
THE EFFECTS OF LEADERSHIP STYLE AND MOTIVATION ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS THE MEDIATOR

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ABSTRACT

The National Library of the Republic of Indonesia is an important national library institution in improving employee performance. An effective leadership style is essential to achieving the vision and mission of the organization, motivating and supporting positive change. Research is needed to identify effective library leadership styles that can provide encouragement and direction. Work motivation is also crucial for improving employee performance, and understanding the factors that influence motivation is essential to providing fair incentives and rewards. This study aims to investigate the correlation between leadership style and work motivation to performance while taking job satisfaction as an intermediary element that plays a vital role in this relationship. The study used a saturated sample method, meaning that all members of the population who met the inclusion criteria were included in the study as a sample. The population is 170 employees working in the central secretariat unit of the National Library of the Republic of Indonesia, Jakarta. Data collection was carried out using a 5-point Likert scale questionnaire. This study was tested for validity, reliability, and assumptions of path analysis using SPSS software, and the results were analyzed using path analysis and the same software. The results showed that leadership style and motivation positively affected employee performance.

KeyWords

Conceptual Model, Leadership Style, Motivation, Employee Performance, Job Satisfaction.

INTRODUCTION

The National Library of the Republic of Indonesia is a national-scale library institution responsible for providing printed and recorded works for public interest, as stipulated in Law 13 of 2018. It is a trustee, reference, deposit, research, and preservation library. Effective human resource management is crucial for the library's progress. Investment in training, seminars, and development is essential for achieving its goals. Training aims to form leaders who can drive positive change for the organization.

Leadership significantly impacts an organization's performance, affecting both employees and the organization as a whole. A good leadership style is crucial for survival and achieving the organization's vision and mission, motivating and supporting positive change. Leadership is a complex process that involves measuring and evaluating a leader's leadership style and adapting it to suit the organization's situation. Research is needed to identify effective leadership styles for the National Library of the Republic of Indonesia, which can provide appropriate encouragement and direction. Work motivation is crucial for improving employee performance, and leaders must understand factors affecting motivation, such as expectations, instrumentality, and valence, to provide fair incentives and rewards.

Job satisfaction is crucial for employee performance, but measuring and increasing it is challenging. Improving performance is essential to understand job satisfaction factors and create a supportive work environment. Research can directly or indirectly test the influence of leadership style and motivation on job satisfaction. Path analysis can help understand the complex relationships between these variables, providing valuable insights into their relationships.

Theoretical discussions on the impact of leadership style, work motivation, and job satisfaction on employee performance

offer a comprehensive understanding of organizational dynamics. Theories can help identify individual factors influencing employee and organizational performance development. By addressing these issues, the National Library of the Republic of Indonesia can enhance its human resource management, leadership, employee motivation, job satisfaction, and overall organizational performance. Based on the background and issues mentioned above, this conceptual paper will discuss the effects of leadership style and motivation on employee performance with job satisfaction as the mediator.

LITERATURE REVIEW

A. Leadership Style

Bass's Theory of Leadership Style (1985) is a widely recognized theory distinguishing between transactional and transformational leadership styles. Transactional leadership, as per Bass's theory, involves the exchange of rewards and punishments between leaders and subordinates, with the leader providing direction and incentives to motivate subordinates to achieve specific goals. In contrast, transformational leadership focuses on individual development, inspiration, and vision, encouraging employees to innovate and work together towards larger organizational goals.

Transformational leaders are known for creating work cultures that motivate, encourage personal development, and encourage creative thinking. They serve as role models and sources of inspiration for their subordinates, creating a positive work environment. On the other hand, transactional leaders focus on achieving targets and directly measurable results, offering rewards or incentives to employees who achieve specific targets.

Both transactional and transformational leadership styles have roles and relevance in various organizational contexts. Transactional leadership may be more effective in routine tasks, while transformational leadership can be particularly effective in situations requiring innovation, creativity, and individual development. Leadership styles can adapt to changes in the organizational environment, and a good leader may combine elements of both styles according to the organization's needs and specific situations.

Understanding Bass's Leadership Style Theory can help leaders and managers choose the leadership style that best suits their organizations and subordinates while also recognizing the importance of developing transformational leadership capabilities to improve employee motivation and performance, contributing to the organization's long-term success.

The results of research by Anugrah, Sasmita, and Kornita (2022) and research by MisraYeni and Prastyo (2021) show that leadership style significantly influences job and employee satisfaction. An effective leadership style can create a work environment that motivates, provides support, and gives clear direction to employees, increasing their job satisfaction and performance.

According to (Kartono, 2010), this leadership style consists of several indicators, including:

- 1) Ability to make decisions
- 2) Motivating ability
- 3) Work Motivation Ability
- 4) Self-control ability
- 5) Responsibility

B. Work Motivation

The theory of work motivation, introduced by Victor H. Vroom in 1964, is a significant aspect of management and organizational psychology, emphasizing the importance of expectancy, instrumentality, and valence as critical variables in shaping employee motivation.

Vroom's theory of motivation suggests that employee motivation can be determined by combining three variables:

- 1) Expectancy: employees believe their effort will lead to desired work goals. Low confidence in this factor can decrease motivation.
- 2) Instrumentality: employees' belief that performance achievement will lead to desired rewards. A lack of this relationship can negatively affect motivation.
- 3) Valence: employees' perception of the value or importance of rewards. High-value perception can boost employee motivation.

Vroom's theory suggests that work motivation is determined by the multiplication of three variables:

$$\text{Motivation (M)} = E \times I \times V,$$

Which are expectations (E), instrumentality (I), and valence (V). High expectations, instrumentality, and valence lead to high motivation (M). Conversely, low variables can affect motivation. High expectations, belief in desired rewards, and reward appreciation result in high motivation (M). Therefore, Vroom's theory highlights the importance of these variables in determining employee motivation.

Vroom's Work Motivation Theory acknowledges individual reward preferences and emphasizes understanding these needs to motivate employees effectively. It has practical implications in human resource management, helping managers identify motivational barriers and provide rewards that align with individual preferences. Despite criticisms, the theory remains a powerful tool for understanding employee motivation and developing effective strategies.

Research by Tama and Putra (2022) and by Nurmalaya and Endratno (2022) revealed that high work motivation increases job

satisfaction, even amidst work pressure and stress. The results confirm that intrinsic motivation to achieve personal and organizational goals positively influences job satisfaction, highlighting the importance of work motivation in enhancing job satisfaction and employee performance.

According to (Mangkunegara, 2009), from some of the research results described earlier, it can be synthesized that work motivation is obtained with indicators:

- 1) Responsibility
- 2) Work Performance
- 3) Opportunities to advance
- 4) Recognition of performance
- 5) Challenging work

C. Job Satisfaction

Frederick Herzberg's two-factor theory, introduced in 1959, identifies two key factors affecting employee job satisfaction: hygiene factors and motivators. It is a fundamental concept in industrial psychology and human resource management.

Hygienic Factors:

- 1) External working conditions like salary, employment status, job security, company policies, interpersonal relationships, and supervision.
- 2) These factors prevent dissatisfaction, not increase job satisfaction.
- 3) Unmet hygienic factors can lead to dissatisfaction.

Motivator Factors:

- 1) Content of work, such as recognition, responsibility, achievement, career advancement, and personal growth.
- 2) These factors increase job satisfaction and motivation.
- 3) Recognition and greater responsibilities can lead to increased job satisfaction and motivation.
- 4) Improving hygienic factors does not automatically increase job satisfaction; companies must focus on motivating factors related to job content and employee work experience.

Herzberg's theory significantly influenced human resource management strategies. Some of the main implications are as follows:

- 1) Importance of Meeting Hygienic Factors: Companies should ensure competitive salaries, fair policies, and good supervision to prevent employee dissatisfaction.
- 2) Development of Motivator Factors: Companies should focus on recognizing good performance, assigning relevant responsibilities, and providing opportunities for career growth.
- 3) Importance of Job Satisfaction Evaluation: Regularly measuring employee job satisfaction levels can identify areas for improvement.
- 4) Relationship with Organizational Culture: Organizational culture can influence motivating and hygienic factors. Aligning organizational culture with job satisfaction efforts is crucial.

The results of research by Bina et al. (2023) show that job satisfaction significantly impacts employee performance. Employees who feel satisfied with their jobs tend to perform better. In addition, work motivation also plays a vital role in improving employee performance. Spector (2015) highlights various factors that enhance job satisfaction, including wages, promotion, supervision, benefits, contingent rewards, operating procedures, coworkers, nature of work, and communication.

D. Employee Performance

Lyman W. Porter and Edward E. Lawler III's employee performance theory, developed in 1968, focuses on the factors affecting employee performance in the work environment. The theory identifies three main variables: expectations, rewards, and job satisfaction. Expectations refer to employees' belief that their efforts will lead to desired results, while rewards are the results or rewards employees receive for their performance. Job satisfaction is an employee's pleasure or dissatisfaction with their job, influenced by factors such as the work environment, relationships with co-workers, growth opportunities, and alignment with interests and values. High expectations, rewards, and job satisfaction contribute to high employee performance, enhancing motivation and performance. Managers must understand these dynamics to create a work environment that supports optimal performance.

Porter and Lawler's Employee Performance Theory emphasizes clear expectations, fair remuneration, career development, job satisfaction management, and an individualist approach. However, it has been criticized for its deterministic nature and lack of consideration for emotional and psychological factors. Despite these criticisms, the theory remains crucial in human resource management for creating a motivating work environment.

Research by Ovianti and Fadli (2022) highlights the positive impact of transformational leadership style and work discipline on employee performance, with job satisfaction as a mediating variable. The study confirms that these factors positively influence employee performance, with job satisfaction acting as a mediator, indicating that transformational leadership styles and work discipline can influence job satisfaction, ultimately affecting employee performance. Employee Performance Indicators (Anwar, 2020):

- 1) Quality and innovative service provision.

- 2) Understanding of duties and responsibilities.
- 3) Collaborative work.
- 4) Action-taking abilities.
- 5) Fulfillment of obligations.

CONCEPTUAL MODEL

Based on the literature review and previous studies, it is hypothesized that variables such as leadership style and work motivation have direct impacts on both job satisfaction and employee performance. There is a suspicion that the style of leadership and motivation at work have indirect impacts on the performance of employees, which are influenced by job satisfaction. Thus, this paper can construct a conceptual model depicted in figure 1 below.

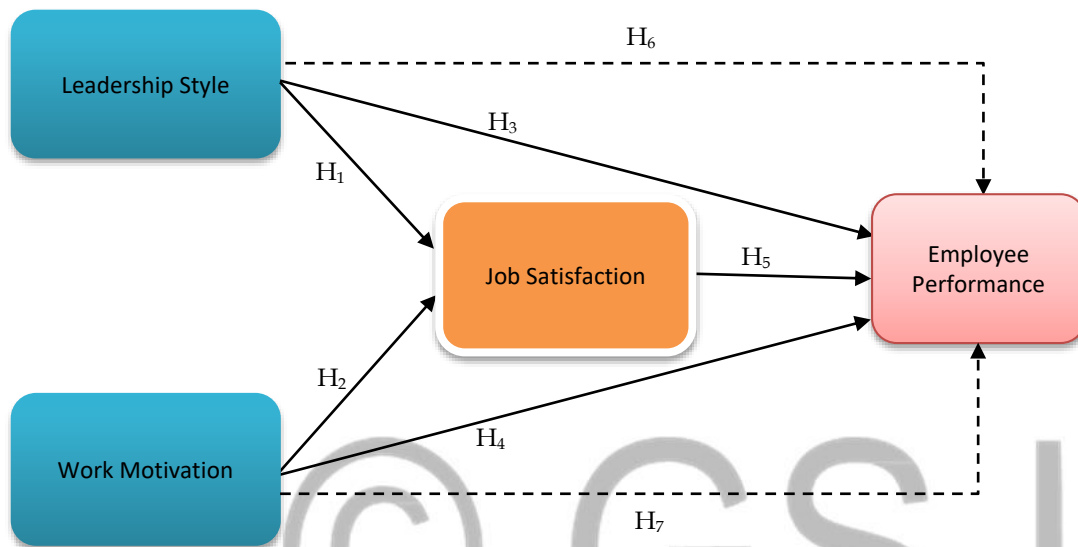


Figure 1. The Conceptual Model

Description:

—→ : Direct Effect

- - - - -→ : Indirect Effect (Mediated)

HYPOTHESIS DEVELOPMENT

The researchers conducted this study by analyzing the relationships between the variables under investigation in order to generate hypotheses. This study provides confirmation that leadership style and work motivation variables are believed to impact job satisfaction and indirectly influence employee performance. Seven hypotheses were formulated based on the conceptual model depicted in Figure 1:

- H1: Leadership Style directly has a positive and significant effect on Job Satisfaction
- H2: Work Motivation directly has a positive and significant effect on Job Satisfaction
- H3: Job Satisfaction directly has a positive and significant effect on Performance
- H4: Leadership Style directly has a positive and significant effect on Performance
- H5: Work Motivation directly has a positive and significant effect on Performance
- H6: Job Satisfaction acts as a variable that mediates the relationship between Leadership Style and Performance
- H7: Job Satisfaction acts as a variable that mediates the relationship between Work Motivation and Performance

METHODOLOGY

This study employs a quantitative approach to examine the relationship between leadership style and work motivation on performance. Job satisfaction is considered a mediating factor that significantly influences this relationship. The population for this study consists of 170 employees employed in the Main Secretariat unit of the National Library of the Republic of Indonesia, located in Jakarta. In contrast, a sample is a smaller group chosen from a larger population to represent the entire population accurately. This study employed a saturated sampling method, wherein all individuals from the population who fulfilled the inclusion criteria were included as participants.

The data will be collected through a questionnaire that uses a 5-point Likert scale. This research's validity, reliability, and path analysis assumptions will be assessed using SPSS software. The resulting data will be analyzed using path analysis and the same

software.

CONCLUSION

This study aims to construct a theoretical framework to examine the impact of leadership style and work motivation on employee performance, with job satisfaction as an intermediary or mediator variable. This paper presents the research background, literature review, conceptual model, hypotheses, and research methodology regarding the issue of employee performance in the Main Secretariat unit of the National Library of the Republic of Indonesia, located in Jakarta. Using job satisfaction as a mediator, this study aims to uncover insights into the correlation between leadership style and work motivation concerning employee performance. The findings indicated that leadership style and motivation positively impacted employee performance.

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