

THE EFFECT OF LEADERSHIP AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE WITH SATISFACTION AS A MODERATION VARIABLE

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Abstract

Employee performance is the most critical factor for a company's success in achieving its targets. However, employee performance cannot stand alone, and supporting elements are needed for the success of employee performance, including leadership and leadership factors and the work environment. In contrast to previous research, this study uses moderation testing mode with the variable satisfaction. This research was conducted at 3 Muamalat banks spread across Indonesia because they have different regional characteristics, namely at Bank Muamalat KCP Solok, Bank Muamalat KC Tegal, and Bank Muamalat KC Cilegon. This research is quantitative research with an explanatory approach. The study results show that leadership and work environment positively and significantly affect employee performance. By the researcher's assumptions, satisfaction can moderate the Leadership and Work Environment variables on Employee Performance, marked by a significant shift in numbers from the direct test results and with moderation through the Satisfaction variable.

Keywords : Leadership, Work Environment, Employee Performance, Satisfaction.

1. INTRODUCTION

Employees are the most critical factor in the progress of a company. Achieving company goals requires employees who meet the company's needs and can also perform the tasks set by the company. Every company always tries to improve the performance of its employees in the hope that company goals are achieved (Hasibuan, 2013). In an organization, individual performance has a significant influence on organizational performance. Both government and private organizations achieve the goals set through actions led by individuals or groups of individuals who work together and play an active role as actors in achieving good organizational performance. In other words, the achievement of organizational goals is due to the efforts of people in the organization. The effectiveness of an organization is primarily determined by its human elements. Therefore the effectiveness of an organization is usually measured by its human effectiveness. Good employee performance affects overall organizational performance (Depitra & Soegoto, 2018).

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One of the factors that can affect employee performance is the factor of leadership style and work environment. According to (Robbins, 2016) leadership is the ability to influence a group towards achieving a goal. Based on observations made during the pre-research period, several employees stated that they had problems related to the leadership style of their superiors. Several Employees complain about the attitude of their superiors, so it can be concluded that employees feel burdened by their superiors. Sometimes, superiors let employees work without direct supervision, and sometimes superiors receive input from employees. However, sometimes, employees also receive pushy and strict orders from their superiors. From these observations, it can be concluded that there are characteristics of authoritarian leadership styles, participatory leadership, and delegative leadership.

The progress of a company will depend on its leadership in managing the organization because employee loyalty (budiyo, and Sutianingsih, 2021) and discipline will provide support for responsible and highly dedicated leaders (Rati Wulandari, 2019). In addition, leaders as people who have the ability, competence, distribution of power, and involve other parties, provide a significant role for the survival of the organization by implementing an excellent organizational culture balanced with employee values as social glue for all members of the organization.

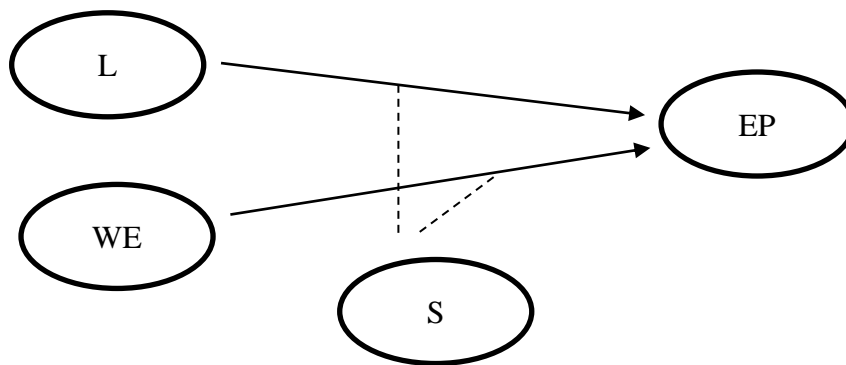
In addition to leadership style, work environment factors also determine employee performance. The work environment is one of the factors that determine employee performance. Employee performance is one of the keys to a company's success in achieving success. Hence every company must have a work environment suitable for the continuity of employee work and improve employee performance. Research shows that work environment variables have a very significant influence on employee performance (Panjaitan, 2017); (Tri Budianto, 2019); (Vera Parlinda, 2019); (ASLIA, 2019) & (Ahmad, 2010).

The work environment is all the circumstances where work can affect employees or employees either directly or indirectly. A good work environment will significantly influence employee work productivity. Aspect Factors affecting the work environment include lighting regulation and work level. However, the lighting here is defined as the regulation and good air circulation, especially in the work environment, cleanliness of the work environment, and security of employees' belongings.

In contrast to some of the studies above, this study combines the variables of Leadership Style and Work Environment which researchers believe can influence Employee Performance. In addition, this study also adds a variable of satisfaction which researchers believe can moderate the variables of leadership style and work environment on employee performance (Budiyo, et al 2021).

2. RESEARCH METHODS

This research is quantitative research with an exploratory approach (Sugiyono, 2019). This study consists of 2 independent variables, namely Leadership Style and Work Environment, one dependent variable, Employee Performance, and 1 moderating variable, satisfaction (Sugiyono, 2015). This study uses primary data through a questionnaire using a Likert scale of 1-5 containing very true, accurate, mediocre, incorrect, and very incorrect, which were distributed to 3 branches of Bank Muamalat in Indonesia, including Bank Muamalat KCP Solok, Bank Muamalat KC Tegal, and Bank Muamalat KC Cilegon which each researcher distributed with 300 respondents in each branch (Hair, 2010). This study used a purposive sampling technique. This research analysis tool uses smart PLS 3.2.8 with the following research model (Jonathan Sarwono, 2016):



H1 : The Relationship Between Leadership to Employee Performance

H2 : The Relationship Work Environment to Employee Performance

H3 : Satisfaction Can Moderate Leadership to Employee Performance

H4 : Satisfaction Can Moderate Work Environment to Employee Performance

3. RESULT AND DISCUSSION

3.1. Result

Convergent Validity

Convergent Validity aims to validate every relationship between indicators and latent variable constructs:

Table 1.
Convergent Validity

Variable	Question Items	Loading Factor
Leadership X1	Leader is fair	0.921
	Leaders help achieve goals	0.912
	The leader acts as a catalyst	0.880
	Leaders provide motivation	0.815
	Leaders provide motivation	0.912
	Leading company representative	0.813
	Leaders have a long term vision	0.855

	The leader is an inspirational person	0.822
	Leaders value subordinates	0.913
Work environment X2	Facility eligibility	0.920
	Atmosphere safety	0.910
	Responsibility among employees	0.834
	Security at work is good	0.778
	Smell around the workplace	0.910
	Compensation	0.930
	Payroll accuracy	0.946
	Supervision	0.935
	Facilityes	0.835
Satisfaction Z	Salary	0.915
	Treatment	0.941
	Regulation	0.812
	Bonus	0.780
	Leader	0.853
Employee performance Y	Employees complete tasks on time	0.920
	Employees are able to innovate	0.966
	Employees are able to drink mistakes	0.923
	Employees are able to maximize capabilities	0.963
	Employees are fast in making decisions	0.955
	Employees do the job with near perfection	0.976

Source: Data processed by researchers, 2023

Description : Valid >70

Composite Realibility

Reliability Composite aims to measure the entire valuo of the reliability of a variable and other variables. Cronbach Alfa functions to calculate the lowest value of the reliability of a variable so that the composite reliability value is > 0.6 and the Cronbach Alpha value is > 0.60.

Tabel 2
Composite Realibility

Variable	Composite Reliability	Alfa Cronbach
Leadership	0.850	0.889
Work environment	0.893	0.895
Satisfaction * Employee Engagement	0.823	0.795
Satisfaction * Leadership	0.813	0.876

Based on the Composite Reliability results above, the composite reliability and Cronbach Alpha values are more significant than 0.80. Thus these variables can be relied upon.

3.2. Discussion

Tabel 3.
Path Coefisien

	Variable	T-table	Information
Direct Influence	X1----)Y	0.009	Accepted
	X2-----)Y	0.019	Accepted
Moderation	Z--)X1--)Y	0.000	Accepted
	Z--)X2--)Y	0.000	Accepted

Source: Data processed by researchers, 2023

H1: Relationship Between Leadership to Employee Performance

Based on the results of the analysis above, the Leadership variable has a positive and significant influence on Employee Performance because the t-table value is smaller than the significance level of 0.05. This is in line with research (Hasibuan, 2013) & (Robins 2006). Thus, the first hypothesis can be accepted.

H2: Relationship Work Environment to Employee Performance

Based on the test results above, the Work Environment variable has a significant positive influence on Employee Performance because the t-table value is smaller than 0.05. This is in line (Panjaitan, 2017); (Tri Budianto, 2019); (Vera Parlinda, 2019); (ASLIA, 2019) & (Ahmad, 2010). Thus the second hypothesis can be accepted.

H3 : Satisfaction Can Moderate Leadership to Employee Pefromance

Based on the statistical test results above, Satisfaction can moderate the Leadership variable on Employee Performance positively and significantly. This aligns with the researcher's assumption that the Satisfaction of leaders and employees will result in good performance. This is proven by an increase in the significance level from the direct test from 0.009 to 0.000. Thus the third hypothesis can be accepted.

H4 : Satisfaction Can Moderate Work Enironment to Employee Pefromance

Based on the statistical test results above, the Satisfaction variable can positively and significantly moderate the Work Environment variable on Employee Performance. This aligns with the researcher's assumption that the Work Environment owned by Leaders and Employees will produce good performance. This is proven by the increase in the significance level from the direct test of 0.019 to 0.000. Thus the third hypothesis can be accepted.

4. CONCLUSION

Based on the explanation above, it can be concluded that leadership and work environment positively and significantly affect employee performance, with each t-table value of 0.009 and 0.019 more minor than the significance level of 0.05. In line with the researcher's assumptions, the Satisfaction variable can moderate the Leadership and Work Environment variable on Employee Performance, which is marked by a fairly significant shift in numbers, from 0.009 to 0.000 in the moderation of Leadership on Employee

Performance and 0.019 to 0.000 in the restraint of the Work Environment on Employee Performance.

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