



THE INFLUENCE OF LEADERSHIP STYLE ON EMPLOYEE WORK PRODUCTIVITY THROUGH JOB MOTIVATION AND JOB SATISFACTION AT PT HUMOLCO LNG INDONESIA: A CONCEPTUAL MODEL

Ricki¹, Zainul Kisman²

^{1,2} **Department of Management, Faculty of Economics and Business, Trilogi University, Jakarta, Indonesia.**

ABSTRACT

During the period from 2021 to 2023, PT Humolco LNG Indonesia experienced a significant decrease in the Work Productivity Index, as reflected in the recorded data. In 2021, the Work Productivity Index reached 87.20 but decreased to 86.00 in 2022 and continued the declining trend to reach 84.80 in 2023. In optimizing human resources and facing high levels of competition, companies need to understand and integrate factors such as leadership style, job motivation, job satisfaction, and employee productivity. This quantitative study aims to examine the influence of leadership style on work productivity through the mediation of job motivation and job satisfaction.

Keywords

Leadership Style, Work Productivity, Job Motivation, Job Satisfaction, Conceptual Model.

INTRODUCTION

During the period from 2021 to 2023, PT Humolco LNG Indonesia experienced a significant decrease in the Work Productivity Index, as reflected in the recorded data. In 2021, the Work Productivity Index reached 87.20, but decreased to 86.00 in 2022, and continued the declining trend to reach 84.80 in 2023. This decline reflects challenges or changes in the work environment or company operational processes that can affect the efficiency and work results of employees.

One aspect that significantly impacts productivity is leadership style. Job motivation also plays a central role in achieving optimal productivity. Furthermore, job satisfaction is closely related to work productivity. In efforts to improve job satisfaction and productivity, it is important to consider that each organization has unique dynamics and needs. Therefore, a contextual and adaptive approach to leadership style may be more effective in achieving these goals. Overall, in optimizing human resources and facing high levels of competition, companies need to understand and integrate factors such as leadership style, Job motivation, job satisfaction, and employee productivity.

Effective integration of these aspects can create a dynamic work environment that empowers and supports overall company productivity growth. Along with this, continuous efforts to enhance understanding and implement best practices in human resource management will be the key to success for companies in this era of free trade. This research discusses the influence of leadership style on work productivity, through the mediation of job motivation and job satisfaction.

LITERATURE REVIEW

A. Leadership Style

Leadership, as defined by various perspectives, involves an intentional process by an individual to influence others, guide them, build structures, facilitate activities, and foster relationships within a group or organization. Robbins (2008) describes leadership as the ability to influence a team towards achieving a vision or goal, whether through formal appointment or emerging naturally within the group. Rivai and Deddy (2012) further elaborate on leadership, dividing it into five dimensions, including advancing cooperation, effectiveness, participative leadership, delegating tasks, and motivating team members. Rivai V (2014) emphasizes leadership as the process of influencing a group to work hard towards group goals, involving the ability to influence, motivate, and guide individuals or groups towards specific goals in situational contexts.

Leadership, therefore, entails the ability to motivate, influence, and guide individuals or groups towards organizational goals with responsibility and cooperation. A leader needs specific skills and traits such as problem-solving skills, understanding of group issues, intelligence, a sense of responsibility, social skills, and self-awareness. Although there are no absolute traits for every successful leader, many possess similar skills, including problem-solving skills, insight into group issues, intelligence, a desire for responsibility, social skills, and self-awareness.

Different perspectives can be used to observe leadership styles, one being through the lens of leader behavior. Hasibuan (2013) explains leadership style as the way a leader influences their subordinates to work together productively towards organizational goals. Rivai V (2014) describes leadership style as a series of characteristics used by leaders to influence their subordinates in achieving organizational goals, stressing the importance of adapting leadership style to subordinate characteristics and abilities for each task. Thoha (2012) emphasizes the need for leaders to choose a leadership style suitable for the situation they face, aligning it with subordinate characteristics and the organizational context to achieve desired goals.

According to Setiawan dan Muhith (2013), various factors influence leadership styles within an organization, including leader personality, past experiences, and expectations, as well as superiors' expectations and behaviors, subordinate characteristics and behaviors, task requirements, organizational climate and policies, and colleagues' expectations and behaviors. Effective leaders must be aware of the complexity of relationships and dynamics within the organization to choose an approach that suits organizational needs and their subordinates.

The research by Ari Nugroho (2021) and Haidar et al. (2023) asserts that understanding and implementing appropriate leadership styles can be key to enhancing employee work motivation across various sectors and divisions. Widiastuti, Riauwanto, and Harwati (2022) and Anugrah, Sasmita, and Kornita (2022) conclude that leadership styles that consider aspects of service, understanding of workload, motivation, and stress management contribute positively to employee job satisfaction. Nababan et al. (2023) and Sugiarti (2019) explain that leaders who can create a work culture that promotes cooperation, innovation, and accountability can enhance overall productivity.

B. Job Motivation

The concept of job motivation, as defined by Samsudin (2006), revolves around influencing or encouraging individuals or work groups to execute assigned tasks, driven by a natural inclination to sustain life and fulfill individual needs. Managers play a pivotal role in providing inspiration, enthusiasm, and encouragement to employees, essential for achieving set goals. Various factors such as superiors, colleagues, physical facilities, policies, financial and non-financial rewards, job types, and work environment influence job motivation, while personal interests and individual needs also contribute to shaping it. Job motivation is viewed as an internal process propelling individuals' desires to take action to attain goals.

Siagian (2002) underscores the significance of job motivation in organizational life, stressing that it requires serious attention from managers. Four primary considerations include the "quit pro quo" principle, the complex dynamics of human needs, the absence of saturation points in meeting human needs, and the differences in individual characteristics within organizations, making no single motivation technique equally effective for everyone.

Mangkunegara (2005) suggests two main techniques for motivating employees: meeting employees' needs and persuasive communication. Meeting employees' needs is considered a fundamental basis for work behavior, while persuasive communication is conducted through an extra-logical approach using the 'AIDDAS' model (Attention, Interest, Desire, Decision, Action, and Satisfaction). Leaders are expected to pay attention to employees to foster interest in work, which, when developed, becomes a strong driving force for decision-making and action to achieve desired goals. Consequently, employees will work with high motivation and feel satisfied with their work outcomes. These strategies highlight the importance of understanding and catering to individual needs to foster a motivated and productive workforce in organizational settings.

Febriyanti, Vhalery, and Muliyani (2022) and Wau (2022) demonstrate that work motivation not only has a direct impact on productivity but also through the enhancement of work quality. Ari Nugroho (2021) and Febriyanti, Vhalery, and Muliyani (2022) indicate that work motivation acts as a mediator that connects the influence of leadership styles with work productivity. Leadership styles that stimulate employee work motivation are then linked to increased productivity.

C. Job Satisfaction

The concept of job satisfaction, as outlined by Robbins (2008), revolves around an individual's general attitude towards their

work. Luthans (1995) further elaborates that job satisfaction is an expression of employees' contentment with how their work benefits the organization, indicating that what they gain from their work meets what they consider important. Job satisfaction is considered a result of employees' experiences in relation to their own values, desires, and expectations from their work. This perspective simplifies that job satisfaction is an individual's attitude and feedback on their work.

Smith, Kendall, and Hulin (in Gibson, Ivancevich, and Donnelly, 2000) identify five important characteristics influencing job satisfaction: the nature of the job, pay or salary, supervision, promotion opportunities, and co-workers. Meanwhile, Robbins (2008) identifies factors influencing employee job satisfaction such as challenging work, fair rewards, and supportive working conditions. These factors highlight the multifaceted nature of job satisfaction, encompassing both intrinsic job characteristics and extrinsic factors related to the work environment and organizational policies.

Mangkunegara (2005) presents two categories of factors influencing job satisfaction: employee factors and job factors. Employee factors include intelligence, special skills, age, gender, physical condition, education level, work experience, personality, emotional aspects, thinking style, perceptions, and attitudes towards work. Job factors encompass job characteristics, organizational structure, rank or grade, position, supervision, financial and social security, promotion opportunities, social interaction, and work relationships. Understanding these factors is crucial in creating a supportive work environment that motivates employees.

Safrin and Sulaiman (2021) and Muayyad and Gawi (2017) affirm that high job satisfaction levels positively correlate with good levels of work productivity. Sugiarti (2019) and Safrin and Sulaiman (2021) indicate that leadership styles influencing employee job satisfaction ultimately also affect productivity indirectly through high levels of job satisfaction. Job satisfaction, in this context, serves as a bridge converting the positive impact of leadership styles into tangible productivity improvements.

D. Work Productivity

The concept of work productivity, as defined by various scholars, revolves around the comparison between the quality and quantity of work performed to achieve specific outcomes. Chen Lin Blocer, cited in Suparno (2015), describes productivity as the relationship between the output produced and the input required to achieve that output. Husein Umar, as mentioned in the same source, defines productivity as the comparison between the results achieved (output) and the total resources used (input). In essence, work productivity reflects the efficiency and effectiveness in reaching goals using available resources, considering the time required.

Several factors influence work productivity, as highlighted by Simanjuntak, cited in Sutrisno (2015). These factors include training, the mental and physical capabilities of employees, and the relationship between superiors and subordinates. Training aims to equip employees with the necessary skills and methods to operate work equipment accurately, contributing to enhanced productivity. The mental and physical well-being of employees plays a crucial role in work productivity, as those in good health and optimal physical condition tend to be more productive. Additionally, a positive relationship between superiors and subordinates significantly impacts daily activities in the workplace, with good treatment from superiors stimulating positive participation from employees in the production process, thus affecting the level of work productivity achieved.

According to Sedarmayanti (2011), measuring work productivity involves various indicators, including effectiveness and efficiency. Effectiveness refers to an organization's ability to achieve set goals, reflecting its capacity to realize established objectives. Efficiency, on the other hand, involves comparing the results achieved with the overall resources used, playing a significant role in work productivity. According to Sinungan, as cited in Indriyani (2015), measuring work productivity provides several benefits, including providing feedback on job performance, evaluating employee performance, planning and development, identifying deviations in work processes, and ensuring the accuracy of information used. Effective utilization of work productivity measurements allows organizations to optimize employee performance, make informed decisions, plan career development, and improve overall work efficiency and effectiveness.

CONCEPTUAL MODEL

Based on the literature review above, the conceptual model is formulated as follows:

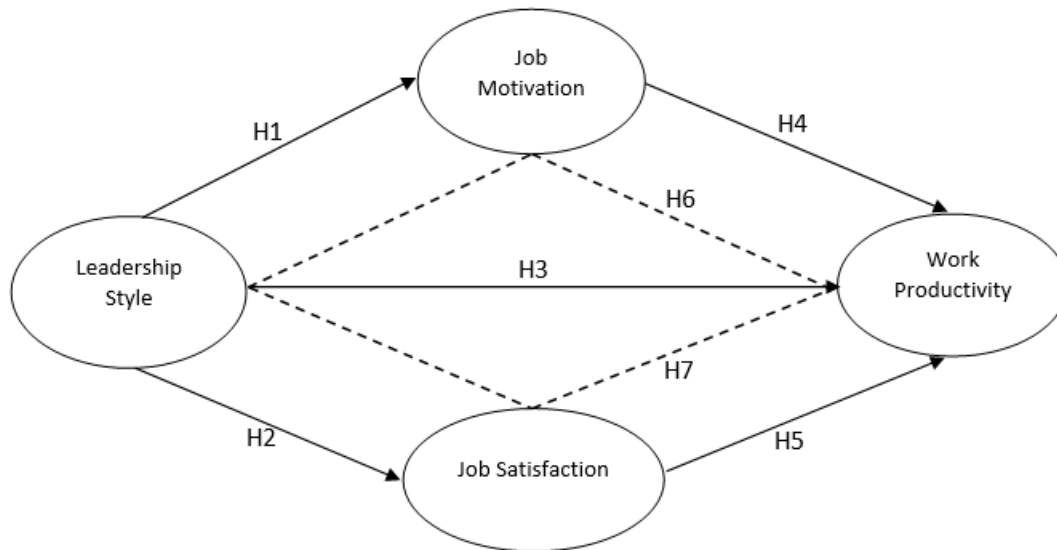


Figure 1. Conceptual Model

HYPOTHESES

Based on the conceptual model and literature review, the hypotheses can be formulated as follows:

- H₁: Leadership style has a direct positive and significant influence on job motivation.
- H₂: Leadership style has a direct positive and significant influence on job satisfaction.
- H₃: Leadership style has a direct positive and significant influence on work productivity.
- H₄: Job motivation has a direct positive and significant influence on work productivity.
- H₅: Job satisfaction has a direct positive and significant influence on work productivity.
- H₆: Job motivation mediates the relationship between leadership style and work productivity.
- H₇: Job satisfaction mediates the relationship between leadership style and work productivity.

METHODOLOGY

This study is a quantitative research using primary data in the form of questionnaires. The population in this study is all employees working at PT Humolco LNG Indonesia, totaling 33 people. The sampling method used is a study of the entire population, considering the limited number of employees, which is 33 people. In this research, the data analysis method applied is path analysis technique. This technique is an extension of multiple linear regression analysis and is used to analyze the cause-and-effect relationship between exogenous variables and endogenous variables in the context of multiple linear regression, both directly and indirectly.

CONCLUSION

The objective of this study is to develop a conceptual model regarding the influence of leadership style on work productivity at PT Humolco Indonesia, mediated by job motivation and job satisfaction. This research also encompasses the research background, literature review, hypotheses, and research methodology. The status of the influence of leadership style on work productivity, through the mediation of job motivation and job satisfaction, can be elucidated by applying the conceptual model proposed in this study.

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