

Employee Performance is Influenced by Leadership Style and Work Environment with Work Motivation as an Intervening Variable

Annisa Yunitashari, Dr. Kasmir
Student, Professor
Magister of Management
Mercu Buana University Jakarta

Abstract:- Employee performance is the performance of work carried out by employees in the organization based on the goals planned by the organization, which must be achieved by each employee. The research objective was to determine whether employee performance was influenced by leadership style and work environment with work motivation as a mediator at South Jakarta City National Narcotics Institution, with a sample of 32 employees. SEM PLS is the method used. The results show that employee performance is positively and significantly affected by leadership style directly but is not influenced by work motivation mediators and employee performance is not directly affected by the work environment but is influenced positively significantly by full mediation of work motivation.

Keywords:- Employee Performance, Leadership Style, Work Environment, Work Motivation.

I. INTRODUCTION

Human resources are the most important role in a company, this is because if there are no human resources in an organization then the company cannot carry out its operations. According to (Noviyanti, Lubis, & Hardjo, 2020) if the readiness of the apparatus is good, it will also affect the implementation of good governance. State apparatus that carry out state duties properly can support the success of national development. (Tjokroamidjoyo, 1988) in (Noviyanti, Lubis, & Hardjo, 2020) says that the apparatus plays an important role and position, in the activities and functions of the government as the driving force in all its activities. in conclusion apparatus has a key role in running the management of the State.

(Mangkunegara, 2001) in (Kurniawan, 2018) explained that performance is a work output that has been achieved by each employee in the form of quantity and quality in carrying out daily tasks previously given by his superiors. (Hariandja, 2002) in (Kurniawan, 2018) also said that performance is the work of real employees to be represented according to the role played by an employee in an organization.

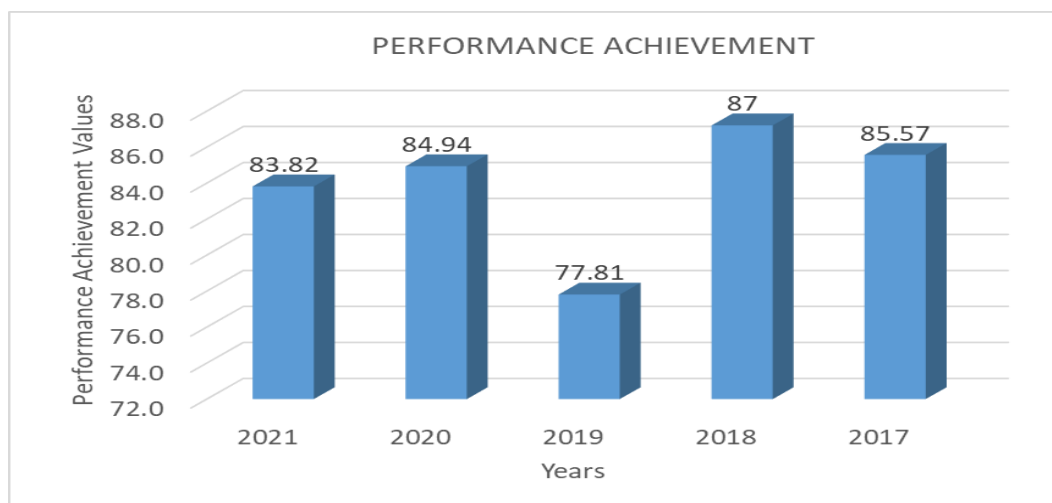


Fig. 1: Performance Achievement of South Jakarta City National Narcotics Institution

Source: South Jakarta City National Narcotics Institution

The performance achievements of the National Narcotics Institution as seen in Figure 1 show that in 2017 to 2018 there was an increase in performance gains of 1.43, in 2018 to 2019 there was a significant decrease in

performance gains of 10, in 2019 to 2020 there was a significant increase of 7.13 and from 2020 to 2021 there is a decrease of 1.12. Figure 1.1 shows that there are still changes that change every year.

II. THEORICAL REVIEW

A. Employee Performance

According to (Sutrisno, 2016) on (Marayasa & Faradila, 2019) performance is work behavior carried out by employees and is good, resulting in good performance.

Employee performance is the result of work or ability to work in an organization based on goals that have been designed by the organization and must be achieved by every employee.

B. Leadership Style

(Rosaliawati, Mustiningsih, & Arifin, 2020) states that leadership style is a special ability needed by someone to be able to move, encourage and direct other people.

Leadership style is a way for company leaders to behave, communicate and interact with the aim of influencing, encouraging or moving and directing their subordinates within an organization so that employees can work quickly and maximally to carry out their responsibilities.

C. Work Environment

According to Nitisemito in (Darmin, Azis, & Kaseng, 2019) The work environment is all 'things that are in the environment of employees and are influential in carrying out tasks that come from company leaders.

The work environment is a 'thing' in the employee's environment that can affect employees directly or indirectly in carrying out their work, both physical and non-physical.

D. Work Motivation

According to Hakim 2006 in (Effendy & Fitria, 2020) motivation is an effort, encouragement or desire that originates in a person who aims to carry out all tasks properly in his work.

Work motivation comes from physiological and psychological sources which are a source of strength for someone to achieve their work targets. therefore work motivation has an important role, it can be concluded that employees who have high motivation will also have high performance.

E. Hypotheses

- H1: Y1 is positively and significantly affected by X1.
- H2: Y1 is positively and significantly affected by X2.
- H3: Y2 is positively and significantly affected by X1.
- H4: Y2 is positively and significantly affected by X2.
- H5: Y2 is significantly positively affected by Y1.
- H6: Y2 is positively and significantly influenced by X1 with Y1 as mediator.
- H7: Y2 is positively and significantly influenced by X2 with Y1 as mediator..

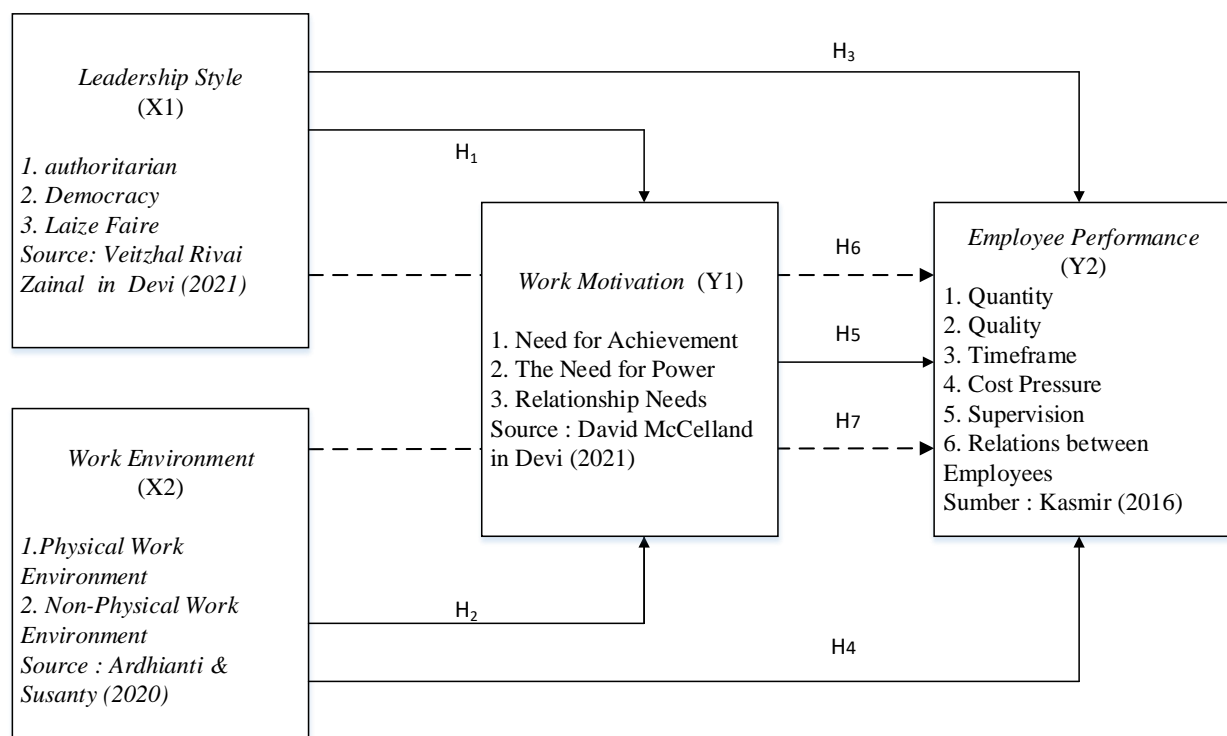


Figure 2 – Research Hypotheses

III. RESEARCH METHODS

A. Type of Research

The research to be conducted is descriptive/explanatory research with a quantitative approach and aims to test hypotheses about the effect of exogenous variables on endogenous variables. This study used primary data in the form of a survey sample in the form of a questionnaire to be filled in by the respondents, in this study, all employees of the South Jakarta City National Narcotics Institution. According to Sugiyono (2017: 7) in (Devi, 2021) quantitative research is a research method that has sources from philosophic positivism, which has the function so that certain populations or samples can be studied by analyzing data that has quantitative properties so that it can test established hypotheses previously. Random sampling and data collection using research instruments.

B. Population and Samples

Sugiyono (2017) said in (Devi, 2021) A population consists of objects/subjects with unique characteristics or characteristics identified by researchers for further study. All employees of the National Narcotics Institution constitute the population in this study.

The characteristics and quantity of the population are other words for the sample (Sugiyono, 2017: 81) quoted from (Devi, 2021). Research uses saturated samples if the target population for research has a limited population or is smaller than 30, so researchers want to create research generalizations with small errors. (Sugiyono, 2017:85). This means that this study uses a saturated sample of all employees at South Jakarta City National Narcotics Institution who will be sampled and will fill out a questionnaire that will be distributed by researchers who have a total of 32 people.

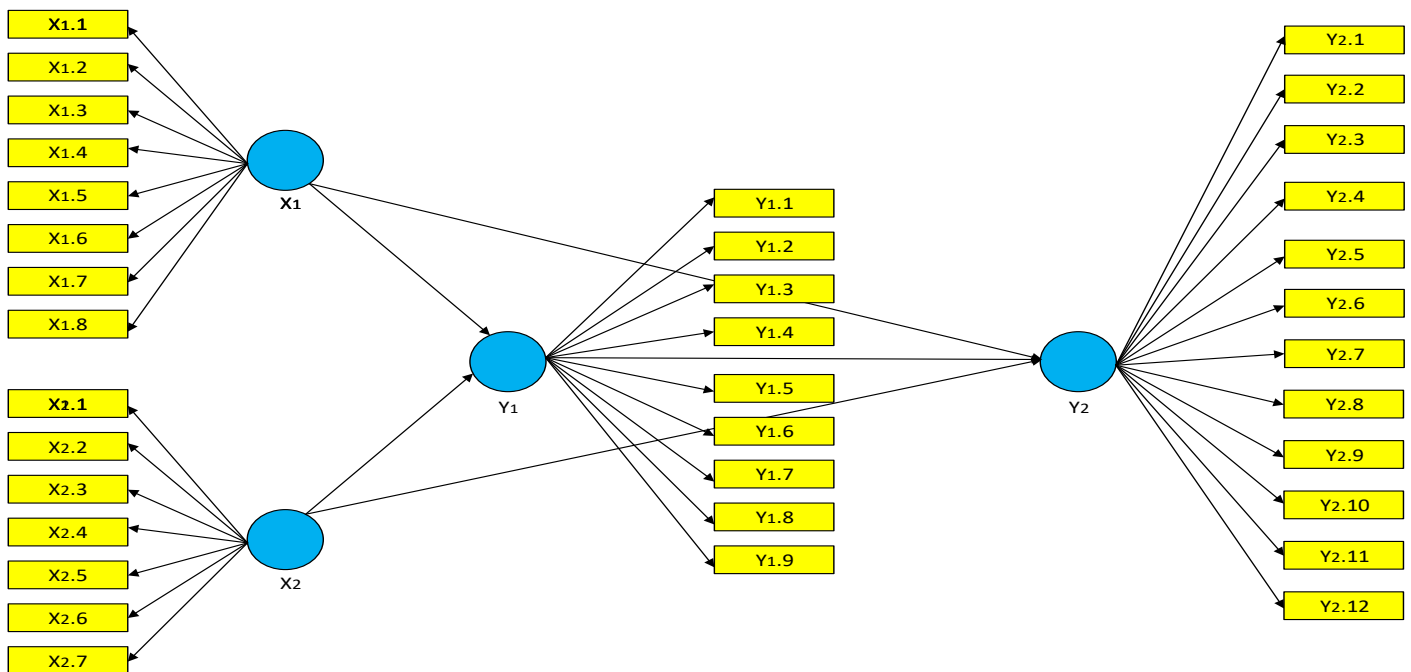


Fig. 3: Path Diagram Research Model

C. Partial Least Square (PLS)

Research conducted using SEM analysis is a statistical technique that functions to examine causation in a model by collecting quantitative data that has been collected previously and using a combination of various theoretical sources. (Wijanto, 2008) in (Samosir, 2022). The research was conducted using Partial Least Square (PLS) SEM. PLS aims to find a component of the independent variable to predict the dependent variable. The PLS method was used in this study because the relationship between the variables in this study was very complex but the data sample was small.

D. Measuring Model (Outer Model)

The Outer Model is a model that functions to connect indicators with their latent variables. convergent validity and discriminant validity aim to measure validity. this study uses a loading factor > 0.7. If the resulting value exceeds 0.50 then it is said to be Valid. (Ghozali & Latan, 2012) in (Najib, 2020).

E. Structural Testing Model (Inner Model)

The internal model is a structural model that relates latent variables. Assessment of the inner model has the objective of looking at predictive relevance, estimation of path coefficients, parameter coefficients and determination coefficients. (Najib, 2020).

Variable	Indicator Code	Indicator
<i>Leadership Style</i> (X1)	X1.1	Demanding perfect work
	X1.2	Carry out strict supervision of all employee activities
	X1.3	The decision of the leader cannot be changed
	X1.4	Leaders act with feeling
	X1.5	Leaders provide opportunities for employees to express opinions
	X1.6	Leader Gives decision rights to subordinates
	X1.7	Leaders give freedom to employees
	X1.8	Leaders communicate with subordinates
<i>Work Environment</i> (X2)	X2.1	Adequate room lighting
	X2.2	The right temperature to work
	X2.3	Comfortable Workspace
	X2.4	There is air circulation in the work environment
	X2.5	There is a working relationship between employees
	X2.6	There is a good working relationship between superiors and subordinates
	X2.7	Employees have good work procedures and adaptability
<i>Work Motivation</i> (Y1)	Y1.1	Employee ideas are well received
	Y1.2	Be serious in doing the task
	Y1.3	Has the ability to influence
	Y1.4	Conformity of position with work results
	Y1.5	Be active at work
	Y1.6	Enjoy being part of a group
	Y1.7	Collaborate with the team in completing tasks
	Y1.8	There is free time to establish relationships between employees
	Y1.9	There is a close relationship between colleagues
<i>Employee Performance</i> (Y2)	Y2.1	Accuracy in doing work
	Y2.2	Job suitability with requirements.
	Y2.3	Achievement of work quantity in accordance with the target
	Y2.4	The quantity of work performed exceeds the predetermined target
	Y2.5	work can be completed on time.
	Y2.6	Can finish work earlier than the allotted time
	Y2.7	Do not exceed the budgeted costs
	Y2.8	Can save a predetermined budget
	Y2.9	There is supervision of every work activity carried out
	Y2.10	There are no irregularities that occur during supervision.
	Y2.11	Mutual respect for the feelings of fellow employees
	Y2.12	Can cooperate between employees.

Table 1: Indicator of Research

IV. RESULTS

A. Measuring Model (Outer Model)

- Convergent Validity

Variable	Indicator	Terms	Loading Factor
<i>Leadership Style</i> (X1)	X1.1	>0.70	0.843
	X1.2	>0.70	0.886
	X1.3	>0.70	0.862
	X1.5	>0.70	0.820
	X1.6	>0.70	0.923
	X1.7	>0.70	0.905
	X1.8	>0.70	0.861
<i>Work Environment</i> (X2)	X2.1	>0.70	0.844
	X2.2	>0.70	0.919
	X2.3	>0.70	0.788
	X2.4	>0.70	0.937
	X2.5	>0.70	0.903
	X2.6	>0.70	0.907

	X2.7	>0.70	0.783
<i>Work Motivation</i> (Y1)	Y1.1	>0.70	0.850
	Y1.2	>0.70	0.845
	Y1.4	>0.70	0.851
	Y1.5	>0.70	0.917
	Y1.6	>0.70	0.877
	Y1.7	>0.70	0.839
	Y1.8	>0.70	0.927
	Y1.9	>0.70	0.932
<i>Employee Performance</i> (Y2)	Y2.1	>0.70	0.865
	Y2.2	>0.70	0.889
	Y2.3	>0.70	0.970
	Y2.4	>0.70	0.874
	Y2.5	>0.70	0.922
	Y2.6	>0.70	0.931
	Y2.7	>0.70	0.963
	Y2.8	>0.70	0.838
	Y2.9	>0.70	0.827
	Y2.10	>0.70	0.948
	Y2.11	>0.70	0.943
	Y2.12	>0.70	0.942

Table 2: Convergent Validity Results

Source: Smart PLS 3.0

- Discriminant Validity

Variable	Leadership Styles (X1)	Work Environment (X2)	Work Motivation (Y1)	Employee Performance (Y2)
<i>Leadership Styles (X1)</i>	0.872			
<i>Work Environment (X2)</i>	0.840	0.894		
<i>Work Motivation (Y1)</i>	0.834	0.874	0.875	
<i>Employee Performance (Y2)</i>	0.870	0.885	0.909	0.910

Table 3: Discriminant Validity Results

Source: Smart PLS 3.0

In table 3 we can see that the AVE root value contained in each variable has a greater value than each correlation between the other constructs, which can be concluded that each indicator item in the questionnaire statement variable can be said to be valid.

- Average Variance Extracted

Variable	Terms	Average Variance Extracted (AVE)
<i>Leadership Styles (X1)</i>	>0,5	0.761
<i>Work Environment (X2)</i>	>0,5	0.800
<i>Work Motivation (Y1)</i>	>0,5	0.766
<i>Employee Performance (Y2)</i>	>0,5	0.829

Table 4: Average Variance Extracted (AVE) Results

Source: Smart PLS 3.0

- Reliability Test

Variable	Cronbach's Alpha	Composite Reliability	Terms	Description
<i>Leadership Styles (X1)</i>	0.947	0.949	>0,70	Reliable
<i>Work Environment (X2)</i>	0.937	0.945	>0,70	Reliable
<i>Work Motivation (Y1)</i>	0.949	0.952	>0,70	Reliable
<i>Employee Performance (Y2)</i>	0.981	0.982	>0,70	Reliable

Table 5: Reliability Test Results

Source: SmartPLS 3.0

B. Structural Testing Model (Inner Model)

- R-Square Determination Coefficient Test (R²)

Variable	R Square Adjusted
<i>Work Motivation (Y1)</i>	0.784
<i>Employee Performance (Y2)</i>	0.867

Table 6: R-Square Determination Coefficient Test Results

Source: SmartPLS 3.0

From Table 6 it can be seen that the R-squared Y1 value is 0.78 or 78% and the other 22% will be explained by other exogenous variables and the R-Square Y2 is 0.87 or 87%, the other 13% will be explained by other exogenous variables.

- Goodness of fit Test

In the Goodness of Fit test, if the GoF value has a value of 0.1 = GoF small, a value of 0.25 = GoF medium and a value of 0.36 = GoF large. (Ghozali, 2016).

$$\text{GoF} = \sqrt{\text{AVE} \times \text{R}^2}$$

$$= \sqrt{0.789 \times 0.825}$$

$$= \sqrt{0.651}$$

$$= 0.807$$

Information :

$$\text{AVE} = (0.761 + 0.800 + 0.766 + 0.829) / 4$$

$$= 0.789$$

$$\text{R}^2 = (0.784 + 0.867) / 2$$

$$= 0.825$$

It can be seen from the results contained in the Goodness of Fit that the resulting value is 0.807. then it can be said that the model contained in the study is a GoF with a large value.

C. Path Coefficient

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
Leadership Style (X1) -> Work Motivation (Y1)	0.342	0.339	0.166	2.056	0.040	Positive Significant
Leadership Style (X1) -> Employee Performance (Y2)	0.275	0.264	0.121	2.265	0.024	Positive Significant
Work Environment (X2) -> Work Motivation (Y1)	0.586	0.586	0.152	3.851	0.000	Positive Significant
Work Environment (X2) -> Employee Performance (Y2)	0.253	0.248	0.149	1.696	0.090	No Effect
Work Motivation (Y1) -> Employee Performance (Y2)	0.459	0.471	0.142	3.218	0.001	Positive Significant
Leadership Style -> Work Motivation -> Employee Performance	0.157	0.158	0.093	1.684	0.093	No Effect
Work Environment -> Work Motivation -> Employee Performance	0.269	0.278	0.117	2.300	0.022	Positive Significant

Table 7: Path Coefficient Results

Source: Smart PLS 3.0

V. DISCUSSIONS

A. *Work Motivation is positively and significantly affected by Leadership Style*

The results of the study show that Work Motivation is positively and significantly influenced by Leadership Style. Therefore, the work motivation of South Jakarta City National Narcotics Institution employees must be increased by applying a good leadership style within the organization.

Darmin, Azis, and Kaseng's research (2019) and Senen, Krisnaldy, and Ishak (2021) confirm research findings that leadership style has a significant positive impact on employee performance.

B. *Work Motivation is positively and significantly affected by Work Environment*

The results of the study show that Work Motivation is positively and significantly influenced by Work Environment, then about things that can be done to increase the work motivation of South Jakarta City National Narcotics Institution employees by implementing a decent and comfortable work environment within the organization.

Rahmi (2020) and Ingsiyah, Hariwibowo and Nurkhaiyati (2019) conducted research that corroborated these results, where they found that the work environment had a significant positive effect on work motivation. It can be concluded that organizations with high work motivation have a conducive work environment..

C. *Employee Performance is positively and significantly affected by Leadership Style*

The results of the study show that Employee Performance is positively and significantly influenced by Leadership Style. It can be concluded that efforts to improve the performance of South Jakarta City National Narcotics Institution are by applying a good leadership style.

Research conducted by Windawati, Irfan Novianidy Aulia (2021) states that employee performance is positively and significantly influenced by leadership style, as Jeli Nata Liyas (2019) states that leadership style has a role in helping improve the performance and productivity of its employees, these two studies can strengthen this research.

D. *Employee Performance is not affected by Work Environment*

The results obtained conclude that Work Environment has no influence on Employee Performance. research conducted (Supriyadi & Nurmawati, 2021) states that employee performance is not influenced by the work environment which can strengthen research.

E. *Employee Performance is positively and significantly affected by Work Motivation*

The results showed that Employee Performance was positively and significantly influenced by Work Motivation. Andriani, Kesumawati, & Kristiawan (2018) and Effendy & Fitria (2020) reinforce this by saying that employee performance is positively and significantly influenced by work motivation. Concluded with good employee performance side by side with high work motivation. Employees who have high work motivation can do their

best in all tasks determined by management, so that the performance of their employees also increases.

F. *Employee Performance is not affected by Leadership Style with Work Motivation as a mediator*

The results showed that Employee Performance was not affected by Leadership Style with Work Motivation as the mediator. Handayani (2021) states that employee performance is positively and significantly influenced by leadership style, with work motivation as the mediator. The results of this study are not the same as previous studies. However, this research is the same as research (Nadeak, 2022) that work motivation cannot be a mediator of leadership style to employee performance.

G. *Employee Performance is positively and significantly influenced by Work Environment with Work Motivation as a mediator*

The results showed that Employee Performance was positively and significantly influenced by Work Environment with Work Motivation as mediator. Antony (2021) and Asfar & Anggraeni (2020) conducted research showing that employee performance is influenced by the work environment with a mediator from work motivation. Both studies strengthen the results of this study.

This may indicate that the more conducive the work environment is, the more optimal the performance that employees can provide. or it can be said that work motivation mediates the work environment perfectly. Thanks to a good working atmosphere, employees have high work motivation, which can affect their performance.

VI. CONCLUSION AND SUGGESTIONS

A. *Conclusion*

- Work Motivation is positively and significantly influenced by Leadership Style at South Jakarta City National Narcotics Institution.
- Work Motivation is positively and significantly influenced by Work Environment South Jakarta City National Narcotics Institution.
- Employee Performance is positively and significantly influenced by Leadership Style at South Jakarta City National Narcotics Institution.
- Employee Performance is not affected by the Work Environment.
- Employee Performance is positively and significantly influenced by Work Motivation at South Jakarta City National Narcotics Institution.
- Employee Performance is not influenced by Leadership Style which is mediated by Work Motivation at South Jakarta City National Narcotics Institution.
- Employee Performance is influenced by the Work Environment which is mediated by Work Motivation at South Jakarta City National Narcotics Institution.

B. Suggestions

- The leader holds a weekly meeting for all employees so that it can serve as a forum for employees to convey obstacles in their work and opinions to the leader, so that the leader can better understand the situation of each employee both work and personally, in addition to that, employees can feel that they are given space to express opinions within the organization.
- It is necessary to evaluate all forms of facilities within the organization regarding the completeness of the facilities and the comfort of the facilities in them and to make a list of the required facilities for employees, after evaluating and making a list of needs, the general department within the organization can submit requests to the procurement of goods and services .
- It is necessary to plan for the formation of a team in the required activities, besides that in a managerial team you can choose a person in charge of the team so that the work contained in the team can be more controlled and can run according to the desired output.
- Managerial in the organization can hold weekly meetings for subdivision heads and section representatives to specifically discuss the progress of work in each section and the constraints that occur, so that the supervision in each section is more intense and will minimize errors that will occur in each section. each sexy.)

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