ANALYSIS OF THE EFFECT OF LEADERSHIP STYLE, DISCIPLINE, AND MOTIVATION ON EMPLOYEE PERFORMANCE IN PT RIMBA KENCANA MALANG

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Abstract: Retaining job satisfaction and organizational commitment are the most usual problems faced by a company. The purpose of this research is to answer the impact of job satisfaction on turnover intention, impact of organizational commitment on turnover intention, and impact of job satisfaction on turnover intention through organizational commitment as intervening variable. The sample used was employees of Swiss-Belinn Malang; the number of samples specified in this study is 25 respondents who are employees at the Back of House (BOH). The method used in this sampling is to use census questionnaire instrument used to collect research data, while the data analysis method used is multiple linear regression analysis, by using SPSS. The test results of the hypothesis show that job satisfaction has a positive and significant impact on the variable of employee turnover intention in Swiss-Belinn Malang. Organizational commitment results show positive and significant impact on employee turnover intention. Job satisfaction has an effect on turnover intention through organizational commitment. In this study, organizations are able to mediate full commitment (full mediation) the relationship between job satisfaction on employee’s turnover intention in Swiss-Belinn. To avoid turnover intention, the Swiss-Belinn need to maintain employee satisfaction by providing facilities that can be enjoyed employees create a harmonious working environment between the employee and the employer and the company should pay more attention to the work of employees with recognition of the results of his work. Swiss-Belinn Hotel needs to maintain the organizational commitment by the company to impose sanctions if the employee resigns before the agreed time period.

Keywords: job satisfaction, organizational commitment, turnover intention.

Human resource is one factor that is very important for a company besides other factors such as assets and capital. Human resources include all persons who are members of a company. Each of them has their own roles and functions. Rapid change in business environment has demanded the role of human resources to be a source of competitive advantage for a company. It also means that the organization must be able to improve current achievement in order to obtain better achievement in the future (Bangun, 2012). An employee who has high and good performance certainly will support the achievement of goals and objectives set by the company he/ she works in (Susanty and Baskoro, 2012). Nevertheless, performance is a very complex concept, both its defi-
nition and measurement, and often becomes a challenge for researchers who study organizational behavior and human resources. The determinant of employee performance can be explained by attribution theory, which states that two basic categories of attribution attached to an employee that will determine his performance are dispositional attribution (internal) and external attribution (situational). External attribution (situational) can be seen as the result of external factors that make a person forced to behave due to a certain situation, for example the leadership role that governs human resources within the organization. Meanwhile, dispositional attribution (internal) is a behavior that is believed to be under the personal control of the relevant individuals, such as work motivation and discipline of the employees (Robbins and Judge, 2014).

Leaders have a very important role in managing human resources. Leadership style of a leader will give direction to subordinates (Sudarmo and Lukita, 2016). Leadership style is the way of a leader in directing, encouraging and managing all elements within the company to achieve the expected corporate goals (Hapid and Sunarwan, 2014). Leadership style is proved to have a big role in improving employee performance.

In addition to the style of leadership, employee motivation has a very important role in improving employee performance. Motivation is a response of employees to a number of statements about all efforts that arise from within the employees in order to force them to work hard and achieve the goals set by the company (Rumondor et al., 2016). Motivation is proven to give a significant effect on employee performance. Motivation is the main force that is used by individuals to achieve a goal.

Another factor that can affect employee performance besides leadership style and motivation is work discipline. Work discipline is a manifestation of compliance with work rules and also personal responsibility of employees to the company (Putra and Indrawati, 2015).

PT Rimba Kencana is a company engaged in the production of spare parts to meet the needs for body of 4-wheel vehicle, such as: seat recliner, seat slider, glass lock, and others. Since July 2011, the company’s leadership has been transferred from Tanto Wadimuljo to Permadi, M.Sc. The autocratic leadership style of Tanto Wadimuljo is still continued by Permadi until now because the majority of top management at PT Rimba Kencana is family. The results of the initial survey show some problems felt by the employees of Rimba Kencana. Many employees feel that high position in corporate management (e.g., supervisors) does not make them have enough strength to empower the ability of their subordinates because production manager of the company has the veto power to manage all employees of production department. Centralized authority on leadership also has made employees feel less appreciated, especially employees in production department. There is almost no input provided by employees (non-supervisor) related to production problems. This condition relatively has decreased the motivation of employees of production department. Many employees feel that their opinions have never been heard, so they feel unappreciated and treated like machines; they are just used to achieve corporate goals.

The other symptom that appears regarding human resource problems in PT Rimba Kencana is the decline in the work discipline of employees. This does not only disrupt the production process of company, but also hampers the achievement of the overall corporate target. The most common form of disciplinary offense found is employee’s absenteeism and lateness. Absenteeism often occurs in employees of production department, especially on Monday. At least, there are as many as 5-13 people from 75 employees absent, including supervisors; they once were late at the same time.

On this occasion, the researchers are interested in conducting a research on: “The Effect of Leadership Style, Motivation and Work Discipline on Employee Performance of PT Rimba Kencana Malang.”

RESEARCH OBJECTIVES

Based on the problem formulation described, then this study aims to:
Analysis of The Effect of Leadership Style, Discipline, and Motivation on Employee Performance

1. Analyze the effect of leadership style on employee performance of PT Rimba Kencana Malang.
2. Analyze the effect of motivation on employee performance of PT Rimba Kencana Malang.
3. Analyze the effect of work discipline on employee performance of PT Rimba Kencana Malang.

RESEARCH METHOD

Type of Research
Type of research used in this research is quantitative research method with survey approach. The relationship of variables studied in this study is the relationship between leadership style, motivation and work discipline, and employee performance.

POPULATION AND SAMPLE
The population involved in this research is 75 employees of production department at PT Rimba Kencana Malang. Furthermore, the sample in this research will be calculated by using Slovin’s formula, with 5% error rate (Umar, 2011), as follows:

\[ n = \frac{N}{1 + ne^2} \]
\[ n = \frac{75}{1 + 75(0.5)^2} \]
\[ n = 63 \]

Note:
- \( n \): Number of sample to be taken
- \( N \): Number of population
- \( e \): Error rate (5%)

Based on Slovin’s formula, from the total population of PT Rimba Kencana Malang as many as 75 people, with error rate of 5%, then there are 63 respondents who can be used as a sample. Sampling technique used in this research is purposive sampling, namely sampling technique with certain consideration (Sugiyono, 2014).

Data Sources
The type of data used in this study is quantitative data, namely data which is obtained and real-
X2 = Motivation (X2)  
X3 = Work Discipline (X3)  
\( \beta_1 = \) Regression coefficient X1  
\( \beta_2 = \) Regression coefficient X2  
\( \beta_3 = \) Regression coefficient X2  
\( \epsilon = \) Residual

**T-test**

T-test shows how far the influence of one independent variable individually in explaining the variation of dependent variable. If the significance of t count < 0.05, then an independent variable individually affects dependent variable significantly (Ghozali, 2012).

**F-test**

F-test is used to indicate whether all independent variables included in the model have a significant influence simultaneously on the dependent variable (dependent). If the significance of F count < 0.05, then it can be said that all independent variables simultaneously affect the dependent variable significantly. The simultaneous influence of independent variables on dependent variable shows that the regression model used can be declared statistically feasible (Ghozali, 2012).

**Classical Assumption Test**

**Multicollinearity Test**

Multicollinearity test is analytical analysis used to test whether the regression model has a correlation between independent variables. Multicollinearity can be seen from the value of tolerance and Variance Inflation Factor (VIF). If the value of VIF > 10, there is multicollinearity (Ghozali, 2012)

**Heteroscedasticity Test**

Heteroscedasticity test aims to test whether in the regression model there is a variance inequality of the residual of one observation with another observation. One way to detect the presence or absence of heteroscedasticity is by using Glejser test. If the probability of significance is > 0.05, it can be concluded that the regression model does not contain any heteroscedasticity (Ghozali, 2012).

**Normality Test**

Normality test is used to determine whether the residuals are normally distributed. Normality test can be done by using Kolmogorov Smirnov test, by comparing the distribution of data (which normality will be tested) with the normal standard distribution. If significance < 0.05, the residual to be tested has significant difference with the normal raw data, then the residual is not normally distributed (Ghozali, 2012).

**Autocorrelation Test**

Autocorrelation test aims to test whether in the linear regression model there is a correlation between the disturbance’s errors in period t and the disturbance’s error in period t-1 (before). The autocorrelation test in this research is Durbin Watson test. If du < d < 4-du, there is no autocorrelation (Ghozali, 2012).

**Linearity Test**

Linearity test is used to see if the model specification used is correct or not. If the significance of linearity < 0.05, the relationship between the two variables is linear (Ghozali, 2012).

**Method and Instrument of Data Analysis**

The research data was collected by distributing a list of questions to the respondents in the form of questionnaire. Furthermore, the answer to each question is measured by using Likert scale, for the scale used to measure a person’s or group’s attitude about a questionable event (Ghozali, 2012: 4).

**RESULTS**

**Multiple Regression Analysis**

Regression analysis is basically a study of the dependence of dependent variable with one or more independent variables (explanatory/ independent variable), with the aim to estimate the variables and/or predict the average population or the average
value of dependent variable based on the value of independent variable known (Ghozali, 2012).

Based on Table 1, the regression model generated by this research is as follows:

\[ Y = 0.978 + 0.356X_1 - 0.104X_2 + 0.483X_3 + \epsilon \]

A positive sign on the regression value of leadership style shows a direct relationship between leadership style and employee performance, where an increase in the proportion of leadership style value by 1 unit will result in an increase in employee performance of 35.6%, assuming that other variables are constant.

The negative sign on the regression value of motivation regression shows the opposite relationship between employee motivation and employee performance, in which an increase in the proportion of employee work motivation by 1 unit will result in a performance degradation of 10.4%, assuming that other variables are constant.

The positive sign on the regression value of work discipline shows a unidirectional correlation between work discipline and employee performance, which increases the proportion of work discipline value by 1 unit, resulting in an increase in employee performance of 48.3%, assuming that other variables are constant.

\textbf{T-test}

T-test shows how far the influence of one independent variable individually in explaining the variation of the dependent variable. If the significance value of t count <0.05, it means that independent variable individually affects the dependent variable significantly (Ghozali, 2012). Please note that:

Leadership Style Variable \((X_1)\) has a value of t count of 3.781 with a significance of 0.000 <0.05. It shows that leadership style influences employee performance. Therefore, the first hypothesis of this study which states that: “Leadership style affects employee performance of PT Rimba Kencana Malang,” is accepted.

Motivation Variable \((X_2)\) has a value of t count of -1.405 with a significance of 0.165 <0.05. It shows that motivation has no effect on employee performance. Therefore, the second hypothesis of this study which states that: “Motivation affects employee performance of PT Rimba Kencana Malang,” is rejected.

Work Discipline Variable \((X_3)\) has a value of t count of 4.915 with a significance of 0.000 <0.05. It shows that employee work discipline has an effect on employee performance. Therefore, the third hypothesis of this study which states that: “Work discipline affects employee performance of PT Rimba Kencana Malang,” is accepted.

\textbf{F-test}

F-test is used to indicate whether all independent variables included in the model have a significant effect simultaneously on dependent variable. If the significance value of F count <0.05, it can be
said that all independent variables simultaneously affect the dependent variable significantly. The simultaneous effect of independent variable on dependent variable shows that the regression model used can be declared statistically feasible (Ghozali, 2012). Furthermore, the results of F-test of this study will be described as follows.

Based on Table 2, it can be seen that the value of F count generated by the regression model is 108.723 with significance of 0.00 <0.05. It shows that leadership style, motivation and work discipline of employees as independent variables simultaneously have a significant influence on employee performance.

**DISCUSSIONS**

**The Effect of Leadership Style on Employee Performance of PT Rimba Kencana Malang**

Based on the results of the survey conducted by researchers, it can be seen that leadership style used by the leader of PT Rimba Kencana Malang is an autocratic leadership style. An autocratic leader is a leader who regards the organization as private property (because the company is owned by a family member of the owner), identifies personal goals with organizational goals, considers the organization/company as a mere tool, is unwilling to accept criticism, advice and opinion, is too dependent on his formal authority, and often uses a coercive and punitive approach (Siagian, 2013).

It is also in accordance with the results of descriptive analysis on leadership style variable which indicates that basically sometime the leader of PT Rimba Kencana Malang is willing to accept criticism, suggestions and opinions from employees. The leader of PT Rimba Kencana Malang uses coercion (penalty) to increase employee motivation, especially the employees in production department.

The result of t-test about leadership style shows that leadership style has an effect on employee performance. Therefore, the first hypothesis of this study which states: “Leadership style has an effect on employee performance PT Rimba Kencana Malang,” is received. The result of this study is proven to support the results of research. Leadership style proves that it has a big role in improving employee performance. Similarly, the results of a research conducted by Sugiyatmi et al. (2016) also show that leadership style has a positive and significant effect on employee work discipline.

**The Effect of Motivation on Employee Performance of PT Rimba Kencana Malang**

Based on t-test results on motivation variable, it can be seen that motivation has no effect on employee performance. Therefore, the second hypothesis of this study which states that: “Motivation has an effect on employee performance of PT Rimba Kencana Malang,” is rejected. This is in accordance with the results of descriptive analysis on motivation variable which indicate that overall, work motivation of employees of production department at PT Rimba Kencana Malang is in the bad category because employees feel that the company does not provide a guarantee for the continuity of employment, the company only gives little rewards, the company did not make appropriate employee positioning, and the majority of employees feel that the salary given by the company is not enough to meet the daily needs of employees.
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The results of the survey conducted by the researchers of operational activities conducted by employees of production department at PT Rimba Kencana Malang have shown that the main problem of employee motivation is that the managers who lead them have implemented very high production standards. When an employee can follow the leader’s standards, he gets verbal punishment from the leader; for example, the employee is threatened with dismissal. Production managers often do not want to know that some production defects are due to machine errors, not human errors. As a result, many employees feel that the company cannot guarantee the continuous employment of employees, so that the motivation of employees in the work decreases. In addition, employees also feel that the salary they have received is low, even though the company has given the salary according to Regional Minimum Wage, including bonuses. Many employees expect the company to also provide healthcare allowance and pension, as most of them are employees who have worked in PT Rimba Kencana for more than 10 years.

The results of this study indicate the importance of the ability of the leader of PT Rimba Kencana to motivate employees, especially employees of production department, as the key to business success is the ability of employees to produce spare parts. According to Hasibuan (2013), the best way to motivate employees is by incorporating challenge and opportunity to achieve success in their work. Its implementation is by giving additional job model, namely technique to motivate employees to be involved in forming work groups, task combination, client relationship, direct responsibility from employee to manager, and open feedback among fellow members. This enrichment is an effort to create a motivator, such as the opportunity to succeed in a job by making the job more interesting and more challenging.

The Effect of Work Discipline on Employee Performance of PT Rimba Kencana Malang

Employee discipline is a form of training employees seeking to improve and shape the knowledge, attitudes and behavior of employees, so that the employees voluntarily seeks to work cooperatively with other employees and improve work performance (Siagian, 2013). Based on the results of descriptive analysis on the variables of work discipline, it can be seen that overall employee discipline in work is at a good level because the majority of employees always come to the office on time, employees always obey the rules of work hours that have been determined by the company, and employees has a high morale. In addition, the majority of employees are also ready to be punished if they violate the rules set by PT Rimba Kencana Malang.

The results of t-test on leadership style variable show that work discipline of employees has an effect on employee performance. Therefore, the third hypothesis of this study which states that: “Work discipline affects employee performance of PT Rimba Kencana Malang,” is accepted. The results of this study is proven to support the results of a research which was conducted by Susanty and Baskoro (2012), which has shown that work discipline has significant and positive effect on employee performance.

CONCLUSIONS

Based on the analysis results and discussion that has been described, it can be concluded several things as follows:

The result of t-test on leadership style shows that leadership style has a positive effect on employee performance. Therefore, the first hypothesis of this study which states: “Leadership style has an effect on employee performance of PT Rimba Kencana Malang,” is accepted.

The result of t-test on motivation shows that motivation has no effect on employee performance. Therefore, the second hypothesis of this study which states: “Motivation has an effect on employee performance of PT Rimba Kencana Malang,” is rejected.

The result of t-test on work discipline show that work discipline of employees has a positive effect on employee performance. Therefore, the third hypothesis of this study which states: “Work discipline affects employee performance of PT Rimba Kencana Malang,” is accepted.
SUGGESTIONS

Based on the conclusions and analysis that have been done before, the suggestions that can be given from this research are as follows:

The leader of PT Rimba Kencana Malang can improve the motivation of employees in production department by creating work groups and task combination, building relationship with client, making direct responsibility from employees to managers, and opening feedback among members. This enrichment is an effort to create a motivator, such as the opportunity to succeed in a job by making the job more interesting and more challenging.

The results of this study can be used by further researcher as a reference about the relationship between leadership style, motivation, and work discipline on employee performance in manufacturing companies. If the next researcher is interested in doing the research statistically, the researcher can look for other variables besides leadership style, motivation, and work discipline to know the effect on the performance of employees in production department at PT Rimba Kencana Malang.

REFERENCES


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