

THE INFLUENCE OF LEADERSHIP STYLE, TEAMWORK AND COMPENSATION ON EMPLOYEE PERFORMANCE

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ABSTRACT

The focus of this research was to find out how leadership style, teamwork, and compensation impact employee performance in the Spectrum Pool and Cafe. Explanatory research with quantitative methods is used. This study used convenience samples. Thirty respondents were selected as samples. Multiple linear analysis and partial regression testing are used to analyze the data. IBM SPSS statistical application helps in data processing. The results showed that employee performance was partly influenced by leadership style, teamwork, and compensation. It is expected that future research will expand the research topic, make the findings more general, and apply the findings to various business industries. Furthermore, this study will add variables such as work discipline, work motivation, communication, and other variables.

INTRODUCTION

The process by which a group of people or an organization works together and uses everything they have to achieve a particular goal is known as management. Human Resources (HR) is a very important factor that cannot be separated from a group or organization, which is the key to the development of a company. Therefore, HR must be prioritized in management, both institutions and companies. Due to increasingly fierce competition in the current era of globalization, human resource management is very important and must be paid attention to by management and business leaders. Leaders must maintain and increase their resources if they want the company to remain successful and survive. This includes improving employee performance. To achieve this goal, human resource management must focus on effective planning, strategic organization, supervision and control. Therefore, quality human resources who are experienced and aligned with business goals are needed. In Malang itself, there are many entertainment venues that focus on billiard rentals. Some of them are Spectrum Pool and Cafe, RND Pool and Cafe, ION Pool, Kriwul, OZ Cafe and Billiard, and so on. Spectrum Pool and Cafe were the focus of the research. This business has advantages compared to its competitors, such as a billiards area combined with a Futsal Court and Cafe which offers a variety of food and drinks at affordable prices. The Spectrum Pool and Cafe site is located in Mojolangu, Lowokwaru District, Malang City, East Java 65142. Due to increasingly fierce competition among billiard entrepreneurs in Malang City, business owners continue to improve the quality of their management and human resources to keep customers coming back.

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With the increase in the billiard business, customers There are many factors that influence customer satisfaction such as compensation, leadership, team work, work motivation, organizational culture and so on (Herlambang HR & Sonny, 2021); (Ratnawili & Saputra, 2023). However, research only focuses on 3 factors, namely leadership style, teamwork and compensation. One factor in assessing whether a business is good or not is by looking at the performance of its employees. Performance is the result that can be achieved by individuals or groups of people in an organization in a way that is in accordance with their respective authority and responsibilities to achieve organizational goals legally and without violating the law, morals or ethics (Ferdiyatmoko, 2023). Employee performance is very important to the overall success of a company, so business owners need employees who are able to do their jobs well. Work culture in an organization is influenced by leadership style. Leaders who have the right leadership style will strengthen the principles and habits that are firmly held by the organization. Therefore, they have the ability to increase employees' sense of solidarity and their level of involvement in achieving organizational goals. A leader always serves his subordinates better than they serve themselves. Leaders combine the needs of their subordinates with the needs of the organization and the general public (Ratnawili & Saputra, 2023). A good leadership style will influence the performance of company employees, and vice versa. To obtain a good image and increase consumer interest is to improve service, this will be realized with good teamwork. Teamwork is a group work system that combines various skills to achieve clear goals and is supported by communication and leadership to achieve better results than individual results (Erika Novya Lestari et al., 2023). Employee performance will increase along with good teamwork and poor employee performance when the teamwork created in the field is not well organized. Another factor that influences the stability of employee performance is compensation. Compensation is something given by a company to employees in return for their work. When compensation is provided appropriately and regularly, it encourages employees to work better to achieve company goals and objectives. However, if the compensation provided by the company is inappropriate or inadequate, it will cause a decrease in work performance (Hidayat et al., 2019). From the research that has been conducted, there are many different opinions and results. This happens because the research components differ from one researcher to another. Based on these observations, research was carried out again to identify the influence of employee performance

Literature Review

Achievement Theory

David McClelland divides human needs into three types: First, the need for achievement: the desire to achieve according to standards and strive hard to succeed. Second, the need for power: the desire to make other people behave in a way that they do not want. Third, the need for affiliation: the desire to establish relationships with other people in a friendly and familiar way (McCelland in Wijaya, 2019).

Employee performance

The abilities, skills and work results demonstrated by an employee when carrying out his duties and responsibilities at work are called employee performance. Achieving

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predetermined targets, work productivity, quality of work results, and quality of team work are several ways to measure employee performance. Employee performance is also defined as the work results achieved by a person in carrying out the tasks that have been assigned or according to their job description, which is based on skills, experience, seriousness and time (Erika Novya Lestari et al., 2023). Employee performance is also very important to assess employee quality and maintain the productivity of all company employees. If an employee's performance is considered good, then the employee is entitled to compensation from the company or additional compensation.

Leadership Style

According to the Big Indonesian Dictionary (KBBI), "leadership" means things about leaders or how to lead. Etymologically leadership comes from the basic word "lead", which means to direct, foster, organize, guide, show or influence. A person can be influenced by leadership style. There is no other way to encourage or order subordinates to do something and assess whether they do it or not. Leaders combine the needs of their subordinates with the needs of the organization and society. This means that a leader always serves his subordinates better than his subordinates serve him (Ratnawili & Saputra, 2023). Communicating the organization's vision and goals to the entire team is an important task of a leader. It inspires and motivates team members to work together to achieve a shared vision.

Teamwork

Everyone in the company, from employees to leaders, wants the company's success for the common good. Teamwork is essential to achieving your vision and future success. A work team is defined as a group of people whose individual efforts produce better results than the sum of the individual inputs. This shows that team performance is more important than individual performance in an organization or company. Teamwork is a group of people working together to achieve the same goal and it will be easier to achieve this by working together than doing it alone (Hidayat et al., 2019). It will be easier for a company to achieve success if the company has the best and most skilled people in their field. These people not only have to work independently, but also have to be able to communicate with their colleagues and form solid teamwork to achieve company goals.

Compensation

One way a company can reward its employees is by providing compensation, which is considered "a consideration or equivalent" and has the potential to increase or decrease an employee's performance. Company (Hidayat et al., 2019). Companies provide compensation to their employees for specific purposes. These include recognizing employee achievements, ensuring fair wages, maintaining or reducing turnover, getting good employees, controlling costs, and complying with regulations. The term compensation is also closely related to financial rewards, also known as pecuniary rewards, that are given to someone on the basis of their employment relationship.

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Hypothesis Development

The Relationship between Leadership Style and Employee Performance

To increase employee motivation, company leaders can apply a transformational leadership style. Transformational leadership style has a positive and significant impact on motivation (Pratiwi & Wimba, 2021). The success of a leader in encouraging others to achieve a goal depends on his leadership style. Leadership style influences employee performance. Employee performance creating company success can be seen by their leadership style. If the leadership style is good, then employee performance will also be good. On the other hand, if the leadership style is bad, so will employee performance. This is in accordance with research (Nolas et al., 2022) (Pratiwi & Wimba, 2021); (Pratama & Amali Rivai, 2021). Based on this description, the first hypothesis can be proposed:

H1: Leadership style influences employee performance

The Relationship between Teamwork and Employee Performance

Collaboration is an effective work team that can work together to achieve a common goal. The linkage of team collaboration is very important in the performance of an organization or company because it allows team members to work together to achieve common goals through exchanging ideas, feedback, and problem solving. This shows that team performance is better than individual performance in an organization or company. Employee performance increases along with better levels of teamwork (Hidayat et al., 2019). This is in line with research which states that teamwork influences employee performance (Erika Novya Lestari et al., 2023); (Ferdiyatmoko, 2023). Based on this description, the second hypothesis is obtained:

H2: Teamwork influences employee performance

The Relationship between Compensation and Employee Performance

Compensation benefits can be used by employers as appreciation and motivation for their employees to continue working. Companies usually generate increases in worker productivity by setting targets and providing incentives. Therefore, business operations can run smoothly. Compensation is a means of creating a productive, friendly, and healthy workplace. When compensation is provided, all employees are eager to do their best. Therefore, in the process of building a business, each party will receive balanced results. If the compensation provided by the company is effective, employee performance will increase, and vice versa. This is in line with research which finds compensation has an effect on employee performance (Parodoran et al., 2018); (Pradipta, 2017). Based on this description, the third hypothesis is obtained:

H3: Compensation influences employee performance

METHOD

This research uses a descriptive and quantitative approach. The primary data used in this research comes from a questionnaire distributed via Google forms. Secondary data is used to collect information from the work environment at Spectrum Pool and Cafe. This research was conducted at Spectrum Pool and Cafe which is located in Mojolangu, Lowokwaru District, Malang City, East Java 65142. Data was collected using the Likert

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scale questionnaire method which was used in April 2024. Employees who work at Spectrum Pool and Cafe are the population of this study. determined by the purposive sampling method, which uses this method as a filter to select the samples used, which total 39. Validity tests, realism, classical assumption tests, t tests, f tests, and regression analysis are used in quantitative research data analysis. Regression analysis is a type of analysis used to determine relationships, create equations, and make forecasts to predict the value of the dependent variable (Y) based on the independent variable (X).

RESULTS

Validity and Reliability Test

The validation process was carried out using bivariate Pearson correlation. All questions are considered valid, and the R value greater than R table 0.3610 meets the decision criteria. In addition, based on reliability tests, leadership style, teamwork, compensation, and employee performance each have Cronbach alpha (α) values of 0.962, 0.940, 0.958, and 0.890, which indicates that the total Cronbach alpha value of the variable is more than 0.60. When indicators are given to respondents, they tend to be consistent or constant.

Data Normality

The normality test is used to determine whether the data follows a normal distribution. The Kolmogrover-Smirnov one-sample method was used. The Kolmogrover-Smirnov value of 0.187 and a significance level of 0.09 were obtained from the results of the normality test, which shows that the data is normally distributed because the significance is more than 0.05.

Coefficient of Determination

Table 2. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,214	,046	,064	3,796

Source: Author's compilation

Table 2 shows a multiple R value of 0.214, which indicates that there is a strong relationship between leadership style, teamwork, compensation and employee performance. The employee performance value of 46 percent is determined by leadership style, teamwork and compensation, while the adjusted R-squared value of 0.64 or 64% is the ability value of the independent variable relative to the dependent.

Multicollinearity

Multicollinearity test with value inflation variation factor (VIF). The results show that leadership style has a value of 1.118, teamwork 1.089, and compensation 1.046. There is no multicollinearity, because the three VIF values of the independent variables are less than 10 or none has a VIF value of more than 10.

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Heteroscedasticity

The 2-sided Spearman's rho correlation test with a sig level of 0.05 was used to test heteroscedasticity. The values of leadership style, teamwork, and compensation amounted to 0.569, 0.507, and 0.837 respectively. Because the significance of the three variables is greater than 0.05, the conclusion shows that there is no heteroscedasticity.

Multiple Linear Regression

Table 2. Multiple Linear Regression

Variabel	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	25,818	5,498		4,696	,000
Gaya Kepemimpinan	,042	,115	,174	,364	,019
Kerjasama Tim	,008	,068	,025	,124	,002
Kompensasi	,104	,094	,215	,099	,042

Source: Author's compilation

The normal value of 25.818 is the employee performance value without the variables of leadership style, teamwork and compensation. Assuming that the independent variable is constant, the normal value shows an increase in employee performance value of 25.818. With a positive sign of 0.042, leadership style shows a one-way relationship with employee performance. If the leadership style increases by unit, employee performance increases by 0.042, and vice versa. With a positive sign of 0.008, teamwork shows a one-way relationship with employee performance. If teamwork increases by unit, employee performance increases by 0.008, and vice versa. Positive sign of 0.104, compensation shows a one-way relationship with employee performance.

Hypothesis Testing

The leadership style variable has a significance level of 0.002 which is greater than 0.050 and the t-count value of 0.174 is greater than the t-table of 0.68368, so the first hypothesis is accepted. The teamwork variable has a significance level of 0.002 which is greater than 0.050, so the second hypothesis is accepted. The compensation variable has a significance level of 0.019 which is greater than the t-table 0.68368. So the third hypothesis is accepted.

DISCUSSION

The Influence of Leadership Style on Employee Performance

The research results show a significant influence between leadership style on employee performance. This means that every increase in leadership style is accompanied by an increase in employee performance. This is in accordance with the theory that the way a leader manages his team to achieve organizational goals is known as leadership style. Leadership style includes the behaviors, values, and strategies used to move team members toward desired accomplishments. The right leadership can impact workplace culture and

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employee productivity levels. Leaders who understand various leadership styles and apply them wisely have a great opportunity to be successful in leading teams and achieving business goals, especially in improving employee performance (Hidayat et al., 2019). According to respondents, Spectrum Pool and Cafe is good at practicing leadership styles. The research results are supported by research (Firdayanti et al., 2023); (Nolas et al., 2022); (Ratnawili & Saputra, 2023) which is in line with the statement that there is a significant influence of leadership style on employee performance.

The Effect of Teamwork on Employee Performance

The research results show that teamwork has an effect on employee performance. Every increase or level of good and solid teamwork will certainly have an impact on employee performance in a company. When building collaboration, effective communication is an important part of teamwork. This means talking openly and honestly about ideas, feedback, and information. Good communication allows teams to identify problems, failures, and work together to find solutions. In addition, teamwork requires a clear understanding of the roles and responsibilities of each team member, as well as the goals and objectives to be achieved. In the world of the billiards business, teamwork is very important because Spectrum Pool and Cafe is a service company. A work team is a group of people whose individual efforts produce better results than the sum of individual input. This means that team performance is better than individual performance in an organization or company (Hidayat et al., 2019). This is in line with and supported by research (Najuti & Susanto, 2022); (Ipan Hilmawan, 2020); (Erika Novya Lestari et al., 2023) which states that teamwork influences employee performance.

The Effect of Compensation on Employee Performance

The research results show that compensation has a positive effect on employee performance. The attractive compensation given to employees will influence their performance level. Compensation is all income in the form of money or materials received by employees as compensation for their services to the company. By getting compensation, employees are more motivated to carry out the work and responsibilities given by company management, because they feel appreciated by proper management (Sutrisno et al., 2022). Employees who receive compensation from the company show a higher level of discipline while working. Work completed on time, completion of more tasks than usual, and much more are the competencies referred to here. As shown by this evidence of disciplined behavior, employees who receive compensation will be more disciplined in their work. The research results are supported by research (Parodoran et al., 2018); (Pradipta, 2017); (Rozali & Kusnadi, 2020) who found that compensation or allowances have a big influence on the effectiveness of employee performance.

CONCLUSION

This research shows that an effective leadership style has a positive impact on employee performance. Leaders who are able to adopt the right leadership style, such as a transformational or democratic style, are able to motivate employees to achieve company goals. Apart from that, solid teamwork has also been proven to have a positive effect on

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employee performance. When employees can work effectively in teams, they can support each other, share knowledge, and utilize each other's expertise to achieve common goals. Furthermore, adequate compensation also has a significant influence on employee performance. When employees feel that they are compensated commensurate with their contributions and performance, they will feel valued and motivated to work harder. Fair compensation can also increase employee job satisfaction, reduce turnover, and retain quality employees. In conclusion, this research shows that leadership style, teamwork, and compensation in Spectrum pool and Cafe business activities have a significant influence on employee performance. Therefore, companies need to pay attention to these factors in an effort to increase employee productivity and performance. Leaders need to develop an effective leadership style, build solid teamwork, and provide adequate compensation to employees. In this way, companies can create a positive work environment and motivate employees to achieve better results. Furthermore, it is hoped that further research can expand the research components so that the results obtained can be more general and used for all business sectors. Then you can add research variables such as work motivation, communication, work discipline and others.

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