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# EFFECT OF WORK SKILLS, WORK ENVIRONMENT AND LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE (Study at LG Electronics Indonesia PT-Head Office in South Jakarta)

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Abstract: This study aims to determine the effect of work skills, work environment & leadership style on employee performance at LG Electronics Indonesia PT-Head Office in South Jakarta. LG Electronics is a multinational company from South Korea. LG Electronics is the second largest South Korean company in the field of electronic devices and the third largest in the world in the field of manufacturing similar devices. With the existence of LG Electronics Indonesia PT. The Head Office in South Jakarta certainly needs to be developed to improve employee performance so as to assist the company in achieving the company's vision and mission. This research includes causal associative research using a quantitative approach. The sample in this study were 30 people in the study. The sample technique used is the incidental saturated technique so that a sample of 30 people is obtained. Data were collected by using a questionnaire that had been tested for validity and reliability. The data analysis technique used is multiple regression. The results of this study indicate that work skills, work environment and leadership style have a significant positive effect on employee performance at LG Electronics PT. Head Office in South Jakarta.

**Keywords:** Work Skills, Work Environment, Leadership Style and Employee Performance

#### INTRODUCTION

Providing a comfortable work environment will be able to provide satisfaction to employees for the work done and give a deep impression to employees which in the end employees will have good performance. Leadership style is a behavioral norm used by a person when that person tries to influence the behavior of others as he sees it (Thoha, 2013). Meanwhile, according to (Rivai, 2014) 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. A leadership style that shows, directly or indirectly, about a leader's belief in the abilities of his subordinates. This means that leadership style is behavior and

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strategy, as a result of a combination of philosophies, skills, traits, attitudes, which a leader often applies when he tries to influence the performance of his subordinates.

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Based on the results of the Pre-Survey data above, it can be seen that the facilities provided at LG Electronics PT-Head Office Indonesia in South Jakarta are in accordance with the work needs of employees, almost 95% answered positively and 5% answered negative. This shows that the work environment expected by employees at LG Electronics PT-Head Office Indonesia in South Jakarta is one that can provide facilities according to their work. So this can prove that the employee's work environment has an effect on employee performance. Based on the results of the Pre-Survey, it can be seen that as many as 65% answered yes and 35% answered no to the statement in number 2. This means that the leadership style expected by employees at LG Electronics PT-Head Office Indonesia in South Jakarta is a leader who can prioritize cooperation in efforts to achieve goals. So this can prove that leadership style has an effect on employee performance.

Given the importance of supporting factors for employee performance such as work skills, work environment and leadership style at LG Electronics PT-Head Office Indonesia in South Jakarta, then based on the background and phenomena described above the author takes the title "The Influence of Work Skills, Work Environment & Leadership Style on Employee Performance at LG Electronics PT-Head Office Indonesia in South Jakarta". This research is expected to provide benefits in building employee performance so that the vision and mission of LG Electronics Indonesia PT-Head Office in South Jakarta can be achieved.

Formulation of the problem:

- 1. Do work skills affect employee performance at LG Electronics Indonesia PT-Head Office?
- 2. Does the work environment affect employee performance at LG Electronics Indonesia PT-Head Office?
- 3. Does leadership style affect employee performance at LG Electronics Indonesia PT-Head Office?

# LITERATURE REVIEW

# **Job Skills Indicator**

Robbins in (Ibrahim, 2018) says skills are divided into categories, namely:

- a. Basic Literacy Skill (basic skills): Basic skills that everyone must have, such as reading, writing, arithmetic and listening.
- b. Technical Skills (technical skills): Technical skills gained through learning in engineering fields such as operating computers and other digital tools.

#### **Work Environment Indicators**

According to (Nitisemito, 2015), several things that can affect work enthusiasm and enthusiasm include the following:

# a. Coloring

The choice of color can affect the mood and morale of the employees. Coloring space should use colors that are cool and soft to the eye, for example, light brown, beige, light gray, light green, etc. In addition to the color that must be considered, the color composition in a room must also be considered because an inappropriate color composition can cause an unpleasant feeling when looking at it so that it will disturb employees. For example, when blue is aligned with purple, it will look gloomy.

Coloring is not only about coloring the walls of the workspace but also uniform colors, work equipment colors, and objects around the employee's workplace as well, therefore coloring is a very important element and has an indirect impact on employees.

#### b. cleanliness

For a normal person, the cleanliness of the room is one of the most important factors that can affect enthusiasm at work. Every institution and organization is expected to always maintain a clean work environment because in addition to affecting the health, it can also affect the mental condition of its employees. Cleanliness is not only the responsibility of the janitor but all employees in the institution, so that each institution is expected to enforce strict discipline regarding cleanliness.

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# **Leadership Style Indicators**

According to (Hasibuan, 2016) suggests 3 indicators of leadership style, namely:

- a. Authoritarian Leadership
  - Authoritarian leadership is absolute authority centered on the leader, decisions are always made by the leader and there is no opportunity for subordinates to provide advice.
- b. Delegative Leadership
  - Delegative leadership, namely the leader delegates more authority to subordinates, more decisions are made by subordinates and subordinates are free to express suggestions and opinions. Performance Indicators

Performance indicators according to (Robert and John, 2016), include the following.

- 1. The quantity of the result, i.e. the amount to be completed or achieved. This relates to the amount of output produced
- 2. The quality of the results, namely the quality that must be produced (good or bad), the qualitative measurement of the output reflects the measurement of the level of satisfaction, namely how well it is completed. This relates to the output form.

# **Relationship Between Variables**

H1: There is a positive and significant relationship between work skills and employee performance.

H2: There is a positive and significant relationship between the work environment and employee performance.

H3: There is a positive and significant relationship between leadership style and employee performance.

#### **Hypothesis Development**

H1: work skills have a significant effect on employee performance.

H2: work environment has a significant effect on employee performance.

H3: leadership style has a significant effect on employee performance.

#### RESEARCH METHODS

# **Descriptive Analysis**

Descriptive analysis is used to describe data statistics such as, minimum, maximum, mean, sum, std deviation, variance, range, and others. In addition, to measure the distribution of data with skewness and kurtosis (Priyatno, 2014).

Multiple Linear Regression Analysis. So multiple regression analysis will be carried out if the number of independent variables is at least 2 (Sugiyono 2017: 275).

# **Multiple Correlation Analysis**

Multiple correlation analysis is an analysis used to determine how strong the relationship between the variables of Work Skills (X1), Work Environment (X2), Leadership Style (X3), and Employee Performance (Y). The specified formula is as follows:

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#### **Coefficient of Determination**

Analysis of determination is used to explain how much influence the independent variable (X) has on the dependent variable (Y) which is the result of the square of the correlation coefficient. According to Sugiyono (2015:98).

# **Hypothesis testing**

T Uji test

The T-test tests the regression coefficients partially, this test is carried out to determine the significance of the partial role of the independent variables on the dependent variable by assuming that other independent variables are considered constant. According to Sugiyono (2017: 250), using the formula:

$$t = = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

F Uji test

The F test is a simultaneous test of the regression coefficients. This test was conducted to determine all the effects of the independent variables contained in the model simultaneously (simultaneously) on the dependent variable. The F test in this study was used to test the significance of the effect of service quality and product quality on customer loyalty simultaneously and partially. According to Sugiyono (2015: 257) it is formulated as follows:

$$\mathbf{F} = \frac{R^2/k}{(1-R^2)/(n-k-1)}$$

# FINDINGS AND DISCUSSION

#### 1. Variable Description

a. Job Skill Variables

**Table 1. Job Skills Descriptive Statistics Test Results** 

Sistem Pernyataan	STS	TS	KS	S	SS	Indeks rata- rata
X1.1	0	0	1	7	22	4,70
X1.2	0	0	3	7	20	4,57
X1.3	0	0	3	7	20	4,57
X1.4	0	0	1	6	23	4,73
X1.5	0	0	0	7	23	4,77
X1.6	0	0	1	4	25	4,80
X1.7	0	0	2	5	23	4,70
X1.8	0	0		7	23	4,77

Source: Data processed with spss version 25

Table 1 above shows the characteristics of Job Skills. From the results of data processing, it can be seen that the respondents' answers to the indicators contained in the Job Skills. The 'Strongly Agree' response was dominant for each question given. Of the 8 indicators above, XI.6 (4.80) has the highest average index with the question item "able to express opinions and respect the opinions of others". Meanwhile, the smallest average index is X1.2 and X1.3 (4.57) with the question items "Basic skills that I have can help me in my work" and "Have the skills to operate computers and digital tools".

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#### b. Work Environment Variables

Table 2. Work Environment Descriptive Statistics Test Results

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Sistem	STS	TS	KS	S	SS	Indeks rata-
Pernyataan	515	13	K	В	33	rata
X2.1	0	0	3	7	20	4,57
X2.2	0	0	3	7	20	4,57
X2.3	0	0	1	6	23	4,73
X2.6	0	0	3	7	20	4,57
X2.7	0	0	3	7	20	4,57
X2.8	0	0	1	6	23	4,73
X2.11	0	0	2	8	20	4,60
X2.13	0	0	1	9	20	4,63
X2.14	0	0	2	10	18	4,53
X2.15	0	0	1	9	20	4,63
X2.16	0	0	1	11	18	4,57

Source: Data processed with spss version 25

Table 2 above shows the characteristics of the Work Environment. From the results of data processing, it can be seen the respondents' answers to the indicators in the Work Environment. The 'Strongly Agree' response was dominant for each question given. Of the 11 indicators above, X2.3 and X2.8 (4.73) have the highest average index with the question items "The color of objects in the workspace is very supportive in working" and "Lighting using sufficient sunlight makes productivity high. high at work. Meanwhile, the smallest average index is X2.14 (4.53) with the question item "I have good communication and coordination in every activity with fellow coworkers".

# 2. Leadership Style Variables

From the results of data processing, it can be seen the respondents' answers to the indicators in the Leadership Style. The 'Strongly Agree' response was dominant for each question given. Of the 8 indicators above, X3.2 (4.77) has the highest average index with the question item "The superior's decision cannot be contested". Meanwhile, the smallest average index is X1.2 and X3.6 (4.43) with the question item "Opportunity is wide open to subordinates in conveying suggestions and opinions to superiors".

# 3. Leadership Style Variables

From the results of data processing, it can be seen the respondents' answers to the indicators in the Leadership Style. The 'Strongly Agree' response was dominant for each question given. Of the 10 indicators above Y4, Y6 and Y10 (4.63) have the highest average index with the question items "I evaluate the work results after the work is completed", "I make a schedule for the achievement of my work completion" and "Able to cooperate in every activity. profession". Meanwhile, the smallest average index is Y3 "The boss is able to accept the suggestions given by the subordinates".

Data analysis

Table 3. Validity Test Summary of Instrument Validity of Work Skills Variables

C4a4amaam4		Job skills	
Statement	R count	r table	Description
1	0.871	0,361	Valid
2	0.823	0,361	Valid
3	0.823	0,361	Valid
4	0.840	0,361	Valid

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5	0.491	0,361	Valid
6	0.454	0,361	Valid
7	0.875	0,361	Valid
8	0.491	0,361	Valid

Source: Processed Data, 2021

From the table above, it can be seen that some of the questionnaire values (r\_hitung) have a greater value than (r\_table). It can be concluded that the 8 statement items contain 8 valid statements because r\_count>r\_table for n = 30, which is 0.361. The item that has the highest validity is 0.875 and the lowest is 0.454.

Tabel 4. Summary of Work Environment Variable Instrument Validity
(X2)

	(21)	-)			
Statement	Work environment				
Statement	r count	r table	description		
1	0.764	0,361	Valid		
2	0.764	0,361	Valid		
3	0.724	0,361	Valid		
6	0.764	0,361	Valid		
7	0.764	0,361	Valid		
8	0.724	0,361	Valid		
11	0.520	0,361	Valid		
13	0.497	0,361	Valid		
14	0.632	0,361	Valid		
15	0.497	0,361	Valid		
16	0.652	0,361	Valid		

Source: Processed Data, 2021

From the table above, it can be seen that the values of the 16 questionnaire questions (r\_hitung) all have a value greater than (r\_table). It can be concluded that there are 16 statement items and there are 11 valid questions because r\_count>r\_table for n=30 is 0.361. The item that has the highest validity is 0.764 and the lowest is 0.065.

From the table above, it can be seen that the values of the 6 questionnaires (r\_hitung) all have a value greater than (r\_table). It can be concluded that the 6 statement items are valid because r\_hitung>r\_table for n=30 is 0.361. The item that has the highest validity is 0.907 and the lowest is 0.405

Table 5. Summary of Instrument Validity Employee Performance Variable (Y)

Statament	Employee performance				
Statement -	r count	r table	description		
1	0.541	0,361	Valid		
2	0.668	0,361	Valid		
3	0.448	0,361	Valid		
4	0.804	0,361	Valid		
5	0.738	0,361	Valid		
6	0.804	0,361	Valid		
7	0.806	0,361	Valid		
8	0.412	0,361	Valid		
9	0.779	0,361	Valid		
10	0.804	0,361	Valid		

Source: Processed Data, 2021

From the table above, it can be seen that from the value of the 10 questionnaires (r\_hitung) 10 statements have a greater value than (r\_table). It can be concluded that the 10 statement items only have 10 valid statements because r\_hitung>r\_table for n= 30 is 0.361. The item that has the highest validity is 0.806 and the lowest is 0.412.

# **Multiple Linear Regression Analysis Results**

# Coefficientsa

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	16,711	7,568		2,208	,036
	Keterampilan Kerja	,672	,231	,574	2,910	,007
	Lingkungan Kerja	,862	,150	1,090	5,737	,000
	Gaya Kepemimpinan	,382	,178	,261	2,143	,042

a. Dependent Variable: Kinerja Karyawan

The "Coefficients" table provides information about the regression equation and whether or not there is a partial effect of the Work Skills, Work Environment and Leadership Style variables on employee performance variables. The regression equation formula in this analysis or research is as follows:

Y = a+b1x1+b2x2+b3x3

Y = 16.711 + 0.672 + 0.862 + 0.382

# **Multiple Correlation Analysis Results**

#### Correlations

		Keterampilan Kerja	Lingkungan Kerja	Gaya Kepemimpin an	Kinerja Karyawan
Keterampilan Kerja	Pearson Correlation	1	,786 <sup>**</sup>	-,270	,391
	Sig. (2-tailed)		,000	,149	,007
	N	30	30	30	30
Lingkungan Kerja	Pearson Correlation	,786**	1	,047	,651**
	Sig. (2-tailed)	,000		,806	,000
	N	30	30	30	30
Gaya Kepemimpinan	Pearson Correlation	-,270	,047	1	,467**
	Sig. (2-tailed)	,149	,806		,009
	N	30	30	30	30
Kinerja Karyawan	Pearson Correlation	,391	,651**	,467**	1
	Sig. (2-tailed)	,007	,000	,009	
	N	30	30	30	30

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Based on the output table above, the researcher will draw conclusions by referring to the 3 basis for decision making in the Pearson bivariate correlation analysis above. Coefficient of Determination

# Coefficient of Determination Results Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	,843ª	,710	,677	2,089	

a. Predictors: (Constant), Gaya Kepemimpinan, Lingkungan Kerja, Keterampilan Kerja

Based on the SPSS "Model Summary" output table above, it is known that the coefficient of determination or R Square is 0.710. The magnitude of the coefficient of determination (R Square) is 0.710 or equal to 71.0%. This figure means that the Job Skills variable (X1), Work Environment variable (X2) and Leadership Style (X3) affect the Employee Performance variable (Y) by 71.0% while the rest (100% - 71.0% = 29.0%) is influenced by the variable other than this regression equation or variables that are not examined.

# Hypothesis Testing t test results

#### Coefficients<sup>a</sup>

		Unstandardize	d Coefficients	Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	16,711	7,568		2,208	,036
	Keterampilan Kerja	,672	,231	,574	2,910	,007
	Lingkungan Kerja	,862	,150	1,090	5,737	,000
	Gaya Kepemimpinan	,382	,178	,261	2,143	,042

a. Dependent Variable: Kinerja Karyawan

#### F test result

#### **ANOVA**<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	277,755	3	92,585	21,219	,000ь
	Residual	113,445	26	4,363		
	Total	391,200	29			

a. Dependent Variable: Kinerja Karyawan

#### CONCLUSIONS AND RECOMMENDATIONS

#### Conclusion

- 1. Job Skills have a positive relationship and have a significant effect on employee performance. Then the Job Skills at LG Electronics PT. The Head Office will have the opportunity to achieve the company's goals. This means that work skills are an important factor in influencing employee performance at LG Electronics PT. Head Office.
- 2. Work environment has a positive relationship and has a significant effect on employee performance. Then the Work Environment at LG Electronics PT. The Head Office will have the opportunity to achieve the company's goals. This means that the work environment is an important factor in influencing employee performance at LG Electronics PT. Head Office.
- 3. Leadership style has a positive relationship and has a significant effect on employee performance. Then the Leadership Style at LG Electronics PT. The Head Office will have the opportunity to achieve the company's goals. This means that Leadership Style is an important factor in influencing Employee Performance at LG Electronics PT. Head Office.

#### Recommendations

- 1. Practical Advice
  - a. The Job Skills variable for the lowest average index is X1.2 and X1.3 with the

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b. Predictors: (Constant), Gaya Kepemimpinan, Lingkungan Kerja, Keterampilan Kerja

statement items "Basic skills that I have can help me at work" and "Have skills to operate computers and digital tools" which means that employees need job training to hone their skills. Therefore, the suggestion that can be followed up by practitioners is to conduct training to improve the ability of employees so that LG Electronics PT. Head Office in South Jakarta can achieve the company's vision and mission.

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- b. The Work Environment variable for the lowest average index is X2.14 with the statement item "I have good communication and coordination in every activity with fellow coworkers" which means that there are still some employees who do not have good communication and coordination in every activity. with coworkers. So that it can hinder the process of completing the work. Therefore, the advice that can be followed up by practitioners is the importance of motivating employees to raise enthusiasm and build self-confidence.
- c. The Leadership Style variable for the lowest average index is Y3 with the statement item "The boss is able to accept suggestions given by subordinates" which means that subordinates do not get the opportunity to give opinions. Therefore, the advice that can be followed up by practitioners is that superiors should pay more attention to their subordinates and provide opportunities to express opinions so that subordinates feel comfortable at work.

# 2. Suggestions for further research

For further researchers, this research can be used as additional information, knowledge, and can also be used as a reference for further research. For further research, it is recommended to add variables. Not only work skills, work environment and leadership style to measure employee performance. However, several other variables such as workload, income, and others with more relevant indicators and a larger number of samples can explain and explain these other variables that can affect the relationship to customer loyalty.

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