



## The Impact of Leadership and Work Discipline on Employee Performance at Empat Putra Utama Bersama Ltd

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### ABSTRACT

The goal of this research was to identify the influence between leadership and work discipline towards the Empat Putra Utama Bersama Ltd employees' performance. This research focused on the quantitative method. Furthermore, the researcher varied the population from supervisors and field staff of Empat Putra Utama Bersama Ltd which consisted of 46 respondents. Saturated sampling were employed in this reserch's sampling procedure. The data analysis technique utilized PLS (Partial Least Square) method. The research has discovered that work discipline and leadership correlated and affected to the Empat Putra Utama Bersama employees' performance

## **INTRODUCTION**

Human Resources employees play an essential part in the company, especially its performance. Good employee performance can certainly benefit the company in achieving company goals and targets. Many factors can influence the performance of employees, which include work motivation and leadership. These two factors can influence employee behavior and performance in achieving company goals. As a result, many strategies may be implemented to increase employee performance in a company, such as providing training, implementing work discipline, and changing leadership methods. Otherwise, the employee's performance will drop and negatively impact the company.

Employees' performance is defined as their achievements. Mangkunegara (2013:67) stated that performance results from employees' achieved work in terms of quality and quantity by carrying out his duties as responsibilities assigned to them. The above performance depiction means that performance results from work accomplished by an employee in a certain period to achieve predetermined goals. To fulfil the set goals of the company, each company is bound to try to continuously enhance the performance of its employees by creating job satisfaction, including through a leadership style and work discipline that aligns with employee expectations.

Good leadership will influence employees' and leaders' performance and work morale. Leadership is a series of actions that influences and directs the behaviors of subordinates or other individuals in order to achieve corporate goals. Good leadership will influence employees' and leaders' performance and work motivation. The leader's role in a company is assertive. Still, a leader must recognize the role of the workforce or employees' significance. A leader is required to have strong characteristic to develop his subordinates' perspective or act decisively (Dubrin, 2006: 10-11).

Mangkuprawira (2017: 122) defined work discipline is correlated with employee characteristic who intentionally follows the organisation's regulations and principles. Work discipline can be defined as managerial endeavour of company management. Its functions consist of how employees carry out organizational standards in the company in a measured manner to achieve the company's goals or objectives. Work discipline becomes part of the performance (Setiayawan & Waridin, 2006). The performance of the employee will increase as a result of work discipline. Many studies have proven that work discipline influences employee performance.

Problems that arise at Empat Putra Utama Bersama Ltd, a company engaged in the procurement of spare parts and maintenance, are based on data for 2019-2022, the performance of employees of Empat Putra Utama Bersama Ltd experienced fluctuations during the last four years in which it could not fulfil its targets, resulting in the company's goals and targets not being achieved. Not achieving this target is indeed a problem for the company, both the company itself and partner companies that collaborate with Empat Putra Utama Bersama Ltd.

According to the researcher's observations, the directors of Empat Putra Utama Bersama Ltd shared a lack of involvement and cooperation with their employees, resulting in inadequate performance. Directors are the driving force and one of the most significant actors in accomplishing the company's goals (Ridwan, 2018). Leadership also plays an important role in managing human resources to produce performance that meets company standards (F. R. Putri & Kustini, 2021). A leader should be able to participate and collaborate well or guide his subordinates to complete their satisfactory work. A leader's lack of firmness towards his subordinates can also cause problems in the company's operational activities, disrupting and affecting employee performance and impacting company performance.

Aside from leadership, the issue that has been identified as influencing performance is work discipline. According to observations and employee attendance records, several employees are frequently late, and there is a rise in employee absences without explanation. Employees who are absent and late for work are more likely to neglect or fail to execute jobs adequately, which is far from what is expected. The increasing number of unexplained absenteeism and lateness indicates a lack of discipline (Widiastri & Bagia, 2020). Work discipline is essential since the employees' disciplines indeed affect the work performance they achieve. The discipline formed within employees reflects responsibility in carrying out work. It can increase work morale, which impacts performance and can achieve company goals (F. I. Putri & Kustini, 2021). However, Sari (2014) mentioned that work discipline has no impact on the employees performance. In contrast, according to Marjaya & Pasaribu (2019), leadership has an insignificant negative effect on employee performance. As a result, the researcher intends to conduct more studies to determine if both work discipline and leadership do have the impact of the performance of each employee.

## LITERATURE REVIEW

### **Leadership**

According to Gary Yukl as cited in Edison et al. (2017:87), Leadership is the process of persuading others to comprehend and cooperate on the tasks that need to be done and how the duties are efficiently carried out, as well as encouraging individual and collective efforts to achieve common goals. Weak Leadership will impede operational activities; contrarily, strong Leadership encourages subordinate achievements and activities to achieve goals (Muafi, 2019). According to Veitzhal Rivai, cited from Pratama (2019), leadership indicators are divided into (1) Ability to foster good cooperation and relationships, (2) Effectiveness ability, (3) Participative Leadership, and (4) Ability to entrust tasks and time.

### **Work Discipline**

Afandi, as cited Zultilhansyah & Haryanti (2020), expressed that work discipline is part of employee adherence to all regulations set by the company. Employee behaviors that violate regulations show whether or not their behavior is under control. Meanwhile, according to Hasibuan (2018), discipline is a person's awareness and willingness to obey all company regulations and applicable social norms. Indicators of work discipline, according to Afandi

(2018:21), are (1) Punctuality, (2) Effective time management, (3) No absenteeism, and (4) Complying with all organizational and company regulations.

**Work Performance**

Kasmir (2018:182) stated that performance is arguably resulted from work. Moreover, work behavior is attained by accomplishing the obligations and responsibilities assigned in a specific time period. Meanwhile, according to Mangkunegara, as cited in Immanuel (2019) The outcome of an employee’s performance is the quality and quantity of work performed while fulfilling his responsibilities. Performance indicators, according to Mangkunegara (2018), are: (1) Quality of work, (2) Quantity of work, (3) Implementation of tasks, (4) Responsibility.

**METHODOLOGY**

This research was quantitative research using independent variables, particularly Leadership (X1), Work Discipline (X2) and Performance (Y) as the dependent variable. The data collection method employed primary data collected through questionnaires distributed to Empat Putra Utama Bersama Ltd employees as the respondents. The questions lay on several indicators for each variable. The indicators in this research variable were leadership indicators: (1) Ability to foster good cooperation and relationships, (2) Effectiveness ability, (3) Participative Leadership, and (4) Ability to entrust tasks and time. Performance indicators consisted of (1) Quality of work, (2) Quantity of work, (3) Implementation of tasks, (4) Responsibility. The sampling technique in this research made use of saturated samples. The sample in this study varied from 46 employees. The data analysis technique utilized PLS (Partial Least Square) method. This research hypothesized that Leadership and Work Discipline positively and significantly influence Empat Putra Utama Bersama Ltd employees' work performances.

**RESULT**

This research utilized the PLS (Partial Least Square) application. The conceptual model is as follows:

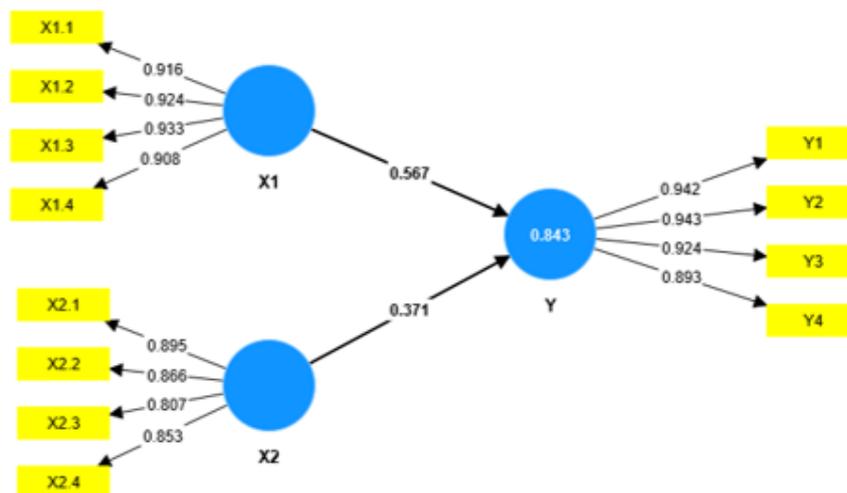


Figure 1. PLS Conceptual Model

Figure 1 displays the factor loading values on the arrows between the variables and indicators. The factor loading value is related between variables and indicators, where if the value shows >0.5, the correlation is considered valid. Apart from that, there is also an R-Square value located in the middle of the circle of the Performance variable (Y). The figure demonstrates that all correlations between indicators and leadership variables, work discipline and employee performance are valid.

Table 1. outer loadings

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )
X1.1 <- X1	0.916	0.896	0.064	14.225
X1.2 <- X1	0.924	0.898	0.076	12.123
X1.3 <- X1	0.933	0.909	0.076	12.352
X1.4 <- X1	0.908	0.893	0.054	16.895
X2.1 <- X2	0.895	0.897	0.037	24.382
X2.2 <- X2	0.866	0.820	0.159	5.465
X2.3 <- X2	0.807	0.768	0.145	5.575
X2.4 <- X2	0.853	0.775	0.214	3.990
Y1 <- Y	0.942	0.938	0.025	37.077
Y2 <- Y	0.943	0.933	0.037	25.526
Y3 <- Y	0.924	0.911	0.049	18.714
Y4 <- Y	0.893	0.871	0.068	13.081

Source : Processed data

Table 1 proves that all reflective indicators on the Leadership (X1), Work Discipline (X2), and Performance (Y) variables display factor loading (original sample) which is bigger than 0.50 and significant (T-Statistic value more than the  $\alpha =$  value 0.05 (5%) = 1.96). Thus, the displayed findings of all indicators have fulfilled convergent or good validity.

Table 2. R-Square

	R square
X1	
X2	
Y	0.843

Source: Processed Data

Table 1 displays the value of  $R^2=0,843$ . With a percentage of 84.3%, the model can define the performance phenomena, which is influenced by exogenous factors, specifically Leadership (X1) and Work Discipline (X2). In comparison, except for the Leadership and Work Discipline categories, the remaining 15.7% is determined by variables beyond the scope of this research.

**DISCUSSION**

This section allows you to describe your research findings academically. You may not enter figures related to your statistical tests here; instead, you should explain those numbers here. You should structure your discussion with academic support for your studies and a good explanation according to the specific area you are investigating.

**Hypothesis Test**

Table 3. Path Coefficients (Mean, STDEV, T-Values,P-Values)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
X1 → Y	0.567	0.548	0.144	3.945	0.000
X2 → Y	0.371	0.389	0.142	2.620	0.009

**Hypothesis 1**

Leadership (X1) positively affects on Employee Performance (Y) which is valid, followed by path coefficients of 0.567 and a T - Statistics value of 3.945, which is greater than the Z value  $\alpha = 0.5$  (5%) = 1.96, or the P - value Values 0.000 < 0.05. It is considered to be Significant (Positive).

**Hypothesis 2**

Discipline (X2) strongly affects on Employee Performance (Y), which is valid, followed by the coefficient of 0.371. In addition, T - Statistics value of 2.620 is bigger than the Z value  $\alpha = 0.5$  (5%) = 1.96, or the P value - Values 0.009 < 0.05. It is considered to be Significant (Positive).

**Leadership Towards Work Performance**

The analysis of the Leadership variable shows that the most influence indicator on the performance of Empat Putra Utama Bersama Ltd employees is Participative Leadership. Good leadership, leaders' participation and collaboration towards tasks given to the subordinates will affect employees' satisfactory work performance. The performance of the company's employees would improve since every task assigned is frequently discussed, worked on collaboratively, and communicated effectively and accurately to minimize errors in work.

The results of this research are parallel with the results of research conducted by Amalia(2019), which revealed that leadership has a positive and significant correlation with employee performance. The findings demonstrated that improved company leadership leads to higher staff performance. Meanwhile, research conducted by Abu Sari (2020) showed that leadership significantly affected performance both partially and simultaneously.

**Work Discipline Towards Work Performance**

The analysis of the Discipline variable reveals that punctuality is the most impactful indicator of the performance of Empat Putra Utama Bersama Ltd employees. It also shows that their discipline, particularly punctuality at work, must be improved to enhance the company's employees' performance.

While an individual shows great work discipline, such as punctuality while coming to work, it is considered that he has good time management, since the duties assigned formerly will also be scheduled and finished on time. This certainly significantly impacts on employee performance.

The results of this research are parallel Isvandari (2019) research's results. Isvandari's shows that work discipline positively and significantly correlate with employee work performance. The findings also prove that work discipline implies that the more disciplined employees are in their work, the better their performance will be. Meanwhile, according to research conducted by Afia (2017), the findings suggested that work discipline has a considerable impact on employee performance individually and collectively. Thus, a high level of discipline will improve employee performance.

## CONCLUSION AND RECOMMENDATION

The researcher has discovered that work discipline and leadership have a major influence on performance. Leadership and work discipline can affect the performance of Empat Putra Utama Bersama Ltd employees. It is hoped that every leader in the organization would participate in the project or work assigned, fostering strong collaboration and keeping employees focused on their target goals. In addition, employees expectantly can manage their time management effectively at work, such as staying punctual to increase their motivation and performance.

## FURTHER STUDY

This research still has limitations, so further research needs to be carried out regarding the topic The Impact of Leadership and Work Discipline on Employee Performance in order to perfect this research and increase the reader's insight.

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