The Effect of Leadership and Work Discipline on Employee Performance: A Study in Singsing Dekorasi Yogyakarta

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ABSTRACT
This study aims to: (1) examine the influence of leadership on employee performance; and (2) examine the effect of work discipline on employee performance. The population in this study were 37 employees of Singsing Decoration Yogyakarta. The data collection technique used a questionnaire, while the data analysis technique used multiple regression analysis. The results of the study found that leadership has a positive influence on employee performance, and work discipline has a positive influence on employee performance.
INTRODUCTION

Human resource is one of the crucial factors that contribute to the achievement of a company's goals. One of the important objectives of a company is to attain high performance. The performance of a company is influenced by both individual and group performance. Individual performance is reflected in the performance of each employee. In the current highly competitive business environment, employees are expected to demonstrate superior performance because it may serve as a means to attain competitive advantage. However, not all companies have employees with superior performance.

One of the companies facing challenges with its employee performance is Singsing Dekorasi, located in Yogyakarta. The employee performance in this company is still below the expected level and has not met the established standards or targets. The preliminary study and interview revealed that the employee performance at Singsing Dekorasi Yogyakarta was low. This is evident in employees’ relatively low quality and quantity of work. Many employees also struggle to complete their tasks within the specified time. Furthermore, there is a recurring issue of resource wastage, and the suboptimal utilization of work equipment.

Many employees still rely on their superiors for assistance, indicating a relatively low level of autonomy in their work. Cooperation among employees is also lacking, especially when collaborative efforts are required to complete certain tasks. They exhibit limited initiative in solving work-related problems, and punctuality is also a concern, as many employees arrive at the workplace late. From theoretical perspectives, employee performance is influenced by various factors, including leadership and work discipline.

The success of a company in achieving its objectives is largely determined by its leadership. In Singsing Dekorasi Yogyakarta, employees viewed that the leadership tends to be authoritarian. Many of them are dissatisfied with the leadership style implemented in the company. Decision-making power is centralized, and key decisions rest in their leaders. The leader appears to prioritize employee productivity, consequently overlooking the well-being and emotions of the employees.

Meanwhile, another critical factor influencing performance is employee discipline. The preliminary study revealed that many employees demonstrate tardiness, a lack of adherence to work regulations, irresponsibility towards tasks, exceeding designated break times, and insufficient supervision. Given the background of these issues, this research aims to examine the influence of leadership and work discipline on employee performance.

LITERATURE REVIEW

Leadership

Leadership can be defined as the process in which an individual influences others to achieve common goals. Based on this definition, there are several aspects related to leadership: (1) Leadership is a process between the leader and followers; (2) Leadership involves social influence; (3) Leadership occurs at various levels within an organization; and (4) Leadership focuses on
achieving collective objectives. Leadership can also be understood as the process in which an individual influences a group of individuals to attain the same goals or objectives (Kinicki, 2021).

One of the approaches to studying leadership is the behavioral approach. The behavioral approach posits that a leader's behavior directly impacts the effectiveness of the work group. This encourages researchers to identify behavioral patterns known as leadership styles, which enable a leader to influence their followers effectively. Research on leadership styles reveals that there is no one best leadership style. The effectiveness of a specific leadership style depends on the situation at hand. Additionally, the behavioral approach clarifies that leaders are not born, but rather, they are shaped (Kinicki, 2021).

Leadership styles can be categorized into various types, including authoritarian leadership, participative leadership, delegative leadership, and situational leadership. Authoritarian leadership is characterized by centralized authority, where power predominantly rests in the leader. Participative leadership entails creating a collaborative atmosphere, being persuasive, building loyalty, and involving subordinates in decision-making.

Delegative leadership involves a leader delegating authority to subordinates. On the other hand, situational leadership is a leadership style that believes there is no single best way to influence others. The leadership style used depends on the readiness level of the subordinates or the group being led (Hasibuan, 2017).

Furthermore, Fahmi (2016) distinguishes leadership styles into two: task-oriented leadership and employee-oriented leadership. Leaders with a task-oriented leadership style tend to pursue targets, focus on tasks, prioritize customer satisfaction, avoid work defects or product defects, emphasize after-sales service, prioritize company reputation, and aim to satisfy shareholders. On the other hand, leaders with an employee-oriented style tend to utilize the concept of nurturing talents within the organization. This employee-oriented leadership style is often perceived as more democratic, although implementing a democratic style can be challenging within a business organization.

Work Discipline

Work discipline is one of the crucial issues in human resource management, as higher employee discipline corresponds to improved performance. Without good discipline, it would be difficult for a company to achieve optimal performance. Good discipline reflects the employees' level of responsibility towards their tasks. Therefore, one of the leadership's responsibilities is to foster a work environment where employees exhibit good work discipline. Work discipline can be defined as the level of compliance or adherence of employees to the regulations or orders set by the company. It represents the process used by the company to address performance-related issues. This process involves managers in identifying and communicating performance problems to the employees (Sinambela, 2016).

Enforcing discipline within the company is important because it is a key factor in the company's success in achieving its goals. The level of employee
discipline is influenced by various factors. Some indicators affecting the level of employee discipline include goals and capabilities, leadership examples, rewards or compensation, supervision, fairness, penalties or sanctions, firmness, and human relations (Hasibuan, 2017). Work discipline consists of several components, including attendance, adherence to work regulations, compliance with work standards, alertness level, work ethics, and frequency of attendance (Sinambela, 2016).

Work discipline can be categorized into two types: preventive discipline and corrective discipline. Preventive discipline involves efforts to motivate employees to follow and comply with the company's rules. On the other hand, corrective discipline entails imposing sanctions on employees who violate discipline, with the aim of improving employee behavior, maintaining existing rules, and imparting a lesson to those who breach discipline (Mangkunegara, 2017).

**Employee Performance**

Performance can be defined as employee's work outcome, encompassing both the quality and quantity of work performed in accordance with their tasks and responsibilities (Mangkunegara, 2017). Individual performance refers to the work outcomes of an employee, which is influenced by competencies, organizational support, and management support. Competencies encompass knowledge, skills, work attitudes or behaviors, as well as motivation and work ethic. Organizational support includes access to equipment, technology, and work conditions, while management support involves leadership styles and industrial relations.

An individual employee performance can be measured through three dimensions: work outcomes, work attitudes, and job-related personal characteristics. Work outcomes encompass the quality, quantity, and efficiency of task execution. Work attitudes encompass work discipline, initiative, and precision, while job-related characteristics include honesty, leadership, and creativity (Haryono, 2018).

According to Mathis & Jackson (2017), the criteria for measuring performance depend on the nature of the job, leading to different criteria for different types of work. In general, the criteria for measuring employee performance include output quantity and quality, timeliness, workplace attendance, and task completion effectiveness and efficiency.

One of the critical aspects to consider in managing employee performance is the establishment of performance standards. Performance standards represent the expected level of performance. These standards are often referred to as benchmarks, targets, or goals, depending on the approach used. Measurable, realistic, and well-understood performance standards benefit both employees and the organization. Setting performance standards beforehand is essential as it determines the level of satisfactory performance. Well-defined performance standards ensure that individuals involved are aware of the performance expectations.
The Effect of Leadership on Employee Performance

Leadership is the way a leader influences the behaviors of their followers, encouraging them to cooperate and work productively towards achieving the company’s objectives (Hasibuan, 2017). Leadership holds significant importance in a company, as leaders play a role in maximizing employee productivity by motivating them to work diligently and contribute effectively. The tasks of a leader include encouraging employees to work diligently and diligently, nurturing them to shoulder their responsibilities, fostering their effectiveness and efficiency, and creating a positive and harmonious work environment (Badu & Djafri, 2017). Leaders have a considerable influence in driving employee performance (Fahmi, 2016).

Various studies have shown that leadership has a positive and significant impact on employee performance. Research by Afandi & Bahri (2020) found that leadership has a positive and significant influence on employee performance. Similarly, Maduningtyas et al. (2022), in their study with employees at PT. Indomarco Primatama Kebayoran Lama, found a significant correlation between leadership and employee performance. Palupi’s research (2021) revealed that leadership has a positive impact on employee performance. Furthermore, research conducted by Ramadhani and Sulaeman (2022) with employees from the Operational Staff Administration and Planning Department of the Headquarter of the National Police of the Republic of Indonesia showed that leadership influences employee performance. Additionally, Syafruddin et al. (2021) found a positive and significant influence of leadership on employee performance. The study conducted by Syahputra et al. (2020) found that leadership has a significant influence on employee performance. Similarly, the research conducted by Wardhani (2021) also discovered that leadership significantly affects employee performance. Grounded from the previous findings, it is expected that:
H1: Leadership positively affects employee performance.

The Effect of Work Discipline on Employee Performance

Discipline is one of the critical issues in human resource management, as better work discipline is positively correlated with higher employee performance. A leader should be capable of encouraging their employees to maintain high work discipline. An effective leader is characterized by having subordinates with good work discipline. Various theories explain the significant relationship between work discipline and employee performance. In this context, work discipline influences employee performance, meaning that higher work discipline leads to higher employee performance (Hasibuan, 2017; Sinambela, 2016). Several studies have shown that work discipline has a positive influence on employee performance.

The research conducted by Candra et al. (2022) found that work discipline has a positive and significant impact on employee performance at PT. Karya Inti Nusa Gemilang, Medan. Similarly, Fauzi and Wakhidah’s study (2020) with employees at PT. Semarang Autocomp Manufacturing Indonesia revealed a positive influence of work discipline on employee performance. Handayani
and Soliha (2020) conducted research with employees at PT. Gunung Agung Tangerang Selatan and found a positive and significant influence of work discipline on employee performance. Permatasari’s study (2019) found that work discipline has a positive influence on employee performance at PT. Hokben Alam Sutera Tangerang.

Additionally, Nurjaya’s research (2021) showed that work discipline has a positive and significant impact on employee performance at PT. Hazara Cipta Pesona. Furthermore, the study by Syahputra et al. (2020) with employees at Dinas Perumahan dan Kawasan Pemukiman Kabupaten Labuhanbatu Utara found a significant influence of work discipline on employee performance. Sularmi and Apriyanti (2019) found that work discipline has a positive and significant influence on employee performance. Similarly, Wardhani’s study (2021) with employees at PT. Lima Persada Finance Medan revealed a significant effect of work discipline on employee performance. The research by Yuliantini and Suryatiningsih (2021) with employees at PT. ISS Indonesia also found that work discipline has a positive and significant impact on employee performance. Therefore, it is expected that:

H2: Work Discipline positively affects employee performance.

Based on the theories and previous research mentioned, this study aims to examine the influence of leadership and work discipline on employee performance. The theoretical or conceptual framework in this study is as follows:

![Theoretical Framework](image)

**METHODOLOGY**

This study used two independent variables, namely leadership (X1) and work discipline (X2), and one dependent variable, employee performance (Y). Leadership, work discipline, and employee performance were measured using 10 questionnaire items each. The questionnaire employed a 5-point likert scale, the response choice ranged from 5 (strongly agree), 4 (agree), 3 (neutral), 2 (disagree), and 5 (strongly agree). The population for this study was 37 employees of Singsing Dekorasi Yogyakarta. They were all recruited as respondents making this study a population study.
Data were collected using a questionnaire and analyzed using multiple linear regression. Before the questionnaire was used for the main research, its validity and reliability were tested.

RESEARCH RESULT

Validity and Reliability Test Results

In this study, Pearson Correlation method was applied to test the validity, while Cronbach’s alpha was used to test the reliability. The validity criteria were met as the significance value was less than 0.05, indicating that the items were considered valid. As for the reliability criteria, the Cronbach's Alpha value greater than 0.70 indicates the questionnaire was deemed reliable (Ghozali, 2016). Table 1 Validity and Reliability test results.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Item</th>
<th>Sig.</th>
<th>Description</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership (X1)</td>
<td>X1.1</td>
<td>0.000</td>
<td>Valid</td>
<td>0.847</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.5</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.6</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.7</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.8</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.9</td>
<td>0.004</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X1.10</td>
<td>0.010</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Work Discipline (X2)</td>
<td>X2.1</td>
<td>0.000</td>
<td>Valid</td>
<td>0.969</td>
</tr>
<tr>
<td></td>
<td>X2.2</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.3</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.4</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.5</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.6</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.7</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.8</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.9</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>X2.10</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td>Y1</td>
<td>0.000</td>
<td>Valid</td>
<td>0.886</td>
</tr>
<tr>
<td></td>
<td>Y2</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y3</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y4</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y5</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y6</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y7</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y8</td>
<td>0.000</td>
<td>Valid</td>
<td></td>
</tr>
</tbody>
</table>
The validity test results indicated that all items had significance levels less than 0.05, confirming that the items used in the study were valid. Similarly, the reliability test result showed that all variables had Cronbach's Alpha values greater than 0.70, indicating that they were reliable.

**Respondents Characteristics**

The respondents in this study were 37 employees of Singsing Dekorasi Yogyakarta. The characteristics of the respondents in this research can be categorized based on gender, age, and education level. The following table presents respondent characteristics.

<table>
<thead>
<tr>
<th>Respondents Characteristics</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>24</td>
<td>64.9%</td>
</tr>
<tr>
<td>Female</td>
<td>13</td>
<td>35.1%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-25 years</td>
<td>25</td>
<td>67.6%</td>
</tr>
<tr>
<td>26-30 years</td>
<td>7</td>
<td>18.9%</td>
</tr>
<tr>
<td>More than 30 years</td>
<td>5</td>
<td>13.5%</td>
</tr>
<tr>
<td>Educational Background</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior High School</td>
<td>25</td>
<td>67.6%</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>12</td>
<td>32.4%</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>100%</td>
</tr>
</tbody>
</table>

Respondents in this study consisted of 24 male employees and 13 female employees. Twenty five respondents were between the ages of 20-25 years, seven respondents were between 26-30 years old, and five respondents were older than 30 years. In terms of educational background, twenty five respondents had completed their high school education (SMA), while 12 respondents had obtained a bachelor's degree (S1).

**Multiple regression analysis result**

Data in this study were analyzed using multiple regression, and the analysis result is presented in the following table.
Table 3. Multiple regression analysis result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  (Constant)</td>
<td>12.681</td>
<td>4.937</td>
<td>.015</td>
</tr>
<tr>
<td>Leadership (X1)</td>
<td>.563</td>
<td>.110</td>
<td>.000</td>
</tr>
<tr>
<td>Work Discipline (X2)</td>
<td>.193</td>
<td>.054</td>
<td>.001</td>
</tr>
<tr>
<td>F</td>
<td>16.964</td>
<td>.000^b</td>
<td></td>
</tr>
<tr>
<td>Adjusted R square</td>
<td>.470</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance (Y)

The accuracy of the sample regression function in interpreting actual values can be measured by goodness of fit. Statistically, goodness of fit is measured by the coefficient of determination, the F-statistic, and the t-statistics (Ghozali, 2016). Based on the results of the multiple regression analysis, the coefficient of determination (adjusted R-square) is 0.470. This means that 47% of the employee performance may be accounted for by the variables of leadership and work discipline, while the remaining 53% is explained by other variables outside the model in this study.

The F-statistic value is 16.964 with a significance level of 0.000. This indicates that the regression model used in this study can be used to predict employee performance. In other words, leadership and work discipline together influence employee performance.

Furthermore, based on the t-statistic values, it is evident that the leadership has a significance level of 0.000, while work discipline has a significance level of 0.001. This means that employee performance is influenced by both leadership and work discipline, with the equation as follows:

\[ Y = 12.681 + 0.563X1 + 0.193X2 \] ..........(1)

Description:
- 12.681 = Constant
- 0.563 = Leadership regression coefficient
- 0.193 = Work Discipline regression coefficient
- \( Y \) = Employee Performance
- \( X1 \) = Leadership
- \( X2 \) = Work Discipline

Classical Assumption Test

The classic assumption tests aim to ensure that the proposed regression model can be used for prediction (Utama, 2016). The classic assumption tests in this study include the normality, heteroskedasticity, and multicollinearity tests. The results of the normality test show that the residual data is normally distributed. The results of the heteroskedasticity test indicate that there is no heteroskedasticity. Additionally, the results of the multicollinearity test show
that there is no multicollinearity among the independent variables used in this study.

**Hypothesis Test**

1. **Hypothesis Test 1**
   - H0: Leadership does not have a positive effect on employee performance.
   - H1: Leadership has a positive effect on employee performance.
   - Conclusion: the multiple regression analysis result shows a positive regression coefficient for leadership (0.563) with a significance value of 0.000. Therefore, hypothesis 1, which states that leadership positively affects employee performance, is supported in this study.

2. **Hypothesis Test 2**
   - H0: Work discipline does not have a positive effect on employee performance.
   - Conclusion: the multiple regression analysis result shows a positive regression coefficient for work discipline (0.193) with a significance value of 0.001. Therefore, hypothesis 2, which states that work discipline positively affects employee performance, is supported in this study.

**DISCUSSION**

This study revealed that leadership has a positive and significant effect on employee performance. This positive effect implies that improved leadership is associated with increased employee performance. A leader plays a significant role in driving employee performance. Leadership can be defined as the process of influencing that a leader carries out towards employees or subordinates to achieve common goals.

To effectively influence subordinates, a leader adopts specific patterns of behavior or leadership styles (Kinicki, 2021). These leadership styles, in turn, affect the relationship between the leader and the subordinates. At least two leadership styles can be identified: task-oriented leadership and employee-oriented leadership (Fahmi, 2016). Hasibuan (2017) distinguished four leadership styles: authoritarian, participative, delegative, and situational leadership.

The findings of this study support previous research conducted by Afandi & Bahri (2020), Maduningtyas et al., (2022), Palupi (2021), Ramadhan & Sulaeman (2022), Syafruddin et al. (2021), Syahputra et al. (2020), and Wardani (2021), which all found that leadership has a positive and significant impact on employee performance.

The results of this study also reveal that work discipline has a positive and significant effect on employee performance. This positive effect implies that higher work discipline among employees leads to higher performance. According to Hasibuan (2017), high work discipline corresponds to higher employee performance. Without good work discipline, it would be difficult for...
a company to achieve optimal performance. Work discipline can be defined as the level of compliance of employees with company rules and social norms. It is the degree of adherence or obedience of employees to the regulations or orders set by the company (Sinambela, 2016).

Enforcing work discipline is important within a company because without proper work discipline, it will be difficult for the company to achieve its goals. Thus, work discipline is a critical factor that supports the success of a company in achieving its objectives (Hasibuan, 2017).

These findings are consistent with previous research conducted by Candra et al., (2022), Fauzi & Wakhidah (2020), Handayani & Soliha (2020), Permatasari (2019), Nurjaya (2021), Syahputra et al. (2020), Sularmi & Apriyanti (2019), Wardhani (2021), and Yuliantini & Suryatiningsih (2021), which also found that work discipline has a positive and significant impact on employee performance.

CONCLUSIONS AND RECOMMENDATION

Based on the results of this study, it can be concluded that: (1) leadership has a positive and significant influence on employee performance; and (2) work discipline has a positive and significant effect on employee performance. Based on the results of this study also, there are several suggestions, namely: (a) Yogyakarta Decoration Sinsing Company should use an appropriate and conducive leadership style, because it is proven that leadership has a positive and significant effect on employee performance; and (b) Company leadership should encourage employees to have high work discipline, because it is proven that work discipline has a positive and significant effect on employee performance.

This study has several limitations. First, the respondents were limited to employees at Singsing Dekorasi Yogyakarta. For future research, it is recommended to include respondents from different companies and locations. Second, the predictor variables for employee performance in this study were limited to only leadership and work discipline. For future research, it is advisable to include other predictor variables that are theoretically expected to influence performance, such as motivation, organizational culture, wages or salaries, working conditions, dispositional factors, and others.
ADVANCED RESEARCH
This research still has limitations so it is necessary to carry out further research related to the topic “The Effect of Leadership and Work Discipline on Employee Performance: A Study in Sinsing Dekorasi Yogyakarta” to perfect this research, as well as increase insight for readers.

REFERENCES


