THE INFLUENCE OF LEADERSHIP STYLE AND MOTIVATION ON EMPLOYEE PERFORMANCE WITH MODERATED BY COMPETENCE (A STUDY AT GENERAL DIRECTORATE OF GUIDANCE FOR PLACEMENT OF WORKERS AND EXPANSION OF EMPLOYMENT OPPORTUNITIES)

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ABSTRACT
In the era of industrial revolution 4.0, organizations especially in the government are required to have competent employees for achieving their targets. Misplaced employee, unsatisfied employee, lack of motivation, and low evaluation score are currently problems that organizations are facing. This paper provides a conceptual model on how leadership styles and motivation influence employee performance moderated by competence through a study in the General Directorate of Guidance for Placement of Workers and Expansion of Employment Opportunities. The study is a quantitative study with a total sample of 70 employees and analyzed using Partial Least Square (PLS) method. Through this model, organizations are expected to have better employee performance and a higher target accomplishment overall.

KeyWords
Leadership Style, Motivation, Employee Performance, Competence, Conceptual Model
INTRODUCTION

The development of information technology in the industrial revolution era 4.0 requires worker to be competent so that they can compete in the workforce. In this era, organizations especially in the government need to be more adaptive, responsive, transparent, and accountable by having human resources that can adapt to occurring changes. Based on the Law of the Republic of Indonesia number 5, year 2014 article 11, government employee has three tasks which are a) carry out public policies made by the Employee Supervisory Officer in accordance with statutory provisions; b) Providing professional and quality public services; c) Strengthen the unity and integrity of the Republic of Indonesia.

To be able to undergo the task and meet the qualifications of each position, employees are required to develop their competence through training and workshops. It could be managerial training, technical training, and/or functional training depending on the need of the position being held. Competence itself is part of a person’s personality that can predict behavior and performance in any situation including work (Spencer, 1993 in Nurmianto and Siswanto, 2006). Based on the regulation of Indonesia’s Ministry of Administrative Reform and Bureaucratic Reform number 38 (2017), competencies are divided into 2 categories namely general (technical) competencies and specific competencies.

Sadly, the government employees are often misplaced so their competencies don’t match the position. This affect the effectiveness of the work and the employee satisfaction. Other than competencies, motivation is also a factor affecting the performance. Based on the Implementation Report 2019 of the General Directorate of Guidance for Placement of Workers and Expansion of Employment Opportunities (DitjenBinapentadan PKK), employees have a low participation rate for training shown by the available quota and the actual number which employees participate. The participation number in 2019 is always lower than the actual quota available. For example, the available quota for the management of state property training is 30, but there were only 8 who participated.

Leadership can also be a deciding factor which drives an organization. Human resources in an organization would form skills and abilities through leadership styles (Lucky, 2014). An interview about leadership style done in the DitjenBinapentadan PKK shows that some employees feel unsatisfied with the leadership style because they often make decisions without considering the employee’s input. Other than that, sudden increase in workload and barriers built by the leader also affects the employee. DitjenBinapentadan PKK has targets in the RPIMN 2015-2019 where one of the targets is workforce placement in the informal sectors. On 2019, DitjenBinapentadan PKK was only able to achieve 97,124 out of 112,000 (86.71%) workforce placement. DitjenBinapentadan PKK employees also get their assessment in a form of employee performance goal (SKP). There were a lot of SKPs which didn’t achieve a satisfactory level, especially for the work quality, punctuality, and discipline.

A lot of resources have stated that competence, motivation, and leadership style have a role in affecting employee performance. The higher the competence, performance will also increase (Soetijpto, 2002; Burr and Girardi, 2002). Other than competence, motivation is another factor that could affect performance. Motivation is the potential power that every person has which is used to do something and could be managed by involving rewards. The reward that is given could have a positive or negative effect on the performance depending on the situation and condition it is faced with (Winardi et al, 2012). A leader needs to have the ability to influence and give motivation to team members which in return increase their performance (Sutarto, 2006:87). Based on the situation that was given, this paper hopes to address how competence, motivation, and leadership style influence the employee performance.

LITERATURE REVIEW

Performance is the comparison between workload and work quality with the standard which has already been set by the organization (Moehlerino, 2012; Wibowo, 2014). Performance could be affected by ability and motivation factors (Davis, n.d. in Mangkunegara, 2011:67). Thus, performance can be assessed from workload, quality, punctuality, and work attitude (Armstrong, 2014). Performance itself has been known to be influenced by leadership styles (Lucky, 2000), motivation (Azar&Shafiqhi, 2013; Haryani, 2013; Andamdewi, 2013), and competence (Makawi, et al, 2015; Turangan, 2017).

Leadership is the process of getting people to do their best to achieve a desired result (Armstrong, 2006). Every leadership in an organization is supposed to influence people to be able to achieve their goals. Two early theories about leadership revolves around the leader’s natural talent from birth and behavior (Sutikno, 2014). The path-goal theory is one of the most used theory to get a deeper understanding of leadership. It states that leaders have a task to help team members into achieving their goal based on their needs. This theory identifies four leadership behavior which are directive, supportive, participative, and achievement-oriented. This behavior could then be presented through leadership styles which are charismatic, transactional, transformational, and visionay (Robbins, n.d. in Tampi, 2014).

Motivation is a power from within oneself that drives someone to do something (Sedarmayanti, 2013; Husaini, 2013; Robbins and Judge, 2015). Based on David McClelland theory about motivation (Handoko and Reksohadiprodjo, 1996), it is based on a person’s need and there are three needs that is a part of motivation. The need for achievement is a need to tackle adversities and achieve better results than before. The need for power is the need to rule over something by being a person of power. Lastly, the need for affiliation is the need to interact in social circle. There are also other theories about motivation such as the existence, rela-
tedness, and growth (ERG) theory by Alderfer, Two Factors theory by Herzberg, and the hierarchy of needs theory by Maslow (Handoko and Reksohadiprodjo, 1996).

Competence is the ability to do certain jobs based on skills and knowledge showed by professionalism in a specific subject (Widodo, 2016). Kreitner and Kinicki (2015) stated that there are three dimensions on how to evaluate competence which are knowledge, skills, and attitude. This is closely related to the decree of the Head of the Civil Service Agency number 46A year 2003 which stated that government employees are required to have the three dimensions to be able to do their job professionally, effectively, and efficiently.

CONCEPTUAL MODEL

This research aims to find how leadership styles and work motivation influences employee performance with competence as the moderating variable. Based on the aim, Figure 1 depicts the conceptual model of this research:

![Figure 1: Research Conceptual Model](image)

There are four main variables in this model which are leadership style (X1), Motivation (X2), Employee Performance (Y), and Competence as moderating variable (Z). Each variable has an indicator that is used in this research. The first variable, leadership style has four indicators which are 1) Directive leadership, a strict leadership which doesn’t consider employee’s input to make decisions; 2) Supportive leadership, a style that focuses on interpersonal relationship between workers; 3) Participative leadership, a style which involves employee in every activities and considers employee’s input before making a decision; 4) Achievement-oriented leadership, a style that focuses on achieving high performance. The second variable, motivation which has three indicators which are 1) Need for achievement; 2) Need for social relationships; 3) Need for influencing people. The third variable, Competence has three indicators which are knowledge, skills, and attitude. Lastly, performance has four indicators which are workload, quality of work, punctuality, and work behavior.

HYPOTHESIS DEVELOPMENT

1. Hypothesis Developed for the Influence of Leadership Style on Employee Performance

This hypothesis analyzes leadership styles used by a leader on the employee’s performance. The compatibility between team members and leadership style will result in the team’s performance overall (Robbins and Judge, 2015). Many studies showed that leadership styles have a positive influence on employee performance (MulyantodanWidayati, 2011; Sari and Sinulingga, 2011; Prasetyo, 2006). Thus, the following hypothesis is proposed:

H1: Leadership style will have a positive influence on employee performance

2. Hypothesis Developed for Influence of Motivation on Employee Performance

This hypothesis analyzes employee’s motivation level when tasked to do a job. Researches done by Nurfitri and Lestari (2009), Fahmi (2009), and Kamaliah, et al (2010) finds that increased motivation will also results in the increase of employee performance. Thus, the following hypothesis is proposed:

H2: Motivation will have a positive influence on employee performance

3. Hypothesis Developed for Influence of Leadership Style on Employee Performance Moderated by Competence
This hypothesis analyzes how competencies can moderate leadership style on influencing employee performance. Competence has a bigger influence than leadership style when it comes to employee performance (Soesilowaty, 2005). Based on that research, the following hypothesis is proposed:

H₃: Leadership style will have a positive influence on employee performance moderated by competence

**4. Hypothesis Developed for Influence of Motivation on Employee Performance Moderated by Competence**

This hypothesis analyzes how competencies can moderate motivation on influencing employee performance. In a research done by Riyanti and Sudibya (2013) shows that competence and motivation have an influence on employee performance in Dharma Usadha Hospital simultaneously and partially. Based on that research, the following hypothesis is proposed:

H₄: Motivation will have a positive influence on employee performance moderated by competence

**METHODOLOGY**

The paper is a quantitative research with samples of permanent and temporary employees from the General Directorate of Guidance for Placement of Workers and Expansion of Employment Opportunities. This paper uses the census method where every population is the sample. The total sample used in this research was 70 employees. Every employee is given a questionnaire that has 5 part which is demographic, leadership style, motivation, competence, and employee performance to obtain the primary data. A Likert scale was used for determining leadership style, motivation, competence, and employee performance.

This paper uses the Partial Least Square (PLS) for analysis because of the sample that is below 100. Smart PLS software was used to make the outer model, inner model, and hypothesis test. To empirically confirm the conceptual model, this research uses the PLS-SEM method of analysis. Figure 2 shows the association between exogenous (independent) variable with endogenous (dependent) variable in a model scheme. The model is then estimated by three steps which is 1) determining variable score using weight estimate; 2) interpret path coefficient dan estimate the loading factor; 3) local parameter estimation (Siswoyo, 2017).

![Figure 2. Research Schematic Model](image)

The inner model uses R-square for the dependent variable and Stone-GeisserQ-square test for predictive relevance, T test, and significance of the coefficient parameter. The outer model in the other hand uses convergent validity and discriminant validity. To test the hypothesis, this research uses 5 steps as follows (Siswoyo, 2017):

1. Making sure the path coefficient goes in line with the theory while the significance can be seen using t-test or C.R (critical
ratio) that is obtained through bootstrapping

2. Evaluating the R2 value. The R2 have a score of zero to one (0≤ R2<1). The closer it is to one means that the independent variable have a strong influence on the dependent variable.

3. Calculating the effect size $f^2$ using this formula:
   
   \[ \text{Effect size } f^2 = \frac{R^2_{\text{include}} - R^2_{\text{exclude}}}{1 - R^2_{\text{include}}} \]

4. Validating the model using Goodness of Fit Index (GoF) using this formula:
   
   \[ \text{GoF} = \sqrt{\text{Com} \times R^2} \]

   Com is the average communalities while R2 is the average score for the R2 model. The GoF score can be from 0 to 1 with 0.1 (small GoF); 0.2 (moderate GoF); and 0.36 (big GoF)

5. Predictive Relevance (Q2) testing to validate the model. If the score > 0, it shows that the independent variable could predict the dependent variable and if the Q2 < 0, it shows that the model lack predictive relevancy.

CONCLUSION

This paper has discussed about the background of employee performance in the General Directorate of Guidance for Placement of Workers and Expansion of Employment Opportunities and how leadership style, motivation, and competence could influence it. A conceptual model is then made to give a better understanding on how each variable is linked. Through this model, organizations are expected to understand more about the variables and implement it for better results.

REFERENCES


