# THE EFFECT OF LEADERSHIP AND WORK MOTIVATION ON EMPLOYEE PERFORMACE PT MITRA BISNIS KELUARGA VENTURA IN MALANG REGION

## Siti Nuriyah<sup>1)</sup>, Nabila Rahmadina Zain<sup>2)</sup>, Feby Oktavia<sup>3)</sup>

<sup>1</sup>Business Administration Study Program, Universitas Pembangunan Nasional email: sitinuriyah52@yahoo.com

<sup>2</sup>Business Administration Study Program, Universitas Pembangunan Nasional Email: nabilarzain98@gmail.com

<sup>3</sup>Business Administration Study Program, Universitas Pembangunan Nasional email: febyoktavia11@gmail.com

#### **ABSTRACT**

This research aims to determine the effect of leadership and work motivation either partially or simultaneously on employee performance at PT. Mitra Bisnis Keluarga (MBK) Ventura in Malang Region. Employee performance can be improved if the company pays attention to the leadership and work motivation experienced by each employee. A controlled leadership style and level of motivation are able to enable employees to perform their duties and responsibilities properly according to what is directed by the leadership of the company. Besides that, it can also make employees increase the intensity of their performance. The data in this study were analyzed using quantitative methods with a total number of respondents as many as 61 employees and using five formulas, namely Multiple Regression Analysis, Correlation Analysis, T-test, F-Test and Determination Coefficient Test (R2). The results of this study indicate that the variables of leadership and work motivation affect employee performance by 84.6% and 15.4% are influenced by other variables which are not included in this study. Simultaneously and partially show that there is an influence between leadership and work motivation on the performance of employees of PT. Mitra bisnis Keluarga (MBK) of the Malang Region.

**Keywords:** Leadership, Work Motivation, and Employee Performance

## 1. INTRODUCTION

Human resources in a company are a significant asset because a company cannot carry out operational activities without human resources. Human resources cannot be separated from participation in supporting the advancement of a company. However, currently, many technology elements are replacing them, but the role of humans is still the most crucial element in supporting the company's work to achieve a company goal. To find out their quality, human resources can be assessed from the results of their work. Human resources must be appropriately managed to produce a good performance because humans can become the center of problems for companies when their potential is not developed to the fullest.

Along with its development, companies often ignore the management of their human resources. As a result, their performance does not run optimally. Performance is a means to improve employees to do their job well in a company. Therefore, some companies are aware of trying to target the best and most trusted position in their field.

PT. Mitra Bisnis Ventura (MBK) is a venture capital company (VCC) supervised by the Financial Services Authority. This company started its operations in 2003, using the Grameen Bank methodology. MBK provides working capital indicated to women from low-income families on the Java island. This company aims to give them access to formal financial services, reduce vulnerability, and generate income and living standards. PT. MBK Ventura is currently listed as one of the largest Grameen Bank replicator institutions in Indonesia. According to Bennet et al. (2009), companies need leaders who can spur employee performance to create good employee performance. The problem at PT.MBK Ventura in the Malang region is how a company can create better employee performance for the sake of the company's productivity. The performance increase will affect the effectiveness of the company (Hamed et al., 2011).

Performance is used to assess the success or failure of the implementation of activities, whether programs and policies are following the goals and objectives that have been set in realizing the vision and mission of a company organization. Mangkunegara (2014: 67) defined performance as the result of work in quality and quantity achieved by an employee in the ability to carry out their duties following the responsibilities given to him. The performance appraisal function is used on a basis for allocating rewards, decisions about who gets the appropriate pay increase and other rewards that have been determined by performance appraisal.

In realizing optimal performance, it is certainly caused by several factors, namely the existence of a leadership role. Leadership is a person's ability to influence a group in achieving a vision, mission or set of goals (Robbins and Judge (2015: 410)). Leadership is a very interesting ability to discuss because the leader is an important factor in the success of a company. The role of leadership is vital for achieving an organization's vision, mission, and goals. The success of a leader is to be able to move others to become effective employees in the company.

In addition to leadership factors, employee performance is also influenced by employee motivation factors. Motivation has characteristics that cannot be separated from human nature, which individually have different qualities. Motivation becomes the actualization of an employee to improve their performance. In organizations and companies, the form of interaction that occurs is between people with different behavior. Therefore, this motivation is essential for a leader or manager because a leader or manager must work with and through other people in a company organization.

PT. Mitra Bisnis Keluarga Ventura, within a certain period, always roll the position of their leaders in each company unit, where each leader has a different leadership style. Each leadership style, trait or character has a positive or negative impact on employee performance. The aspect of employee work motivation is also an essential aspect in employee performance wherein today's era of globalization, of course, the needs of every employee will increase over the times. By looking at and paying attention to the descriptions above, the authors are interested in taking the title: "The Influence of Leadership and Motivation on Employee Performance at PT MBK Ventura Malang Region."

Based on the background of the problem, the main problems in this study can be formulated as follows: (1) Do leadership and work motivation simultaneously significantly affect employee performance at PT MBK Ventura Malang Region?; (2) Does leadership partially affect the performance of employees of PT MBK Ventura Malang Region?; (3) Does work motivation partially affect the performance of employees of PT MBK Ventura Malang Region?.

## 2. RESEARCH METHOD

This study used a quantitative approach to determine the independent variables that are influenced by the dependent variable. The data collection method was carried out using interviews and questionnaires. Respondents in this study amounted to 61 people. This study used five tests: Multiple Regression Analysis, Correlation Analysis, T-Test, F-Test, and Coefficient of Determination Test (R2).

This research was conducted at PT Mitra Bisnis Keluarga (MBK) Ventura Malang Region. The population in this study are all employees who work at PT. Mitra Bisnis Keluarga Ventura Malang Region. Meanwhile, the sample is the employees of PT. Mitra Bisnis Keluarga Ventura Malang Region when the author conducted research with a questionnaire, which was 61 respondents. The sampling technique used by the researcher is the saturated sampling technique. According to Arikunto (2012:104), if the population is less than 100 people, the total sample is taken, but if the population is greater than 100 people, 10-15% or 20-25% of the total population can be taken. So the samples found were 61 employees of PT MBK Ventura Malang Region.

The data analysis method is the management of research data to obtain a conclusion after the data in the research is collected. Data analysis that we used in this paper are multiple regression analysis and correlation analysis. Multiple Regression Analysis used to measure how far the influence of leadership and work motivation on employee performance. With the analysis used multiple linear regression analysis using the SPSS 25.0 application, it can be formulated as follows:

$$Y = a + b1X1 + b2X2$$

where:

Y = Employee Performance

a = Constants

b1 = Leadership reggression coefficient

b2 = Work motivation regression coefficient

X1 = Leadership

X2 = Work motivation

The term correlation has the meaning of a relationship, almost the same as correlation analysis used to see the relationship between two variables (2). According to Nugroho (2005), a correlation test does not distinguish the variables, both dependent and independent. This correlation analysis can determine the relationship between the variables of leadership and work motivation with employee performance, which can be determined by the classification of the correlation coefficient used. The correlation value can be grouped as follows: 0.41 - 0.70 is strong, value 0.71 - 0.90 is very strong, and the correlation value 0.91 - 0.99 is extremely strong, and if it is 1, it means it is a perfect correlation. The correlation coefficient value can be obtained by processing the data from the questionnaire using the SPSS 25.0 program.

## 3. RESULTS AND DISCUSSION

## 3.1. Partial Test using T-Test

The T statistical test is used to partially see the independent variable's effect on the dependent variable. Where in this study to see the influence of leadership and work motivation on employee performance at PT. Mitra Bisnis Keluarga Ventura Malang Region either partially/individually.

Table 1. Partial Test using T-Test

Coefficients <sup>a</sup>									
				Standardized					
		Unstandardized Coefficients		Coefficients					
Model		В	Std. Error	Beta	t	Sig.			
1	(Constant)	1,203	1,160		1,036	,304			
	Leadership(X1)	,321	,134	,274	2,399	,020			
	Motivation(X2)	,567	,097	,667	5,850	,000			
a Dependent Variable: Performance(Y)									

Source: Author's estimation

First hypothesis (H1): Sig is known. The effect of X1 on Y is 0.020 <0.05, and the t-count value is 2.399 > t table 2.002. It can be concluded that H1 accepted, which means that there is an effect of X1 on Y. From the results of the T-test that have been carried out show that leadership has a significant effect on employee performance. This is proven by Tcount statement 2,399 > t table 2,002, so it can be concluded that H1 is accepted, which means there is an effect of X1 on Y.

Second hyphothesis (H2): Sig is known. The effect of X2 on Y is 0.000 < 0.05, and the t value is 5.850 > t table 2.002. It can be concluded that H2 is accepted, which means there is an effect of X2 on Y. The results of the T-test show that the work motivation variable has a significant effect on employee performance. This is proven by looking at the analysis results of the work motivation Tount of 5,850 > t table 2,002, so it can be concluded that H2 is accepted, which means there is an effect of X2 on Y.

## 3.2. Simultaneous Test using T-Test

This test is carried out to determine whether there is a simultaneous (together) effect given by the independent variable (X) on the dependent variable (Y). The basis for decision making are: (1) If the value of sig < 0.05 or F arithmetic > F table, then there is a simultaneous effect of variable X on variable Y; (2) If the value of sig > 0.05 or F count < F table, then there is no simultaneous effect of the X variable on the Y variable; (3) F table = F(k; nk) = F(2;59) = 3.15.

A NIOVI A B									
ANOVA <sup>a</sup>									
Model		Sum Of Squares	df	Mean Square	F	Sig.			
1	Regression	302,864	2	151,432	159,870	,000 <sup>b</sup>			
	Residual	54,939	58	,947					
	Total	357,803	60						
a. Dependent Variable: Performance(Y)									
b Predictors: (Constant) Motivation(X2) Leadership(X1)									

Source: Author's estimation

Third hypothesis (H3): Based on the output above, it is known that the significance value for the effect of X1 and X2 simultaneously on Y is 0.000 < 0.05, and the calculated f value is 159.870 > f table 3.15. It can be concluded that hypothesis 3 (H3) testing is accepted, which means that the variables X1 and X2 simultaneously affect the Y variable.

Based on data analysis through simultaneous hypothesis testing (F test), it was found that Fcount  $\geq$  Ftable. It can be concluded that work leadership and work motivation influence employee performance. It can be seen from the Fcount calculated greater than Ftable (159.870 > f table 3.15, so it can be concluded that H3 is accepted, which means that there is an effect of X1 and X2 simultaneously on Y.

## 3.3. Determination Coefficient (R<sup>2</sup>)

This type of hypothesis testing has a function to determine the percentage (%) of the influence given by variable X simultaneously to variable Y.

**Table 3. Determination Coefficient Test Results** 

Model Summary										
			Adjusted	R	Std.	Error	of	the		
Model	R	R Square	Square		Estimate					
1	,920a	,846	,841		,97325					
a. Predictors: (Constant), Motivation(X2), Leadership(X1)										

Source: Author's estimation

The data in Table 5 above shows the R Square value of 0.846. This means that the influence of leadership variables (X1) and work motivation (X2) simultaneously on employee performance variables (Y) at PT. Mitra Bisnis Keluarga Ventura Malang Region is 86.6%, while the remaining 15.4% is explained or influenced by other factors that are not included in this research model.

#### 4. CONCLUSIONS

Based on the study results, it can be concluded that partially the leadership variable affects employee performance, while the work motivation variable also affects increasing employee performance. Simultaneously, based on the F test results, the joint influence of all independent variables (leadership and work motivation) affects employee performance.

Variable leadership and work motivation regression coefficient are positive (+), indicating a unidirectional relationship. In other words, leadership and work motivation will increase employee performance at PT. Mitra Bisnis Keluarga Venture Malang Region.

Correlation/relationship between leadership and work motivation with employee performance at PT. Mitra Bisnis Keluarga Ventura Malang REgion is extensive. It is known from the R Square that is equal to 0.846. This means 84.6% of the dependent variable of employee performance at PT. Mitra Bisnis Keluarga Ventura Malang Region can be explained by the independent variables of leadership and work motivation while the remaining 0.154 or 15.4%. (1-0.846 or 100%-84.6%) is explained by other variables outside the existing variables, but the value of the other variable is smaller than the variables that researchers have used.

Based on the results of research conducted at PT. Mitra Bisnis Keluarga Ventura Malang Region, there are some suggestions or recommendations that can be taken into consideration by the company in the future. Our recommendations are expected to enhance the leadership skills of the staff or the Head

Department for the employee to improve performance so that companies can achieve results in line with targets the company, providing work motivation to employees is further improved so that employee productivity and performance increases as desired by the company.

For future research, we suggest expanding the independent variables as a measurement of research excluding leadership and work motivation to further improve employee performance at PT. Mitra Bisnis Keluarga Malang Region.

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