



The Effect Of Leadership Style And Compensation On Employee Performance In PT. Ridwan Surya Mandiri

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Abstract: The purpose of this research is to find out the leadership style in PT. Ridwan Surya Mandiri, to find out the compensation available, to find out the performance of employees, and to find out the influence of leadership style and compensation to employee performance. The research method used is descriptive associative, method of collecting data by distributing questionnaires which are then processed using instrument testing analysis. The test used to test the research instrument is a validity and reliability test. Classic assumption test, correlation test, determination test and hypothesis test using t test with the help of SPSS 22 Software for Windows. The population used in this study were 342 employees, with a number of samples taken as many as 77 people who will be respondents using the Slovin formula. The results of the study concluded that: 1) Leadership Style has a significant effect on Employee Performance. 2) Compensation has a significant effect on employee performance. 3) Leadership Style and Compensation significantly influence Employee Performance.

Keywords: leadership style, compensation, employee performance.

INTRODUCTION

In today's development, human resources are very much considered in a company in order to achieve organizational goals (Wahyu & Salam, 2020). Besides that, of course every company wants a workforce that has good quality, so the company must treat them well and make the best use of human resources. Likewise with PT. Ridwan Surya Mandiri, which is engaged in Oil Fuel Distribution Services (SPBU). This company was founded in 2008 under the leadership of Mr. Erwin. The problem that arises in this company is the lack of productivity of the employees in this company. This is due to the lack of approach by company leaders to their employees.

Leadership style is a way for leaders to influence their subordinates which is expressed in the form of behavior or personality patterns (Harras, et, al., 2020). A leader must have a program and behave together with employees to use certain leadership styles or styles, so that leadership has a very important role as a dynamic force that encourages, motivates, and coordinates employees in achieving goals.

The achievement of organizational goals is only possible because of the efforts of the actors in the organization to perform well, an employee in carrying out his job must have the skills and skills that are in accordance with the work he is engaged in. But sometimes leaders often order their employees arbitrarily without paying attention to the employee's condition. So that this will have an impact on employee performance that is not good (Wahyudi, 2018). The inability of employees to carry out their duties according to their responsibilities is not caused by the employees not being able to do the task properly. However, this can happen because the employee cannot adjust to his leadership style so that the employee feels less valued by the existing leadership in the company. If the employee's performance is not good, it will have an impact on the tasks that must be done by the employees for which they are responsible. Therefore, a leader must change the leadership style that can provide comfort for employees who work in his company.

By changing the leadership style that is acceptable to employees, employees can better carry out their duties and responsibilities so that the company's goals can be maximally achieved. The leadership style can be said to be good if the leadership style can be applied by a leader well and can be accepted by employees in the company so that the employee's performance can be improved. If employee performance can be carried out properly, this will have a good impact on the achievement of company goals. Therefore, the leadership style plays an important role and needs to be considered by a leader. With the appropriate leadership style, a leader must be able to communicate well and be able to work together in terms of duties and responsibilities.

According to Nawawi (2009) "compensation is an award or reward for workers who have contributed to realizing their goals, through activities called work". The problem related to compensation is that the leader in providing compensation still tends to be unfair and not appropriate to employee performance, for example, there are some employees who can sell motorbikes who receive inappropriate compensation, this is because the employees' needs in the form of salaries are still not suitable for their needs. daily. A leader must be fair and be able to monitor the performance of his employees carefully so that this can be avoided. Saraswati (2014) states that there are two things that companies need to remember in providing compensation, namely:

First, the compensation given must be felt fair by employees and second, the amount of compensation is not much different from what employees expect. If these two things can be fulfilled, then employees will feel satisfied, satisfaction will trigger employees to continue to improve their performance.

Yensy (2010) states that "giving fair compensation will make it easier to retain potential employees and will motivate employees to further improve employee performance".

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

According to Sondang P Siagian (2010: 17) "The most appropriate leadership style is leadership that is situational means that at the same time takes into account conditions". Leadership Style indicators according to James (2013) include: leadership attitude, courage to accept risks, ability to lead, and visionary.

According to Sastrohadiwiryono (2015), compensation is a reward for services or remuneration provided by the organization to workers because these workers have contributed energy and thoughts for the progress of the organization in order to achieve the stated goals. Compensation indicators according to Syah (2013) include: basic salary, intensive, allowances, and bonuses.

According to Fahmi (2011: 2) that performance is the result obtained by an organization that is both profit oriented and non profit oriented which is produced over a period of time. Employee Performance Indicators according to Bangun (2012: 233), among others: the number of jobs produced, quality of work, timeliness, attendance, and ability to work together.

METHODS

This research uses descriptive quantitative method. The data used are secondary data. The population used in this study were all employees of PT. Ridwan Surya Mandiri. The sample used was 77 employees of PT. Ridwan Surya Mandiri.

Data analysis methods used include validity test, reliability test, classic assumption test, product moment correlation test, multiple linear regression test, coefficient of determination and hypothesis testing (t test and F test).

RESULT AND DISCUSSION

The Effect of Leadership Style (X1) on Employee Performance (Y), based on the results of the analysis, it is known that the leadership style (X1) has a level of relationship or influence of 0.593 or has a moderate strength relationship to employee performance (Y) with an influence contribution of 0.352 or 35.2%, this indicates that a good leadership style will increase employee performance. Hypothesis testing is obtained $t_{count} > t_{table}$ or $(6.382 > 1.992)$ this is reinforced by a significance value of $0.000 < 0.05$, for that the first hypothesis which states that there is a partially positive and significant influence between leadership style on employee performance, is acceptable. The results of this study are consistent with the research of Yofi Dwi Hari Valianto (2015). The influence of leadership, work motivation and compensation on the performance of employees of Sahabat Mandiri, CV which in his research resulted in the conclusion that leadership has a positive and significant effect on employee performance and this is in accordance with the opinion of Sondang P Siagian (2010: 17), the most appropriate leadership style is situational meaningful leadership while paying attention to condition factors.

The Effect of Compensation (X2) on Employee Performance (Y), based on the results of the analysis, it is known that compensation (X2) has a level of relationship or influence of 0.606 or has a strong relationship with employee performance (Y) with a contribution of influence of 0.367 or 36.7%, this indicates that high compensation will improve employee performance.

Hypothesis testing obtained $t_{value} > t_{table}$ or $(6,591 > 1,992)$ this is reinforced by a significance value of $0.000 < 0.05$, for that the second hypothesis which states that there is a partially positive and significant influence between compensation on employee performance, is acceptable. The results of this study are consistent with the research of Mokhammad Yanuar Pradita (2017). The effect of compensation, leadership style and characteristics of marketers on motivation and performance of marketers at Bank Rakyat Indonesia (Persero) Tbk. Branch of Jombang where in his research resulted in the conclusion that compensation has a significant negative effect on work motivation. The higher the compensation given by the company, the effect on the decrease in motivation of marketers. It is known that leadership style has a significant positive effect on work motivation. The higher the leadership style, the effect on increasing work motivation and this is in accordance with the opinion of Sastrohadiwiryono (2015) saying that compensation is a reward for services or remuneration provided by the organization to the workforce because the workforce has contributed energy and thoughts for the progress of the organization to achieve goals that have been set.

Simultaneous Influence of Leadership Style (X1) and Compensation (X2) on Employee Performance (Y), based on the analysis, leadership style (X1) and compensation (X2) together have a positive and significant effect on employee performance (Y) with the regression equation $Y = 22.806 + 0.350X1 + 0.415X2$. The regression analysis results show the leadership style correlation coefficient of 0.350 and compensation of 0.415, all of which are positive. This means that if the leadership style and compensation increase, the employee's performance will also increase. Likewise, if the leadership style and compensation are low, the employee's performance will be lower. The level of relationship or influence between the variable leadership style and compensation on employee

performance is 0.671 or has a strong relationship with a contribution of influence of 0.450 or 45.0% while the remaining 55.0% is influenced by other factors.

Hypothesis testing obtained the value of $F_{count} > F_{table}$ or $(30.320 > 2.730)$ this is also reinforced by a significance probability value of $0.000 < 0.05$, for that the third hypothesis which states that there is a positive and significant influence jointly between leadership style and compensation for employee performance is acceptable.

The results of this study are consistent with the research of Kadek Ary Setiawan and Ni Wayan Mujati (2016). The influence of leadership style and compensation on the performance of employees of PT. Astra Honda Nusa Dua, Bandung Regency, which in his research resulted in the conclusion that the compensation variable has a positive and significant effect on employee performance. This shows that if fair and proper compensation is given to employees, employee performance will increase significantly and this is in accordance with the opinion of Wibowo (2012: 102) where employee performance is defined as work or work performance that is more brushy, not only the result of work alone but also including how the work process takes place and this is also in line with the opinion of Hasibuan (2012: 95) who argues "The work achieved by each employee can make a positive contribution to the company" and the opinion of Anwar Prabu Mangkunegara (2010: 18) which states that "Performance is comparison between the results achieved with the participation of the workforce in a union or an organization".

CONCLUSIONS

This study aims to determine how much influence of leadership style and compensation on employee performance. Respondents of this study amounted to 77 people from all samples that have been determined by PT. Ridwan Surya Mandiri. Based on the problem data with reference to the results of multiple regression analysis, correlation coefficient, determination, hypothesis t test (partial) and the results of the description, it can be concluded as follows:

1. Based on the results of the analysis, it is known that the leadership style (X1) has a level of relationship or influence of 0.593 or has a moderate strength relationship to employee performance (Y) with an influence contribution of 0.352 or 35.2%, this indicates that a good leadership style will improve employee performance. Hypothesis testing obtained $t_{count} > t_{table}$ or $(6,382 > 1,992)$ it is reinforced with a significance value of $0,000 < 0.05$, for that the first hypothesis which states that there is a partially positive and significant influence between leadership style on employee performance, is acceptable.
2. Based on the results of the analysis, it is known that compensation (X2) has a level of relationship or influence of 0.606 or has a strong relationship with employee performance (Y) with an influence contribution of 0.367 or 36.7%, this indicates that high compensation will improve performance. employees. Hypothesis testing obtained $t_{value} > t_{table}$ or $(6,591 > 1,992)$ this is reinforced by a significance value of $0.000 < 0.05$, for that the second hypothesis which states that there is a partially positive and significant influence between compensation on employee performance, is acceptable.
3. Based on the analysis, leadership style (X1) and compensation (X2) together have a positive and significant effect on employee performance (Y) with the regression equation $Y = 22.806 + 0.350X1 + 0.415X2$. The results of the regression analysis show the leadership style correlation coefficient of 0.350 and compensation of 0.415, all of which are positive. This means that if the leadership style and compensation increase, the employee's performance will also increase. Likewise, if the leadership style and compensation are low, the employee's performance will be lower. The level of relationship or influence between the variable leadership style and compensation on employee performance is 0.671 or has a strong relationship strength with an influence contribution of 0.450 or 45.0% while the remaining 55.0% is influenced by other factors. Hypothesis testing obtained $F_{value} > F_{table}$ or $(30,320 > 2,730)$ this is also reinforced by a significance probability value of $0,000 < 0.05$, for that the third hypothesis which

states that there is a positive and significant influence jointly between leadership style and compensation on employee performance, is acceptable.

In this study, there are several limitations to the problem, including:

1. Researchers only use 2 independent variables.
2. The research data used is only in the period 2018.
3. The influence between Leadership Style and Compensation on Employee Performance is only 45% and the remaining 55% is influenced by other variables not examined.

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