

# **The Influences of Leadership Style and Job Satisfaction on Employee Performance**

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**Abstract:** *The aim of the research is to analyze the leadership style and job satisfaction on employee performance and to see which variables that influenced on employee performance. The number of respondents is 90 staffs in UT Head office which are selected by simple random sampling methods. The questionnaires are using Likert scale and analyzed by regression using SPSS 17.00 for windows program. The result showed that the leadership style and job satisfaction have a positive and significant influence on employee performance. The leadership style has a dominant influence on employee performance in comparison with job satisfaction on employee performance. It means that improving employee performance is more influential than the leadership style and job satisfaction.*

**Keywords:** *leadership style, job satisfaction, employee performance*

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## **I. Introduction**

Universitas Terbuka (UT) is a big University in a number of students. With the numerous numbers of students and its covered, the university needs a good leader to achieve its goal. To handle with all the institution's matters and problems, UT needs human resources that qualified and have competencies to work better. The implementation of good works from the staff and employees need to maintain continuously. The way is to optimize every resource that university has to gain the target and its goal.

To increase the performance of employees, UT had done some efforts, but still there were some challenges in the implementation. The way from the leader to organize sometimes didn't meet the satisfaction of all people. Also, there was some dissatisfaction from employees about the rules in working. There would be a decrease in satisfaction from employees if the rules don't work well.

The impact of decreasing the job satisfactions are as follows:

1. The task cannot understand by the employee because there is less of communication between leader and employee.
2. The decrease of work spirit from the employee because they cannot work properly. Job satisfaction and performance of the employees need to increase by the leader in order to get the higher achievement. University needs a leader that can organize and conduct the purpose of the organization. The leader can motivate and give influence to employees in many ways.

Some factors can influence the employee's performance, for example, leadership style and job satisfaction. A good leadership can fulfill job satisfaction, so the performance of employee can be increased and lifted the organizational work performance up in the final result (Muslim, 2006).

Meanwhile, Mamesah and Kusmaningtyas (2009) said that employees with high performance are able to support the achievement of goals and objectives of the organization. In order to have high performance of an employee to do the job, the employees should have job satisfaction over that has been obtained in the process of interaction with the work environment.

Leadership role becomes important and necessary for an organization to align the needs and create a good working situation. Leadership style can be a guide to improving employee performance. The leadership style can influence the performance of employees indirectly. The better a person's leadership style the higher the performance of employees (Hakim, L, 2011).

## **II. Literature Review**

### **2.1 Performance**

Performance is a picture of the level of achievement of the implementation of a program of activities or policies in realizing the goals, objectives, vision, and mission of the organization that stated through a strategic planning organization (Moehariono, 2010).

According to Rivai (2005), the performance is the result of a person or the overall success rate for a certain period in the task compared with a range of possibilities, such as the work standards, targets or goals or criteria are predetermined and has been agreed.

In order to improve the performance of employees, according to Mangkunegara (2005) there are seven steps you can take include:

1. Knowing the deficiency in performance
2. Know the deficiencies and the seriousness
3. Identified the things that may be the cause of the deficiency, either associated with or connected to the system itself
4. Develop a plan of action to address the causes of these shortcomings
5. Perform the action plan
6. To evaluate whether the problem has been resolved or not
7. Starting from the beginning, if necessary

If such measures can properly implement, then the employee's performance can be improved.

Improving employee's performance can be started from further performance improvement of individual and organizational performance will increase by itself. Individual performance is the level of achievement or the work of someone from the target to be achieved or tasks that must be carried out within a certain time, while the performance of the organization is the level of achievement of the targets or goals to be achieved by the company within a certain time (Simanjuntak, 2005).

## **2.2 Leadership Style**

Robbins (2006) defines leadership as "the ability to influence a group toward the achievement of targets". Thoha (2004), expressed as a leadership style norms of behavior by a person when the person is trying to influence the behavior of others as he had seen.

According to Kuswadi (2004), the style of management or leadership styles that are less fit or less suitable implemented given the leadership to its employees may decrease motivation, performance and ultimately employee satisfaction.

## **2.3 Job Satisfaction**

According to Robbins (2006), job satisfaction is an individual's general attitude towards work. Job satisfaction is an attitude variable associated with feelings of employees on the job. Therefore describe the feeling, it refers to the components of attitudes, job satisfaction is an affective component. Attitude or affection formed as the result of an evaluation of the experience aspects of his work.

Meanwhile Robbins and Judge (2008), defines job satisfaction as a positive feeling about the work of someone who is the result of an evaluation of its characteristics. A person with a high level of job satisfaction has positive feelings about the job while someone who is not satisfied have negative feelings about the job. According to Mamesah and Kusmaningtyas (2009), employees who have high performance and better able to support the achievement of goals and objectives of the organization established an organization. In order to have high performance of an employee, they should have job satisfaction of what can be in the process of interaction with the work environment.

The purpose of this study was to (1) analyze the effect of leadership style and job satisfaction on employee performance Open University (2) analyze the dominant variable affecting employee performance review is based on the Open University's leadership style and job satisfaction.

## **2.4 The Relationship of Leadership Style and Performance**

Nursiah (2004) in her study showed that the leadership style has a significant positive effect on employee performance and leadership style has the dominant influence on employee performance in comparison with job satisfaction on employee performance.

## **2.5 The Relationship of Job Satisfaction and Performance**

According to Nursiah (2004), job satisfaction has a significant and positive effect on performance. Mamesah and Kusmaningtyas (2009) in the journal suggests that there is a significant effect of job satisfaction on employee performance and a significant influence of transactional leadership style through job satisfaction on employee performance.

## **2.6 Hypotheses**

H1= Leadership style has a significant influence on employee performance

H2= Job satisfaction has a significant influence on employee performance

H3= Leadership style and job satisfaction have a significant influence on employee performance

## **III. Research Methods**

This study is a descriptive-explanatory, which describes and explains the influence of leadership style and job satisfaction on employee performance. This study used a survey method The study began in 2014 and held at Universitas Terbuka which is located in the Cabe Raya, Pondok Cabe, Pamulang. The number of

respondents is 90 staffs in Universitas Terbuka Head office which are selected by simple random sampling methods.

### **3.1 Variable of Research**

Dependent variable: employee performance The independent variables: leadership style and job satisfaction.

Operational Definition

1. Employee performance is the result of the employee achieved in carrying out their duties in accordance responsibilities given in order to achieve organizational goals.
2. Leadership style is leadership behaviors conducted by the leadership in interacting with employees.
3. Job satisfaction is an attitude of employees towards work.

### **3.2 Method of Collecting Data**

Data used in this study are secondary and primary data. Secondary data were obtained and compiled from various literature, books, journals, thesis and data from the internet that are considered relevant. While the primary data obtained through the survey method, ie by distributing questionnaires at study sites. Measurement data performed in this study using a Likert scale with the size of 1-5.

### **3.3 Validity Test**

The validity test of this research using Pearson correlation analysis with a significance level of 5% if the value of  $r_{count} > r_{table}$  or  $p\text{-value} < 0.05$  then can be concluded that the item is valid.

### **3.4 Reliability Test**

Performed using Cronbach's Alpha Cronbach alpha values  $\geq$  If 0.6, means that the item in the research instrument has high reliability.

### **3.5 Normality Test Assumptions**

Normality test using test one sample Kolmogorov-Smirnov.

### **3.6 Correlation Test**

To examine the relationship between the dependent and independent variables used Pearson correlation analysis.

### **3.7 F-Test**

F-test was conducted to determine whether all of the independent variables simultaneously affect the dependent variable. The decision was taken when the probability of  $> 0.05$  then the two sample populations are identical or similar, or the value of F results  $>$  F-table values.

### **3.8 T-Test**

The t-test was conducted to determine whether the independent variables significantly influence the dependent variable. The decision was taken, if the results of the  $t\text{-count} > t\text{-table}$ .

### **3.9 Multiple Linear Regression Analysis**

Multiple linear regression analysis is used to find the relationship between the response variable (Y) with one or more predictor variables. Data were processed using SPSS for windows version 17.00.

The regression model is as follows:

$$\hat{Y} = a + b_1X_1 + b_2X_2$$

## **IV. Result & Discussion**

### **4.1 Characteristic of Respondent**

Descriptive analysis is used to analyze the characteristics of the respondents. Respondents involved in this study are 90 people. Characteristics of data collection respondents by sex, age, status, level of education, and years of service. Based on gender, the majority of respondents involved in this study were male were 51 people (57%) and 39 women (43%). The results of statistical tests, factors gender did not influence leadership style, job satisfaction, and employee performance, this is evidenced by the value probabilities above 0.05.

Most of the respondents were 41-50 years are 36 people (40%). The results of statistical tests, the age factor does not affect the leadership style, job satisfaction, and employee performance, this is evidenced by the value probabilities above 0.05.

In social status, the majority of respondents are married as many 82 people (91%). Based on the statistical test that factor does not affect the social status of leadership style, job satisfaction, and employee performance, this is evidenced by the value of probabilities above 0.05

Respondents were grouped into 4 groups, namely High School, Diploma, Bachelor, and Masters. The majority of respondents were involved in this study is a Bachelor of 30 people (33%). The results of statistical tests, the education factor has no effect on leadership style, job satisfaction, and employee performance, this is evidenced by the value of probabilities above 0.05

Most of the respondents that involved had working experience in the range of 11-15 years and 21-25 years respectively as many as 21 people (23%). In statistical tests, factors do not affect the service life of

leadership style, job satisfaction, and employee performance, this is evidenced by the above value probabilities 0.05. Based on test validity, all items on the questionnaire statement is valid. This is demonstrated by the significant value under 0.05.

In Table 1, the values of Cronbach's Alpha obtained is above 0.60 that is 0.949, this means that the instrument used in this study is very reliable.

**Table 1. Reliability Test**

Cronbach's Alpha	N of Items
.949	42

Source: SPSS, modified

In one test sample of Kolmogorov-Smirnov shows that the distribution of the data in this study is stated to have a normal distribution, it can be seen in the significant value is 0.088. A scattered data is normal if the value of  $\geq 0.05$  significance in this test can be seen in Table 2.

**Table 2. One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		90
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	.23981452
Most Extreme Differences	Absolute	.132
	Positive	.132
	Negative	-.050
Kolmogorov-Smirnov Z		1.250
Asymp. Sig. (2-tailed)		.088

Source: SPSS, modified

- a. Test distribution is Normal.
- b. Calculated from data.

Correlation test results showed that the relationship of variables of leadership style, job satisfaction, and employee performance have a significant relationship, as shown by the significant value below 0.01 which can be seen in Table 3.

**Table 3. Correlation Test**

		Leadership Style	Job Satisfaction	Performance
Leadership Style	Pearson Correlation	1	.602**	.421**
	Sig. (2-tailed)		.000	.000
	N	90	90	90
Job satisfaction	Pearson Correlation	.602**	1	.395**
	Sig. (2-tailed)	.000		.000
	N	90	90	90
Performance	Pearson Correlation	.421**	.395**	1
	Sig. (2-tailed)	.000	.000	
	N	90	90	90

Source: SPSS, modified

\*\* Correlation is significant at the 0.01 level (2-tailed).

In F-Test, the variables of leadership style and job satisfaction together has a significant effect on the performance of employees, this can be seen in the significant value below 0.01 which means that the employee's performance will increase if the leadership style of a leader rated as excellent and improved employee satisfaction.

**Table 4. F-Test**

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.350	2	.675	11.472	.000 <sup>a</sup>
	Residual	5.118	87	.059		
	Total	6.468	89			

Source: SPSS, modified

- a. Predictors: (Constant), job satisfaction leadership style
- b. Dependent Variable: employee performance

Contributions from the leadership style and job satisfaction on the increase or decrease in the performance of employees were at 20.9% (R square value = 0.209) it means the employee's performance is strongly influenced by another factor of 79.1%, which can be seen in Table 5.

**Table 5.** Test Coefficient of Determination

Model Summary <sup>b</sup>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.457 <sup>a</sup>	.209	.191	.24256	.209	11.472	2	87	.000

Source: SPSS, modified

- a. Predictors: (Constant), job satisfaction, leadership style
- b. Dependent Variable: employee performance

The T-count on the leadership style (2.403) is greater than the value of the T-Table is 1.96 (or significance value <0.05) means that the style of leadership is very influential on employee performance. While the value of T-count on job satisfaction (1.861) T-count value <value of the T-Table (or a significant value) > 0.05) means that job satisfaction has no significant effect on the performance of employees that can be seen in Table 6.

Multiple regression equations in this study is:

$$\hat{Y} = 2.510 + 0.239 X_1 + 0.175 X_2$$

**Table 6 T-Test**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.510	.346		7.264	.000
	Leadership style	.239	.099	.287	2.403	.018
	Job satisfaction	.175	.094	.222	1.861	.066

Source: SPSS, modified

- a. Dependent Variable: employee performance

**4.2 Influence of Leadership Style on Employee Performance**

Partially, leadership style has a positive and significant influence on employee performance at Universitas Terbuka. The results of this study support the Muslim, K (2006) that a partial test (people) style of leadership in a positive and significant effect on an employee on employees of Lhokseumawe Institute.

**4.3 Influence of Job Satisfaction on Employee Performance**

Partially, job satisfaction was not significantly influenced employee performance at Universitas Terbuka.

**4.4 Influence of Leadership Style and Job Satisfaction on Employee Performance**

Simultaneously, leadership style and job satisfaction have a positive and significant impact on the performance of employees, this can be seen in the significant value below 0.01 which means that the employee's performance will increase if the leadership style of a leader rated as excellent and improved employee satisfaction. The results of this study support the Muslims, K (2006) which states that the leadership style, job satisfaction has a positive and significant impact on employee performance.

**4.5 Dominant Variables Affecting Employee Performance**

The dominant variable affecting the performance of Universitas Terbuka employees that leadership style has a dominant influence on employee performance in comparison with job satisfaction on employee performance, it means improving employee performance is more associated with the leadership style compared to job satisfaction. This is in line with Nursiah (2004) which states that the leadership style has a dominant influence on employee performance in comparison with job satisfaction on employee performance. According to Kuswadi (2004) style of management or leadership styles that are less fit or less suitable implemented given the leadership to its employees, may decrease motivation, performance and ultimately employee satisfaction.

**V. Conclusion**

Based on the research that has been described, it is concluded as follows:

- 1. The leadership style and job satisfaction have a positive and significant influence on employee performance of Universitas Terbuka. These findings indicate that the performance of employees will increase if the leadership style of a leader rated as excellent and improved employee satisfaction.

2. Partially, leadership style has a positive and significant influence on employee performance of Universitas Terbuka. While job satisfaction was not significantly influenced the performance of the employee.
3. Leadership style has a dominant influence on employee performance in comparison with job satisfaction on employee performance, meaning that leadership style is a problem that needs more attention than the job satisfaction. Style of management or leadership styles that are less fit or less suitable implemented provided the leaders to its employees may decrease motivation, performance and ultimately employee satisfaction.

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