

Improving Employee Performance and Work Motivation Through Compensation and Leadership Style

Nopela Putri^{1*}, Elex Sarmigi², and Desiana³

¹²³Institut Agama Islam Negeri Kerinci, Indonesia

nopelaputri24@gmail.com

Abstract

This research aims to determine whether compensation and leadership style can influence employee performance, mediated by work motivation. This research uses a quantitative approach with primary data collected with the help of an online questionnaire using Google Forms. The population of this research is all banking employees in Sungai Penuh City, with a sample of 95 employees. This research data was analyzed using the Structural Equation Model (SEM) using the SMART PLS 3.2.9 application. The results of this research found that work motivation has a direct effect on employee performance, and compensation also has a direct impact on work motivation. Meanwhile, compensation and leadership style do not directly affect employee performance, and work motivation with compensation does not directly affect leadership style. Furthermore, the results of hypothesis testing prove that work motivation can mediate compensation and employee performance, while work motivation cannot mediate between compensation and leadership style. Also, Leadership style variables cannot mediate work motivation, employee performance, compensation, and performance.

Keywords: compensation, leadership style, job satisfaction, work motivation

JEL : J24, J3, M54

DOI : 10.24002/kinerja.v28i2.8678

Received : 02/04/2024

Reviewed: 08/12/2024

Final Version: 09/02/2024

1. INTRODUCTION

The 21st century began with the massive development of information technology and reached all aspects of modern human life. One of the impacts of this development is that many types of work were previously only done by humans. Still, many have been replaced by robots, machines, digital devices, and other electronic media. Currently, many business fields use non-human tools to help complete various jobs or businesses for the company. However, advances in technology and information are not 100% able to replace human labor in conducting different types of work in every company, one of which is in the banking world. Technology and information in banking are only used to help bank employees maintain work

effectiveness and efficiency. However, this sophisticated technology does not replace the role of humans; instead, it focuses on helping make the work of these employees easier. This proves that the role of humans, especially employees in banking companies, is vital and cannot be replaced by machines.

As mentioned above, employees are essential in banking or a company. Employees, also called employees or workers, are the most critical asset in a company. Apart from that, employees are also called people who work by selling their energy, both physical and mental, to a company and receive remuneration by the initial agreement before working. As one of the company's assets, they need to be trained well to make the best contribution, such as teaching them to come to work on time, obey the rules, and, most importantly, work professionally. Because this will determine the progress or decline of a company or a bank, the most important thing companies need to do to maximize their abilities is to increase employee job satisfaction; when employees feel satisfied, their work will also improve. This was also conveyed by Siagian & Khair (2018). Their research found that when employees get satisfaction at work by fulfilling the needs of the employee concerned, this will increase the employee's work productivity. So that employees get job satisfaction and contribute to the best performance for the company, various factors can influence it, namely work motivation, employee compensation, and leadership style.

One of the factors that can influence employee performance is work motivation. In a company, especially banking, there must be high motivation to encourage employees to work and get maximum results. Work motivation is every employee's stimulus or encouragement to carry out their duties. With good motivation, employees will feel happy and enthusiastic at work, thus having a significant impact on the development and growth of the company. The same thing was also conveyed by Winarsih et al. (2020), who stated that high work motivation in employees causes them to act. Usually, people act for a reason to achieve a goal. Likewise, Asmawiyah et al. (2020) state that the prevailing work motivation among employees is behavior-oriented toward the goal of satisfaction, which ultimately increases the work productivity of the employees concerned. Another opinion is from Andayani (2020), who says that high work motivation can be a driving force that creates work enthusiasm in employees, thus leading to optimal performance.

Apart from work motivation, another factor influencing employee performance is compensation. This compensation includes monetary or non-monetary payments given to company employees as bonuses, incentives, or salaries, the amount of which depends on the performance of each employee. This compensation is not only in the form of salary but also bonuses given by the company so that it can motivate employees to work better. As stated by Theodore & Lilyana (2017), with the high compensation given by the company, the company can retain its employees. The same thing was also noted by Arifudin (2019), who said that the amount of compensation given reflects the employee's condition and the fulfillment of their desired needs, thus making them feel satisfied with the compensation provided by the company.

Next, there is the key style factor leadership. Leadership (management) style is essential in a company, especially banking, because it determines whether employee performance is good or bad. The leadership style of a superior influences subordinates in the best way so that subordinates can complete tasks effectively and

efficiently (Siagian & Khair, 2018). Likewise, the opinion of Yanti (2019) says that leadership should first make changes because leadership is the first example for employees in the company. Therefore, companies must have leaders who can lead and move their employees to change for the better.

Sungai Penuh City, often called Cold City, is the second-largest municipality in Jambi Province. Sungai Penuh City borders directly on West Sumatra Province, precisely in the South Coast region. Sungai Penuh City is a strategic city because it has many economic activities. Sungai Penuh City is the financial center of 2 (two) provinces, namely Jambi Province and West Sumatra Province. Therefore, it is unsurprising that the city of Sungai Penuh is experiencing relatively rapid development, especially in the economic and banking sectors. Banking has a massive role in determining the economic development of society. Therefore, banks are one of the drivers of the economy.

The banking world in Sungai Penuh City has experienced very rapid development, where Islamic banks can put real pressure on conventional banks in Sungai Penuh City. This is based on data released by BPS Sungai Penuh City, which shows that most of the people of Sungai Penuh City are Muslims, as explained in Table 1. There are 99,267 thousand people in Sungai Penuh City, and it can be said that almost all people in Sungai Penuh City are Muslims.

Table 1. Number of People According to Religion in Sungai Penuh City

Subdistrict	Muslim	Protestant	Catholic	Hinduism	Buddhism
Tanah Kampung	11.312	0	0	0	0
Kumon Debai	9.742	0	0	0	0
Sungai Penuh	9.786	130	96	0	96
Pondok Tinggi	17.117	141	0	0	14
Sungai Bungkal	9.786	234	27	0	0
Hamparan Rawang	16.634	2	0	0	0
Pesisir Bukit	12.557	27	0	3	0
Koto Baru	12.233	0	0	0	0
Total	99.267	534	123	3	110

Sources: BPS Sungai Penuh (2022).

Therefore, conventional banks must improve the quality of their services to satisfy customers. There is a need to increase employee work motivation, compensation, and leadership style.

Based on the results of observations conducted at banks in Sungai Penuh City, there are major problems related to the job satisfaction of bank employees, which are very interesting to study because there are still many employees whose satisfaction levels need to be improved. The cause of low employee job satisfaction is that most are still not satisfied with their jobs, so they plan to move to other jobs that are considered more suitable. Some employees are still not happy with the income they receive, leaders, often called bosses, do not pay enough attention to employees, career opportunities are very limited, and some coworkers are not in line or not on the same frequency. Various factors that influence job satisfaction include work motivation, compensation, and leadership style.

In terms of work motivation factors, based on observations, it is said that the motivation of employees who work at banks in Sungai Penuh still needs to be higher. An indicator of low motivation is that most employees' needs have yet to be satisfied. According to them, their needs still need to be met where they work. The office needs more canteens, so employees have to buy food from outside during work breaks. They also need more houses to live in. No pension insurance, life insurance, etc. Lack of employee enthusiasm in various company activities, no evaluation of employee commitment, and lack of implementation of activities and training programs intended for employees.

Next, there is the compensation factor. Most employees still need to be satisfied with the salary they receive as well as the bonuses and benefits they receive. Employees are also dissatisfied with health insurance, old age insurance, working hours, and holidays that do not meet employee expectations. Apart from that, according to employee perceptions, wage payments are still relatively low and often late.

Meanwhile, from the leadership style factor, according to employee perceptions, leaders cannot set a convincing vision, do not show optimism, leaders do not make sacrifices for the company, cannot be role models for subordinates, do not provide optimal support to employees, cannot foster employee enthusiasm, Employee training programs are relatively lacking, and leaders are less creative in solving problems faced by the company.

2. LITERATURE REVIEW

2.1. Employee Performance

Employee performance is one of the most important factors for a company. Performance is a manifestation of an employee's work behavior, which is reflected in work performance according to their role in the company within a certain period because employee performance greatly determines the success and survival of the company (Rismawati et al., 2021). Meanwhile, according to Suryawan & Salsabilla (2022), employee performance is interpreted as focused behavior or work that has a vision and mission to achieve goals. There is another opinion from Arsindi et al. (2022), which says that an employee's performance is performance or actual performance, which is related to the work performance achieved by the employee. Or it could also be said about the quality and quantity of work results completed by employees while carrying out their duties according to their responsibilities. To measure employee performance, this research uses indicators such as the quantity of work, quality of work, timely completion of work, presence, and cooperation.

2.2. Work Motivation

In a company such as a bank, there are incentives and encouragement from superiors for employees to increase maximum performance. What is meant is work motivation, which refers to the direction that moves employees in their work. Work motivation is defined as the entire process of providing encouragement or stimulation to employees so that they are willing to work willingly without feeling forced (Winarsih et al., 2020). Meanwhile, according to Alhamdi (2018), work

motivation is a psychological characteristic of a person that influences a person's commitment. Another opinion by Pratama (2020), defines work motivation as the determination from within the employee to work as hard as possible to achieve the desired goals. The indicators of work motivation include responsibility, work performance, opportunities for advancement, recognition for performance, and challenging work.

2.3. Compensation

After passing the Job Creation Law Number 11 of 2020, new regulations emerged in Indonesian labor law, one of which is compensation. The productivity of a company's employees is greatly influenced by how much salary the company offers them. According to Haryani (2015), compensation is a reward for the company's commitment to employees who have achieved their best performance. Meanwhile, another opinion from Sari et al. (2020) says that compensation refers to everything that involves external rewards for employees in the form of salaries, bonuses or incentives, bonuses or non-monetary benefits such as personal rewards. compensation indicators include wages and salaries, incentives, allowances, and facilities.

2.4. Leadership Style

Leadership style is the ability to influence others to work together to achieve predetermined goals through various activities that will be carried out and determined jointly between the leader and subordinates (Pangestuti et al., 2023). Meanwhile, according to Utari & Hadi (2020), leadership style is usually defined as a leader's strategy to invite or embrace and direct all employees to carry out all activities that support targeted achievements. The indicators of leadership style are the Ability to make decisions, the ability to motivate, communication skills, the ability to control subordinates, and the ability to control emotions.

3. METHODOLOGY

This research is a type of causality research, namely research that attempts to see the influence between variables. Meanwhile, this research approach is quantitative, where the data used is in the form of numbers. The data source for this research is primary data collected directly from research objects or subjects using tools in the form of questionnaires.

The population in this study consisted of all banking employees in Sungai Penuh City, whose number is unknown. The sample of this study was some banking employees in Sungai Penuh City, namely 95 people, determined by the formula proposed by Hair et al. (2015), where the minimum sample size for Structural Equation Model (SEM) analysis can be determined by multiplying the total number of indicators by five so that the minimum sample size in this study is 95 respondents (19×5). Researchers use the Structural Equation Model (SEM) analysis technique because it makes it easier to answer various research question problems in a set of analyses systematically and comprehensively. SEM also provides statistical techniques to evaluate the suitability of the proposed model in explaining the observed data. 95 respondents filled out the questionnaire for this study, so the

number of participants used as samples was the minimum sample size. The sampling technique used was the accidental/convenience sampling method, namely a sampling technique where researchers accidentally met respondents at one of the banks in Sungai Penuh City when researchers were conducting research. The advantages that researchers get from choosing this method are that apart from its simple mathematical theory, this method also makes it easier for researchers to collect data quickly and accurately and maximizes time in the field when conducting research. To analyze this research data, the researcher used Structural Equation Model (SEM) analysis with the help of the SmartPLS 3.2.9 application.

4. RESULT AND DISCUSSION

There were 95 respondents in this study, consisting of banking employees who worked in almost all banks in Sungai Penuh. This section will explain the results of validity and reliability tests, Structural Model Evaluation, and bootstrapping results.

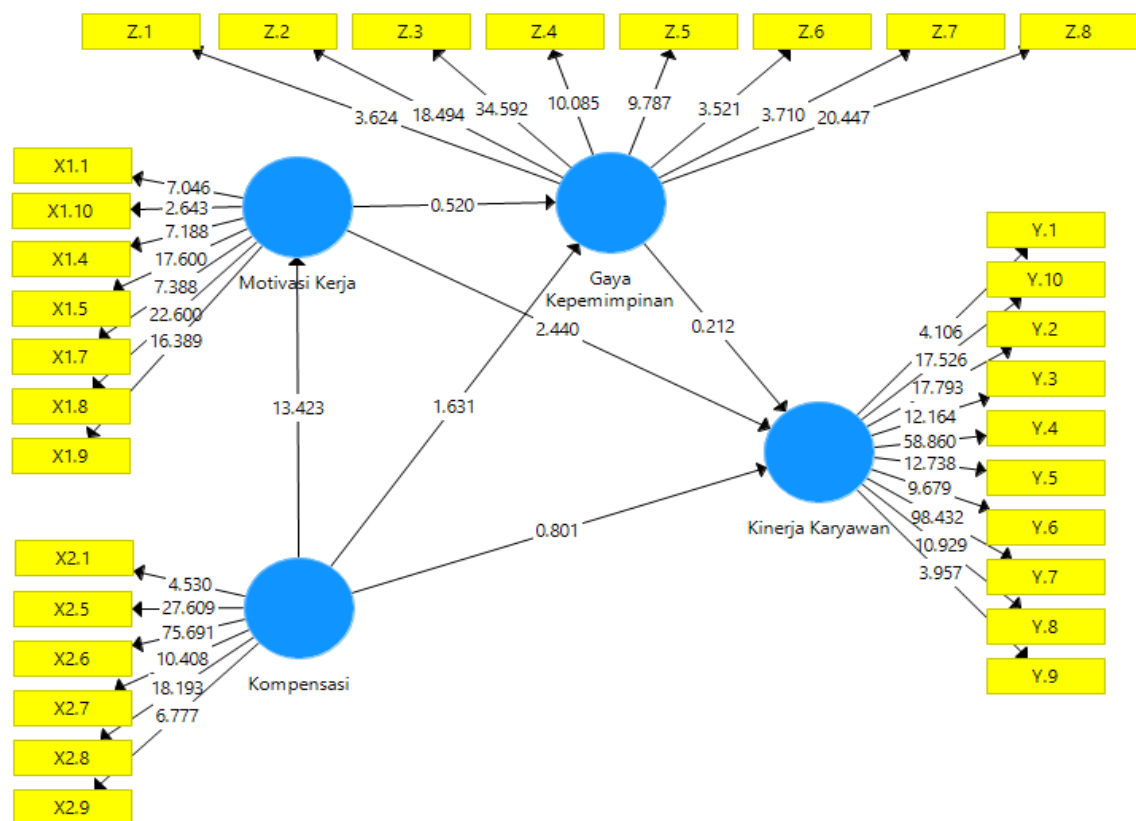


Figure 1. Construct Validity and Reliability

Source: Data processed by SMARTPLS.3.2.9 (2024).

Initially, the research instrument used to measure employee performance was 10 questions asked; all questions were declared valid and reliable. Meanwhile, for the work motivation variable, of the 11 questions asked, only 7 questions passed the research instrument test. Meanwhile, of the 9 questions tested, only 6 were declared valid and reliable for the compensation variable. Meanwhile, for the leadership style

variable, of the ten questions tested, only eight met the validity and reliability assumptions.

4.1. Construct Validity and Reliability

The purpose of this validity test is to find out whether the research is valid or not. A survey is recognized as good if it is possible to measure it with the questions in the questionnaire. Validity testing was carried out using Pearson correlation. The validity test uses the criterion that the questionnaire is declared valid if the significance value is less than 0.05. At the same time, a reliability test was also carried out to determine the consistency of respondents' answers. A questionnaire is reliable if the respondent's answers are relatively stable or consistent with the statements or questions submitted occasionally. Reliability testing is carried out with one shot or one measurement. The criteria used in the reliability test are that if the Cronbach Alpha value is above 0.60, the questionnaire is declared reliable. The results of the validity and reliability tests are presented in the following table.

Table 1. Construct Validity and Reliability

	Cronbach Alfa	rho_A	Composite Reliability	AVE	Information
Leadership Style	0.951	0.962	0.959	0.745	Valid
Performance	0.964	0.971	0.969	0.761	Valid
Compensation	0.954	0.959	0.964	0.816	Valid
Motivation	0.925	0.929	0.941	0.696	Valid

Source: Data processed by SMARTPLs.3.2.9 (2024).

From Table 1 above, it can be seen that the Cronbach's Alpha value for each variable is above 0.7. Moreover, the average variance extracted (AVE) value is above 0.5. So, with this, all question items in this research are declared valid and reliable.

4.2. Evaluation of Structural Model

Table 2. R Square

	R Square	Adj. R Square
Leadership Style	0.787	0.759
Performance	0.911	0.892
Motivation	0.772	0.758

Source: Data processed by SMARTPLs.3.2.9 (2024).

Table 2 above shows that the influence of employee performance, compensation, and work motivation on leadership style is 75.9%. Meanwhile, the influence of compensation, work motivation, and leadership style on employee performance is 89.2%. Likewise, the influence of leadership style, employee performance, and compensation on work motivation is 75.8%.

4.3. T-Statistics (Bootstrapping)

4.3.1. Direct Effect

Table 3. Direct Effect

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Information
Motivation -> Performance	1.283	2.440	0.015	H ₁ Accepted
Compentation -> Performance	-0.491	0.801	0.424	H ₂ Rejected
Motivation -> Leadership Style	0.215	0.520	0.603	H ₃ Rejected
Compensation -> Leadership Style	0.692	1.631	0.104	H ₄ Rejected
Leadership Style -> Performance	0.097	0.212	0.832	H ₅ Rejected
Compensation -> Motivation	0.879	13.423	0.000	H ₆ Accepted

Source: Data processed by SMARTPLs.3.2.9 (2024).

The Influence of Work Motivation on Employee Performance

Based on Table 3 above, it is known that the t-statistic value is 2.440, which is greater than 1.96, with a P-value of 0.015, which is smaller than 0.05. So, it can be concluded that work motivation significantly affects employee performance. This means the intensity of work motivation in banking employees can create more optimal employee performance.

The Effect of Compensation on Employee Performance

The table above provides information that compensation is not a variable that can predict changes in employee performance. This is proven by the t-statistic value of 0.801, more significant than 1.96, and the P-Value value, greater than Alpha (0.424 > 0.05). So, H₂ is rejected, meaning that compensation does not affect employee performance.

The Influence of Work Motivation on Leadership Style

Based on the previous table, it has been explained that work motivation cannot influence leadership style. It is said that because the t-statistic value is 0.520 greater than 1.96 and the P-Value value of 0.603 is more significant than 0.05. It can be concluded that H₃ is rejected, meaning that work motivation only significantly affects leadership style.

The Influence of Compensation on Leadership Style

The table above clearly illustrates that compensation cannot influence a leadership style. This is proven by the t-statistic value of 1.631, more significant than 1.96, and a P-value of 0.104, more critical than 0.05. So, it is concluded that H₄ is rejected where the compensation variable does not affect leadership style.

The Influence of Leadership Style on Employee Performance

From the table above, it can be seen that leadership style cannot influence employee performance. From the t-statistic value, it can be seen that there is a value of 0.212, which is more significant than 1.96, and a P-value value of 0.832, which is a value greater than 0.05. It can be interpreted that the leadership style variable does not affect the employee performance variable. So, H₅ is also rejected.

The Influence of Compensation on Work Motivation

Table 3 above shows that the t-statistic value is 13.423, more significant than 1.96, with a P-value value of 0.000, more diminutive than 0.05. So, it can be concluded that H6 is accepted. This means that compensation has a significant effect on work motivation.

4.3.2. Indirect Effect

Table 4. Indirect Effect

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Information
Motivation -> Leadership Style -> Performance	0.021	0.056	0.956	H₇ Rejected
Compensation -> Leadership Style -> Performance	0.067	0.159	0.874	H₈ Rejected
Compensation -> Motivation -> Leadership Style	0.189	0.475	0.635	H₉ Rejected
Compensation -> Motivation -> Performance	1.128	2.262	0.024	H₁₀ Accepted

Source: Data processed by SMARTPLs.3.2.9 (2024).

The Influence of Work Motivation on Performance is Mediated by Leadership Style

Based on Table 4 above, we can get a t-statistic value of $0.56 < 1.96$ and a P-value of $0.956 > 0.05$. So, H7 is rejected. This means the leadership style variable cannot mediate the relationship between work motivation and employee performance. Therefore, it can be concluded that leadership style cannot improve employee performance.

The Effect of Compensation on Employee Performance is Mediated by Leadership Style

In Table 4 above, it is explained that leadership style cannot mediate the relationship between compensation and performance. This is proven by the t-statistic value of 0.159, more diminutive than 1.96, and the P-value of 0.874, more significant than 0.05. which means H8 is rejected.

The Influence of Compensation on Leadership Style is Mediated by Work Motivation

The table above shows that the t-statistic value is 0.475, more diminutive than 1.96, and the P-value value is 0.635, more significant than 0.05. It can be concluded that H9 is rejected. Work motivation cannot mediate the relationship between compensation and leadership style.

The Effect of Compensation on Employee Performance is Mediated by Work Motivation

Table 4 above shows that the t-statistic value of 2.262 is more significant than 1.96, and the P-Value value is 0.024, smaller than 0.05. Thus, it can be interpreted

that the work motivation variable can mediate the compensation and employee performance variables. This means that H10 is accepted.

4.4. Discussion

Based on the results of hypothesis testing, it is known that work motivation (X1) can have a significant effect on employee performance (Y). This means that every input or encouragement can influence the employee's self-improvement. This proves that challenging work and opportunities for advancement will make employees feel responsible for those above them, and by achieving maximum results or work performance, they will be appreciated, and not Closers will likely be given bonuses by their superiors because of their performance results. This is in line with the results of research conducted by Dwiyanti et al. (2019), which states that almost all previous research results can influence employee work performance motivation.

Likewise, the compensation variable (X2) on employee performance (Y), which, based on the results of hypothesis research, found that compensation cannot influence employee performance. This proves that the employee's salary is the same as the previous salary. However, there are also allowances, such as commissions, outside employee expectations, and other benefits, such as the absence of official housing for employees from out of town. Hence, they inevitably have to board or rent a house With personal money and facilities such as insufficient workspace. However, the results of this research are different from those of previous research conducted by Pangastuti et al. (2020), which states that this research shows that acceleration directly affects employee performance.

In testing the third hypothesis, it was statistically found that work motivation (X1) did not affect leadership style (Z). This is proven by the need for more communication between superiors and employees, as well as the lack of ability of superiors or superiors to supervise their subordinates, giving rise to a lack of sense of responsibility for their work. This shows that the work motivation of bank employees in Sungai Penuh City is in the low category, so it does not affect leadership style. The results of this research are also in line with a previous study conducted by Lopes (2023), which also found that work motivation is not a factor that can influence a company's leadership style. However, this study's results contradict the research conducted by Shu (2015), which said that work motivation variables can influence leadership style variables.

Furthermore, in testing the fourth hypothesis, it was found that the compensation variable (X2) could not influence the leadership style variable (Z). This means that whatever the amount of incentives given to employees, it does not affect a manager's leadership style. This is caused by the imposition of positions that are not suitable for them, the remuneration given to employees that are not commensurate with their performance, and the absence of benefits such as old age security and the lack of work facilities. However, the results of this research are different from the results of a previous study conducted by Aini et al. (2023), which obtained results stating that rewards or increases can really make employees enthusiastic about work and also increase work loyalty because of the manager's way or style in motivating employees and their contributions are well received.

Furthermore, the fifth hypothesis test results state that the leadership style variable (Z) does not significantly affect employee performance (Y). This means that

the methods used by superiors to influence the attitudes or thoughts of their employees cannot influence their performance. This means inappropriate decision-making or inadequate actions by superiors in encouraging and motivating employees and minimizing emotional control from superiors. The results of this research align with the results of a previous study conducted by Handoyo et al. (2015). The results of his research show that the effect of transactional leadership style on employee performance is not significant, and transformational leadership style hurts employee performance. However, the results of this research contradict the research conducted by Nurani et al. (2021), which states that leadership style, job satisfaction, and organizational commitment have a positive and significant effect on employee performance.

The following test results show a modifying variable (X2), which is stated to influence the work motivation variable (X1). This means that every salary or bonus a manager gives to an employee is based on his work results, so it has a positive influence; in other words, it can influence the employee's work motivation. Providing adequate salaries and imbalances, health benefits and incentives, and facilities that help or facilitate employee work will motivate all employees to work optimally. The results of this research are in line with the results of a previous study conducted by Singhvi et al. (2018) and Az-zaakiyyah et al. (2022), which stated that compensation can help increase motivation, motivation can increase job satisfaction and job satisfaction can improve performance. Employee. Moreover, the higher the employee's salary, the more achievements the employee will achieve. The higher the number of high-skilled workers, the lower the cost of non-critical work.

In testing the seventh hypothesis, statistical data indicated that there was a leadership style variable (Z) that was unable to mediate the relationship between the work motivation variable (X1) and the employee performance variable (Y). This is indicated by the inability of superiors to make the right decisions, lack of encouragement or motivation for employees, lack of communication, the inability of superiors to control subordinates or their emotions, and employee performance that needs to be recognized. Quite tricky, lack of recognition of work results and low level of responsibility will hurt employee work results. However, the results of this research contradict the results of previous studies conducted by Donkor & Zhou (2020) and Mubarok (2022), which argue that the direct influence is smaller than the indirect influence, which makes leadership style mediate the relationship between employee motivation and performance and shows that leadership style can mediate the relationship between motivation and performance.

The table above shows the results of the eighth hypothesis test, where there is a leadership style variable (Z) that cannot mediate the relationship between compensation (X2) and employee performance (Y). This means the manager's inability to communicate with his employees, the failure to make the right decisions in every problem that arises, the manager's inability to control emotions, and the lack of work opportunities which m, which make it difficult for employees to complete their tasks—Delays in receiving salaries or wages or allowances to employees which will worsen their efficiency. However, the results of this study are not in line with the results of research conducted by Yücel (2021) and Syaharudin et al. (2022).

The ninth hypothesis test, based on statistical data, states that the work motivation variable (X1) is unable to mediate the relationship between the

compensation variable (X2) and the leadership style variable (Z). This can be interpreted as a lack of recognition of employee performance by superiors, giving rise to a feeling that the possibility of progress is very slight, thus making them indifferent to the responsibilities assigned, and the inability of superiors to control their emotions so that when problems arise, they are unable to make decisions. Right. However, the results of this study contradict the results of previous research done by Barrick et al. (2002) and Caillier (2016).

Moreover, finally, in testing the tenth hypothesis, there is a work motivation variable (X1) that can mediate the compensation variable (X2) and employee performance (Y), meaning that the recognition given by superiors to employees for their work results can increase employee morale, and employees feel responsible. The opportunities provided by superiors to achieve desired work results and equipped with work tools that help in completing employee work and receiving salaries that are always on time, as well as the incentives given to employees, make them enthusiastic and try to achieve company goals effectively. Maximum. In line with the results of previous research conducted by Fajarto et al. (2019) and Nguyen et al. (2020), the results of their research state that motivation variables mediate compensation and job satisfaction on employee productivity.

5. CONCLUSION

Based on the results of hypothesis testing, it is known that work motivation has a direct effect on employee performance, and compensation also has a direct effect on work motivation. Meanwhile, compensation and leadership style do not have a direct effect on employee performance, and work motivation with compensation does not have a direct effect on leadership style. Furthermore, the results of hypothesis testing prove that work motivation can mediate compensation and employee performance, while work motivation cannot mediate between compensation and leadership style. The leadership style variable cannot mediate work motivation, employee performance, compensation, and performance. The implication is that if all employee needs are met, their performance will be better, and of course, it will affect the company. So, the contribution given by the company to employees is motivational encouragement or bonus allowances for employees to produce better performance in the future.

REFERENCES

- Aini, S.D.S.N., Sudarjati, S. and Gunawan, R., 2023. The effect of compensation, leadership style, and work environment on employee performance at PT. XYZ. *Asian Journal of Applied Business and Management (AJABM)*, 2(4), pp.527-544.
- Alhamdi, R., 2018. Pengaruh kompetensi dan motivasi terhadap performance dengan kepuasan kerja sebagai variabel moderasi di Patra Semarang Convention Hotel. *Jurnal Pariwisata Pesona*, 3(1), pp.130–137.

- Andayani, M., 2020. Analisis pengaruh kepuasan kerja, motivasi kerja dan disiplin kerja terhadap kinerja karyawan pada PT. Prima Indojoya Mandiri Kabupaten Lahat. *Motivasi*, 5(1), pp.797-804.
- Arifudin, O., 2019. Pengaruh kompensasi terhadap kinerja karyawan di PT. Global Media. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 3(2), pp.184-190.
- Asmawiyah, Mukhtar, A., & Nurjaya., 2020. Pengaruh motivation dan kepuasan kerja terhadap performance pada PT. Perkebunan Nusantara XIV Makassar. *Jurnal Mirai Management*, 5(2), pp.388–401.
- Az-zaakiyyah, H.K., Hidayat, F., Ausat, A.M.A. and Suherlan, S., 2022. Islamic rural bank employee performance: role of motivation, compensation, and work environment. *EkBis: Jurnal Ekonomi dan Bisnis*, 6(1), pp.44-58.
- Barrick, M.R., Stewart, G.L. and Piotrowski, M., 2002. Personality and job performance: Test of the mediating effects of motivation among sales representatives. *Journal of Applied Psychology*, 87(1), p.43.
- Caillier, J.G., 2016. Does public service motivation mediate the relationship between goal clarity and both organizational commitment and extra-role behaviours?. *Public Management Review*, 18(2), pp.300-318.
- Donkor, F. and Zhou, D., 2020. Organisational commitment influences on the relationship between transactional and laissez-faire leadership styles and employee performance in the Ghanaian public service environment. *Journal of Psychology in Africa*, 30(1), pp.30-36.
- Dwiyanti, N.K.A., Heryanda, K.K. and Susila, G.P.A.J., 2019. Pengaruh kompetensi dan motivasi kerja terhadap kinerja karyawan. *Bisma: Jurnal Manajemen*, 5(2), pp.121-130.
- Fajarto, S.P., Aima, M.H. and Karsono, B., 2019. The effect of compensation and job satisfaction on increasing productivity of Asuransi Jasindo head office employees mediated by motivation variable. *International Journal of Innovative Science and Research Technology*, 4(7), pp.100-113.
- Hair, J., Celsi, M., Money, A., Samouel, P., & Page, M., 2015. *The Essentials of Business Research Methods: Third Edition*. 1–494. New York: Routledge.
- Haryani, S.S., Hamid, D. and Susilo, H., 2015. Pengaruh kompensasi terhadap motivasi kerja dan kinerja (Studi pada karyawan PT. Telekomunikasi Indonesia, Tbk Malang). *Jurnal Administrasi Bisnis*, 25(1), pp.1-7.
- Handoyo, L.N., Hamid, D. and Iqbal, M., 2015. The influence of leadership styles on employee's performance through work motivation. *Jurnal Administrasi Bisnis*, 22(1), pp.1-7.
- Lopes, S., 2023. The Influence of Transformational Leadership Style, Work Motivation, and Work Discipline on Employee Performance. *Journal of Digitainability, Realism & Mastery (DREAM)*, 2(12), pp.417-426.
- Mubarok, A., Rosa, A.T.R., Mudrikah, A. and Gaffar, A., 2023. The influence of leadership style, supervisory and organizational culture on employee

- performance through motivation as an intervening variable (descriptive study of quantitative analysis of employee performance at the Education and Culture Office of Sera: 10.2478/bjlp-2023-0000043. *Baltic Journal of Law & Politics*, 16(3), pp.531-546.
- Nguyen, P.T., Yandi, A. and Mahaputra, M.R., 2020. Factors that influence employee performance: motivation, leadership, environment, culture organization, work achievement, competence and compensation (A study of human resource management literature studies). *Dinasti International Journal of Digital Business Management*, 1(4), pp.645-662.
- Nurani, D.W., Samdin, S., Nasrul, N. and Sukotjo, E., 2021. The effect of leadership style on organizational commitment and employee performance: An empirical study from Indonesia. *The Journal of Asian Finance, Economics and Business (JAFEB)*, 8(12), pp.141-151.
- Pangastuti, P.A.D., Sukirno, S. and Efendi, R., 2020. The effect of work motivation and compensation on employee performance. *International Journal of Multicultural and Multireligious Understanding*, 7(3), pp.292-299.
- Pangestuti, A., Indawati, R., Indriani, D. and Kirana, G.R., 2023. Studi systematic literature review hubungan gaya kepemimpinan terhadap kinerja perawat di rumah sakit. *Jurnal Ners*, 7(2), pp.1333-1339.
- Pratama, G. and Elistia, E., 2020. Analisis motivasi kerja, kepemimpinan transformasional dan budaya organisasi terhadap kinerja karyawan dimediasi kepuasan kerja pada angkatan kerja generasi Z. *Jurnal Ekonomi: Journal of Economic*, 11(02).
- Rismawati, D., Hadian, D., Manik, E. and Titi, T., 2021. Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan:(Survey Pada Salah Satu Perusahaan Outsourcing Di Kota Bandung). *Majalah Bisnis & IPTEK*, 14(2), pp.83-93.
- Sari, A., Zamzam, F. and Syamsudin, H., 2020. Pengaruh kepemimpinan, kompensasi, dan motivasi terhadap kinerja karyawan. *Jurnal Nasional Manajemen Pemasaran & SDM*, 1(2), pp.1-18.
- Shu, C.Y., 2015. The impact of intrinsic motivation on the effectiveness of leadership style towards on work engagement. *Contemporary Management Research*, 11(4).
- Siagian, T.S. and Khair, H., 2018. Pengaruh gaya kepemimpinan dan lingkungan kerja terhadap kinerja karyawan dengan kepuasan kerja sebagai variabel intervening. *Maneggio: Jurnal Ilmiah Magister Manajemen*, 1(1), pp.59-70.
- Singhvi, P.A.S., Dhage, N.N. and Sharma, P.P., 2018. Compensation and Its Impact on Motivation Employee" s Satisfaction and Employee" s Performance. *International Academic Journal of Organizational Behavior and Human Resource Management*, 5(02), pp.1-43.
- Suryawan, I.N. and Salsabilla, A., 2022. Pengaruh kepuasan kerja, disiplin kerja dan motivasi kerja terhadap kinerja karyawan. *Aksara: Jurnal Ilmu Pendidikan Nonformal*, 8(1), pp.137-146.

- Syahrudin, M., Titisari, P. and Susanto, A.B., 2022. The Effect of Transactional Leadership, Compensation, Motivation and Work Experience Through Job in Security on The Performance of Employees. *Quality-Access to Success*, 23(188).
- Theodore, A. and Lilyana, B., 2017. Pengaruh Kompensasi Dan Kepuasan Kerja Terhadap Kinerja Karyawan. *Jurnal Bisnis Darmajaya*, 3(1), pp.1-13.
- Utari, S. and Hadi, M.M., 2020. Gaya kepemimpinan demokratis Perpustakaan Kota Yogyakarta (studi kasus). *Jurnal Pustaka Ilmiah*, 6(1), pp.994-1002.
- Winarsih, W., Veronica, A. and Anggraini, A., 2020. Pengaruh disiplin kerja dan motivasi kerja terhadap produktivitas karyawan pada PT. Awfa Smart Media Palembang. *Jurnal Ilmiah Akuntansi Rahmadiyah*, 3(2), pp.34-51.
- Yanti, R. R., 2019. Pengaruh pengetahuan ilmu perbankan terhadap bank syariah dan konvensional mahasiswa hukum ekonomi syariah (studi objek urusan hukum ekonomi syariah Unismuh Makassar). Unpublished Undergraduate Thesis. Universitas Muhammadiyah Makassar.
- Yücel, I., 2021. Transformational leadership and turnover intentions: the mediating role of employee performance during the COVID-19 pandemic. *Administrative Sciences*, 11(3), p.81.