



# Effect of Leadership Style, Motivation and Work Discipline on Employee Performance in PT. ABC Makassar

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## ABSTRACT

The purpose of this study was to determine the leadership style, motivation, work discipline and employee performance at PT. ABC Makassar and the influence of leadership, motivation and work discipline styles on employee performance both simultaneously and partially. The research method used is survey research method. The type of data/information used is primary data with data collection techniques by observation, questionnaire and literature study. The research population is all employees of PT. ABC Makassar is 50 people. Sampling technique is census method. The analytical tool used was with the help of SPSS data analysis techniques were carried out using path analysis approach, correlation test, determination test, simultaneous test and partial test. Findings from the results of this study are leadership style, motivation, work discipline and employee performance of PT. ABC Makassar is in a pretty good category, so it still needs attention, improvement and improvement. Simultaneously the influence of leadership style, motivation and work discipline has a significant effect on employee performance. Partially only work discipline has a positive and significant effect on employee performance, while leadership and motivation styles do not significantly influence employee performance, but have a positive impact on employee performance. Work discipline has the greatest influence on employee performance.

**Keywords:** Leadership Style, Motivation, Work Discipline, Employee Performance

**JEL Classifications:** M12, M54, N75

## 1. INTRODUCTION

Human resources as one of the resources in the organization play an important role in the successful achievement of organizational goals. In the development of human resources, the performance of an employee in a company is needed to achieve employee performance itself and also for the success of the company. Improving the performance of these employees is not only beneficial for the company, but also for the employees themselves. Because with good performance theoretically can achieve a better level of employee career development (Siahaan et al., 2016).

Leadership style is one of the important factors that can affect the performance of employees in a company. Leadership style is the ability of a leader in directing, influencing, encouraging and

controlling subordinates to be able to do work on their awareness and volunteering in achieving a certain goal. The success and failure of a company or organization is determined by leadership, an effective form of leadership will have an impact on the progress of the company or organization in facing the challenges and changes that occur. The nature of a leader is very influential in the style of leadership to determine the success of being a successful leader, and is determined by the personal abilities of the leader. Personal ability in question is the quality of a person with various traits, temperaments or characteristics inside (Geier, 2016).

The consequences that might arise from the existence of a bad leadership style is a decrease in employee performance which will have an impact on the decline in the company's total performance. Many factors that affect employee performance include work

motivation. Even if an employee has good operational ability if he or she has no motivation at work, the end result of the job is not satisfying. Seeing the importance of employees in the organization, employees need more serious attention to the tasks being done so that organizational goals are achieved. With high work motivation, employees will work harder in carrying out their work. Conversely with low work motivation employees do not have the spirit of work, easily give up, and difficulties in completing their work (Harwiki, 2016).

Work discipline as an attitude of respect, respect, and obedience to applicable regulations both written and unwritten and able to carry it out, do not dodge the sanctions if it violates the duties and authority given to him. Work discipline is a form of employee self-control and regular implementation and shows the level of sincerity of the work team within an organization. Good work discipline refers to the amount of a person's sense of responsibility towards the tasks assigned to him. Discipline that is not sourced from human conscience will result in a weak and not lasting discipline. The application of work discipline for employees aims to encourage employees to be willing and willing to follow various standards or rules that apply in a company, so that abuses of work can be overcome (Arenofsky, 2017).

Good discipline will essentially grow and emanate from the results of human consciousness. Good discipline reflects the magnitude of a person's responsibility for the tasks assigned to him, this encourages work passion, morale, and the realization of organizational goals. Good discipline from employees will also show that the organization can maintain and maintain the loyalty and quality of its employees, from the discipline can also be known the performance value of its employees. In general, work discipline can be seen if employees come to the office regularly and on time, dress neatly in the workplace, use office equipment carefully, produce satisfying amounts and quality of work by following the work method determined by the company and completing the work well and have high morale (Webb et al., 2013).

Another factor that affects the decline in employee performance is work discipline. Based on the results of a field survey of employees of PT. ABC Makassar found a decrease in work discipline. This can be seen from the level of attendance of some employees who are not on time, using the break time exceeding the set hours, going home from work earlier than the stipulated time, some employees do not use office uniforms. In carrying out its duties and responsibilities, it turns out that some employees cannot complete their work in a timely manner in accordance with the standards set by the company.

## 2. LITERATURE REVIEW

### 2.1. Human Resource Management

Management is an art science that regulates the process of utilizing human resources and other resources effectively and efficiently to achieve a particular goal. Management develops into one area of science called Human Resource Management. Human Resource Management is the science and art of management that focuses on human problems that have a major position in every company

and organization. According to (Nasriyah et al., 2016) Human Resource Management is one of the fields of general management which includes aspects of planning, organizing, implementing and controlling.

Furthermore (Studer, 2016) states that human resource management is essentially the application of management specifically for human resources, so that it can be defined: Human resource management is the art of planning, organizing, directing, supervising human resource activities employees in order to achieve organizational goals. Of the several definitions above, it can be concluded that Human Resource Management is an organizational activity in an effort to obtain a reliable and qualified workforce through the process of planning, organizing, implementing and controlling so that the company's objectives are achieved.

According to (SHRM, 2016) Human Resource Planning that is done well will produce the following benefits: Top-level management has a better view of the dimensions of human resources from business decisions HR costs can be lowered because management can anticipate that imbalances require high costs or are not handled. More time is available to place talent because needs have been anticipated and identified before there are actual needs for these staff. There is a better opportunity to include members of protected groups in future growth plans to improve organizational diversity.

### 2.2. Manager Development Can be Better Planned

Human resource management is a very important element of management functions. If human resources are not managed properly, their effectiveness will decline faster than other resources. Human resources have a greater impact on organizational effectiveness than other resources. Human resource planning must be able to create a relationship between the entire strategy of the organization or company and its human resource policies. Good resource planning can ensure that human resource activities are always consistent with the direction of the organization's strategy and goals (Nasriyah et al., 2016).

### 2.3. Transformational Leadership Style

Leadership style is an important aspect to achieve and improve the success of leadership in an organization. According to (Geier, 2016) suggests that: "Leadership style is the norm of behaviour used by someone when the person tries to influence the behaviour of others or subordinates." According to (Gençer and Samur, 2016) Leadership Style is a set of characteristics used by leaders to influence subordinates so that organizational goals are achieved or it can also be said that leadership style is a pattern of behaviour and strategies that are preferred and often applied by a leader.

One of the relatively popular leadership styles is transformational leadership. A leader is said to be transformational when it can change the situation, change what is commonly done, talk about noble goals, have a reference to the values, freedom, justice and equality (Bass and Avolio, 2013) transformational leadership is the ability to inspire and motivate followers to achieve greater results than originally planned and for internal rewards. According to (Khalili, 2016) transformational leadership calls for moral values,

followers in their efforts to increase their awareness of ethical issues and to mobilize their energy and resources to reform institutions.

Transformational leaders will make subordinates see that the goals to be achieved are more than their personal interests. Transformational leadership can be seen from the high commitment, motivation and trust of subordinates so that seeing the organizational goals to be achieved is more than just his personal interests.

#### **2.4. Work Motivation**

The term motivation comes from the Latin word “mover” which means encouragement or movement. Motivation is a condition or energy that moves an employee who is directed or directed to achieve the company’s organizational goals. The mental attitude of the employees who are pro and positive towards the work situation strengthens their motivation to achieve maximum performance. Work motivation is to direct the power and potential of subordinates to be willing to work together productively successfully achieving and realizing the goals that have been determined (Lecturer, 2018).

Furthermore (Wang et al., 2016) argues Motivation is a personal condition in a person who encourages an individual’s desire to carry out certain activities in order to achieve goals. So the motivation that exists in someone is a driving force that will realize a behaviour in order to achieve the goals of his satisfaction. According to (Wang et al., 2016) Motivation as a process that contributes to determining the intensity, direction, and perseverance of individuals in an effort to achieve goals. So motivation is an effort that is in a person in meeting their needs to achieve organizational goals.

#### **2.5. Work Discipline**

Etymologically the discipline comes from the English “disciple” which means followers or adherents of teaching. Training and so on. Discipline is a particular condition where people who are members of the organization are subject to the existing rules with pleasure. While work is all human activities carried out to achieve the goals that have been set. Work discipline is the attitude of employees to behave in accordance with the rules that have been established where he works (Saluy and Treshia, 2018).

Work discipline can be defined as an attitude of respect, respect, obedience and obedience to applicable regulations, both written and unwritten and able to carry it out and not avoid receiving sanctions if he violates the duties and authority given to him (Arenofsky, 2017). Furthermore (Yang et al., 2016) states that discipline is the awareness and willingness of a person to obey all company rules and prevailing social norms.

#### **2.6. Employee Performance**

Performance comes from the word job performance or actual performance which means work performance or actual achievement achieved by someone. Definition of performance (work performance) is the work quality and quantity achieved by an employee in carrying out his function in accordance with the responsibilities given to him.

According to (Al Mehrzi and Singh, 2016) Performance is the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards, targets or targets or predetermined criteria that have been mutually agreed upon. Furthermore (Yang et al., 2016) state that performance is basically what employees do or do not do. Performance management is the entire activity carried out to improve the performance of a company or organization, including the performance of each individual and work group in the company. According to (Shmailan, 2016), employee performance is an action what employees do in carrying out the work done by the company. Performance in carrying out its functions is not independent, but always relates to employee job satisfaction and the level of reward given, and influenced by individual skills, abilities, and traits.

### **3. RESEARCH METHODS**

The population of this study are all employees of PT. ABC Makassar is 50 people. The number of samples in this study were all employees of PT. ABC Makassar, amounting to 50 people. Validity and reliability tests were carried out on 30 respondents who were outside the research sample, which were taken from similar company objects. To see and find out whether the question items submitted are valid, then the questionnaire is distributed to 30 respondents outside the company’s sample.

### **4. RESULTS AND DISCUSSION**

#### **4.1. Indirect Effect of Leadership Style on Employee Performance through Motivation**

The value of indirect influence is smaller when compared to direct influence. These results indicate that transformational leadership style is more appropriate to directly affect employee performance than through motivation. The leadership style applied by the company was not able to increase employee motivation in working. One of the main factors that can increase work motivation is a decent salary and incentives. One leadership style that emphasizes the importance of a leader creates a vision and environment that motivates subordinates to excel beyond their expectations (Schilke et al., 2009) is a transformational leadership style.

#### **4.2. Indirect Influence of Leadership Style on Employee Performance through Work Discipline**

The application of transformational leadership style in a company can influence the level of employee discipline, in other words the leadership style has a positive relationship with work discipline. One important element in efforts to improve employee performance, if the leader is able to influence his subordinates and actively involve subordinates in achieving these goals both through work discipline and appropriate leadership style (Banks et al., 2016).

#### **4.3. Indirect Effect of Motivation on Employee Performance through Work Discipline**

The value of direct influence is smaller than the indirect effect. These results indicate if motivation can improve employee

performance through work discipline. If the company cannot motivate employees through salaries and incentives, then company leaders can improve employee performance through employee compliance with company regulations. Employees who have high work discipline will have a great responsibility in completing their work on time. Nevertheless, companies need to pay attention to motivational factors, because motivation is a means that can encourage employees to complete the tasks that are charged (Halbesleben and Wheeler, 2008).

#### **4.4. Indirect Effect of Motivation on Employee Performance through Leadership Style**

Indirect influence of motivation on performance through leadership style is 0.0077. These results indicate that more effective motivation directly affects employee performance. Transformational leadership style cannot mediate the relationship between motivation and employee performance. To increase work motivation at PT. ABC Makassar, the company leader only needs to make salary increases and improve the provision of incentives to outstanding employees. If the salary received by an employee is considered feasible and can meet the needs of daily living, then they will be increasingly motivated to work optimally plus if their work is rewarded in the form of bonuses or incentives (Al Mehrzi and Singh, 2016).

#### **4.5. Indirect Influence of Work Discipline against Employee Performance through Motivation**

Indirect influence turns out to be smaller compared to direct influence. This indicates that more effective work discipline directly affects employee performance than through motivation. The level of work discipline of PT. ABC Makassar can directly affect employee performance. Every employee who has high work discipline will try to carry out his work to the fullest and provide high productivity in accordance with the company's expectations. PT employees. PT. ABC Makassar has a high level of awareness in complying with all company regulations so that it directly affects employee performance (Saluy et al., 2018).

Indirect influence of work discipline against employee performance through leadership style work discipline is more effective directly affecting employee performance than through leadership style. Employee work discipline cannot influence the leadership style applied in the company, it is precisely the leadership style of a leader that can influence the level of employee discipline. The application of discipline is very important for the company, because with this discipline all the rules that are set can be obeyed by each employee. When discipline cannot be enforced, then the level of productivity through performance cannot be achieved or achieved but is less than optimal (Saluy et al., 2018).

#### **4.6. Effect of Simultaneous Leadership Style, Motivation and Work Discipline on Employee Performance**

Leadership style, motivation and work discipline simultaneously have a significant effect on the performance of employees of PT. ABC Makassar. These results indicate that leadership style, motivation and work discipline are one of the factors that influence the rise and fall of employee performance values ,PT. ABC

Makassar. If the employee has high motivation and work discipline and likes his boss's leadership style, then performance will increase. Company management needs to pay attention to these three variables, because the results of the study indicate that the leadership style, motivation and work discipline simultaneously have a strong relationship with the performance of employees of PT. ABC Makassar, which is 0.503. From the calculation of path analysis shows that the total influence of leadership style (Smith and Miner, 1983), motivation and work discipline is 0.2529.

#### **4.7. Effect of Partial Leadership Style on Employee Performance**

The majority agree with the application of transformational leadership style, but the leader needs to make improvements, especially regarding the ability of leaders in creating a conducive work atmosphere and leader's policy in rewarding employees who have good performance. In this case the leader needs to foster a better relationship and be fair in giving respect to all employees so that the work atmosphere can be created properly. The results of this study are not consistent with the results of previous studies such as Suharto and (Banks et al., 2016; Harwiki, 2016; Schilke et al., 2009) who found that leadership style has a positive and significant effect on employee performance.

#### **4.8. Effect of Partial Motivation on Employee Performance**

Work motivation of employees of PT. ABC Makassar is in the unfavourable category so it does not have a significant effect on employee performance. The insignificance of motivation towards employee performance is mainly due to salary problems and incentives. To increase the performance of employees of PT. ABC Makassar, company management is advised to evaluate salary determination policies and provide incentives to employees, especially for employees who have good performance. The results of this study are not consistent with the results of previous studies such as (Frese and Fay, 2001; Halbesleben and Wheeler, 2008; Lecturer, 2018) who found that motivation has a positive and significant effect on employee performance.

#### **4.9. Effect of Partial Work Discipline on Employee Performance**

Employee performance of PT. ABC Makassar is influenced by work discipline. Employees who have good work discipline reflect the great sense of responsibility towards the tasks assigned to them. The results of this study are in line with the theory which states that discipline is one of the most important operative functions of human resource management, because the better the employee or employee discipline, the higher the work performance can be achieved. Without good employee discipline, it is difficult for the organization to achieve optimal results. The results of this study are consistent with the results of previous studies such as (Saluy et al., 2018) who found that work discipline has a positive and significant effect on employee performance.

## **5. CONCLUSIONS**

The average total value of the leadership style variable is 3.67 or 73.45% in the pretty good category. These results indicate

that the majority of employees agree that the leader applies transformational leadership style to PT. ABC Makassar. The average total value of the motivation variable is 3.56 or 71.20% in the good enough category. These results indicate that most employees of PT. ABC Makassar has a good work motivation. The average total value of the work discipline variable is 3.86 or 77.20% in the good enough category. These results indicate that the majority of PT. ABC Makassar has a fairly good level of work discipline. The average total value of employee performance variables is 3.78 or 75.60% in the pretty good category. This shows that most employees of PT. ABC Makassar has a pretty good performance. Leadership style, motivation and work discipline simultaneously affect the performance of employees of PT. ABC Makassar. Partial leadership style does not affect the performance of employees of PT. ABC Makassar; Partial motivation does not affect the performance of employees of PT. ABC Makassar; Work discipline partially affects the performance of employees of PT. ABC Makassar. The total influence of leadership style, motivation and work discipline on employee performance is 0.2529. From the results of the calculation of path analysis shows that the variable work discipline gives the greatest influence on employee performance that is equal to 0.1844; Furthermore, leadership style variables have an effect of 0.0388 on employee performance; while the motivation variable gives the smallest influence that is equal to 0.0297 on employee performance.

Chairman of PT. ABC Makassar is advised to further enhance the application of transformational leadership style, especially in creating a conducive work atmosphere and always be fair in giving awards to employees who have good performance. To increase employee motivation, company leaders should pay attention to the problem of the amount of salary/wages, providing incentives and also provide a sense of security in working by providing health insurance such as BPJS. PT. ABC Makassar, should not postpone its work and are expected to be able and able to complete the work in accordance with the time or time specified. For employees of PT. ABC Makassar, it is recommended to have a high level of work quality in carrying out the work and increase the quantity/ amount of work in a period.

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