

# The Role of Leadership in Employee Performance

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## Abstract

This study aims to examine the influence of leadership on employee performance at PT Anuta Karya Prima. This study found that Leadership There is a significant positive influence of Leadership on employee performance, with a significance value of 0.00. The T coefficient analysis shows a value of 3.330 which is greater than the T table value of 1.550, indicating that Leadership has a significant effect on employee performance. There is no significant effect of job satisfaction on employee performance, with a significance value of 0.472. The T coefficient analysis shows a value of 0.705 which is smaller than the T table value of 1.550, indicating that job satisfaction does not have a significant effect on employee performance. Leadership Style, has a significant positive effect on leadership style on employee performance, with a significance value of 0.014. The results of the T coefficient analysis show a value of 2.499 which is greater than the T table value of 1.550 indicating that leadership style has a significant effect on employee performance.

**Keywords:** Leadership, leadership style, outsourcing of labor

## Introduction

Leadership plays a vital role in improving operational efficiency, reducing costs, and enabling companies to concentrate on core activities, thus impacting the global business environment and internal organizational dynamics, including human resource management (Yusuf, 2022). Leadership is an important aspect in managing human resources in the context of Leadership, as it involves overseeing the selection of credible Leadership companies, ensuring the quality of the workforce, and making agreements for effective supervision. Effective leadership is essential in navigating the complexities of Leadership, managing relationships with external parties, and aligning Leadership activities with the organization's strategic goals and values. Leadership is an important factor in reducing the risks associated with Leadership, developing new management competencies, and improving the decision-making process to optimize Leadership benefits while reducing weaknesses. Studies emphasize the importance of leadership in implementing enterprise risk management control activities (Ilhami, 2022) encouraging employee involvement in business process management to increase company profitability (Ilhami, 2022) and promoting strategic flexibility through implementation leadership to reduce risks in a dynamic business environment (Ilhami, 2021).

Effective leadership, especially transformational leadership in Human Resource Management, inspires alignment of values within an organization, influencing performance and culture to achieve organizational goals (Ilhami, 2019). By utilizing leadership strategies, organizations can navigate Leadership challenges, build critical competencies, and make informed decisions to leverage Leadership advantages while minimizing potential drawbacks.

Leadership style plays a critical role in the context of Leadership, influencing project performance and employee morale. Research has shown that different leadership styles, such as transformational, transactional, and people-oriented behaviors, impact the success of Leadership projects (Ilhami, 2021). The effectiveness of leadership styles is further influenced by contextual factors, project characteristics, and organizational context, highlighting the need for a systematic approach to matching leadership styles to specific situations in Leadership projects (Ilhami, 2021). In addition, this study emphasizes the importance of trust as a fundamental attribute of leadership in creating an ideal climate for creativity and knowledge sharing among employees in Leadership companies (Ilhami, 2022). Understanding the interaction between leadership style, contextual factors, and trust is critical to optimizing the performance and success of Leadership projects.

Research on human resource management, especially focusing on HR Leadership and optimal human resource allocation, contributes significantly to theoretical knowledge and practical insights for corporate management (Yusuf, 2021 ). By utilizing modern methods such as HR Leadership, companies can enhance their competitive advantage, streamline processes, and allocate resources effectively to improve operational efficiency (Yusuf, 2022 ). In addition, the application of innovative personnel technologies, such as the enhanced multi-objective particle swarm optimization algorithm, can lead to lower costs and higher efficiency in managing the Leadership workforce, which ultimately benefits the overall system of the company and promotes long-term development (Ilhami, 2021 ). This comprehensive approach

not only enriches the HR management literature but also offers practical strategies for companies to optimize their workforce management and achieve operational excellence.

Through a quantitative analysis approach, this study aims to offer in-depth insights and strategic solutions for PT Anuta Karya Prima and similar companies that address the challenges of Leadership workforce management. This research will draw from various sources, including the need for adequate workforce planning to maintain efficient business operations (Ilhami, 2022), legal protection issues surrounding Leadership workers in Indonesia (Ilhami, 2021), the importance of understanding the expectations between HR departments and consulting firms in Leadership decisions (Ilhami, 2021), the lack of legal certainty and industrial relations challenges in the Leadership system under Indonesian law (Ilhami, 2022), and factors that contribute to increasing Leadership employee turnover and policies to mitigate these issues (Ilhami, 2022).

## **Literature Review**

### **Leadership and Human Resource Management Concept**

Leadership is a strategy in which a company outsources some or all of its business functions to external parties to increase efficiency and focus on core business (Dibbern et al., 2007). Human resource management (HRM) plays a critical role in considering how leadership can effectively manage relationships with service providers to achieve the company's strategic goals. The influence of leadership on strategy implementation is highlighted in a study of communication service providers in Botswana, emphasizing the importance of leaders in aligning followers with organizational goals (P Boxall, 2020). In addition, the importance of personnel management in meeting strategic goals is underlined, emphasizing human resources as a vital asset for achieving productivity and company performance (Zainab Hamid, 2020). Furthermore, the relationship between leadership and HRM is explored, emphasizing the need to integrate these two variables to maximize their impact on organizational success (Shu-kuan Zhao, 2022).

Strategic Human Resource Management (SHRM) plays a critical role in optimizing human resources to drive companies towards their strategic goals effectively. Research has shown that practicing SHRM has a significant positive relationship with job satisfaction (JS) (Md. Kamruzzaman Kamruzzaman, 2022), aligning HR practices horizontally and vertically can predict job satisfaction and turnover intentions, ultimately supporting the strategic goals of the organization (Emmanuel L. Tandika, 2021). Furthermore, aligning the goals and capabilities of the HRM system with business strategy is critical to maximizing performance outcomes, especially in competitive strategies based on quality differentiation or innovation differentiation (Brian C. Martinson, 2017). By understanding the relationship between SHRM practices, leadership practices, and service provider relationships, HR professionals can enhance organizational success by ensuring that human resources are strategically aligned with the company's overall goals.

### **Leadership Styles in the Context of Leadership**

Leadership styles in management Leadership can vary, from transformational leadership that encourages employee innovation and motivation, to transactional leadership that focuses on achieving targets and performance standards (Chang et al., 2010).

1. Transformational Leadership, This theory suggests that transformational leaders are able to influence subordinates to achieve higher goals through inspiration, motivation, and intellectuality (Bass, 1975). Transformational leadership has been shown to have a significant impact on organizational commitment, which can be important in the context of Leadership. Research has shown that transformational leadership style positively influences organizational commitment (Ilhami, 2021), leading to higher employee performance and dedication to organizational goals. This leadership style fosters a sense of shared vision, motivation, and empowerment among employees, encouraging them to go beyond their contributions. In addition, this study highlights the importance of organizational culture in

improving employee performance and commitment (Yusuf, 2022). Therefore, in the context of Leadership, transformational leaders can arouse the enthusiasm and commitment of Leadership employees, inspiring them to excel and contribute more than expected, which ultimately benefits the success of the organization.

2. Transactional Leadership, Transactional leadership, on the other hand, focuses more on providing rewards or awards based on the achievement of predetermined targets. This leadership can be effective in ensuring compliance with the procedures and operational standards that have been determined by the company (Bass, 1975). Transactional leadership, unlike other leadership styles, emphasizes rewarding or punishing based on the achievement of certain goals or targets (Yusuf, 2022). Research in the context of the Nigerian construction industry highlights that transactional leaders, especially project managers, often use factors such as providing clear instructions, monitoring project progress, assessing risks, and correcting errors to ensure successful project delivery (Ilhami, 2022).

### **Impact of Leadership in Leadership on Employee Performance**

Research has shown that leadership style in Leadership has a significant impact on employee performance. Various studies have linked effective leadership to increased motivation, job satisfaction, productivity, and overall organizational performance (Avolio et al., 2009; Podsakoff et al., 2000).

1. Motivation and Job Satisfaction, Leadership that supports and empowers employees in the context of Leadership can increase their intrinsic motivation to perform better (Chen et al., 2013). Employees who feel supported by their leaders are more likely to experience higher job satisfaction, leading to increased retention rates and organizational stability (Mustafa Emre Civelek, 2023). Effective leadership, characterized by clear communication, guidance, recognition of employee contributions, and support for personal and professional development, plays a vital role in fostering a supportive work environment. Research studies

highlight the critical role of leaders in enhancing employee well-being and job satisfaction by understanding the importance of work-life balance, offering work-related support and guidance, and demonstrating dedication to employee success. These findings underscore that a leadership approach emphasizing support for work-life balance and providing work-related assistance has a positive impact on employee satisfaction and productivity (S Pajic,,2021).

2. Work-life balance has been shown to have a positive effect on employee performance, especially when combined with job satisfaction, further reinforcing the importance of leaders in fostering a balanced work environment (April Gunawan Malau,2023). Furthermore, this study highlights the positive relationship between leadership, work-life balance, and personal life, suggesting that a balanced lifestyle contributes to optimal performance and goal achievement (C Schueller-Weidekamm,2012). Overall, this study emphasizes the critical role of leaders in promoting work-life balance and support in enhancing employee well-being and job satisfaction, ultimately leading to increased organizational success.

Particularly during the Covid-19 pandemic, where remote work has become more common, supportive leadership remains a key factor in promoting employee well-being regardless of physical work location. Overall, supportive leadership significantly contributes to job satisfaction, which is essential for organizational success and employee retention. Productivity and Efficiency, Effective leadership has also been shown to increase overall team productivity (Judge & Piccolo, 2004). In the context of Leadership at PT Anuta Karya Prima, the productivity of outsourced employees can be influenced by the extent to which internal and external leaders can integrate them into the company culture and motivate them to achieve common goals.

### **Case of PT Anuta Karya Prima**

In the context of PT Anuta Karya Prima, this study will explore how leadership in Leadership affects employee performance and the management strategies that can be applied to maximize the benefits of the Leadership relationship. To develop effective and sustainable

leadership practices for optimal Leadership employee performance, PT Anuta Karya Prima can draw insights from various research papers. Understanding the importance of leadership in organizations such as PT Telkom (Ilhami, 2021) and the importance of sustainable management and leadership in improving business performance (Ilhami, 2022) can guide PT Anuta Karya Prima in forming their leadership strategy. In addition, exploring the factors that shape sustainable leadership, such as Harmonious Leadership, Ethical Leadership, Personal Value Leadership, and Caring Leadership (Ilhami, 2021), can provide a framework for developing leadership practices tailored to the needs of outsourced employees.

## Methods

For the study entitled "The Role of Leadership on Employee Performance at PT Anuta Karya Prima", the method used in this study is quantitative descriptive, where the respondents in this study were employees at PT. Anuta Karya Prima as many as 91 people in the field. where the independent variable is the influence of leadership, while the dependent variable is Motivation, Job satisfaction and Employee Productivity.

## Results and Discussion

### Research result

#### Reliability Test

Table 1. Reliability Test

<b>Reliability Statistics</b>	
Cronbach's	
Alpha	N of Items
.841	4

The results of data processing using the SPSS 25 application show that the Cronbach's Alpha value of all variables is 0.741, with these results it means that all variable items are worthy of being continued, because based on the theory that if the Cronbach's Alpha value is above 0.500 then it can be concluded that the variable item is stated as reliable.

## Multiple Regression Test

### T-Test

Based on the results of the T-test from statistical data processing, it can be stated that the hypothesis in this study is stated as follows

H1: There is no influence of job satisfaction variables on work productivity, this can be seen with a significance value of 0.472, thus the hypothesis is rejected

H2: There is a positive influence of leadership style on work productivity, the results of the variable test stated that there was a positive influence, this can be seen from the significance value of 0.014, thus the hypothesis is accepted.

### F Test

#### Table F Test

Simultaneously, the variables in this study are stated to have an influence on employee performance, this can be seen from the significance value of 0.000, this value is  $<0.05$ :

I. Based on the results of the path coefficient T test, it can be seen that each variable contributes the following influences:

1. The leadership style variable contributes to the employee performance variable of T count 2.499, greater than T table. Thus, the leadership style variable influences employee performance
2. The employee satisfaction variable has a negative effect on employee performance, this can be seen from the T count test value of 0.705 while T table is known to be 1.550, thus it can be stated that the employee satisfaction variable does not affect employee performance.

II. Based on the results of the F test, it is stated that simultaneously all variables in this study contribute a value of F table 24.953, while F table is 2.453, thus F count is greater than F

table. Thus it can be stated that simultaneously all these variables affect employee performance.

III. Coefficient of determinance, Based on the data results by SPSS 25, it is known that the R value is 0.552, thus it can be stated that all the variables studied have an influence of 55.2% on employee performance.

## **Conclusion**

This study aims to examine the influence of leadership style, Leadership, and job satisfaction on employee performance at PT Anuta Karya Prima. Based on the data analysis conducted, the following are the conclusions of this study:

1. The Influence of Job Satisfaction on Employee Performance, The results of the analysis show that there is no significant influence of job satisfaction on employee work productivity with a significance value of 0.472. The hypothesis stating that job satisfaction affects employee performance is rejected. The T coefficient for the job satisfaction variable is 0.705, which is smaller than the T table of 1.550. This shows that job satisfaction does not have a significant influence on employee performance.
2. The Influence of Leadership Style on Employee Performance, The results of the analysis show that there is a significant positive influence of leadership style on employee work productivity with a significance value of 0.014. The hypothesis stating that leadership style has a positive effect on employee performance is accepted. The T coefficient for the leadership style variable is 2.499, which is greater than the T table of 1.550. This shows that leadership style significantly affects employee performance.
3. Simultaneous Influence, Based on the results of the F test, it is known that simultaneously, all variables in this study (Leadership, job satisfaction, and leadership style) contributed a calculated F value of 24.953, which is greater than the F table of 2.453. This shows that simultaneously, all of these variables have a significant effect on employee performance.

The R value of 0.552 shows that the variables studied have an effect of 55.2% on employee performance. This means that there are 33.7% other variables that were not studied in this study but may also affect employee performance.

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