Analysis of Leadership Style on Employee Performance with Job Satisfaction As A Moderation Variable

Analisis Gaya Kepemimpinan Terhadap Kinerja Karyawan dengan Kepuasan Kerja Sebagai Variabel Moderasi

Received: 15 June 2023
Accepted: 25 September 2023
Published online: 20 October 2023

Abstract

The primary objective of this study is to examine the impact of leadership style, motivation, and remuneration on employee performance, with work satisfaction serving as a moderating variable. The research focuses specifically on employees of PT Pelindo Daya Sejahtera, PHC Surabaya Hospital unit. The study's population included a total of 105 personnel, all of whom were affiliated with PT Pelindo Daya Sejahtera, namely the PHC Surabaya Hospital unit. The research used a saturation sampling approach to choose a sample of 105 workers from PT Pelindo Daya Sejahtera and PHC Surabaya Hospital unit. The methodology used entails the utilization of multiple linear regression analysis. Based on the findings and subsequent discourse, it can be inferred that the variables of leadership style, motivation, and compensation exert a notable impact, while job satisfaction, as a moderating variable, enhances the influence on the employees of PT Pelindo Daya Sejahtera, PHC Surabaya Hospital unit.

Keywords: Leadership Style, Employee Performance, Job Satisfaction

Abstrak

Rumusan masalah dalam penelitian ini adalah apakah gaya kepemimpinan, motivasi dan kompensasi berpengaruh terhadap kinerja dengan kepuasan kerja sebagai variabel moderasi secara signifikan terhadap karyawan PT Pelindo Daya Sejahtera unit Rumah Sakit PHC Surabaya. Populasi dalam penelitian ini adalah seluruh karyawan PT Pelindo Daya Sejahtera unit Rumah Sakit PHC Surabaya yang berjumlah 105 karyawan, dengan menggunakan teknik sampel jenah maka sampel dalam penelitian ini mengambil karyawan PT Pelindo Daya Sejahtera unit Rumah Sakit PHC Surabaya yng berjumlah 105 karyawan. Metode yang digunakan adalah analisis regresi linier berganda.Berdasarkan hasil analisis dan pembahasan, maka dapat disimpulkan bahwa variabel gaya kepemimpinan, motivasi dan kompensasi berpengaruh signifikan dan kepuasan kerja sebagai variabel moderasi berpengaruh memperkuat terhadap karyawan PT Pelindo Daya Sejahtera unit Rumah Sakit PHC Surabaya.

Kata kunci: Gaya Kepemimpinan, Kinerja Pegawai, Kepuasan Kerja
Introduction

The leadership styles exhibit variability based on the characteristics, individual traits, and behaviors of leaders, which in turn have an impact on the subordinates they manage. A prior study found evidence of a favorable relationship between leadership style characteristics and employee performance at the Airmadidi Branch of PT Tirta Sukses Perkasa (Club). The findings indicated a substantial beneficial relationship between situational leadership style, work motivation, job satisfaction, and teacher performance (Aji & Majidah, 2018).

Job satisfaction is a pivotal factor that people experience inside their professional environment, exerting a profound influence on the psychological well-being of employees. Diverse outcomes in work satisfaction may be seen among individual employees, depending on whether their satisfaction levels are high or low. The aforementioned situation has a significant effect on the workers' mental psychology. Noe et al. (2021) contends that a high level of job satisfaction dramatically contributes to the successful achievement of organizational objectives. Nevertheless, insufficient levels of work satisfaction have the potential to detrimentally impact an organization or firm via the diminished performance of its employees, whether this decline occurs rapidly or gradually. Job satisfaction refers to the emotional state of contentment, enjoyment, and ease experienced by individuals throughout the execution or culmination of their professional tasks. This phenomenon primarily affects employees who exhibit high levels of motivation and enthusiasm toward the successful completion of their jobs.

The workforce of PT Pelindo Daya Sejahtera, namely the Primasatya Husada Citra Surabaya Hospital Unit (PHC Surabaya Hospital), is organized under the supervision of four team leaders and one project officer. Leaders exhibit a range of distinct personalities while fulfilling their responsibilities and possess the capacity to oversee the performance of each subordinate within their purview. One notable aspect of the job responsibilities of PT Pelindo Daya Sejahtera employees at the PHC Surabaya Hospital is the presence of performance-related facts. In order to ensure the successful completion of tasks, it is advisable to consistently seek guidance and clarification. Failing to do so may result in outcomes that do not align with the leader's intended objectives. The administration of PT Pelindo Daya Sejahtera frequently employs direct motivational strategies within the workplace to inspire employees. However, it appears that these efforts have not yet had a significant impact on the performance of PHC Surabaya Hospital employees. This is evident from the fact that there are still certain personnel who have not demonstrated improvement in their performance as per the set targets. Employees who demonstrate a lack of diligence in executing instructions or directions within their professional roles may be influenced by ineffective leadership, resulting in incomplete absorption of information. Additionally, other factors may contribute to leaders' diminished ability to effectively convey motivation to their subordinates. The perceived
insufficiency of pay offered by the firm to its workers may operate as a hindrance to task completion, since it may result in diminished employee motivation and thus hinder their ability to accomplish the organization's objectives. This information may be ascertained via the examination of client grievances documented in meeting minutes, since they indicate instances when the quality of work is suboptimal. It is seen that on a monthly basis, there are ongoing tasks or directives that elicit complaints from customers affiliated with hospitals.

Based on empirical observations and qualitative interviews, a range of employee perspectives on leadership style emerged. Notably, employees expressed a sense of confusion upon completion of work instructions provided by leaders, which subsequently resulted in a diminished receptiveness towards directives issued by superiors. Employees and their bosses have a diminished sense of protectiveness. As a consequence, workers saw that their bosses had a less assertive and suitable demeanor when interacting with individual employees. In addition, it is worth noting that there is a deficiency in the extent to which superiors effectively engage workers in decision-making processes and policy formulation. Consequently, employees have expressed grievances over this issue, since their views and contributions are not adequately communicated.

**Theoretical Framework**

**Employee Performance**

Performance is the outcome of a process that is assessed and quantified within a certain timeframe according to predetermined criteria or agreements set by the organisation. Sutrisno (2016) posits that performance may be understood as the outcome of workers' efforts, which can be evaluated based on many dimensions such as quality, quantity, working time, and teamwork. These dimensions collectively contribute to the attainment of the organisational goals established by the leaders.

According to Nurdin & Rohendi (2016), there exist six indicators that are used to measure performance. These indicators include: 1) Work Result: This encompasses the degree of both quantity and quality achieved, as well as the amount of supervision implemented. 2) Job Knowledge: The extent of understanding and expertise pertaining to job-specific activities, which directly impacts the output's quantity and quality. 3) Initiative: The ability or willingness to take action and make decisions independently, without being prompted or directed by others. The degree of proactivity exhibited in the execution of job responsibilities, particularly with regard to addressing and resolving encountered challenges. 4) Mental Dexterity: The cognitive ability to quickly and effectively adapt to new or challenging situations, as well as the capacity to think critically and creatively. It is the proficiency and efficiency in comprehending job directives and adjusting to established work methodologies and circumstances. 5) Attitude: The degree of work passion and good disposition exhibited when doing job-related duties. 6) Time and Attendance Discipline: The concept of discipline refers to the practise
of self-control and adherence to rules or regulations in the factors of timeliness and attendance levels.

Leadership Style

According to Trang (2013), leadership style refers to a collection of attributes employed by leaders to exert influence over subordinates, with the aim of attaining organizational objectives. Alternatively, leadership style can be described as a framework of conduct and tactics that leaders prefer and frequently employ. As defined by Kumala & Agustina (2018): 1) The concept of leadership style pertains to the behavioural patterns and actions exhibited by a leader in their efforts to influence and guide their subordinates or followers. 2) The concept of leadership style refers to the behavioural patterns and behaviours exhibited by a leader when performing managerial duties.

Based on a comprehensive review of literature from both domestic and international sources, Fahmi (2011) identified five distinct markers of leadership styles. 1) Autocratization and Dictatorial Leadership Style: The leadership style characterized by autocratic tendencies is sometimes referred to as dictatorial or directed leadership. Leaders who use this method unilaterally make choices without engaging in any kind of dialogue or consultation with their workers. Consequently, employees are tasked with the responsibility of executing these decisions, so they are subject to the impact exerted by such decisions. Leaders have established the requisite dispositions that elicit a desire and inclination among others to willingly comply with their directives. This particular leadership style might be characterized as one that employs authority through force, demanding strict obedience. 2) Militaristic Leadership Style: It is characterized by a command system, wherein the flow of commands from superiors to subordinates is characterized by a very authoritarian approach. This approach necessitates strict obedience from subordinates and is characterized by a formal atmosphere. 3) Paternalistic Leadership Style: It is a managerial approach characterized by a leader who assumes a parental role towards their subordinates. One of the attitudes that is highly valued is rooted in the desire to safeguard those in inferior positions, akin to the affectionate bond exhibited by a parent towards their offspring. 4) Laissez faire Leadership Style: It is a management approach characterized by minimal intervention and guidance from leaders, allowing employees to have a high degree of autonomy and decision-making authority in their work. This leadership style grants subordinate’s autonomy in their job responsibilities while holding them accountable for attaining organizational objectives.

5) Democratic Leadership Style: It is a kind of governance characterized by the involvement of individuals in decision-making processes, where power is shared among members of a group or organization. This leadership approach emphasizes the need for open communication. This particular leadership style is sometimes referred to as consultative or consensual leadership. The individual responsible for coordinating this strategy actively engages the workers who are tasked with executing
the choices during the decision-making process. The one vested with the ultimate authority to make determinations is the leader. However, the implementation of these changes will only occur subsequent to the receipt of input and recommendations from members of the team. Critics argue that democratic leadership, due to its inherent characteristics, often yields decisions that are popular or liked but not always the most optimal. Additionally, they contend that democratic leadership tends to prioritize desired options above accurate decisions. This particular approach has the potential to result in concessions that ultimately provide the intended outcomes.

Motivation

As indicated in the study conducted by Hasibuan (2017) and Sutrisno (2016), it has been discovered that motivation serves as a catalyst for desire and acts as the primary impetus behind an individual's inclination to engage in activity, since each reason is associated with a specific objective to be attained.

According to Fadillah et al. (2013), the indicators of work motivation are 1) Responsibility: The concept of responsibility refers to the moral or ethical obligation that individuals have to fulfil their duties or obligations in a responsible manner. It demonstrates a strong sense of personal accountability towards his work. 2) Job Performance: Perform the task to the highest degree of your capability. 3) Opportunities for advancement: The aspiration to obtain equitable remuneration in proportion to one's labour. The acknowledgement of an individual's or group's accomplishments or achievements. 4) Recognition of performance: The aspiration to get remuneration that exceeds the customary level. 5) Challenging work: The concept of challenging work refers to tasks or projects that require a significant level of effort, skill, or intellectual capacity to complete successfully. Individuals possess a strong inclination to acquire knowledge and expertise in order to attain mastery in their respective professional domains.

Compensation

Compensation refers to the remuneration provided by an organization to its personnel as a sort of recompense for the services rendered. This encompasses several components, such as pay, benefits, amenities, and supplementary initiatives (Hasibuan, 2017).

In the opinion of Mangkunegara (2011), there are five distinct categories of remuneration. The first category is salary, which refers to a predetermined amount of money that employees get on a monthly basis. Typically, the remuneration is contingent upon the employee's occupational role or educational background and professional expertise. 1) Allowances can be seen as a supplementary kind of remuneration offered by organizations to fulfill the various requirements of their employees. 2) Benefits can manifest in several forms, including health benefits, education benefits, transportation
benefits, and other related advantages. 3) Incentives refer to forms of pay that are provided as a means of rewarding individuals for their exemplary performance. The range of incentives can exhibit variability, encompassing bonuses contingent upon employee performance, as well as incentives comprising monetary or material presents. 4) The corporation offers other forms of remuneration to its employees, including health insurance, life insurance, housing savings, and pension programmes. 5) Bonuses are a form of additional remuneration that is granted to individuals upon the successful attainment of predetermined objectives. Typically, bonuses are awarded to employees upon successful attainment of the company's aims or objectives.

Job Satisfaction

According to Aji (2018), there exist three distinct categories of theories pertaining to job satisfaction. Discrepancy Theory: The level of contentment or discontentment about various facets of employment is contingent upon the perceived disparity between desired conditions (expectations, wants, or values) and the subjective assessment of what has been attained or accomplished via one's professional endeavors. The Equity Theory: This theory is a social psychological concept that seeks to explain how individuals perceive and evaluate fairness in social exchanges and relationships. The level of job satisfaction experienced by an individual is contingent upon their perception of fairness (equity) in relation to their current circumstances. This may be accomplished by doing a comparative analysis of their experiences with those of their peers within the same academic or professional setting. The Two Factor Theory: This theory often known as Herzberg's Motivation-Hygiene Theory, is a psychological framework that seeks to explain workplace motivation and job satisfaction.

This hypothesis was initially proposed by Herzberg in Aji’s (2018) work. Based on the theoretical framework presented, employment features may be classified into two distinct categories: dissatisfiers, also known as hygiene factors, and satisfiers, also referred to as motivators. Hygiene variables encompass process-related elements that have the potential to elicit sentiments of job discontent among employees. The determinants encompass a range of elements inside an organization, including firm rules, administrative practices, supervisory roles, employee interpersonal dynamics, working environment, and compensation. In the context of organizational dynamics, motivators play a pivotal role as they serve as catalysts for positive affective responses among employees, ultimately leading to enhanced job satisfaction. These motivators are often instigated by organizations and executives, who strategically apply various techniques to foster a work environment conducive to employee engagement and fulfilment.

Several experts have proposed several indicators for quantifying variables related to work satisfaction. One indicator (Tentama, 2020) stating that indicators of job satisfaction include: 1) Satisfaction with the job itself: Job satisfaction can manifest by the extent to which work objectives
are assigned, encompassing duties that appeal to the employee's feeling of initiative. The presence of learning opportunities, a strong desire for personal development, and a sense of pride in assuming responsibilities is needed. 2) Satisfaction with payment: It is the accuracy obtained between the nominal amount of payment (salary/wages) received by the employee and several demands from the job. This is complemented with payments that have been received with several demands for equality between employees in a company. 3) Satisfaction with promotions: The level of satisfaction with promotions is contingent upon the recognition received from superiors, which serves as an assurance for the advancement of employees based on their enhanced performance. 4) Satisfaction with supervision: It is a feeling of satisfaction after completing the task when assigned. This is supported by second parties, which employees feel after carrying out work. 5) Satisfaction with work environment colleagues: It is a feeling that arises from the level of relationships with co-workers—building teamwork and the level of support between co-workers to achieve predetermined targets. The conceptual framework in this study stated in Figure 1.

Methods

The research methodology employed in this study is explanatory research, which incorporates a quantitative approach. The concept of population refers to a broad categorization including an item or topic possessing specific features and characteristics that are selected by the researcher for the purpose of study, leading to the formulation of research results (Sugiyono, 2017). The sample for this study consisted of 105 individuals who were workers of PT Pelindo Daya Sejahtera, PHC Surabaya Hospital. According to Sugiyono (2017), identifying the sample is part of the number and characteristics of the population in determining the sample size. In determining the sample size, it will be processed from the total population, so it must be done using appropriate sampling techniques.

![Figure 1. Research Conceptual Framework](image_url)
The main stage in selecting information in the election is making observations by stating objective facts at the research site. Furthermore, observation involves several confusing combinations of mental and physical cycles (Sugiyono, 2017). The questionnaire will be obtained by involving all respondents with the aim of providing some data, as well as a series of written and verbal questions based on the facts that occurred (Sugiyono, 2017). In the questionnaire, a predetermined Likert scale is used to collect the data needed in the research. Documentation is a record of events that have occurred or passed in the past. This can be in the form of images, poetry, or expert work. In essence, the documentation method collects secondary data, which is used as evidence for research material. Research cannot be carried out without a literature or library study (Sugiyono, 2017). Literature studies include various cultural values, norms, and theories related to the social situation being studied. This is a very important factor in research.

**Data Analysis and Discussion**

Based on the obtained data, it is evident that the computed r value surpasses the tabulated r value. It may be inferred that the indications for all items inside variables X1, X2, X3, Y, and Z are deemed legitimate. Based on the outcomes of the reliability test, it is evident that all variables exhibit a Cronbach's alpha value of ≥ 0.60. Based on the data that has successfully undergone the reliability test, it may be inferred that all variables exhibit a satisfactory level of dependability. Based on the results of the Normality Test, it can be inferred that the significance value is 0.657, indicating that the significance value above the threshold of 0.05. This observation suggests that the regression model employed has a normal distribution.

Based on the results of the Heteroscedasticity Test, it can be observed that there is an absence of any discernible graphical pattern, such as a plot or wave-shaped pattern, that exhibits a widening and narrowing trend. Upon analysing the point distribution of the graph, it is observed that the points are dispersed both above and below the value of 0. It may be asserted that the heteroscedasticity test does not exhibit any issues.

Based on the results of the Multicollinearity test, it can be inferred that the Variance Inflation Factor (VIF) values for the independent variables, namely Leadership Style (X1), Motivation (X2), and Compensation (X3), are 1.055, 1.268, and 1.228, respectively. These values indicate a low level of multicollinearity among the independent variables. Furthermore, the VIF value for the dependent variable, Job Satisfaction (Z), is 1.058, suggesting a little impact of multicollinearity on the relationship between the independent factors and Job Satisfaction. The VIF value is seen to be less than or equal to 10, but the tolerance value exceeds 0.1. Based on the results of the multicollinearity test, it can be inferred that there is no evidence of multicollinearity present in the regression model.
Multiple Linear Regression Test

A regression equation can be found in the form, namely:

\[ Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 - b_4Z + b_5X_1*Z + b_6X_2*Z + b_7X_3*Z + e \]

\[ Y = 0.298 + 0.278X_1 + 0.231X_2 + 0.425X_3 - 0.147Z + 0.032X_1*Z + 0.023X_2*Z + 0.049X_3*Z + e \]

In the Leadership Style Variable (X1) on Employee Performance (Y), the regression coefficient value is 0.278, and the significance value is 0.002 (<0.05). Thus, it is concluded that the Leadership Style variable (X1) has a positive and significant effect on the employee performance variable. Based on this data, the more appropriate the leadership style applied in everyday life, the higher the influence on employee performance.

In the Motivation Variable (X2) on Employee Performance (Y), it is known that the regression coefficient value is 0.231 and the significance is 0.008 (<0.05). Therefore, the Motivation variable (X2) positively and significantly affects employee performance. From these data, the higher the motivation given at work, the higher the application of the spirit of performance to employees.

In the Compensation variable (X3) on Employee Performance (Y), it is known that the regression coefficient value is 0.425, and the significance is 0.000 (<0.05). Hence, the Compensation variable (X3) positively and significantly affects Employee Performance. Based on this data, the more adequate compensation is to meet employee needs, the higher the employee performance.

Leadership Style Variable (X1) on Employee Performance (Y) with Job Satisfaction (Z) as a variable is known, having a regression coefficient value of 0.032 and a significance value of 0.219 (<0.05). Based on these data, the job satisfaction variable is able to moderate the influence of the leadership style variable on employee performance variables. The job satisfaction factor increases the influence of leadership style if it is in accordance with what employees want on employee performance.

The Motivation Variable (X2) on Employee Performance (Y) with Job Satisfaction (Z) as a variable is known to have a regression coefficient value of 0.025 and a significance value of 0.184 (<0.05). Based on these data, the job satisfaction variable can moderate the influence of motivation variables on employee performance variables. The sense of satisfaction felt by employees can increase employee motivation in employee performance.

The Compensation Variable (X3) on Employee Performance (Y) with Job Satisfaction (Z) as a moderating variable is known to have a regression coefficient value of 0.049 with a significance value of 0.060 (<0.05). It can be concluded that the job satisfaction variable can moderate the influence of the compensation variable on the employee performance variable. It was stated directly by employees that the compensation provided by the company can increase satisfaction, which leads to increased employee performance.
Multiple Determination Coefficient Analysis

Based on the results of the coefficient of multiple determination, it is known that the R Square value is 0.401, which means that the contribution of the influence of leadership style, motivation and compensation variables to employee performance variables is 40.1%.

Hypothesis testing using t Test (Partial)

Partial independence has a significant relationship with the independent variable. Based on the t-test results using SPSS software, it is known that the leadership style variable (X1) significantly affects employee performance (Y). This can be proven by a significance value of 0.002, smaller than 0.05. Thus, the leadership style variable has a significant effect on employee performance variables partially. The significance value of the Motivation variable (X2) is 0.008, which is smaller than 0.05. Hence, the Motivation variable (X2) has a significant effect on the employee performance variable partially. The significance value of the Compensation Variable (X3) is 0.000, which is smaller than 0.05. Therefore, it can be concluded that the Compensation variable (X3) significantly affects the Employee Performance variable.

Conclusion

The aims of this study is how much influence the leadership style, motivation, and compensation that has developed over time affects the performance of employees of PHC Surabaya Hospital. Other aims is to examine the existence of job satisfaction as a moderating factor with the power to strengthen or weaken leadership style, motivation and compensation on the performance of PHC Surabaya Hospital employees, then follow up on the issue of whether leadership style, motivation, and compensation need to be taken into action, to be repaired or vice versa.

Leadership style positively influences the performance of PHC Surabaya Hospital employees. It is known that the regression coefficient value is 0.278, and the significance value is 0.002 (<0.05). The fact of everyday work is that the working conditions are conducive to the implementation of a leadership style that is in accordance with the employee's character. Based on the company culture that has been established, this has the effect of improving the performance of employees at PHC Surabaya Hospital.

Motivation positively affects the performance of PHC Surabaya Hospital employees. It is known that the regression coefficient value is 0.231, and the significance is 0.008 (<0.05). This directly explains that the higher the motivation is given, the better the performance of the employees of PHC Surabaya Hospital.

Compensation positively influences the performance of PHC Surabaya Hospital employees.
It is known that the regression coefficient value is 0.425, and the significance is 0.000 (<0.05). Employees can feel this because the compensation provided by the company is adequate. This affects the performance PHC Surabaya Hospital.

Job satisfaction has a moderating influence by strengthening leadership style on the performance of PHC Surabaya Hospital employees, with a significance value of 0.219 (<0.05). This means that with the strong influence that comes from the high Leadership Style Value and job satisfaction obtained by the employees, the better the performance of the employees.

Job satisfaction can have a moderate influence and can strengthen the influence of motivation on the performance of employees of PHC Surabaya Hospital. It is known that the significant value obtained is 0.184 (<0.05). It can be concluded that job satisfaction can have an influence on motivation. If these two factors are met, all targets will be achieved, which means that the performance of PHC Surabaya Hospital employees will increasingly meet management's expectations.

Job satisfaction can be influenced moderately by strengthening the influence of compensation on the performance of employees of PHC Surabaya Hospital, with a significance value of 0.060 (<0.05). Conclusions can be drawn from the company's fulfillment of compensation and job satisfaction obtained by employees. Hence, the performance of the employees of PHC Surabaya Hospital will increase according to the satisfaction they get.

**Recommendations**

Leadership style is one of the variables that can influence employee performance. In this leadership style factor, leaders are expected to implement policies regarding the freedom of their subordinates to carry out their work or instructions according to their abilities. They are expected to be able to respect the process by involving subordinates in making every decision related to employees. In completing work in order to realize the company's goals, with this attitude, employees will feel more cared for and appreciated so that they can use their abilities or responsibilities to provide satisfaction for the company.

Motivation is one of the variables that directly influences employee performance. The motivation factor is that employees will be given motivation or develop constructive motivation. This is a feeling that arises from employees' desire to achieve all goals, the motivation that employees have, and the satisfaction factor that impacts employee self-satisfaction.

Compensation is a variable that influences employee performance. In terms of compensation, employees are expected to receive compensation from the company that is following the performance and achievements that the employee has made. This can trigger a sense of responsibility, increased performance, and employee gratitude so that employees will improve to achieve each company's
goals, vision, and mission.

Job Satisfaction is a variable that moderates and strengthens the variables of leadership style, motivation, and compensation on employee performance. In several job satisfaction factors, employees are expected to be led by leaders with a good leadership style, increase their motivation so that they can feel comfortable carrying out their duties and receive compensation, which is in accordance with all the achievements set by the company so that they can feel maximum job satisfaction.

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