

THE INFLUENCE OF LEADERSHIP STYLE, SELF EFFICACY AND COMPENSATION ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS AN INTERVENING VARIABLE IN THE PUBLIC WORKS DEPARTMENT OF MEDAN CITY

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Abstract

The progress of an agency is influenced by internal and external environmental factors. The extent to which the agency's goals have been achieved can be seen from how much the agency meets the demands of its environment. Meeting environmental demands means being able to take advantage of opportunities and/or overcome challenges or threats from the agency's environment. Agencies must be able to carry out various activities in order to face or meet demands and changes in the agency environment. The aim of this research is to analyze the influence of Leadership Style, Self Efficacy and Compensation on Employee Performance and Job Satisfaction in the Medan City Public Works Department. This type of research is descriptive quantitative research. The population in this research was Medan City Public Works Department employees with a total of 350 respondents. Then the sample size was determined using the Slovin formula with a sample size of 187 respondents. The sampling method used was simple random sampling. Data analysis was carried out via PLS-SEM using the Smart PLS program. The results of the research show that Leadership Style has a positive and significant effect on Employee Performance, Self Efficacy has a positive and significant effect on Employee Performance, Compensation has a positive and significant effect on Employee Performance, Leadership Style has a positive and significant effect on Job Satisfaction, Self Efficacy has a negative and insignificant effect on Job Satisfaction, Compensation has a positive and significant effect on Job Satisfaction, Job Satisfaction has a positive and significant effect on Employee Performance, Leadership Style has a positive and significant effect on Employee Performance through Job Satisfaction, Self Efficacy has a negative and insignificant effect on Employee Performance through Job Satisfaction, Compensation has a positive and significant effect on employee performance through job satisfaction.

Keywords: *Leadership Style, Self Efficacy, Compensation, Employee Performance, Job Satisfaction*

1. INTRODUCTION

Every agency or company definitely needs management in managing human resources to achieve certain goals for the company. Not only the private sector, the public sector also needs good management so that it can provide good services to the public or communities in need. Therefore, the success or failure of a company in achieving its goals depends on the success of the individuals (human resources) of the company themselves in carrying out the duties of their respective employees. Human resources are one factor that needs to be managed well by the company. Where human resource management must be carried out professionally in order to produce competent human resources so that they can improve the performance of individuals and companies. In the process of creating effective performance, a leader has a very crucial role. Berg and Baron (in Anikmah, 2018) state that leadership is a key element in organizational effectiveness. According to Marsam (2020), leadership style shows directly or indirectly a leader's confidence in the abilities of his subordinates. This means that leadership style is behavior and strategy as a result

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of a combination of philosophy, skills, traits, attitudes that a leader often applies when he tries to influence his subordinates. A company certainly expects optimal performance from its employees. One way to achieve optimal performance can be achieved through self-efficacy. Self-efficacy is very necessary in developing employee performance because the presence of self-efficacy in individuals will create confidence in their ability to complete the work given by their superiors in a timely manner Alwisol (2018). Leadership style and self-efficacy problems also often occur in the Medan City Public Works Department, among these are employees who feel that their superiors are not yet competent in solving problems in the company, then their superiors are not yet open about what is happening in the agency and then superiors who are not yet able to being relied on for external and internal problems creates disharmonious work relations within the agency which will of course impact the agency's productivity in carrying out work that has been assigned by the regional government.

Agencies require employees to work well, in accordance with the rules and targets set by the company, but companies pay less attention to aspects that influence employee performance, such as the level of job satisfaction felt by employees, leadership style, self-efficacy and compensation. Management's lack of attention to these aspects causes employee performance to be less than optimal and as a result, overall agency performance will decline. Based on (Samsudin, 2018), it is stated that providing compensation can improve work performance and employee motivation. Therefore, organizational or company attention to rational and fair regulation is very necessary. Compensation is an important factor for employees as individuals because the amount of compensation reflects the value of their work among the employees themselves, their families and society. Compensation is the company's reward for the sacrifice of time, energy and thoughts they have given to the company (Saydam, 2020).

According to Hasibuan (2019), job satisfaction is an emotional attitude that is pleasant and loves one's job. This attitude is reflected in work morale, discipline and work performance. Job satisfaction is enjoyed at work, outside work, and a combination of inside and outside work. If the job satisfaction felt by employees is low, it will have a negative impact on the company because the employee's performance will decrease and as a result the company's performance will be disrupted. To achieve effective employee performance in the Medan City Public Works Department, this is of course influenced by the leadership applied in the company, in this case the Leadership Style: A leader who is responsible, wise, able to manage, direct, influence and understand the desires of employees, problems faced by employees. With a leadership style and providing fair and appropriate compensation to employees, it is hoped that the performance of each employee will increase. Dissatisfaction is the starting point for problems in organizations and companies such as absenteeism, conflicts between superiors and workers, high levels of absenteeism, strikes and employee turnover.

The low level of employee performance is caused by a lack of knowledge in their duties, lack of training, lack of creativity and innovation, lack of competence and limited time to develop skills and participate in training which results in increasingly declining employee performance. On the other hand, competition in the business world today is very competitive, so to be able to remain competitive, to be able to grow and develop more advanced, an ability is needed to understand various situations, understand the various obstacles that exist, so in carrying out their duties employees at the Medan City Public Works Department requires knowledge and skills to improve employee performance. According to Mutegi, et al (2018) Employee performance is the result of work achieved by an individual and adapts to the individual's role or duties in a company at a certain time period, which is linked to a certain value measure or standard of the company where the individual works. Employee performance is used to see the results of work productivity, both product and service product orientation. Organizational performance must be able to be measured based on certain measures and over time. Employee performance will increase if there is good coordination and management from employees and employees. Performance is an achievement



carried out by organizations and individuals and the achievement of goals that have been set from the start. Performance can be achieved by the quantity, quality and timeliness of what is done (Mangkunegara, 2018). An employee must have leadership style skills to improve employee performance. Leadership style is a process carried out by a leader in terms of organizing, directing, guiding and influencing a group of people in order to achieve the goals of an organization to be achieved (Kartono, 2018).

2. LITERATURE REVIEW

2.1 Employee Performance

According to Adhari (2020), employee performance is the result produced by certain job functions or activities in certain jobs over a certain period of time, which shows the quality and quantity of that work. Rerung (2019) said that employee performance is behavior produced during tasks that can be observed and evaluated, where employee performance is the contribution made by an individual in achieving organizational goals. Sinaga (2020) states that performance is the result of a person's work function or activities in an organization which is influenced by various factors to achieve organizational goals within a certain time period. Hamdiyah (2018) said that employee performance is work achievement that reflects the comparison between work results and predetermined standards. To achieve optimal employee performance, it is necessary to manage human resources related to compensation, work environment and leadership. Fadil Sandewa (2018) said that performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their authority and responsibility. respective responsibilities in order to achieve the goals of the organization concerned legally and without violating the law and in accordance with morals and ethics. The dimensions of employee performance in this research are work results, work actors, personal characteristics and task implementation

2.2 Leadership style

According to Marsam (2020:10), leadership style shows directly or indirectly a leader's confidence in the abilities of his subordinates. Busro (2018:226), 'Leadership style is a pattern of behavior that is consistently carried out by leaders when influencing other people.' Chaniago (2017:43), 'leadership style basically means a manifestation of a leader's behavior, which concerns his ability to lead.' In leadership style, leaders must have charisma, inspiration, intellectual stimulation, individual consideration, directing behavior can be formulated as the extent to which a leader engages in one-way communication. This form of direction in one-way communication includes, among other things, defining the role that followers must play, telling followers what to do, where to do it, how to do it, and carrying out strict supervision of followers (R. Putra et al., 2021). Marquardt in Adiawaty, (2020) describes the dimensions of leadership style consisting of: Systems thinker, Change agent, Creator, Servant and administrator, Polychronic coordinator and Instructor and trainer

2.3 Self Efficacy

According to Lunenburg in Sebayar, (2020) Self Efficacy is an individual's confidence in facing and resolving the problems they face in various situations and being able to determine actions in completing certain tasks or problems, so that the individual is able to overcome obstacles and achieve the expected goals. According to Alwisol in Renaningtyas, (2021) self-efficacy is the view or perception of oneself about how oneself can function according to the situation at hand. According to Bandura in Renaningtyas, (2018) self-efficacy is a person's belief in the skills and capabilities to exercise as much control as possible over oneself and one's role, as well as over events that occur in the environment. According to Bandura (2018) confidence in an individual's abilities can vary in each dimension. These dimensions are: level/magnitude, Strength, and Generality.

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2.4 Compensation

According to Enny (2019) compensation can be defined as a form of reciprocal service provided to employees as a form of appreciation for their contribution and work to the organization. This compensation can be direct or indirect financial, and the award can also be indirect. According to Akbar et al (2021) compensation is all forms of financial returns and benefits obtained by employees as part of an employment relationship. Furthermore, according to Sutrisno (2017) 'compensation is an important function in human resource management (HRM)'. According to Kawiana (2020), compensation is something that employees receive as a gift or replacement for their services or energy while working for a company. Providing compensation is one of the implementation functions of human resource management (HRM) which is related or related to giving individual awards. as an exchange as well as carrying out organizational tasks. According to Elmi (2018), compensation dimensions are grouped into direct financial compensation and indirect compensation given to the employee concerned.

2.5 Job satisfaction

According to Edy Sutrisno (2019) Job Satisfaction is an employee's attitude towards work which is related to the work situation, cooperation between employees, rewards received at work, and matters involving physical and psychological factors. According to Wibowo (2018) Everyone who works hopes to get satisfaction from their place of work. Job satisfaction will affect productivity which managers really hope for. Prayogo (2019) Job satisfaction is an emotional attitude that is pleasant and loves one's job. Employee job satisfaction must be created as well as possible so that employee work morale, dedication and discipline can increase. Dimensions and indicators of job satisfaction according to Robbins (2019) include: Work itself, Rewards/Salary, Opportunities/Promotions, and Supervisors

3. RESEARCH METHODS

This type of research is using a quantitative approach. This research will be conducted on employees at the Medan City Public Works Department located at Jl. Pinang Baris No.114C, Lalang, Medan Sunggal, Medan City, North Sumatra 20127, Indonesia. This study has 187 participants. According to (Abdillah and Jogiyanto, 2019; Ghozali, 2018) to test the validity and suitability of the model, Loading Factor, Average Variance Extracted (AVE) and Composite Reliability are used. Data analysis techniques used the Structural Equation Modeling (SEM) method to test the hypotheses in this study.

4. RESULTS AND DISCUSSION

4.1 Outer Model

Evaluation of the measurement model or outer model is carried out to assess the validity and reliability of the construct model. The outer model with reflexive indicators is evaluated using convergent, discriminant and composite reliability validity as well as Cronbach alpha for the indicator block (Ghozali 2021). The loading factor value is expected to reach more than 0.7. According to Ghozali (2021), in exploratory research, a value of more than 0.5 is considered adequate.



Table. 1 Outer Model

Construct	Measurement Items	Loading Factor	Average Variance Extracted (AVE)	Composite Reliability	Cronbach's Alpha
Leadership Style	X1.1	0.840	0.799	0.984	0.983
	X1.2	0.935			
	X1.3	0.795			
	X1.4	0.940			
	X1.5	0.943			
	X1.6	0.942			
	X1.7	0.934			
	X1.8	0.824			
	X1.9	0.944			
	X1.10	0.907			
	X1.11	0.826			
	X1.12	0.814			
	X1.13	0.940			
	X1.14	0.933			
	X1.15	0.820			
	X1.16	0.936			
Self Efficacy	X2.1	0.796	0.742	0.963	0.956
	X2.2	0.776			
	X2.3	0.798			
	X2.4	0.939			
	X2.5	0.935			
	X2.6	0.839			
	X2.7	0.938			
	X2.8	0.906			
	X2.9	0.801			
Compensation	X3.1	0.857	0.758	0.956	0.946
	X3.2	0.788			
	X3.3	0.903			
	X3.4	0.827			
	X3.5	0.903			
	X3.6	0.909			
	X3.7	0.898			
Employee Performance	Y1	0.759	0.721	0.954	0.944
	Y2	0.764			
	Y3	0.915			
	Y4	0.928			
	Y5	0.843			
	Y6	0.787			
	Y7	0.854			
	Y8	0.923			
Job Satisfaction	Z1	0.834	0.656	0.950	0.941
	Z2	0.865			
	Z3	0.858			
	Z4	0.762			
	Z5	0.757			

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	Z6	0.716			
	Z7	0.703			
	Z8	0.856			
	Z9	0.864			
	Z10	0.862			

Based on Table 1, it is known that many of the variable indicators in this study have an outer loading value > 0.5. According to Ghazali (2021), an outer loading value between 0.5 and 0.6 is considered sufficient to meet the requirements for convergent validity. This data shows that the indicators are deemed appropriate or valid for research use and can be used for further analysis. Internal consistency reliability assessment is carried out on each construct. The composite reliability value of each construct is expected to be at least 0.7. However, in exploratory research, a composite reliability value of > 0.6 is acceptable. The results of the SmartPLS algorithm on composite reliability in Table 1 show that in the good enough category each construct has met the outer model reliability assessment criteria with a composite reliability value > 0.7. Thus, the outer model analysis continues to the outer model validity stage. The validity of the outer model is carried out using convergent validity and discriminant validity. The convergent validity assessment was carried out by looking at the average variance extracted (AVE) value for each construct, stating that the AVE value for each good construct was at least > 0.5. The AVE value for each construct in the final model has reached a value > 0.5. Thus, the proposed structural equation model meets the convergent validity criteria.

4.2 Inner Model

After the estimated model meets the Outer Model criteria, measurements are then carried out by testing the structural model (Inner Model) by looking at the R-Square (R2) value of the variables. The results of the R-Square (R2) value for the variable based on the measurement results are shown in. Table, as follows:

Table 2. R Square

	R R Square	R Square Adjusted
Employee Performance (y)	0.524	0.513
Job Satisfaction (z)	0.693	0.688

Based on Table 2, it is known that the R Square value for the Employee Performance variable (y) is 0.524, this means that the percentage influence of Leadership Style (x1), Self Efficacy (x2) and Compensation (x3) on Employee Performance (y) is 52.4% while the remaining 47.6% is influenced by other variables not examined in this research. The R Square value for the Job Satisfaction variable (z) is 0.693, this means that the percentage influence of Leadership Style (x1), Self Efficacy (x2) and Compensation (x3) on Job Satisfaction (z) is 69.3% while the remaining 30.7% is influenced by other variables not examined in this study.

4.3 Bootstrapping

Hypothesis testing was carried out using the T-statistics test (t-test) with a significance level of 5%. It is said to be significant if the T-statistics value is > 1.66. If in this test a p-value < 0.05 is obtained, it means the test is significant, and conversely if the p-value is > 0.05, it means it is not significant. The results of the direct and indirect influence tests for each variable can be seen in Table 3, as follows:

Table 3. Hypothesis test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Direct Effect					
x2 -> y	0.683	0.682	0.148	4.608	0.000
x1 -> y	0.550	0.547	0.143	3.835	0.000
x3 -> y	0.479	0.488	0.095	5.043	0.000
x2 -> z	-0.196	-0.197	0.133	1.469	0.142
x1 -> z	0.779	0.779	0.110	7.110	0.000
x3 -> z	0.295	0.296	0.078	3.775	0.000
z -> y	0.398	0.391	0.110	3.623	0.000
Indirect Effect					
x1 -> z -> y	0.310	0.304	0.094	3.305	0.001
x2 -> z -> y	-0.078	-0.075	0.054	1.432	0.153
x3 -> z -> y	0.117	0.114	0.042	2.821	0.005

Based on the results in Table 3, the following results are obtained:

1. The results show the influence of Leadership Style (x1) on Employee Performance (y) with P-Values $0.000 < 0.05$, meaning that there is a positive and significant influence between Leadership Style (x1) and Employee Performance (y). H1 (Accepted) there is a positive and significant influence of Leadership Style (x1) on Employee Performance (y).
2. The results obtained are the influence of Self Efficacy (x2) on Employee Performance (y) with P-Values $0.000 < 0.05$, meaning that there is a positive and significant influence between Self Efficacy (x2) on Employee Performance (y). H2 (Accepted) there is a positive and significant influence of Self Efficacy (x2) on Employee Performance (y).
3. The results obtained are the influence of Compensation (x3) on Employee Performance (y) with P-Values $0.000 < 0.05$, meaning that there is a positive and significant influence between Compensation (x3) on Employee Performance (y). H3 (Accepted) there is a positive and significant influence of Compensation (x3) on Employee Performance (y).
4. The results obtained are the influence of Self Efficacy (x2) on Job Satisfaction (z) with P-Values $0.142 > 0.05$, meaning that Self Efficacy (x2) has a negative and insignificant effect on Job Satisfaction (z). H4 (Rejected) there is a negative and insignificant influence between Self Efficacy (x2) on Job Satisfaction (z).
5. The results obtained are the influence between Leadership Style (x1) on Job Satisfaction (z) with P-Values $0.000 < 0.05$, meaning that there is a positive and significant influence between Leadership Style (x1) on Job Satisfaction (z). H5 (Accepted) there is a positive and significant influence of Leadership Style (x1) on Job Satisfaction (z).
6. The results obtained are the influence of Compensation (x3) on Job Satisfaction (z) with P-Values $0.000 < 0.05$, meaning that there is a positive and significant influence between Compensation (x3) on Job Satisfaction (z). H6 (Accepted) there is a positive and significant influence of Compensation (x3) on Job Satisfaction (z).
7. The results obtained are the influence of Job Satisfaction (z) on Employee Performance (y) with P-Values $0.000 < 0.05$, meaning that there is a positive and significant influence between Job Satisfaction (z) on Employee Performance (y). H7 (Accepted) there is a positive and significant influence of Job Satisfaction (z) on Employee Performance (y).
8. The influence of Leadership Style (x1) on Employee Performance (y) through Job Satisfaction (z) with P-Values $0.001 < 0.05$, meaning that Leadership Style (x1) has a positive and significant effect on Employee Performance (y) through Job Satisfaction (z).

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-). H8 (Accepted) there is a positive and significant influence between Leadership Style (x1) on Employee Performance (y) through Job Satisfaction (z).
9. The influence of Self Efficacy (x2) on Employee Performance (y) through Job Satisfaction (z) with P-Values $0.153 < 0.05$, meaning that there is a negative and insignificant influence between Self Efficacy (x2) on Employee Performance (y) through Job Satisfaction (z). H9 (Rejected) there is no influence between Self Efficacy (x2) on Employee Performance (y) through Job Satisfaction (z).
10. The influence of Compensation (x3) on Employee Performance (y) through Job Satisfaction (z) with P-Values $0.005 < 0.05$, meaning that there is a positive and significant influence between Compensation (x3) on Employee Performance (y) through Job Satisfaction (z). H10 (Accepted) there is a positive and significant influence of Compensation (x3) on Employee Performance (y) through Job Satisfaction (z)

4.4 Discussion

4.4.1 The Influence of Leadership Style (x1) on Employee Performance (y) for Medan City Public Works Department Employees

Based on the results of hypothesis testing, it shows that the Leadership Style variable has a positive and significant effect on employee performance. This is proven by the path coefficient value (original sample) of 0.550, with a significant value of $0.000 < 0.05$. Leadership style itself has a close relationship with employee performance. Employee performance can not only be seen through skills, but also how the leader organizes, leads and influences other workers in an effort to achieve organizational goals. Medan City Public Works Department employees also have clear goals when carrying out their work. By considering leadership style, organizations and leaders can take steps to develop a leadership style that fits their context and improves overall employee performance. The research results of Yosefina (2022), Rifdayanti (2019), Rivai (2021), Ferry (2020), and Marsam (2020) show that there is a significant influence between Leadership Style on employee performance.

4.4.2 The Influence of Self Efficacy (x2) on Employee Performance (y) for Medan City Public Works Department Employees

Based on the results of hypothesis testing, it shows that the Self Efficacy variable has a positive and significant effect on employee performance. This is proven by the path coefficient value (original sample) of 0.683, with a significant value of $0.000 < 0.05$. Self-Efficacy is an important factor in work, especially in employee performance. (Utari & Sukidjo, 2020). With good confidence and ability, they will carry out good planning in carrying out work and have an impact on the performance of Medan City Public Works Department employees who have good behavior at work, such as always acting honestly when doing work. Public Works Department employees also have high confidence in themselves when completing difficult tasks or obstacles in carrying out their work. This is in line with research conducted by Ablizar (2022) that Self Efficacy has a positive and significant effect on Employee Performance. Having a strong belief in achieving goals will strengthen and increase commitment to work.

4.4.3 Effect of Compensation (x3) on Employee Performance (y) for Medan City Public Works Department Employees

Based on the results of the hypothesis test, it shows that the compensation variable has a positive and significant effect on employee performance. This is proven by the path coefficient value (original sample) of 0.479, with a significant value of $0.000 < 0.05$. The relationship between employee compensation and performance is very close and very important, the relevance is there and strong, even if employees want to improve their performance, they should have competencies that are appropriate to their job duties. Compensation in this case is a



reference for encouraging better employee work motivation. If they feel that the compensation given is appropriate, it will emerge from employees to work better. Thus compensation can influence employee performance improvement. Medan City Public Works Department employees must be given compensation for their work. By providing correct compensation, employees will be more satisfied and motivated to achieve targets. Compensation is very important for employees, because the amount of compensation given will reflect the value for them, their families and society. Compensation must be well planned, integrated and comprehensive in order to increase worker productivity, as well as to achieve organizational or institutional goals. Therefore, compensation needs to be managed in such a way that it can function effectively and efficiently. This is in line with previous research conducted by Dessler (2020) which stated that compensation is what employees receive in exchange for their contribution to the organization.

4.4.4 The Influence of Leadership Style (x1) on Job Satisfaction (z) in Medan City Public Works Department Employees

Based on the results of hypothesis testing, it shows that the Leadership Style variable has a positive and significant effect on Job Satisfaction. This is proven by the path coefficient value (original sample) of 0.779, with a significant value of 0.000 < 0.05. Medan City Public Works Department employees feel that the importance of a leader's ability to influence and mobilize employees is the main function for employees in getting job satisfaction. Job satisfaction is a general attitude and behavior that arises based on an assessment of the work situation and goals that can bridge the interests between the company and employees. Employee job satisfaction will be created well if the leader has the character that employees expect. Leadership will have a significant impact on achieving agency goals. This is because all aspects of the agency are driven by employees who follow the behavioral norms and principles within the agency. When employees do not feel comfortable with the leader's attitude, the employee's work results will not be optimal, they will not meet the agency's goals and employees will feel dissatisfied with their achievements. This condition can occur and lead to a decrease in productivity, profitability, and a decline in the company up to the point of dismissal of employees. Therefore, if a leader can show a good attitude, employee job satisfaction will increase in the work environment. This is in line with research conducted by Rifdayanti (2019), namely that leadership style has a significant positive influence on employee performance.

4.4.5 The Influence of Self Efficacy (x2) on Job Satisfaction (z) in Medan City Public Works Department Employees

Based on the results of the hypothesis test, it shows that the Self Efficacy variable has a negative and insignificant effect on Job Satisfaction. This is proven by the path coefficient value (original sample) -0.196, with a significant value of 0.142 < 0.05. Every organization certainly needs leaders who can motivate employees and help solve the problems of their followers and can create a vision and mission and then implement them into action. Each employee must have creative ideas in every organization in order to create new methods to achieve company goals. The higher a person's self-efficacy, the higher a person's job satisfaction. Conversely, the lower a person's self-efficacy, the lower their level of job satisfaction. This proves that the self-efficacy possessed by an employee provides encouragement for job satisfaction, because they assume that basically everyone must have self-efficacy, but self-efficacy is formed if there is support from superiors or co-workers. This is in line with research conducted by Sahabudin (2019), namely that there is no role of self-efficacy in improving employee performance.

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4.4.6 The Effect of Compensation (x3) on Job Satisfaction (z) of Medan City Public Works Department Employees

Based on the results of the hypothesis test, it shows that the compensation variable has a positive and significant effect on job satisfaction. This is proven by the path coefficient value (original sample) of 0.295, with a significant value of $0.000 < 0.05$. Compensation is very important for employees to meet their daily needs with their families. However, compensation is not only important for employees, it is also important for companies to get qualified employees and reduce employee turnover which will increase company costs. Compensation is important for Medan City Public Works Department employees as individuals because the amount of compensation reflects the value of their work among the employees themselves, their families and society. Then the compensation program is also important for agencies, because it reflects the organization's efforts to maintain its human resources or in other words, so that employees have high loyalty and commitment to the organization. This is in line with research conducted by Sri and Anissa (2023), namely that compensation has a positive and significant effect on job satisfaction.

4.4.7 The Effect of Job Satisfaction (z) on Employee Performance (y) for Medan City Public Works Department Employees

Based on the results of hypothesis testing, it shows that the variable job satisfaction has a positive and significant effect on employee performance. This is proven by the path coefficient value (original sample) of 0.398, with a significant value of $0.000 < 0.05$. An agency reflects the performance of its employees. Agency and employee performance are fundamental things that are very important to be able to adapt and create competitive advantages. A good agency is reflected in the good performance of its employees. An effective workplace and management processes play an important role in increasing employee productivity, thereby improving agency performance. In fact, employee perceptions regarding differences in workload received from fellow employees can result in imperfections in work, things that encourage employees to provide good performance receive less attention. As a result, there is also less concern or attention to whether employees have low or high job satisfaction. Increasing or reducing workload still has an influence on employee job satisfaction. As a result, it also affects performance. This is in line with research conducted by Richie, Romi & Purnama (2023) which states that job satisfaction has a positive and significant influence on employee performance.

4.4.8 The Influence of Leadership Style (x1) on Employee Performance (y) Through Job Satisfaction (z) for Medan City Public Works Department Employees

Based on the results of hypothesis testing, it shows that the Leadership Style variable has a positive and significant effect on Employee Performance through Job Satisfaction. This is proven by the path coefficient value (original sample) of 0.310, with a significant value of $0.001 < 0.05$. Leadership style according to Shaaban & Shehata, (2019) is the process of directing and influencing activities related to the tasks of group members. Leadership style and job satisfaction are two important factors in efforts to improve employee performance. Although there are many other factors that can be used as incentives to improve employee achievement and performance. For example, through training and development which can play a role in improving employee abilities and skills. Public Works Department employees have a deep understanding of respondents' needs, preferences and trends which allows them to develop skills in work that are in accordance with the wishes of the leader. In addition, by developing skills in accordance with performance results, they can maintain superior satisfaction regarding the performance that has been achieved. deliver, build strong relationships, and achieve success at work.



4.4.8 The Influence of Self Efficacy (x2) on Employee Performance (y) Through Job Satisfaction (z) for Medan City Public Works Department Employees

Based on the results of hypothesis testing, it shows that the Self Efficacy variable has a negative and insignificant effect on Employee Performance through Job Satisfaction. This is proven by the path coefficient value (original sample) - 0.078, with a significant value of $0.153 > 0.05$. Job satisfaction is an individual's attitude towards work which is related to the work situation, cooperation between employees, rewards received at work, and matters involving physical and psychological factors. The following recent study shows that self-efficacy has an indirect effect on performance through job satisfaction, namely Setiawan (2017). Medan City Public Works Department employees must be able to do work quickly and be responsive to work, which is an important factor in maintaining job satisfaction within the organization. Apart from that, superiors who are satisfied with fast and responsive performance are more likely to be better when giving other work. , by focusing on achieving and maintaining high levels of job satisfaction among their subordinates, superiors can play a key role in creating a productive and motivating work environment.

4.4.9 The Effect of Compensation (x3) on Employee Performance (y) Through Job Satisfaction (z) for Medan City Public Works Department Employees

Based on the results of hypothesis testing, it shows that the Compensation variable has a positive and significant effect on Employee Performance through Job Satisfaction. This is proven by the path coefficient value (original sample) of 0.117, with a significant value of $0.005 < 0.05$. Compensation is often thought of as monetary and non-monetary, direct and indirect rewards given to employees on the basis of the value of their work, their personal contributions, and performance. This is one of the physical needs that influences motivation which in turn affects employee performance. The purpose of good compensation is to attract, motivate and retain good people to achieve organizational goals. Compensation and motivation must be recognized as the main factors that influence employee performance. Compensation must be well planned, integrated and comprehensive in order to increase worker productivity, as well as to achieve organizational or institutional goals. Therefore, compensation needs to be managed in such a way that it can function effectively and efficiently.

5.CONCLUSION

Based on the research results, the author provides input for improving employee performance in the Medan City Public Works Department, namely:

1. Employees in the Medan City Public Works Department are advised that management should pay more attention and provide direction regarding promotion opportunities/career paths to employees so that employees are encouraged to work in totality and bring out the potential that exists in employees. Apart from that, job satisfaction can be increased by making work enjoyable, employees are compensated honestly because employees who believe that the compensation system is dishonest tend to be dissatisfied with their work, matching employees with jobs that match their interests, in this case the agency can offer individual counseling to improve skills. employees so that personal and professional interests can be identified and adjusted, thereby avoiding boredom and repetitive work.
2. Employees at the Medan City Public Works Department are advised to be open to receiving complaints or positive suggestions from superiors. Because the results of the Leadership Style variable questionnaire show that 4.8% of employees have not responded to complaints and suggestions from superiors. In this case, the leadership must be able to consider every position taken wisely and with respect.
3. Employees at the Medan City Public Works Department are advised to improve their self-efficacy by changing, increasing or decreasing personal habits which are believed to trigger a lack or low level of self-efficacy within themselves which can be obtained through sources of

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self-efficacy. Apart from within the employees, internally the Medan City Public Works Department should provide for increasing employee self-efficacy by conducting frequent training and motivation for employees because carrying out these activities will increase employee skills at work so that employees are better trained and able to complete work with all obstacles. in various situations.

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