



RESEARCH ARTICLE

THE INFLUENCE OF LEADERSHIP ON EMPLOYEE WORKING MOTIVATION OF PT MANDALA FINANCE BRANCH OFFICE, MAJENE REGENCY, WEST SULAWESI PROVINCE

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ARTICLE INFO

Article History:

Received 07th December, 2019

Received in revised form

03rd January, 2020

Accepted 08th February, 2020

Published online 30th March, 2020

Keywords:

Democratic Leadership,
Work Motivation.

ABSTRACT

A manager's leadership style will definitely influence working motivation and automatically encourage the performance of the employees. The purpose of this study was to figure out (1) the leadership style found in Mandala Finance of Majene branch office; (2) employees' motivation in working for Mandala Finance of Majene, and (3) whether there is the influence of leadership style on employee motivation of Mandala Finance of Majene. This study used qualitative and quantitative approaches that describe some phenomena of leadership style and working motivation as well as the influence of leadership on motivation found in Mandala Finance of Majene. Research sample was 37 employees. Data analysis technique used in this study was Smail & Huberman's interactive model (dalam Sodiyo 2012). (1). Of three leadership styles studied here, showed that most of the respondents agreed with the democratic leadership style as the most appropriate one used in Mandala Finance of Majene. (2) Five items used as questions related to motivation indicators have inferred that most of the respondents have high working motivation as a result of democratic leadership style application in Mandala Finance of Majene. (3) The influence of leadership style on employee's motivation in Mandala Finance of Majene has been categorized as quite well. Study results show that through t.test, the t.count was 6.788 and t.table was 2.026. When being compared between t.count and t.table at significance level of 5% thus $t.count(6.788) > t.table(2.026)$, means that H_a was accepted and H_o was rejected. Therefore, the study result reveals that the leadership style has positive influence on the employee working motivation in Mandala Finance of Majene.

INTRODUCTION

Leadership is a crucial thing in any organization. The success or failure of an organization will be highly determined by the leadership type he or she assumes in leading his or her subordinates. A leader plays really dominant role in the life of his or her company or organization. This role does not reduce at all or even ignore the importance of the role needs and has to be played by the subordinates. The role of a manager or chairman is as a motivator as well as a leader in any organization or company (Rivai, 2015). Furthermore, it is said that leadership widely comprises the process of influencing in order to achieve organization's objectives, motivating the followers' attitudes to achieve those objectives and influencing to improve the group and their culture. The leadership concept is not only a form of instruction, rather it is more a sort of motivation as spirit to give inspiration to the subordinates, thereby their inspiration and creativity can evolve optimally to improve performance. The increasing of employee performance is closely related to their motivation, thence it is expected that their work can be more optimal. Employees with high motivation will work passionately, more disciple, innovative, and encouraging more effective and efficient work.

Low working motivation is closely related to employees' dissatisfaction which leads further to the low performance. On the contrary, if working motivation rises thus working spirit increases, and employees are able to be optimized to pursue company's goals. Motivation is a kind of urge to increase performance in achieving organization's objectives (Sofyandi and Garniwa :2014). high performance is mostly influenced by high working motivation and loyalty to the company. Therefore, in order to achieve those objectives, it needs to be supported with appropriate leadership style. Many cases of failure for companies to improve their employee performance can be attributed to the inappropriate leadership model in running the corporate (Fajar, 15 November 2017). Mandala Finance Branch Office of Majene also experiences that kind of case that has been caused by lack of information and socialization of the rules thus miscommunication is often occurred during completing the works.

RESEARCH METHODOLOGY

This study used qualitative and quantitative approaches in order to describe the phenomena of leadership and working motivation, as well as the influence of leadership on employee motivation in Mandala Finance of Majene branch office. Location selection was based on through purposive sampling under consideration for facilitating in collecting the necessary

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information and data. Research population was all of the employees of Mandala Finance of Majene, namely 37 respondents. According to Siagian (2013:66), population is total of all possible values, the results of counting or measuring, quantitatively and qualitatively concerning particular characteristics of all members of a complete and clear group to be studied their traits. Given the limited population total thus it was also used as study sample altogether. Sample was determined by means of purposive sampling, which is in tune with Arikunto in Suharto (2015), whereif the subject is less then 100, so it is batter that sample is taken from the whole research population. To determine the variable parameter thus a measurement scale based on likert scale by assigning score

Cores for question items are 1 – 5

Data analysis used two models, among others, descriptive analysis used to describe the phenomena of leadership and work motivation through stages; data collection, data reduction, and data presentation as well as verification/drawing conclusion (Smail and Huberman in Sugiyono 2012). To find out whether there is any positive and significant influence of leadership style on employee's work motivation in Mandala Finance of Majene, thereby Simple Linear Regression analysis was used with the following equation:

$$Y = a + bX$$

where:

Y = predicted value (work motivation)

X = variable value (leadership)

a.= constant term

b.= correlation coefficient number

Hypothesis Testing: Hypothesis testing used t test to test the significance of the constant of each independent variable, i.e. is there any influence of leadership style variable (X) partially on the dependent variable of employee motivation (Y). Criteria for hypothesis testing of significance level = 0.05, determined as follows:

- If $F_{count} > t_{table}$ thus H_a is accepted. The leadership style has influence on work motivation in Mandala Finance of Majene
- If $f_{count} < t_{table}$ thus H_o is accepted. There is no influence the leadership style has on the employee work motivation in Mandala Finance of Majene

Coefficient of Determination (R^2)

Coefficient of determination used to measure how well is the model capability in explaining the variation in dependent variable. R^2 value is ranged between 0 – 1 ($0 \leq R^2 \leq 1$). The higher the R^2 value (close to 1), the more appropriate the regression model is. Conversely, the lower the R^2 value (close to 0), the more inappropriate the regression model is.

Validity Test: Validity test is a measurement to show how valid and validity of an instrument is. An instrument is considered valid when it is able to measure what it is supposed to be measure. Simamora (2014:172). Ll questionnaire items used to measure the leadership style and employee work motivation were tested for their validity, in which can be seen in the value of Correct Item Total Correlation of each question item with the provision of:

If $r_{count} > r_{table}$ thus that question item is valid
If $r_{count} < r_{table}$ thus that question item is invalid.

Realibility Test.

As for the method used to test questionnaire realibility thus the Cronbach's alpha coefficient was used, i.e.

- If the alpha coefficient $>$ level of significance of 0.60 thus the questionnaire is reliable
- If the alpha coefficient $<$ level of significance of 0.60 thus the questionnaire is not reliable.

RESEARCH RESULT AND DISCUSSION

Questionnaire Validity and Reability: Validity test is conducted by correlating each question. The result of validity test for leadership style variable (X) can be presented as follows: Based on table 1, it reveals that all question items of leadership style (X) were $r_{count} > r_{table}$, therefore the question is considered as valid.

The result of validity testing for work motivation variable (Y) is presented below: Based on table 2, validity testing results show that correlation value for each question item with total score higher than 0.361. Therefore, it can be inferred that question item used is valid

Questionnaire Reability Test: The results of questionnaire reability test by means of SPSS for 37 respondents can be seen the following table: Based on the result of reability test conducted to all question items, it shows that the question item is reliable since the coefficient value of reability is higher than 0.60.

Hypothesis 1 Testing (leadership style and Work Motivation): Respondents' responses through questionnaire results regarding leadership style found in Mandala Finance of Majene Regency can be explained as follows, respectively: A number of 5 question items related to the indicators of authoritarian leadership style, of 37 studied respondents, total score of 583 can be detailed as successively as follows; item (1) 103, item (2) 105, item (3) 129, item (4) 98, and item (5) 103. Meanwhile, for the indicators of democratic leadership style, of 5 question items, total score of 712 with details as follows; item (1) 150, item (2) 145, item (3) 136, item (4) 140, and item (5) 141. As to indicators of Laisse Faire leadership style, of 5 question sitems, total score of 666 with details as follows; item (1) 150, item (2) 127, item(3) 132, item (4) 110, and item (5) 147. The study results for three types of leadership style disclose that democratic style has total score of 712. This study proposes a meaning that democratic leadership style is the most appropriate one to be used in leading the employees of Mandala Finance of Majene Regency. Respondents' responses to employee work motivation in Mandala Finance of Majene, of 5 question items related to indicators of work motivation, among others: physical needs, the need for safety, social needs, the need for recognition, and the need for self-actualization. The study results reveal the details of 132 respondents highly agreed, 163 respondents agreed, 88 respondents moderately agreed, and 7 respondents disagreed. Those results show that majority of the respondents have high work motivation in line with the democratic leadership style used in heading the employees in Mandala Finance of Majene Regency.

Table 1. Recapitulation of Validity Test result for variable (X)

Question	r.count	r.table	Description
1	0.565	0.361	valid
2	0.417	0.361	valid
3	0.871	0.361	valid
4	0.788	0.361	valid
5	0.787	0.361	valid
6	0.925	0.361	valid
7	0.699	0.361	valid
8	0.696	0.361	valid
9	0.687	0.361	valid
10	0.633	0.361	valid
11	0.454	0.361	valid
12	0.529	0.361	valid
13	0.554	0.361	valid
14	0.892	0.361	valid
15	0.483	0.361	valid

Table 2. Recapitulation of validity test result for work motivation variable (Y)

Question	R.Count	R.Table	Description
1	0.787	0.361	valid
2	0.778	0.361	valid
3	0.554	0.361	valid
4	0.719	0.361	valid
5	0.630	0.361	valid
6	0.790	0.361	valid
7	0.731	0.361	valid
8	0.608	0.361	valid
9	0.529	0.361	valid
10	0.545	0.361	valid

Source: Processed from primary data of 2017

Table 3. Reability test for leadership style variable (X)

Cronbach's Alpha	Cronbach's Alpha Based on Standardized item	N of item
457	460	15

Source: Processed from primary data of 2017

Table 4. Reabilitytest for work motivation variable (Y)

Cronbach's Alpha	Cronbach's Alpha Based on Standardized item	N of item
329	335	10

Source: Processed from 2017

Effective leadership can make a company to grow, successful, and able to compete. Without this, many organizations cannot survive. The awareness of this matter underlies some modern leadership theories called as contingency theory of effective leader. This theory consists of two main themes. The first theme is that there is no what-so-called as the best leadership style.

The second theme is the matter of leader effectiveness, in which a leader needs to identify conditions and factors in themselves that determine to what extent they will increase employee performance and satisfaction, as well as to encourage the improvement of employee work motivation (Greenberg-Baron, 1995). Those study results seem in line with Stephen P. Robbins (2014), stated that important elements that drive employee work motivation are, among others, intensive efforts, organizational objectives, and employee needs. This viewpoint is in line with Abraham Maslow's hierarchy of needs (in Malayu Hasibuan SP 2014), in which the ones that compel individual work motivation are, among others, psychological needs, need for safety, social needs, need for self-esteem, and need for self-actualization.

Hypothesis 2 Testing (Employee Motivation): The study results related to employee motivation in Mandala Finance of Majene uncover that of ten question items of work motivation by using indicators of (physical needs, need for safety, social, recognition, and self-actualization) responded by 37 respondents of approximately 132 highly agreed and 163 agreed with the improvement of employee work motivation. It means that employee motivation in Mandala Finance of Majene has been increased.

Hypothesis 3 Testing. The Influence of Leadership Style on Work Motivation: The influence of leadership style on employee work motivation in Mandala Finance of Majene has been quite well. The study results shows through t-test results that t.count of 6.788 and t.table of 2.026 were obtained. If being compared between t.count and t.table at 5% level of significance thus t.count (6.788) > t.table (2.026), means that H₁ is accepted and H₀ is rejected. Hypothesis testing used simple linear regression by using t test. Namely, "Leadership style has positive influence on Employee Work Motivation in Mandala Finance of Majene. It can be seen in the following table:

Regression Coefficient: It refers to the calculation results that regression coefficient between X and Y (r_{xy}) was 0.870. This means that leadership style indeed has positive and significant influence on employee work motivation in Mandala Finance of Majene.

Coefficient of Determination (R^2): Coefficient of determination was 0.555 or 55%. It means that leadership style is able to influence about 55% on the change of employee work motivation in Mandala Finance of Majene and the remaining 45.5 percent can be caused by other factors.

Significance Test of t Test: T test is aimed to find out the significant influence of leadership style (X) on employee work motivation (Y). T.test results show that t.count was 6.788 and t.table was 2.026. If t.count and t.table are compared at the significance level of 5% thus t.count > t.table means that H_a is accepted. The result means that "Leadership style has positive and significant influence on employee work motivation in Mandala Finance of Majene."

Regression Equation: Coefficient of leadership style (X) was 0.870 and constants was 13.584. based on that result, it can be made into the following regression equation:

$$Y = 0.870X + 13.584$$

Above equation shows that coefficient value X of 0.870 means that if leadership style increases for 0.870 thus employee motivation (Y) will increase for 13.584. Another calculation result reveals that r.count of 0.574 was higher than r.table of 0.361, which means that H_a is accepted. Therefore, it can be concluded that leadership style (X) has influence on employee work motivation (Y) in Mandala Finance of Majene. If examined further, the recapitulation results, both using t test and also simple regression equation compared with field study result, it will show that leadership style has positive and significant influence on employee work motivation found in Mandala Finance of Majene.

It can be seen from the study results where employee work motivation increased. That increase in work motivation is closely related to the leadership style used in the organization. Study results in regard to the influence of leadership style on employee work motivation in Mandala Finance of Majene are in line with the study held by Fuad Hasan in its theme "The influence of Democratic Leadership on Teacher Work Motivation in SMA Negeri 1 Seunagan Nagan Raya". The result of Hypothesis Mean testing discovered that the value of democratic leadership was 75 or $X > 60$. This result exhibit the influence of democratic leadership style used by the school principal was positive and significant on the Teacher's work motivation in SMA Negeri 1 Seunagan Nagan Raya. It is closely related to the principal efforts in giving complete trust to the teachers in doing their tasks for the sake of school development and improvement. Study results conducted by Okky Camilla Bianca (2017), entitled "The influence of leadership style and work motivation on the performance of employee of CV. Karya Hidup Sentosa Yogyakarta" showed that leadership style had positive and significant influence on the employee performance in CV. Karya Hidup Sentosa Yogyakarta. Therefore, this study results can deliver the meaning that leadership style of a manager can be highly influential in encouraging the increase in employee work

motivation and ultimately will lead to the improvement of employee performance.

Conclusion

Based on the study results found in Mandala Finance of Majene, so it can be drawn some following conclusions:

- Leadership style applied by the branch office manager of Mandala Finance in Majene is democratic leadership one. Study results show that most of the respondents state their agreement to the application of that democratic leadership style.
- Employee motivation has been increased along with the democratic style applied in Mandala Finance of Majene branch office. The study results disclose that majority of the respondents agreed upon the application of democratic leadership style that stimulates employee work motivation.
- The influence of leadership style on employee work motivation in Mandala Finance of Majene branch office has been considered quite well. The study results reveal that through t test, t.count of 6.788 and t.table of 2.026 were obtained. If being compared between t.count and t.table at significance level of 5% thus t.count (6.788) > t.table (2.026), which means that H_a is accepted and H_o is rejected. Those results imply that "Leadership style indeed has positive and significant influence on employee work motivation in Mandala Finance of Majene branch office."
- The calculation result of Regression equation shows that coefficient value X was 0.870, means that if the leadership style increases for 0.870 thus employee work motivation (Y) will increase for 13.584.

Recommendation

In accordance with the conclusion of the study results found in Mandala Finance of Majene branch office, the following are some recommendations for future studies

- The study results found in Mandala Finance of Majene stated that the leadership that has been applied is still considered less firm to the subordinates with less or bad performance. Due to this fact, therefore the author here would like suggest for the manager has to be firmer to his or her less-performed subordinates.
- The study results regarding employee motivation were in accordance with the response from the respondents, in which it seems that the leader or the manager should encourage his or her employees to increase their work motivation.

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