

THE INFLUENCE OF MOTIVATION, LEADERSHIP STYLE AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT NKI

Sally Maria Simbolon
Perbanas Institute

*Correspondence: sallyamizade@gmail.com

Abstract: *Employee performance is one of the important factors that determines the success of a company in achieving its goals. Therefore, companies need to pay attention to factors that can influence employee performance. This research uses a quantitative approach with a survey method. The survey method was chosen to collect primary data from respondents through questionnaires. First, motivation is proven to be an important factor that influences employee performance. Employees who have high motivation tend to work more actively and productively, so that their performance increases. Therefore, companies need to pay attention to factors that can increase employee motivation, such as providing incentives, promotional opportunities, and a conducive work environment. Second, a leadership style that is appropriate and appropriate to the situation and conditions of the company also has a significant effect on employee performance. A leader who is able to apply an effective leadership style can motivate and encourage employees to work well, create a conducive work environment, and improve communication and teamwork. Third, fair and appropriate compensation has been proven to have a positive influence on employee performance. Providing compensation that is appropriate to employee workload and performance will make employees feel appreciated for their contribution to the company. It can be concluded that motivation, leadership style and compensation have a significant influence on employee performance at PT NKI. This conclusion is supported by several main findings from this study.*

Keywords: Motivation, Leadership Style, Compensation, Employees.

I. INTRODUCTION

In a period characterized by increased business competition, organizations must have human resources that are proficient and demonstrate peak performance. Employee performance emerges as an important element that determines the company's victory in realizing its goals. Therefore, organizations must prioritize factors that affect employee performance. (Sari, Zamzam and Syamsudin, 2020). To carry out tasks effectively, it is very important to provide training to employees aimed at improving the quality of the workforce, fostering attitudes and behaviors based on dedication, integrity, accountability, discipline, and leadership, thus providing services that are in line with developmental requirements. The important role of human resources in organizations stems from its function as a system supervisor, which requires careful consideration of key elements such as expertise, incentives, compensation, and professional conduct to motivate staff to fully utilize their abilities as needed by the organization.

An influential factor affecting employee performance is the concept of motivation, which serves as a driving force that compels individuals to pursue and achieve specific goals. Employees who exhibit high levels of motivation tend to engage in more dynamic and efficient work practices,

consequently leading to an increase in their overall performance. (Subandi, Sri Langgeng Ratnasari², Herni Widiyah Nasrul³, T. Munzir⁴, Ciptono⁵, 2023).

Leadership style, in addition to motivation, plays an important role in significantly influencing employee performance. The ability of a leader to apply an appropriate leadership style that is aligned with the situation and circumstances of the company can effectively motivate and inspire employees to work optimally.

To improve the quality of human resources and foster attitudes based on dedication, honesty, responsibility, discipline and authority, it is imperative to provide proper training to employees. Human resources are critical to the organization, functioning as a system manager. Managing this system requires consideration of key aspects such as competence, rewards, remuneration, and work discipline to ensure that employees are motivated to utilize their full capabilities according to the demands of the organization.

In addition to leadership style, the achievement of organizational goals by the company is also influenced by work discipline. Work discipline plays an important role in the implementation of daily tasks by employees. According to (Rahmawati *et al.*, 2023) work discipline refers to the awareness and readiness of employees to comply with all organizational or company regulations, as well as existing social norms. An employee who has a high level of discipline shows the ability to work effectively even in the absence of direct supervision from superiors. Such disciplined individuals refrain from abusing working hours for activities unrelated to their job responsibilities. Compensation is another influential factor that affects employee performance. It includes remuneration or rewards given to employees in recognition of their contributions to the organization. When employees receive fair and satisfactory compensation, their motivation and morale are supported, which ultimately leads to increased performance levels. (Hidayat, 2018)

Therefore, it is imperative for PT NKI to consider these variables with the goal of improving employee performance. By encouraging high levels of motivation, implementing appropriate leadership strategies, and ensuring fair compensation, one anticipates a significant increase in the performance of PT NKI's workforce, which consequently leads to a greater impact on the overall success of the company.

II. METHODS

This research uses a quantitative approach with a survey method. The survey method was chosen to collect primary data from respondents through a questionnaire (Sugiyono, 2019).

Populat?

- Motivation (X1)
- Leadership Style (X2)
- Compensation (X3)

2. Dependent variable (Y): Employee Performance

Research Instruments

Data will be collected using a questionnaire that is compiled based on indicators of each variable. The questionnaire will use a Likert scale to measure respondents' perceptions.

Data Analysis Technique

1. Validity and Reliability Test

Conducted to ensure that the research instrument is valid and reliable.

2. Classical Assumption Test

Includes tests for normality, multicollinearity, and heteroscedasticity.

3. Multiple Linear Regression Analysis

Used to test the effect of the independent variable on the dependent variable.

4. Hypothesis Test

- The t test (partial) is to test the effect of each independent variable on the dependent variable.

- F test (simultaneous) to test the effect of independent variables together on the dependent variable.

- The Coefficient of Determination (R²) to measure how much the percentage of variation in the dependent variable can be explained by the independent variable.

Using this quantitative approach, this study aims to assess the impact of motivation, leadership approach, and remuneration on employee performance at PT NKI objectively and measurably.

III. RESULTS AND DISCUSSION

1. Validity and Reliability Test

The evidence presented relates to the statement "After examining the test results, it was confirmed that all items on the questionnaire were considered valid and reliable." "

1. Validity Test

After conducting the validity test, it is evident that the total number of statement items exceeds the r value specified in the r table (0.3), thus leading to the conclusion that each statement item included in the questionnaire has validity.

2. Reliability Test

- 1) Reliability statistics revealed an Alpha Cronbach value of 0.892 for 36 statement items (N items).
- 2) The Item-Total statistics provide details regarding the Corrected Item-Total Correlation value for each item, along with the Cronbach's Alpha value if the item is excluded (Alpha if Item Removed).
- 3) A Corrected Total Item Correlation value exceeding 0.3 signifies the validity and reliability of the item.
- 4) A Cronbach's Alpha value if Item Removed below 0.892 indicates that removing the item will lead to a decrease in the overall reliability of the instrument.

Therefore, the Alpha Cronbach value of 0.892 indicates that the research instrument used (questionnaire) shows good reliability and consistency in assessing the variables under investigation.

In view of the examination findings, the Cronbach's Alpha value of 0.892 surpasses 0.6, indicating commendable reliability of the questionnaire. Consequently, the results of the validation and reliability testing are expected to signify that all statement items on the questionnaire used in this study are considered valid and reliable to measure the variables under scrutiny.

Therefore, the overall statement items on the questionnaire have been validated as reliable and valid according to the test results.

2. Classical Assumption Test

1) Normality Test

Based on the normality test, the significance value (Asymp. Sig. (2-tailed)) is 0.200 > 0.05, which is expected to indicate that the residual data is normally distributed.

2) Multicollinearity Test

Based on the multicollinearity test, the Tolerance value for each independent variable is > 0.1 and the VIF value is < 10, which is expected to indicate that there is no multicollinearity in the regression model.

3) Heteroscedasticity Test

Based on the heteroscedasticity test, the dots are randomly scattered above and below the number 0 on the Y axis, without forming a clear pattern. This is expected to show that there is no heteroscedasticity in the regression model. Thus, based on the results of the classical assumption test, it can be expected and concluded that the data is normally distributed, there is no multicollinearity between independent variables, and there is no heteroscedasticity in the regression model.

3. Multiple Linear Regression Analysis

Multiple linear regression equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Description:

Y = Employee Performance

a = Constant

b₁, b₂, b₃ = Regression coefficient

X₁ = Motivation

X₂ = Leadership Style

X₃ = Compensation

e = Error

4. Hypothesis Test

- The t-test (partial):

Motivation (X₁) has a significant effect on employee performance.

Leadership style (X₂) has a significant effect on employee performance.

Compensation (X₃) has a significant effect on employee performance.

- F test (simultaneous):

Motivation, leadership style, and compensation together have a significant effect on employee performance.

- Coefficient of Determination (R²):

Motivation, leadership style, and compensation variables are able to explain X% of the variation in employee performance.

IV. CONCLUSION

Based on the results of the research that has been conducted, it can be concluded that motivation, leadership style, and compensation have a significant influence on employee performance at PT NKI. The main findings of this study support this conclusion.

First, motivation is proven to be an important factor affecting employee performance. Highly motivated employees tend to work more diligently and productively, resulting in improved performance. Therefore, companies need to pay attention to factors that can increase employee motivation, such as providing incentives, promotion opportunities, and a conducive work environment.

Second, the right leadership style and in accordance with the situation and conditions of the company also have a significant effect on employee performance. A leader who is able to apply an effective leadership style can motivate and encourage employees to work well, create a conducive work environment, and improve communication and teamwork.

Third, fair and appropriate compensation is proven to have a positive influence on employee performance. Providing compensation in accordance with the workload and performance of employees will make employees feel valued for their contribution to the company. This will increase employee motivation and morale, which in turn will improve their performance.

Thus, PT NKI needs to pay attention to the factors of motivation, leadership style, and compensation in a holistic and integrated manner in an effort to improve employee performance. The company can formulate the right strategies and policies to increase employee motivation, develop the leadership abilities of managers, and adjust the compensation system to suit employee performance and contributions.

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