



## ANALYSIS OF THE INFLUENCE OF LEADERSHIP, WORK ENVIRONMENT, AND COMPENSATION WITH MOTIVATION AS MEDIATION VARIABLES ON EMPLOYEE PERFORMANCE AT STATE-OWNED BANKS IN MAKASSAR CITY

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### ABSTRACT

*Performance is the work created by a person or group of people in an organization both quantitatively and qualitatively, in accordance with their respective authorities and responsibilities, in an effort to achieve the goals of the organization concerned legally, does not violate the law and is in accordance with morals or ethics. This study aims to determine and analyze the influence of leadership, work environment and compensation on work motivation and employee performance. To analyze the influence of motivation on employee performance, to analyze the influence of leadership, environment and compensation on employee performance mediated by work motivation at BUMN Bank in Makassar City. The research method used a quantitative approach, by taking a population namely employees at Bank Mandiri, Bank BRI, Bank BNI and Bank BTN, using the Slovin formula in order to obtain a total sample of 159. The data collection method used a questionnaire with data analysis techniques using SEM Amos. The findings show that leadership, work environment and compensation have a positive and significant effect on work motivation, leadership, work environment and compensation have a positive and significant effect on employee performance. Work motivation on employee performance has a positive and significant effect in improving employee performance at BUMN Bank in the city of Makassar. The findings of work motivation can partially mediate leadership, work environment and compensation to employee performance at BUMN Bank in Makassar city.*

*Keywords: leadership, work environment, compensation, motivation and employee performance*

### PRELIMINARY

The current rapid development of banking companies is a challenge for company leaders or owners. Where currently national banking is facing tough challenges with the enactment of the Asean Economic Community (AEC) era. If the performance of state-owned banks is weak, then both private banks, local banks, and international banks will turn off the role of state-owned banks, which are currently very vital in Indonesia. This condition requires every company to manage human resources who are active, creative, skilled, of high quality and have high abilities so as to obtain better results than before. Where human resources (HR) are important company assets in addition to other factors such as capital, materials, methods, and others in supporting the success of an organization. In addition, human resources are one of the important factors in an organization and a company to achieve the stated goals through the cooperative efforts of a group of people in it, so that a company

needs to know how to manage human resources optimally (Rismayanti, Al Musadieg & Aini, 2018).

According to Mangkunegara (2017) Human resources in the company must be managed properly and professionally in order to create a balance between the needs of employees and the demands and capabilities of the company. No matter how advanced technology is today, the human factor still plays an important role for the success of an organization. One of the things that determines the successful performance of a company is the result of good employee performance, and good employee performance is created from good and optimal human resource management.

Employee performance is considered not optimal, especially in discipline, meeting the targets set which of course will affect company performance. Quoted from MEDIABUMN.COM. Jakarta, that the performance of BUMN throughout 2019 is portrayed as experiencing a slowdown, where it can be seen that the financial performance of BUMN has decreased, especially in 2017 to 2019, which is in line with the company's net profit in the following year.

Performance is the result of work created by a person or group of people in an organization both quantitatively and qualitatively, in accordance with their respective authorities and responsibilities, in an effort to achieve the goals of the organization concerned legally, does not violate the law and is in accordance with morals or ethics (Moehariono, 2012). Therefore, to solve the problems that occur, the company must have a good performance in order to help the company gain profits.

In an organization or company, leadership is an important factor because in improving employee performance, this is in accordance with the theory put forward by Suwatno and Priansa (2014:139). Where leadership is an important part because it is a strategic function that determines employee performance, this is because leaders can move people or employees towards the goals they aspire to, will become role models and role models.

Sutrisno (2019) argues that leadership is the ability to influence other parties, through communication, either directly or indirectly, with the intention of moving people to be understanding, aware, and willing to follow the leader's will to produce the best performance. Suci (2017), Yuliana (2016), and Candrasari (2017), show that many employees complain about leadership that does not provide direction. However, it is different with Hardianto (2017) who cannot prove that there is an influence of leadership on employee performance. So that in this study it was found that there was a research gap.

This is supported by the theory put forward by Afandi (2018: 65) which states that the work environment in an organization is needed by a management. A conducive work environment provides a sense of security and improves performance to work optimally, if employees like the work environment, the employee will work well. The work environment plays an important role in the quality of employee performance. If the work environment is comfortable, it can be ascertained that the resulting performance will be maximized (Sedarmayanti, 2016). In contrast to Sari Dewi's research (2016) found that the work environment has a negative effect on employee performance, so there is a research gap in this study.

In addition, another factor that can affect employee performance is compensation. According to Sutrisno (2019: 180) that compensation is one of the important functions in human resource management, because compensation is one of the most sensitive aspects in relation to employee performance. This is in accordance with the theory put forward by Sinambela (2017: 217) that adequate compensation will affect the performance displayed by employees, while Kasmir (2016) says that for those who have the best performance, of course they will get better compensation than which lacks or lacks performance. Providing compensation to employees must have a logical and rational basis (Notoatmodjo, 2015).

Sutrisno (2019) also states that motivation to work is very important for the level of employee performance. Without motivation from employees to work together for the benefit of the organization, the goals that have been set will not be achieved. Conversely, if there is

high motivation from employees, then this is a guarantee for the success of the organization in improving employee performance

## LITERATURE REVIEW

### Leadership

Leadership has a dominant role in all efforts to achieve the goals of an organization. According to Siagian (2016) leadership is a person's ability to influence others (his subordinates) so that other people want to do the will of the leader even though personally it may not be liked. Busro (2018) argues that leadership is an influence that relates between the leader and his followers which leads to change and tangible results that reflect common goals. Nawawi (2015) sees the notion of leadership from leadership in a structural and non-structural context. According to him, leadership in a structural context is defined as the process of influencing thoughts, feelings, behavior, and directing all facilities to achieve the organizational goals that have been set without the participation of group members to formulate them.

Robbins and Coulter (2015) argue that there are three leadership styles, namely:

- 1) Democratic. Democratic Leadership Style is a leader who tends to involve employees in decision making, Mendel e gasikan power, encouraging participation of employees and view feedback as an opportunity to train employees.
- 2) Autocratic. Autocratic leadership style is a leader who tends to converge - kan power unto itself, dictate how the task should be completed, making unilateral decisions, and minimize employee participation.
- 3) Laissez -Faires. Leadership styles *Laissez-Faire* is a leader in Mo - luruhan give employees or groups of freedom in decision-making and completing the work in the manner most appropriate employees.

Further Robbins and Coulter (2015) suggests the existence of characteristics leadership democratic namely : Involving employees, delegate authority, and Encouraging employee participation.

### Work environment

A conducive work environment provides a sense of security and allows employees to work optimally. If an employee enjoys the work environment where he / she works, then the employee will feel at home in his workplace, carrying out his activities so that work time is used effectively. Conversely, an inadequate work environment can reduce employee performance. The work environment is something that exists in the environment of workers that can affect themselves in carrying out tasks such as temperature, humidity, ventilation, lighting, noise, cleanliness of the work place and whether or not work equipment is adequate, Isyandi (2014)

According to Sedarmayanti (2016) the type of work environment is divided into 2, namely: physical work environment and non-physical work environment which can be described as follows:

#### a) Physical Work Environment

Physical work environment is all physical conditions that exist around the workplace environment that can affect employees either directly or indirectly.

#### b) Non-physical work environment

Non-physical work environment is all conditions that occur related to work relationships, both relationships with superiors and relationships with colleagues, or relationships with subordinates.

Sedarmayanti (2016) describes seven indicators of the work environment, including lighting, air temperature, room color, work space spatial, job security, work relations and work atmosphere.

## Compensation

Compensation is anything that employees receive in return for their work. Compensation helps an organization or company achieve success by paying attention to internal justice and external justice. Internal justice basically applies to employees who have qualifications for a higher position and are paid higher and vice versa. External justice means to employees who are paid the same level as employees of the same type in other companies (Ardana, et al. 2014). Then according to Fajar and Heru (2016), say that: Compensation is all *extrinsic rewards* received by employees in the form of wages and salaries, incentives or bonuses, and some benefits. *Extrinsic rewards* are those that are controlled and distributed directly by the organization and are tangible in nature.

The dimensions of compensation according to Rivai (2018) can be divided into two, namely:

1. Financial Compensation consists of two, namely direct compensation and indirect compensation.
2. Non- Financial Compensation

Compensation which is a form of compensation provided to employees other than in the form of money, which consists of a career which includes security in position, facilities, recognition of work, new findings, special achievements .

Furthermore, according to Rivai (2018), the indicators presented in assessing compensation are: salaries and wages, incentives, facilities and allowances.

Hasibuan (2019) states that the factors that affect compensation are :

1. Supply and Demand for Labor.
2. Company Ability and Willingness .
3. Employee organization .
4. Employee Productivity.
5. Government by Law and Presidential Decree.
6. *Cost of Living*.
7. Position of Employee.
8. Education and Work Experience.
9. *National Economic Conditions*.
10. Types and Nature of Work.

## Work motivation

According to Robbins (2015), work motivation is a person's attitude towards their work in order to create a sense of satisfaction with their performance. Work motivation is the drive and desire that exists within humans to carry out their job duties properly. According to Notoatmodjo (2015) motivation is basically a person's interaction with a certain situation he is facing. Inside a person there is a "need" or "desire" for objects outside the person, then with a "situation outside" the object in order to fulfill the intended need. Therefore, motivation is a reason (*reasoning* ) for someone to act in order to meet their needs.

Vroom (2014) states that, there are three dimensions of motivation, namely:

- a) Expectation (E), namely how likely it is that if they do certain behavior they will get the expected work results
- b) Instrument (I), namely how much is the relationship between work performance and higher work results
- c) Valency (V) is how important it is for a person to assess the income that the company gives him.

## Performance

Performance is defined as the total value expected by an organization from a series of behaviors that individuals exhibit over a certain period of time. Koopmans (2014) defines performance as patterns of behavior and actions of employees that are relevant to organizational goals. This performance places more emphasis on the behavior patterns and actions of employees than the results of the behavior itself. Darojat (2015) states that performance means that there is an action or activity displayed by a person in carrying out certain activities that are his duties. Wibowo (2016) argues that performance is an implementation of the plan that has been compiled. Performance implementation is carried out by human resources who have the ability, competence, motivation and interests. How an organization appreciates and treats its human resources will affect its behavioral attitudes in carrying out performance.

Koopmans (2014) performs dimensions of individual work performance, namely:

### 1) *Task Performance*

*Task performance* refers to skills or competencies related to the main task being carried out. For example, the quality of work, quality of work, and work knowledge.

### 2) *Contextual Performance*

*Contextual performance* is behavior that supports the social and psychological environment of the organization, in carrying out technical functions, or any behavior that goes beyond the formal written goals of the job.

### 3) *Counterproductive Work Behavior*

*Counterproductive work behavior* is behavior that endangers the welfare of the organization. These behaviors include attendance, late arrival at work, engaging in activities outside of work, stealing, or misuse of inventory items.

Mangkunegara (2016) describes several factors that affect performance, namely:

#### a) The ability factor (*ability*)

Psychologically the ability (*ability*) and the ability to reality (*knowledge and skills*), where employees with an IQ above the average (110-120) with adequate education for their position and skilled in doing daily work, it will be easier to achieve performance expected.

#### b) The motivational factor

Motivation is in the form of an employee's *attitude* in dealing with work situation.

## Conceptual Framework

State-owned banks are institutions / companies whose activities collect funds in the form of demand deposits, deposits, savings, and other deposits from parties that are excess funds (*surplus spending unit*) then throw them back to people who need funds (*deficit spending units*) in the form of credit and / or other forms in order to improve the standard of living of the people at large. Banks have a very important role in the economy of a nation, especially in terms of national development. The economic development of a country requires support and financing as well as the participation of financial institutions. BUMN banks according to the *Indonesia Stock Exchange (IDX)* are Bank Rakyat Indonesia (BRI), Bank Negara Indonesia (BNI), Bank Mandiri, and Bank Tabungan Negara (BTN).

In achieving the company's goals, the four state-owned banks are inseparable from how the employees perform in carrying out their duties according to their respective responsibilities. One of the factors that influence employee performance in carrying out company goals well is the leadership model. Apart from that, what affects employee performance is the work environment, work motivation, and employee compensation in a company. Effective performance is the key to good productivity, both on an individual and organizational scale, so that employees are expected to be able to show the performance or

performance expected by the company or organization. Therefore, this research will examine how the influence of leadership, work environment, and compensation with motivation as a moderator on employee performance at state-owned banks in Makassar city. Based on the description above, an overview of the framework in this study will be presented, which is as follows, this is based on the phenomena previously described.

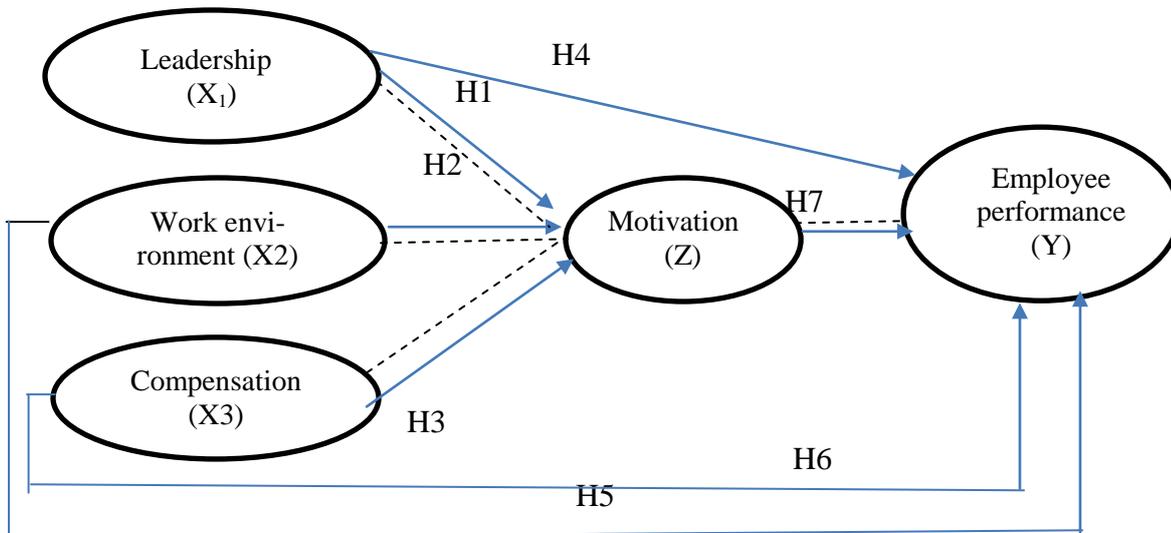


Figure: Conceptual Framework

## RESEARCH METHODS

### *Design, Location and Time of Research*

The research method used in this research is a quantitative approach. The approach in this study used a survey approach where the data obtained from this study were collected from a sample of the population and used a scale as a primary data collection tool. This research will be conducted in all state-owned bank head offices in Makassar City, namely: PT. Bank Negara Indonesia Tbk, PT. Bank Rakyat Indonesia, Tbk, PT. Bank Mandiri, Tbk, and PT. State Savings Bank Tbk. The time needed in this research is approximately 1 month with calculations starting from the permission to conduct research.

### *Population and Sample*

The subject population in this study were employees of state-owned bank branch offices in the city of Makassar, namely: Bank Mandiri, Bank BRI, Bank BNI and Bank BTN totaling 264 employees. To determine the number of samples, the Slovin formula was used and the stratified random sampling method was used. The sampling technique uses random sampling where the researcher determines the sampling by setting specific requirements in accordance with the research objectives so that it is expected to be able to answer the research problem. The subject requirements in this study are employees aged 20 to 37 years and have become permanent employees of state-owned banks.

### *Data collection methods and analysis methods*

Methods of data collection in this study were collected using w Interview with the subject carried out directly by the researchers. Documentation is needed in the form of documents that show information related to research and distribute questionnaires or questionnaires to respondents who are the research sample and who provide responses to the list of questions meanwhile, the data analysis methods used are : Structural Equation Model (SEM).

*Structural Equation Modeling* (SEM) is a statistical technique used to test statistical models that are usually in a causal model. In model testing, using the SEM analysis model is carried out with the following steps:

- 1) *Confirmatory Factor Analysis*
- 2) *SEM evaluation*
- 3) *Model Feasibility Test ( Goodness of Fit )*
- 4) *Research Hypothesis Testing*

This research hypothesis testing aims to examine the effect of leadership, work environment and compensation on employee performance with work motivation as a mediating variable. The structural equations with SEM Amos analysis are:

$$Z = \alpha_1 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon_1 \dots \dots \dots (1)$$

$$Y = \alpha_2 + \beta_4 X_1 + \beta_5 X_2 + \beta_6 Z + \epsilon_2 \dots \dots \dots (2)$$

Meanwhile, in testing the indirect effect of leadership, work environment and compensation on employee performance through work motivation, the *sobel test* is used . The calculation in the *sobel test* is done by testing the strength of the indirect effect of *exogenous* variables on *endogenous* variables through *intervening* variables . The formula used to calculate the standard *indirect effect* with the formula according to Ghazali (2018) is:

$$Sp2p3 = \sqrt{\rho3^2 Sp2^2 + \rho2^2 Sp3^2 + Sp2^2 Sp3^2}$$

To test the significance of the indirect effect of exogenous variables on endogenous variables through *intervening* with the formula (Sujarweni, 2016: 315), namely:

$$t_{count} = \frac{ab}{Sat}$$

## RESEARCH RESULT

### Confirmatory test (*Confirmatory factor analysis* )

#### Confirmatory test for exogenous variables

*Confirmatory factor analysis* is a modeling process in research that is to explain unidimensional indicators that explain a factor. In the confirmatory test, the exogenous variables include leadership, work environment and compensation.

Table 1 . The value of the Loading Factor (  $\lambda$  ) of Research Variables

Research variable	Indicator	Loading Value ( $\lambda$ )	SE	CR
A. Leadership style	X1.1	0.953	0.059	20,207
	X1.2	0.933	0.053	19,207
	X1.3	0.857	Fit	Fit
B. Work environment	X2.1	0.921	0.075	13,797
	X2.2	0.889	Fit	Fit
C. Compensation	X3.1	0.897	0.094	11,142
	X3.2	0.867	Fit	

Source: Results of Data Processing, 2020

Based on the results of the confirmatory test of the research variable, namely leadership measured by 3 research indicators that have a loading value of 0.897-0.953, because the loading value is > 0.50, this can give an indication that the research has been able to confirm each leadership style variable that will be used in testing the hypothesis in this research. Then for the work environment variable which has a loading value of 0.889 - 0.921. Because the loading value is greater than 0.50, it can be said that the indicators of each work environment variable can measure well so that it can meet further requirements. While

the compensation with a loading value of 0.867-0.897, because the loading value is greater than 0.50, it can be said that the indicators of compensation can be said to have a good measurement model.

**Endogenous Variable Confirmatory Test**

After the exogenous variables confirmatory test, the endogenous variables confirmatory test can be done. This aims to test whether each endogenous variable (work motivation and employee performance) already has a good unidimensional.

Table 2 . The amount of Loading Factor Value ( $\lambda$ ) Measurement of Endogenous Variables

Research variable	Indicator	Loading Value ( $\lambda$ )	SE	CR
A. Work motivation	Z.1	0.907	Fit	Fit
	Z.2	0.901	0.057	15.62
	Z.3	0.735	0.057	11.26
B. Employee performance	Y.1	0.706	Fit	Fit
	Y.2	0.885	0.106	9.74
	Y.3	0.801	0.104	9,16

Source: Results of Data Processing, 2020

Based on the loading factor value table, namely for work motivation which has a loading value of 0.735-0.907 which is greater than 0.50, it can be said that the indicators can form a good measurement model in producing work motivation. As for employee performance with a loading factor value of 0.706-0.885, it can be said that the three indicators have a good measurement model for employee performance. Because the overall loading value already has a loading value greater than 0.50, it can be said that all indicators already have a good measurement model in measuring the variables under study.

**Analysis of Research Hypothesis Testing Models**

Before the analysis of the research hypothesis testing model is carried out, a research hypothesis testing model can be presented using SEM Amos which can be seen in the following figure:

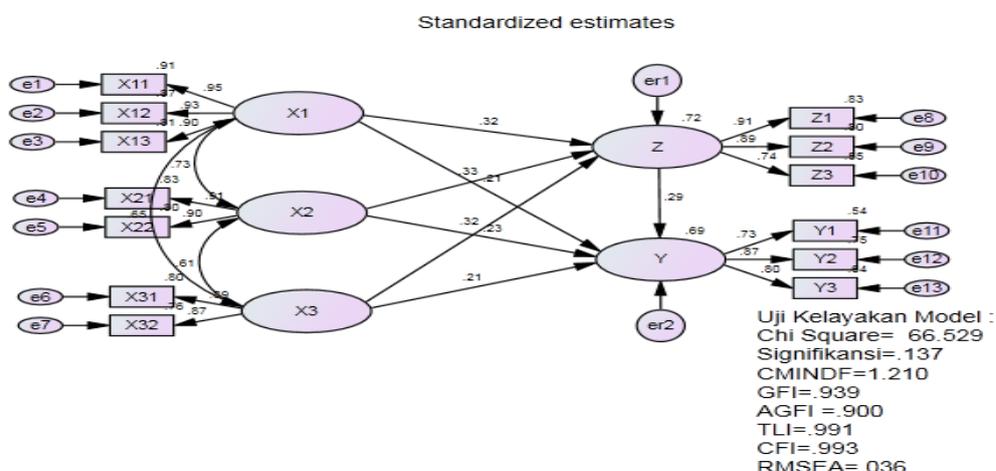


Figure 2. Research Hypothesis Testing Model

Source: Processed data, 2020

In connection with the description above, the results of the model feasibility test can be presented which can be seen in the following table:

Table 2 . Result of Goodness of Fit Hypothesis Testing Index

No.	Goodnes of fit I Index This	Cuf of Value	Model Results	Model Evaluation
1.	$\chi^2 = \text{Chi-square (df = 55,0,05)}$	73.31	66.53	Fit
	Significant	$\geq 0.05$	0.137	Fit
	df	$\geq 0$	55	Fit
2.	CminDF	$\geq 2.0$	1,210	Fit
3.	GFI	$\leq 0.90$	0.939	Fit
4.	AGFI	$\geq 0.90$	0.900	Fit
5.	CFI	$\geq 0.95$	0.993	Fit
6.	IFI	$\geq 0.95$	0.993	Fit
7.	TLI	$\geq 0.95$	0.991	Fit
8.	RMSEA	$\leq 0.08$	0.036	Fit

Source: Amos Data Processing Results, 2020

Based on the results of the analysis of the *goodness of fit* model, which shows that all GOF values are in accordance with Amos's requirements so that it can be concluded that the model is feasible so that research hypothesis testing can be carried out.

In connection with the description above, *regression weight* can be presented which can be seen in the following table:

Table 3 . *Regression Weight*

No.	Description	Standardized Coefficient	SE	CR	pvalue
1.	$X_1 \longrightarrow Z$	0.315	0.087	3,493	0,000
2.	$X_2 \longrightarrow Z$	0.328	0.097	3,673	0,000
3.	$X_3 \longrightarrow Z$	0.323	0.095	3,954	0,000
4.	$X_1 \longrightarrow Y$	0.212	0.078	1,988	0.047
5.	$X_2 \longrightarrow Y$	0.233	0.090	2,140	0.032
6.	$X_3 \longrightarrow Y$	0.208	0.090	2,057	0.040
7.	$Z \longrightarrow Y$	0.285	0.101	2,152	0.031

Source: Amos data processing results, 2020

Based on the results of weight regression, it can be concluded that the direct influence between leadership, work environment and compensation has a significant effect on work motivation. Then leadership, work environment and compensation have a significant effect on the performance of state-owned bank employees.

Then the results of the path test of the indirect influence of leadership on employee performance through work motivation, based on the results of the sobel test, the value of pvalue is  $0.260 < 0.05$ . It can be said that work motivation can mediate the influence of leadership on employee performance. Where it can be indicated that leadership can increase work motivation so that it has an impact on employee performance at state-owned banks in the city of Makassar.

Based on the results of the sobel test regarding the influence of the environment on employee performance through work motivation, where the sign value is obtained =  $0.302 < 0.05$ . This shows that work motivation can mediate the influence of the work environment on employee performance, where a good work environment can increase work motivation so that it has an impact on employee performance at BUMN Bank in Makassar city.

While the sobel test results show that the value pvalue =  $0.0299 < 0.05$ , this can be indicated that work motivation can mediate the effect of compensation on employee performance at BMUN Bank in Makassar city, which means that high compensation can motivate employees to work. so that it has an impact on improving employee performance at state-owned banks in the city of Makassar.

## **DISCUSSION OF RESEARCH RESULTS**

The discussion of the research results aims to analyze the direct and indirect influence of leadership, work environment and compensation on employee performance through work motivation at BUMN Bank in Makassar city. The discussion of the results of this study can be described as follows:

### **The influence of leadership on work motivation**

As a result of data analysis, it can be said that leadership has a positive and significant effect on employee performance. This can be indicated that the leadership carried out by each leader of a state-owned bank can motivate employees to be able to do a good job. Thus, it can be said that leadership can encourage employees to do a good job, the reason is because the leadership always gives work instructions to every employee when doing work that is their responsibility. This is in accordance with the theory put forward by Dubrin (2005) which states that a leader is a person who inspires, persuades, influences, and motivates the work of others. The ability to inspire others is the highest element of leadership. The findings of do Rego, et.al. (2017), Anum (2016), Amalia, et.al. (2016), Wowor (2018) the results of the study found that leadership and significant positive effect on the mo t ivasi employee.

### **The influence of the work environment on work motivation**

Based on the perceptions of employee responses regarding the work environment at a number of state-owned banks in the city of Makassar. Where the work environment, both physically and non-physically, is already in a good category, the reason is because of the perception of employees who work at state-owned banks already have a healthy air temperature and besides that the work atmosphere has enabled employees to complete work well, as well as a strong relationship. good work between leaders and employees, and between employees and other employees . This can be indicated that the better the working environment at a BUMN Bank will be able to increase the motivation of employees to do work at work, especially at several state-owned banks in the city of Makassar. This is in accordance with the theory put forward by Prakoso, et.al. (2014) stated that a good work environment can motivate employees to work. Based on the research results of Purnama, et.al. (2020) who found that the work environment had a positive and significant effect on work motivation, while Heri Wibowo and Nurkhayati (2019) found that the work environment had a significant effect on work motivation.

### **Effect of compensation on work motivation**

The result of research data analysis is the effect of compensation on work motivation at BUMN Banks, it can be said that compensation for employees can have a real effect in increasing work motivation at BUMN Banks in Makassar city. It can be indicated that high compensation can motivate employees to work at a state-owned bank in Makassar city. This is in accordance with the theory put forward by Handoko (2000: 155) that compensation in the form of rewards is anything that employees receive as remuneration for their work, and is one way of increasing work performance and employee motivation. The research findings are Luminingrum (2016), Yusril (2017), Atika and Prasetyo (2017) whose research results found that compensation has a positive and significant effect on work motivation. This is in line with the research results found by researchers that compensation has a positive and significant effect on work motivation at PT. State-owned bank in Makassar.

### **The influence of leadership on employee performance**

The findings obtained by researchers through distributing questionnaires to BUMN employees in the city of Makassar, show that leadership that is carried out well by each of the leaders of BUMN Banks in Makassar City can have an influence on improving employee performance. This is in accordance with the theory put forward by Busro (2018) that leadership is an influence that relates to leaders and followers which leads to change and

tangible results that reflect common goals. Faticha (2017), Suci (2017) who found that leadership has a positive and significant effect on employee performance, so it can be said that the results of this study are in line with those found by researchers.

### **The influence of the work environment on employee performance**

The findings in this study are that the work environment has a positive and significant effect on employee performance. The results of this study indicate that the work environment at state-owned banks in the city of Makassar can have a significant effect on job improvement. The reason is because a work environment that creates a good working atmosphere can improve employee performance at BUMN companies in the city of Makassar. This is in accordance with the theory put forward by Afandi (2018: 65) which states that the work environment in an organization is needed by a management. A conducive work environment provides a sense of security and improves performance to work optimally, if employees like the work environment, the employee will work well. Susetya and Tjahjani (2014), Fauziyyah (2017) stated that the work environment has a positive and significant effect on employee performance.

### **Effect of compensation on employee performance**

Based on the results of the analysis and discussion, namely the effect of compensation on employee performance at state-owned banks in Makassar city which found that high compensation can improve employee performance. Where each increase in compensation can have a significant effect on improving employee performance at several state-owned banks in the city of Makassar. This is in accordance with the theory put forward by Sutrisno (2014: 180) that compensation is an important function in human resource management, because compensation is one of the most sensitive aspects in relation to employee performance. In contrast to the results of previous studies, namely Mayang (2017), and Alfia (2018), it is in line with the research results found by researchers, while Nawastiti (2018) and Mutmainnah (2017) stated that compensation has a positive and insignificant effect on employee performance.

### **The effect of work motivation on employee performance**

The findings obtained in this study indicate that work motivation has a positive and significant effect on employee performance. This can give an indication that high work motivation can have a real effect on improving employee performance at BUMN Bank in Makassar city. This is in accordance with the theory put forward by Sutrisno (2019: 117) that motivation to work is very important for the level of employee performance. Without motivation from employees to work together for the benefit of the organization, the goals that have been set will not be achieved. Conversely, if there is high motivation from employees, then this is a guarantee for the success of the organization in improving employee performance. Then in the improvement of employee performance implemented by BUMN Bank is very clear and transparent, and every employee is given the opportunity to get a promotion from work performance for employees.

### **The influence of leadership on employee performance through work motivation**

The results of the research data analysis are about *path analysis*, namely the influence of leadership on employee performance through work motivation. This is in accordance with the sobel test analysis which found that work motivation can mediate the influence of leadership on employee performance. The findings in this study indicate that leadership performed by each leader of each state-owned bank can increase work motivation to do work so that it has an impact on performance. employees. Then in this study that leadership has a direct and indirect effect on employee performance through work motivation, it can be said that the mediation test can be categorized as *partial mediation*.

### **The influence of the work environment on employee performance through work motivation**

The findings of this research is to test whether the motivation to work to mediate the effect of the working environment on the performance of karyaw a n. By using the sobel test analysis, it can be seen that work motivation can mediate the effect of the work environment on employee performance. The results of the mediation test using the sobel test indicate that work motivation can partially mediate the work environment on employee performance.

### **The effect of compensation on employee performance through work motivation**

The results of the path analysis show that work motivation can mediate the effect of compensation on employee performance. Where the provision of high compensation will have an impact on increasing work motivation so that it has implications for employee performance at BUMN Bank in Makassar city.

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of the analysis and discussion that has been carried out in this study, several conclusions can be drawn from the results of the analysis:

1. Leadership has a positive and significant effect on employee motivation at state-owned banks in the city of Makassar.
2. It can be indicated that leadership has a significant influence on increasing work motivation.
3. The work environment has a positive and significant effect on work motivation.
4. Compensation has a positive and significant effect on work motivation.
5. The influence of leadership on employee performance, which finds that leadership has a positive and significant effect on employee performance.
6. The work environment on employee performance has a positive and significant effect on employee performance.
7. Compensation on employee performance has a positive and significant effect.
8. Work motivation on employee performance has a positive and significant effect, this can be indicated that work motivation can have a significant effect in improving employee performance at BUMN Bank in the city of Makassar.
9. The findings in the mediation test provide an indication in this study that work motivation can partially mediate leadership on employee performance at state-owned banks in Makassar city.
10. Findings in the mediation test with path analysis that work motivation can partially mediate (*partial mediation*) between the work environment and employee performance at BUMN Banks in Makassar city.
11. The results of the analysis of the research data through the sobel test, which indicate that work motivation can partially mediate the effect of compensation on the performance of state-owned banks in the city of Makassar.

As for the suggestions given to state-owned banks in the city of Makassar in order to maintain the leadership that has been applied so far in terms of democratic leadership that every employee should be given the opportunity to have an opinion, from an autocratic perspective, the leadership must pay attention to conflicts that occur in employees and respond to them. quickly, as well as laisses faire leadership, it is recommended that the leadership in deciding all matters must be based on mutual agreement with employees, in order to better understand employees so that it has implications for improving employee performance. It is advisable to pay more attention to the problems of the physical work environment, namely by giving distance or adjusting the distance between the tables of one employee and another so that the employee is free to work. In addition, the need for BUMN companies to pay attention to the problem of providing financial compensation, namely to

provide a salary that is adjusted to the job or position held by the employee, this is intended so that employees are more focused on completing work. It is advisable for the leadership to give awards or praise to employees who perform above average, and always give appreciation or assessment of the work that has been achieved by employees. So that this provides motivation for employees to further improve their work performance. The management of a BUMN Bank should give confidence to employees to occupy vacant positions, so that this will inspire other employees to be able to handle any given work. It is suggested that the company needs to provide *rewards* or rewards for employees who work according to the target, namely by providing bonuses or incentives, as well as official trips. The need for State-Owned Banks to implement a system of recording the performance of each employee, so that the system can clearly identify the average work achievements achieved by these employees.

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