

The Role of Leadership, Motivation and Training on Employee Performance in PT XYZ

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Abstract- The success of a company depends on its employees; therefore, the company must keep the employee performance in order to remain at their best. Leadership, motivation and training can affect the performance of the employees; when employees are treated fairly and their needs are met, they will show their best for the company through improved performance. The purpose of this research is: (1) to analyse the role of leadership on employee performance; (2) to analyse the role of motivation on employee performance; (3) to analyse the role of training on employee performance; (4) to analyze the leadership role on employee motivation; (5) to analyse the role of training on employee motivation. This research employed quantitative research design and involved 142 employees as respondents. The analysis technique used in this study was Shem (Structural Modelling Equatuion) using LISREL (Linear Structural Relationship) software version 8.3. The results of this research show that the dimensions of leadership, motivation and training have a positive influence on employee performance. Furthermore, dimensions of leadership and training have a positive influence on employee motivation.

Index Terms- employee performance, training, motivation, leadership

I. INTRODUCTION

Advancement in the pharmaceutical industry currently has gone so rapidly. It is inseparable from development in science, which boosts innovation in the field of pharmaceutical technology, coupled with the growing awareness of society concerning health. With the rapid growth of the pharmaceutical industry, it must be followed with proper distribution so that Indonesia society can obtain medicines they need wherever they are. Distribution of medicines is carried out by Indonesia Pharmaceutical Wholesalers (PBF). Pharmaceutical Wholesalers are legal entities which have permission to organize storage and distribution of pharmaceutical supplies in bulk according to applicable legislation. The distribution of medicines in Indonesia is set under the umbrella of Government Regulation Number 51 year 2009 Paragraph 1 Article 12 and also Health Minister Decree Number 1148/MENKES/PER/. The companies that run the business as pharmaceutical distributors are high in number, thus such companies demand their employee to have proper and adequate ability, while continuously making improvement in service quality to remain competitive in the industry. It surely must be supported by training so as to improve the performance

of employees. Jamsari et al (2000) explain that effective training can improve the performance of employees. The training consists of courses tailored to improve performance planned at individual, group, or organization level, to improve the performance as seen from the measurable changes through knowledge, skills, attitudes and social behavior of employees (Cascio 1995 as cited in Nasution, 2011).

Similarly, one of the factors considered important for performance improvements is employee motivation. Work motivation is a strong driving factor for humans to do a job that is related to the goals and needs to be achieved. According to Robbins and Judge (2011), motivation is a willingness to give a high level of effort towards the organizational goals with the ability to meet the individual needs; in other words, motivation is the result of individual's interaction with the existing situation. Flippo (1997) states direction or motivation in its essence, is the ability to manage employees in the organization, where the employees are the main asset of the organization, and then this belief is reflected in the achievements performed by employees from their own willingness, building a simultaneous relation between the achievements and the results or objectivity of the organization.

The opinions above can be interpreted as to why an employee is willing to do a job well in an organization. The willingness is triggered by an impulse or internal stimulation of employees. In a more concrete action, that impulse is transformed into the need that must be met.

The issue of leadership within an organization is one of the factors that determine whether or not the objectives of the organization can be achieved. Successful leadership shows that the management of an organization will be successfully implemented successfully. Effective leadership should direct the efforts of subordinates in achieving the objectives of the organization. Without leadership, the relationship between individual objectives and organization goals may be weak.

Such situation will give trigger employees to work solely to achieve their personal goals, while the entire organization becomes inefficient in achieving the target. Therefore, leadership must be put forward if the organization wants to achieve success. For employees or members of organization, leadership at least can be used as the basis for internal motivation to improve passion in working, which in turn will result in good performance. A proven bad leadership can degrade the performance of employees as seen from the results of performance evaluation and increase the level of resignation from the company. The primary reason of employees to quit their

jobis because their relationship with the employer is not harmonious. Study of Gallup says that by 2015, 50 percent of 7200 workers resigned from their jobs due to superiors. Bosses who could not meet the expectations of employees would lower the motivation of the employees; if employees are no longer motivated to work, their performance will also be down; this can affect the whole performance of the company.

Development of business as well as increasing competition result in the demands for high performance human resources. According to Mathis and Jackson (2003), there are three main factors that affect individuals in work and improve their performance. Those factors are ability of individuals to do the job; the efforts to be devoted, and; support of the organization. Individual performance will increase when the individual's ability increase; there must be individual's effort and environmental support of the organization. Moreover, according to Anyim et al. (2012), factors which affect performance are motivation, ability and opportunity. To be able to withstand from the economic, technological, environmental impact and other pressures on the global market, a company should trust their employees at all levels of the organization who could become a manager and a leader at the same time (Isaac et al. 2001). Underlied by the abovementioned issues, the author decides the title of the study is "The Role of Leadership, Motivation and Training on Employee Performance in PT XYZ".

II. RESEARCH METHODS

The sample used in this study was 142 employees of PT XYZ. The number of samples used in this study referred to the

existing guidelines on the SEM (Structural Equation Modelling) method. Ferdinan (2002) states that the size of the sample for model testing using SEM consists of 100-200 or depending on the number of parameters that are used in the latent variable where the amount of parameters is multiplied by 5-10. This research used 25 indicators, so that the sample used was 125 at minimum.

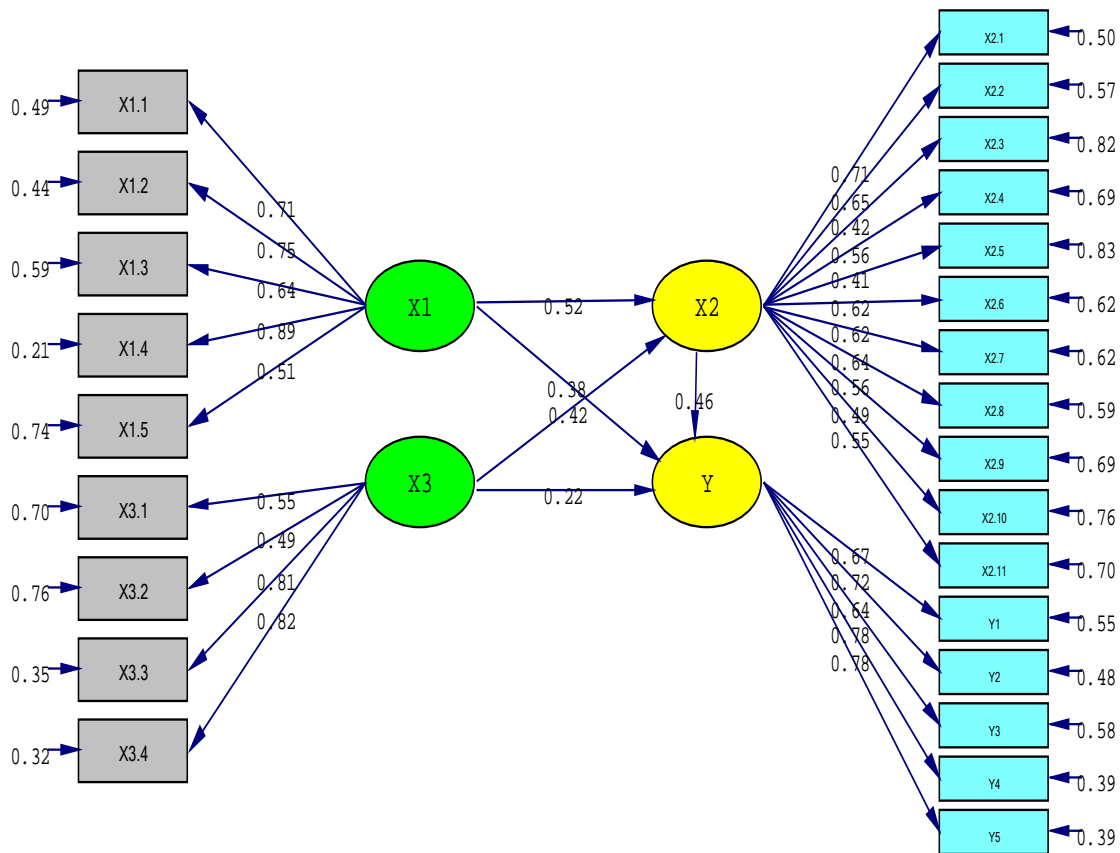
The measurement scale used in this research was Likert scale. Likert scale is mostly used to measure attitudes, opinions, and perceptions of a person or a group of people about social phenomena. With Likert scale, the variables to be measured will be elaborated as variable indicators. Then, the indicators serve as a starting point for drawing up the instrument items which can be either a question or a statement (Nazir, 2005).

Analysis method chosen in this study was SEM (Structural Equation Modelling) using LISREL (Linear Structural Relationship) software version 8.3. SEM is a statistical technique that is able to analyze the pattern of relationships between latent constructs and the indicators, one latent construct and others, and also measurement errors directly. SEM belongs to dependent multivariate statistics that allows doing the analysis between some independent and dependent variables simultaneously.

III. RESULTS AND DISCUSSION

Data Analysis Results

Data processing analysis using SEM was done by doing conformance test and statistical test. The data analysis results of SEM model are described in Figure 1.



Chi-Square=142.68, df=166, P-value=0.90459, RMSEA=0.000

Figure 1:SEM-Model data processing result

SEM-Model feasibility test was undertaken using RMSR (Root Mean Square Residual), RMSEA (Root Mean Square Error of Approximation), AGFI (Adjusted Goodness of Fit

Index), NFI (Normed Fit Index), and CFI (Comparative Fit Index), in which the test results were in the range of expected numbers (Good Fit) as listed in Table 1.

Table 1: SEM-Model feasibility test results

Goodness-of-Fit	Cutt-off-Value	Result	Description
RMR(Root Mean Square Residual)	$\leq 0,05$ or $\leq 0,1$	0.057	Good Fit
RMSEA(Root Mean square Error of Approximation)	$\leq 0,08$	0.000	
AGFI(Adjusted Goodness of Fit Index)	$\geq 0,90$	0.97	
NFI (Normed Fit Index)	$\geq 0,95$	0.98	
CFI (Comparative Fit Index)	$\geq 0,90$	1.00	

Based on Table 1, the test results show the model is accepted with good structural equation. Measurement index RMR (Root Mean Square Residual), RMSEA (Root Mean Square Error of Approximation), AGFI (Adjusted Goodness of Fit Index), NFI (Normed Fit Index), and CFI (Comparative Fit Index) are in the range of good value.

Hypothesis Testing

Once all the assumptions met the criteria, hypothesis testing was undertaken. Hypothesis testing was conducted based on the t-statistics of causality relationship of the SEM processing results as presented in Table 2.

Table 2:Hypothesis Testing Results

Hypothesis	T-score	Result	Deskripsi
Leadership -> Performance	6.32	H ₁ is accepted	Leadership has a significant and positive influence on performance.
Motivation ->Performance	4.32	H ₁ is accepted	Motivation has a significant and positive influence on performance.
Training ->Performance	3.60	H ₁ is accepted	Training has a significant and positive influence on performance.
Leadership ->Motivation	6.29	H ₁ is accepted	Leadership has a significant and positive influence towards motivation.
Training ->Motivation	6.65	H ₁ is accepted	Leadership has a significant and positive influence towards motivation.

Hypothesis 1: H₁is accepted

Assessment parameter used to test the influence of leadership on performance demonstrates the t-score is 6.32. The t-score shows the value which already meets the criteria of hypothesis 1, that the t-score is greater than 1.96. Then, it can be inferred that the dimensions of leadership have a significant and positive influence on performance of employees. This shows that the dimensions of leadership, such as: instructive, consultative, participation, delegation and control are already implemented and executed by the employer; therefore, this condition will provide simultaneous influence on performance of employees.

Hypothesis 2:H₁ is accepted

Assessment parameter to test the influence of motivation on performance shows the t-score amounts to 4.32. The t-score already fits the criteria of hypothesis 2, that the t-score is greater than 1.96. Then, it can be concluded that the dimensions of motivation have a significant and positive influence on performance of employees. This shows that the dimensions of motivation including motivators and hygiene within the company are already considered good by the employees, thereby increasing motivation can provide direct influence on improved performance of employees as employee performance in this case is measured based on the number of works, work quality, punctuality, attendance, ability to cooperate.

Hypothesis 3:H₁is accepted

Assessment parameter employed to test the influence of training on performance indicates the t-score is 3.60. The t-score already meets the criteria of hypothesis 3, that the t-score is more than 1.96. Hence, it can be described as the dimensions of training have a significant and positive influence on performance of employees. This indicates that the dimensions of the training that involve reaction, learning, behavior and results can improve work quality of the employees, thus providing a direct impact on improved performance which is measured based on the number of work, work quality, punctuality, attendance and ability to cooperate.

Hypothesis 4:H₁is accepted.

Assessment parameter employed to test the influence of leadership on motivation shows the value of t-score is 6.29. The t-score has met the criteria of hypothesis 4, that the t-score is greater than 1.96. Therefore, it can be inferred that the dimensions of leadership have a significant and positive

influence against employee motivation. This shows that the dimensions of leadership, such as: instructive, consultative, participation, delegation and control have already been implemented and executed by the employer, thus giving direct impact on increasing employees' motivation through both motivators and hygiene factors.

Hypothesis 5:H₁is accepted

Assessment parameter to test the influence of motivation againsts training demonstrates t-score of 6.65. The t-score has already fit the criteria of hypothesis 5, i.e. the t-score is greater than 1.96. It can be explained that the dimensions of training have a significant and positive influence on employee motivation. This indicates that the dimensions of training, namely reaction, learning, behavior and results can improve work quality of employees, thus providing a direct impact on increasing employees' motivation, in terms of both motivators and of hygiene.

Impact Analysis

Impact analysis is intended to examine how powerful the impact of one to another variable, directly and indirectly. This interpretation has a significant role in the effort of achieving a precise strategy. In accordance with the previous theoretical study and the hypothesis testing results, leadership, motivation and training have a direct influence on performance of employees. There is also an indirect influence of leadership and motivation towards training, and then gives an influence on the performance of employees.

Influence of Leadership on Performance

The statistical analysis results prove that there is a significant influence of leadership on performance shown by the t-score of 6.32. This research reveals direct influence of leadership on performance. This suggests that the stronger leadership role will improve the perceived performance of the employees of PT XYZ. The results of this study support the research by Widyatmini and Hakim (2008) who conclude that leadership is significantly influential to employee performance. Nawawi (2001) describes leadership is influenced by factors forming the leadership itself. Leadership indicators are capable of giving contribution to employee performance from the contribution score. Hence, this condition needs to be maintained or even improved. Managers will need to continue to perform well and practice fair leadership; one of the most

important actions is the boss should be able to delegate well, and thus the employees will feel they are trusted by their leaders. The delegation function is the trust given by the leaders to their employee for the given authority and responsibility. The delegation function has to be realized because progress and development of group are not likely be realized by a single-handed leader (Nawawi, 2001).

Influence of Motivation on Performance

The results of the statistical analysis have indicated that there is a significant influence of motivation on performance, as shown by the t-score amounting to 4.32. This research reveals direct influence of motivation on performance. This suggests that higher motivation will improve the performance of employees of PT XYZ. The finding supports research by Dalmy (2009) that concluded a significant influence of motivation against performance. Expectancy theory proposed by Victor Vroom (Robbins, 2005) states there is a connection between motivation and performance, namely, that an employee will be willing to devote a larger effort when he believes that that effort will result in a good performance appraisal, and that good performance appraisal leads to increase in salary and the chance for promotions; this allows the employee to achieve his personal goals. Motivation is increasingly important as a Manager or Chief distributes the work to his subordinates well and is integrated to the desired destination (Hasibuan, 2005)

Influence of Training on Performance

The statistical analysis demonstrates the finding that there is a significant influence of training on performance, as indicated by t-score of 3.60. This research has found a direct influence of training on performance. This shows that better training given by the company will improve the performance of employees of PT XYZ. The results of this study are in accordance with the theory put forward by Dessler (2015) who explains that training is a process of learning of both new and old employees regarding the skill they need to demonstrate a good performance. Training has to be implemented right on target; if the company is wrong in identifying the training needs, it will lower the performance of employees. Dessler (2015) explains that the training provided should give results that are related to the employee performance; if the given training programs do not provide good results, maybe the training has not reached the target. Rangka et al., (2014) in his research describe that training is done with selection of training methods to suit the ability/competences of employees and orientation of organization on employee performance in doing tasks at present and in the future. The findings of the research show that training does have an important influence on employee performance.

Influence of Leadership on Motivation

The results of the statistical analysis show that there is a significant influence of leadership on motivation indicated by the t-score, amounting to 6.29. This research proves the direct influence of leadership against motivation. This suggests that the stronger leadership role will increase the perceived motivation of employees of PT XYZ. The results of this study are related with the theory suggested by Wahjosumidjo (2002), that leadership has a close relation with motivation, since the success of a leader

in managing employees in achieving the objectives set out depends on authority, and the leader itself in creating motivation inside each subordinate, colleague or superior. High work motivation can be strengthened by appropriate leadership, while less appropriate leadership would less motivate employees in performing work activities (Reni, 2015). In the process of leadership, motivation is something essential, because to lead means to motivate. A leader must work together with his people or colleagues, yet it requires the ability to motivate others.

Influence of Motivation on Training

The statistical analysis has resulted in a finding that there is a significant influence of training on motivation shown by the t-score, that amounts to 6.65. This research denotes the direct influence of training towards motivation. This suggests that the stronger leadership role will improve the perceived motivation of employees of PT XYZ. The finding of this study has been in accordance with the finding of research by Sopa and Didin (2014) that training and development affect employee motivation. Simamora (2004) explains that training and development is a way to motivate and improve job skills, including giving counseling on behavior of employees, that would be followed up with proper training. Hence, in order the employees stay motivated in working, should the company continue to be able to provide appropriate training based on employees' competence.

IV. CONCLUSION

1. Employees have a positive perception on leadership because: the employees give clear instructions; the employers could accept consultations related to jobs; the employers provide an opportunity for employee participation in both decision-making and management of employees. In terms of delegation, employees also give a positive perception. Employees have a positive perception on motivation in terms of achievement, recognition, responsibility, development, work, wages, connection between workers, company policy, as well as work situation and security. Employees possess a positive perception to training, both in terms of reactions and learning. Meanwhile, regarding behavior and results, employees have a very good perception.
2. Leadership has a significant role against performance of employees. This is because the leaders realize that if the employees feel comfortable working with their superiors, their performance can improve; thus, being a good and fair leader is an important thing.
3. Motivation plays a significant role on employee performance. This is due to good implementation of the factors that can increase motivation.
4. Training has a vital role on employee performance. This is because the training is very well prepared by management, thus the trainees feel that they can benefit the results of the training.
5. Leadership demonstrates a significant role on motivation of employees. This happens since the leaders

realize that the success of the company depends on how they motivate their employees to work properly.

6. Training has a vital role on motivation. This happens because providing training will enhance the skills of the employees, so their motivation will increase.

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