

Analysis of Effect of Leadership Style and Environment Work using the Performance of Employees Work Motivation as an Intervening Variable (Case Study at Pt. Suparma Tbk)

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Abstract

The purpose of this study is to examine the effect of leadership style and work environment on work motivation to improve employee performance. The approach used is parametric quantitative with the method of Structural Equation Model. The object of the research is the employees of the production division of PT Suparma Tbk. The results of this study indicate that leadership style has no significant positive effect on work motivation; the work environment has a positive and significant effect on employees' work motivation; leadership style has no significant negative effect on employee performance; work environment has no significant positive effect on employee performance; and work motivation has a positive and significant effect on employee performance. The intervening variable Y, namely work motivation can be explained by exogenous variables, the leadership style variable (X1) and the work environment (X2) of 55.4%, and the remaining 44.6% is a variable outside model. While the endogenous variable Z, namely employee performance, can be explained by the variable work motivation (Y), work environment (X1), and leadership style (X2) by 94.1%, and the remaining 5.9% is explained by variables outside the model. By calculating the sub-structural equation 1 is $Y = 0.053X_1 + 1.065X_2 + 0.833$, and the calculation of the sub-structural equation 2 is $Z = -0.193X_1 + 0.529X_2 + 0.723Y + 0.338$.

Keywords: leadership style, work environment, work motivation, employee performance.

Introduction

The Company as a business entity is an organizational unit with input resources in the form of materials and labor that are combined and processed to produce output in the form of production of goods and services to meet customer needs (Rivai, 2008:2). Based on this definition, the company is seen as an organizational unit that does not only aim to maximize profits and meet the needs of society. As an organizational unit, the company also wants to maintain its business continuity and the desire to develop. To achieve this goal, a company management is needed that manages and combines the existing production factors (inputs) effectively and efficiently.

Along with the development of the business climate and management science, human resource management is becoming an increasingly important function in a company's business organization. This is due to a change in views on labor factors, in this case employees. Employees used to be considered only as one of the factors of production such as machines. But now, along with the increasing role of employees in carrying out company functions, employees are now seen as one of the partners to achieve company goals. (Robbins, 2009:250) Good management of human resources (HR) will have a positive impact on the company's overall performance and the company's efforts to achieve its goals. Good management of human resources is intended to mean the success of management to synergize the perceptions and perspectives of employees with the company's goals. Gibson (1997) states that the performance of an organization is determined by the contribution of individual and group performance within the organization. This means that when the performance of a company's employees is good, it will improve the company's overall performance.

Employee performance is an employee's individual achievement which is measured based on the standards and criteria set by the company both in quantity and quality. Robbins (2008: 313) states that, there are three criteria that are

commonly used to measure employee performance, namely: i. individual work results; ii. Behavior; and iii. attitude. The number of criteria needed to measure employee performance occurs because, as an individual from an organization, there will be many factors that will affect an employee's performance.

Gibson (et al, 1997) states that in general the performance of a company's employees is influenced by various factors:

1. Individual factors, namely abilities and skills, background, and demographics of employees
 2. Organizational factors, namely resources, leadership, rewards or compensation, organizational structure, and job
 3. description Psychological factors, namely perceptions, personality attitudes, learning patterns and motivation.
- From this description, it can be concluded that motivation and leadership style are factors that can affect employee performance.

Theoretically said by Sunyoto (2015:294-295) that motivation is something that encourages someone to act or behave in a certain way. It was further explained that motivation is an important factor that supports work performance. So it is important for a manager who is the leader of the company's organization to understand the motivation that drives his employees to work. This understanding is the key so that employees want to work and give their best performance.

It is difficult to determine with certainty the factors that influence a person's motivation. However, based on the understanding described by Robbins (2009:222) that motivation is an interaction between individuals and situations. Therefore, it can be concluded that the situation around employees, namely the company's internal direct environment, is one of the factors that influence employee motivation to work. The company's internal environment includes the work environment of employees and the leadership of company managers.

According to Nitisumeto (1991: 183) what is meant by the work environment is everything that is around the workers and can affect him in carrying out the tasks assigned. From this definition, it can be understood that the work environment is a very influential factor on employee motivation.

In addition to work environment factors, leadership style, company management as part of the company's internal environment also affects employee motivation. In general, it can be understood that the leadership style of a company manager will affect activities including the work motivation of employees who are subordinates. Based on the behavioral theory leadership concept, basically the function of a leader includes two things: i. Task-related functions, namely directing subordinates or motivating subordinates to be able to complete their tasks well; ii. Functions related to social life (group maintenance or social function) are related to issues of human relations. These two functions will be reflected in the leadership style that a manager uses in directing and motivating his employees. A manager with a task orientation style leadership style will be more likely to control the work of employees than to provide motivational encouragement to subordinates in doing their work. In contrast to the employee-oriented style leadership style which will provide more motivation for employees to do their jobs than trying to control the work of employees closely.

There have been many previous studies that discuss the factors that affect employee performance. Based on the results of research conducted by Ogbonna and Harris (2010) in Mariam (2009) about leadership style and employee performance in United Kingdom companies, it is concluded that leadership style is not directly related to performance. On the other hand, a study by Satria (2006) on the influence of the work environment on work performance has been carried out by using motivation as an intervening variable at PT Nyonya Meneer Semarang. The results of this study indicate that the work environment has a significant effect on employee motivation. From some of these studies, it can then be described that leadership style has an effect but not directly on employee performance. Meanwhile, motivation and work environment have a significant effect on employee performance. However, in subsequent studies, it was concluded that the work environment also had an effect on employee motivation.

Based on the background as described above, the researcher was interested in examining the relationship between the influence of leadership style and work environment on employee motivation as an intervening variable and its effect on employee performance variables by making PT Suparma Tbk as the object of research.

PT Suparma Tbk is a manufacturing company engaged in the paper industry. This company has been established since 1976 and has been a go public company and listed on the Jakarta Stock Exchange in 1994. As a large company that employs more than 1500 employees and has been established for a long time, this company has a high internal dynamic of the company. Since its inception, PT Suparma Tbk has experienced significant corporate growth and several generations of leadership management. Since its inception until now PT Suparma Tbk has shown an increasing trend

in the company's performance. Good company performance in theory must be supported by good employee performance as well. However, with a large number of employees, a complex organizational structure, and a dynamic work environment, the question then arises how the company's internal environmental factors affect the performance of its employees. The study of the influence of leadership style and work environment on employee motivation as an intervening variable and its effect on employee performance variables by making PT Suparma Tbk as the object of research is compiled based on the following conceptual framework as shown in Figure 1

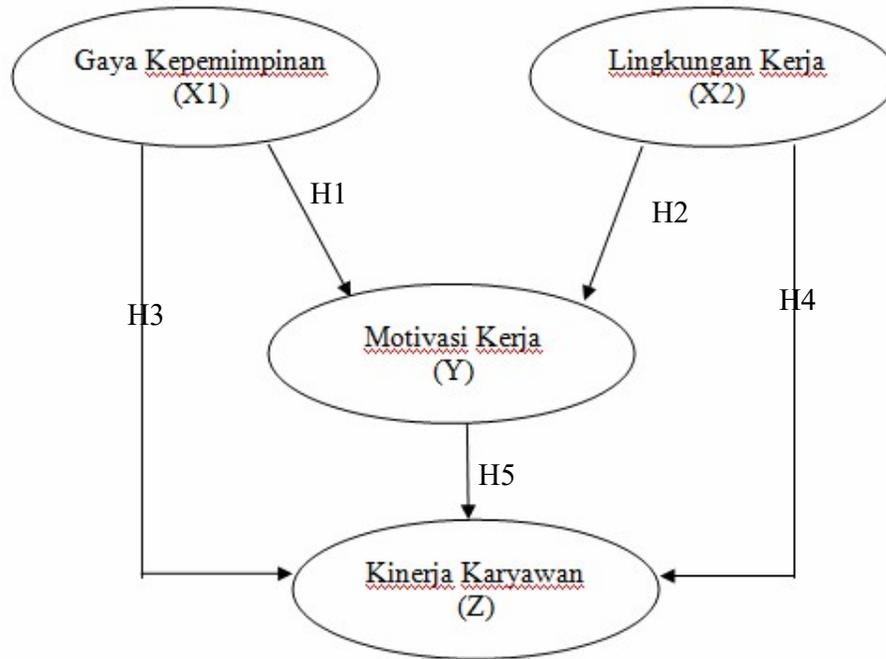


Figure 1
Conceptual Framework

Based on the conceptual framework and the formulation of the problem, the hypotheses of this research are as follows:

- H1: Leadership style has a significant effect on employee motivation at PT Suparma Tbk
- H2: Work environment has a significant effect on employee motivation at PT Suparma Tbk
- H3: Leadership style has a significant effect on employee performance at PT Suparma Tbk
- H4: Work environment has a significant effect on employee performance at PT Suparma Tbk
- H5: Work motivation has a significant effect on employee performance at PT Suparma Tbk.

Research Method

Based on the type of data used, the approach used in this study is quantitative research. Quantitative research is structured research and quantifies data to make generalizations to the population being studied (Anshori and Sri Iswati, 2009:13-15).

There are three types of variables used in this study, namely:

- a. Latent independent variable (X)
 1. Leadership style, with indicators: Ideal influence (attributes and behavior), Inspirational motivation, Intellectual development, Attention to individuals, Contingent Rewards, Management by exception (Active) and passive)
 2. Work environment, with indicators: Relationship between employees (teamship), Relationship between employees and leadership (leadership), Working conditions (management practice), Work facilities (resources)

- b. The intervening variable (Y) in this study is employee motivation, with indicators: individual mindset, task-oriented motivation, personal expertise, personal creativity.
- c. The latent dependent variable (Z) in this study is employee performance, with indicators: achievement of quality of work, achievement of quantity of work results, time management, cost effectiveness, need for guidance and supervision, Interpersonal impact The

sampling technique in this study is by proportional random sampling. This method provides unlimited opportunities for each element of the population to be selected as samples taken based on a proportional number of population classes. In this sampling technique, the population of employees of the production division of PT Suparma Tbk is grouped into five categories based on divisions. From each division will be sampled proportionally, and each individual in each division has the same probability of being selected once (without replacement). (Mas'ud, 2005 in Mariam, 2009). The proportional random sampling method with proportional samples in this study can be seen in the following Table 1:

Table 1 Sampling Procedure

Criteria Division	Population	percentage	Number of samples	Rounding
Stock preparation	148	0.23	34.04	34
Paper machine	125	0.19	23.75	24
Finishing - laminating	253	0.39	98.67	99
Converting	38	0.06	2.28	2
PPIC	28	0.04	1.12	1
Quality Assurance	45	0.07	3.15	3
Total	637			163

The types of data that will be used in this study are qualitative data and quantitative data: Data collection in this study will be carried out through several steps as follows: Questionnaire technique, documentation technique, analysis is based on data obtained from internal sources of the company and the results distributed questionnaire. The procedure carried out is to assess the questionnaire results and process them using statistical methods.

The model used in this study is an influence relationship model that measures the close relationship between one variable and another. To test the established hypothesis, the analytical technique used in this study is the Structural Equation Model (SEM) which is operated through the AMOS program. This SEM model allows researchers to analyze the relationship of direct and indirect influence between independent, intervening, and dependent variables.

Based on the goals and hypotheses that have been set, the statistical test used in this study is the Structural Equation Model or SEM. This test is intended to study the direct and indirect effects of the variables. The specifications of the path analysis model in this study (See Figure 2) are as follows:

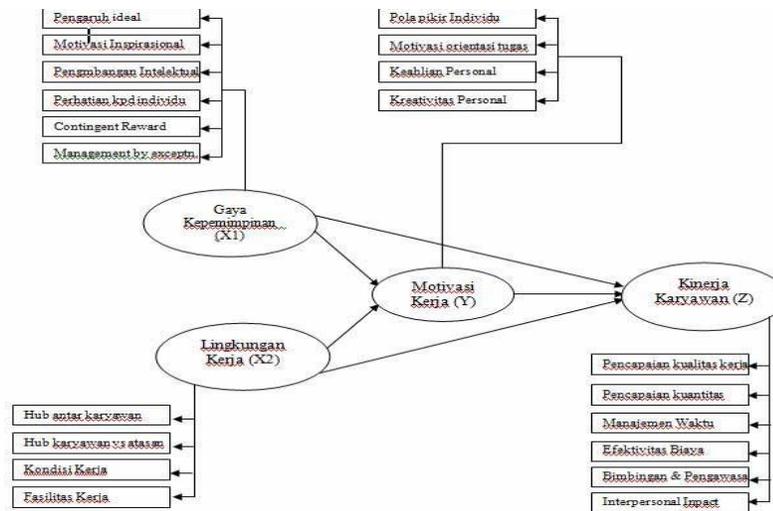


Figure 2 Path Diagram Model

Results And Discussion

After estimation of the path coefficient, the path coefficient interpretation will then be carried out as a form of testing the established hypothesis. From the results of testing with the bootstrapping technique, it is found that there are 2 hypotheses that have a probability value above 0.05 and 3 hypotheses which have a probability value of more than 0.05. Thus, it can be concluded that there are 3 accepted hypotheses and 2 unacceptable hypotheses.

Based on the established criteria and estimation results, the following table (See Table 2) is a summary of the results of hypothesis testing based on the critical ratio (CR) and probability values:

Table 2 Summary of Significance Test with Bootstrapping Technique

Parameter	Estimate	CR	P	Ket	
Work Motivatio n Work Motivatio n Performan ce Employee Performan ce Employee Performan ce Employee	Work Environment Styles	1.1180.5 152.171,	1.065/=	020	H0 is rejected,
		0.451	0530.046 /=	0.10 2,99 5	H0
Employee Performan ce Employee Performan ce Employee	Leadership Styles	-, 193	-	0.55 7,51 5	H0,
		0.580	0.261 / 0.469 =	0.66 5,35 1	H0,
	Work Environment Motivation	0.7942.2 62,	529/ 0.872 = 723/ 0.351 =	039	H0 rejected

Source: Data Olah bootstrapping

1. Hypothesis Testing

The estimation parameter for testing the influence of leadership style on work motivation shows a CR value of 0.102 with a probability value of 0.995. These results indicate that hypothesis 1 cannot be accepted because it has a CR value of < 1.96 and a probability value of > 0.05. Thus, it can be concluded that leadership style positively (unidirectional) has no significant effect on employee motivation.

Parameter	Estimate	CR	P	Ket
Work Leadership Motivation - Style	,053	0,046/0,451=0,102	,995	H0 accepted

The results of this study contradict the results of previous research conducted by Mtimkulu (2014). The results of this study indicate that the leader's ability to handle conflict, provide guidance to his subordinates, and human resource management has an effect on the level of employee motivation. The results of this study are also contrary to the theory of task related function leadership behavior which states that a leader should be able to direct and motivate his subordinates to complete their tasks well.

But the results of study this which states that leadership style has no significant positive effect on employees' work motivation indicates that the superiors of PT Suparma Tbk's employees do not really play a role in increasing employee motivation. This means that the work motivation of PT Suparma Tbk production employees is more influenced by their internal factors and other external factors in addition to the leadership pattern of their superiors.

2. Hypothesis Testing 2

The estimation parameter for testing the effect of the work environment on employees' work motivation shows a probability value of 0.020. These results (See Table 3) indicate that hypothesis 2 can be accepted because it has a CR value of $2.171 > 1.96$ and a probability value of < 0.05 . Thus, it can be concluded that the work environment has a significant positive (unidirectional) effect on employee work motivation.

Table 3 Estimation of Parameters

Parameter	Estimate	CR	P	Ket
Work - Work Motivation Environment	1.1180.5 152.171,	1.065/=	0.20	H0 is rejected

The results of this hypothesis test strengthen the previous research conducted which states that the work environment has a significant effect on employee motivation.

In theory, the work environment is one of the external factors that affect employee motivation. As described by Nordbeg (2010:22) in Mtimkulu, et.al (2014:51) there are two types of motivation, namely motivation caused by internal factors (intrinsic motivation) and motivation caused by external factors (extrinsic motivation). The work environment as an external factor will directly affect employees because the work environment is a characteristic of the workplace that is in direct contact with the daily life of employees when carrying out their work.

The results of this study which states that the work environment has a significant positive effect on employee work motivation in general is contrary to the Hygiene motivation theory proposed by Frederick Herzberg. In Robbins (2008:223) Herzberg states that external factors such as the work environment tend to have a negative influence on employees which leads to employee dissatisfaction with their work and decreased work motivation.

The fact of the study which states that the work environment has a positive and significant effect on employee work motivation, indicates that the management of PT Suparma Tbk has been able to manage its hygiene factors well so that it can have a positive influence on the work motivation of its production employees (Dwidela and Bredilet (2010:159) in Mtimkulu 2014:159). This means that the company's management policies related to employee salaries, work facilities, technical supervision, company regulations, company administration, and interpersonal relations, have been able to increase the work motivation of PT Suparma Tbk employees in the production department.

3. Hypothesis Testing 3

Parameter estimation for testing the influence of leadership style on employee performance shows a CR value of -0.557 and a probability value of 0.515. These results (see Table 4) indicate that hypothesis 3 cannot be accepted

because it has a CR value of < 1.96 and a probability value of > 0.05 . Thus, it can be concluded that leadership style negatively (opposite direction) has no significant effect on employee performance.

Table 4 Estimation for Leadership Style

Parameter	Estimate	CR	P	Ket
Performance - Leadership Style Employee	-,193	$-0,261/0,469= 0,557$,515	H0 accepted

The results of this study contradict several previous studies conducted by Abdillah (2010) and Mariam (2009) which stated that leadership style had a significant positive effect on employee performance.

The results of this study also contradict the theory of employee performance described by Gibson, et.al (1997). Gibson states that leadership as part of organizational factors can affect employee performance. The fact finding in this study which shows that leadership style has a negative but not significant effect on the performance of production employees of PT Suparma Tbk indicates that superiors of production employees of PT Suparma Tbk have less role in providing guidance and encouragement to their subordinates to improve their performance. These results also indicate that the production employees of PT Suparma Tbk do not need supervision and assistance from their superiors to be able to carry out their duties properly.

4. Hypothesis Testing 4

Estimation parameters for testing the effect of the work environment on employee performance show a CR value of 0.665 and a probability value of 0.351. These results (See Table 5) indicate that hypothesis 4 cannot be accepted because it has a CR value of < 1.96 and a probability value of > 0.05 . Thus, it can be concluded that the work environment positively (unidirectional) has no significant effect on employee performance.

Table-5 Estimation for Work Environment

Parameter	Estimate	CR	P	Ket
Employee Performance - Work Environment	,529	$0,580/0,872=0,665$,351	H0 accepted

These results are generally different from previous research conducted by Satria (2006). This study shows that the work environment has a significant effect on employee performance.

However, the results of this study which state that the work environment has a positive but not significant effect are in line with several theories about employee performance. Van Wart (2005) and Patterson (2010) in Mtimkulu (2014) state that the influential work environment can affect employee performance both positively and negatively. Theoretically, as described by Gibson, et.al (1997), organizational factors are one of the factors that affect employee performance. Work environment factors which in this case are Hygiene factors are one part of organizational factors that can affect employee performance.

Based on previous studies, it can be generalized that basically the work environment will be able to have a positive or negative influence on employee performance. A conducive work environment, no conflict between employees and between superiors and employees, good facilities and working conditions, commensurate rewards will have a positive influence on employee performance. On the other hand, a conflicted work environment, poor work facilities, and unclear working conditions will have a negative effect on employee performance.

The fact of this study which states that the work environment has a positive and insignificant effect on employee performance indicates that the work facilities provided by the company's management and the management of working conditions and conflict management applied by the company have been able to have a positive influence on the performance of employees in the production division of PT Suparma Tbk, although not significantly. significant.

5. Hypothesis Testing 5

Parameter estimation for testing the effect of work motivation on employee performance shows a CR value of 2.262 and a probability value of 0.039. These results (See Table 6) indicate that hypothesis 5 can be accepted because it has a CR value of > 1.96 and a probability value of < 0.05. Thus, it can be concluded that work motivation has a significant positive (unidirectional) effect on employee performance.

Table-6 Parameter for Work Motivation

Parameter	Estimate	CR	P	Ket
Employee - Work Performance Motivation		0.794 / 0.351 =	2.26 2,03 9	H0 is rejected

These results are in line with previous research conducted by Abdillah (2010) which stated that the work motivation variable had a significant effect on employee performance. However, this result also contradicts the results of research conducted by Brahmasari and Suprayitno (2008) which found that employee work motivation had no significant effect on the performance of PT Pei Hai International employees.

In theory, as a psychological factor, employee work motivation should indeed have an influence on employee performance (Gibson, et.al: 1997). As described by Nordbeg (2010:22) in Mtimkulu, et.al (2014: 51) that work motivation as a psychological process will lead to goal directed behavior encouragement which will encourage employee performance improvements both in quality and quantity.

The results of this study which states that employee motivation has a positive and significant effect on employee performance, indicating that PT Suparma Tbk's production employees have a high work ethic. Both from the intrinsic influence of the employee's mindset and the extrinsic influence of the employee's work environment, the production employees of PT Suparma Tbk have high motivation to always give their best performance.

The results of hypothesis testing using the bootstrapping technique are in line with the results of the maximum likelihood hypothesis test. As shown in table 4. That there are 2 accepted hypotheses, namely hypothesis 2 and hypothesis 5 because they have a CR value of 1.96, and probability <0.05, and there are 3 hypotheses that cannot be accepted, namely hypotheses 1,3, and 4 because it has a CR value of 1.96 and a probability value of >0.05.

Table 7
 Regression Coefficient and Significance Test with Maximum Likelihood Model

		Estimate	SE	CR	P	Labels
Work	<--- Environmental	1,065,	723,		022	par_32
Motivation	Working Style	053	464,	2,298		par_33
Work	<---	,		,		par_29
Motivation	Leadership	193,529,	277,			par_30
Performance	Style		205,		par_	
Employee	<---				31,8	
Performance	Leadership		385,		48,	
Employee	<--- Work		188			
Performance	Environment			,	192,	
Employee	<--- Work Motivation				347	
				1.376	941, 169	

		3.837 ***	
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Source: Data bootstrapping Sports

Direct and Indirect Effect

Analysis The effect is intended to see how strong the influence of an independent variable on the dependent variable is either directly or indirectly. The interpretation of these results will provide input in the selection of a clear strategy. As the theoretical study and hypothesis testing that have been described previously, the work environment and leadership style will have a direct or indirect effect on employee performance. The indirect effect is the influence of work environment variables and leadership style on employee performance through employee work motivation. The results of testing the direct and indirect effects can be summarized as follows:

Table 3 Table of Direct and Indirect Direct

Description of	Effects Indirect	Effects	Total
Leadership Style	-,193	$0,053 \times 0,723 = 0,038$	-0,155
Work Environment	,529	$1,065 \times 0,723 = 1,788$	2,317

Source: SPSS data processing

Based on the comparative results of the calculation of direct and indirect effects in table 4.18, it can be seen that the direct and indirect influence of the work environment on employee performance is much higher when compared to leadership style which does not significantly affect employee performance either directly or indirectly.

The direct influence of the work environment on employee performance is 0.529 while the indirect effect is 1.788. This shows that the employee's work environment will be able to improve employee performance mediated by work motivation factors.

Conclusions and Recommendations

Conclusion

1. leadership style has a positive effect not significantly influence employee motivation PT Suparma Tbk
2. work environment is positive and significant impact on employee motivation PT Suparma Tbk
3. style of leadership, significant negative effect on the performance of employees of PT Suparma Tbk
4. work environment positive effect was not significant to the performance employees of PT Suparma Tbk
5. Work motivation has a positive and significant effect on the performance of employees of PT Suparma Tbk.

Suggestions

1. For the company, based on the results of this study, PT Suparma Tbk is advised to:
 - a. Improve the competence of the production team leader in managing the production employees who are his subordinates.
 - b. Improve the management of Hygiene factors which are the determinants of the motivation of production employees in improving their performance.
 - c. Improve interpersonal relationships between superiors and subordinates to create a conducive work environment
2. For future research, based on the results of this study, it is hoped that future research will:
 - a. Use other dimensions in measuring the indicators of research variables to be able to provide another point of view in measuring the variables of leadership style, work environment, work motivation, and employee performance.

- b. Using other independent variables that can affect employee performance such as organizational culture to be able to provide another view of the factors that affect employee performance.
- c. Using different research objects, for example marketing or sales employees.

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