

Development of Employee Performance through Leadership and Compensation with Work Motivation as a Mediating Variable – The Case at Conventional People's Banks in the Banten Province

I Nyoman Marayasa^a, ^aUniversity of Persada Indonesia YAI Doctor of Management Science Program Faculty of Economics and Business Jakarta 2018

The purpose of this study is to examine the effect of leadership, compensation and work motivation partially or jointly on employee performance. The research method used was descriptive and explanatory surveys. The population in this study were employees of 61 Conventional People's Credit Banks in the Banten Province obtained through a sample of 245 respondents. The data analysis method used was Structural Equation Modelling (SEM). Based on the results of the study, it can be concluded that leadership and compensation partially or jointly have a positive and significant effect on work motivation (52%). Compensation is the most dominant variable influencing work motivation. Leadership, compensation and work motivation partially or jointly have a positive and significant effect on employee performance (61%). Work motivation is the most dominant variable influencing employee performance. In addition, the results of the study indicate that work motivation is a full mediating variable for leadership and compensation in influencing employee performance. This study recommends that to improve the performance of employees of Conventional People's Credit Banks in Banten Province it is necessary to increase work motivation, which is reflected through work quantity.. Increased work motivation will influence the growth dimension, which is supported by increased compensation and also reflected by the financial compensation dimension. Improved leadership is reflected by the dimensions of managerial ability.

Key words: *Leadership, Compensation, Work Motivation and Employee Performance.*



Introduction

The growth of the banking world today is increasingly developing in Indonesia; this is marked by the establishment of many private banks through both local and foreign investors. All of that is inseparable from the various successes of Indonesia's economic development and rapid growth. Each bank is trying to attract as many customers as possible by increasing quality in terms of services, products, interest and the growing use of technology. The main purpose of all of them is to provide satisfaction for customers. Banks have a very important role in the economic system along with the growing needs of the community. Banking institutions also play a role as an agent of development in national development, where banks distribute funds to the public in the form of credit, in order to increase the ability of fund mobility and create a better climate for the business world (Pakdel & Talebbeydokhti, 2018).

The development of various business activities in the private sector has an impact on the high capital requirements, especially for small and micro businesses (SMEs) that have not been reached by commercial banks. The requirements to obtain capital loans from commercial banks are relatively difficult to meet because the need for collateral with certain requirements, such as collateral IT, must be: certified; have a financial statement in the form of a Balance and Profit/Loss sheets; and the business must have been running for a minimum of three years. This means businesses in the SME sector have not been fully touched by Commercial Banks. The SME sector is a form of business that has been tested in times of crisis and still survived. The businesses absorbed a lot of labour. In addition to Commercial Banks, bank financial institutions that can bridge the capital problem for the small and micro business sector are Rural Banks (BPR) (Priyono et al., 2018).

The existence of BPR is very helpful for micro, small and medium businesses because the business activities of BPR are mainly aimed at serving small businesses and rural communities. However, with the growing needs of the community, the task of the BPR is not only aimed at rural communities but also includes the provision of banking services to people in economically weak groups in urban areas. The development of the number of Conventional Rural Banks in Banten Province based on the Indonesian Banking Statistics (SPI) data for 2016 during the period of 2011 to 2015 can be seen in the following table.

Table 1: Developments Total Bank RB Conventional in District / Town Banten Province

No	City / Regency	Total BPR				
		2011	2012	2013	2014	2015
1	Kab. Lebak	3	3	3	3	3
2	Kab. Pandeglang	2	2	2	2	2
3	Kab. attack	2	2	2	2	2
4	Kab. Tangerang	34	33	31	30	29
5	Cilegon City	3	3	3	2	2
6	City of Serang	0	0	0	0	0
7	Tangerang City	26	26	26	24	23
8	South Tangerang City	0	0	0	0	0
total		71	69	67	63	61
Growth Rate (%)		-	-2.82	-2.9 0	-5.97	-3.17

Source: Data processed from Bank Indonesia Statistics (2016)

Table 1 shows that the development of the number of Conventional BPR Banks based on Legal Entities in Regencies/Cities in Banten Province have decreased every year, with an average of -3.71%. The development of the fluctuating number of Conventional BPR Banks in the Regencies/Cities of Banten Province shows that competition in the banking sector is currently very tight.

The variables in this study include leadership, compensation, motivation and employee performance. The unit of analysis in this study is the employees of 38 Conventional People's Credit Banks in the Banten Province. Problem limitation aims to make researchers more focused on the problems of leadership, compensation, work motivation and employee performance to provide optimal research results.

Based on the above problem formulation, the research objectives were to analyse and prove:

1. The effect of leadership on work motivation of conventional BPR Bank employees in the Banten Province.
2. The effect of compensation on the work motivation of conventional BPR Bank employees in the Banten Province.
3. The effect of leadership and compensation together on the work motivation of employees of Conventional Rural Banks in the Banten Province.
4. Leadership influence on the performance of conventional BPR Bank employees in the Banten Province
5. The effect of compensation on the performance of conventional BPR Bank employees in the Banten Province.

6. The effect of work motivation on the performance of conventional BPR Bank employees in the Banten Province.
7. The influence of leadership, compensation and work motivation together on the performance of conventional BPR Bank employees in the Banten Province.

Literature Review

Employee Performance

Human Resources (HR) has an important role in achieving the organisation's vision, mission and goals. In fact, it has become a factor in advancing companies to be able to compete in the midst of global competition. Gomes (2007) states that organisational performance is determined by the performance of the organisation's employees. Then Mahmood, Iqbal and Samsara (2011), stated that employee performance is the most important factor in organisational success, therefore there is a need to adopt an effective human resource strategy aimed at improving employee performance in the organisation. The existence of HR alone is not enough; it requires quality HR and international competitiveness, namely HR that has a superior performance.

Mangkunegara (2009), defines work performance as the work of quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given to them. Performance is a universal concept. It is the operational effectiveness of an organisation, and its employees based on predetermined standards and criteria. Organisations are basically run by humans, so performance is actually human behaviour in playing the role that they perform in an organisation to meet the standards of behaviour that have been set in order to produce the desired results and actions.

Work Motivation

In essence, human behaviour is motivated by the desire to achieve the goal of the activity. Mangkunegara (2011) explains the motive as encouragement of employees so that the employee can adjust to their environment. While motivation is a condition that can move employees to be able to achieve their goals.

Leadership

The leader has a special position in an organisation. Their existence is believed to be a person who can run, animate, develop, advance and achieve the organisation's goals. Cohen (2011) argues that leadership has the power to be able to distinguish between success and failure, both for organisation and for its employees. This understanding has an implicit meaning that

leaders use their influence to communicate to their subordinates to achieve the organisation's goals.

Compensation

Creating a solid and well performing work team requires management's ability to build good relationships with the work team. One way is to plan a good compensation scheme Hasibuan (2010). With adequate compensation, job satisfaction will be created. This gives rise to work motivation creating effective performance.

Framework for Thinking

Influence Leadership, Compensation and Work Motivation, Collaborative against Employee Performance

Emmanuel Akanpaadgi, Matthew Valogo and Christopher Akaligang (2014), state that employees are more motivated to perform better with democratic leadership than of autocratic leadership and laissez faire. Masud Ibrahim and Veronica Adu Brobbey (2015), state that leadership, recognition and assessment of employees, meeting employee expectations and socialisation are key factors that motivate employee work. Irum Shahzadi, Ayesha Javed, Syed Shahzaib Pirzada, Shagufta Nasreen, and Farida Khanam (2014), state that intrinsic rewards have a significant positive relationship with employee performance and employee motivation. Muhamad Rizal, M Syafie Idrus, Djumahir, and Rahayu Mintarti (2014), state that compensation has a significant effect on organisational motivation and commitment but does not significantly influence employee performance.

Research Hypothesis

The hypotheses in this study is:

1. (H1): There is a leadership influence on employee motivation in Conventional Rural Banks in the Banten Province.
2. (H2): There is a compensation effect on the work motivation of employees of Conventional People's Credit Banks in Banten Regencies/Cities.
3. (H3): There is a joint influence of leadership and compensation on the work motivation of Conventional People's Credit Bank employees in Banten Province.
4. (H4): There is a leadership effect on the performance of Conventional People's Credit Bank employees in the Banten Province.
5. (H5): There is an effect of compensation on the performance of Conventional People's Credit Bank employees in the Banten Province.

6. (H6): There is an influence of work motivation on the performance of employees of Conventional People's Credit Banks in the Banten Province.
7. (H7): There is an influence of leadership, compensation and work motivation together on the performance of Conventional People's Credit Bank employees in the Banten Province.

Research Methods

Method Used

The object of this study that became the independent variable is leadership and compensation, the intermediate variable is work motivation, while the dependent variable is employee performance.

This research used descriptive and verification methods. Descriptive research aims to obtain a description of the characteristics of the variables. Verification research tests the truth of a hypothesis carried out through data collection in the field. This study tested whether leadership and compensation affect work motivation and employee performance. Descriptive and explanatory survey were used.

The unit of analysis in this study is the employees of Conventional People's Credit Banks in the Banten Province. The time period was a cross section time horizon. This is information from a sample of respondents collected directly at the scene, with the aim of finding out the opinions of some towards the object being studied.

Data Types and Sources

Data Type

In research generally data are grouped into two types namely time series data and cross section (Husein, 2008). Time series data is a collection of data from a particular phenomenon that is obtained in a certain time interval. Cross section data (or what is also called one time data), is a collection of data to examine a particular phenomenon in a certain period of time.

Data Source

The data source in this study consisted of research data using primary data and secondary data (Donald & Pamela, 2006). Primary data is data obtained directly from the first source through interviews, questionnaires and observations depending on the research needs. This is raw data without interpretation of a particular opinion. While secondary data is interpretation

of primary data. This means that this data has been carried out by the first party as a user of the data and then made into finished data.

Data Collection Techniques

The data in this study is primary data, that is data collected by the researcher directly from the main source (Suliyanto, 2006). In the primary data source there are several kinds of data collection techniques including the distribution of questionnaires, interviews and observations. However, the authors used a questionnaire distribution technique that referred to the *Likert* scale.

Population and Samples

According to Sugiyono (2013), population is a generalisation area that consists of subjects that have certain qualities and characteristics determined by researchers to be examined and then conclusions drawn. While Sekaran (2011), states that the population is a whole group of people, events or things that researchers want to investigate for research. In this study the population is employees of 61 conventional rural banks in the Banten Province.

Table 2: Population Conventional BPR Bank in the District/City Banten

No	City / Regency	Total BPR
1	Kab. Lebak	3
2	Kab. Pandeglang	2
3	Kab. attack	2
4	Kab. Tangerang	29
5	Cilegon City	2
6	Tangerang City	23
total		61

Source: Data processed from Bank Indonesia Statistics (2016)

The sample size used in the hypothesis test is the structural equation model (SEM). Sekaran (2011), provides guidelines for determining the number of samples as follows:

1. Sample size between 30 to 500 for most studies.
2. If the sample is further broken down into sub-samples (male/female, junior/senior, etc.), the minimum number of sub samples must be 30 for each category.
3. In multivariate research (including multivariate regression analysis) sample size must be several times larger (10 times or more) than the number of variables to be analysed.
4. In a simple experimental study, with rigorous experiments (matched pair); the usual sample size is between 10 to 20 elements.

Joreskog & Sorbom (2001) in Bachrudin Tobing (2003) state that the sample size needed for Structural Equation Model analysis is at least 200 observations. Joreskog & Sorbom (2001) show the relationship between the number of variables and the sample size in the model equations in Table 3.

Table 3: Number of Variables and Minimum Sample Size Structural Equation Model (SEM) Analysis

Number of Variables	Sample Size
3	200
5	200
10	200
15	360
20	630
25	975
30	1395

Sources: Joreskog and Sorbom (2001:32)

Hair et al. (2006), states there is no single criterion for determining sample size in SEM but it is necessary to pay attention to the ratio of samples to parameters (indicators) in order to reach a ratio of 1:5.

To determine the sample of Conventional Rural Banks in Banten Province this study used the Slovin formula (Sevilla, 2007), namely: $n = N / (1 + N (e)^2)$ where N = population size, n = Sample Units and e = Error tolerated (10%). Therefore $n = 61 / \{1 + 61 (0.1)^2\} = 37.88$ or 38 banks.

In this study there are 4 variables therefore a minimum sample size of 200 respondents is needed. Taking into account the availability of data outliers (Hair et al, 2006), and the principle the larger the sample size the better, then the minimum sample size in this study is 5 respondents for each parameter in the study (Hair et al, 2006). This study has 49 parameters; therefore a minimum sample size was determined with this equation:

$$\begin{aligned} n &= \text{number of parameters} \times 5 \\ &= 49 \times 5 \\ &= 245 \text{ respondents} \end{aligned}$$

The sampling method used in this study was probability sampling. According to Sugiyono (2013), probability sampling is a sampling method that provides equal opportunities for each element (manager) of the population to be selected as a sample. Then the probability sampling method used was the proportionate random sampling technique. According to

Supranto and Nandan Limakrisna (2012), the proportionate random sampling technique is sampling where the population elements consist of proportionally smaller elements. While Sugiyono (2013), states that proportionate random sampling is a sampling technique used to determine samples when the object to be examined or data sources are very broad. The sampling of this study is shown in Table 4..

Table 4: Population and Sample of Conventional Rural Banks Employees in Regencies/Cities in Banten Province

No	City / Regency	BPR population (N _i)	BPR Samples n _i = ((N _i) / 61) x38)	Employee Samples n _s = ((n _i) / 38) x245)
1	Kab. Lebak	3	2	13
2	Kab. Pandeglang	2	1	6
3	Kab. Serang	2	1	6
4	Kab. Tangerang	29	18	116
5	Cilegon City	2	1	6
6	Tangerang City	23	15	98
Total		61	38	245

Description: N_i= Population RBs per City/District; n_i= Sample BPR per City/District and; n_s= Sample of Employees per City/District.

Source: Data processed from Bank Indonesia Statistics (2016).

The correlation formula used in this study is the product moment formula (Sugiyono, 2013):

$$r_b = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2 - (\sum X)^2)(n\sum Y^2 - (\sum Y)^2)}}$$

Information:

r_b= The Pearson correlation coefficient between the instrument items to be used with the variable in question.

X = The score of the instrument item to be used.

Y = The score of all instrument items in the variable.

n = The number of respondents in the instrument trial.

Testing the significance of the correlation coefficient (r_b) is done with a significance level of 5%. The t test formula used is:

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}; db = n - 2 \text{ (Sugiyono, 2013)}$$

The decision to test the validity of consumers using a significance level of 5% is based on:

1. Item questions/questionnaire study considered valid if $t_{\text{arithmetic}}$ is more than or equal to t_{table} .
2. The question item/research questionnaire question is invalid if t_{count} is smaller than t_{table} .

According to Sugiyono (2013), if the Pearson correlation coefficient (r_b) for each item of the instrument is positive and the magnitude of 0.3 and above ($r_b > 0.3$), then the instrument item is said to be valid. To measure the level of validity of each instrument item in this study, SPSS software was used.

Research Results and Discussion

The results of the data analysis that has been carried out are based on the research method described in the previous section. The discussion of this section begins with an explanation of the data from the research respondents' profiles. Then it proceeds with a discussion of the results from processing and analysing the data and ends with conclusions obtained based on data analysis.

Research Results

Description Profile of Respondents

Based on the distribution of questionnaires there was 245 samples from the employees of Conventional People's Credit Banks in Banten Province were used as respondents. After collecting the completed questionnaire it was determined that all returned were declared valid.

Description of Research Variables

In this study the responses to the research variables were examined through descriptive analysis of each indicator. The variables in this study consisted of leadership, compensation, work motivation and employee performance.

Results of testing analysis either partially or jointly are shown in Table 5.

Table 5: Hypothesis Test Results

Hypothesis		Hypothesis Description	Koef. Lane / R ²	t value / F value	t _{crit} / F _{crit}	Statistical Conclusions
H1	H ₀ : $\gamma_{11} = 0$	Leadership has no effect on work motivation	0.28	3.83	1.96	H ₀ is rejected and H _a is accepted, meaning leadership has a positive and significant effect on work motivation
	H _a : $\gamma_{11} \neq 0$	Leadership influences work motivation				
H2	H ₀ : $\gamma_{12} = 0$	Compensation has no effect on work motivation	0.51	6.24	1.96	H ₀ is rejected and H _a is accepted, meaning compensation has a positive and significant effect on work motivation
	H _a : $\gamma_{12} \neq 0$	Compensation effects work motivation				
H3	H ₀ : $\gamma_{11} = \gamma_{12} = \gamma_{13} = 0$	Leadership and compensation together do not effect work motivation	0.52	133.28	3.84	H ₀ is rejected and H _a accepted, meaning leadership and compensation jointly effect the work motivation
	H _a : $\gamma_{11} = \gamma_{12} = \gamma_{13} \neq 0$	Leadership and compensation together influence work motivation				
H4	H ₀ : $\gamma_{21} = 0$	Leadership has no effect on employee performance	0.24	3,58	1.96	H ₀ is rejected and H _a accepted, meaning leadership has a positive and significant effect on the performance of employees
	H _a : $\gamma_{21} \neq 0$	Leadership influences employee performance				
H5	H ₀ : $\gamma_{22} = 0$	Compensation has no effect	0.22	2.67	1.96	H ₀ is rejected and H _a accepted,

Hypothesis	Hypothesis Description	Koef. Lane / R ²	t value / F value	t _{crit} / F _{crit} / eria	Statistical Conclusions
	on employee performance				meaning compensation has a positive and significant effect on employee performance
	H _a : $\gamma_{22} \neq 0$ Compensation effects employee performance				
H6	H ₀ : $\beta_{21} = 0$ Leadership has no effect on employee performance	0.40	4.33	1.96	H ₀ is rejected and H _a accepted, meaning that work motivation positive and significant effect on employee performance
	H _a : $\beta_{21} \neq 0$ Leadership influences employee performance				

Discussion

Leadership, Compensation and Work Motivation Together have a Positive and Significant Effect on Employee Performance

The results of data analysis with statistical tests state that leadership, compensation and work motivation together have a positive and significant effect on employee performance, with large contributions jointly amounting to 61 %, while 39 % are influenced by variables other than leadership, compensation and work motivation. But partially the most dominant variable influence on the performance of employees of Conventional People's Credit Banks in the Banten Province is the variable of employee motivation that is equal to 0.40 with a total contribution of 29,91 %.

Conclusions and Suggestions

Conclusion

The results of this study can be concluded as follows:

1. The leadership reflected by the dimension of managerial ability (X2) partially has a positive and significant effect on the work motivation of employees of Conventional People's Credit Banks in the Banten Province as reflected by the growth dimension (Y3).
2. Compensation reflected by the financial compensation dimension (X4) partially has a positive and significant effect on the work motivation of Conventional People's Credit Bank employees in the Banten Province as reflected by the growth dimension (Y3).
3. Leadership reflected by the managerial ability dimension (X2) and compensation reflected by the financial compensation dimension (X4) jointly have a positive and significant effect on the work motivation of Conventional People's Credit Bank employees in the Banten Province with the coefficient of determination (R^2) by 52%, shows that 52% of work motivation is able to be explained jointly by the variables of leadership and compensation while 48% is influenced by other variables apart from the variables of leadership and compensation. The compensation variable reflected by the financial compensation dimension (X4) is partially the most dominant variable in increasing work motivation reflected by the growth dimension (Y3).
4. The leadership reflected by the dimension of managerial ability (X2) partially has a positive and significant effect on the performance of Conventional People's Credit Bank employees in the Banten Province which is reflected by the dimension of work quantity (Y5).
5. Compensation reflected by the financial compensation dimension (X4) partially has a positive and significant effect on the performance of Conventional People's Credit Bank employees in the Banten Province as reflected by the quantity of work (Y5).
6. Work Motivation which is reflected by the growth dimension (Y3) partially has a positive and significant effect on the performance of Conventional People's Credit Bank employees in the Banten Province as reflected by the quantity of work (Y5).
7. Leadership that is reflected by the dimensions of managerial ability (X2), compensation reflected by the dimensions of financial compensation (X4) and motivation that is reflected by the dimensions of growth (Y3) jointly have a positive and significant impact on the performance of employees of Rural Banks Conventional in the Banten Province which is reflected by the dimensions of the quantity of labour (Y5) with a coefficient of determination (R^2) by 61%, it shows that 61% of the variable performance of employees are able to be explained jointly by the variables of leadership, compensation and work motivation. This seventh conclusion shows that the most dominant variable turned out to be the variable of motivation work. It also acts as a full mediating variable in mediating the variables of leadership and compensation in improving the performance of employees.

Suggestions

After conducting this study the researcher has several suggestions in an effort to improve leadership, compensation, work motivation and employee performance of Conventional People's Credit Banks in the Banten as follows:

1. Work motivation of Conventional People's Credit Bank employees in the Banten Province is relatively high as seen from the average perception of respondents (Table 4) which will lead to an increase in performance. Increased employee motivation is dominantly influenced by increased compensation, especially in the dimensions of financial compensation. Several indicators from the financial compensation variables are: the level of the amount of meal allowance received; the level of transportation allowance received; the level of holiday allowance; and the level of annual leave allowance. However, there are still some indicators from financial compensation that can be considered and improved, namely: the level of overtime allowances; the level of position allowance; the level of salary received; the level of incentive received; the level of bonus received; the level of health benefits; and the level of retirement benefits. Then from the dimensions of non-financial compensation to be considered such as the level of giving protection program and the level of awards.
2. Employee performance of Rural Bank Conventional in the Banten province is relatively high as seen the average perception of respondents in Table 5, in carrying out the management of the company. Enhancing the performance of the employees was dominant by the motivation to work mainly on the dimensions of growth. Some indicators from work motivation were: the recognition of the work; rewarding a high performance level; and the level of development potential. However, there are still several indicators on employee motivation that are suggested to be considered such as: the level of income conformity with the fulfilment of needs; the level of job certainty and security; and the level of protection at work. Considering the dimension of connectedness it could be improved through: the level of relationships with fellow employees. As well with the dimensions of growth it is suggested to consider the level of involvement in the work and the level of employability.

Suggestions for Further Researchers

1. In this study, the compensation variable had the smallest influence on the performance of employees of Rural Banks Conventional in the Banten Province, so it is recommended to study that variable more.

2. Considering the motivation variable (influence of variables of leadership and compensation amounting to 52%,) further research could include a few other variables, such as work conditions, work discipline, ability to work, cooperation, competence, revitalisation training, job satisfaction, communication and organisational culture These could improve the motivation of employees of Conventional Rural Banks in the Banten Province.
3. In the performance variable employees are influenced by of variables of leadership, compensation and work motivation for 61%, Further research could incorporate other variables so that the expected contribution of the effect on the performance of employees can be increased.
4. This study uses the work motivation variable as an intermediate variable (mediating); therefore further research will likely be able to produce different findings when using other variables such as job satisfaction or organisational commitment as mediating variables.
5. This study can also be carried out at other companies, as well as government institutions or agencies and state-owned or private businesses, at both provincial and national levels.



REFERENCES

- Afrizal, A. (2012). The Effect of Leadership Style on Work Motivation and Job Satisfaction and Its Impact on Employee Performance (BMT Bina Ihsanul Fikri Yogyakarta case study). *Indonesian Sharia Economics Journal*, 5(2), December 2015 / 1436H.
- Akanpaadgi, E., Valogo, M., & Akaligang, C. (2014). An assessment of the effects of leadership on the motivations of employees towards the achievement of organisational goals: A case study of the hospitality industry in the Bolgatanga municipality. *European Journal of Business and Management*, 6(24), 32-39.
- Arikunto, S. (2010). *Research Management*. Jakarta. Rineka Cipta.
- Armstrong, M. (2010). *Human Resource Management*, Languages: Sofyan, Jakarta, PT. Gramedia Main Library.
- As'ad, M. (2009), *Industrial Psychology: Human Resources Series*, Yogyakarta, Liberty.
- Aslam, A., Ghaffar, A., Talha, T., & Mushtaq, H. (2015). Impact of compensation and reward system on the performance of an organisation: An empirical study on banking sector of Pakistan. *European Journal of Business and Social Sciences*, 4(8), 319-325.
- Bachrudin, A., Tobing, L. H. (2003). *Data Analysis Untuk Research Surveys Dengan Menggunakan LISREL 8*, Bandung, Dictates Jur. FMIPA UNPAD Statistics.
- Below, E. A. A. L. (2010). *Human resources management an experimental approach*, Singapore, McGraw Hill Inc.
- Bernardin, H. J. (2010). *Human Resource Management an Experiential Approach*. New York, McGraw Hill Inc.
- Cavazotte, F., Moreno, V., & Hickmann, M. (2012). Effects of Leader Intelligence, Personality and Emotional Intelligence on Transformational Leadership and Managerial Performance. *The Leadership Quarterly*, 23(3), 443 - 455.
- Cohen, W. (2011). *The New Art of the Leader, Every Leader Must Read This Book*. Translator Anton Adiwiyono, Jakarta, Literature Ladder.
- Connie, (2013). *The Influence of Professional Competence, Work Motivation, and Innovation on The Performance of Physics Teachers*. 2nd International Seminar on Quality and Affordable Education (ISQAE 2013).



- Cooper, D. R., Schindler, P. S., & Sun, J. (2006). *Business research methods* (Vol. 9). New York: McGraw-Hill Irwin.
- Darsono & Tjatjuk, S. (2011). *21st Century Human Resource Management*. Jakarta, Nusantara Consulting.
- Dessler, G. (2010). *Human Resource Management*, Issue 10, Translator Pramita Rahayu, Jakarta, PT. Index.
- Dimmock, C., & Walker, A. (2008). *Educational leadership: Culture and diversity*. New York. Sage Publishing.
- Dulbert, B. (2008). Analysis of Leadership Style Factors in Work Ethic Factors in Organisational Performance that Has Implemented SNI 19–90001–2001. *Journal of Standardization*, 9, 319 - 325.
- Fugate & Kinicki, (2012). *Employee Coping With Organisational Change: An Examination of Alternative Theoretical Perspectives and Models*. Psychology Personnel.
- Ghozali, I. (2008). *SEM Analysis with Amos*, Semarang, Diponegoro University Publisher Agency.
- Gomes, F. C. (2007). *Human Resources Management, Second Edition*, Yogyakarta, Andi Offset.
- Goodman, S. H. (2007). *Management: Challenges for tomorrow's leaders*. Thomson/South-Western.
- Goodman, S. H., Patricia, M., Michlitsch, J. F., Lewis, P. S. (2007). *Management Challengers for Tomorrow's Leaders*. New York, Thomson.
- Griffin, R. W., & Moorhead, G. (2014). *Organisational Behaviour Managing People and Organisations*. 11th Ed., South-Western, Cengage Learning.
- Hair, J. B., WC Babin, B. J., & Anderson, R. E. (2010). *Multivariate Data Analysis* (7th ed.). Uppersaddle River, New Jersey: Pearson Education International.
- Hameed, A., Ramzan, M., & Zubair, H. M. K. (2014). Impact of compensation on employee performance (empirical evidence from banking sector of Pakistan). *International Journal of Business and Social Science*, 5(2).
- Handoko, T. H. (2004). *Personnel Management and Human Resources*. Yogyakarta, BPFE.



- Harahap, S. (2016). The Effect of Islamic Leadership and Work Motivation on Employee Performance at PT. Bank Syariah Mandiri, Tbk., Medan Sukaramai Sub-Branch Office. *Journal of Human Fallah*, 2(2).
- Haryono, S. (2010). *Essence of Leadership Theory*. Jakarta, Intermedia Personnel Main.
- Haryono, (2007). *Statistics for Business and Industry, Handout Subjects Business and Industrial Statistics*. Master M management of Technology, ITS, Surabaya.
- Hasibuan & Konopaske, R. (2013). *Organisation*. New Jersey, McGraw Hill.
- Hasibuan & Mulyadi, D. (2011). *Leadership and Organisational Behaviour*. Jakarta, Raja Grafindo Persada.
- Hasibuan and Timothy. (2008). *Organisational Behaviour, Book I* Translator Diana Angelica, Ria Cahyani, Abdul Rasyid; Pearson Edition, Jakarta, Salemba Empat.
- Hasibuan and Mary, C. (2012). *Management. T. Hermaya Interpretation*, Jakarta, PT. Prenhallindo.
- Hasibuan, (2010). *Human Resource Management . Revised Edition*, Jakarta, Bumi Aksara.
- Hasibuan, (2011). *Human Resource Management. Twelfth edition, Global Edition*, London, Pearson Education.
- Hasibuan, S. P. M. (2008). *Human Resources Management*, Jakarta, Bumi Aksara.
- Husein, U. (2008). *Human Resources Research*. Jakarta, Gramedia Main Library.
- I Gede Agus Ary Dharma, (2013). The Effect of Leadership and Compensation on the Employee's Spirit and Employee Performance at PT. United Indobali Denpasar. *E-Journal Management at Udayana University*, 5(2).
- Ibrahim, M., & Brobbey, V. A. (2015). Impact of motivation on employee performance. The case of some selected Micro Finance Companies in Ghana, 2(5), 45-62.
- Ivancevich, M. J. (2010). *Human Resource Management*, New York. Published by McGraw Hill.
- Jarome, P. J. (2011). *Evaluating Employee Performance*. Prints I, Jakarta, PPM.
- Joko, W. (2005). *Building Performance-Based Bureaucracy*. First Edition, Malang, Bayumedia.



- Kartono, K. (2008). *Leader and Leadership*. Jakarta, Rajawali Press.
- Kasmir (2013). *Banks and Other Financial Institutions*. Jakarta, Raja Grafindo Persada.
- Kaswan. (2013). *Leadership and Team Working*. Bandung, Alfabeta.
- Kreitner, R., & Kinicki. (2008). *Organisational Behaviour*, 8th Edition Boston, McGraw Hill.
- Kuncoro, M. (2009). *Research Methods for Business & Economics*. Jakarta, Erlangga.
- Kurniawan, A. W. (2012). The Effect of Leadership and Human Resource Development on Job Satisfaction, Work Motivation and Employee Performance at SULSELBAR Bank. *Equity; Journal of Economics and Finance, Accreditation*, 80, DIKTI / Kep / 2012. ISSN 1411-0393.
- Luthans, A. (2011). *Organisational Behaviour, Indonesian Edition*, Translators Vivin Andhika Yuwono, Shekar Purwanti, and Winong Rosari, Yogyakarta, Publisher Andi.
- Mahmood, I., & Samsaa, (2011). The Relationship between Role Ambiguity, Competency and Person-Job Fit with the Job Performance of Employees in the Service Sector SMEs in Malaysia. *Business Management Dynamics*, 1(2): 79.
- Mahsun, M. (2006). *Public Sector Performance Measurement*. First Edition, Yogyakarta, BPFE Publisher.
- Mangkunegara, A. P. (2011). *Management of Company Resources*. Bandung. Youth Rosda Karya.
- Mappamiring, (2015). Effect of Cultural Organisation, Leadership and Motivation of Work on the Performance of Employees (Studies in Islamic Banking in Makassar). *International Journal of Academic Research in Business and Social Sciences*, 5(12), ISSN: 2222-6990.
- Martoyo, S. (2009). *Human Resource Management*. Yogyakarta, BPFE.
- Marwansyah & Yohanes, O. (2015). The Effect of Leadership and Compensation on Work Motivation and Its Impact on the Performance of Employees of PT. OCBC NISP, Tbk., Pekanbaru Branch, *Journal of Management Box*, 7(2).
- Mathis, R. L., & Jackson, J. H. (2006). *Human Resource Management: Human Resource Management*. Angelia Dian translation. Jakarta: Salemba Empat.
- McShane, S. L., & Van Glinow, M. A. (2010). *Organisational Behaviour Emerging Knowledge and Practice For The Real World*. 5th Ed, New York. McGraw Hill.



- Muktiyo, W. (2011). Development Communication for Community Empowerment, Karanganyar, Lindu Reader.
- Mulyana, D. (2010). An Introduction to Communication Studies. Bandung, Rosdakarya Youth.
- Mulyana, M. (2015). Performance Evaluation and Development of Conventional BPR Bank Employees in Banten Province. Department of Management of the Bogor Institute of Agriculture Graduate School.
- Munir, B. (2012). Six Dimension Organisation, with Organisational Development Approach. Yogyakarta, Graha Science.
- Nawawi, H. (2006). Performance Evaluation and Management in Corporate and Industrial Environments. Yogyakarta, Gadjah Mada University Pres.
- Ndraha, (2005). Organisational Culture Theory. Jakarta, Rineka Cipta.
- Negash, R., Zewude, S., & Megersa, R. (2014). The effect of compensation on employees motivation: In Jimma University academic staff. Basic Research Journal of Business Management and Accounts, 3(2), 17-27.
- Negash, R., Zewude, S., & Megersa, R. (2014). The effect of compensation on employees motivation: In Jimma University academic staff. Basic Research Journal of Business Management and Accounts, 3(2), 17-27.
- Nitisemito, A. S. (2006) , Personnel Management, Jakarta, Ghalia Indonesia.
- Njoroge, S. W., & Kwasira, J. (2015). Influence of compensation and reward on performance of employees at Nakuru County Government. Journal of Business and Management, 17(11), 87-93.
- Odunlami, I. B., & Matthew, A. O. (2014). Compensation management and employees performance in the manufacturing sector, a case study of a reputable organisation in the food and beverage industry. International Journal of managerial Studies and research, 2(9), 108-117.
- Pakdel, M. and Talebbeydokhti, A. (2018). The Effect of Adjustment Announcement of Predicted Profit on Price and Trading Volume of Listed Companies in Tehran Stock Exchange. *Dutch Journal of Finance and Management*, 2(1), 49. <https://doi.org/10.29333/djfm/5825>



- Prasetio, A. P., Siregar, S., & Laturlean, B. S. (2015). The effect of the leadership towards employee performance in the human resources department at the PLN west java and banten distribution office. *International Journal of Basic and Applied Sciences*, 4(1), 149-155.
- Qureshi, M. O., & Sajjad, S. R. (2015). An Empirical Analysis of the Impact of Compensation on Job Performance and Work-Family Conflict in the Kingdom of Saudi Arabia a Correlation Model. *European Scientific Journal* February 2015 edition, 11(4), 170-187.
- Qureshi, M. O., & Sajjad, S. R. (2015). An Empirical Analysis of the Impact of Compensation on Job Performance and Work-Family Conflict in the Kingdom of Saudi Arabia a Correlation Model. *European Scientific Journal* February 2015 edition, 11(4), 170-187.
- Rawung, F. H. (2013). The effect of leadership on the work motivation of higher education administration employees (Study at Manado State University). *Journal of Business and Management*, 15(1), 28-33.
- Reni, (2015). The Effect of Leadership on Employee Motivation at UD. Surya Phone in Samarinda. *e- Journal of Business Administration*, 3(4), 966-978.
- Riduwan and Engkos, (2011). *How to Use and Mean Path Analysis*. Bandung, Alfabeta.
- Rivai, V. (2011). *Human Resource Management for Companies: from Theory to Practice*. Jakarta, Raja Grafindo Persada.
- Rizal, M., Idrus, M. S., & Djumahir, M. R. (2014). Effect of compensation on motivation, organisational commitment and employee performance (studies at local revenue management in Kendari city). *International Journal of Business and Management Invention*, 3(2), 64-79.
- Robbins, S. P., & Judge, (2008). *Organisational Behaviour*. 10, Translator Drs. Benyamin Molan, Jakarta, Salemba Empat.
- Robert, D., James, H., & Gibson, J. L. (2006). *Organisations*. New Jersey. McGraw Hill.
- Salleh, F., Dzulkifli, Z., Abdullah, W. A. W., & Yaakob, N. H. M. (2011). The effect of motivation on job performance of state government employees in Malaysia. *international Journal of Humanities and Social Science*, 1(4), 147-154.
- Sedarmayanti, (2007). *Human Resources and Work Productivity*. Bandung, Mandar Maju.



- Sekaran, U. (2011). *Research Methods for Business*, Editions I and 2, Jakarta, Salemba Empat.
- Setiawan, K. A., & Mujiati, N. W. (2016). The Effect of Leadership Style and Compensation on Employee Performance of PT. Astra Honda Nusa Dua Badung Regency. *E-Journal Management at Udayana University*, 5(12), 7956-7983.
- Shahzadi, I., Javed, A., Pirzada, S. S., Nasreen, S., & Khanam, F. (2014). Impact of employee motivation on employee performance. *European Journal of Business and Management*, 6(23), 159-166.
- Shook, C. L., et al. (2006). AN Assessment of the Use of Structural Equation Modeling in Strategic Management Research. *Strategic Management Journal*, USA.
- Siagian, P. S. (2011). *Human Resources Management*. Jakarta, Bumi Aksara.
- Simamora, H. (2006). *Human Resources Management*. Edition III, Yogyakarta, Aditama Media.
- Stone, J. R. (2008). *Human Resource Management*. 6th Edition, Australia, Milton.
- Sugiyono, (2005). *Human Resource Management*, Jakarta, Bumi Aksara.
- Sugiyono, (2013). *Business Research Methods*. Bandung, Alfabeta.
- Sugiyono, (2013). *Human Resources Management and Experimental Approach*. Singapore, McGraw Hill Inc.
- Sukmalana, (2007). *Performance Management, Effective Steps to Build, Control and Evaluate Performance*. Jakarta, Intermedia Personnel Main.
- Suliyanto, (2006). *Business Research Methods*. Yogyakarta, Andi Offset.
- Sulthan, M., Susanto, H., & Nurseta, S. (2013). The Effect of Leadership and Compensation on Performance Through Increasing Work Discipline in Employees at the Production Section of PT. Genthong Gatri Semarang. *Diponegoro Journal of Social Politics*, 1-9.
- Supardi & Anwar, S. (2007). *Fundamentals of Organisational Behaviour*. Yogyakarta, UII Press.
- Sutrisno, E. (2010). *Human Resource Management*. Jakarta, Kencana Prenada Media Group.
- Thoha, M. (2010). *Leadership in Management*, Jakarta, Raja Grafindo Persada.



- Uha, N. I. (2013). *Organisational Culture of Leadership and Performance*. Jakarta, Kencana.
- Umam, K. (2010). *Organisational Behaviour*. Jakarta, Loyal Reader.
- Wahjosumidjo, (2011). *Principal Leadership, Theoretical Review and Problems*, Jakarta, Grafindo.
- Wayne, C. F. (2013). *Managing Human Resources*. New York, McGraw Hill.
- Werner, J. M., & Randy, L. D. (2006). *Human Resources Development*. USA, Thomson.
- Weston, R. & Gore Jr, P. A. (2006). A brief guide to structural equation modeling. *The Counseling Psychologist*, 34(5), 719-751.
- Wijanto, S. H. (2008). *Structural Equation Modeling with LISREL 8. 8 Concepts and Tutorials*. Yogyakarta, Graha Ilmu.
- Winardi, J. (2002). *Motivation and Motivation in Management*. Jakarta, Raja Grafindo Persada.
- Yamin & Kurniawan. (2009). *PLS Path Modeling with Lisrel-PLS*. Jakarta. Salemba Infotek.
- Yukl, G. (2010). *Leadership in Organisations*. Interpreting Budi Supriyanto, Fifth Edition, Jakarta. Index.
- Zameer, H., Ali, S., Nisar, W., & Amir, M. (2014). The impact of the motivation on the employee's performance in beverage industry of Pakistan. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 4(1), 293-298.
- Zikmund, W. G. (2013). *Research Methods*. Bandung, Alfabeta.