expectations in achieving the targets set, if it still cannot meet these targets, many factors that cause it to happen, one of which is the style of leadership, could be lack of motivation and supervision provided by boss becomes the factor why the target is not achieved.

To improve the Performance through Leadership Style then what must be done by management is to improve or improve good relationships with subordinates and spur creative ideas from subordinates. The better Leadership style applied

to BP SDM ESDM will also have a positive impact on Employee Performance.

The Effect of Work Motivation on Employees' Performance

Based on the t test, it can be known that work motivation variable had sig $0,000 < 0,05$, it means that work motivation partially had significant effect on employees' performance BP SDM ESDM. It was in line with the prior studies were conducted by some researchers, such as Siswandi [11], Aries Susanti [14], Dika Arizona [13].

Based on the results of the above analysis, it is clear that motivational factors with all indicators including salary, benefits, employment relations, rewarding, self-development, responsibility and promotion have been a positive impact on employee morale. Thus it can be said that the provision of motivation can have a significant effect on employee morale. This fact means that the spirit and desire from within the employee (intrinsic) so far to do his job as an employee is still felt quite high in achieving company goals (extrinsic). Similarly, other factors that are external drivers such as appreciation, welfare and other social needs that have been given the management of the company so far, although not yet can be done optimally.

To improve the Performance through Work Motivation, what should be done by management is to improve or improve what the needs of employees Among other feasibility and justice in payroll, giving awards to the work done by employees, freedom in self-development and career ladder good. The better working motivation applied by BP SDM ESDM then will have a positive impact also on Employee Performance.

CONCLUSION AND SUGGESTION

CONCLUSION

Based on the data analysis findings in respect of the effect of leadership style (X_1) and work motivation (X_2) as independent variables and employees' performance (Y) as dependent variable, it can be concluded that:

1. Leadership Style (X_1) had effect on employees' performance. To improve the Performance through Leadership Style then what must be done by management is to improve good relationships with subordinates and spur creative ideas from subordinates.
2. Work Motivation (X_2) had effect on employees' performance. To improve the Performance through Work Motivation, what should be done by management is to improve what the needs of employees Among other feasibility and justice in payroll, giving awards to the work done by

employees, freedom in self-development and career ladder good.

SUGGESTION

Based on the conclusion and shortcomings were elucidated, it can be delivered some suggestions as follows:

1. Department of Human Resource Development ESDM should realize directive leadership style to embrace employees in cooperation in order to motivate them in working out seriously by discerning quality and quantity in work.
2. Department of Human Resource Development ESDM should compound employees' motivation by ensuring in needs, are security, affiliation, and achievement. If those needs are satisfied, then employees may elevate both work quality and employees' performance.

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