

The Influence of Leadership Style, Work Environment And Compensation Towards Performance Employee Og Limited Liability Company Nampar Nos Ruteng

Olga Dinata¹, Mohamad Choldun Sina Setyadi², Tanto Gatot Sumarsono³

¹Sistem in program of master, University Merdeka Malang, Indonesia

²Faculty of Economics and Business, Merdeka University Malang, Indonesia

Abstract: *this study aims to 1) describe the variable leadership style, work environment, and compensation for the performance of employees of PT Nampar Nos Ruteng. 2) to analyze the influence of leadership style and work environment as well as compensation on the performance of employees of PT Nampar Nos Ruteng. 3) to analyze the variables that have a dominant influence between the variable leadership style and work environment as well as compensation for the performance of employees of PT Nampar Nos Ruteng. The sample in this study was 68 employees. The data analysis technique in this study used multiple linear regression analysis. The results showed that the leadership style, work environment, and compensation simultaneously affected employee performance.*

Keywords: *Leadership Style, Work Environment, Compensation, Employee Performance*

Date of Submission: 07-02-2021

Date of Acceptance: 21-02-2021

I. Preliminary

A company organization was founded because it has certain goals that you want and must achieve. In achieving its goals, every organization is influenced by organizational behavior. One of the activities most commonly carried out in organizations is employee performance, namely how he or she does everything related to all jobs or roles in the organization. Understanding performance or performance is a description of the level of achievement of the implementation of a policy program in realizing the goals, objectives, vision, and mission of the organization as outlined in the strategic planning of an organization. The meaning of the word performance comes from the words job performance and is also called actual performance or work performance or actual achievement that has been achieved by a career person. Moeharionto (2012 : 69).

PT Nampar Nos is a drinking water company engaged in the business of bottled drinking water products. Located at Jln SMU Negri 2 Ruteng, Manggarai, East Nusa Tenggara. During its development, PT Nampar Nos has many employees in it. It is these employees who produce this drinking water into bottled drinking water that is ready for sale.

II. Literature Review

2.1 Leadership Style Theory

Leadership style is a behavior as well as a strategy, as a result of a combination of skills, traits, attitudes, which are often applied by a leader when he tries to influence the performance of his subordinates (Tampubolon, 2007).

According to House in Gary Yukl, (2009:4) states that: Leadership is an individual's ability to influence, motivate, and enable others to contribute to organizational effectiveness and success. In House's opinion, it can be said that leadership is a way of influencing and motivating others so that person is willing to contribute to success.

2.2 Work Environment Theory

The work environment consists of physical and non-functional environments, which are attached to employees so that they cannot be separate. According to Sedaryamanti, (2009:31) the physical work environment is all physical conditions that exist around the workplace which can affect employees either directly or indirectly. Meanwhile, a non-physical work environment is all situations that occur in connection with work relationships, both relationships with superiors and colleagues.

2.3 Compensation Theory

According to Malayu SP Hasibuan (2012:118) states that: "all income in the form of money, direct or indirect goods received by employees as compensation provided to the company".

2.4 Employee Performance Theory

According to Moehariono (2012), employee performance is the result of work that can be achieved by a person or group in an organization, both quantitatively and qualitatively under their respective authorities and responsibilities, to achieve the goals of the organization concerned legally, does not violate the law, and according to ethical morals. According to Mangkunegara (2009), employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties under the given responsibilities. Prawirosentono (2008) defines performance or performance as the result that can be achieved by a person in an organization under their respective authorities and responsibilities in striving to achieve organization goals legally and under morals and ethics.

2.5 Variabel Operational Definition

a. leadership style (X1)

According to Kartono (2008), a person's leadership style can be seen and assessed from several indicators as follows:

- 1) Decision-making ability,
- 2) Motivating ability,
- 3) Communication skills,
- 4) Ability to control subordinates.

b. Work Environment (X2)

meanwhile, according to Sedarmayanti (2009: 28) the indicators of the work environment are as follows:

- 1) Lighting /lighting at work,
- 2) Air circulation at work,
- 3) Noise at work,
- 4) Bad smell at work

c. Compensation (X3)

According to Simamora (2004), indicators for measuring employee compensation include the following:

- 1) Wages and salaries
- 2) Incentive,
- 3) Allowance,
- 4) Amenities,

e. Employee Performance (Y)

Employee Performance Indicators consist of:

- 1) Punctuality,
- 2) Working quantity,
- 3) Work quality

2.6 Population And Sample

The population in this study were 210 employees of PT Nampar Nos Ruteng. This sampling method using simple random sampling method. With a population of 210, samples taken were 68 respondents, using the slovin formula.

2.7 Data Analysis Technique

This data analysis technique uses descriptive analysis, and multiple linear regression to determine the effect of two or more independent variables on one dependent variable. This analysis is also useful for knowing which independent variables are the most influential among other variables. The equation model can be formulated as follows:

$$Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information: Y= employee performance, X1= employee performance, X2= work environment, X3= compensation, α = constant value, b= regression coefficient, e= residual error.

III. Research Results And Discussion

3.1. Respondent's description

The number of respondents in this study were 68 people. It consist of some employees of PT Nampar Nos Ruteng, with different characteristics. Therefore, it requires grouping with certain characteristics as follows:

Table 1. Characteristics Of Respondents

Age	Frequency	Percentage %
20-26	23	38%
26-44	9	15%
44-55	20	33%
54-60	8	14%
Level of education		
High school	49	72%
Bachelor	19	28%
Years of service		
1-3	3	5%
4-6	6	10%
7-9	4	7%
10-12	7	12%
13-15	9	15%
16-18	12	20%
19-21	10	17%
22-24	7	12%
25-27	2	2%

3.2 Validity Test

Based on the results of the validity test of all item statements for each variable, the probability value is smaller than $\alpha = 0.05$. these results indicate that the statement items from the variables of leadership style, work enviroment, compesation and employee performance in the questionnaire are valid, because they are able to measure what should be measured.

3.3 Reability Test

It shows that the variables of leadership style, work enviroment, compesation and employee performance have a reliability coefficient of 0.68, therefore it is appropriate to be used in this study.

3.4 Multiple Linear Regression Analysis

Table 2. Multiple Linear Regression Analysis

Variable	Regression Coefficient	Don't count	Sig.	Information
Leadership style	0.177	2,306	0.024	Significant
Work environment	0.193	1,727	0.089	Not significant
compensation	0.261	4,418	0,000	Significant
Constant	1,912			
R square	0.627			
Adjusted R square	0.609			
F count	35,811			
Sig. F	0,000			
N	68			
The dependent variable = compensation (Y)				
F table =	2.76			
t table =	1,997			

From the data shown on table 4.6 it can be seen that the constant value of multiple linear regression is 1.912 where the regression coefficient value of the variable leadership style is 0.177, the work environment regression coefficient is 0.193, and the compensation regression coefficient value is 0.261. Therefore, referring to the multiple linear regression equation formula $Y=a+b1.X1+b2.X2+b3.X3+ei$, a multiple linear equation can be formed as follows:

$$Y=1.912 + 0.177 X1 +0.193 X2 + 0.261 X3 + ei$$

Where:

Y = Employee Performance

X1 = Leadership Style

X2 = Work Environment

X3 = Compensation

Ei = Residual Error

Implications of Significance

- a. The constant 1,912 contains variables of leadership style, work environment and compensation.
- b. The regression coefficient X1 (leadership style) is 0.177 and positive means that there is unidirectional influence. An increase in the leadership style variable will have a tendency to be followed by an insecure in employee performance.
- c. The regression coefficient X2, (work environment) is 0.193 and positive means that there is a unidirectional influence.
- d. The regression coefficient X3(compensation) is 0.261 and is positive, meaning that there is a unidirectional influence.
- e. The coefficient of determination is 0.627.

It has an implication that the variable leadership style, work environment and compensation have an effect on the performance of the employees of PT, Nampar Nos Ruteng, amounting to 62,7%

3.5. Classic Assumption Test

Multicollinearity Test

To detect the presence or absence of multicollinearity by looking at the value to detect the presence or absence of multicollinearity by looking at the Tolerance and VIF value. If the Tolerance value is more than 0.1 and the VIF value is less than 10 then multicollinearity does not occur.

Table 3. Multicollinearity Analysis if Colinearity Data

Variable	Tolerance	VIF
X1 leadership style	0.993	1.538
X2 work environment	0.652	1.534
X3 compensation	0.650	1.007

The table above that among the independent variables there is no multicollinearity problem, where the variance inflation factor (VIF) test results each show a numerical value of less than 10 (VIF < 10). A VIF value that is smaller than 10 indicates that there is no multicollinearity problem in this research model, whereas when viewed from the tolerance value on the variable leadership style, work environment, compensation, it has a value greater than 0.1 (tolerance 0.1.), than Among these three variables, there is no multicollinearity problem.

Heteroscedasticity Test

The following table is the result of the heteroscedasticity test for competency variables leadership style, work environment, compensation to each performance.

Table 4. Heteroscedasticity Analysis of Data

Variable	Sig value
Leadership style	0.359
Work environment	0.248
compensation	0.610

The table above shows that among that among the independent variables there is no heteroscedasticity problem because all sig values for each variable are > 0.05.

Autocorrelation Test

A good regression model requires no autocorrelation problems. The impact caused by the autocorrelation sample variant cannot describe the population variant.

Table 5. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.327a	.107	.625	3,11658	1,123

From the output result above, the DW value generated from the regression model is 1,123. Whereas from the DW table with a significance of 10% and the amount of data n = 68 and k = 3, the value of dL = 1.4797 and dU

= 1.6889 is obtained because the DW value (1.123) lies between dU (1.6889) and 4-dU (2,312) then Ho is accepted, which means there is no autocorrelation.

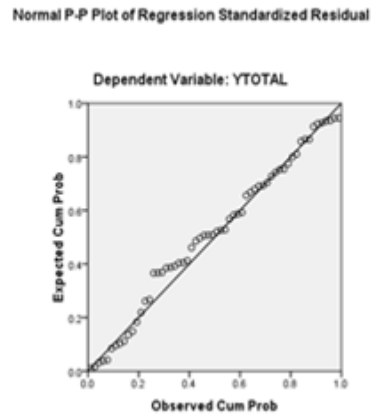
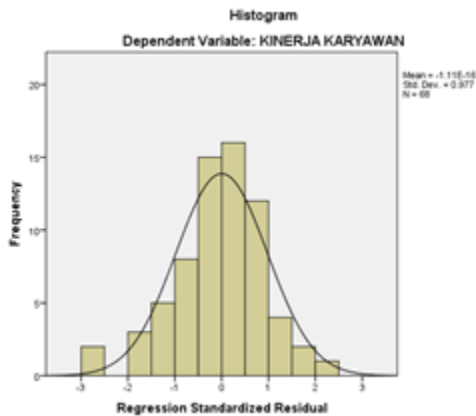
Normality Test

Normal probability testing with the following decision-making criteria:

Table 6. Data Normality Test with Skewness and Kurtosis

	X11TOTAL
N	Valid
	68
	Missing
	0
Skewness	-0.279
Std. Error of Skewness	0.291
Kurtosis	-0.252
Std. Error of Kurtosis	0.574

From the table above, it is clear that the Skewness ratio = $-0.279 / 0.291 = -0.10$ while the Kutosis ratio = $-0.252 / 0.524 = -0.48$. The test criteria are whether the data is normally distributed or not with the provisions, namely if the skewnees ratio and the kurtosis ratio in between -2 to + 2, it can be concluded that the data distribution is normal. From the ratio of skewnees and kurtosis above, it is obtained -0.10 to -0.48 which means that it is in the range between -2 to + 2, which mean that the data is normally distributed. In addition , It can also be shown by the image of the histogram curve and the normal PP Plot curve. Of Regression, can be seen in the following figure.



3.6. Hypothesis testing

First Hypothesis

Table 7. F Test Result Motivation, Satisfaction, and Work Environment

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	269,324	3	89,775	36,907	.000b
Residual	155,676	64	2,432		
Total	425,000	67			

To test the first hypothesis which states that leadership style, work environment and compensation simultaneously have a significant effect, on employee performance using the F test. 05 then the leadership style (X1), work environment (X2), and compensation (X3), simultaneously or as a whole have an effect on employee performance (y). Thus, based on the above calculations it can be concluded that, the first hypothesis which states that leadership style, work environment and compensation simultaneously affect the performance of employees of PT . Nampar not is statistically proven with a 5%.

Second Hypothesis

Table 8. K test Efficient partial Regression.

Variable	Don't count	t table	Sig	Information
Leadership style	2,306	1,997	0.024	Significant
Work environment	1,727	1,997	0.089	Not significant
compensation	4,418	1,997	0.000	Significant

The result of the regression analysis obtained the value of t count = 4.418 while the value of t table = 1.997 so that t count > t table or a significance value of 0.000 < 0.05 so H_0 is rejected, and it is proven that the work Environment variable (X3) has a significant effect on employee performance (Y).

Third Hypothesis

Table 9. Result of the Dominant Variable Regression Coefficient Test

Variable	B	Don't count	t table	Sig	A	Information
Leadership style	0.177	2,306	1,997	0.024	0.05	Significant
Work environment	0.193	1,727	1,997	0.089	0.05	Not significant
Compensation	0.261	4,418	1,997	0,000	0.05	Significant

From the calculation result in table 4:26 which have been stated earlier, it shows that the coefficient of each variable is leadership style (X1) 2.306, work environment (X2) 1.727 which means that the effect is not significant, Compensation (X3) 4,418 which means that It has a significant effect on employee performance (Y). Thus, from the result of the third hypothesis test, it is assumed that the compensation variable (X3) is the variable that has a dominant effect on the performance of the employees of PT.Nampar Nos. Thus the third hypothesis is statistically proven with 5%.

IV. Discussion Of Research Results

The discussion is directed in an effort to answer the main research problems, namely. The influence of leadership style, work environment and compensation on employee performance.

4.1. The Influence Of Motivation Variables On Employee Performance

The result showed that the leadership style had a significant influence on the performance of the employees of PT Nampar Nos with a significance value of $0.024 < 0.05$. Improved employee performance is determined by the size of the leadership style possessed by the leader in the company. This result is supported by research conducted by Wameedh A. Khadir (2011) which states that leadership style has a significant effect on employee performance. Also, it is also strengthened by the results of observations and interviews that the variable leadership style is an important aspect that must be present and implemented by employees at PT Nampar Nos. employees feel that their lack of leadership style has an impact in their performance as company employees.

4.2 The Influence Of Job Satisfaction Variables On Employee Performance

The result showed that the work environment had an insignificant influence on the performance of PT Nampar Nos employees with a significance value of $0.089 > 0.05$. employee performance improvement is determined by the higher level of comfort experienced or felt by employees in their work environment. These results are supported by the research conducted by Veronika Aprilia DS. (2015), the influence of work environment, work discipline, and organizational commitment to employee performance.

4.3. The Influence Of Work Environment Variables On Employee Performance

The result showed that compensation has a significant effect on employee performance with a significance value of $0.000 < 0.05$. This result is reinforced by observations, and interviews that the compensation of PT Nampar Nos employees needs to be increased by the company. Company employees realize that in serving themselves as workers, they have compensation according to the level of their work.

So that it can affect their performance. Thus, employees realize that compensation has a significant effect on the performance of PT Nampar Nos employees.

4.4. Implications Of Research Results

As a research conducted in a coal company environment, the conclusions drawn certainly have implications for the drinking water industry as well as further research. In this regard, the implications are as follows: The results of the study are used as reference material for PT Nampar Nos to improve employee performance in order to achieve company goals. In improving company performance, PT Nampar Nos should pay attention to factors of leadership style, work environment, and compensation. This study also found that compensation is a dominant variable in improving employee performance. Thus the company should prioritize the evaluation of compensation so that company performance can be improved. In the third hypothesis, it is

assumed that work environment variables have a dominant effect on the performance of PT Nampar Nos Ruteng employees can be proven and accepted in this study. This is in accordance with a research by Aldo Herlambang et al (2014) which shows that work motivation and work environment together have a positive effect on employee performance.

4.5. Conclusions And Recommendations

Based on the research results, the performance of the employees of PT Nampar Nos is not yet optimal also that it needs to be improved again in order to achieve the goals of the company. In this study, the Leadership Style variable has an indicator, namely responsibility, where the sub-items of this indicator state the relationship between the role of leaders and their subordinates. Where the leader is responsible for everything in the company, including employees. It is expected that employees have a sense of trust in the leadership because everything that is needed in the work process is prepared by the leadership. When leaders fulfill all their responsibilities, employees will also work optimally.

The work environment variable has an indicator, namely the air circulation in the workplace where the sub-item of this indicator is a workroom where the temperature is sufficient to make work safer. This suggests that a suitable temperature is desirable in the workplace. Where when the temperature is a bit too hot or cold it really disturbs the continuity of work. Moreover, PT Nampar Nos is located near a mountain, so the temperature must be cold. So an appropriate temperature is needed, for example, heating, so that it can work comfortably and optimally.

In this study, compensation has an allowance indicator, where the sub-item indicator is to provide allowances in accordance with employee expectations. Where the higher the number of allowances provided by the company to employees, the better the employee's performance. Based on the research it is known that, simultaneously leadership style and compensation have a significant effect on the performance of employees of PT Nampar Nos.

Compensation has a dominant effect on employee performance, where the compensation given to employees will make employees work more optimally. This shows that the main aspects that is considered in improving employee performance is how loyal the company is to its employees.

4.6. Suggestion

from the results of the above conclusions, the suggestions for this study are as follows:

1. For Employees

In facing competition in bottled drinking water, employees continue to be balanced with compensation, in order to improve the performance of the company. In addition, employees must also pay attention to factors of leadership style and work environment factors that support company activities so that the implementation of company operations runs well and the result achieved are satisfactory and in accordance with the goals of the company.

2. For Companies

Compensation for employees needs to be maintained and increased again by providing wages or salaries to employees to continue to maintain and improve their performance.

a. The leadership style needs to be maintained and improved by increasing the relationship between employees and leaders and creating a system for designing the work to be done.

b. The work environment needs to be maintained and improved again by the company, this is done by creating a conducive and comfortable work atmosphere for employees, in order to improve their performance.

3. For Further Researchers

This study only examines the variables of leadership style, work environment and compensation in only one company. For this reason, it is hoped that the next researcher will examine other variables, and not only in one company but in the industrial scope.

References

- [1]. Moehariono. 2012. Pengukuran Kinerja Berbasis Kompetensi. Jakarta: Raja Grafindo Persada.
- [2]. Tampubolon, Biatna.D. 2007. Analisis Faktor Gaya Kepemimpinan dan Faktor Etos Kerja Terhadap Kinerja Pegawai Pada Organisasi yang Telah Menerapkan SNI 19-9001-2001. Jurnal Standardisasi. No.9. Hal:1006-115.
- [3]. Semederdayanti. 2009. *Pengembangan kepribadian pegawai*. Bandung: Mandar.
- [4]. Hasibun, Malayu. 2012. *Manajemen sumber daya manusia*. Jakarta: PT Bumi Aksara.
- [5]. Mangkunegara, Anwar Prabu. 2009. *Evaluasi Kinerja Sumber Daya Manusia*. Bandung: Penerbit Refika Aditama.
- [6]. Prawirosentono. 2008. *Manajemen sumber daya manusia kebijakan kinerja karyawan*. Yogyakarta: BPFE
- [7]. Kartono, Kartini. 2011. *Pemimpin dan Kepemimpinan*. Jakarta: PT. Raja Grafindo Persada.
- [8]. Simamura, Henry. 2004. *Manajemen Sumber Daya Manusia*. Yogyakarta: STIE YKPN
- [9]. Aldo, Herlambang Gardjito. 2014. Pengaruh Motivasi Kerja dan Lingkungan Kerja Terhadap Kinerja Karyawan (Studi Pada Karyawan Bagian produksi PT. Karmand Mitra Andalan Surabaya). Jurnal Administrasi Bisnis. 13(1).