



## THE EFFECT OF LEADERSHIP STYLE, MOTIVATION AND DISCIPLINE TOWARD EMPLOYEE'S PERFORMANCE

Randi Zulmariad<sup>1</sup>, Indrayani<sup>2</sup>, Muammar Khaddafi<sup>3</sup>, Chablullah wibisono<sup>4</sup>

<sup>1,2,3,4</sup>Faculty of Economics, Department of Management, University of Batam

E-mail: khaddafi@unimal.ac.id

### Abstract

*This research has attempted to explore the influence between leadership styles and motivation of the employee's performance in services company in Batam. It is found that from the four hypotheses formulation, all hypotheses are accepted because the result shows a positive significant influence. Based on the data analysis, it is revealed that leadership style has a positive influence and significant effect towards employee's performance. The research proved that the improvement on motivation is significantly influence the employee's performance. The better a company applied the working discipline also give positive impact towards employee's performance. Based on the results of the research and discussion, as noted earlier, it can be concluded about the effect of the leadership style, motivation and discipline on the performance of employees at PT. Batamindo Executive Village. Leadership style is the most positive and significant effect on the employee performance at PT. Batamindo Executive Village.*

**Keywords: Leadership Style, Motivation, Disciplines, Employee's Performance.**

### 1. INTRODUCTION

For a company, human resource is one part of the pillars in maintaining the effectiveness of company's business process. As companies develop in Indonesia, the awareness of the importance of developing human resources is in line with the growing size and complexity of the business. Companies with good performance targets and can compete with other companies must have the ability to manage human resources appropriately. Measuring company performance from a financial perspective is very accurate, but in fact the basis for driving the value of finance is human capital with all the knowledge, ideas and innovations it has (Mayo, 2000).

In order to be able to compete with other companies, this situation is stressed Human Resource Management as well learning organization into company strategy. Spahr (1999) stated that "Human Resource Management is the utilization of human resources to achieve organizational objectives." Since overall business markets have increased great competitions, Human Resource Management gradually appears to be enormous and expanding. Nowadays, the Human Resource Management system normally includes five functional areas which are human resource planning, recruitment, and selection; human resource development; compensation and benefits; safety and health; and employee and labor relations (Spahr, 1999).

Human resource management is a process consists of four tasks to attract, develop, motivate and maintain human resources (DeCenzo & Robbins, 2005). Human resource management process consists of six functions training and development, performance evaluation, compensation, employee relations with staff, health safety, recruitment and selection (Yang & Lin, 2009). At the end, human resource management is the implication on managers who are responsible for equipping the organization with competent staff, and ensuring compliance makes use of their potential. Lado and Wilson (1994) define a human resource system as a set of distinct but interrelated activities, functions and processes that are directed at attracting, developing and maintaining (or disposing of) the human resources of the firm (Lado & Wilson, 1994).

This study focuses on the leadership and organizational performance in term of motivation of employee in PT. Batamindo Executive Village which are located in Batam, Batam has been chosen because it is one of the strongest business nerve centers in the country. The purpose of this study is to investigate the relationship between leadership styles and motivation of the employee's

**THE EFFECT OF LEADERSHIP STYLE, MOTIVATION AND DISCIPLINE TOWARD  
EMPLOYEE'S PERFORMANCE**

DOI: <https://doi.org/10.54443/ijerlas.v2i2.233>

performance in the organizations in Batam. Moreover, this study contributes the current body of knowledge for the leadership and organizational performance. Meanwhile, the research which was conducted by Huang et al. (2011, pp. 865-878) showed that only charismatic leadership style has a positive and significant impact on organizational performance (Huang, Hsu, & Chiau, 2011). Different from the arguments above, Vita and Suwanto (2015) stated that leadership style does not have a significant and positive influence toward employee performance.

**Research Objective**

- a. To examine the impact of leadership style on employee's performance.
- b. To examine the impact of motivation on employee's performance.
- c. To examine the impact of discipline on employee's performance.

## 2. IMPLEMENTATION METHOD

This research conducted in quantitative study which focuses on factors that influence the relationship between leadership styles and motivation of the employee's performance. By using primary data, this research is focus on collecting the data by questionnaire which contains indicators of each variable.

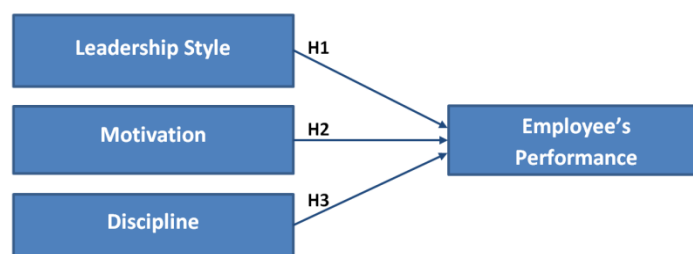
### 2.1 Population and Sample

The populations in this research are employees that worked in services company. This research used probability sampling method to choose the sample which is simple random sampling. The samples of this research were the employees in PT. Batamindo Executive Village.

### 2.2 Data Collection Method

This research was conducted on primary data. The data collected by surveys consisting of questions and responses. In order to get the data, the researcher personally spread the questionnaires to the respondents. The questionnaire contains a few statements that were already provided. Each item on the questionnaire was reviewed for its content, scope, and purpose. To measure the responses of the respondents, this research used an interval scale from 1 until 5 for each question from a very disagree until very agree scales. From the scale, the researcher knew the perception from the respondents' point of few. If the respondents chose the low scale (i.e. 1 or 2), it means that the responses of the questions would be low and vice versa.

### 2.3 Conceptual Framework



### 2.4 Leadership Style and Employee's Performance

There are a number of different styles of leadership and management that are based on different theories. The style will be use based on a combination of their beliefs, values and preferences, as well as the organizational culture and norms which will encourage some styles and discourage others. Hence, the leader could improve the company performance and make more successful of the company objectives.



## 2.5 Motivation and Employee's Performance

Griffin and Ebert (2006: 248) stated that motivation is part of the management function directing. The existence of motivation will encourage certain individuals to behave. Therefore, managers must be able to understand these differences in behavior and their reasons, to be able to drive employee motivation, and direct the individual's behavior to suit company goals. One of the goals to be achieved in the company is the achievement of positive performance (Griffin & Ebert, 2006).

## 2.6 Disciplines and Employee's Performance

Work discipline is a tool used by managers to communicate with employees so that they are willing to change behaviour as well as an effort to raise awareness and willingness to comply with all company rules and social norms in force. Disciplines as a growing force in the body of employees and cause employees to adjust to the voluntary decisions, regulations, and high values of work and behaviour (Sutrisno, 2012).

Based on the framework above, there are three hypotheses which are going to be tested, such as:

H1: Leadership Style gives positive and significant effect Employee's Performance

H2: Motivation gives positive and significant effect Employee's Performance

H3: Disciplines gives positive and significant effect Employee's Performance

## 3. RESULTS AND DISCUSSION

### 3.1 Results

#### 1. Validity Test

Validity is a measure of the degree of validity of the research instrument. An instrument can be stated as valid if the result can be reveal the data of the studied variables. This study involved 20 respondents in PT. Batamindo Executive Village. By using a significant level of 0.05, obtained  $r_{value}$  at 0.290. If  $r_{count} \geq r_{Value}$ , items significantly correlated questions to the total score (declared valid). If instead  $r_{count} < r_{Value}$ , then the item is declared invalid (Sekaran & Bougie, 2013). Based on data collected from respondents all items of Independent Variable and dependent variable are valid.

#### 2. Reliability Test

The reliability test is essential in research data collection. Therefore, the correct data will be determined true the research quality. The data is highly depending on true or not the research instrument. Here are the results of the reliability test on the item items each variable.

No.	Variables	Cronbach's Alpha
1	Leadership Style (X1)	0.813
2	Motivation (X2)	0.841
3	Discipline (X3)	0.833
4	Employee's Performance (Y)	0.871

#### 3. Simple Linear Regression Testing

Simple linear regression is used to determine the direction of the relationship between the independent variable on the dependent variable.

**THE EFFECT OF LEADERSHIP STYLE, MOTIVATION AND DISCIPLINE TOWARD  
EMPLOYEE'S PERFORMANCE**

DOI: <https://doi.org/10.54443/ijerlas.v2i2.233>

Model		Coefficients	Unstandardized	Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	16,091	4.219		3,711	0.001
	Leadership Style	0.913	0.102	0.736	7.781	0.000
	Motivation	0.827	0.117	0.699	7.721	0.000
	Discipline	0.941	0.192	0.734	7.923	0.000

Dependent Variable: Employee Performance

From the table above, can be seen that the result of the Simple Linear Regression Testing t test showed that all variable result are  $>2.015$  t tabel with 0.000 significance level of 0.05. This means that the leadership style, motivation and has significant impact on the employee's performance of PT. Batamindo Executive Village.

### 3.2 Discussion

Based on the findings research and result in Chapter III before, then this research takes several conclusions, which are:

1. The results showed that leadership style delivers a significant and positive effect toward employee performance at PT. Batamindo Executive Village, which means that leadership style is one of the important variables that are able to improve employee performance. This is in line with the research of Huang et al. (2011) and Raf et al. (2014). Unlike the three studies above, Vita and Suwanto (2015) stated that leadership style does not have a significant and positive influence toward employee performance. As an important variable to improve employee performance, PT. Batamindo Executive Village must focus on the leadership style unit for the company's leader. Leadership style is the behaviour or means used by the leaders to deal with its subordinates to achieve the goals or objectives which already become a common commitment. A leader must have a leadership style which he considered to be effective to achieve the goals or objectives of the company.
2. The result showed that motivation gives positive impact on employee's performance. Motivation refers to the way a person is enthused at work to intensify his desire and willingness to use his energy for the achievement of organization's objectives. It is something that moves a person into action and continues him in the course of action enthusiastically. Motivation has positive relationship with employee performance. Our questionnaire items show that teachers who are highly motivated and strongly agreed to motivational factors give high performance level.
3. Disciplines gives positive and significant effect Employee's Performance. The results of this study provide evidence that the labor discipline through the indicator timeliness, well-dressed, able to take advantage and move the equipment properly, resulting in a satisfactory job, follow the workings of the specified organization (regulatory compliance), and the responsibilities of employees are high in companies effect on increasing employee performance. The better work discipline, the higher the performance of the employee.

### 4. CONCLUSION

This research has attempted to explore the influence between leadership styles and motivation of the employee's performance in services company in Batam. It is found that from the four hypotheses formulation, all hypotheses are accepted because the result shows a positive



significant influence. Based on the data analysis, it is revealed that leadership style has a positive influence and significant effect towards employee's performance. The research proved that the improvement on motivation is significantly influence the employee's performance. The better a company applied the working discipline also give positive impact towards employee's performance.

Based on the results of the research and discussion, as noted earlier, it can be concluded about the effect of the leadership style, motivation and discipline on the performance of employees at PT. Batamindo Executive Village. Leadership style is the most positive and significant effect on the employee performance at PT. Batamindo Executive Village.

Based on the conclusion above, there are some suggestions that can be used as reference for the company. A company needs to maintain and improve good leadership style to improve the employee performance. A company must have a leader with high power position. Leadership style can be improved by: improving the process of leader selection and recruitment as well as set up a training program and leadership development, providing rewards and recognition for a disciplined and assertive leader, evaluating potential leaders, providing coaching and counselling regularly to the leader and lastly implementing a succession plan that is targeted to get qualified future leaders. The company needs to produce better leaders within its organization in the sense that they can direct their subordinates in a well, structured, and clear manner. PT. Batamindo Executive Village must foster a good organizational culture to improve the job satisfaction. This can be done by creating a positive work atmosphere and aggressive competition among employees. If these two things are implemented, it will create a good cooperation between co-workers and they will motivate each other.

PT. Batamindo Executive Village must improve the discipline and motivation to be conducive so that it will enhance the job satisfaction. It can be realized by upgrading the discipline and motivation to create such supervisory so that the employees will feel better. A supportive atmosphere which exists around the employees will increase employee satisfaction in terms of supervision of work and automatically can improve the employee performance.

## REFERENCES

- DeCenzo, A. D., & Robbins, P. S. (2005). *Fundamentals of Management: Essential Concepts and Applications*, 5th Edition. California: Pearson.
- Griffin, R. W., & Ebert, R. J. (2006). *Business*. New Jersey: Pearson.
- Huang, C. Y., Hsu, P. Y., & Chiau, W. L. (2011). Perceptions of the impact of chiefexecutive leadership style on organizational performance through successful enterpriseresource planning. *Social Behavior and Personality: An International Journal*, Vol.39, No. 7, 865-878.
- Lado, A. A., & Wilson, M. C. (1994). *Human Resource Systems and Sustained Competitive Advantage: A Competency-Based Perspective*. *Academy of Management Review*Vol. 19, No. 4.
- Mayo, A. (2000). *Personal Review. The Role of Employee Development in The Growth of Intellectual Capital*, Vol 29, No. 4.
- Sekaran, & Bougie. (2013). *Research Methods for Business: A skill*. New York: John wiley@Sons.
- Sphr, R. W. (1999). *Human Resource Management*. New Jersey: Prentice Hall, Inc.
- Sutrisno, E. (2012). *Manajemen Sumber Daya Manusia*. Jakarta: Kencana Prenada Media Group.



**THE EFFECT OF LEADERSHIP STYLE, MOTIVATION AND DISCIPLINE TOWARD  
EMPLOYEE'S PERFORMANCE**

DOI: <https://doi.org/10.54443/ijerlas.v2i2.233>

---

Yang, C., & Lin, C. (2009). Does intellectual capital mediate the relationship between HRM and organizational performance? Perspective of a healthcare industry in Taiwan. *The International Journal of Human Resource Management*, Vol. 20, 1956.