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THE ROLE OF LEADERSHIP, COMPENSATION, AND TRAINING IN ORDER TO ENHANCE THE EMPLOYEE PERFORMANCE AT PT. ADHIMIX RMC INDONESIA

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Abstract: This research aims to revealed and look over the impact which caused by the training, compensation and leadership style towards the employee performance at PT. Adhimix RMC Indonesia. This research were in type of causality research with a quantitative research methods. The data collection technique in this research was an explanatory survey method with the population was 1328 people with filtered sample to 100 respondents (Slovin, 10% error tolerance). The data analysis method used was multiple linear regression analysis in way to examine the research hypothesis. The results showed that training, compensation, and leadership style had an influence both partially and simultaneously towards the employees performance at PT. Adhimix RMC Indonesia.

Keywords: *Leadership Style, Compensation, Training, Employee Performance.*

INTRODUCTION

Human resource management is a key point that need to be considered with all its needs because it would becomes the center of attention and support for an organization or company to survive in recent era of globalization along with the massive fierce levels of competition. Considering this importance role of the human resources in these global era, so one of the efforts that companies need to do in order to survive is by improving the quality of human resources. In the business world today, those competition would be more often, both in the trade sector and in the service sector. Over the time, many concrete industries have recently emerged, both private and state-owned companies. To prevent these conditions, PT. Adhimix RMC Indonesia is required to be able to maintain its existence and survived.

One aspect from the business management which needs to be considered in order to defend itself from the the existing competitive aspect is the capability of human resources which are creative, innovative, strong, responsive to situations and conditions, as well as high responsibility when carrying out their tasks. All of that plays an important role in the progress

and decline of a company. However, through interviews with HR managers and several observations to employees of PT. Adhimix RMC Indonesia (Wednesday, May 15 2019) it stated that the percentage decrease in the standard of employees who performed well at PT. Adhimix RMC Indonesia was 9.2%. In 2016 it was 67.6% fell into 58.4%, then in 2017 there was a decrease of 11.8% from 2016 started 58.4% to 46.6% those results are related to in not achieving the company's target goals and lack of trust in customers to make contracts with PT. Adhimix RMC Indonesia.

To reveal what affects in decline on the employee performance, the researchers tried to conduct a pre-research by surveying / distributing questionnaires to 30 employees at PT. Adhimix RMC Indonesia. The questionnaire contained 8 reasons / things which causing the decrease in someone's performance. Based on the pre-survey results, it was found that the main factors which are thought plays an important role in the declining of employee performance are leadership style, compensation, and training. These three factors were the most widely answered, namely leadership style by 20%, training by 19% and compensation by 18%.

According to the problem background and results from the pre-research data which resulted on 3 (three) factors that have a huge influence towards the employee performance in the company environment, then the researchers were interested to explore this issues by doing a research with tittle of "The Role of Leadership, Compensation and Training In order to Enhance The Employee Performance at PT. Adhimix RMC Indonesia."

Aims of this research namely to 1) Revealing those influence from training towards the employees performance at PT. Adhimix RMC Indonesia; 2) Revealing those influence from compensation towards the employees performance at PT. Adhimix RMC Indonesia; 3) Revealing the influence from leadership style on the employees performance at PT. Adhimix RMC Indonesia; and 4) Revealing the simultaneous affects which occurred between leadership style, training and compensation towards the employee performance at PT. Adhimix RMC Indonesia.

LITERATURE REVIEW

Training

According to Aguinis & Kraiger in Subari & Raidy (2015:136) training could be defined as a systematic method which has an impact in increasing the knowledge, skills and attitudes in order to raise the effectiveness of individuals, teams and organizations. Meanwhile, Bernardin & Russel in Kunartinah, et al (2010:77) stated that training is any attempt to improve the employee performance in a particular job which respectively their responsibility or a field which related to their job. Bangun (2012:231) described that training as a process in improving the employee work skills and also an effort to close the gap between the skills or abilities that employee has against the demands of their position at the same time which expected to be more effective and efficiency in order to achieving the work goals that have been set up. Furthermore, Bangun (2012:231) divides the training into 4 dimensions, namely job readiness, training materials, training instructors and training implementation.

Compensation

According to Hasibuan (2014:118) compensation could be defined as all income which could be in the form of goods that directly or indirectly received by employees as compensation for services which provided to the company. Meanwhile, Mondy & Martocchio (2016:247) stated that compensation as the total of all rewards given by the company to employees in return for their services which have been given to the company. Dessler (2010:346) urges that compensation were includes all in forms of wages that paid to the employees who excel their jobs. Mangkunegara (2017:71) said that there are two dimensions which could be measure the compensation, namely direct compensation and indirect compensation.

Leadership Style

Robbins (2015) in Irnawati & Prasetyo (2020) says that leadership is the ability to influence groups towards achieving goals. While Yukl (2010:8) defines leadership as a process to influence others, to understand and agree with what needs to be done and how the task is done effectively, as well as a process to facilitate individual and collective efforts to achieve common goals. The use of inappropriate leadership styles can disrupt the achievement of organizational goals and lead to frustration, hatred, anxiety, and dissatisfaction from employees (Sutrisno, 2014:234). White & Lipit (1960) in Hasibuan (2017:171) which divides leadership styles into 3 types, namely automatic leadership, delegative leadership and participatory leadership.

Employee Performance

Performance is the result of work which has a strong correlation to the organization strategic goals, customer satisfaction and contributes (Armstrong & Baron in Wibowo,2016: 7). Sedarmayanti (2017: 54) in Alfiyah & Riyanto (2019) revealed that those increasing in employee performance could be measured from the increased in achievement of organizational goals which could be sealed by predetermined organizational goals. Meanwhile, Hasibuan (2017:34) stated that the performance is an result of work achieved by person in carrying out the tasks which assigned to him based on skill, experience, sooth and time. Mangunegara (2017: 306) divides the employee performance into 5 dimensions, namely quality, quantity, responsibility, cooperation and initiative.

Previous Research

Research by Suwuh (2015) and Tumilaar (2015) found that leadership style has a positive and significant affect on employee performance. Ataunur & Ariyanto (2015), and Alfiyah & Riyanto (2019) found that compensation has a significant affect on employee performance. Alfiyah & Riyanto (2019) and Mardiyah & Purba (2019) who found that training has a significant affect in improving the employee performance.

Conceptual Framework

According to the background of the problem, theoretical research and the results from previous research, conceptual framework could be compiled as follows:

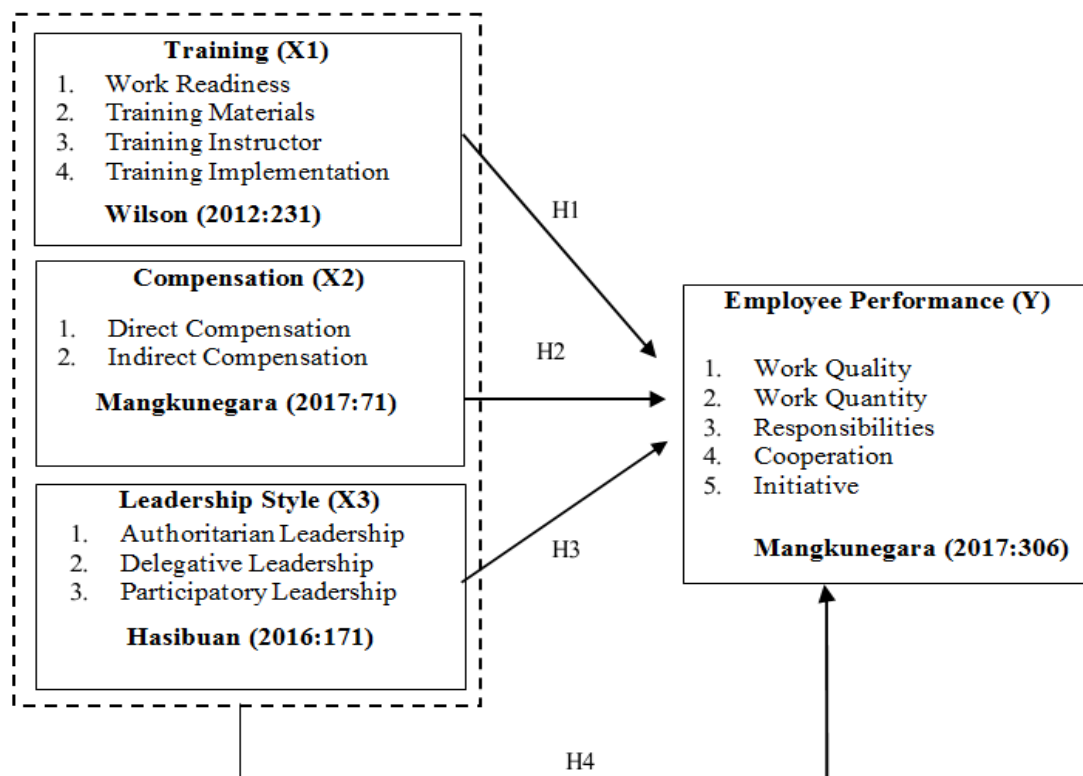


Figure 1. Conceptual Framework

Hypothesis

According to the description from the framework above, the hypothesis from this research could be defined as follows:

H1= Training has an impact towards the employee performance.

H2= Compensation has an impact towards the employee performance.

H3= Leadership style has an impact towards the employee performance.

H4= Training, compensation, and leadership style simultaneously impact the employee performance.

RESEARCH METHODS

This research was include in a type of causality research with quantitative research method. The data collection technique that used in this research was an explanatory survey method which took samples to be studied through a questionnaire as the main data collection tool. This research is an quantitative research that using statistics as the main analysis tool. The independent variables in this research are training, compensation, and leadership style, while the dependent variable is employee performance. The target population in this research were employees of PT. Adhimix RMC Indonesia as many as 1328 people. The sample in this research was saturated until amounted of 100 respondents (Slovin, 10% error tolerance). The sampling technique used was purposive sampling which is done by distributed questionnaire among respondents in each part of PT. Adhimix RMC Indonesia. The data collection methods used in this research was questionnaires, interviews and also observations. While the data analysis method used multiple linear regression analysis through instrument tests, classical assumption tests and hypothesis tests.

FINDINGS AND DISCUSSIONS

Characteristics of the Respondent

In Elicite from the results of this research, the characteristics of the respondents in this research were mostly male (93%) aged between 25-35 years (49%) had high school education background (82%) and had permanent employee status (58%). This illustrated that the major of employees at PT Adhimix RMC Indonesia are men in productive age who already had experience in their fields, but still need competences which are in accordance with their respective fields to support an improvement in their performance.

Descriptive Statistical Analysis

Based on the results from the descriptive analysis in this research it was discovered that the sample perceptions of the variables of training, compensation, leadership style and employee performance had mean value of 3.45, 3.55, 3.42 and 3.71. This could described that the indicators and those research variables have a good categories within the scope of the sample.

Validity and Reliability Test

According to the results from the validity test, the indicators on the training variable have an r-count value between 0.509-0.652, the indicators on the compensation variable have an r-value between 0.695-0.759, the indicators on the leadership style variable have an r-value between 0.653-0.764 and the indicators on the employee performance variables have an r-count values between 0.280-0.604. Since all values of r-count > r-table (0.196), so it could be concluded that all research indicators were declared valid.

Table 2. Validity Test Results

Variable	Indicator	r-count	Information
Training	X1.1-X1.14	0.509-0.652	Valid
Compensation	X2.1-X2.6	0.695-0.759	Valid
Leadership Style	X3.1-X3.9	0.653-0.764	Valid
Employee Performance	Y.1-Y.14	0.280-0.604	Valid

The reliability test results from the research variables showed that all variables had a Cronbach's alpha value which greater than 0.6, so they declared as reliable.

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Information
Training	0.741	Reliable
Compensation	0.783	Reliable
Leadership Style	0.772	Reliable
Employee Performance	0.701	Reliable

Classic Assumption Test

The Kolmogorov-Smirnov normality test results, the Sig.from the four variables above is more than the value of $\alpha = 0.05$ and the KScount value < the KStable value ($1.35 / \sqrt{100} =$

1.35). Thus the Kolomogorov-Smirnov test results from the four variables above have met the normality requirements

Table 3. Normality Test Results

		One-Sample Kolmogorov-Smirnov Test			
		Training	Compensation	Leadership Style	Employee Performance
N		100	100	100	100
Normal Parameters ^{a,b}	Mean	3.434	3.538	3.418	3.705
	Std. Deviation	0.454	0.624	0.613	0.293
Test Statistic		0.088	0.084	0.089	0.041
Asymp. Sig. (2-tailed)		.055 ^c	.078 ^c	.050 ^c	.200 ^{c,d}

The multicollinearity test result shows that all tolerance values were greater than 0.10 and the VIF value were smaller than 10, so it could be explained that there is no multicollinearity occurred in each of independent variables.

Table 4. Multicollinearity Test Results

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Training	0.708	1.413
Compensation	0.681	1.468
Leadership Style	0.708	1.412

a. Dependent Variable: Employee Performance

The results from the heteroscedasticity test shows that there was no clear pattern such as the dots widen above and below the number 0 on the Y axis, in fact the dots spread randomly and did not form a certain pattern, so it could be interpreted that these data was homogeneous or did not occurred any heteroscedasticity symptoms.

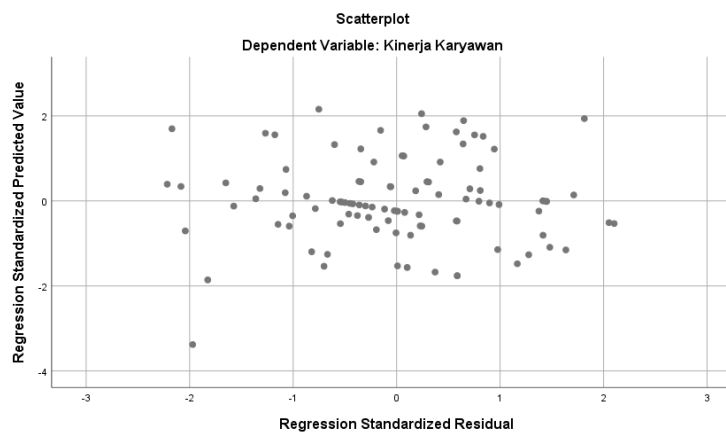


Figure 2. Heteroscedasticity Test Results

Multiple Linear Regression Analysis

According to the multiple linear regression test results through significance level of 5%, the regression equation that obtained could be like: $Y = 1.590 + 0.240 X_1 + 0.188 X_2 + 0.183 X_3 + e$.

- 1) The training variable had a significance value ($0.000 < 0.05$) with the t-count which is 8.351. Thus hypothesis test could be accepted.
- 2) The compensation variable had a significance value ($0.000 < 0.05$) with the t-count which is 8.825. Thus hypothesis test could be accepted.
- 3) The leadership style variable had a significance value ($0.000 < 0.05$) with the t-count which is 8.583. Thus hypothesis test could be accepted.

Table 5. Multiple Linear Regression Analysis Results

Coefficients ^a					
Model	Unstandardized Coefficients		t	Sig.	Keterangan
	B	Std. Error			
1 (Constant)	1.590	0.090	17.724	0.000	
Training	0.240	0.029	8.351	0.000	Significant & Positive
Compensation	0.188	0.021	8.825	0.000	Significant & Positive
Leadership Style	0.183	0.021	8.583	0.000	Significant & Positive

a. Dependent Variable: Employee Performance

According to the F test results, it was explained that the F-count value was $204.792 > F$ -table 2.70 through significant value was $0.000 < \alpha = 0.05$, so it could be said that training, compensation and also leadership style simultaneously impact the employee performance. And The value of simultaneous impact was 86.1% (R-Square = 0.861).

Table 6. F-Test Results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	7.332	3	2.444	204.792	.000 ^b
Residual	1.146	96	0.012		
Total	8.477	99			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Leadership Style, Training, Compensation

Table 7. The Determination Coefficient Test Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.930 ^a	0.865	0.861	0.109

a. Predictors: (Constant), Leadership Style, Training, Compensation

b. Dependent Variable: Employee Performance

Inter-Dimensional Correlation

Elicited from the inter-dimensional correlation test results, it was explained that the strong inter-dimensional correlations could be written as follows:

- 1) The affect from training on employee performance, the estimation results obtained that data with the strongest correlation found in the correlation between dimensions of training implementation and work quantity with $r = 0.701$.
- 2) The affect from compensation on employee performance, the estimation results obtained that data with the strongest correlation found in the correlation between the dimensions of direct compensation and responsibility with $r = 0.481$.
- 3) The affect from leadership style on employee performance, the estimation results obtained that data with the strongest correlation found in the correlation between the dimensions of participatory leadership style and cooperation with $r = 0.485$.

Table 8. Inter-Dimensional Correlation Test Results

Variable	Dimension	Correlations				
		Employee Performance (Y)				
		4.1 Work Quality	4.2 Work Quantity	4.3 Responsibilities	4.4 Cooperation	4.5 Initiative
Training (X1)	X1.1 Work Readiness	0,391	0,320	0,400	0,242	0,342
	X1.2 Training Materials	0,169	0,446	0,228	0,435	0,484
	X1.3 Training Instructor	0,480	0,230	0,393	0,158	0,283
	X1.4 Training Implementation	0,701	0,217	0,542	0,142	0,297
Compensation (X2)	X2.1 Direct Compensation	0,462	0,292	0,481	0,384	0,423
	X2.2 Indirect Compensation	0,454	0,356	0,480	0,468	0,444
Leadership Style (X3)	X3.1 Authoritarian Leadership	0,365	0,430	0,452	0,316	0,440
	X3.2 Delegative Leadership	0,391	0,380	0,400	0,405	0,350
	X3.3 Participatory Leadership	0,429	0,462	0,410	0,485	0,400

Discussion

The results from the hypothesis shows that H1 was accepted and it was concluded that training has a positive and significant impact on employee performance, which means that the better the training which provided to employees, the better the results of employee performance. These results were in line with the research from Suwuh (2015) and Tumilar (2015). It is explains that the training provided to employees will increase the knowledge, abilities and skills of employees in accomplish the tasks and jobs which assigned to them. Actually the training process itself would teaches about skills and provides knowledge whereas employees could improve and carry out their duties accordingly and it would transform the better attitudes at work. The better the training materials and instructors which deliver in training, the better the skills and knowledge that employees gained from it in carrying out their duties properly. The correlation between dimensions shows that the dimensions of training implementation have the strongest affect in improving the quality of work, Thus the quality of work which is part of employee performance will increase if the training implementation could be improved by the management of PT Adhimix RMC Indonesia.

The hypothesis result shows that H2 was accepted and it was concluded that compensation had a positive and significant impact towards employee performance, which means that the better the compensation that offered to employees it would surely increase the employee performance. These results were in line with research by Ataunur & Ariyanto

(2015), and Alfiyah & Riyanto (2019). This illustrated that if the compensation given to employees is not according to what they expected then the employee will look for other companies which have better welfare than those previous one. If the wages given by the company are deemed in according to the sacrifices made, then the workforce will work actively. The existence of a decent wage provides an increase in work productivity (performance). From the results of the correlation between dimensions, it shows that the direct compensation dimension has the strongest correlation in the compensation variable in increasing the responsibility, thus the responsibility is part of employee performance. In other word that the employee performance would be increase If the direct compensation which in form of wages, salaries and bonuses for employees is in accordance with the responsibilities and the employees work at PT Adhimix RMC Indonesia.

The hypothesis result shows that H3 was accepted and it is concluded that Leadership style had a positive and significant impact towards employee performance, which means that the better the leadership style given to employees then it would increase the employee performance. These results were in line with research by Alfiyah & Riyanto (2019), and Mardiyah & Purba (2019). This illustrated that a good leadership style would have a positive impact on employees. The quality of a leader is not determined by the size or the numbered of achievement they have but then it is determined by a pattern of behavior which designed in such a way in affecting their subordinates in order to maximize the performance of their subordinates so the organization performance and organization goals could be maximized. According to the inter-dimensional correlation results, it shows that the participatory leadership dimension has the strongest correlation to the compensation variable in order to enhancement the cooperation, thus the cooperation is also part of employee performance means it would increase the performance if the participatory leadership style could be demonstrated by the leader in such as decisions made mutually both superiors and subordinates and leaders could provide spaces for suggestions or opinions from their subordinates to brought a good cooperation between superiors and subordinates therefore the employees performance at PT Adhimix RMC Indonesia will increase.

The hypothesis test result shows that H4 was accepted and it is concluded that Training, Compensation, and Leadership Style simultaneously had a significant impact towards Employee Performance, which means that the better the Training, Compensation and Leadership Style which offered to employees, the better the employee performance would be. The leadership style which adopted by a leader in a company holds the main key in achieving a conducive work environment. In order to encourage the employee motivation, the leader would plays an important role in increasing the employee productivity and performance, therefore the main goals that company desired to achieve could be realized. The Effective leadership is a leader who could adjust their leadership style according to the maturity level of the employee, Propose types of training and employee development as well as good escort in the training process by a leader will improve the quality of work related to the work environment. Through the maturity level of the employee, it would Increase the employees performance then the company will provide a reward for employees as compensation that they will received in return. Thus, the role of the leadership style, training and compensation

which given to employees of PT. Adhimix RMC Indonesia get positive feedback in improving the employee performance.

CONCLUSION AND SUGGESTION

Conclusion

According to the research results and the discussion which mentioned above, several conclusions could be made up, such as:

- 1) Leadership style, training, and compensation as whole had a significant and simultaneously impact towards the employee performance at PT. Adhimix RMC Indonesia.
- 2) Leadership style had a significant positive impact on employee performance, with the participatory leadership dimension who has the strongest influence over the cooperation dimension.
- 3) Training had a significant positive impact on employee performance, with the training implementation dimension who has the strongest influence over the quality of performance dimension.
- 4) The quality of compensation had a positive and significant impact on employee performance, with the direct compensation dimension who has the strongest influence over the responsibility dimension.

Suggestions

According to the results from the discussion analysis and some of the conclusions which mentioned above, the suggestions that could be recommended in order to accomplished the results of this research and it could be conveyed as follows:

- 1) Organize daily routine training in accordance with training purposes and time also adequate training facilities to support the upgrading skills and abilities of employees in an effort to achieve company goals.
- 2) The preference of training materials and instructors should based on main purpose that needs to be achieved in improving the abilities, expertise and skills of the employees in accordance with their respective duties and jobs.
- 3) Companies should be more attentive in improving their leadership style after revealing which training that they feel supportive of. Great focus on retaining cooperation between superiors and subordinates, particularly on participatory leadership styles. The leaders need to maintain and provide opportunities for subordinates to express their opinions or suggestions and also decisions which could be made mutually between leaders and subordinates.
- 4) Compensation which includes wages, salaries, bonuses and employee benefits such as health services and pension money as a consideration to the impact in order to achieve company goals.
- 5) The authors wish for further research that they could re-investigate into other variables which have an impact towards employee performance. The high influence from training

on employee performance which was found in this research opens the possibility of the influences from other variables, such as career development and competence.

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