# Analysis of the Effect of Leadership, Motivation and Compensation on Employee Performance (Case Study at BPRS Bumi Artha Sampang)

Factors of Employee Performance

# 835

# Muhammad Arief Setyanugraha

Department of Sharia Economics, Faculty of Economics and Islamic Business, Universitas Islam Negeri Prof. KH. Saifuddin Zuhri, Banyumas, Indonesia E-Mail: ariefsetyanugraha.asn@gmail.com

## Ahmad Dahlan

Department of Sharia Economics, Faculty of Economics and Islamic Business, Universitas Islam Negeri Prof. KH. Saifuddin Zuhri, Banyumas, Indonesia E-Mail: dahlanrosyid73@gmail.com

Submitted: 12 JUNE 2023

Accepted: 21 NOVEMBER 2023

#### **ABSTRACT**

The purpose of this research is to find out that an organization or company is able to influence leadership style, work motivation and compensation on employee development at Sharia Rural Bank (BPRS) Bumi Arta Sampang so that it can provide changes about progress and opportunities for each employee to advance to a higher and more level. well so as to achieve a success. This research uses quantitative research methods. The sample used is all employees at BPRS Bumi Arta Sampang. Based on the results of this thesis research, it is necessary to remember the importance of the influence of work motivation leadership style and compensation on employee development in the work process at BPRS Bumi Arta Sampang. From the achievements obtained at BPRS Bumi Arta Sampang, there are ups and downs in the average achievement of marketing officers including savings, credit and deposits so that the company is unable to reach the target in 2020.

Keywords: Leadership, Work motivation, Compensation, Employee performance

#### **ABSTRAK**

Penelitian ini bertujuan untuk menilai pengaruh kepemimpinan, motivasi kerja, dan kompensasi terhadap kinerja karyawan di Bank Perkreditan Rakyat Syariah (BPRS) Bumi Arta Sampang, dengan harapan menciptakan kemajuan dan peluang bagi karyawan untuk mencapai tingkat keberhasilan yang lebih tinggi. Metode penelitian yang digunakan adalah kuantitatif, dengan seluruh karyawan di BPRS Bumi Arta Sampang sebagai sampel. Hasil penelitian menunjukkan pentingnya pengaruh kepemimpinan, motivasi kerja, dan kompensasi terhadap kinerja karyawan. Pencapaian rata-rata petugas pemasaran, termasuk tabungan, kredit, dan deposito, memiliki fluktuasi yang memengaruhi ketidakmampuan perusahaan mencapai target pada tahun 2020.

Kata kunci: Kepemimpinan, Motivasi kerja, Kompensasi, Kinerja karyawan

#### INTRODUCTION

A bank is a financial institution that plays an important role in a country's economy. The development of a better banking industry will affect the country's economic growth. Banks are financial institutions that carry out three main functions, namely collecting community funds, channeling funds to the community and providing services to the community. The development of sharia banking must also be supported by adequate human resources, both in terms of quality and quantity, namely producing human

#### **JIMKES**

Jurnal Ilmiah Manajemen Kesatuan Vol. 11 No. 3, 2023 pp. 835-848 STIE Kesatuan ISSN 2337 - 7860 resources capable of practicing sharia economics in all of this because a good system cannot possibly run if it is not supported by good human resources as well.

Management in performing its duties has several main functions, namely the planning function, the control function, the organizing function. In the organizing function, leaders must influence employees to work properly and correctly. Leaders must be able to provide insight, arouse, pride and foster respect and trust from their employees. Effective leaders are leaders who recognize the important strengths contained in individuals. (Aziz, 2012). The success of organizational management is largely determined by the utilization of Human Resources (HR). So, it is very important to realize the existence of techniques to be able to maintain employee achievement and job satisfaction. There are 7 elements that can be analyzed as a form of HR investment as mentioned by Stahl et al. (2007) as follows: recruitment and selection, succession planning, training and development, performance management, compensation, retention, employer branding.

In an organization or company, leadership is one of the important factors. According to DuBrin (2013), leadership is an effort to influence many people through communication to achieve goals, how to influence people with instructions or orders, actions that cause others to act or respond and cause positive changes, an important dynamic force that motivates and coordinates the organization in achieving goals, the ability to create confidence and support among subordinates so that organizational goals can be achieved. Leadership is an important factor in providing direction to employees especially at this time where everything is open, the leadership needed is leadership that can empower its employees. Leadership that can foster the confidence of employees in carrying out their respective duties.

In the context of the company, the way to improve job performance, motivation and job satisfaction is by providing compensation. Compensation and benefits are one of the main drivers of employee *engagement* in the company. Compensation is important for employees as individuals, because the amount of compensation reflects a measure of the value of their work among the employees themselves, their families, and society. Then, the compensation program is also important for the organization, because it can reflect the organization's efforts to maintain its human resources or in other words, so that employees have high loyalty and commitment to the organization. This compensation is intended to be everything that is received by employees as a reward for their work. In an organization, the issue of compensation is a very complex thing, but something that is important for employees and the organization itself. Providing compensation to employees must have a logical and rational basis (Ashraf, 2020; Martela, 2019).

If employees clearly understand what is expected of them and get the support needed to contribute to the organization efficiently and productively, their understanding of goals, motivation and self-esteem will increase. To improve the performance of BPRS Bumi Artha Sampang employees or at least maintain the performance that has been achieved at this time so that there is no drastic decline. Performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities in order to achieve organizational goals. So, performance is important for a company or organization. The success of an organization is greatly influenced by the performance of its individual employees. Every organization or company will always try to improve employee performance, in the hope that the company's goals will be achieved. One of the ways taken by companies in improving the performance of their employees, for example through education, training, providing appropriate compensation, providing motivation, and creating conducive compensation and having discipline. Improved employee performance will bring progress for the company to survive in an unstable competitive business environment. It is necessary to review each factor that plays a role in it, namely leadership, motivation and compensation factors to support improved employee performance.

BPRS Bumi Artha Sampang is one of the Islamic banks that has been inaugurated since July 5, 2007 located in Sampang, Cilacap, Central Java, with the aim of improving the economic capacity of the surrounding community by prioritizing sharia principles and

systems. With the main target is to increase the provision of business capital for the development of Micro, Small and Medium Enterprises (MSMEs). Which until now has a network that has spread, namely: 1 Head Office Unit, 2 Sharia Branch Office Units, 4 Sharia Service Cash Office Units. This can be evidence that employee performance does greatly affect the progress of a company, especially in this case the progress of BPRS Bumi Artha in the banking world.

However, the company must have good performance in order to help the company make a profit. on the other hand, if the performance drops, it can harm the company. Requires good employee performance to increase company productivity, because by having high responsibility, reality goals, a comprehensive work plan, daring to take the risks faced, the company's productivity will increase.

#### LITERATURE REVIEW

This research begins with the background of the problems described previously, and this topic has been discussed in previous studies. Researchers found a number of studies that analyzed the influence of leadership, motivation and work discipline. Therefore, the researcher refers to several previous studies that are relevant to the problems described previously. One of them is research conducted by Reza & Dirgantara (2010). Apart from that, Zahra's (2015) research which reviews the influence of leadership on organizational commitment through aspects of job satisfaction and employee trust in the banking sector is also the reference used. Then there was research conducted by Diastuti (2013) regarding the influence of leadership and job satisfaction on employee performance at PT Sarinah (Persero) Jakarta.

### Leadership

In Islam, the concept of leadership is defined through the term "khalifah," which means to represent. The use of the word "khalifah" after the Prophet Muhammad has the same meaning as the term "amir" or "entrepreneur." Therefore, both terms can be referred to as formal leaders. Therefore, these two terms in Indonesian can be referred to as formal leaders. In addition to the term "caliph," the term "Ulil Amri," which has the same root word as "amir," is also used to refer to the highest leader in Islamic society. This is in accordance with the words of Allah SWT in QS. al-Nisa [4]: 59.

Leadership in Islam refers to a process or a person's ability to direct and motivate the behavior of others, and involves cooperative efforts in accordance with the principles of the Qur'an and hadith to achieve common goals. Islamic leadership has a *naqliyah* foundation, with cues in the Qur'an emphasizing the need and importance of leadership in the social structure. In this leadership context, there are principles that must be followed, and each leader is expected to have the ability to influence and direct team members towards goals in accordance with his or her leadership policies. Therefore, a leader needs to show wise behavior in his leadership so that the vision, mission, and goals of the organization under his leadership can successfully achieve the goals (Madi Odeh et al., 2023; Samul, 2019; Tang & Tang, 2019).

# Motivation

Motivation is a condition within a person that encourages individual desires to fulfill needs and carry out certain activities with the aim of achieving a target. In the context of organizational management, motivation can be interpreted as an effort to direct employees and organizations to be willing to work effectively, so that individual desires and organizational goals can be achieved together. In organizational life, providing encouragement as a form of motivation to subordinates is considered important to improve employee performance. Asir & Rachman (2021); Sandi et al. (2021) explain that motivation comes from the Latin word "movere," which means encouragement or provision of driving force that can create individual work enthusiasm so that they want to work together, effectively, and fully integrate with their efforts to achieve satisfaction. Motivation is considered a factor that can create job satisfaction and improve employee

performance (Chien et al., 2020; Gheitani et al., 2019; Paais & Pattiruhu, 2020). For employees, motivation plays an important role, as motivated employees tend to be happier, healthier, and more eager to come to work. Conversely, a lack of motivation can have a serious impact on absenteeism and employee engagement. Low morale can be detrimental to achieving business goals and company profitability.

#### Compensation

Compensation is a reward given by the organization to the workforce as a reward for the contribution of their energy and thoughts to the progress of the organization and the achievement of predetermined goals (Alhmoud & Rjoub, 2020; Khang et al., 2023; Sitopu et al., 2021). The provision of compensation, both financial and non-financial, aims to achieve company goals and motivate employees. The importance of establishing a compensation program based on the principles of fairness, honesty, reasonableness, and in accordance with laws and regulations, while paying attention to internal and external consistency, as stated by Wibawa (2016).

In the context of employment, monetary gifts are considered as compensation given to employees as a form of appreciation for their services. Wages and salaries are forms of compensation that are used to regulate financial provision between employers and employees. The provision of wages is a reward or payment for services that have been provided by employees. There are various forms of wage payments, both monetary and non-financial. Wage payments generally involve the concept of payment that includes a financial dimension, and in some cases, also involves a non-financial dimension.

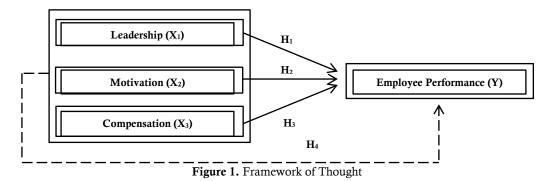
#### **Employee performance**

Performance refers to efforts, activities, or programs initiated and implemented by the leadership of an organization or company with the aim of planning, directing, and controlling the achievement of employee performance (Mangkunegara, 2001). The definition of performance includes the results of work both in terms of quality and quantity that can be achieved by an employee in carrying out duties in accordance with the responsibilities given to him. Performance reflects the extent to which an employee is successful in carrying out his duties and responsibilities. Proportional improvement in employee performance will contribute to an increase in overall organizational productivity.

#### **METHODS**

This study uses a type of quantitative research. Quantitative research is one type of research whose specifications are systematic, planned, and clearly structured from the beginning to the creation of its research design. the population in this study were all employees of BPRS Bumi Arta Sampang with 11 respondents. The data obtained is then processed using the IBM SPSS 22 program.

In the framework, it is important to be able to provide a thorough and comprehensive explanation of the origin of the variables being studied (Figure 1). This will make the variables contained in the problem formulation and problem identification clearer in their origins (Arif et al., 2019).



#### **Data Collection Technique**

In this study, sampling techniques were not used because the sample studied was the entire existing population or called a census. Considering that the population is only 11 employees, it is feasible to take the whole to be sampled without having to take a certain number of samples. The measurement tool in this study is a questionnaire. A questionnaire or questionnaire is used as a data collection technique by giving a list of questions or statements to respondents, with the hope that they will respond to the list of questions. The data in this study were collected through a questionnaire containing a list of statements, and respondents were asked to express their perceptions of the statements submitted by the researcher. This questionnaire consists of statements with answer options that must be selected by the respondent. The form of the questionnaire used is a Likert scale in the form of a checklist. The Likert scale is used to measure the attitudes, perceptions, and opinions of individuals or groups about social phenomena. With this Likert scale, the variables to be measured are explained in the form of variable indicators. These indicators are then used as a basis for compiling instrument items, which can be in the form of statements. Each statement in this instrument will be given a score or value in the range of 1 (strongly disagree) to 5 (strongly agree). The questionnaire is a data collection method consisting of a number of questions that must be answered by the respondent. In this study, researchers gave questionnaires to 11 employees of BPRS Bumi Arta Sampang.

#### **Operational Variables**

A variable is something that has value and can be measured, both *tangible* and *intangible* (Barker et al., 2022; Jacobsen et al., 2021; Silva & Oliveira, 2020). This study uses two types of variables, namely independent variables and dependent variables. Independent variables are types of variables that have an influence or cause changes in other variables (Xu et al., 2021). In the context of this study, there are three independent variables, namely leadership (X1), motivation (X2), and compensation (X3) (Table 1). Meanwhile, the dependent variable is the type of variable whose existence is influenced or is the result of the existence of the independent variable. The name "dependent variable" is used because its variation is related to or influenced by the variation of another variable, which in this case is the independent variable (Rogers & Revesz, 2019). In this research framework, the dependent variable used is the performance of BPRS Bumi Artha Sampang employees (Y). Furthermore, there are research indicators which are part of the variables that can be measured, and these indicators are used as statement items in the questionnaire.

Table 1. Research Variables and Indicators

No.	Variables	Indicator	No.	Variables	Indicator
1.	Leadership	1. Skills	3.	Compensation	1. Satisfaction with salary
	$(X)_1$	2. Attitude		$(X)_3$	2. Satisfaction with facilities
		3. Strategy			3. Satisfaction with benefits
2.	Motivation	1. Physiological Needs	4.	Employee	1. Quality
	$(X)_2$	2. Security Needs		Performance	2. Quantity
		3. Social Needs		(Y)	3. Timeliness
		4. Appreciation Needs			4. Effectiveness
		5. Need for Self-			5. Independence
		Actualization			6. Work commitment

#### Data Analysis Technique

The method used in analyzing the data in this study is a quantitative approach. This approach is considered scientific because it adheres to scientific principles which include concrete, based on empirical evidence, objective, measurable, rational, and systematic (Sugiyono, 2010). In accordance with the type and method of research, the data analysis used is ordinal regression analysis. To carry out data analysis, computer software called

Statistical Package for the Social Sciences (SPSS) version 22 was used. SPSS is software that is useful for conducting statistical analysis of data. The use of this tool allows for more effective and efficient data analysis.

## Spearman Rank Correlation Test

Spearman Rank Correlation is used to find the relationship between two variables (bivariate relationship) where both variables being correlated have an ordinal scale, making it possible to rank them. This statistical technique is included in the category of nonparametric statistics. The Rank Spearman Correlation Method can also be used to measure the level of association between two variables that have an ordinal scale, where the data for the two variables being correlated can come from different sources and do not need to follow a normal distribution. Spearman Rank correlation formula:

$$\rho = 1 - \frac{6\sum_{t=1}^{N} di^2}{N^3 - N}$$

Description

p (rho) : Spearman Rank correlation coefficient

N : Number of samples

di2 : The difference between the rankings at X and Y that have been squared

#### **Ordinal Regression Analysis**

The analysis model used in this research is ordinal regression analysis. This regression analysis is used when the data being analyzed has variables measured at least on an ordinal scale. The purpose of the analysis using ordinal regression is the same as in other regression analyses, namely to obtain an optimal and simple model that can explain the relationship between the independent variable (predictor) and the dependent variable (outcome). In ordinal regression analysis, independent variables can be factors (categorical variables) or covariates (continuous variables). The mathematical equation for ordinal regression is described by Ghozali (2006) as follows:

$$Logit(p1) = log \frac{p1}{1 - p1} = a1 + Q'3$$
 
$$Logit(p1 + p2) = log \frac{p1 + p2}{1 - p1 - p2} = a1 + Q'3$$
 
$$Logit(p1 + p2 + \dots + pk) = log \frac{p1 + p2 + \dots + pk}{1 - p1 - p2 - \dots - pk} = a1 + Q'3$$

#### Hypothesis Test

Hypothesis testing is a procedure that results in a decision to accept or reject a hypothesis (Makowski et al., 2019). Hypothesis testing is used to assess the relationship between the variables being investigated. In this study, the F (simultaneous) hypothesis test was used. The F test is carried out with the intention of determining the extent to which all independent variables together can influence the dependent variable (Bawono, 2006). The F test is used to assess the collective influence of all independent variables on the dependent variable together. This test is conducted to determine whether the variables of leadership, work motivation, and compensation simultaneously have a significant effect on employee performance. The criteria for accepting the hypothesis, according to Akhyar et al. (2021), is if the value of f count> f table and significance (sig)  $\leq 0.05$ .

The hypotheses in this study are proposed as follows: The null hypothesis (Ho) states that the independent variables together, namely leadership, work motivation, and compensation, do not have a positive and significant influence on the dependent variable, namely employee performance development. Conversely, the alternative hypothesis (Ha) states that the independent variables together do not have a positive and significant influence on the dependent variable, employee performance development. In other words,

Ho and Ha express different views regarding the relationship between the independent variables and the dependent variable in this study.

The basis for decision making in statistical analysis using the F test is as follows: If the calculated F value is smaller than the F table value, the null hypothesis (Ho) is accepted, which means that there is no significant influence jointly between the independent variables (leadership, work motivation, and compensation) on the dependent variable (employee performance development). Conversely, if the calculated F value is greater than the F table value, the null hypothesis (Ho) is rejected, which indicates that there is a significant influence jointly between the independent variables on the dependent variable.

Besides comparing F count with F table to determine whether Ho is accepted or not, you can see the significance value whether it is more or less than 5% (Bawono, 2006: 92).

#### RESULTS AND DISCUSSION

In this study, there were 11 respondents who participated. Respondents who became research subjects were employees of BPRS Bumi Arta Sampang. Respondent characteristics, such as gender, are described based on the answers given by respondents through questionnaires that have been distributed to them. The research data was obtained through the collection of questionnaires distributed to all 11 respondents. The results of the questionnaire can be found in the table. From the table, it can be concluded that the number of male respondents is greater than female respondents. Male respondents accounted for 64%, while female respondents accounted for 36%.

Research validity is achieved when the data collected is in accordance with the actual situation on the object being studied. A valid instrument indicates that the measuring instrument used to collect the data is reliable. Table 2 shows that there are five indicators used to measure the leadership variable used in this study that have a correlation coefficient greater than r table: 0.602 (r table value for N=11). Then there are three indicators used to measure the leadership variables used in this study that have a correlation coefficient smaller than r table: 0.602 (table r value for N=11). So that the indicators of this study are mostly valid.

The findings also show that there are three indicators used to measure the work motivation variable in this study with a correlation coefficient greater than the r table value of 0.602 (r table value for N=11). Additionally, there are two indicators used to measure the work motivation variable in this study that have a correlation coefficient smaller than the r table value of 0.602 (table r value for N=11). Therefore, the majority of indicators in this study are considered valid. Furthermore, the findings indicate that there are three indicators used to measure the compensation variable in this study with a correlation coefficient greater than the r table value of 0.602 (r table value for N=11). Conversely, there are two indicators used to measure the compensation variable in this study that have a correlation coefficient smaller than the r table value of 0.602 (table r value for N=11). Thus, the majority of indicators for the compensation variable in this study are valid.

Moreover, the findings reveal that there are four indicators used to measure employee performance variables in this study with a correlation coefficient greater than the r table value of 0.602 (r table value for N=11). Additionally, there are two indicators used to measure employee performance variables in this study that have a correlation coefficient smaller than the r table value of 0.602 (table r value for N=11). Therefore, the majority of indicators for the employee performance variables in this study are valid. Based on the validity test table above, it can be observed that the results of the validity test calculations for each statement item have an r count greater than the r table value. Consequently, considering these results, the data on variable X and variable Y are deemed valid. Consequently, the questionnaire used in this study can be included in further analysis.

Table 2. Validity and Reliability Test Results

Variable	r- count	R-table N=11, α=5%)	Cronbach's alpha	Description	Variable	r- count	R-table N=11, α=5%)	Cronbach's alpha	Description
Leadership			0.716	Reliable	Compensation			0.735	Reliable
1	0.878	0.602		Valid	1	0.501	0.602		Invalid
2	0.473	0.602		Invalid	2	0.637	0.602		Valid
3	0.471	0.602		Invalid	3	0.624	0.602		Valid
4	0.620	0.602		Valid	4	0.558	0.602		Invalid
5	0.729	0.602		Valid	5	0.746	0.602		Valid
6	0.690	0.602		Valid					
7	0.815	0.602		Valid					
8	0.478	0.602		Invalid					
Motivation			0.740	Reliable	Performance			0.660	Reliable
1	0.527	0.602		Invalid	1	0.603	0.602		Valid
2	0.492	0.602		Invalid	2	0.420	0.602		Invalid
3	0.637	0.602		Valid	3	0.643	0.602		Valid
4	0.819	0.602		Valid	4	0.617	0.602		Valid
5	0.688	0.602		Valid	5	0.298	0.602		Invalid
					6	0.630	0.602		Valid

In addition to the validity test, the reliability test was also carried out to evaluate the reliability of the questionnaire used to measure certain variables. This reliability test uses the *Cronbach's alpha* method. If the *Cronbach's* alpha coefficient has a value above 0.60, this indicates that the data collected can be considered as data that has good reliability or reliability. From the results of the reliability test above, it can be concluded that the leadership variables  $(X_1)$ , Work Motivation  $(X_2)$ , *Compensation*  $(X_3)$  and Employee performance (Y) are declared reliable. Because based on the information of each attribute the value of r alpha > table r value, so that all research attributes are declared reliable.

#### Spearman Rank Analysis Results

To test the research hypothesis, whether Ho is accepted or rejected, compare the sig value. (2-tailed) with (0.05). Where if the probability is less than equal to (0.05) then Ho is accepted, and if the probability is less than (0.05) then Ho is rejected. The results of the Spearman rank test in this study are as follows:

Table 3. First Hypothesis Results

Independent Variable	Parameters	Leadership Style	Work Motivation	Compensation
Employee	Correlation Coefficient	-0.026	$0.675^*$	-0.403
performance	Sig. (2-tailed)	0.941	0.023	0.,220
	N	11	11	11

From Table 3, the results of the Spearman rank correlation test between leadership  $(X_1)$ and employee performance (Y) can be seen in the column which shows three values, namely 0.941\*\*, -0.26, and 11. The value 11 indicates the number of samples (N) in the study, namely 11 respondents. The value of 0.941\*\* reflects the Spearman rho correlation coefficient between leadership  $(X_1)$  and employee performance (Y). The correlation coefficient of 0.941\*\* indicates a very strong correlation between leadership (X1) and employee performance (Y), with a positive direction. This means that the higher the leadership  $(X_1)$ , the employee performance (Y) also increases. Hypothesis testing of the relationship between leadership  $(X_1)$  and employee performance (Y) shows a sig value. (2-tailed) of -0.026. Because the value of sig. (2-tailed) is less than 0.05, the test decision is to accept H<sub>1</sub>, so it can be concluded that there is a relationship between leadership and employee performance. The results of the Spearman rank correlation test between work motivation (X<sub>2</sub>) and employee performance (Y) can be seen in the column which shows three values, namely 0.675\*\*, 0.02, and 11. The value 11 indicates the number of samples (N) in the study, namely 11 respondents. The value of 0.675\*\* reflects the Spearman rho correlation coefficient between work motivation  $(X_2)$  and employee performance (Y). The correlation coefficient of 0.675\*\* indicates a strong correlation between work motivation  $(X_2)$  and employee performance (Y), with a positive direction. This means that the higher the work motivation  $(X_2)$ , the employee performance (Y) also increases. Hypothesis testing of the relationship between work motivation  $(X_2)$  and employee performance (Y) shows a sig value. (2-tailed) of 0.002. Because the value of sig. (2-tailed) is less than 0.05, the test decision is to accept  $H_1$ , so it can be concluded that there is a relationship between work motivation and employee performance.

Lastly, the results of the Spearman rank correlation test between compensation ( $X_3$ ) and employee performance (Y) can be seen in the column which shows three values, namely 0.403\*\*, 0.002, and 11. The value 11 indicates the number of samples (N) in the study, namely 11 respondents. The value of 0.403\*\* reflects the Spearman rho correlation coefficient between compensation ( $X_3$ ) and employee performance (Y). The correlation coefficient of 0.403\*\* indicates a strong correlation between compensation ( $X_3$ ) and employee performance (Y), with a positive direction. This means that the higher the compensation ( $X_3$ ), the employee performance (Y) also increases. Hypothesis testing of the relationship between compensation ( $X_3$ ) and employee performance (Y) shows a sig value. (2-tailed) of 0.002. Because the value of sig. (2-tailed) is less than 0.05, the test decision is to accept  $H_1$ , so it can be concluded that there is a relationship between compensation and employee performance.

#### **Ordinal Regression Analysis Results**

Ordinal regression analysis is a regression analysis method applied when the data being tested has variables with at least ordinal levels of measurement. The goal of this analysis is similar to the goal of other regression analyses, which is to produce an optimal and simple model in describing the relationship between the independent variable (predictor) and the dependent variable (outcome). In the context of ordinal regression analysis, independent variables may consist of factors in the form of categorical variables or covariates in the form of continuous variables. There are 5 parts of ordinal regression analysis output. The first output or part of the ordinal regression analysis is a warning or warnings from the SPSS program that there are 6 cells in the cross tabulation between leadership  $(X_1)$ , motivation  $(X_2)$ , compensation  $(X_3)$  with employee performance (Y) whose frequency is zero.

Table 4. Case Processing Summary

Case Processing Summary						
		$\mathbf{N}$	Marginal Percentage			
Employee performance	Agree	5	45,5%			
Employee performance	Strongly agree	6	54,5%			
Landamahin	Agree	6	54,5%			
Leadership	Strongly Agree	5	45,5%			
Work Motivation	Agree	2	18,2%			
WOIK MOUVATION	Strongly agree	9	81,8%			
Commonation	Agree	4	36,4%			
Compensation	Strongly agree	7	63,6%			
Valid		11	100,0%			
Missing		0				
Total		11				

The second section is the *case processing summary*. Table 4 explains that the amount of data analyzed is 11, and all of them can be processed because none of them are in the missing category. Based on data from 11 respondents, it is known that employee performance (Y) with the STS category is 0 people or 0%, with the TS category as many as 0 people or 0%, with the S category as many as 5 people or 45.5%, and SS as many as 6 people or 54.5%. While in the leadership variable (X<sub>1</sub>) with the STS category as many as 0 people or 0%, with the STS category as many as 0 people or 0%, with the N category as many as 0 people or 0%, with the S category as many as 6 people or 54.5%, and with the SS category as many as 5 people or 45.5%.

Meanwhile, in the work motivation variable  $(X_2)$  with the STS category as many as 0 people or 0.0%, with the TS category as many as 0 people or 0%, with the N category as many as 0 people or 0%, with the S category as many as 2 people or 18.2%, and with the SS category as many as 9 people or 81.8%. Whereas in the *compensation* variable  $(X_3)$  with the STS category as many as 0 people or 0%, with the TS category as many as 0 people or 0%, with the S category as many as 4 people or 36.4%, and with the SS category as many as 7 people or 63.6%.

Table 5. Model Fitting Information							
Model Fitting Information							
Model	-2 Log Likelihood	Chi-Square	df	Sig.			
Intercept Only	15,158						
Final	,000	15,158	3	,002			
Link function: Logi	it.						

The model *fitting information* as shown in Table 5 shows that the initial *-2log likelihood* value without entering the independent variable *(intercept only)* is 15.158. While the *-2log likelihood value* by entering the independent variable into the model *(final)* decreased in value to 0.000. This change in value is the *chi-square* value of 15.158 and in the sig column. If the sig value.  $\leq$  (0.05) means the model is significant. The sig. column value in the *fitting information* model is 0.002 so that the model is significant.

Table 6. Goodness of Fit							
	Goodness-of-Fit						
Chi-Square df Sig.							
Pearson	,000	2	1,000				
Deviance ,000 2 1,000							
Link function	ı· Logit						

The goodness-of-fit table shows the model fit test with the data (Table 6). The Pearson value is 0.000 with a significance of 1,000 ( $\geq$ 0.05) and the deviance is 0.000 with a significance of 1000 (>0.05). This means that the model fits the empirical data or the model is feasible to use.

Table 7. Pseudo R-S	Square
Pseudo R-Sq	uare
Cox and Snell	,748
Nagelkerke	1,000
McFadden	1,000
Link function: Logit.	

The Pseudo R-Square output as shown in Table 7 explains the variation in the level of employee performance that can be explained by variations in the independent variables, namely leadership, work motivation, and *compensation* which can be explained by variations in the independent variable, namely the employee performance variable. To find out this, in the third line or *McFadden* which shows that the variation in employee performance that can be explained by variations in leadership, work motivation, and *compensation* variables is 100%.

In the Parameter *Estimates* section (Table 8), *it* explains the effect of each regression coefficient, whether significant or not, provided that if the value in the sig column.  $\leq \alpha$  (0.05) means significant. It appears in the sig. column that the sig. In leadership  $\leq \alpha$  (0.05), which means that the leadership variable affects the employee performance variable. The conclusion is that the better the leadership, the more employee performance will improve, otherwise the worse the leadership will reduce employee performance.

In the Parameter *Estimates* section, *it* explains the effect of each regression coefficient, whether significant or not, provided that if the value in the sig column.  $\leq \alpha$  (0.05) means significant. It appears in the sig. column that the sig. value on motivation is entirely  $\leq \alpha$ 

(0.05), meaning that the work motivation variable affects the employee performance variable. The conclusion is that the lower the work motivation, the lower the employee performance, otherwise the higher the motivation, the employee performance.

Table	8.	Parameter	Estimates

Parameter Estimates								
			95% Confide	ence Interval				
		Estimate	Std. Error	Wald	df	Sig.	Lower Bound	Upper Bound
Threshold	[Y=4]	-21,465	,000		1		-21,465	-21,465
	[X1=4]	-81,595	,000		1		-81,595	-81,595
	[X1=5]	$0^a$			0			
Location	[X2=4]	40.223	,000		1		40.223	40.223
Location	[X2=5]	$0^a$	•		0		•	•
	[X3=4]	39,814	,000		1		39,814	39,814
	[X3=5]	$0^a$	•		0			•

Link function: Logit.

In the Parameter *Estimates* section, *it* explains the effect of each regression coefficient, whether significant or not, provided that if the value in the sig column.  $\leq \alpha$  (0.05) means significant. It appears in the sig. column that the sig. value on *compensation* has a sig value.  $\leq \alpha$  (0.05), meaning that the *compensation* variable affects the employee performance variable. The conclusion is that the better the *compensation*, *the more it* will improve employee performance, otherwise the worse the *compensation* will reduce employee performance.

## **Hypothesis Test Results**

Hypothesis testing is a procedure that will result in a decision, namely accepting or rejecting the hypothesis (Maneejuk & Yamaka, 2021). Hypothesis testing is used to determine the relationship of the variables to be studied. In this study using the F (Simultaneous) hypothesis test. The F test is used to test the relationship of all independent variables to the dependent variable simultaneously (together). This test is conducted to test whether the variables of leadership, work motivation and *compensation* simultaneously or together have a significant effect on employee performance. The hypothesis testing criteria are accepted if f count> f table and sig <0.05 so that there is a simultaneous influence of variable x on variable Y. Conversely, hypothesis testing is rejected if f count < f table and sig > 0.05, meaning that there is no simultaneous influence of variable x on variable Y.

Table 9. F Test Results (Simultaneous)

	$\mathbf{A}\mathbf{N}\mathbf{O}\mathbf{V}\mathbf{A}^{\mathrm{a}}$							
	Model	Sum of Squares	df	Mean Square	F	Sig.		
	Regression	14,353	3	4,784	2,301	,164 <sup>b</sup>		
1	Residuals	14,556	7	2,079				
	Total	28,909	10					

a. Dependent Variable: Employee\_Performance\_Development

Based on the output in Table 9, it is known that the significance value (sig) for the effect of  $X_1$ ,  $X_2$  and  $X_3$  simultaneously on Y is 0.164 greater than 0.05 and the value of f count (F) 2.301 is smaller than f table 3.98. So it can be concluded that  $X_1$  (leadership),  $X_2$  (work motivation) and  $X_3$  (compensation) have no simultaneous effect on Y (employee performance).

#### **CONCLUSION**

Based on the results of the research that has been done, several conclusions can be drawn. First, there is a significant influence between leadership and employee

a. This parameter is set to zero because it is redundant.

b. Predictors: (Constant), Talent\_Management, Work\_Motivation, Leadership\_Style

performance at PT BPRS Bumi Arta Sampang. Parameter estimates show that the leadership regression coefficient has a significant value, with a sig value.  $\leq \alpha$  (0.05), which indicates that the leadership variable has an influence on the employee performance variable. Second, there is a significant influence between work motivation and employee performance at PT BPRS Bumi Arta Sampang. The results of the calculation of parameter estimates show that the regression coefficient of work motivation has a significant value, with a sig.  $\leq \alpha$  (0.05), indicating that work motivation variables affect employee performance variables. Third, there is a significant influence between compensation and employee performance at PT BPRS Bumi Arta Sampang. Parameter estimates show that the compensation regression coefficient has a significant value, with a sig value.  $\leq \alpha$  (0.05), indicating that the compensation variable affects the employee performance variable. However, together, the variables of leadership, work motivation, and compensation do not have a positive and significant influence on employee performance development variables, as shown by the results of simultaneous testing with a sig. value of 0.164 which is greater than 0.05 and the value of f count (F) of 2.301 which is smaller than f table 3.98.

In providing suggestions, several important points can be concluded. First, the variables of leadership, work motivation, and compensation have a positive influence on performance development. Therefore, it is suggested that these aspects can be maintained or improved, such as improving work facilities and providing appropriate salaries/allowances, to improve the quality of each employee's performance. Second, for future researchers, it is recommended to develop research by considering other variables beyond the variables that have been studied, such as compensation and organizational culture. By conducting more holistic research, it is hoped that the results can reveal more problems and provide useful findings for many people.

#### REFERENCES

- [1] Akhyar, Y., Fitri, A., Zalisman, Z., Syarif, M. I., Niswah, N., Simbolon, P., ... & Abidin, Z. (2021). Contribution of Digital Literacy to Students' Science Learning Outcomes in Online Learning. *International Journal of Elementary Education*, *5*(2), 284-290.
- [2] Alhmoud, A., & Rjoub, H. (2020). Does generation moderate the effect of total rewards on employee retention? Evidence from Jordan. *Sage Open*, *10*(3), 2158244020957039.
- [3] Arif, A., Sukuryadi, S., & Fatimaturrahmi, F. (2019). Pengaruh Ketersediaan Sumber Belajar Di Perpustakaan Sekolah Terhadap Motivasi Belajar Siswa Pada Mata Pelajaran Ips Terpadu Smp Negeri 1 Praya Barat. *JISIP (Jurnal Ilmu Sosial dan Pendidikan)*, 1(2), 108-116.
- [4] Ashraf, M. A. (2020). Demographic factors, compensation, job satisfaction and organizational commitment in private university: an analysis using SEM. *Journal of Global Responsibility*, 11(4), 407-436.
- [5] Asir, M., & Rachman, S. (2021). Implementation of Employee Motivation in the Gowa Regency Office's General Area. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities Ana Social Sciences*, 4(4), 7557-7567.
- [6] Aziz, F. A. (2012). Dalam Perspektif Islam. Cilacap: Pustaka El Bayan.
- [7] Barker, R., Lennard, A., Penman, S., & Teixeira, A. (2022). Accounting for intangible assets: suggested solutions. *Accounting and Business Research*, *52*(6), 601-630.
- [8] Bawono. (2006). Multivariate Analysis dengan SPSS. Salatiga: STAIN Press.
- [9] Chien, G. C., Mao, I., Nergui, E., & Chang, W. (2020). The effect of work motivation on employee performance: Empirical evidence from 4-star hotels in Mongolia. *Journal of Human Resources in Hospitality & Tourism*, 19(4), 473-495.
- [10] Diastuti, W. J. (2013). Pengaruh Gaya Kepemimpinan Dan Kepuasan Kerja Terhadap Kinerja Karyawan Studi Kasus PT Sarinah (Persero) Jakarta (Doctoral dissertation, Universitas Mercu Buana Jakarta-Menteng).
- [11] DuBrin, A. J. (Ed.). (2013). Handbook of research on crisis leadership in organizations. Edward Elgar Publishing.
- [12] Gheitani, A., Imani, S., Seyyedamiri, N., & Foroudi, P. (2019). Mediating effect of intrinsic motivation on the relationship between Islamic work ethic, job satisfaction, and organizational commitment in banking sector. *International Journal of Islamic and Middle Eastern Finance and Management*, 12(1), 76-95.
- [13] Ghozali, I. (2006). *Aplikasi Analisis Multivariate Dengan Progam SPSS*. Semarang: Badan Penerbit Universitas Diponegoro.

- [14] Jacobsen, K. S., Dickman, A. J., Macdonald, D. W., Mourato, S., Johnson, P., Sibanda, L., & Loveridge, A. (2021). The importance of tangible and intangible factors in human–carnivore coexistence. *Conservation Biology*, 35(4), 1233-1244.
- [15] Khang, A., Jadhav, B., & Birajdar, S. (2023). Industry Revolution 4.0: Workforce Competency Models and Designs. In *Designing Workforce Management Systems for Industry 4.0* (pp. 11-34). CRC Press.
- [16] Madi Odeh, R. B., Obeidat, B. Y., Jaradat, M. O., Masa'deh, R. E., & Alshurideh, M. T. (2023). The transformational leadership role in achieving organizational resilience through adaptive cultures: the case of Dubai service sector. *International Journal of Productivity and Performance Management*, 72(2), 440-468.
- [17] Makowski, D., Ben-Shachar, M. S., & Lüdecke, D. (2019). bayestestR: Describing effects and their uncertainty, existence and significance within the Bayesian framework. *Journal of Open Source Software*, 4(40), 1541.
- [18] Maneejuk, P., & Yamaka, W. (2021). Significance test for linear regression: how to test without P-values?. *Journal of Applied Statistics*, 48(5), 827-845.
- [19] Mangkunegara. (2001). Evaluasi Kinerja Manajemen. bandung: PT. Refika Aditama.
- [20] Martela, F. (2019). What makes self-managing organizations novel? Comparing how Weberian bureaucracy, Mintzberg's adhocracy, and self-organizing solve six fundamental problems of organizing. *Journal of Organization Design*, 8(1), 1-23.
- [21] Paais, M., & Pattiruhu, J. R. (2020). Effect of motivation, leadership, and organizational culture on satisfaction and employee performance. *The Journal of Asian Finance, Economics and Business*, 7(8), 577-588.
- [22] Reza, R. A., & Dirgantara, I. (2010). Pengaruh gaya kepemimpinan, motivasi dan disiplin kerja terhadap kinerja karyawan PT Sinar Santosa Perkasa Banjarnegara (Doctoral dissertation, Universitas Diponegoro).
- [23] Rogers, J., & Revesz, A. (2019). Experimental and quasi-experimental designs. In *The Routledge handbook of research methods in applied linguistics* (pp. 133-143). Routledge.
- [24] Samul, J. (2019). Spiritual leadership: Meaning in the sustainable workplace. *Sustainability*, 12(1), 267.
- [25] Sandi, H., Yunita, N. A., Heikal, M., Ilham, R. N., & Sinta, I. (2021). Relationship Between Budget Participation, Job Characteristics, Emotional Intelligence and Work Motivation As Mediator Variables to Strengthening User Power Performance: An Emperical Evidence From Indonesia Government. *Morfai Journal*, 1(1), 36-48.
- [26] Silva, R., & Oliveira, C. (2020). The influence of innovation in tangible and intangible resource allocation: A qualitative multi case study. *Sustainability*, *12*(12), 4989.
- [27] Sitopu, Y. B., Sitinjak, K. A., & Marpaung, F. K. (2021). The influence of motivation, work discipline, and compensation on employee performance. *Golden Ratio of Human Resource Management*, 1(2), 72-83.
- [28] Stahl, G. K., Björkman, I., Farndale, E., Morris, S. S., Paauwe, J., Stiles, P., ... & Wright, P. M. (2007). Global talent management: How leading multinationals build and sustain their talent pipeline (Vol. 34). Fontainebleau: Insead.
- [29] Sugiyono. (2010). Metode Pendekatan Pendidikan: Pendekatan Kuantitatif, Kualitatif, dan R&D, Cet. 9. Bandung: Alfabeta.
- [30] Tang, K. N., & Tang, K. N. (2019). Leadership styles and organizational effectiveness. *Leadership and change management*, 11-25.
- [31] Wibawa, B. M., Susilo, H., & Iqbal, M. (2016). Pengaruh Kompensasi Finansial Dan Non Finansial Terhadap Kinerja Karyawan Yang Dimediasi Oleh Motivasi (Studi Pada Karyawan tetap CC. Bells Stars malang). *Jurnal Administrasi Bisnis (JAB, 31*(1), 81-90.
- [32] Xu, L., Fan, M., Yang, L., & Shao, S. (2021). Heterogeneous green innovations and carbon emission performance: evidence at China's city level. *Energy Economics*, 99, 105269.
- [33] Zahra, N. (2015). Pengaruh Gaya Kepemimpinan Terhadap Komitmen Organisasi melalui aspek Kepuasan kerja karyawan dan kepercayaan pada sektor perbankan. *Jurnal Manajemen dan Pemasaran Jasa*, 8(1), 145-162.