

The Influence of Leadership Style, Motivation and Work Discipline as Intervening Variables on Employee Performance (Case Study at Securities Company)

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ABSTRACT

The research is using quantitative approach by saturated sampling on employees. total population are 76 employees. The data obtained is using Partial Least Square (PLS). The results are leadership style affected employee work discipline. motivation affected work discipline. Work discipline not affected employee performance. leadership style have not affected employee performance. motivation effected employee performance. Indirectly, work discipline cannot mediate leadership style on employee performance. discipline cannot mediate motivation on employee performance. So that the results obtained are insignificant results

INTRODUCTION

Human resources (HR) are the main factor in an company. To achieve its goals requires human resources as the driving force of the company that have an effect on achieving good work results. This can be realized with good leadership so that it can achieve superior performance to achieve company's goals. Good human resources will be one of the handles of strength so that the company can continue to grow and compete in the face of increasing competition in the business world. Leadership is one of the crucial role holders in forming a strong organization to direct the organization's steps towards the desired goal. In addition to leadership and motivation factors, work discipline is also essential in an organization. Work discipline is a procedure that corrects or gives gradual reprimands to employees who violate rules or procedures. Discipline is of employees ability to control themselves and and prove the level of goodness in working with the team within the company. In this case, the organization or company needs to know the various weaknesses and strengths possessed by all its employees, which can be used as a basis for improving performance weaknesses, as well as strengthening strengths in order to increase productivity and employee development. Prior to this research, researchers first conducted field observations through written data and interviews, where in this observation a finding was obtained that many employees were still undisciplined in terms of working hours and also in terms of completing work assignments. In addition, it was also found that some employees felt that the tasks and jobs given to them were not suitable for the skills they had. This is what slows down work and delays a job. This problem is a factor in the decline in employee performance in the organization. It can be seen in the attendance data, data on the number of employees and also the KPI report data for PT CIMB Niaga Securities employees in the figure below, which shows employee indiscipline and decreased employee performance in the business department. KPI Report 2020 - 2023 Period.

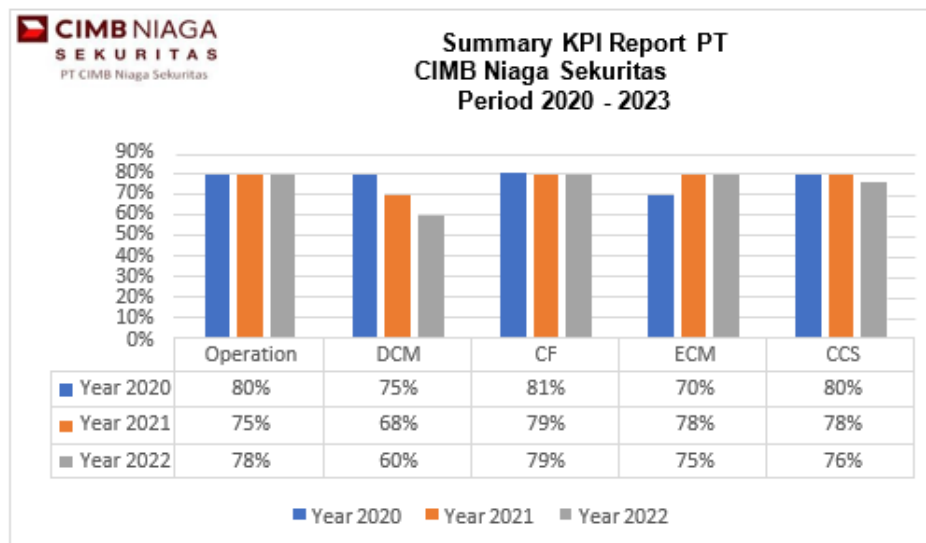


Figure 1. Summary KPI Report
Source: PT CIMB Niaga Securities

LITERATURE REVIEW

Leadership

According to (Lussier, 2023: 6) suggests that leadership is capability to affect someone. According to Paul Hersey and Kenneth Blanchard in (Wirawan, 2017) defines leadership style is the demeanor act of a person show when attempting to bring over the activities of others. In other words, leadership style is the perception of followers regarding the leader's behavior pattern when influencing his followers. According to (Mulyadi, 2018) leadership style is an attitude that characterizes a certain characteristic of a leader to lead his employees in reaching company's goals.

Work Discipline

(Sinambela, 2021) said that Work discipline is a obedient to rules in company. Thus leaders using work discipline to talk with employees in order to change behavior to follow the established rules. Afandi (2021) said that work discipline is rule of an organization, ratified by commissioners board, approved upon by the trade union and members of the organization must submit to rules with a sense of pleasure, so that it is created a series of behaviors that make the values of obedience, compliance.

Motivation

(Robbins & Judge, 2023) said that motivation is internal drive that spurs a person to perform an action or achieve a certain goal. According to (Hartatik, 2018) work motivation is something that create, connect, and bolster human behavior so they will work better to gain best results. This thing in question is a symptom of mental processes, such as cognitive mental processes cognitive (reason) or affection (feeling). Specifically, motivation is included in the mental process or symptoms of the soul konasi which means a person's will or willingness. Thus motivation can also be said to be the mental process of someone who have the will or willingness to do something. According to (Fahmi, 2022) motivation is activity to gain desired needs. Motivation is related to the level of performance made by a person in pursuing a goal. In this case motivation is related to job satisfaction and performance.

Employee Performance

According to (Umam & Khaerul, 2018) performance is a quality and quantity of an individual or group's work in an activity that is caused by talent or abilities gained from the training process and the desire for achievement. Meanwhile, (Fahmi, 2022) said that performance is a results obtained by an companies during one time.

Hypothesis

H1 : Leadership Style Affecting Employee Work Discipline

The relation among work motivation affects employee work discipline. (Hasibuan, 2019) said that motivation is an important HRM function since the greater the motivation given to employees, the greater the work performance achieved. Without great motivation to employees, it is increasingly hard for employees to achieve good and optimal performance. Research results from (Saputra, 2019), that motivation affecting work discipline of Permai Pekanbaru Hotel employees.

H2 : Work Motivation Affecting Employee Work Discipline

The relation among work discipline affects employee performance. Discipline is an important factor in improving employee performance. (Abrar Muslim et al., 2019) in is research said that discipline affecting employee performance.

H3 : Work Discipline Affecting Employee Performance

The relation among leadership style affects employee performance. (Azahraty 2018) said that leadership is a deed that can be done to control organizational aim with individual aim, so leadership is a standard of deed to affect others. An effective leader should responsive to change and manage to analyze talent of human resources to fulfill organizational performance and solving problems in best way possible. According to research results from (Rahmi et al., 2020), said that leadership affecting employee performance.

H4 : Leadership Style Affecting Employee Performance

The relation among work motivation affects employee performance. Fahmi, 2022) said that motivation can affect the quality of performance in employees and organizations, so it is important for leaders in a company to always motivate each employee. According to research results from (Hidayat et al, 2021) stated that motivation affecting employee performance

H5 : Motivation Affecting Employee Performance

The relation among leadership style affects employee performance through discipline. (Setiadi & Lutfi, 2021) said that there is a positive and significant affect between leadership style on employee performance which is mediated through work discipline.

H6 : Positive Effects Between Leadership Style on Employee Performance Meditated Work Discipline

The relation among work motivation affects employee performance through discipline. According to research results from (Yazid, 2021) that work motivation can provide positive and significant results on employee performance which is mediated through work discipline.

H7: Positive Effects Between Work Motivation on Employee Performance Mediated by Work Discipline

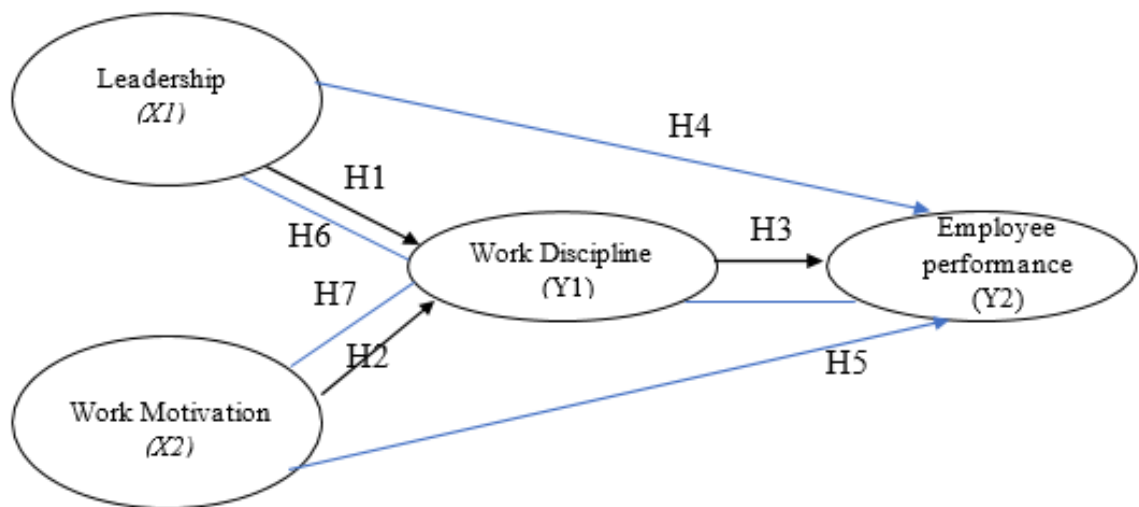


Figure 2. Work Discipline

METHODOLOGY

Population and Sample

All employees at PT CIMB Niaga Securities, totaling 78 employees

Table 1. Respondent Characteristics

Characteristics	Frequency	Percentage(%)
Gender		
Men	33	42,3%
Women	45	57,7%
Education		
Bachelor	51	65,4%
S2	27	34,6%

Source Research Data Processed, 2023

Data Analysis Method

SmartPLS to explain data and SEM to find susceptibility in regression method.

RESULT

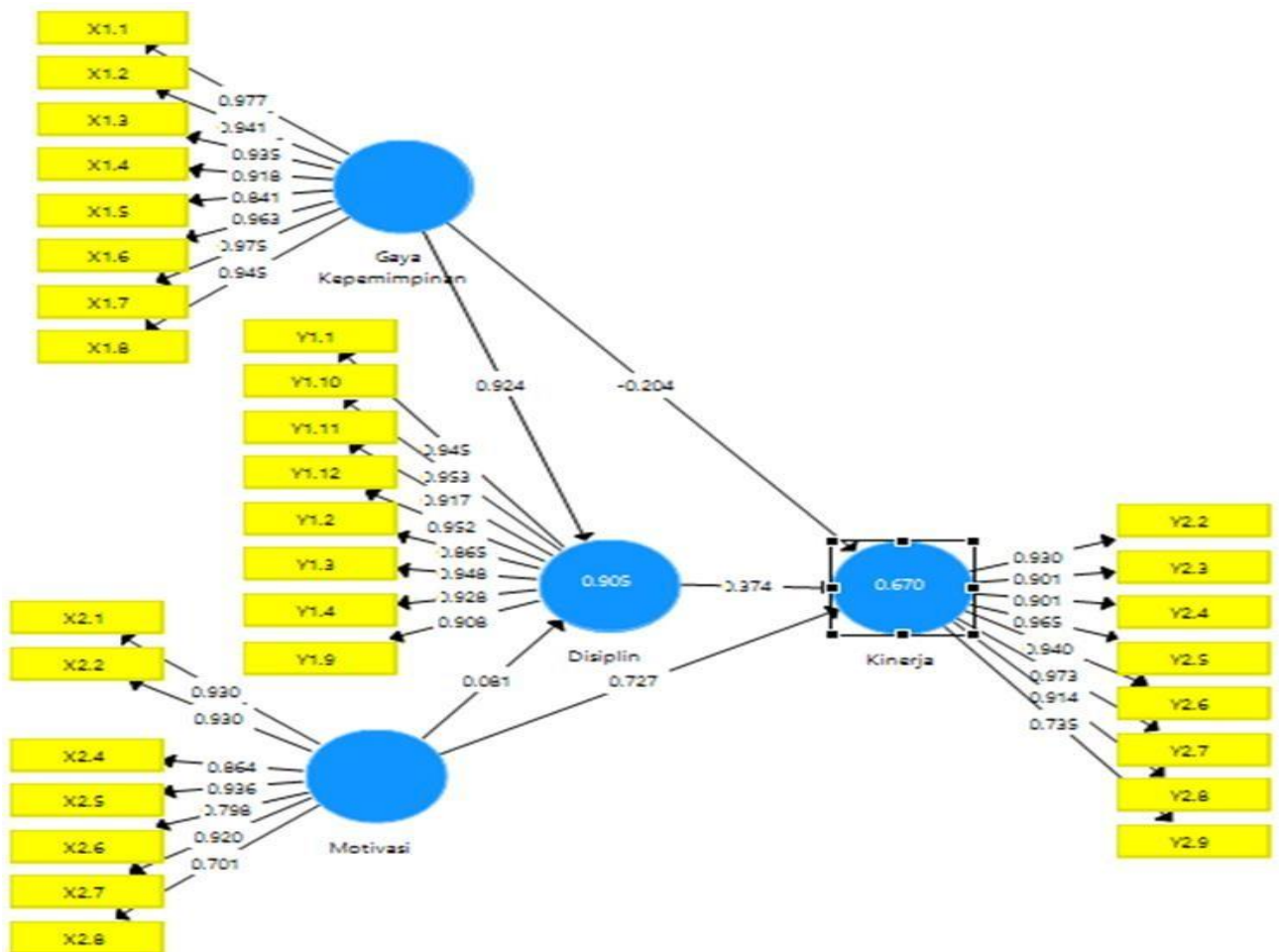


Figure 3. Outer Loading Result

Table 2. Outer Model Scheme

Leadership Style	Motivation	Discipline	Performance
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X1.1	0,977			
X1.2	0,941			
X1.3	0,935			
X1.4	0,918			
X1.5	0,841			
X1.6	0,962			
X1.7	0,975			
X1.8	0,945			
X2.1		0,945		
X2.2		0,865		
X2.3		0,948		
X2.4		0,948		
X2.9		0,908		
X2.10		0,953		
X2.11		0,917		
X2.12		0,952		
Y1.1			0,930	
Y1.2			0,930	
Y1.4			0,846	
Y1.5			0,936	
Y1.6			0,798	
Y1.7			0,920	
Y1.8			0,701	
Y2.2				0,930
Y2.3				0,901
Y2.4				0,901
Y2.5				0,965
Y2.6				0,940
Y2.7				0,973
Y2.8				0,914
Y2.9				0,735

Convergent Validity

The leadership style, discipline, motivation and employee performance variables have outer loadings score above 0.7 and stated valid. The following below is a table of convergent validity values generated after rescaling

Table 3. Validity Check Result

Variables	AVE	Description
Leadership style	0,897	Valid
Motivation	0,761	Valid
Discipline	0,975	Valid
Employee Performance	0,975	Valid

Source: Data Processing Results

The convergent validity of the 40 indicators used to measure the four latent constructs (leadership style, motivation, discipline, and performance) show the outer loading score ≥ 0.7 . It can be said that the 40 indicators used to measure the four latent constructs are valid, so that the four latent constructs are suitable to be able to proceed to the next stage, namely structural model analysis.

Discriminaty Validity

Discriminant validity test can be shown by look at the indicator variable cross loading test, take a look at the Average Variance Extracted (AVE) score for every indicator with a value of > 0.7 to be considered valid (J. F. Hair et al., 2014). discriminant validity test is in the table below:

Table 4. Discriminant Model

	Leadership Style	Motivation	Discipline	Performance
X1.1	0,977	0,928	0,272	0,339
X1.2	0,941	0,907	0,254	0,353
X1.3	0,935	0,873	0,218	0,275
X1.4	0,918	0,839	0,281	0,329
X1.5	0,841	0,789	0,417	0,418
X1.6	0,962	0,943	0,294	0,385
X1.7	0,975	0,916	0,306	0,359
X1.8	0,945	0,908	0,214	0,305
X2.1	0,104	0,945	0,289	0,706
X2.2	0,091	0,865	0,305	0,694
X2.3	0,358	0,948	0,394	0,772
X2.4	0,12	0,948	0,29	0,71
X2.9	0,459	0,908	0,29	0,638
X2.10	0,223	0,953	0,254	0,767
X2.11	0,444	0,917	0,342	0,554
X2.12	0,886	0,952	0,486	0,362
Y1.1	0,89	0,19	0,93	0,395
Y1.2	0,853	0,176	0,93	0,474
Y1.4	0,898	0,382	0,864	0,405
Y1.5	0,788	0,207	0,936	0,389
Y1.6	0,932	0,474	0,798	0,324
Y1.7	0,941	0,269	0,92	0,417
Y1.8	0,838	0,444	0,701	0,497
Y2.2	0,332	0,393	0,731	0,93

Y2.3	0,35	0,406	0,698	0,901
Y2.4	0,369	0,416	0,715	0,901
Y2.5	0,35	0,425	0,744	0,965
Y2.6	0,3	0,379	0,801	0,94
Y2.7	0,352	0,427	0,759	0,973
Y2.8	0,334	0,396	0,771	0,914
Y2.9	0,299	0,367	0,577	0,735

Source: Data Processing Results

The construct correlation of the indicator score are greater than correlation score with other variable indicators. All constructs or latent variables have met the discriminant validity minimal requirements. So the cross loading value match the discriminant validity minimal requirements so it is valid with the value of the indicator relationship on the latent variable itself higher than the other latent variables, this interprets that every indicator can test its respective latent variable.

Reliability

Measurement of internal consistency reliability after respecification of measurement model still uses the composite reliability value as a reference for measuring the reliability of each latent construct. In this study, researchers still use the composite reliability value and Cronbach's alpha to provide more confidence in the reliability of each latent construct. The recommended value for obtaining reliable internal consistency is composite reliability >0.7 and Cronbach's alpha >0.6 (Abdillah, 2018). The following internal consistency reliability results is :

Table 5. Consistency Reliability Value

Variables	Cronbach's Alpha	Composite Reliability
Leadership style	0,980	0,983
Motivation	0,946	0,957
Discipline	0,977	0,980
Performance	0,969	0,975

Source: Data Processing Results

The results of the internal consistency reliability value after respecification of the measurement model, show that the four latent constructs, namely leadership style, motivation, discipline and employee performance have a composite reliability score of 0.983, 0.957, 0.980, 0.975 (the four cr score >0.7) and a Cronbach's alpha score of 0.980, 0.946, 0.977, 0.969 (the four ca score >0.6). It can be concluded that all of the four latent constructs (leadership style, motivation, discipline and employee performance) are reliable to move to next stage called inner model analysis.

Inner Model

Inner model analysis can be fulfilled in this study by conducting a path coefficient test, coefficient determination test (R square) predictive relevance test (Q2). The following is the inner model scheme in the PLS program tested, as follows:

- Path Coefficient Test

The path coefficient test purpose is to specify the effect of independent variable have on dependent variable. The path coefficient have a vulnerable value between -1 to 1 provided that the range from 0 to 1 is stated positive and the range from -1 to 0 is stated negative (J. Hair et al., 2017).

Table 6. Path Koeficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Discipline -> Performance	0,374	0,373	0,212	1,760	0,082
Leadership Style -> Discipline	0,924	0,923	0,018	50,915	0,000
Leadership Style -> Performance	-0,204	-0,201	0,212	0,963	0,338
Motivation -> Discipline	0,081	0,086	0,029	2,766	0,007
Motivation -> Performance	0,727	0,723	0,056	12,921	0,000

Source: Data Processing Results

This model have positive path coefficient score, so that if the higher the path coefficient score in an independent variable on the dependent variable, the better result effect among the independent variable and the dependent variable.

- Test Coefficient Determination (R-Square)

The coefficient determination test (R-Square) purpose is used to gauge how much the dependent variable can be affected by other variables. R Square score of 0.67 and above is good, R-square score between 0.33 to 0.67 is medium, if the result between 0.19 to 0.33 is weak (J. Hair et al., 2017).

Table 7. R Square Result

Variables	R Square	Adjusted R Square
Discipline	0,905	0,903
Performance	0,67	0,66

Source: Data Processing Results

The R-Square results above show that the amount of the discipline variable is 0.905, means a very strong influence. Meanwhile, the performance variable is 0.670, means that there is a fairly strong influence.

- F Square Test

The F-square test shows if the endogenous latent variable have a major influence on the exogenous latent variable, F square itself have an indicator of the strength of the influence. The influence is said to be weak if the result is >0.02 as small, >0.15 as medium, and the >0.35 as large.

Table 8. F Square

	Discipline	Leadership Style	Performance	Motivation
Discipline			0,040	
Leadership Style	8,192		0,012	
Perfomance				
Motivation	0,063		1,372	

Source: Data Processing Results

The F-square value of leadership style on work discipline gets a value of 0.12 which means weak. While the leadership style on discipline gets a value of 8,192 which means strong. Furthermore, the discipline variable on employee performance have a strong influence because the value is 0.040 <0.35 which means weak. The f-square value of motivation on employee discipline, namely 0.063, have a weak influence because the resulting value is > 0.02 and finally motivation on performance gets a value of 1,372 which means strong.

Based on the results of counting using the bootstrap method in Smartpls. The score value of each indicator is above 1.96 so that it is stated that all dimensions have a significant influence.

Table 9. Summary Table of Hypothesis Results

Hypothesis	Correlation	Direct Effect & Indirect Effect			Conclusion
(Hypothesis)	(Relationship)	Original sample	T - Statistic	P- Value (1Tailed)	(Conclusion)
H1	Leadership style => Discipline	0,924	50,915	0,000	H1 Accepted
H2	Motivation => Discipline	0,081	2,766	0,007	H2 Accepted
H3	Discipline => performance	0,374	1,76	0,082	H3 Rejected
H4	Leadership Style => Performance	-0,204	0,963	0,338	H4 Rejected
H5	Motivation => Performance	0,727	2,766	0,000	H5 Accepted
H6	Leadership style => Discipline => performance	0,345	1,736	0,085	H6 Rejected
H7	Motivation => Discipline => performance	0,03	1,54	0,127	H7 Rejected

Source: Data Processing Results

The outcome of hypothesis testing on direct effect & indirect effect with the bootstrapping procedure are as follows:

Hypothesis 1: The Effects of Leadership Style on Employee Work Discipline

The direct effects of organizational culture on employee performance have a sample mean value of 0.924 with a probability p-value (0.000) < α (0.05) and a t-count of 50.915 > t-table (1.96). So Hypothesis 1 is accepted, that means that leadership style affecting employee work discipline.

Hypothesis 2: The Effects of Motivation on Employee Work Discipline

The direct effects of motivation on employee work discipline have a sample mean value, which is 0.081 with a probability p-value (0.007) < α (0.05) and a t-count of 2.766 > t-table (1.96). So Hypothesis 2 is accepted, that means that motivation affecting employee work discipline.

Hypothesis 3: The Effects of Discipline on Employee Performance

The direct effects of job satisfaction on employee performance have a sample mean value of 0.374 with a probability p-value (0.082) $> \alpha$ (0.05) and a t-count of 1.76 $<$ t-table (1.96). So Hypothesis 3 is rejected, that means that work discipline have no positive and significant effects on employee performance.

Hypothesis 4: The Effects of Leadership Style on Performance

The direct effects of leadership style on performance have a sample mean value of -0.204 with a probability p-value (0.0338) $< \alpha$ (0.05) and a t-count of 0.963 $<$ t-table (1.96). So Hypothesis 4 is rejected, that means that leadership style have no positive and significant effects on employee performance.

Hypothesis 5: The Effects of Motivation on Performance

The direct effects of motivation on employee performance have a sample mean value of 0.727 with a probability p-value (0.000) $< \alpha$ (0.05) and a t-count of 2,766 $>$ t-table (1.96). So Hypothesis 5 is accepted, that means that there is a significant and positive effects between motivation on employee performance.

Hypothesis 6: The Effects of Leadership Style on Performance Through Discipline

The indirect effects of leadership style on performance through discipline have a sample mean value of 0.345 with a probability p-value (0.085) $> \alpha$ (0.05) and a t-count of 1.736 $<$ t-table (1.96). So Hypothesis 6 is rejected, that means that there is no significant effects on leadership style on employee performance mediated through work discipline.

Hypothesis 7: The Effects of Motivation on Performance Through Work Discipline

The indirect effects of motivation on employee performance through work discipline have a sample mean value of 0.03 with a probability p-value (0.127) $> \alpha$ (0.05) and a t-count of 1.54 $<$ t-table (1.96). So Hypothesis 7 is rejected. This shows that there is no positive effects between work motivation on employee performance mediated through work discipline.

DISCUSSION

The Influence of Leadership Style on Employee Discipline

Leadership style variable have an effects on employee work discipline. It can be concluded that the greater the leadership style, the higher the employee discipline. (Mildawani, 2023) said the same, which states that leadership style affecting employee work discipline.

The Influence of Motivation on Employee Discipline

Motivation variable have an effects on employee work discipline. It can be concluded that the higher the motivation given to employees, the better the employee work discipline will be. (Raharjda & Perdhana, 2021) said the same, which states that motivation affecting employee work discipline

The Influence of Discipline on Employee Performance

Discipline variable have no effects on employee work performance. This is due to several influencing factors including leadership example, the absence of definite rules, leadership courage, leadership supervision and leadership attention. (Tampubolon & Safaria, 2021) said the same, which states that work discipline not affecting employee performance.

The Influence of Leadership Style on Employee Performance

From the results obtained through statistical data processing, it can be seen that the leadership style variable have no effects on employee work performance. This is due to influencing factors including the lack of leadership attention to subordinates and the lack of leadership support and praise for the work that have been achieved by subordinates, thus making employee performance decline. (Silpa et al., 2018) stated the same, leadership style not affecting employee performance.

The Influence of Motivation on Employee Performance

Motivation variable affects employee performance. It can be concluded that the greater the motivation given to employees, greater the employee performance will be. (Damara, 2019) said the same, which states that motivation affecting employee performance

The Influence of Leadership Style on Performance Through Discipline

Leadership style variable mediated by work discipline have no effects on employee performance. It can be concluded that the greater the leadership role, greater it will affects employee performance. However, if the smaller the role of a leader, the employee performance will be bad. (Suciati, 2021) said the same, which states that leadership style have no significant effects on performance which is mediated through work discipline.

The Influence of Work Motivation on Performance Through Discipline

Motivation variable have no effects on employee performance mediated by work discipline. This happens because of several factors, namely the lack of support from superiors, as well as the lack of supervision of employees, which makes employee performance not good. (Edy Raharjda & Perdhana, 2021) said the same, which states that work motivation have no significant effects on employee performance which is mediated through work discipline. Likewise, the results of research from (Jufrizen & Sitorus, 2021) which suggests the same result.

CONCLUSION AND RECOMMENDATION

Conclusion

1. Directly the leadership style variable affecting significantly employee work discipline. This proves that the greater the leadership, greater the employee discipline.
2. Directly, motivation variables affecting significantly employee work discipline. This proves that higher the motivation given to employees, the higher the employee discipline will be.
3. Directly, the discipline variable not affecting significantly employee performance. This proves that the more disciplined the employee's work, the grater employee performance.
4. Directly the leadership style variable not affecting significantly employee performance. This proves the leadership style determine the employee performance.
5. Directly, the motivation variable affecting significantly employee performance. This proves that the more frequent motivation given to employees, the employee performance will be good.
6. Indirectly, the work discipline variable cannot mediate the effects of leadership style on employee performance. So that the results obtained are not significant
7. Indirectly, the discipline variable cannot mediate the effects of motivation on employee performance. So that the results obtained are insignificant results.

Recommendation

1. The results of the respondents' answers to the statement "Superiors give praise to subordinates for every result of their work" received a fairly low score compared to other statements. Recommendations given to company leaders of PT CIMB Niaga Securities, must pay more attention to subordinates and guide subordinates in carrying out the assigned tasks and work and appreciate the work of employees no matter how small the achievements that have been made by subordinates so as to spur employees to work even better.
2. From the results of the answers to the statement "I participate in decision making to determine what the boss wants to achieve" get the results of a value that is also quite low compared to other statements. The recommendation given by researchers is that superiors must provide a chance for employees to be able to participate in making decisions to advance the company so that employees feel considered so that they feel needed and valued as employees.
3. For the results of the statement "I always obey working hours". The results of this statement get a fairly low value also from other statements. The

recommendation given by the researcher is that company management needs to make definite rules for discipline problems starting from the leader as an example so that if employees see their leaders obeying the rules, employees will automatically do the same. Furthermore, the company must also be firm in giving reprimands or sanctions to employees who are not disciplined so that other employees do not violate work discipline matters.

4. The following are the results of the statement "I have a high emotional bond with PT CIMB Niaga Securities". This statement also received quite low results compared to other statements on the performance variable. Recommendations given by researchers to company leaders, it is hoped that they can make a schedule at least once a month related to internal meetings that discuss employee complaints and wishes and listen to what employees complain about, the work obstacles they face in carrying out their work and provide input and support to all employees so that employees feel they have a strong emotional bond with PT CIMB Niaga Securities which makes employees feel that the company really appreciates them being part of PT CIMB Niaga Securities which makes the emotional bond between employees and the company very solid.

PENELITIAN LANJUTAN

This research still has related limitations, so it is necessary to carry out further research on the topic of the Influence of Leadership Style, Motivation and Work Discipline as Intervening Variables on Employee Performance in order to perfect this research and increase the reader's insight.

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