

The Effect of Leadership Style and Compensation on Employee Performance Mediated by Work Motivation at PT. Alrazaak Abadi Mandiri in Makassar

Muhammad Yasser¹, Nurdin Brasit², Maat Pono³

^{1,2,3} Faculty of Economics and Business, Hasanuddin University

Abstrak

This research was conducted at PT Alrazaak Abadi Mandiri Makassar. At the same time, the time required during the research takes approximately three months, from August 2022 to October 2022. In this study, the authors made PT Alrazaak Abadi Mandiri Makassar employees the population. The type of sample used is a saturated sample because the population in this study was 46 employees. Hence, the number of samples was the same as the population. Based on the research and discussion results, it concludes that leadership style does not significantly affect work motivation at PT Alrazaak Abadi Mandiri Makassar. This means that even though the better the leadership style, it will not affect employee work motivation. Compensation has a significant effect on work motivation at PT. Alrazaak Abadi Mandiri Makassar. This means that the better the compensation employees obtain, the more employee work motivation will increase. Leadership style has no significant effect on performance at PT. Alrazaak Abadi Mandiri Makassar. This means that even though the better the leadership style, it will not affect employee performance. Compensation has a significant effect on performance at PT. Alrazaak Abadi Mandiri Makassar. This means that the better the compensation employees obtain, the more employee performance will increase. Work motivation has a significant effect on performance at PT. Alrazaak Abadi Mandiri Makassar. This means that the higher the employee's work motivation, the more employee performance will increase. Indirectly leadership style through work motivation significantly affects performance at PT. Alrazaak Abadi Mandiri Makassar. This means that the better the leadership style, the more employee work motivation and performance will increase. Indirectly compensation through work motivation does not significantly affect performance at PT Alrazaak Abadi Mandiri Makassar. This means that even though the better the compensation obtained by employees, it will not affect work motivation and performance.

Keywords: Leadership, compensation, performance, work motivation

Copyright (c) 2023 Muhammad Yasser1

✉ Corresponding author :

Email Address : muhammad.yasser @unhas.ac.id

INTRODUCTION

One of the most important elements that can support the company's running is human resources (employees). Labour or human resources can be defined as labourers, employees, workers or employees who have expertise in their respective fields which essentially have the same purpose to achieve an organizational or company goal. Thus, human resource management is important in determining a company's success.

In terms of job implementation, the role of the leader is very dominant. The leadership style will have its impact and vary in each implementation. Leadership styles are divided into transformational leadership styles and transactional leadership styles (Bass and Avolio in Wahyu Budi Priyanto, 2016). Transformational leadership style provides education and transfer of expertise from a leader to employees. In implementing a transformational leadership style, a leader sets an example and serves employees. As Robbins and Judge (2015) stated, transformational leadership styles are leaders who inspire their followers to put aside their interests for the organization's good and can have an extraordinary influence on their followers. The leadership style at PT Alrazaak Abadi Mandiri tends to command and suppress employees so that employees feel cornered and feel only as objects exploited by leaders.

The success of an organization in carrying out its duties is greatly influenced by individual performance. Every organization will try to improve employee performance, hoping the company's goals will be achieved. Increasing and decreasing employee performance directly or indirectly can affect the company's overall performance. Suartama and Ardana (2014) state that factors that affect employee performance include leadership style, financial compensation, education, work stress and work discipline. The problem associated with employee performance today lies in the lack of ability to work together in their work team. Hence, problems occur related to the work results obtained for the company.

According to Siagian (2004), the compensation system provided by an organization can be financial or non-financial. Furthermore, Odunlami and Matthew (2014) suggest that compensation is the total of all gifts given to employees in return for their services, which aims to attract, retain and motivate employees. Compensation is the output and benefits employees receive through salaries, wages and rewards to improve performance (Muhammad et al., 2014). Compensation is an important and strategic policy in an organization because it is directly related to increasing morale and employee performance. Compensation is very important for employees because the size of compensation measures employee performance. Suppose the compensation system provided by the company is fair. In that case, employees, especially marketers, can work more productively and increase their responsibility in carrying out the tasks assigned by the company. Therefore, compensation is important in motivating employees to improve their performance (Mokhamad Yanuar Pradita, 2017).

The problem related to compensation is that leaders in providing compensation still tend to be unfair and inappropriate to employee performance. For example, some employees who work more optimally get the same compensation as employees whose performance is not optimal, and this causes employee needs in the form of compensation still not follow employee expectations. Leaders must be fair and able to supervise the performance of their employees carefully so that this can be avoided. Apart from leadership and compensation factors, another factor is employee motivation. Employees can carry out their duties optimally, among others, determined by the motivation that encourages them to work diligently and discipline to achieve company goals under leadership that can create a conducive work atmosphere. Every employee is not necessarily willing to mobilize their performance optimally, so there is still a need for a driver so that someone can mobilize all their abilities to work. The driving force is motivation.

Motivation is one factor that encourages a person to carry out a certain activity. Murty and Hundiwinarsih (2012) state that a motivated employee will be energetic and excited. Conversely, an employee with low motivation will often display a sense of discomfort and displeasure with their Work which results in their performance being poor and company goals will not be achieved. The provision of appropriate compensation causes employee work motivation. Suppose the company gives compensation more attention. In that case, it is

expected that the expertise and work motivation of employees can increase so that it also affects the increase in employee performance.

A leader who is responsible, wise, able to manage, direct, influence, and understand the wishes of employees and the problems faced by employees. On the other hand, the company's demands on employees must also be balanced by providing appropriate compensation. With a leadership style and providing fair and appropriate compensation to employees, it is hoped that the performance of each employee will increase. Leadership style affects employee performance very significantly, as stated in the results of research by Mondiani (2012), Paracha et al. (2012), Pradeep et al. (2011) and Sundi (2013b). Likewise, according to research by Odunlami and Matthew (2014) and Ramzan et al (2014), compensation positively and significantly affects employee performance. Meanwhile, motivation is also stated to have a positive and significant effect on employee performance in the results of Masood's research (2013b).

Based on a survey by Rivai & Mulyadi (2013: 3), leadership style greatly affects employee performance. Leadership style is a behaviour with the specific purpose of influencing the activities of group members to achieve common goals designed to provide individual and organizational benefits. In an organization, leadership is an important factor in determining the achievement of goals. Leadership style has a very close relationship with employee performance because the success of a leader in mobilizing others to achieve predetermined goals is highly dependent on authority, and also the leader in creating enthusiasm within each subordinate, colleague or superior leader himself, according to leadership theories (behaviour theories) that have been put forward by Mc Gregor (1983). The lack of a leadership role in creating unified communication and providing employee coaching will lead to low levels of employee performance. This means that a successful leader is a leader who can become a role model for his subordinates by creating a work environment that can spur the growth and development of employee performance.

With the increasing performance of employees in the section they occupy, indirectly making the organization grow better, employee performance must be the most important part for the organization to develop the organization even better. Employee performance is highly dependent on a leader's leadership style in the organization. Therefore, as an organisation leader, he must adapt to the company's work culture to improve company employees' performance.

Work motivation in this study is a mediating or intermediate variable which plays an important role in seeing whether the support of work motivation will further improve employee performance or vice versa. Robbins (2015) assesses the impact of employee performance on leadership style, compensation, and employee motivation. In Work, employees will consciously set work goals and strive to fulfil them so that, in turn, they strive to make themselves useful to the organization by producing high performance (Juliningrum and Sudiro, 2013).

The next factor is the leadership style. Where if the leadership style is applied appropriately, it will have an impact on increasing employee motivation (Seguro, 2010; Astriari and Sudarma, 2014; Widyawati and Oetomo, 2014) and ultimately impact the better performance of employees in the office (Mandey and Lengkong, 2015; Widyawati and Oetomo, 2014). Following the researcher's observation of the research object, it was found that the leadership style applied so far was quite good. It was just that the compensation given to employees was uneven, so employees were less motivated to work, which ultimately decreased employee performance.

Based phenomena taken from several research results, including those put forward by Wahyu Budi Priyanto (2016), revealed that (1) Transformational leadership style has a positive but insignificant effect on employee motivation and performance. (2) Compensation positively and significantly affects employee motivation and performance. (3) Motivation mediates the effect of transformational leadership style on employee performance. (4) Motivation does not mediate the effect of compensation on employee performance at PT Bo Kyung Pasuruan

The Effect of Leadership Style on Work Motivation

The definition of leadership broadly includes influencing in determining organizational goals and motivating follower behaviour to improve the group and its culture. In addition, it also influences the interpretation of events of its followers, organizing activities to achieve goals and maintaining cooperative relationships and group work (Rivai, 2014). According to Cooke and Ernest (1999), employee motivation and leadership significantly positively affect employee performance. Some previous studies support the results of previous studies, including Seguro (2010), which has proven that Leadership Style affects work motivation. Astiari and Sudarma (2014) also found that leadership style partially had a significant effect on the motivation of Tabanan Regency Bappeda employees. Widyawati and Oetomo (2014) found that leadership style also significantly and positively influences work motivation.

The Effect of Compensation on Work Motivation

One of the strategies companies use to increase motivation and performance is providing rewards or worker's compensation. Compensation is an important and strategic policy in an organization because it is directly related to increasing morale and employee performance. Compensation is very important for employees because the size of compensation measures employee performance. If the compensation system provided by the company is fair, employees can work more productively and increase their responsibility in carrying out the tasks assigned by the company. Therefore, compensation is important to motivate employees to improve their performance.

Hasibuan (2002) says that one of the compensation objectives is motivation. If the compensation provided is large enough, the manager will easily motivate his subordinates. According to Robbins & Judge (2015), motivation is a process that plays a role in the intensity, direction, and duration of individual efforts towards achieving goals. So if an employee considers that the compensation provided by an organization follows what the employee expects, it will be able to motivate employees to improve employee performance. Sudarsono's research (2008) on "Analysis of the Effect of Compensation on Motivation and Performance (a case study of Economics Lecturers at Private Universities) and Surya's (2011) on the Effect of Compensation on Motivation of PT X that compensation and motivation affect performance. Some previous studies support the results of previous studies, including Kusuma and Al Musadieq (2017), which have proven that compensation significantly affects work motivation. Then, Heriati et al. (2017) also found that compensation positively and significantly affects employee work motivation.

The Effect of Leadership Style on Performance

According to Yukl (in Sunyoto, 2011), leadership is the process of influencing others to understand and agree with what they should do and how to do the task effectively, as well as facilitating individual and group efforts to achieve shared goals. The results of research conducted by Profita et al. (2017: 142) examined the Village Government Office of Lumajang Regency using a questionnaire as data collection. The sample in this study used 80 people, and the data collected were analyzed using path analysis. This study's results indicate a positive and significant influence of leadership on the performance of employees in the Village Government Office (PEMDES) of Lumajang Regency.

Leadership is the backbone of organizational development because it will be difficult to achieve organizational goals without good leadership. In carrying out its leadership, it must foster trust, participation, loyalty and internal motivation to its subordinates. If a leader is trying to influence the behaviour of others, then that person needs to think about his leadership style. According to Thoha (2003), "leadership style is a norm of behaviour used by someone when that person tries to influence the behaviour of others as he sees it". From this explanation, it can be concluded that a person's leadership style is the behaviour carried out and shown by a leader in providing direction to his subordinates with a sense of trust in subordinates also contains how to cooperate with his subordinates in making his decisions. Division of tasks and authority, how to communicate, and the relationship between the leader and his subordinates.

Research conducted by Narita, R. Yolla Permata (2008), Regina Aditya Reza (2010, and Sarita Permata Dewi (2012), states that there is a positive and significant influence of leadership style in improving employee performance. Leadership can be said to be how a leader directs, encourages and regulates all elements in the group or organization to achieve a desired organizational goal to produce maximum employee performance.

Effect of Compensation on Performance

Compensation is a form of money given by the leader of the organization to employees so that they work with high motivation and achievement in achieving organizational goals as recognition of work performance and employee contributions to the organization (Mangkunegara, 2011: 89). In a company that has a compensation system if an employee's achievement exceeds a work target that is profitable for the company, he will be compensated depending on the company's policy. If an employee often gets compensation because of a good target or exceeds it, it will improve employee performance and vice versa. If the company does not compensate employees if an employee has met the target or exceeds no compensation, it will reduce employee performance because compensation is an employee's encouragement to improve employee performance. Some research results in state that Mandey and Lengkong (2015) found that compensation positively affects the performance of the Faculty of Economics and Business, Sam Ratulangi University employees. Kusuma and Al Musadieq (2017) also prove that there is a significant effect of compensation on the performance of employees of PT Otsuka Indonesia. Nurcahyani and Adnyani (2016) found that compensation positively and significantly affects employee performance.

The Effect of Work Motivation on Performance

Motivation is a driving factor in carrying out an activity and greatly influences employee performance. While employee performance is a comparison between input and output or the ratio of results obtained to resources (employees), because employees are an important production factor, employee performance is also a very important factor determining overall company performance (Sukanto, 1997). The strength and weaknesses of a person's work motivation determine whether or not the individual's performance is good. Anogoro (1993) stated that a job concerning the achievement of performance will be greatly influenced by the motivation that underlies humans to do Work. Tan Hani Handoko (1997) adds that many factors affect employee work performance. Employees work well or not, depending on how much the factors that drive employee motivation can be fulfilled.

According to Armstrong (1994), the relationship between motivation and performance is positive. Employees who have motivation and performance are positive because employees who have high motivation will also produce high performance. This means that the higher the motivation, the higher the employee performance. Thus it is suspected that motivation has a positive effect on employee performance. Several previous studies support this study's results, including Juliningrum and Sudiro (2013), that work motivation can contribute to employee performance. Kusuma and Al Musadieq (2017) prove that there is a significant influence of motivation on the

performance of employees of PT Otsuka Indonesia. Salahuddin and Marpaung (2014) also found that work motivation positively and significantly affects employee performance. Then, Nurcahyani and Adnyani (2016) found that motivation positively and significantly affects employee performance.

METHOD, DATA, AND ANALYSIS

Location and Research Design

This research was conducted at PT Alrazaak Abadi Mandiri Makassar. At the same time, the time required during the research takes approximately three months, from August 2022 to October 2022.

Population or Samples

Population and sample are the subjects to be studied. According to Sugiyono (2016: 92), the population is a generalization area consisting of objects/subjects with the quality of certain characteristics applied by researchers to study and then draw conclusions. The population of this study were all employees at PT Alrazaak Abadi Mandiri in Makassar, totalling 46 employees consisting of 10 administrative employees and 36 operations. According to Sugiyono (2016: 116), the sample is part of the number and characteristics of the population. In this study, the authors made PT Alrazaak Abadi Mandiri Makassar employees the population. The type of sample used is a saturated sample because the population in this study was 46 employees. Hence, the number of samples was the same as the population.

Data Collection Method

Data collection techniques are the most important step in research, because the main purpose of research is to get data. In general, there are several data collection techniques: observation, interviews, questionnaires, and literature studies.

Data Analysis Method

This is a data analysis method in which researchers collect, classify, analyze and interpret data to provide a clear picture of the problem under study. The analysis methods used in this research are as follows:

Test the research instrument

First is validity test measures whether a questionnaire is valid or not. The validity test is carried out by conducting a bivariate correlation between each indicator score and the total variable score. Next is the reliability test, which is intended to measure a questionnaire, an indicator of the variable. An important requirement that applies to a questionnaire, namely reliability. A questionnaire is said to be reliable if the respondents' answers to the variables are consistent over time or the answers given by one another will be the same. If the questionnaire items can be used to predict the variables under study. The Alpha value obtained is compared with the critical r value (2-sided test) at 5% significance with $df = n-2$, when obtained $r_{Table} < r_{count}$, it can be concluded that the items of the research instrument are reliable, otherwise when $r_{Table} < r_{count}$ means unreliable.

Path analysis

Researchers use multiple regression analysis, if the researcher intends to predict how the state (ups and downs) of the dependent variable, if two or more independent variables (independent variables) as predictor factors are manipulated (increased and decreased in value) (Sugiyono, 2016). In knowing the relationship and influence of each variable of leadership style and compensation on performance mediated by work motivation, path analysis is used with the help of multiple

regression analysis techniques. Regression analysis uses the formula for multiple regression equations as quoted in Sugiyono (2016) with the help of the SPSS 21 program, namely:

$$Y_1 = \rho Y_1 X_1 + \rho Y_1 X_2 + e_1 \quad (1)$$

$$Y_2 = \rho Y_2 X_1 + \rho Y_2 X_2 + e_2 \quad (2)$$

Description:

Y_1 = Work Motivation

Y_2 = Performance

X_1 = Leadership Style

X_2 = Compensation

ρ = Coefficient Regression

e_1 = Model path error rate I

e_2 = Model path error rate II

1. Hypothesis Testing

a. Test t (Partial Test)

The t statistical test is basically used to determine whether the independent variable has a significant relationship or not with the dependent variable individually for each variable. The formula used to test the hypothesis is:

$$t = \frac{r \sqrt{n-2}}{\sqrt{1-r^2}} \quad (3)$$

Description:

n = number of data

r = correlation coefficient

Hypothesis testing steps:

H0: $t < 0$: indicates that there is no influence between the independent variables on the dependent variable.

H1: $t > 0$: indicates that there is an influence between the independent variables on the dependent variable.

The decision criteria are:

- 1) If $t_{\text{count}} > t_{\text{table}}$, and $\text{sig} < 0.05$, then H0 is rejected, and Ha is accepted.
- 2) If $t_{\text{count}} < t_{\text{table}}$, and $\text{sig} > 0.05$, then H0 is accepted, and Ha is rejected.
- 3) Significant level = 5%
- 4) Degree of freedom (df) = n - 2.

b. F test (simultaneous test)

The F test is used to determine whether simultaneously the independent variables can explain the dependent variable well or whether the independent variables have a significant effect on the dependent variable together. The formula used to test the hypothesis is:

$$F_{hitung} = \frac{R^2 / (k-1)}{(1-R^2) / N-k} \quad (4)$$

Description:

R² = Coefficient of determination

N = number of samples (observations)

K = number of regression parameters/coefficients plus constants.

Testing Criteria:

- 1) H₀ is accepted if the value of F_{hitung} < F_{table} or probability > 0.05. All regression coefficients are insignificant at the 95% confidence level.
- 2) H₀ is rejected if the value of F_{count} > F_{table} or probability < 0.05. All regression coefficients are jointly significant at the 95% confidence level.

2. Result and Discussion

Calculating the Path Coefficient

Model I Path Coefficient

Based on the results of data processing in Table 1 about coefficients, the significance level of each variable can be found as follows:

Table 1. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
	(Constant)	1.637	.717		.282
1	Leadership Style	.334	.197	.262	.096
	Compensation	.344	.151	.350	.028

a. Dependent Variable: Work Motivation

Referring to the Model I regression output in Table 1 coefficients, it can be seen that the significance value of the two variables, namely X₁ = 0.096, is greater than 0.05 and X₂ = 0.028, is smaller than 0.05. These results provide the conclusion that Model I regression, namely directly leadership style (X₁), has no significant effect on work motivation (Y₁) at PT Alrazaak Abadi Mandiri Makassar (the first hypothesis is rejected or not proven). Directly compensation (X₂) has a significant effect on work motivation (Y₁) at PT Alrazaak Abadi Mandiri Makassar (the second hypothesis is accepted or proven). Furthermore, table 2 shows the value of R² or R square, which states the

contribution of the independent variable to the dependent variable, which can be seen in the following table:

Table 2. Model Summary

Model	R Square	Adjusted R Square	Std. The error in the Estimate
1	.541 ^a	.260	.31688

a. Predictors: (Constant), Compensation, Leadership Style

b. Dependent Variable: Work Motivation

The R² or R square value in the Model summary table in table 2 is 0.293. This shows that the contribution or contribution of the influence of X₁ and X₂ on Y₁ is 29.3 percent while the remaining 71.7 percent is the contribution of other variables not included in the study. Meanwhile, the value of e₁ can be found by the formula:

$$e_1 = \sqrt{(1-0,293)} = 0,8408$$

Thus, the structure model I path diagram is obtained as follows:

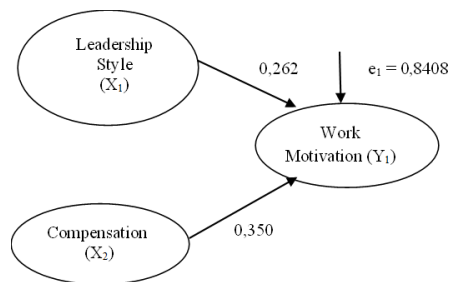


Figure 2. Structure Model I

Model II Path Coefficient

According to the results of data processing in table 3 about coefficients, the significance level of each variable can be known as follows:

Table 3. Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	
(Constant)	1.037	.436		2.377.022
Leadership Style	.089	.117	.084	.763 .449
Compensation	.249	.092	.306	2.709.010
Work Motivation	.471	.088	.568	5.376.000

a. Dependent Variable: Performance

Based on the Model II regression output in table 3 coefficients, it can be seen that the significance value of the three variables, namely X₁ = 0.449, is greater than 0.05, X₂ = 0.010, and Y₁ = 0.000 is smaller than 0.05. These results provide the conclusion that regression Model II, namely:

1. Directly the leadership style variable (X1) has no significant effect on performance (Y2) at PT Alrazaak Abadi Mandiri Makassar (hypothesis rejected or not proven).
2. The compensation variable (X2) directly affects performance (Y2) at PT. Alrazaak Abadi Mandiri Makassar (hypothesis accepted or confirmed).
3. Directly work motivation variable (Y1) significantly affects performance (Y2) at PT. Alrazaak Abadi Mandiri Makassar (hypothesis accepted or confirmed).

Furthermore, table 5.16 shows the value of R2 or R square which states the contribution of the independent variable to the dependent variable, which can be seen in the following table:

Table 4. Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.817 ^a	.668	.644	.18213

a. Predictors: (Constant), Work Motivation, Leadership Style, Compensation

b. Dependent Variable: Performance

The value of R2 or R square contained in table 4 Model summary is 0.668, this indicates that the contribution or contribution of the influence of X1, X2 and Y1 on Y2 is 66.8 percent while the remaining 33.2 percent is the contribution of other variables not examined.

Meanwhile, the value of e1 can be found by the formula

$$e2 = \sqrt{(1-0,668)} = 0,5762$$

Thus the structure model path diagram II is obtained as follows:

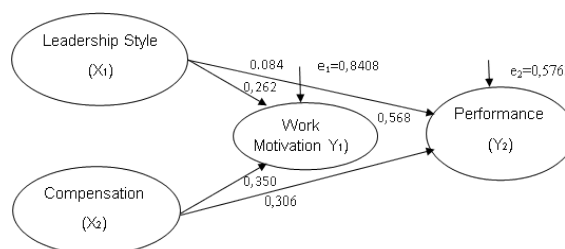


Figure 3. Structure Model II

DISCUSSION

Analysis of the Effect of leadership style on work motivation

Based on the analysis results, the leadership style's significance value is 0.096, greater than 0.05, so it can be argued that leadership style has no significant effect on work motivation at PT Alrazaak Abadi Mandiri Makassar. Several factors influence the occurrence of no influence of leadership style on work motivation in the company because the leader still uses a transactional leadership style so that employees remain motivated to work following their obligations and responsibilities based on the compensation received by employees. This is not following the theory put forward by Rivai (2013), indicating that leadership style can motivate or provide encouragement or enthusiasm for someone to carry out certain activities to achieve a goal to improve performance positively.

To increase employee motivation, the company leadership should always provide enthusiasm and encouragement to work harder. This statement is supported by respondents of 28.26% who stated strongly agree. This indicates that it is necessary to improve the quality of leadership style towards

work motivation. Then it is hoped that the company leader will be straightforward in conveying ideas and thoughts to his employees. The statement was supported by respondents of 21.74% who stated strongly agreed. This indicates that it is necessary to improve the quality of leadership style so that it can influence work motivation. It can be further explained that the results of this study are in line with what has been found by Wahyu Budi Priyanto (2016) found that transformational leadership style has a positive but insignificant effect on employee work motivation at PT Bo Kyung Pasuruan. Different from what was found by Mokhamad Yanuar Pradita (2017), leadership style significantly positively affects work motivation at PT. Bank Rakyat Indonesia (Persero) Tbk. Jombang Branch.

Analysis of the Effect of Compensation on work motivation

Based on the results of the analysis, the significance value of compensation is 0.028 less than 0.05, so it can be argued that directly there is a significant effect of compensation on work motivation at PT Alrazaak Abadi Mandiri Makassar. Factors that influence the effect of compensation on work motivation in the company are based on data obtained in the field that employees feel motivated by the intensive facilities provided by the company. This follows the theory put forward by Robbins & Judge (2015) that motivation is a process that plays a role in the intensity, direction, and duration of individual efforts towards achieving goals. So that if an employee considers that the compensation provided by an organization is following what the employee expects, it will be able to motivate employees to improve employee performance.

To further increase employee motivation, company management should pay attention to the salaries received by employees as expected. This statement is supported by respondents of 36.95% who stated that they strongly agree. This indicates that increasing the acceptance of compensation for work motivation is necessary. Then it is hoped that company management will pay more attention to providing benefits to motivate employees to work. The statement was supported by respondents of 36.96% of those who stated strongly agreed. This indicates that it is necessary to increase the amount of compensation so that it can have more influence on work motivation. This study's results follow what Wahyu Budi Priyanto (2016) researched, which found that compensation has a positive and significant effect on work motivation at PT Bo Kyung Pasuruan. Different results of research conducted by Mokhamad Yanuar Pradita (2017) found that compensation significantly negatively affects work motivation at PT. Bank Rakyat Indonesia (Persero) Tbk. Jombang Branch.

Analysis of the effect of leadership style on performance

Based on the analysis results, the significance value of leadership style is 0.449 greater than 0.05, so it can be stated that leadership style has no significant effect on performance at PT Alrazaak Abadi Mandiri Makassar. Several factors influence the occurrence of no influence of leadership style on employee performance because the leader is less encouraging to employees and not straightforward in conveying ideas to employees so employees do not provide optimal work results through leadership style. This contradicts the theory put forward by Mc Gregor and Lombardo, which explains that physical and psychological personality traits determine a leader's success to achieve a goal.

To improve employee performance through leadership style, it is as good as the leadership management to make decisions and complete Work quickly but only 50.00% strongly agree. This indicates that leadership style does not affect performance. Then the leadership should always provide enthusiasm and encouragement to work harder but only 28.26% strongly agree with the statement, indicating that leadership style does not affect performance. Furthermore, the leadership is very straightforward in conveying ideas and thoughts to all of us, but only 21.74% strongly agree with the statement, this indicates that leadership style does not affect performance. Furthermore, it is stated in the indicator that the leader can influence and make others follow his

instructions using personal strength or power effectively, but only 39.13% strongly agree with the statement, this indicates that leadership style does not affect performance. The next statement states that the leader is respectful and responsible for his subordinates, but only 41.30% strongly agree. This indicates that leadership style does not affect performance. And the leadership is very firm and can control emotions when a subordinate makes a mistake, but only 36.95% strongly agree with the statement. This indicates that leadership style does not affect performance.

This study's results align with what Mirza Dwinanda Ilmawan, Dwi Setia Wulandari and Fatmala Fitriani (2017) found that leadership style does not affect performance. But different research results conducted by Mokhamad Yanuar Pradita (2017) found that leadership style significantly positively affects performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Jombang Branch. Similarly, the research results conducted by Nuraeni S, Mattalatta and Abdul Syukur (2019) found that leadership style positively and significantly affects employee performance in Bantaeng District, Bantaeng Regency.

Analysis of the effect of compensation on performance

Based on the analysis results, the significance value of compensation is 0.010 less than 0.05, so compensation significantly affects performance at PT Alrazaak Abadi Mandiri Makassar. The factor that influences the occurrence of the effect of compensation on employee performance in the company is based on data obtained in the field that employees are satisfied with the compensation provided by the company so that employees can work optimally. This follows the theory put forward by Robbins & Judge (2015), which states that motivation is a process that plays a role in the intensity, direction, and duration of individual efforts towards achieving goals so that if an employee considers that the compensation provided by an organization is following what employees expect, it will be able to motivate employees to improve employee performance.

Compensation is very important for employees because the size of compensation measures employee performance. If the compensation system provided by the company is fair, employees can work more productively and increase their responsibility in carrying out the tasks assigned by the company. Therefore, compensation is important in motivating employees to improve their performance. This study's results align with what has been researched by Wahyu Budi Priyanto (2016) found that compensation has a positive and significant effect on employee performance at PT Bo Kyung Pasuruan. But not in line with what has been stated by Mokhamad Yanuar Pradita (2017), he found that compensation has a significant negative effect on performance at PT. Bank Rakyat Indonesia (Persero) Tbk. Jombang Branch.

Analysis of the effect of work motivation on performance

Based on the analysis results, the significance value of work motivation is 0.000 less than 0.05, so it can be stated that work motivation significantly affects performance at PT Alrazaak Abadi Mandiri Makassar. In companies that significantly influence work motivation on employee performance, employees feel safe and comfortable working because they get health insurance and adequate rest days to maximize employee performance. This follows the combined theory put forward by Abraham Maslow and McClelland, indicating that the motivation variable is the drive or enthusiasm that exists within a person to carry out certain activities to achieve a goal so that it can have a positive effect on improving employee performance.

To improve employee performance through motivation, management should place employees in the field they master according to their expertise. This statement is supported by respondents of 50.00% who stated strongly agree. This indicates that motivation affects performance. Then it is hoped that every employee will feel comfortable in their Work. This statement is supported by respondents of 56.52% who stated strongly agree. This indicates that motivation affects performance. Every Friday, sports are held, and Saturday is closed, intended to rest. This is the

provision of motivation to improve the performance of employees. The statement was supported by respondents of 58.69% who stated strongly agree, indicating that motivation affects performance. And to improve employee performance through motivation, the management still provides health insurance to increase security while working. This statement is supported by the respondent's statement of 60.87% who strongly agree. This indicates that motivation affects performance.

In line with what has been researched by Mokhammad Yanuar Pradita (2017), he found that motivation significantly positively affects performance at PT Bank Rakyat Indonesia (Persero) Tbk. Jombang Branch. Similarly, Elvino Bonaparte do Rego, Wayan Gede Supartha & Ni Nyoman Kerti Yasa (2017) found that motivation has a positive and significant effect on employee performance in Employees at the Directorate General of Administration and Finance, Ministry of Estatal Timor Leste.

Analysis of the effect of leadership style through work motivation on performance

It is known that the direct effect given by leadership style on performance is 0.084. At the same time, the indirect effect of leadership style through work motivation on performance is the multiplication of the beta value of leadership style on work motivation with the beta value of work motivation on performance, namely $0.262 \times 0.568 = 0.149$. Then the total effect of the leadership style on performance is the direct effect plus the indirect effect, namely: $0,084 + 0,149 = 0,233$. Based on these calculations, it is known that the direct effect value is 0.084 and the indirect effect is 0.149, which means that the indirect effect value is greater than the direct effect value. These results indicate that indirectly the leadership style through work motivation has a significant effect on performance at PT Alrazaak Abadi Mandiri Makassar (the sixth hypothesis is accepted or proven). In line with what Wahyu Budi Priyanto (2016) found, work motivation mediates the effect of leadership style on employee performance, meaning that indirectly leadership style through work motivation has a significant effect on performance at PT Bo Kyung Pasuruan.

Analysis of the effect of compensation through work motivation on performance

It is known that the direct effect given by compensation on performance is 0.306. At the same time, the indirect effect of compensation through work motivation on performance is the multiplication of the beta value of compensation on work motivation with the beta value of work motivation on performance, namely $0.350 \times 0.568 = 0.199$. Then the total effect given by compensation on performance is the direct effect plus the indirect effect, namely: $0,306 + 0,199 = 0,505$. Based on the results of these calculations, the direct effect value is 0.306, and the indirect effect is 0.199, which means that the indirect effect value is smaller than the direct effect value. These results indicate that indirect compensation (X2) through work motivation (Y1) has no significant effect on performance (Y2) at PT Alrazaak Abadi Mandiri Makassar (the seventh hypothesis is rejected or not proven). In line with what Wahyu Budi Priyanto (2016) found that work motivation does not mediate the effect of compensation on employee performance, meaning that it has no significant effect on employee performance at PT Bo Kyung Pasuruan.

CONCLUSION

Based on the research and discussion results, it concludes that leadership style does not significantly affect work motivation at PT Alrazaak Abadi Mandiri Makassar. This means that even though the better the leadership style, it will not affect employee work motivation. Compensation has a significant effect on work motivation at PT. Alrazaak Abadi Mandiri Makassar. This means that the better the compensation employees obtain, the more employee work motivation will increase. Leadership style has no significant effect on performance at PT. Alrazaak Abadi Mandiri Makassar. This means that even though the better the leadership style, it will not affect employee performance. Compensation has a significant effect on performance at PT. Alrazaak Abadi Mandiri

Makassar. This means that the better the compensation employees obtain, the more employee performance will increase. Work motivation has a significant effect on performance at PT. Alrazaak Abadi Mandiri Makassar. This means that the higher the employee's work motivation, the more employee performance will increase. Indirectly leadership style through work motivation significantly affects performance at PT. Alrazaak Abadi Mandiri Makassar. This means that the better the leadership style, the more employee work motivation and performance will increase. Indirectly compensation through work motivation does not significantly affect performance at PT Alrazaak Abadi Mandiri Makassar. This means that even though the better the compensation obtained by employees, it will not affect work motivation and performance.

Reference :

- Anwar, Prabu Mangkunegara., 2011. Manajemen Sumber Daya Manusia Perusahaan. Bandung : PT. Remaja Rosdakarya.
- Astiari, Putu Trisna D., dan I Nyoman Sudarma., 2014. Pengaruh Deskripsi Pekerjaan Dan Leadership Style Terhadap Work Motivation Pegawai Bappeda Kabupaten Tabanan. E-Jurnal Manajemen Universitas Udayana Vol.3 No. 7.
- Bass, B. M. & Avolio, B. J., 1990. Developing Transformational Leadership; 1992 And Beyond. Journal Of European Industrial Training 14 (5).
- Desseler, G., 2015. Manajemen Sumber Daya Manusia (Edisi Empat Belas). Jakarta: Salemba Empat.
- Dwi Priyatno., 2008. Mandiri Belajar SPSS (Untuk Analisa Data dan Uji Statistik). Yogyakarta: Media Kom.
- Dzikrillah Rizqi Amalia, Bambang Swasto dan Heru Susilo., 2016. Pengaruh Leadership Style Terhadap Work Motivation dan Performance Karyawan (Studi pada Karyawan Pabrik Gula Kebon Agung Malang). Jurnal Administrasi Bisnis (JAB). Vol. 36 No. 1 Juli 2016.
- Elvino Bonaparte do Rego, Wayan Gede Supartha & Ni Nyoman Kerti Yasa., 2017. Pengaruh Kepemimpinan Terhadap Motivasi dan Performance Karyawan pada Direktorat Jendral Administrasi dan Keuangan, Kementerian Estatal Timor Leste. E-Jurnal Ekonomi dan Bisnis Universitas Udayana 6.11 (2017): 3731-3764. ISSN : 2337-3067.
- Gujarati., 2012. Dasar-Dasar Ekonometrika. Buku 2, Edisi 5. Jakarta: Penerbit Salemba.
- Handoko, T. H., 2011. Manajemen Personalialia dan Sumber Daya Manusia (Cetakan Ke Delapan Belas). Yogyakarta: BPFE.
- Hasibuan, S.P. Malayu., 2002. Manajemen Sumberdaya Manusia. Edisi Revisi. Jakarta: Bumi Aksara.
- Hasibuan, M., 2016. Manajemen Sumber Daya Manusia. Jakarta: PT Bumi Aksara.
- Heriati., Ansar., Adrianus P., 2017. Pengaruh Compensation dan Lingkungan Kerja Terhadap Motivasi Pegawai Dalam Memberikan Pelayanan Prima Pada Dinas Pendapatan, Pengelolaan Keuangan, dan Aset Daerah Kabupaten Soppeng. Jurnal Mirai Management, 2(1), 24-29.
- Juliningrum, Emmy., dan A. Sudiro., 2013. Pengaruh Compensation, Budaya Organisasi, terhadap Work Motivation dan Performance Pegawai. Jurnal Aplikasi Manajemen Volume 11 Nomor 4.
- Kusuma, Y. B., & Al Musadieg, M., 2017. Pengaruh Compensation Terhadap Work Motivation, Kepuasan Kerja, dan Performance Karyawan (Studi pada Karyawan Tetap PT. Otsuka Indonesia di Lawang, Malang). Profit (Jurnal Administrasi Bisnis), 9(1), 43-56.
- Mandey, Maya A., dan V.P.K. Lengkong., 2015. Pengaruh Compensation, Leadership Style, dan Lingkungan Kerja Terhadap Performance Pegawai (Studi Pada Fakultas Ekonomi dan Bisnis Unsrat). Jurnal EMBA Vol.3 No.3 Sept. 2015, Hal.1383-1394.
- Masood, A., 2013b. Impact Of Motivation On Employee Performance With Effect Of Training: Specific To Education Sector Of Pakistan. International Journal Of Scientific And Research Publications, 03.

- Mirza Dwinanda Ilmawan, Dwi Setia Wulandari dan Fatmala Fitriani., 2017. Peran Leadership Style dan Compensation dalam Mempengaruhi Performance yang Dimediasi oleh Kepuasan Kerja. Jurnal Ekonomi Modernisasi. <http://ejournal.unikama.ac.id/index.php/JEKO> JEM 13 (1) 2017, 37-45.
- Mokhammad Yanuar Pradita., 2017. Pengaruh Compensation, Leadership Style dan Karakteristik Tenaga Pemasar Terhadap Motivasi dan Performance Tenaga Pemasar pada PT. Bank Rakyat Indonesia (Persero) Tbk. Cabang Jombang. Jurnal Bisnis dan Manajemen Vol. 4 No.2, Juni 2017, p 153-164 p-ISSN : 1829-7528 e-ISSN : 2581-1584.
- Mondiani, J., 2012. Pengaruh Kepemimpinan Transformasional Dan Compensation Terhadap Performance Karyawan Pln (Persero) Upj Semarang. Jurnal Administrasi Bisnis.
- Muhammad, R., Kashif, Z. H. M., Ghazanfar, A. & Arslan, A. M., 2014. Impact Of Compensation On Employee Performance (Empirical Evidence From Banking Sector Of Pakistan). International Journal Of Business And Social Science, 5.
- Murty, W.A., & Hundiwinarsih, G., 2012. Pengaruh Compensation, Motivasi dan Komitmen Organisasional terhadap Performance Karyawan Bagian Akuntansi (Studi Kasus Pada Perusahaan Manufaktur di Surabaya). Journal The Indonesian Accounting Review, Vol. 2, No. 2, pp: 215-228.
- Nuraeni S, Mattalatta dan Abdul Syukur., 2019. The Effect of Leadership and Compensation Style on Employee Performance through Motivation to Work in Bantaeng District Bantaeng Regency. Journal of Management Volume 2 No. 1 2019.
- Nurchayani, Ni Made., dan I.G.A. Dewi Adnyani., 2016. Pengaruh Compensation Dan Motivasi Terhadap Performance Karyawan Dengan Kepuasan Kerja Sebagai Variabel Intervening. E-Jurnal Manajemen Unud, Vol. 5, No.1, 2016: 500 – 532.
- Odunlami, B. B. & Matthew, A. O., 2014. Compensation Management And Employees Performance In The Manufacturing Sector, A Case Study Of A Reputable Organization In The Food And Beverage Industry. 2, (9):108-117.
- Paracha, M. U., Qamar, A., Mirza, A., Inam-Ul-Hassan & ., H. W., 2012. Impact Of Leadership Style (Transformational & Transactional Leadership) On Employee Performance & Mediating Role Of Job Satisfaction" Study Of Private School (Educator) In Pakistan. Global Journal Of Management And Business Research, 12, (4):5564.
- Pradeep, Devi, D. & N.R.V., P., 2011. The Relationship Between Effective Leadership And Employee Performance. International Conference On Advancements In Information Technology With Workshop Of Icbmg 2011, 20, 1982017.
- Ramzan, M., Zubair, H. M. K., Ali, G. & Arslan, M., 2014. Impact Of Compensation On Employee Performance (Empirical Evidence From Banking Sector Of Pakistan). International Journal Of Business And Social Science, 5.
- Rivai, V., 2014. Pemimpin Dan Kepemimpinan Dalam Organisasi. Jakarta: Rajawali Pers.
- Rivai, V. & Mulyadi, D., 2013. Kepemimpinan dan Perilaku Organisasi. Jakarta: PT. Raja Grafindo Persada.
- Robbins, S. P. & Judge, T. A. 2015. Perilaku Organisasi. Jakarta, Salemba Empat.
- Shalahuddin, Ahmad., dan B.P. Marpaung., 2014. Pengaruh Compensation Dan Budaya Organisasi Terhadap Performance Pegawai Dengan Work Motivation Sebagai Variabel Perantara. Jurnal Manajemen Teori dan Terapan Tahun 7. No. 1, April 2014.
- Sedarmayanti., 2014. Manajemen Sumber Daya Manusia. Bandung: PT.Revika Aditama.
- Seguro, Waseso., 2010. Pengaruh Leadership Style Dan Promosi Pegawai Terhadap Work Motivation Di PT.Telekomunikasi Indonesia (Persero) Kandatel Bandung. Jurnal Ekonomi Bisnis No. 1, Volume 15, April 2010
- Siagian, S. P., 2004. Teori Motivasi dan Implementasinya, Jakarta, PT. Rinek Cipta.
- Sri Wahyuni Purnama, Harmein Nasution, Yeni Absah., 2019. Effect of Leadership Style, Compensation and Job Characteristics through Motivation on Employee Performance in Kebun Tanah Raja PT. Perkebunan Nusantara III (Persero). International Journal of

- Research and Review. E-ISSN: 2349-9788; P-ISSN: 2454-2237. Vol.6; Issue: 10; October 2019.
- Suartama, M. M. & Ardana, K., 2014. Analisis Faktor-Faktor Yang Menentukan Performance Karyawan di PT. Arta Boga Cemerlang Denpasar. 1259-1271.
- Sударsono, H., 2008. Analisis Pengaruh Compensation terhadap Motivasi dan Performance (Studi Kasus Dosen Ekonomi pada Perguruan Tinggi Swasta). Jurnal Penelitian Kependidikan, Nomor 1.
- Sugiyono, 2016., Metode Penelitian Kuantitatif, Kualitatif, dan Kombinasi. Bandung: Alfabeta.
- Sundi, K., 2013b. Effect Of Transformational Leadership And Transactional Leadership On Employee Performance Of Konawe Education Department At Southeast Sulawesi Province. International Journal Of Business And Management Invention, 02.
- Suprpto, Abadi Sanosra, dan Arik Susbiyani., 2022. Effect Of Leadership Style And Compensation On Employee Performance With Job Satisfaction As Intervening Variable (Study at Fatimah Islamic Hospital Banyuwangi). International Journal of Management Science and Information Technology (IJMSIT). E-ISSN: 2774-5694, P-ISSN:2776-7388. Vol. 2, No. 1, January - June 2022.
- Surya S., 2011. Pengaruh Compensation Terhadap Work Motivation. Jurnal Ekonomi 2.
- Thoha., 2012. Kepemimpinan Dalam Manajemen. Jakarta: PT. Raja Grafindo Persada.
- Wahyu Budi Priyanto., 2016. Pengaruh Leadership Style Transformasional dan Compensation Terhadap Performance Karyawan dengan Motivasi Sebagai Variabel Intervening. Jurnal Ekonomika-Bisnis. Vol. 07 No. 02 Bulan Juli Tahun 2016 Hal 105-114. p-ISSN : 2088-6845 e-ISSN : 2442-8604.
- Widyawati, Titis., dan H. W. Oetomo., 2014. Pengaruh Leadership Style Terhadap Performance Karyawan Dengan Motivasi Sebagai Intervening. Jurnal Ilmu & Riset Manajemen Vol. 3 No. 3 (2014).
- Yukl, G., 2015. Kepemimpinan dalam organisasi (edisi ketujuh). (Ati Cahayani, Trans). Jakarta: PT. Indeks