

THE INFLUENCE OF LEADERSHIP STYLE AND COMPENSATION ON EMPLOYEE WORK MOTIVATION AT PT. BANK SYARIAH INDONESIA (BSI) KCP SINGKIL

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Abstract: This study aims to determine the Influence of Leadership Style and Compensation on Employee Work Motivation at PT. Bank Syariah Indonesia (BSI) KCP Singkil. The method used is a quantitative approach with sampling conducted using the saturation or total sampling technique involving 30 respondents who are all employees of PT. Bank Syariah Indonesia (BSI) KCP Singkil. The data source utilized in this research is primary data collected through the distribution of questionnaires to respondents. The data analysis techniques in this study include data quality testing, classical assumption testing, multiple linear regression analysis, and hypothesis testing conducted using SPSS software version 24. The results of this study indicate that leadership style partially affects employee work motivation, This indicates that approximately 45.8% of the variation in employee work motivation (Y) is influenced by the variables of leadership style (X1) and compensation (X2), while the remaining 54.2% is influenced by other variables not examined.

Keywords: Leadership Style, Compensation, Employee Work Motivation

Introduction

Every company in running a business activity must be able to empower all available resources, so that it can produce products and services that can be marketed and can achieve goals in accordance with what the company expects. These resources can be in the form of financial capital, human labor, and machines. One of the most important elements that can support the company's progress in achieving its goals and components for the success of a company is human resources (employees). Because humans are creatures with certain thoughts, feelings, needs, and expectations. These factors will affect work performance, dedication, and loyalty, as well as love for their work and Leadership as "the ability of a person to influence others or groups of people to behave and act to achieve common goals or organizational goals". So leadership is the power or energy possessed by a person to encourage others. That energy is not merely physical but also educational or charismatic. However, it should be noted that leadership will work if in the organization there is interaction between leaders/managers and their subordinates. (Fachrurozi, 2022). Compensation is an important and strategic policy in an organization because it is directly related to increasing work enthusiasm and employee performance in a company. Compensation is very important for employees, because the amount of compensation is a measure of employee performance. If the compensation system provided by the company is fair enough, then employees, especially marketers, can work more productively and increase their responsibility in carrying out the tasks given by the company. Therefore, compensation is an important factor in motivating employees to improve their performance (Yanuar Pradita, 2017). Performance refers to the achievements obtained by employees in a certain

period of time within an organization, which are carried out in accordance with their authority and responsibility the individual's responsibility in an effort to achieve organizational goals. (Hayati & Fitria, 2018). According to (Mangkunegara, 2017) HR performance is a term derived from the words Job Performance or Actual Performance (work performance or actual achievement achieved by someone). This is where the importance of good synergy between leaders and subordinates to establish harmonious communication, so as to create a comfortable work environment and a sense of caring for each other. Because behind the success of a leader is certainly due to good support from his subordinates. Conversely, the success of a subordinate cannot be separated from the influence of a leader. At PT. Bank Syariah Indonesia KCP Singkil, the leadership style applied by the leader to all employees is considered not to be able to increase employee performance motivation optimally where the superior is considered to have less positive impact on his subordinates, lack of communication between superiors and subordinates, lack of direction and attention from superiors. According to Thoha in (Endrekson, 2023) it is stated that by using leadership, the leader will influence the perception of subordinates and motivate them, by directing employees to clarity of tasks, achievement of goals, job satisfaction, and effective work implementation. In addition, related to compensation given to employees. If employees continue to feel less than expected compared to their increasing needs, superiors must be wiser to consider providing appropriate compensation and often the distribution of compensation is delayed. From this, which can have an impact on employee performance, causing employee work motivation to decrease marked by the quality of employee service to customers. This will certainly hinder the achievement of company goals.

Literature Review

Leadership Style In the Islamic view, leadership is a trust and responsibility that is accountable before Allah SWT, in addition to the members he leads. The word of Allah SWT in the Al-Quran, Surah Al-Mu'minun, verses 8-11 which reads: walladzîna hum li'amânâtihim wa 'ahdihim râ'ûn (8) walladzîna hum 'alâ shalawâtihim yuhâfidhûn (9) ulâ'ika humul-wârîtsûn(10) alladzîna yarîtsûnal-firdaûs, hum fîhâ khâlidûn(11) ("And those who keep their trusts (which they bear) and their covenants. And those who maintain their prayers. Those are the ones who will inherit, (i.e.) who will inherit the Garden of Paradise. They will abide therein forever").

According to the Islamic perspective, Nawawi in (Mahyudin, 2022) divides the meaning of leadership into two parts: the spiritual meaning of Islam and the empirical meaning. According to the spiritual meaning of Islam, leadership is the ability to carry out orders Allah SWT and abandon His prohibitions, both collectively and individually. In other words, leadership is the ability to carry out all the will of Allah SWT that has been announced to the Prophet Muhammad SAW. Meanwhile, according to the empirical understanding, leadership is an action carried out by humans in the life of a society in an effort to realize togetherness (sociality). However, there are several definitions according to experts about leadership that can be used to gain a basic understanding: According to Kartono (2017), leadership is the ability to influence other people, subordinates, or groups, directing the behavior of subordinates or other people to achieve organizational or group goals. According to Siregar (2023), leadership is the process of influencing, guiding, and directing individuals or groups in achieving goals. According to Suwatno (2019), leadership is the ability to influence others in achieving and providing constructive enthusiasm to others to carry out cooperative efforts to achieve planned goals. According to (Mahyudin,

2022) to achieve effective leadership as A believer, requires the following attitudes and behaviors to be displayed:

Caliph 2) Imamate 3) Sitting Amr 4) Ri'ayah.

Compensation

Compensation is any form of wages that every employee is entitled to receive because an employee has contributed to the work he/she does with the aim of the success and development of the Company (Damayanti & Ismayanti, 2020). Compensation must be known and agreed upon in advance before an employee carries out his/her duties at work, so that an employee knows for

sure the amount or value that will be received after he/she fulfills his/her obligations in the Company (Rasyid & Tanjung, 2020). Compensation can be defined as a monetary reward given to employees whose amount and value have been agreed upon before the person carries out the work obligations. Compensation is all income in the form of money, goods, directly or indirectly received by employees in return for services provided to the company. The award received by a person in any form is closely related to a person's job satisfaction, because a person feels cared for, appreciated so that it can motivate him/her to work better (Arifin, 2017). According to Notoatmodjo in (Trisnaning et al., 2022), compensation indicators are divided into four, namely as follows:

- 1) Lifestyle.
- 2) Productivity
- 3) Applicable wage scale
- 4) Ability to pay

Employee Work Motivation

According to (Sinambela, 2017) argues that motivation is a series of attitudes and values that influence individuals to achieve specific things according to individual goals. Meanwhile, according to (Kasmir, 2018) argues that motivation is something that causes, supports human behavior so that they want to work hard and enthusiastically to achieve optimal results.

According to (Hartatik, 2018) work motivation is something that causes, channels, and supports human behavior so that they want to work hard and enthusiastically to achieve optimal results. What is meant here is a symptom of mental processes, such as cognitive mental processes (reason) or affection (feelings). Specifically, motivation is

included in the mental process or symptoms of the soul of conation which means a person's will or desire

Thus, motivation can also be said to be a mental process of a person who has the will or desire to do something.

According to Herzberg's theory explained by (Hasibuan, 2019), there are elements that act as satisfaction factors or motivational drivers, which can be used as indicators of work motivation, including the following:

- 1) Achievement
- 2) Recognition
- 3) The work itself
- 4) Responsibility
- 5) Advancement
- 6) Development of individual potential (The possibility of growth).

Framework of thinking

This framework is designed to provide an overview of the research conducted by the researcher, namely regarding the influence of leadership style and compensation on employee work motivation.

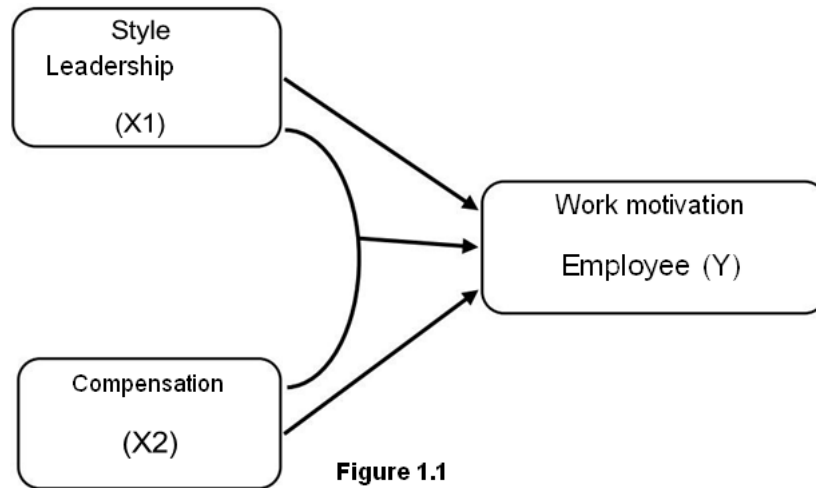


Figure 1.1
Conceptual Framework

Method

The research method used in this study is a quantitative approach.

This approach involves research activities that aim to conclude the proposed hypothesis by analyzing quantitative data. Quantitative data, which consists of numbers, including time series data. Quantitative research according to (Sugiyono, 2020) is a research method based on the philosophy of positivism, as a scientific method because it meets scientific principles in a concrete or empirical, objective, measurable, rational, and systematic manner. Research with a quantitative approach emphasizes the analysis of numerical data (numbers) which are then analyzed using appropriate statistical methods. The research location in this study is PT. Bank Syariah Indonesia KCP Singkil. The population in this study were all employees of PT. Bank Syariah Indonesia KCP Singkil totaling 30 people. In this study, the sampling method used was to apply the saturated sampling technique or total sampling. The saturated sampling technique is a sampling method that involves all members of the population without random selection. In this technique, each element in the population has an equal chance of being part of the sample. Data collection techniques are methods or approaches used to collect information or facts from certain sources. The data collection techniques used in this study are observation and questionnaires. The questionnaire will use Likert scale measurements. The Likert scale is a type of measurement scale used in research to measure the level of agreement, opinion, or response to certain statements or questions. This Likert scale is used to assess individual attitudes, opinions, and perceptions.

Result and Discussion

Leadership style influences the work motivation of employees of PT. Bank Syariah Indonesia (BSI) KCP Singkil. Based on the results of the analysis and respondents' answers to the questionnaire distributed by the researcher, it shows that employees really need

encouragement and input, need direction and direct attention from leaders in order to achieve the Company's goals. One of the Company's goals is to become the company of choice and the pride of Indonesia's best talents.

A company with strong values and empowering communities and committed to employee development with a performance-based culture. In this case, the role of a leader is very necessary to increase employee work motivation, a good leader is a leader who can be a role model for his subordinates.

The results of this study are in line with the results of previous studies conducted by (Endrekson, 2023) showing the results of data analysis that partially leadership style has a positive and significant effect on employee performance. The study stated that the leadership style carried out by top management is good enough to continue to be improved so that it will continue to have a positive effect on employee performance.

1. The Influence of Compensation on Employee Work Motivation

Based on the results of the analysis conducted by the researcher, it shows that compensation given to employees, such as wages, commissions, salaries, bonuses, insurance, and leave, do not have a significant effect on employee work motivation. This can be seen

from the results of respondents' answers to the questionnaire distributed by the researcher, such as about the salary/wages given by the Company is sufficient to meet the daily needs of employees, respondents answered strongly agree as many as 13 people, those who answered agree as many as 15 people and those who answered disagree as many as 2 people. The main purpose of providing compensation is to ensure a livelihood, so that employees and their families can rely on the results of their work for their lives. In other words, employees are motivated to work because they believe that their efforts will be rewarded with compensation which is a source of income for their lives and families. In this case, the purpose of the organization in providing compensation to employees is so that they feel financially secure. In addition, providing compensation is also a form of appreciation given by the company to employees for their contributions. However, due to the variation in individual needs that differ, this compensation is ineffective in increasing work motivation.

The results of this study are not in line with (Kirana & Pradipta, 2021) which states that the compensation variable has a partial positive and significant effect on employee performance. There are other research results that support this study, namely

(Arifin, 2017) shows that partial compensation does not have a significant influence on the performance of lecturers (Y) at FKIP UMSU

2. The Influence of Leadership Style and Compensation on Employee Work Motivation

Simultaneously, the variables of leadership style and compensation have a significant influence on the work motivation of employees of PT. Bank Syariah Indonesia (BSI) KCP Singkil. The results of this study are in line with the results of the study (Buulolo, 2021), showing that the two independent variables, namely leadership style and compensation, have a simultaneous effect on employee performance. When leadership style and compensation at PT. Bank Syariah Indonesia (BSI) KCP Singkil is implemented simultaneously and will mutually influence and strengthen one variable with another variable, so that it can significantly create good employee performance.

Validity Test and Reliability Test

Table of Validity Test

No	Variable	Statament	r Count	r table	information
1	Work motivation 1 Employee (Y)	1	0,856	0,361	Valid
		2	0,839	0,361	Valid
		3	0,821	0,361	Valid
		4	0,906	0,361	Valid
		5	0,750	0,361	Valid
		6	0,747	0,361	Valid
		7	0,578	0,361	Valid
		8	0,762	0,361	Valid
2	Style 2 Leadership (X1)	1	0,586	0,361	Valid
		2	0,834	0,361	Valid
		3	0,896	0,361	Valid
		4	0,768	0,361	Valid
		5	0,915	0,361	Valid
		6	0,867	0,361	Valid
		7	0,718	0,361	Valid
		8	0,896	0,361	Valid
3	Compensations (X2)	1	0,814	0,361	Valid
		2	0,742	0,361	Valid
		3	0,658	0,361	Valid
		4	0,612	0,361	Valid
		5	0,664	0,361	Valid
		6	0,742	0,361	Valid
		7	0,668	0,361	Valid
		8	0,781	0,361	Valid

The table above shows that all variables meet the validity criteria for all question items based on the comparison of r_y which is worth which is greater than r 0.361 in this study. This shows that each question on the employee work motivation variable is reliable and worthy of use in research.

Table of Reliability Test

Variable	Cronbach's Alpha	Information
Work Motivations Employee	0,855	Realible
Style Leadership	0,923	Realible
Compensations	0,855	Realible

So the conclusion is that all the instruments tested are reliable or trustworthy.

Normality Test

**Table of Normality Test
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual	
N		30	
Normal Parameters ^{a,b}	Mean	.0000000	
	Std. Deviation	2.39455201	
Most Extreme Differences	Absolute	.174	
	Positive	.153	
	Negative	-.174	
Test Statistic		.174	
Asymp. Sig. (2-tailed)		.021 ^c	
Monte Carlo Sig. (2-tailed) Sig.		.291 ^d	
	99% Confidence Interval	Lower Bound	.279
		Upper Bound	.303

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Based on 10000 sampled tables with starting seed 299883525.

From the table data above, it can be concluded that the regression line model is in accordance with the assumptions proposed previously. Therefore, the data in the regression model research tends to show a normal distribution because the Monte Carlo Sig (2-tailed) value is $0.291 > 0.05$.

Multicollinearity Test

Table of Multicollinearity Test

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	6.202	6.480		.957	.347		
	Work motivation	.671	.207	.581	3.241	.003	.625	1.600
	Employee	.144	.183	.141	.787	.438	.625	1.600

a. Dependent Variable: Work motivation Employee

Basis for decision making:

- 1) Look at the Tolerance value: if the Tolerance value is greater than > 0.01 , it means that there is no multicollinearity.
- 2) Look at the VIF value: if the VIF value is less than < 10.00 , it means that multicollinearity does not occur.

The Leadership Style and Compensation variables have VIF values within the tolerance limits found so that there is no multicollinearity in the independent variables.

Conclusion

Based on the results of research and discussion regarding the influence of leadership style and compensation variables on employee work motivation at PT. Indonesian Sharia Bank (BSI) KCP Singkil. From the research results, researchers can conclude:

1. Leadership style partially influences employee work motivation at PT. Indonesian Sharia Bank (BSI) KCP Singkil.
2. Partial compensation has no effect on employee work motivation at PT. Indonesian Sharia Bank (BSI) KCP Singkil
3. Leadership style and compensation simultaneously influence employee work motivation at PT. Indonesian Sharia Bank (BSI) KCP Singkil.

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