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The Influence Of Compensation And Leadership Style On Employee Performance At PT. Gerbang Mandiri Sukses Jakarta

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Article Info	ABSTRACT		
Keywords:	This study examines the influence of compensation and leadership style		
Compensation, Leadership Style,	on employee performance. Using a quantitative approach, data were		
Employee Performance	collected from a saturated sample of 32 employees at PT. Gerbang		
	Mandiri Sukses Jakarta through questionnaires, observations,		
	interviews, and documentation. Validity and reliability tests confirmed		
	the robustness of the research instruments. Multiple linear regression		
	analysis showed that both compensation and leadership style have a		
	significant and positive impact on employee performance, with		
	leadership style demonstrating a stronger influence. The results		
	highlight the importance of fair compensation systems and effective		
	leadership in enhancing productivity and achieving organizational goals.		
	This research provides practical insights for improving human resource		
	management strategies, particularly in creating a motivated and high-		
	performing workforce. These findings emphasize the critical role of		
	strategic HR practices in supporting organizational success.		
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INTRODUCTION

Human Resources (HR) that are superior and of high quality are essential assets for companies in facing global competition (Sinambela, 2021; Darda, Rojikun and Yusuf, 2022). HR acts as the driving force in planning, implementation, and control to achieve organizational goals. Without competent HR, abundant financial and natural resources will not be optimally utilized to support company performance (Mulia, 2021). Furthermore, effective HR management, including recruitment, training, development, and performance evaluation, is key to increasing productivity and competitiveness (Halisa, 2020). Other functions, such as fair compensation, effective communication, and conducive work relationships, also support the efficient achievement of company objectives (Samsudin *et al.*, 2024).

In its management, HR is not only a workforce but also acts as an innovator, leader, and consumer who adds value to the company (Utomo *et al.*, 2021). Good HR contributes to the development of organizational culture, change management, and innovation, enabling the company to adapt to the dynamic market needs (Budiarto *et al.*, 2018; Komariyah *et al.*, 2021). Through strategic management systems, companies can create a supportive work



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environment, enhance employee performance, and sustainably achieve organizational targets (Faizal, Sulaeman and Yulizar, 2019; Saba, 2024).

Compensation is one of the vital elements in human resource management (HRM) that directly influences the achievement of company objectives (Bairizki, 2020). According to Edy, Sutrisno and Simamora (2016), compensation includes various forms of financial rewards received by employees as a result of their employment relationship with the company, including wages, salaries, incentives, and benefits. Compensation also encompasses additional facilities and services such as operational vehicles, health programs, and access to work support facilities (Arifin *et al.*, 2024). A well-designed compensation system not only rewards employee contributions but also reflects the company's values and fairness in managing its workforce. Providing fair and competitive compensation is a key factor in enhancing employee motivation and performance (Istikomaroh and Estiningrum, 2022).

Competitive compensation allows companies to attract and retain top talent, while fairness in compensation fosters a harmonious work environment (Arifin *et al.*, 2024). Employees who feel appreciated through adequate compensation tend to exhibit higher loyalty, increased productivity, and commitment to company goals. Therefore, compensation is not only viewed as a financial reward but also as a crucial strategy in building mutually beneficial working relationships between the company and its employees (Nurmawadah, no date; Wiliantari and Kurniasari, 2024).

In addition to compensation, leadership style is a key element influencing employee performance (Setiawan and Putri, 2024). Leadership, as defined by Kartono (2019), is the ability of a leader to influence and direct the behavior of subordinates to achieve organizational goals. In the context of management, leadership focuses not only on task management but also on building harmonious relationships with subordinates. Indicators of effective leadership include the ability to make accurate decisions, motivate the team, maintain good communication, efficiently manage subordinates, demonstrate responsibility, and control emotions in various work situations (Mulyasa, 2022). Leaders with these indicators can guide their teams toward optimal performance and the achievement of company objectives.

Effective leadership plays a role not only in managing daily tasks but also in creating a conducive work environment. A positive work environment encourages employees to feel valued, motivated, and comfortable in performing their tasks (Insan and Yuniawan, 2016). Leaders who understand the needs of individuals and their teams can build trust and commitment, ultimately enhancing employee productivity and loyalty. With the right leadership style, companies can not only improve employee performance but also foster a work culture that supports innovation and sustainability within the organization (Iswahyudi et al., 2023; Kumalasari, 2024).

Employee performance, as described by Kasmir (2018), is the work output achieved through the fulfillment of tasks and responsibilities within a certain time frame. Performance serves as a benchmark for individual and organizational success in achieving predetermined goals. Factors affecting employee performance are diverse, including relevant abilities and skills, job knowledge, and a well-structured work design. Additionally, employee personality



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traits such as responsibility and integrity, as well as work motivation driven by internal and external factors, play a significant role in determining performance quality (Wildan, Lailatus and SE, 2021). Other factors such as leadership style, supportive organizational culture, loyalty, commitment to the company, and work discipline are also primary determinants of employee success in meeting work targets (Ndolu, Niha and Manafe, 2022).

Indicators of employee performance encompass various aspects that can be measured quantitatively or qualitatively. Work quality reflects the extent to which tasks are completed to a standard of excellence. Quantity refers to the volume or number of outputs produced within a specific period. Timeliness or the efficiency in completing tasks is another critical indicator. Additionally, the ability to minimize costs in work processes demonstrates good resource management. Lastly, teamwork reflects the ability to collaborate respectfully and supportively with colleagues, creating synergy to achieve organizational goals collectively. These indicators provide a comprehensive picture of employee performance and form the basis for further development and evaluation (Tampubolon, 2016; Firmansyah, 2023).

Previous studies have shown a positive relationship between compensation, leadership style, and employee performance. Yulindawati and Ananda (2023) found that compensation and leadership style significantly influence employee performance. Similarly, Setiawan and Mujiati (2016) indicated that leadership style and compensation positively impact employee performance. Suryana *et al* (2024) also reported that compensation and leadership style collectively have a significant effect on employee performance.

Based on the above, it can be concluded that compensation and leadership style are determining factors in improving employee performance. Therefore, companies need to design fair compensation strategies and implement effective leadership styles to achieve optimal performance. This study aims to analyze the impact of compensation and leadership style on employee performance at PT. Gerbang Mandiri Sukses Jakarta, with the hope of contributing to the development of better HR management policies. In the context of PT. Gerbang Mandiri Sukses Jakarta, it is essential to understand how compensation and leadership style are implemented and how both influence employee performance. Thus, the company can make necessary adjustments to enhance productivity and achieve organizational goals effectively.

METHODS

This research employs a quantitative approach, focusing on the collection, analysis, and presentation of numerical data to answer research questions statistically. This approach was chosen as it allows the researcher to measure and test the influence between variables objectively. The study population includes all employees of PT. Gerbang Mandiri Sukses Jakarta, totaling 32 individuals. Given the relatively small population size, the research adopts a saturated sampling technique, where the entire population is used as the sample. This technique ensures that all relevant data can be collected without the need to draw a smaller sample (Sugiyono, 2016).

The data for this research were collected through a combination of four primary methods: observation, questionnaires, interviews, and documentation. Observation was



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conducted to directly observe employees' working conditions in the field, aiming to understand phenomena related to their performance. Questionnaires served as the main tool for data collection, where respondents answered a series of systematically designed questions. This instrument was structured to measure the variables of compensation, leadership style, and employee performance.

Interviews were conducted as a supplementary method to gain deeper insights. The researcher engaged in direct discussions with employees to better understand their experiences, perceptions, and views related to the research topic. Additionally, the documentation method was used to access secondary data, such as performance reports and company records, relevant to the research variables.

The collected data were analyzed using statistical tests, including validity tests, reliability tests, and classical assumption tests, as well as multiple linear regression analysis. Hypothesis testing was conducted using t-tests and F-tests to examine the partial and simultaneous effects between variables. The coefficient of determination (R²) was also calculated to evaluate the contribution of the independent variables to the dependent variable. All analyses were performed using SPSS version 26, enabling accurate and efficient data processing (Ghozali, 2016).

RESULTS AND DISCUSSION

Validity Test

The validity test is conducted to ensure that each research instrument accurately measures what it is intended to measure. Validity is a crucial aspect of quantitative research, as the results of data analysis heavily rely on the quality of the instruments used. In this study, the validity test was applied to the data obtained through questionnaires or other research instruments, aiming to evaluate the appropriateness of the question items in measuring the constructs.

Table 1. Validity Test for the Compensation Variable

•	Statement	r-calculated	r-table	Description
•	X1.1	0,79	0,349	Valid
	X1.2	0,742	0,349	Valid
	X1.3	0,833	0,349	Valid
	X1.4	0,901	0,349	Valid
	X1.5	0,844	0,349	Valid
	X1.6	0,807	0,349	Valid
	X1.7	0,833	0,349	Valid
	X1.8	0,904	0,349	Valid
	X1.9	0,846	0,349	Valid
	X1.10	0,817	0,349	Valid

Table 2. Validity Test for the Leadership Style Variable

Statement	r-calculated	r-table	Description
X2.1	0,843	0,349	Valid
X2.2	0,863	0,349	Valid



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	Statement	r-calculated	r-table	Description
	X2.3	0,89	0,349	Valid
	X2.4	0,867	0,349	Valid
	X2.5	0,902	0,349	Valid
	X2.6	0,873	0,349	Valid
	X2.7	0,863	0,349	Valid
	X2.8	0,812	0,349	Valid
	X2.9	0,825	0,349	Valid
	X2.10	0,853	0,349	Valid
_	X2.11	0,876	0,349	Valid

Table 3. Validity Test for the Employee Performance Variable

Statement	r-calculated	r-table	Description
Y1	0,847	0,349	Valid
Y2	0,841	0,349	Valid
Y3	0,893	0,349	Valid
Y4	0,801	0,349	Valid
Y5	0,899	0,349	Valid
Y6	0,843	0,349	Valid
Y7	0,795	0,349	Valid
Y8	0,846	0,349	Valid
Y9	0,843	0,349	Valid
Y10	0,777	0,349	Valid

The validity test results confirm that all items for the compensation, leadership style, and employee performance variables are valid, with r-calculated values exceeding the r-table value of 0.349. This indicates that the research instruments reliably measure the intended constructs and are suitable for further data analysis, ensuring the accuracy of the study.

Reliability Test

The reliability test aims to measure the internal consistency of the research instrument, assessing the extent to which an instrument produces consistent results when used under the same conditions at different times. Reliability is a crucial indicator in quantitative research, ensuring that the data obtained is not affected by random errors or measurement inconsistencies.

Table 4 Reliability Test

Variable	Cronbach's Alpha Value	Description
Compensation	0,948	Reliable
Leadership Style	0,961	Reliable
Employee Performance	0,949	Reliable

The results of the reliability test, as shown in Table 4, indicate that all variables in this study meet the reliability criteria. The compensation variable has a Cronbach's Alpha value of 0.948, the leadership style variable has a value of 0.961, and the employee performance variable has a value of 0.949. Since all values exceed the threshold of 0.7, it can be concluded that the research instruments are highly reliable and capable of consistently measuring the



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constructs under study. This ensures that the data obtained is free from random errors and suitable for further analysis.

Multiple Linear Regression Analysis

The multiple linear regression test is a statistical analysis method used to measure the influence of more than one independent variable on a dependent variable. This analysis aims to understand the linear relationship between the variables under study and identify the contribution of each independent variable to the dependent variable. In this study, the multiple linear regression test was used to test the formulated hypotheses and evaluate the strength and direction of relationships between variables.

Before conducting the regression test, all data underwent classical assumption tests to ensure the validity of the regression model used. With the assumptions of normality, multicollinearity, heteroscedasticity, and autocorrelation fulfilled, the regression model can provide accurate and reliable results. Based on the results of the multiple linear regression analysis, the regression model obtained is as follows:

Y = 6.214 + 0.272 + 0.550 + e

This model provides several key interpretations regarding the relationships between the research variables. The constant value of 6.214 indicates that when the variables compensation (X₁) and leadership style (X₂) are zero, employee performance (Y) is predicted to remain at a level of 6.214. This represents the baseline value of employee performance without the influence of the two independent variables. The regression coefficient for the compensation variable (X₁) is 0.272, indicating that each 1-unit increase in the compensation variable will result in a 0.272 increase in employee performance, assuming other variables remain constant. This shows that compensation has a positive influence on employee performance. Furthermore, the regression coefficient for the leadership style variable (X₂) is 0.550, indicating that each 1-unit increase in leadership style will result in a 0.550 increase in employee performance, assuming other variables remain constant. This coefficient indicates that leadership style has a stronger positive influence than compensation in improving employee performance.

Based on the results of the t-test, the t-value for the compensation variable was 13.097, while the t-table value used was 2.045. Since the t-value (13.097) is greater than the t-table value (2.045) and the significance value of 0.000 is less than the significance level of 0.05, it can be concluded that the compensation variable (X_1) has a positive and significant partial influence on employee performance (Y). Therefore, the null hypothesis (H_{01}) is rejected, and the alternative hypothesis (H_{a1}) is accepted. Similarly, for the leadership style variable (X_2), the t-value of 15.571 is greater than the t-table value (2.045), with a significance value of 0.000, which is less than 0.05. This indicates that the leadership style variable also has a positive and significant partial influence on employee performance. Thus, the null hypothesis (H_{02}) is rejected, and the alternative hypothesis (H_{a2}) is accepted.

The results of the F-test show that the F-value is 129.037, which is greater than the F-table value of 3.320, with a significance level of 0.000, which is less than 0.05. This indicates that the variables compensation (X_1) and leadership style (X_2) have a significant simultaneous



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influence on employee performance (Y). Therefore, the null hypothesis (H_{03}) is rejected, and the alternative hypothesis (H_{a3}) is accepted.

The coefficient of determination (R²) test was used to assess the extent to which the model can explain the variation in the dependent variable. Based on the results, the R Square value of 0.899 or 89.9% indicates that, together, the variables compensation (X₁) and leadership style (X₂) can explain 89.9% of the variation in employee performance, with the remaining 10.1% influenced by other factors outside the model. These results demonstrate that compensation and leadership style are critical factors that have a significant influence, both partially and simultaneously, on employee performance.

CONCLUSION

The study highlights that compensation and leadership style are critical factors that significantly influence employee performance. The instruments used in the research have been proven valid and reliable. Both variables were found to positively impact performance, with leadership style demonstrating a stronger influence than compensation. These findings emphasize the importance of implementing fair compensation systems and effective leadership practices to enhance employee performance and support the achievement of organizational goals. This study underscores the value of strategic human resource management in fostering a productive and motivated workforce.

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