The Influence of Leadership Style and Compensation on Employee Performance at the Industry and Trade Office of Cirebon Regency

Rodiya[1], Pudji Astuty[2], Sugiyanto[3], Wahyu Murti[4]
{rodiya1975@yahoo.com[1], pudji_astuty@borobudur.ac.id[2], sugiyanto@borobudur.ac.id[3], wahyu_murti@borobudur.ac.id[4]}

Universitas Borobudur, Jakarta, Indonesia

Abstract. Employee performance is not always constant so that in a moment can in a state of is excellent, but in other time happened degradation. This matter happened also in public services at the Industry and Trade Office of Cirebon Regency, West Java Province. Low of performance shown with work not reach goals which have been specified, volume not mount to be compared to with result of previous, less precisely method in is technical of work execution so that ended up doing not effective both investments. Recipe of issues that how impact of authority style and pay to representative execution. The theory are administration style and remuneration impact by fractional and at the same time to representative execution. Consequence of exploration that administration style and pay are huge impact by inclined toward representative execution on level. Authority style and pay are critical impact by at the same time to representative execution.

Keywords: leadership style; compensation; employee performance

1 Introduction

Government apparatus in public organizations is one of the resources that exist in an organization in addition to other resources, such as capital, materials, and machines. The advantage of the role of government officials as human resources is that they are able to manage other resources, so that almost every organization state that humans are the most important asset for the organization. The potential of every human resource in the organization must be utilized as well as possible so that they are able to perform high and provide optimal output. But in reality, not all employees display good performance, because performance is not a constant thing so that one day it can be in prime condition, but at other times there is a decline.

Many factors are thought to have an effect on improving performance, one of which is drive style. Drive style is a way used by a trend-setter in influencing the approach to acting of others. Authority style is a social standard used by a person when those singular endeavors to affect the approach to acting of others. Expecting the trailblazer can finish well, in all likelihood, the affiliation will achieve its objectives.

In addition to leadership style, to guarantee the accomplishment of ideal execution, pioneers focus on giving pay, since remuneration is essential for the corresponding connection between the association and HR. Remuneration as indicated by Malay S.P. Hasibuan (2010) is "All pay as cash, merchandise straightforwardly or in a roundabout way gotten by workers as a trade-off for administrations gave to the organization." Therefore, perhaps the most effective way to

increment representative execution limit is to interface remuneration with representative turn of events. Remuneration assumes a significant part in further developing worker execution, one of the principal reasons an individual works is to satisfy his life needs. Somebody will work ideally in order to get the appropriate compensation. In an agency, employees always expect a more adequate income.

The various performance problems seen at the Industry and Trade Office of Cirebon Regency can be identified as follows : There is a change in performance when there is a change in the leader of the organization / institution ; Revenues / retributions fluctuated quite significantly ; Some types of work do not reach the set targets ; The work volume does not increase compared to the previous work ; Lack of precise methods in the technical implementation of the work, resulting in inefficiency both in time and effort.

In this examination, as far as possible the issue in view of: Leadership Style Variable (X_1) in this review, as far as possible the issue to the majority rule administration; Compensation Variable (X_2) in this review, as far as possible the issue in light of the fair and legitimate standard ; Employee Performance Variable (Y) in this review, the scientist restricted the issues in view of Loyalty, Work Performance, Responsibility, Obedience, Honesty, Cooperation, Initiative, and Leadership.

In view of the abovementioned, the fundamental issue in this study can be figured out as follows: 1) How is the impact of initiative style on representative execution at the Industry and Trade Office of Cirebon Regency? 2) How is the impact of pay on worker execution at the Industry and Trade Office of Cirebon Regency? 3) How is the impact of initiative style and pay together on representative execution at the Industry and Trade Office of Cirebon Regency?

The targets that specialists anticipate from the consequences of this study are as per the following: To decide the impact of initiative style on representative execution at the Industry and Trade Office of Cirebon Regency; To decide the impact of remuneration on worker execution at the Industry and Trade Office of Cirebon Regency; To decide the impact of administration style and pay together on worker execution at the Industry and Trade Office of Cirebon Regency.

2 Literature Review

According to Sunarto (2003:185) that leadership is the ability to influence a group towards achieving goals. Husaini Usman (2006:252) states that what is meant by leadership is the science and art of influencing people or groups to act as expected in order to achieve goals effectively and efficiently. Furthermore, James M. Black in Sadili Samsudin (2005:287) defines, Leadership is the ability to convince and move other people to want to work together under his leadership as a team to achieve a certain goal. Hasibuan (2007:170), Leadership is the way a leader influences the behavior of subordinates, to want to work together and work productively to achieve organizational goals.

According to Malayu Hasibuan (2007:1772) there are several leadership styles: 1) Authoritarian leadership style, decision - making and policy are only determined by the leader; 2) Participative leadership style, the leader implements in a persuasive way, creates harmonious cooperation, fosters loyalty and participation of subordinates; 3) Delegative leadership style, the leader delegates authority to his subordinates accompanied by their rights and obligations in a comprehensive manner so that subordinates can make decisions freely.

The democratic leadership style is an attempt to take advantage of everyone being led. The leadership process is realized by providing broad opportunities for group/organization members

to participate in every activity. Participation is adjusted to the position / position of each machine, in addition to paying attention to the level and type of ability of each member of the group / organization. The democratic leadership style is often referred to as the participatory leadership style.

Malay S.P. Ilasibuan (2010:117) states that remuneration is all pay as cash, products straightforwardly or by implication got by workers as a trade-off for administrations gave to the association/office. As per Cascio F. Wayne in Sjafri Mangkuprawira (2003:196), remuneration incorporates direct money installments, backhanded installments as worker advantages and serious motivators to propel representatives to strive to accomplish higher efficiency. Moreover, T. Hani Handoko (2001:155) states that remuneration is all those representatives get as pay for their work.

Pay is partitioned into two sorts, in particular direct remuneration and roundabout pay. Direct remuneration is as pay rates, wages and motivators, while circuitous pay is as advantages/administrations or monetary and non-monetary pay. According to Wibowo (2007:4) Execution is the execution of the plans that have been arranged. Ambar T, Suistiyani and Rosiduh (2003:223) proposes that an individual's presentation is a blend of capacity, exertion and opportunity that can be evaluated from the consequences of his work.

Veithzal Rivai (2004:324) suggests the aspects that are evaluated in the exhibition examination, to be specific: 1) Technical capacity, in particular the capacity to utilize information, strategies, methods and gear used to do assignments; 2) Conceptual capacity, specifically the capacity to comprehend the intricacy of the organization so people figure out their obligations, capacities and obligations as representatives; 3) The capacity of relational relations, in particular the capacity to cooperate with others, spur workers, arrange and others - others.

The type of the connection between factors is an attitude of thought in research that can be depicted in fig 1.
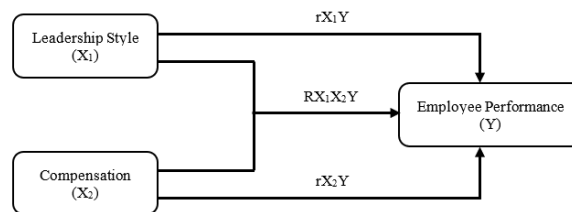
Fig 1. Research mindset

The hypothesis put forward by the researcher is as follows: 1) H1, it is thought that there is an impact of administration style on representative execution; 2) H2, it is thought that there is an impact of remuneration on worker execution; 3) H3, it is thought that there is an impact of initiative style and pay on representative execution.

3 Methodology

The research was conducted at the Industry and Trade Office of Cirebon Regency, West Java Province. The method used in this research is to use descriptive analysis research. Descriptive analytical research aims to examine by describing the existing problems and trying to solve the problems being faced by collecting, compiling, explaining the data obtained and then analyzed according to the existing theory.

The free factors are initiative style and remuneration. In this review, it is the free factor with the image X. The authority style in this study is the autonomous variable with the image X1, while remuneration in this study is additionally the free factor with the image X2. The reliant variable is a variable that is impacted by different factors or is the aftereffect of a free factor. The reliant variable is worker execution, represented by Y.

Authority style is a social standard utilized by an individual when that individual attempt to impact the way of behaving of others as he needs. Popularity based style of administration is the capacity to impact others to cooperate to accomplish the objectives that have been set. Instruments as questions and explanations are accumulated in a poll, then, at that point, organized in a matrix of administration style research instruments. Pay incorporates direct money installments, roundabout installments as worker advantages and motivators to propel representatives to strive to accomplish higher efficiency. Instruments as questions and explanations are organized in a poll, in light of inquiries and articulations, then, at that point, organized in a framework of pay factors research instruments.

Execution (work accomplishment) is the aftereffect of work in quality and amount accomplished by a representative in doing his obligations as per the obligations given to him. Instruments in the form of questions and statements that are arranged in a questionnaire, are based on the questions and statements which are then arranged in the lattice of the performance variable research instrument. The data collection technique taken was a written questionnaire in the form of questions and statements related to the problems studied to respondents, namely employees at the Industry and Trade Office of Cirebon Regency.

The information investigation method starts with changing ordinal information over to spans and information quality tests incorporate legitimacy and dependability tests. Moreover, information ordinariness, multi collinearity, heteroscedasticity and autocorrelation tests were completed. The t-test was led to decide the greatness of the impact of every autonomous variable somewhat on the reliant variable. In the meantime, the test was directed to decide the greatness of the joint impact of the free factor on the reliant variable.

4 Results and Discussion

Data conversion is carried out as a requirement to use Parametric statistics, because the type of data that the author collects is ordinal data (ranking) so it must be converted to interval data (the distance between data has the same weight). The data conversion calculation model used is by using the Method of Successive Interval (MSI) in Microsoft Excel. Testing the validity of the calculation instrument using the SPSS (Statistical Package for Social Science) program version 17, using a significance level of 0.05 (5%). With the test criteria, if the significance level is less than 0.05, then the research instrument item is declared valid. From the test results, all question items have a significance level of <0.05 and the research instrument is declared valid.

The aftereffects of testing the dependability of the X1 variable, X2 variable, and Y variable utilizing the SPSS (Statistical Package for Social Science) 17 for Windows program got the Cronbach Alpha unwavering quality coefficient an incentive for the X1 variable, which is 0.809 and for the X_2 variable is 0.861 and the Y variable is 0.906. As per Sekaran in Dwi Priyatno (2008:26) that dependability <0.6 isn't great, while 0.7 is satisfactory and >0.8 is great. In this way the exploration instrument of all factors is dependable and can be utilized in research.

To test regardless of whether the information is typical, the scientist performs computations involving the SPSS 17 For Windows program with the Chi-Square test model, gave that in the event that the importance level is more prominent than 0.05, the information is regularly circulated. Based on the calculation of the normality test of the X1 variable data, (Leadership

Style) obtained a probability of 0.299 (0.299>0.05) then the distribution of the X1 variable is normal.

The normality test of the X2 variable data (Compensation) is obtained probability of 0.356 (0.356 >0.05) then the distribution of the variable X2 (Compensation) is normal. The normality test of the Y variable data (Employee Performance) is obtained probability of 0.684 (0.684> 0.05) then the distribution of variable Y (Employee Performance) is normal. Multicollinearity test by taking a gander at the worth of the expansion factor (VIF) in the relapse model. On the off chance that VIF is more prominent than 5, the variable has a multicollinearity issue with other autonomous factors. From the estimation results, it is realized that the Variance Inflation Factor (VIF) of the two factors, in particular Leadership Style and Compensation, is 1.009, which is more modest than 5, so it very well may be expected that there is no multicollinearity issue between autonomous factors.

Instructions to foresee the presence or nonappearance of heteroscedasticity in a model should be visible from the scatterplot picture example of the model. From the subsequent scatterplot picture, it tends to be inferred that the various direct relapse model is liberated from the old-style supposition of heteroscedasticity and is reasonable for use in research. The consequences of the autocorrelation test with Durbin Watson showed the number 1.842. In the meantime, from the DW table with a meaning of 0.05 and how much information 83, as well as k-2 (k the quantity of autonomous factors) the dL esteem is 1.440 and dU is 1.541. Since the worth of DW (1.842) is nearby between no autocorrelation, it very well may be reasoned that the different direct relapse model is liberated from the traditional supposition of autocorrelation measurements.

4.1 The Influence of Leadership Style (X1) on Employee Performance (Y)

To decide the greatness of the impact of Leadership Style (X1) exclusively (halfway) on Employee Performance (Y) it tends to be seen from the t esteem in the Coefficients table with the test measures on the off chance that the importance level is under 0.05, the speculation is acknowledged. The results of the t-test showed that the ttable value of the Leadership Style variable (X1) had a p-value of 0.018<0.05, meaning that it was significantly distributed, while t-count was greater than t-table (2.411> >1.990) meaning significant. This means accepting the hypothesis H₁ which means that stated: "It is suspected that there is an influence of leadership style on employee performance".

Besides, to figure out how much impact the Leadership Style has on Employee Performance. From the estimation, it is observed that R Square is 0.074, this implies that 7.4% of Employee Performance is affected by the Leadership Style variable, while the excess 92.6% is impacted by different elements.

4.2 The Influence of Compensation (X2) on Employee Performance (Y)

In light of the aftereffects of the t-test, it was tracked down that the worth of the Compensation Variable (X2) had a p-worth of 0.000 <0.05, and that implies it is huge, while t count is more prominent than t table (4.635>1.990) which means it is significant. This means accepting hypothesis H2, which states: "It is suspected that there is an effect of compensation on employee performance".

From the calculation, it is found that R Square is 0.217, this means that 21.7% of Employee Performance is influenced by the Compensation variable, while the remaining 78.3% is influenced by other factors.

4.3 The Influence of Leadership Style (X1) and Compensation (X2) on Employee Performance (Y)

To determine the joint effect of Leadership Style (X_1) and Compensation (X_2) on the Performance of Guards (Y), tested with the F test. Based on the results of the ANOVA test or F test, the F count is 14,822 with a significance level of 0.000. This means that the Leadership Style (X_1) and Compensation (X_2) variables have a joint effect (simultaneous) on employee performance (Y). The results of the F test have a p-value of $0.000<0.05$, which means it is significant, while F count $14,822>$ from F table 3.110, which means it is significant. This means accepting H3, which states: "It is suspected that there is a joint influence of leadership style and compensation on employee performance".

Moreover, the aftereffects of the estimation of R square of 0.27, this implies that 27.0% of Employee Performance is affected by the factors of Leadership Style and Compensation, while the excess 72.0% is impacted by different variables.

5 Closing

In view of the consequences of exploration and examination that has been completed, it very well may be closed as follows: 1. There is a huge impact of Leadership Style on Employee Performance essentially at 7.4 % ; 2. There is a critical impact of remuneration on representative execution of 21.7 % ; 3. There is a huge impact of Leadership Style and Compensation on Employee Performance at 27.0 %.

References

[1] Furtwengler, Dale. 2000. Penilaian Kinerja. Diterjemahkan oleh Fandy Tjiptono. Andi Offset. Yogyakarta.
[2] Handoko, T. Hani. 2001. Manajemen Personalia dan Sumber Daya Manusia. Edisi Kedua. Cetakan Kelima Belas. BPFE. Yogyakarta.
[3] Hasibuan, Malayu S.P.. 2010. Manajemen Sumber Daya Manusia. Edisi Revisi. Cetakan Keempat Belas. Bumi Aksara. Jakarta.
[4] Rivai, Veithzal. 2004. Manajemen Sumber Daya Manusia Untuk Perusahaan Dari Teori ke Praktik. Edisi Pertama. Cetakan Pertama. Rajagrafindo Persada. Jakarta.
[5] Samsudin, Sadili. 2010. Manajemen Sumber Daya Manusia. Cetakan Ketiga. Pustaka Setia. Bandung.
[6] Sastrohadiwiryo, Siswanto 2005. Manajemen Tenaga Kerja Indonesia Pendekatan Administratif dan Operasional. Cetakan Ketiga Bumi Aksara. Jakarta.
[7] Sugiyono. 2010. Metode Penelitian Bisnis. Cetakan Kelima Belas. Alfabeta. Bandung.