

THE INFLUENCE OF LEADERSHIP, MOTIVATION, AND DISCIPLINE ON EMPLOYEES' PERFORMANCE PT. LMA

¹Yenny Kartika Halim, ²Trianggoro Wiradinata*

Ciputra University Surabaya
INDONESIA

Email: ¹ykartika01@magister.ciputra.ac.id

ABSTRACT

This study aims to analyze and prove the influence of leadership, motivation and discipline on employees' performance. This study provides some recommendations on how to improve employees' performance. The study was conducted at PT. LMA Surabaya 2017. Data were collected through questionnaires and distributed to 60 people. This study used a quantitative method with Likert scale measurement. The data were analysed using SPSS program. Improved leadership qualities, motivation and discipline would improve employees' performance outcomes. The results of this study produce recommendations for future job improvements related to leadership, motivation, discipline, and employee performance.

Keywords: leadership, motivation, discipline, performance and employee performance

INTRODUCTION

In Indonesia, a family business is one of the biggest business opportunities. A lot of entrepreneurs in Indonesia hold principles of a family business. Family business is one of the most consistent and flexible businesses that are subject to change and adapt to very fast and uncertain economic growth. "For the first time, US-based audit firm Price Waterhouse Cooper (PwC) conducted a survey on family business in Indonesia. From the survey, more than 95 percent of companies in Indonesia are family businesses "(CNN Indonesia, 2014). From the results of PwC family business audit is a very dominant business in Indonesia.

PT. LMA is a family business owned by one owner and his children. PT. LMA is a stockist business and engineering good distribution. It has been run for more than 30 years. At the beginning of its establishment, this company only sold spare parts for travos and inverters. After several years, PT. LMA has expanded its business by moving in the field of techniques such as "Generator, Compressor, Hoses, Water Pump and others".

The company realized the importance of making some changes. However, the management of the company did not know how to do and change. The writer got permission from the owner of the company to do a research. PT. LMA had a lot of problems that needed to be solved. In this study, the existing problems of the company will be discussed, covering the style of leadership, motivation, discipline, and employee performance.

The style of leadership at PT LMA was authoritarian despite the fact that other companies have changed their leadership styles from being conventional to being professional. Although PT.

LMA has already had some professionals, all decisions were taken by the owner. The authoritarian leadership made employees reluctant to give feedback to superiors. In this research, the writer is seeking some strategies that help the company make some improvement.

PT. LMA never gave rewards to motivate the employees. While the programs have not been well prepared employees had no challenge to improve the performance of PT.LMA. Punishment and reward strategies have never been employed that enable employees to reflect upon their performance.

Having good discipline work ethos in business is very important. However, when inconsistency takes place, employees will feel difficult to provide good performance at work. PT. LMA has long experience the shortage of discipline. It is due to a lack of firmness from the head of the department at the company. For example, they were often late to come to work. They even missed their work hours.

Table 1.1 below describes a three-month absence from PT. LMA. This table shows the attendance of all employees every month

Table 1. Employee Attendance at PT. LMA 2016

Month	Enter	Permission/Miss	Late	Go Around
June	1,221 (78%)	230 (15%)	85 (5%)	24 (2%)
July	980 (82%)	130 (11%)	70 (6%)	20 (1%)
AUGUST	1,256 (80%)	200 (13%)	80 (5%)	24 (2%)

Source: Employee Attendance Card (2016), (day/month)

Authoritarian and inflexible leadership styles, lack of motivation, and work discipline are problems at PT. LMA. This company is committed to change the existing system to make the performance of employees and leaders better.

LITERATURE REVIEW

Leadership

Leadership is a factor or process of giving direction by leaders to followers in an effort to achieve success. Without effective leadership, individuals and groups tend to have no direction, no complacency and less motivation.

According to Judge (2007) in Mappamiring (2015) leadership can be explained by concepts like this "Leadership is a force that flows in unknown ways among leaders with their followers, encouraging followers regularly to gather energy into formulated targets together. Working towards goals and achievements gives satisfaction to leaders and their followers. "

According to Sarros and Butchatsky (2007) in Sari (2014), leadership is a behavior with a specific purpose to influence group members' activities in order to achieve common goals to benefit individuals and organizations

Motivation

According to Herzberg (1966) in Juniantara (2015) motivation is divided into two factors: motivators or often referred to as intrinsic motivation and hygiene factor or often called extrinsic motivation. Motivator is a factor that comes from within oneself. It is a desire to move forward and achieve. Hygiene factors prevent dissatisfaction. These factors do not lead to satisfaction and they are usually derived from company's policy.

Herzberg (1996) explains two factors of motivation. There are 9 indicators that make up these two factors.

A. Intrinsic Motivation

Intrinsic motivation is the motivation that exists within oneself. This motivation drives one to excel and desires to get something better than before. Intrinsic motivation is better known as

motivational factor. According to Herzberg (1996) in Juniantara (2015), there are four motivational indicators:

1. Achievement (Achievement work) is the success of an employee in completing tasks.
2. Advancement (self-development) is a person's desire to develop a career in the field of finance.
3. Work itself (job itself) is a variation of work and control over methods and work steps.
4. Recognition means the employee gains recognition from the company that gives rewards or praises because of achievements.

B. Extrinsic Motivation

Extrinsic motivation is a motivation that comes from outside people. This factor helps people determine their behavior in life. This factor is known as hygiene factor theory. Herzberg (1966) in Hong and Waheed (2011) has classified five indicators of hygiene factors:

5. Company policy (corporate policy) is a rule established by the company as a management guidance to carry out activities
6. Relationship with peers (relationship with colleagues) is communication between employees in completing tasks.
7. Work security (job security) is the employee's individual perception of employees' variability in terms of reward values, regional mutation, opportunities of termination of relationship.
8. Relationship with supervisor (Relationship with superiors) is a major element of employees' job satisfaction.
9. Salaries are financial rewards earned by employees including wages, bonus premiums, and benefits.

Discipline

Discipline is based on people's desire to do good and right work. Being disciplined also refers to people's attitude, behavior and willingness to do things in accordance with written or unwritten rules.

Discipline in work can be interpreted as follows: "The awareness and willingness of a person is to comply with all corporates' rules and social norms." Hasibuan (2002) in Evanita (2013)

Consciousness is a voluntary attitude of a person to obey all rules or order while they are aware of their tasks and responsibilities. Willingness is people's act, attitude, and behavior which are in accordance with companies' written or unwritten rules.

Employees' performance

Performance is an end result of a job people do. The result can be either good or bad. Good results show good performance. According to Maharjan (2012) in Juniantara (2015) performance is a result driven by motivation or satisfaction towards work people do.

Anwar King Mangkunegara (2009: 67) argues that: "Performance is related to quality and quantity of work achieved by employees in performing their duties according to with their responsibilities".

Sedarmayanti (2011: 260) states that: "Performance is a translation of meaningful performance, work of a worker, a management process or an organization as a whole where people have to show through evidence, and their work is measurable (compared with the prevailing standard). "

Research Hypothesis

The hypotheses of the present study are as follows:

- H1: leadership has a positive and significant effect on employee's performance.
- H2: Motivation has a positive and significant effect on employee's performance.
- H3: Discipline has a positive and significant effect on employee's performance.

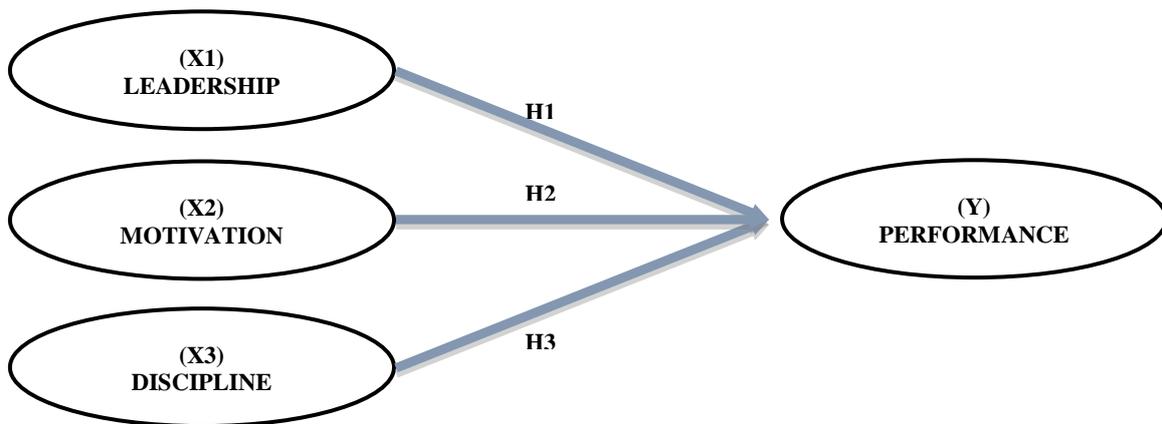


Figure 1. Research Model

RESEARCH METHODS

Research design

This research was designed to investigate the relationship of some variables. Researchers used a quantitative research method. The data were gathered through questionnaires. The variables included leadership style, motivation, discipline and employee performance. These variables are described in accordance with their respective indicators.

Variable Research

This study examines the relationship between three variables:

1. Exogenous variables (free) are variables that affect other variables. There are three exogenous variables in this research: leadership (X1), motivation (X2) and discipline (X3).
2. Endogenous variable (bound) is a variable influenced by other variables such as employee performance (Y).

Population and Sample

The population of the present study involve sixty employees of PT. LMA. The sample size was determined using Slovin formula: Sampling method used was Saturated Sampling. This sampling technique was used in this study because the numbers of employees were too few than the overall employee population. All employees were included in the samples.

Data Type

The data of this study were quantitative data. The data were analyzed using multiple linear regression statistics. According Sugiyono, a quantitative research method can be interpreted as a research method based on positivism philosophy. This method was used to examine the population or particular samples. The samples were selected randomly. Statistical computation was employed to test the hypothesis (Sugiyono, 2012: 7).

Data Gathering Techniques

The data were gathered using questionnaires. This data gathering method was chosen since it was cheap and very practical to obtain the data. Moreover, the data collection could be directly done in the research sites. The question scores in the questionnaire were rated using Likert scale.

FINDINGS AND DISCUSSION

The Description of Respondent's Characteristics

The characteristics of respondents is a description of the existence of respondents involved in research in terms of age, gender, level of investigation, and years of service. Sixty samples have

returned the questionnaires. These four characteristics had played important roles in the present study.

The characteristics of respondents of this study are as follows:

1) Age of respondent, <20 years old consisted of 2 people (3.33%); 20-25 years consisted of 16 people (26.67%), 26-30 years consisted of 6 people or 10%; 31-40 years consisted of 20 persons (33.33%); and > 40 years consisted of 16 people (26.67%).

2) In terms of gender, there were 39 men (65%) and 21 women (35%).

3) In terms of education level, 23 people graduated from the elementary schools (38.33%), 4 people with Junior High diplomas (6.67), 31 people with senior high school diploma (51.67%), and 2 people with undergraduate degree (3.33%).

4) In terms of work p of employment, 7 people has worked for <1 year (11.67%), 22 people have worked for <5 years (36.67%), 8 people have worked for <10 years (13.33%) and 23 people have worked for > 10 years (38.33%)

Description of Respondents' Perception towards Variables X1, X2, X3 and Y Validity Test (Pearson Correlation)

Table 2. Validity Test Result (Pearson Correlation)

No.	Simbol	Research Variables	Mean	Categori
1	X1	Leadership	4.601	High
2	X2	Motivation	4.092	High
3	X3	Discipline	4.015	High
4	Y	Staff's Performance	3.858	Good

The analysis test on leadership variable (X1), motivation (X2), discipline (X3) and employee performance (Y), showed significant correlation: Pearson correlation for each indicator is smaller than 0.05. Therefore, it is concluded that all indicators are valid.

Reliability Test (Alpha Cronbach's)

Table 3. Reliability Test Results (Alpha Cronbach's)

Reliability Statistics			
Variables	Alpha Cronbach's	N of Items	Interpretation
Leadership (X1)	0.843	9	Reliable
Motivation (X2)	0.761	8	Reliable
Disc(X3)	0.742	10	Reliable
Staff's Performance (Y)	0.704	6	Reliable

Table 3 shows the Cronbach's Alpha coefficient value for all variables in this study is above the 0.70. The alpha value for each variable is 0.843, the motivation 0.761, the discipline 0.742 and the employee's performance 0.704. Viewed from the results of reliability test, it can be concluded that measurement technique used is reliable.

Hypothesis Testing Results

Hypothesis 1: Leadership has no significant effect on employee's performance.

Hypothesis 2: Motivation has a significant influence on employee's performance.

Hypothesis 3: Discipline has no significant effect on employee's performance.

DISCUSSION

The Influence of Leadership on Employee Performance

In this study leadership has no significant effect on employees' performance. The results of this study are not in accordance with the theory of leadership and performance. The mismatch with the theory is due to the fact that the questionnaire has focused more on how leaders lead the company. Table 5.5 shows the three lowest mean with values of x1.9 of 3,850; and x1.2 and x1.7 respectively of 3,950. The mean is still below 4. These three indicators also have a high standard deviation. It means that the opinions of respondents are quite varied (inconsistent). Three questions have something in common that employees view that leaders have the shortage of direction and approach towards employees.

Strategies currently employed by leaders and employees in the company are as follows:

- The leaders have conducted regular visits to each division in the company.
- The leaders have appointed division heads in every division. The owners and children of the company owners have still taken all decisions for each division.

The results of this study are different from theories by experts such as Sarros and Butchatsky (2007) in Sari (2014) and Judge (2007) in Mappamiring (2015).

Effect of Motivation on Employee Performance

In this study, motivation has a significant effect on employee performance. The results of this study were in accordance with the theory of motivation and performance. It would be better to drop two questions whose mean values are below number 4. These two questions were concerning tasks and responsibilities; the employees' relationship with superiors and subordinates.

The company is running a program to raise employees' motivation to have more sales. To achieve this goal, "Rewards and Punishment" program for the marketing division was conducted. The company would provide rewards to employees whose sales are at or beyond a predefined level. If they can do that, more rewards would be granted. Punishments would be given to those who could not reach the target or whose sales were below the targets. This program has just been run, and the company is still waiting for the desired result. For now, sales are rising slightly, although it is still below the target set. The program was relatively new and employees needed time to adjust the program.

The results of this study have supported several theories by experts: Uno (2007); Robins and Judge (2007) in Juniantara (2015); (2010) within Sajangbati (2013); Gomes (2003: 171) in June between (2015) and Herzberg (1996) in Juniantara (2015)

Effect of Discipline on Employee Performance

In this study, discipline has no significant effect on employee performance. The results of this study are not in line with the theories of discipline and performance. The mismatch with the theory is due to the fact that the questionnaire of the present study has focuses more on individual self-assessed work. The researchers found the two lowest mean values of x3.4 and x3.9 respectively of 3,900. This mean is still below 4. Both of these indicators also have a high standard deviation, meaning the opinions of respondents are not consistent.

PT.LMA is currently preparing new job schedules such as delivery schedules. The current delivery of goods has been irregular, and frequent shipping has not been effective.

To improve employees' discipline in using and taking time, PT.LMA has conducted three new programs. They were a long-term program. The first program was that employees who never come late and always come to work would be given a bonus in the form of money. It was called bonus present. The present bonus money was a gift beyond the basic salary received and given every 1 week. However, a number of employees often come late and even miss their office

hours. Therefore, sanction punishment needed to be implemented. For example, if they did not come for 1 day, they would have their present bonus cut half (50%). Moreover, if they miss 2 working days, they would never get their bonus. The third program was that employees who came late would never get compensated food money. These three programs were not the same and run on their own.

The results of this study differ from the theories presented by experts as follows: Hasibuan (2002) in Evanita (2013).

CONCLUSION

Based on the results of research and discussion, some conclusions are drawn:

1. Leadership does not have a significant effect on employees' performance in PT.LMA. This finding is not in line with the theory of leadership and performance. The mismatch is due to the facts that the questionnaire of the present study has focused more on how leaders lead the company. In table 5.5 the researcher took the lowest mean value ie x1.9 of 3,850; and x1.2 and x1.7 of 3,950 respectively. These means are still below 4. This indicates leaders are demanded to learn about how know they have to pay attentions to their employees.
2. Motivation has a significant influence on employees' performance in PT.LMA. This finding is in accordance with the theory of motivation and performance. The average result of this variable is 4,092. The average value of each statement in this variable is very close to the average value. A lot of respondents have given their agreement or strong agreement.
3. Discipline has no significant effect on employees' performance in PT.LMA. This finding is not in line with the theory of discipline and performance. The mismatch is due to the fact that the questionnaire has focuses more on individual self-assessed work. The researchers took two of the lowest mean values of 3 ie, x3.4 and x3.9, respectively, of 3,900 to do deeper research. These results show that discipline in the company needs to be improved. The respondents tend to give bias responses.

SUGGESTION

Based on the conclusions, several suggestions are provided for further studies:

1. It is necessary to develop further programs in order to improve motivation so that employees can improve their performance in PT.LMA.
2. The programs in PT.LMA need to be analyzed further.
3. Although this study shows leadership and discipline are not significantly related to employee casework, we learn that these two variables are actually very important to consider especially when running companies. Involving more respondents can provide more optimal results in further studies.
4. It is highly recommended that next studies not only use questionnaires but also interviews with employees.
5. Bringing opinions from outside the company will provide good input for research.
6. Suggestions for subsequent research is to develop and have more variables and involve more respondents to produce more optimal results.

REFERENCES

- Brahmasari, I. A., & Suprayetno, A. (2009). Pengaruh Motivasi Kerja, Kepemimpinan dan Budaya Organisasi Terhadap Kepuasan Kerja Karyawan serta Dampaknya pada Kinerja Perusahaan (Studi kasus pada PT. Pei Hai International Wiratama Indonesia).

- Chang, S., & Lee, M. (2007). A Study on Relationship Among Leadership, Organizational Culture, The Operation of Learning Organization and Employees' Job Satisfaction. *The Learning Organization*, 14(2), 155-185. doi:10.1108/09696470710727014
- Evanita, L. (2013). Disiplin Kerja, Gaya Kepemimpinan, Pelatihan dan Kinerja Karyawan di RSUD Lubuk Sikaping.
- Ghozali, I. (2011). Aplikasi Analisis Multivariate Dengan Program SPSS.
- Indermun, V. (2013). Family-Owned Businesses : An Assessment of the Various Leadership Styles and its Influence on Management Decision-Making. *Singaporean Journal of Business , Economics and Management Studies*, 2(3), 63-72. doi:10.12816/0003862
- Juniantara, I. W. (2015). Pengaruh Motivasi Dan Kepuasan Kerja Terhadap Kinerja Karyawan Kopperasi Di Denpasar.
- Ma'rufah, L., Tibrani, & Zamora, R. (n.d.). Pengaruh Disiplin Kerja Dan Kepuasan Kerja Terhadap Kinerja Karyawan Pada PT. Loe Utama Motor Batam.
- MSi, M. P. (2015). Effect of Cultural Organization, Leadership and Motivation of Work on the Performance of Employees (Studies in Islamic Banking in Makassar). *IJARBSS*, 5(12). doi:10.6007/ijarbss/v5-i12/1940
- Muogbo U .S., M. U. (2013). The Impact of Strategic Management on Organisational Growth and Development (A Study of Selected Manufacturing Firms in Anambra State). *IOSR Journal of Business and Management*, 7(1), 24-32. doi:10.9790/487x-0712432
- Muogbo, U. S. (2013). The Impact of Employee Motivation On Organisational Performance (A Study Of Some Selected Firms In Anambra State Nigeria). *The International Journal Of Engineering And Science (IJES)*, 2(7), 70-80.
- Nugroho Arianto, D. A. (2013). Pengaruh kedisiplinan, lingkungan kerja dan budaya kerja terhadap kinerja tenaga pengajar. *Jurnal Economia*, 9(2), 191-200.
- Rahmawati, P. (2012). Analisis Kinerja Pegawai Kantor Dinas Kesehatan Kabupaten Bintan Provinsi Kepulauan Riau Tahun 2012.
- S. Sajangbati, I. A. (2013). *Motivasi, Disiplin, Dan Kepuasan Pengaruhnya Terhadap Kinerja Pegawai PT. Pos Indonesia (Persero) Cabang Bitung*, 1(4), 667-678.
- Sari, Y. K. (2014). Pengaruh Kepemimpinan, Motivasi Dan Disiplin Kerja Terhadap Kinerja Karyawan Pada PT. Patra Komala Di Dumai. *Jurnal Tepak Manajemen Bisnis*, 6(2).
- Sukmasari, H. (2011). Pengaruh Kepemimpinan, Motivasi, Intensif, Lingkungan Kerja, Dan Kepuasan Kerja Terhadap Kinerja Pegawai Dinar Pengelolaan Keuangan Dan Aset Daerah Kota Semarang.

- Thamrin, H. M. (2012). The Influence of Transformational Leadership and Organizational Commitment on Job Satisfaction and Employee Performance. *International Journal of Innovation, Management and Technology*. doi:10.7763/ijimt.2012.v3.299
- Tjahjono, H. K. (n.d.). *Hubungan Budaya Organisasional, Keefektifan Organisasional Dan Kepemimpinan: Telaah Perpektif Untuk Riset*.
- Wan Yusoff, W. F., Kian, T. S., & Mohamed Idris, M. T. (2013). Global journal of commerce and management perspective. *Herzberg's Two Factors Theory On Work Motivation: Does Its Work For Todays Environment*, 2(5), 18-22.