



The role of leadership style and work motivation on employee performance PT Paragon Teknologi and Inovation

Ilham Sirojuddin¹, Fadila Nuraulia², Risa Salsabila³, Didit Haryadi⁴

^{1,2,3,4}Prody Management, Department of Economics and Business Primagraha University Serang Indonesia

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ABSTRACT

Among effective management systems, the importance of human resources is increasing. Employee performance is an essential factor influencing success. In an organization, this is one of the most critical functions of a company. This study aims to determine the variables that affect employee performance and develop a theoretical basis and research model. This study used an associative descriptive quantitative method with a population of 43 respondents drawn into a sample using non-probability sampling, saturated sampling / total sampling method—and data analysis techniques using linear regression with the help of SPSS software version 26. The results of this study show that the first hypothesis states that employee performance is influenced by leadership style, meaning that the higher the work motivation that employees have, the higher the performance of these employees. Thus, the second hypothesis states that work motivation is not able to give an increase in employee performance. The third hypothesis is that employee performance is influenced by leadership style and work motivation, which can simultaneously improve employee performance. This research is expected to make theoretical contributions to the literature in this context, certainly in the context of human resource management.

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Corresponding Author:

Ilham Sirojuddin,

Department of Economics and Business,

Primagraha University,

Komplek Griya Gemilang Sakti, Jl. Trip Jamaksari No. 1A Kaligandu, Serang, Banten 42111, Indonesia

Email: ilham.sirojuddin@gmail.com

1. INTRODUCTION

Human resources are crucial in various areas of life, especially in organizations and companies. Resources are a potential value possessed by a specific material or element in life. Humans determine an organization's success and failure to carry out various activities to achieve organizational goals (Alfarizi et al., 2022; Haryadi et al., 2022; Princess et al., 2023). One of today's business needs is human resources because employees drive and carry out various kinds of work within the organization (Haryadi et al., 2021; Mulyadi et al., 2023; Oktaviani et al., 2023). The productivity of individual facilities is one of several success parameters in the organization, while the ability of the organization to prosper its employees shows good organizational conditions (Haryadi & Wahyudi, 2020; Mukhlisin et al., 2023; Riyanto et al., 2022).

Employee performance is one of the main factors that can affect the company's progress. The higher or better the performance of employees, the company's goals will be to achieve, and vice versa; what happens if employee performance is low or not reasonable? The plans will be challenging to achieve, and the results received are not under the company's wishes (Gunawan et al., 2022; Salahudin et al., 2023; Tajudin et al., 2023). Employees cannot be separated from

communication with colleagues and superiors in carrying out work. Through contact, employees can ask managers for instructions regarding work implementation (Anshori et al., 2022; Karsikah et al., 2023; Wahyudi et al., 2023). Performance is the output produced by a job or profession's functions or indicators at a specific time. So, employee performance is the result of a person carrying out the tasks assigned to him under predetermined criteria (Haryadi, 2022; Perry et al., 2023; Purnamasari et al., 2023).

Employee performance is influenced by leadership style. Leadership style in an organization is an essential aspect of improving employee performance. This is because employees will like a wise and professional leader at work. Thus, employees will feel valued by their leaders (Rahmatullah et al., 2022; Setiadi et al., 2023). The process of activity of an organization or an enterprise will inevitably experience obstacles in achieving its goals. One is increasing human resources in companies or organizations (Tania et al., 2021).

Motivation is a factor that can affect employee performance; lack of motivation has an impact on decreasing employee performance. Providing motivation is one of the goals so that motivated employees can work under the work references and responsibilities given so that company goals can be appropriately achieved (Dalimunthe, 2018). Motivation is a desire within a person that causes that person to take action. Someone tries to accomplish a goal (Osman & Hermawati, 2022). Motivation is a resource force that drives and controls human behavior (Hamid, 2016).

PT Paragon Technology and Innovation is a company engaged in the beauty industry. In Indonesia, PT Paragon Technology and Innovation is a famous beauty company. Launching from the official website of Paragon Corp, PT Paragon Technology and Innovation is an Indonesian beauty company with the primary goal of creating greater good for society with various innovations. National cosmetic manufacturing companies, such as PT Paragon Technology and Innovation, are included in Indonesia's most significant national decorative category. PT Paragon Technology and Innovation has many products with superior brands, such as Wardah to Make Over. History records, PT Paragon Technology and Innovation were established under PT Pusaka Tradition Ibu. In 1995, PT Paragon Technology and Innovation began to introduce the Wardah Cosmetics brand and officially received a halal certificate from the Indonesian Ulema Council (MUI) in 1999. Leaders who do not have a clear vision can fail to inspire or provide clear direction to their team, which can lead to uncertainty and a lack of motivation. Ineffective communication can lead to misunderstandings, conflicts, and a lack of trust between the leader and team members. Leaders who do not delegate well can burden themselves with too many tasks.

In contrast, team members may feel disengaged or valued. To address these issues, leaders must continually develop their leadership skills, including communication, decision-making, conflict handling, encouraging and supporting their teams, and building a strong organizational culture, where continuous feedback and learning are also essential. In addition, employees do not feel recognized or valued for their performance and contributions, which can decrease motivation to work hard; employees who do not clearly understand their role or how their work affects the organization may feel lost direction and purpose. To address this motivation problem, organizations and managers can implement various strategies, such as increasing recognition and rewards, providing regular feedback, creating opportunities for growth and learning, improving working conditions, and promoting a healthy work-life balance.

This study aims to develop a model to examine three variables that the author has designed so that it can find out the factors that can improve employee performance. This research is expected to make theoretical contributions to the literature in this context, including in the context of human resource management.

2. RESEARCH METHOD

This study used quantitative data analysis to determine respondents' assessment of leadership style, work motivation, and employee performance. In addition, descriptive and verification analysis is carried out where descriptive research is carried out to describe independent variables, either only on one variable or more (stand-alone variables), without making comparisons and looking for that variable with other variables. Verification is a research method that aims to determine the

causality relationship (causal relationship) between variables through hypothesis testing using a statistical calculation so that proof results that show the hypothesis is rejected or accepted (Ferdinand, 2014). This method is used to test the correctness of a view. The object of this study as an independent variable is leadership style and work motivation, and which is the dependent / influenced variable is employee performance. This research was conducted on PT Paragon Technology And Innovation Serang Branch employees. The population in this study amounted to 43 respondents. The sample in this study was 43 respondents who were employees of PT Paragon Technology And Innovation Serang Branch. The sampling technique used in this study was total/saturated sampling. The data collection technique used in this study used a questionnaire with a Likert scale of 1-5 using the scale method strongly disagree, disagree, hesitate, agree, strongly agree. Based on the research sample, 43 questionnaires from respondents were obtained. The author distributed questionnaires via google form from November 15, the data was collected 43 samples were collected until December 10, then the author processed them with IBM SPSS version 26 statistics. The authors used linear regression analysis with SPSS version 26 in this study. In this study, the author formulated research hypotheses, including H1: Leadership Style affects employee performance, H2: Work Motivation affects employee performance, and H3: Leadership Style and Work Motivation positively affect employee performance.

3. RESULTS AND DISCUSSIONS

Before a hypothesis test can be performed, a validity test must be committed to show the extent to which an instrument or measurement method of something is positively designed. Employee performance was measured by five statements, five ideas, measured leadership style, and work motivation was measured by five survey statements. This study seeks to validate the validity of the corrected item-total correlation value by looking at its importance in comparing the r-count with the r-table with the validity number Sakhikh has obtained. In addition, the value of Cronbach's alpha also received the value of reliability calculations that are very reliable, and the results of validity tests and reliability calculations for each variable with indicators can be seen in Table 1 below.

Table 1. Validity and reliability test

Item Statement	Validity Convergent	r-table	Decision	Reliability Convergent
Employee Performance				
EP_1	0.333	0,301	Valid	0.711
EP_2	0.691	0,301	Valid	
EP_3	0.473	0,301	Valid	
EP_4	0.511	0,301	Valid	
EP_5	0.454	0,301	Valid	
Leadership Style				
LS_1	0.710	0,301	Valid	0.853
LS_2	0.559	0,301	Valid	
LS_3	0.702	0,301	Valid	
LS_4	0.709	0,301	Valid	
LS_5	0.654	0,301	Valid	
Work Motivation				
WM_1	0.587	0,301	Valid	0.832
WM_2	0.634	0,301	Valid	
WM_3	0.726	0,301	Valid	
WM_4	0.499	0,301	Valid	
WM_5	0.726	0,301	Valid	

Table 1 shows that all statement indicator variables for each variable on each indicator have an r-count value of > 0.301 , which automatically meets the data validity standard. A needle is considered accurate if each r-calculate point r-validity value is > 0.301 . Not only look at the validity of the reliability value as well, which must be greater than 0.60. The average alpha value lies above 0.60. The following are the results of the classic assumption test from normality data that are proven to be normally distributed data, as seen in Table 2 below.

Table 2. One-sample kolmogorov-smirnov test

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		43
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.52053855
Most Extreme Differences	Absolute	.147
	Positive	.062
	Negative	-.147
Test Statistic		.147
Asymp. Sig. (2-tailed)		.070 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Table 2 shows the magnitude of Kolmogorov-Smirnov normality; the 2-tale significance normality test is Unstandardized Residual 0.070), which is residual data having a significance value greater than 0.05. It can be concluded that the data is typically distributed. The following multicollinearity test results can be seen in Table 1.3 below.

Table 3. Multiklonieritas test

Model	Tableicients ^a	Collinearity Statistics	
		Tolerance	VIF
1	Leadership Style	.599	1.000
	Work Motivation	.599	1.000

a. Dependent Variable: Employee_Performance

The multicollinearity test obtained a Variance Inflation Factor (VIF) value of 1.000 and a Tolerance value of 0.599. The result of the decision for the multicollinearity test is that if the tolerance value (0.599) > 0.10 and VIF (1.001) < 10, it can be interpreted that there are no symptoms of multicollinearity, so it can be concluded that the model used does not contain signs of multicollinearity. The results of the linear regression analysis can be seen in Table 4 below.

Table 4. Regresregressionr test

Model	Coefficients a				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
(Constant)	10.328	4.595			2.248	.030
1	Leadership_Style	.358	.135	.385	2.656	.011
	Work_Motivation	.117	.171	.099	.684	.498

a. Dependent Variable: Employee Performance (Y)

A constant of 10.328 means that if the value of leadership and cooperation motivation is equal to zero, then the level or magnitude of employee performance optimization is 10.328. The regression coefficient of the Leadership variable has a positive value of 0.358, which means that if the value (Leadership) increases one hundred percent, then employee performance increases 0.358 times. The value of the regression coefficient of the work motivation variable is positive by 0.117. This explains that if the value of work motivation rises by one hundred percent, then the employee performance variable increases by 0.117 times. The following analysis results in hypothesis testing are presented in Table 5 below.

Table 5. Hypothesis test

Variable	T-value	P-values	Result
LS → EP	2.656	0.011	Accepted
WM → EP	0.684	0.498	Rejected
LS & WM → EP	3.793	0.031	Accepted

Source: Results of research data processing 2023

Table 5 shows the first hypothesis statistically: there is a significant influence between leadership on employee performance optimization; in the t-test obtained t-count results $>$ t-table ($2.656 > 2.020$) with a significance level of ($0.011 < 0.05$), it can be concluded that there is a significant influence between leadership on employee performance optimization, it can be supposed that there is a substantial influence between leadership on optimization Employee performance, meaning that the more the value of leadership increases, the optimization of employee performance will increase. Leadership is an essential part of management because it is the driving force for creating and optimizing production factors (humans, capital, machines, and methods) in an organization (Nguyen, 2021). Such is the importance of the role of leadership in trying to achieve organizational goals. Whether the organization can be successful or not is primarily determined by the quality of leadership in an organization. Leadership style or style has a lot to do with the success of a leader in influencing the behavior of his subordinates. The achievement of the goals of each organization is affected by organizational behavior, which reflects the behavior and attitudes of the actors in the organization (Haryadi et al., 2021). Leadership is realized through the interaction of leaders with people who are led, which occurs in various conditions that affect it, the classification of various styles in interaction or leadership styles, the realization of leadership styles cannot be separated from the influence of ever-changing conditions that are incidental (momentary) different and may also vary thus the application of each leadership style depends on the leader's ability to analyze and take advantage of the conditions, each leader will be different (Rahmatullah et al., 2022).

The findings of hypothesis 2 show statistically, the results of the that-test on the assumption of work motivation have no effect on employee performance, obtained t count of 0.684 and t-table on degrees of freedom (dk) = $n-2$ ($43-2=41$) obtained by 2.020 so that t-count $<$ t-table ($0.684 < 2.020$) with a significance level of 0.00 ($0.498 > 0.05$) so that there is no effect of work motivation on employee performance. An essential aspect of improving employees' ability is encouraging activity (work motivation). Reason has three critical parts: effort, purpose, and desire, which are dimensions of sincerity. Suppose a person is motivated to the point that he will strive to achieve significant achievements and extraordinary abilities (Haryadi. D, 2022). The purpose of an institution determines the quality of business. Desire is an internal situation that causes encouragement, whereas unfulfilled desires will cause pressure that triggers motivation from within a person. This impulse leads to a search (Mulyadi et al., 2023; Perry et al., 2023; Tajudin et al., 2023).

The third finding in this study is the results of the F test on the hypothesis which states that leadership style and work motivation affect employee performance obtained F-count test of 3,793 and F-table on Degrees of Freedom (dk) = $n-k-1$ or $43-2-1= 40$ of 3.23 so that F-count $>$ Ftable ($3.793 > 3.23$) with a significance level of 0.00 ($0.00 < 0.031$) so that there is an influence of leadership style and work motivation on employee performance. Leadership style in an organization is an essential aspect of improving employee performance. This is because employees will undoubtedly like a wise and professional leader. Thus, employees will feel valued by their leaders (Rahmatullah et al., 2022; Setiadi et al., 2023). The process of activity of an organization or an enterprise will inevitably experience obstacles in achieving its goals. One is increasing human resources in companies or organizations (Tania et al., 2021). While motivation is a factor that can affect employee performance, the lack of motivation provided has an impact on decreasing employee performance. Providing motivation is one of the goals so that motivated employees can work under the work references and responsibilities given so that company goals can be appropriately achieved (Dalimunthe, 2018). Motivation is a desire within a person that causes that person to take action. Someone tries to accomplish a goal (Osman & Hermawati, 2022). Motivation is a resource force that drives and controls human behavior (Hamid, 2016).

4. CONCLUSION

From the discussion results, the first hypothesis states that employee performance is influenced by leadership style, meaning that the more influential the leader is in making decisions, the higher the employee's performance. The second hypothesis states that work motivation cannot increase employee performance. The third hypothesis of employee performance is influenced by leadership

style and work motivation that can simultaneously improve employee performance. This is included in the excellent category because the results of descriptive analysis often show that it qualifies as an indicator analysis of cooperative attitudes in the company, and it is necessary to maintain a harmonious relationship between employees so that the sense of togetherness between employees increases to improve human resources. For future research, it is necessary to add research variables such as training, organizational commitment, organizational culture and so on to improve employee performance. This research is expected to make theoretical contributions to the literature in this context, certainly in the context of human resource management.

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