

The Influence of Leadership Style on Employee Performance with Penalties As Moderating Variables

Fifi Farizsa Rahayaan¹, Sandra Irawati², Kenny Roz³

^{1,2,3} Management, Universitas Muhammadiyah Malang, Indonesia

Corresponding E-mail: rahayaanfififariza@gmail.com

Abstract

This study aims to describe leadership style, employee performance, and punishment as moderating variables at PT. Madu Nusantara. this research is quantitative. Quantitative analysis to describe the results of the questionnaire that has been obtained from all respondents in the form of numbers. The sample used in this study was marketing employees at PT. Madu Nusantara. The sample used in this study amounted to 50 respondents. Data collection techniques using a questionnaire. The data analysis technique used is Partial Least Square (pls). Data processing in this study uses the SmartPLS software program. The results showed that leadership style had a positive and significant effect on the performance of employees at PT. Madu Nusantara. Punishment has a positive and significant effect on the performance of employees of PT. Madu Nusantara. Meanwhile, the influence of leadership style on employee performance with punishment as a moderating variable shows insignificant results.

Keywords: Leadership Style, Employee Performance, Punishment

Abstrak

Penelitian ini bertujuan untuk mendeskripsikan gaya kepemimpinan, kinerja karyawan, dan punishment sebagai variabel moderasi pada PT. Madu Nusantara. penelitian ini bersifat kuantitatif. Analisis kuantitatif untuk mendeskripsikan hasil kuesioner yang telah diperoleh dari seluruh responden dalam bentuk angka. Sampel yang digunakan dalam penelitian ini adalah karyawan pemasaran di PT. Madu Nusantara. Sampel yang digunakan dalam penelitian ini berjumlah 50 responden. Teknik pengumpulan data menggunakan kuesioner. Teknik analisis data yang digunakan adalah Partial Least Square. Pengolahan data dalam penelitian ini menggunakan program software SmartPLS. Hasil penelitian menunjukkan bahwa gaya kepemimpinan berpengaruh positif dan signifikan terhadap kinerja karyawan PT. Madu Nusantara. Punishment berpengaruh positif dan signifikan terhadap kinerja karyawan PT. Madu Nusantara. Sedangkan pengaruh gaya kepemimpinan terhadap kinerja karyawan dengan punishment sebagai variabel moderasi menunjukkan hasil yang tidak signifikan.

Kata kunci: Gaya Kepemimpinan, Kinerja Karyawan, Hukuman

INTRODUCTION

Human resource management is required to make a significant contribution to the organization based on functions related to how workers are attracted, developed, assessed and

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Corresponding e-mail: rahayaanfififariza@gmail.com

managed in organizations with a high level of effectiveness. The role of human resource management then becomes very important given its impact on organizational perceptions, attitudes and behavior. In the development of their knowledge, effective human resource management can cause employees to feel an attitude of positive attachment (Zigarmi, 2017), Sudarmanto, (2014) states that performance is a record of work results for certain job functions or activities over a certain period of time. The success or failure of employee performance achieved by the organization can be influenced by the performance of employees individually or in groups. Assuming the better the performance of employees, the better the performance of the organization and company. There are many ways that companies can do to improve employee performance, one of which is the leadership style factor. Leadership style in an organization is very important to achieve organizational goals. Rivai, (2011) suggests that leadership includes influencing processes in determining organizational goals, motivating follower behavior to achieve goals, influencing the interpretation of followers' events, organizing and activities to achieve goals, maintaining cooperative relationships and group work, gaining support and cooperation from people outside the group or organization.

Leadership in an organization is very important to achieve organizational goals. Leadership is one of the factors that can determine the steps of a company. According to Kartono, (2011) leadership is an activity that can influence people so that they can work together to achieve the desired goals. The way of thinking and behavior patterns of leaders can be interpreted by subordinates as a leadership style. Leadership style, employee performance, and punishment are considered as supports in this research. From the opinion above, it can be concluded that leaders play an important role in achieving company goals. The degree to which people's dispositions, attitudes and skills reflect a leader's desire for maximum job performance. Davis, (2010) also emphasized that the responsibility of a leader is to push the group towards useful goals. Group members need to feel that they are doing something meaningful with the resources available to improve their job performance. According to research by Subudi, (2016) and Yanoto, (2018) it shows that leadership style has a positive relationship to the work performance of employees. As is the case with research by Fuadiputra, (2013) and Yulianto *et. al.*, (2018) explained that there is a significant positive influence between transformational leadership styles on employee performance. Research with similar results was also conducted by Sukwirahmanta, (2017) which showed that the Laissez-Faire leadership style did not have a significant effect on employee performance. Several studies have experienced differences in the so-called research gap.

Based on some of the research above, the researchers added punishment as a moderating variable due to findings from research by Prasetyo, (2019) which found that there was a positive influence of leadership style and punishment on employee performance. Another research conducted by (Anas, 2021) states that leadership style and punishment can be said to have a positive effect on employee performance. So in this study punishment is used as a moderating variable on the influence of leadership style on employee performance. According to the results of interviews with employees of PT. Madu Nusantara, provided information explaining that the leadership in the company adapts itself to the maturity of the subordinates and the company's work environment or is called by emphasizing the conditions of the subordinates or followers so that employees feel that the leadership pays less attention to the tasks assigned to employees. So this makes employees feel that all the tasks given are the full responsibility. As supporting data from the interview results above, pre-research questionnaires were prepared and distributed to several employees and 35 respondents were obtained as supporting data by obtaining several

phenomena related to the variables studied. The results of the initial questionnaire distribution regarding employee performance are as follows:

Table 1. Initial Research Results Regarding Employee Performance at PT. Madu Nusantara

No	Statement	Yes	No
1.	I always achieve the work targets set by the company	15	20
2.	I can complete more work than targeted	10	25
3.	I use the facilities provided by the company to support the quality of work	20	15
4.	I can achieve the quality standard of work that has been set by the company properly and optimally	18	17
5.	I have been able to do all the work so far and the results are in accordance with the planned time	10	25
6.	I am able to determine and manage work priorities effectively	15	20
7.	I complete the task according to the time specified by the company	13	22

Source: Primary Data (2022)

Table 1 indicates that the performance of employees at PT. Madu Nusantara as a whole is not as expected. This can be seen from the number of employees who gave no answers. Based on these data, it can be seen that employees of PT. Madu Nusantara feel that their performance results are not optimal by not meeting the targets set by the company. The next problem is punishment. The punishment given by PT. Madu Nusantara is only in the form of light punishment, namely delivering a verbal or written warning to employees because leaders always think of their employees' families who take actions that are not in accordance with company regulations. This makes employees act arbitrarily because of leaders who are not assertive and lack of awareness of responsibility by each employee

LITERATURE REVIEW

According to Hasibuan (2016) what is meant by performance is a work results achieved by a person in carrying out the tasks assigned to him based on skill, experience and sincerity as well as time. Performance is also the embodiment of good work carried out by employees who are usually used as a basis assessment of employees or organizations. Good performance is a major step towards achieving a goal organization. Afandi (2018) defines performance as work results that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals legally, not violating the law and not contradicting morals and ethics. Leadership style is a way that is used by someone leader to influence the behavior of his subordinates where style This leadership aims to guide and motivate employees so that it is expected to produce high productivity. Style leadership style of a leader will be very effect on the performance of employees or

subordinates. Rivai & Mulyadi (2011) argued that leadership style is a set of characteristics used by leaders to influence subordinates so that organizational goals are achieved or it can also be said that leadership style is a pattern of behavior and strategies that are preferred and often applied by a leader.

In principle, punishment is or everything that can be weakens the behavior and tends to reduce the frequency of the behaviour which is next and usually consists of requesting a consequence which not expected. The punishment in question is a consequence So in general, punishment is an act in the form of torture that is imposed on people who commit certain mistakes or violations such as violations of laws and so on unpleasant response to certain behaviors. According to Purwanto (2006) in Purnama (2015) punishment is suffering given or caused intentionally by someone after a violation, crime or mistake has occurred. According to (Sugiyono, 2018), the hypothesis is a temporary response to the formulation of the research problem. When the research design is presented as a question. Thus, the hypothesis is also presented as an empirical answer. According to Jones and Geoge, (2007), leadership is the process of someone influencing others, setting an example and inspiring and directing activities in achieving organizational goals. The results of Budisuharto's, (2013) obtained the results of a significant influence of leadership style on employee performance. Therefore, hypotheses in this research were:

H1: Leadership style has a positive and significant effect on employee performance

Purwanto, (2013) interprets punishment or punishment as sorrow that is deliberately aimed at and raised for individuals who do not comply with a rule, who commit mistakes or crimes. According to research conducted by Hartanto, (2014) punishment is able to moderate the effect of leadership style on employee performance. Therefore, hypotheses in this research were:

H2: Leadership style influence on employee performance moderated by punishment

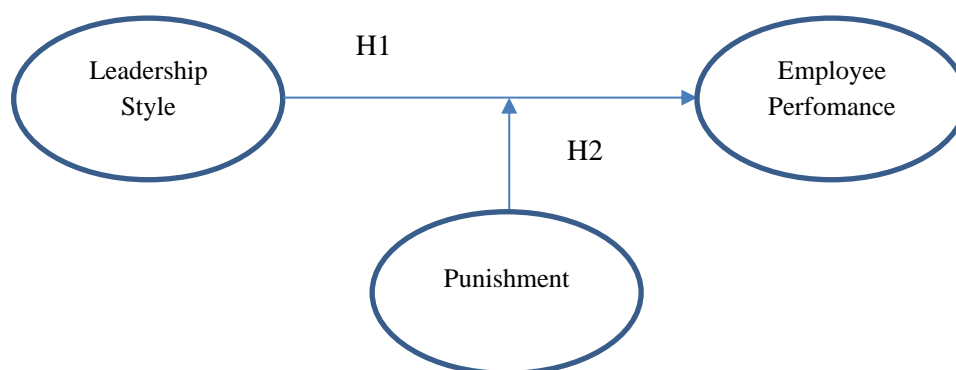


Figure 1. Conceptual Framework

RESEARCH METHODS

This research was conducted at PT. Madu Nusantara that has been established since 1986 as a national scale company. PT. Madu Nusantara has the largest bee farm and is the leader in honey marketing in Indonesia with more than 1700 workers. Farm land of more than 10,000 hectares with 10 branch offices. Since 1996 until now, Madu Nusantara products such as Honey, Bee Jelly, Royal Jelly

and other products have become official drinks at the Presidential Palace and the People's Consultative Assembly (MPR) of the Republic of Indonesia. This type of research is descriptive research with a quantitative approach using 50 respondents. Variable measurements in this study used a Likert scale with a score of 1-5 from strongly disagree to strongly agree. The analysis technique used in this research is using Partial Least Square carried out with several stages of testing measurements or outer model and test measurements inner model and hypothesis testing using bootstrapping.

RESULTS AND DISCUSSION

In table 1 which shows that employees of PT. Madu Nusantara who were respondents in the study were male as many as 24 people the percentage is 48% and the female sex is 26 people with a percentage of 52%. Based on the table, it can be concluded that the respondents in this study were dominated by women.

Table 1. Respondent Demographic

	Detail Respondent	Total (50)	Presentase (%)
Gender	Male	24	48%
	Female	26	52 %
Age	< 20 Years	3	6 %
	20-25 Years	16	32 %
	25-30 Years	21	42 %
	> 30 Years	10	20%
Education Level	Senior High School	20	40%
	Diploma	15	30%
Tenure	Bachelor	15	30%
	<1 Year	0	0%
	1-3 Years	5	10%
	4-6 Years	30	60%
	> 6 Years	15	30%

Source: Primary Data for 2022

The majority were aged 25-30 years with 21 people being the age with the most respondents or with a percentage of 42%. This explains that the majority of PT. Madu Nusantara is in its productive age so it is hoped that it will have a maximum role in advancing the company. Based on the results listed in table 1, it can be seen that of the 50 respondents, the majority were at the high school education level with a total of 20 people or with a percentage of 40%. This is because the work at hand does not have standards for high education for its employees, besides that the work at hand requires abilities and skills in their respective fields so that an appropriate level of education is needed in order to obtain maximum results. Most were in the working period of 4-6 years with a total of 30 people or with a percentage of 60%. This explains the employees of PT. Madu Nusantara is considered to have been able to adapt and has experience with work.

Table 2. Loading Factor

Variable	Items/Indicators	Outer Loadings	Information
Leadership Style	LS1	0.612	Valid
	LS2	0.869	Valid
	LS 3	0.815	Valid
	LS 4	0.856	Valid
	LS 5	0.828	Valid
	LS 6	0.851	Valid
Performance Employee	PE1	0.768	Valid
	PE 2	0.674	Valid
	PE 3	0.763	Valid
	PE 4	0.653	Valid
	PE 5	0.827	Valid
	PE 6	0.752	Valid
Punishment	P1	0.638	Valid
	P2	0.718	Valid
	P3	0.857	Valid
	P4	0.657	Valid
	P5	0.738	Valid
	P6	0.927	Valid

Source: Primary Data for 2022

Based on table 2 above, it is known that the results of data processing mostly on each variable indicator item in the study already have value outer loading or above ≥ 0.5 and is said to be valid. The variables of leadership style, employee performance and punishment have met the requirements convergent validity that the value ≥ 0.5 so that validity is achieved, meaning that each indicator has been able to properly represent each latent variable. On convergent validity also seen from the AVE value, a variable is considered valid if it has a value average extracted (AVE) ≥ 0.5 . The following AVE test results can be seen in the following table:

Table 3. Cronbach's Alpha and Composite Reliability

Variable	Cronbach' Alpha	Composite Reliability	Information
Employee Performance (Y)	0.835	0.840	Reliable
Leadership Style (X)	0.892	0.899	Reliable
Punishment (Z)	0.851	0.872	Reliable

Source: Primary Data for 2022

Table 3 shows that the value of cronbach's alpha and composite reliability for each variable is more than 0.6. This indicates that these variables can be performed reliably. The R-Square values of 0.75, 0.50 and 0.25 respectively indicate that the model is strong, moderate and weak Ghazali & Hengky, (2015). The R-Square test is carried out to find out how much influence

the independent variable has on the dependent variable. The following presents the results of calculating R-Square processed with SmartPLS in the following table:

Table 4. R-Square Value Results

Variable	R Square
Employee Performance (Y)	0.662

Evaluation *Goodness of fit* can be seen from the predictive relevance test (Q Square) which aims to assess how much the observation value is generated by the model and its parameters. Q Square has a value of $0 < Q^2 < 1$, which means that the closer the Q² value is to 1, the better the model used. According to Ghazali, I. & Hengky, (2015) the GoF assessment criteria are 0.10 (GoF small), 0.25 (GoF medium) and 0.36 (GoF large). Calculating the GoF value can use the following formula:

Table 4. R-Square Value Results

Variable	R Square	R Square Adjusted
Employee Performance (Y)	0.662	0.640

From these data, a GoF value of 0.662 or 66% is obtained and is greater than 0.36 so that according to the opinion of Ghazali, I. & Hengky, (2015) that the overall model fit quality is included in GoF large. This means that if the leadership style and punishment increase, the employee's performance also increases, so it can be said that the observed frequency with the expected frequency is correct. So it can be concluded that the GoF test of the GoF model in this study is included in the Goodness of Fit Large (large GoF) model. Path analysis is carried out to see the relationship between variables and other variables, where the test can be seen through the value of the Original Sample (O) and the T-Statistic value to assess the significance level of the relationship between variables, in which this test is carried out using the bootstrapping method. It can be said to be positive if the significance value of the T-Statistic is > 1.96 with a significance level of 5%.

Table 5. Hypothesis Test Results

Variable	Original sample (O)	Q Statistics (≥ 1.96)	P Values (≤ 0.05)	Information
Leadership Style → Performance Employee	0.578	3,085	0.000	Significant
Punishment → Performance Employee	0.317	2,395	0.017	Significant
Punishment → Leadership Style → Performance Employee	0.083	0.629	0.530	Not significant

Source: Primary Data for 2022

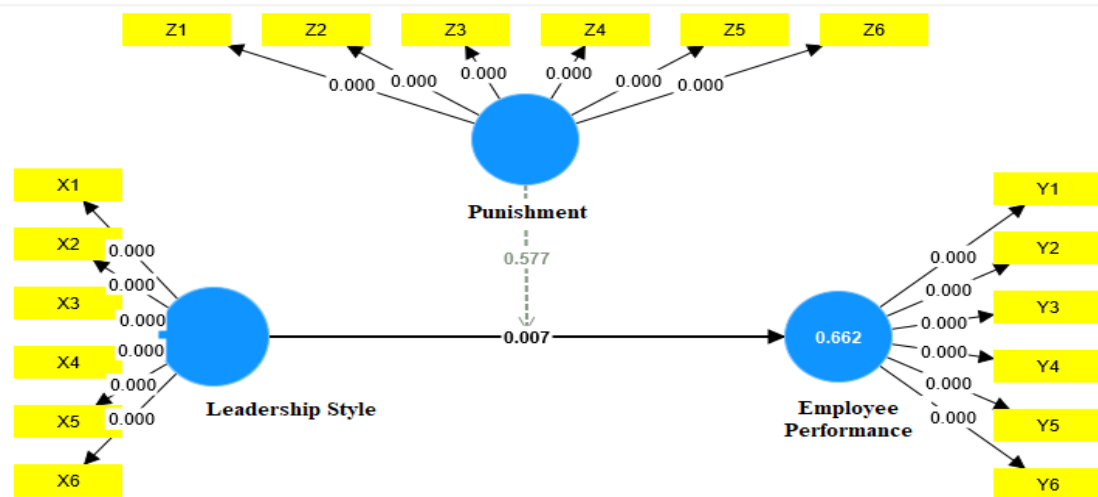


Figure 2. Path Analysis Result

Based on table 5 it shows that the direction of influence between positive and negative variables is shown in the original sample (O), then to see the significance can be seen through the t-statistic values (≥ 1.96) and p-values (≤ 0.05) which are significant or influence. The results of the direct influence of leadership style on employee performance are t-statistic $3,085 \geq 1.96$ and p-values $0,000 \leq 0.05$ and the original sample value of 0.578 indicates that there is an influence between leadership style on employee performance. Accepted means that p-values have a significant effect on employee performance. Table 5 shows the results of the direct effect of punishment on employee performance with a t-statistic value of $2,395 \geq 1.96$ and a p-value of $0.017 \leq 0.05$ and an original sample value of 0.317 indicating that there is an influence between punishment on employee performance. Accepted means that p-values have a significant effect on employee performance. Table 4.10 shows the results of the influence of punishment moderating leadership style on employee performance with a t-statistic value of $0.629 \geq 1.96$ and p-values of $0.530 \geq 0.05$ and an original sample value of 0.083 indicating that the moderating variable, namely punishment, cannot moderate the effect of an endogenous variable (style leadership) on exogenous variables (employee performance). This is evidenced by the original sample value of 0.083 and p-values of $0.530 \geq 0$ on employee performance. This is obtained from the results of the p-values which are not significant.

Based on the results of research related to employee performance at PT. Madu Nusantara is included in the High category which is proven through the results of the average analysis of the scale range which means that employees are able to produce tasks well, and carry out tasks on time so that the work is in accordance with the specified targets. However, based on the distribution of respondents' answers in table 5 there are still several employees who disagree with the indicators of quantity and timeliness. This is in accordance with the phenomena that occur in PT. Madu Nusantara is related to the less than optimal performance of some of its employees, this can be seen from the results of employee performance that is less than the set target and delays in completing work. Then related to the leadership style of employees at PT. Madu Nusantara included in the good category. This is evident from the average value in the results of the analysis of the range of scales related to leadership style to task and employee orientation. Leadership style in a good company means that leaders provide instructions and directions to employees, leaders also improve employee self-development, besides that leaders also provide

opportunities for employees to express their opinions and treat employees as family. The average respondent's answers related to this leadership style variable are fairly good. However, based on the results of the analysis of the scale range, there are still disagreeing answers, especially on task orientation indicators with statement items providing instructions and directions in carrying out tasks. Regarding punishment at PT. Madu Nusantara is included in the sufficient category, means that employees of PT. Madu Nusantara has adapted to punishment. The laxest penalty indicator is the warning indicator for mistakes. However, based on the distribution of respondents' answers in table 5, there are still employees who disagree with the 5 penalty indicators.

The results of the research and hypothesis testing above show that there is a positive and significant influence between leadership styles on employee performance. That is, the better the leadership style, which means a good leader in organizing employees, the employee's performance will also increase, which means that employees have high morale. Significant influence means having a real influence on employee performance, not by accident. The results of this study are strengthened and supported by research findings conducted by (Fuadiputra, 2020), and (Yulianto, 2018) which found that leadership style has a positive and significant effect on employee performance.

The results of research and hypothesis testing show that there is a direct influence of leadership style on employee performance. This can be interpreted that the leadership style variable is able to directly influence employee performance without any moderation of the punishment variable. The results of this study are strengthened and supported by research findings conducted by (Gede & Priartini, 2018), which found that leadership style has a positive and significant effect on employee performance. The results of research on punishment show that punishment has an effect on employee performance. While the effect of leadership style on employee performance with punishment as a moderating variable shows insignificant results. This means that the existence of punishment as a moderating variable shows the result is not a moderator variable or weakens the relationship between the leadership style variable and the performance of PT Madu Nusantara.

CONCLUSION

Based on the results of data analysis and research obtained at PT. Madu Nusantara, then some conclusions that leadership style is in the good category, employee performance is in the high category and punishment is in the sufficient category at PT. Madu Nusantara. Leadership style has a positive and significant effect on the performance of employees of PT. Madu Nusantara, which means the better the leadership style, the higher the employee performance. Punishment does not moderate the effect of leadership style on employee performance. Whether there is punishment or not does not affect the leadership style to improve employee performance.

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