



# The Model of Manufacturing Industries Employee Performance

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## ABSTRACT

The purpose of this study is to know the influence of leadership style, organizational commitment and motivation on employee performance at manufacturing industries DKI Jakarta. The methods of this research are descriptive and explanatory survey with sample size is 450 employee, methode analysis in this research is path analysis. The research finding is leadership style, organizational commitment, and work motivation simultaneously have positive and significant effect on employee performance at manufacturing industries in DKI Jakarta, and motivation have dominant effect on employee performance.

**Keywords:** Leadership Style, Organizational Commitment, Motivation, Employee Performance

**JEL Classifications:** M12, M54, N75

## 1. INTRODUCTION

Entering the Association of Southeast Asian Nations Free Trade Area challenge 2015 occurrence challenge changes in various aspects of the company. The change is something both challenges and demands that must be faced by the various parties involved, in this case, including the organization or company.

At a company needs a leader for the company's progress. Where leaders responsible for managing, controlling, overseen and provide a policy, for the company. A leader will affect the performance of employees in achieving the target company, so the company needed a leader who could do with a good approach to employees.

Knight (2016) put forward the theory that adding other factors on the leadership talent, these factors are precede antecedent where the occurrence of a leader, attribution factors and consequences factors of leadership, not only the leader feel with his own beliefs, but also felt that he had lofty goals eternal supernatural ie further away from the real world, his followers on the other hand, not only the trust and respect the leader, but also idolized and adored him as a human being or hero a magnitude unseen or spiritual leaders.

In essence, the work can be viewed from various perspectives such work is a form of worship, the way human beings actualize himself, the real shape of value, and as her faith. All of the views that can be a motivation to work to deliver quality work in achieving organizational goals and individual. Therefore every employee and leader should have a viewpoint or a common understanding of the meaning of work motivation and work restrictions.

Motivation to work in organizations such as companies actualized very diverse. Can be in the form of dedication or loyalty, responsibility, cooperation, discipline, honesty, perseverance, spirit, quality of work, fairness, and integrity of personality. All forms of actualization of employee motivation was actually meaningful commitment. There is an action, dedication, and loyalty someone on the promise that has been declared to meet the objectives of the organization and the individual (Sukirno and Siengthai, 2011).

At a corporate need the organization's commitment to harmonize the goals and vision every employee in the company, cooperation in accordance with a top leader to be able to run the company as best as possible. Kassim et al., (2009) a strong organizational commitment will encourage an individual to strive to achieve

organizational goals, budget participation will lead to the adequacy of the budget and affect employee performance. (Kurtessis et al., 2015) states that the adequacy of the budget not only directly improves work performance, but also indirectly or moderation through organizational commitment. In achieving corporate goals also are various elements that are considered important in order to achieve the fulfillment of the performance, including the elements of leadership is leadership style in managing the organization are run employees who have been available if not managed properly then it will not obtain planned destination So the role of a leader who has its own leadership style is very important to be able use the authority and leadership to achieve a goal. Essence style affect of leadership his subordinates so that want to cooperate and work effectively in accordance with his orders. So the role of a leader who has its own leadership style is very important to be able use the authority and leadership to achieve a goal. Essence of leadership is a style affect his subordinates so that want to cooperate and work effectively in accordance with his orders. With a force leadership that is owned by a leader of this will used to be able to direct the employees can use his ability to achieve good performance.

## 2. LITERATURE REVIEW

### 2.1. Leadership Styles

Eisenberger and Stinglhamber (2011) concerning the leadership turned into out to be difficult formulated a definition that raw sense because usually only taken from the common dictionary and in its application is always mixed with other nations, such as power, control, supervision, management and authority which all refer to the same symptoms. In fact, (Bann, 2009) stated that the number of definition of leadership is almost equal to the number of people define leadership itself. The leadership has been defined on the basis of talent, the nature behavior, influence on other people, patterns of interaction, role, title, position, and another people's perception regarding the legitimacy of the leadership it self.

W. Boles define leadership is a process or a number of actions in which one or more (leader) using influence, authority or power to one or more people (followers) in moving social system. According W. Boles, the purpose of the system is the need for leadership, productivity, innovation and social system maintenance organizations (Thrun, 2014).

Andiyasari and Ardiningtiyas (2010) argue that leadership can be defined as the ability or intelligence to help a number of people (two or more) in order to carry out activities directed activities on a common goal. One of the keys of understanding of leadership is an art, a process for controlling, influencing and directing others in the organization that led to want to strive to achieve the expected goals. The study of Samo et al. (2019) indicated that there has always been more impact of the transformational leadership on job satisfaction and organizational commitment as compared to the impact of transactional leadership.

Based on the theory mentioned above, is a style of leadership is a way or style of a person's ability as a leader in influencing subordinates, both individually and in groups, to do or not do anything, according to the will of leaders to succeed in achieving

a predetermined or desired, Variable dimension of transformational leadership is composed of several indicators, are: (1) respecting the rights and responsibilities of every employee, (2) Good communication and good work atmosphere between the leader with employees, (3) Appreciate the work and be objective on subordinate (4) Commanding ability of employees, (5) Firmness to taking decisions. Transactional leadership dimension that consist of some of the indicators are: (1) the ability to rule employees, (2) Assertiveness indecision, (3) Gives the reward and punishment to employees, (4) Position themselves.

### 2.2. Organizational Commitment

Harwiki (2016) defines "organizational commitment as a force that is relative from individuals in involvement in identifying himself to the organization."

Next Robbins and Judge (2008:100) defines the commitments of the organization is "a situation where an employee of a particular organization and the purpose of siding and desires to retain membership in Organization." Furthermore (Jin et al., 2016) "That commitment to the organization involves three attitudes are: (1) Identify the organizational objectives, (2) The feeling of involvement in organizational tasks, and (3) Feelings of loyalty to the organization." This means that employees who are committed to the values and interests of organizations looking to integrate personal and organizational goals, so that organizational goals are personal goals. Work that was his job understood as personal interest and a desire to always be loyal to the progress of the organization.

Commitment to the organization means more than just formal membership, since it includes the attitude of love organization and a willingness to strive for a higher level of effort for the benefit of the Organization for the sake of achievement of goals. Based on this definition, in the commitment of the organization included the element of loyalty to organizations, involvement in work, and identification of the values and objectives of the organization.

(Gupta and Sharma, 2016) "defining organization commitment as the relative power of partnership and the involvement of a person against an organization." In other words, organizational commitment is the attitude about the loyalty of the workers against the organization and is an ongoing process of organizational members to express his concern to the Organization and it continues on success and prosperity.

Chakiso (2015) distinguishes three dimensions separate organizational commitments are:

- 1) Affective commitment is the emotional feelings for the Organization and the belief in its values
- 2) Sustainable commitment is where the economic value of sticking with an organization when compared to leaving
- 3) Normative commitment is a commitment to stay with the Organization for reasons moral or ethical.

### 2.3. Work Motivation

The theory of work motivation satisfaction (Jin et al., 2016) determine what motivates people in work, focus on the satisfaction

theory identify needs and urge on one self and how the priority needs and impulses. They focus on the kinds of incentives or the goal sought is achieved by someone to satisfied and well done. Satisfaction theory refers to “static” because the theory relate to just one or a few things within a certain period, either past or present. Therefore, the theory that there is no need to predict work behavior or motivation, but to understand what motivates people in work.

Abraham Maslow, motivation needs to conclude that a person can be arranged in a hierarchy. If one level needs are met, the level of those needs are not motivated anymore (Ranjan and Read, 2016).

Identify five levels of Maslow’s hierarchy of needs in:

- a. Physiological Needs. The most basic of levels in the hierarchy that is associated with the primary needs (needs of the hungry, thirsty, sleeping and (sex). According to this theory once basic needs satisfied, they were no longer motivated.
- b. Security needs. This second requirement level emphasize the emotion and physical security. Whole organism becomes a mechanism seeking. As well as physiological needs, if the security requirements are not satisfied, they will motivate more
- c. Needs love. This third level of the needs related to the need of affection and affiliation. The use of the word love has a negative connotation as the actual sex is physical needs. Maybe the right word to describe this is to have a level or social.
- d. Award Needs, The level of awards represents a higher human needs. The need for achievement power, and status can be considered part of this level. Maslow carefully indicates that the level of awards includes self-esteem and appreciation in others.
- e. Self-actualization Needs. This is the top level of all human needs is low, moderate and higher. People who already have a self-actualization is the one who fulfilled and realized all its potential. Self-actualization is close related to concept of self. As a result, actualization is a self motivated person to change the perception of themselves into reality.

Based on the theoretical review mentioned above, is a motivation boost in self-employment is an individual that underlie the individual activities to achieve results or better destination that can be progress, work, competition, fulfillment and so forth, while the dimensions of the dimension motivation to work in this study are: physiological needs, security needs, social needs, esteem needs and self-actualization needs.

#### 2.4. Employee Performance

(Kamisah, 2012) define performance (performance) as follows: “The performance is the result of the quality and quantity of work achieved an employee in performing their duties in accordance with the responsibilities given to him.”

Meanwhile (Singh, 2013), says that “the performance of employees depends on the ability, work effort and employment is considered from the output.” In addition, the performance is defined as the work of an employee, a management process or an

organization as a whole, where the results of such work must be demonstrated in concrete proof and can be measured (as compared to a predetermined standard).

Employee performance is the result of the maximum achieved by the employee to do the job based on skills, experience and seriousness as well as time. As proposed (Style and Performance, 2015) “performance is a result of work achieved in executing tasks assigned to them based on skills, experience and the seriousness of the time.” Simsek and Ozturk (2018) found that there is a strong and positive effect of leadership style on the organization’s success and employee performance.

Based on the theoretical review mentioned above, the definition of employee performance is the result of work include: quality of work, quantity of work, workplace behavior, and nature - a personal nature relating to the work done within the organization in helping the organization achieve the goals set. It can be concluded employee performance consisted of employee performance dimensions based on the employee’s performance consisted of six dimensions, namely: the quality of work, quantity of work, initiative, honesty, cooperation, and responsibility; As for the 10 indicators, namely: the assignment of the task or job, increased performance, the completion of a task or work in compliance procedures and regulations that have been established, the compliance and consistency of the procedures or provisions in carrying out the work, helping other employees, the initiative in dealing with jobs considered difficult, honesty in working as a waitress consumers, the integrity of the task or job as a waiter consumers, working with a compact and cooperate in the work process, or troubleshooting, the achievement of targets in carrying out the work.

### 3. METHODOLOGY

In doing some research, methods of research is a very important part, even can also determine the quality of the research itself. In this chapter described the method of research methods that will be used in analyzing the influence of leadership style, Work motivation and organizational commitment to employee performance at Manufacturing Industries in DKI Jakarta.

Source of research data obtained directly from the original sources (not through an intermediary) that can be: opinions, observations of a (physical) objects, events or activities, and the test result. In this research the primary data obtained with the questionnaire to spread executives, managers and other employees manufacturing industries. This population will be taken in this research is the employee manufacturing industries in accordance with the characteristics of the subjects on the number of employees 450 people.

### 4. RESULTS AND DISCUSSION

Based on the results of analyzes and tests that have been done then obtained the following results: The first hypothesis says there is influence between leadership style on employee performance in manufacturing industries. Regression coefficient

value of  $16.996 > 1.663$  and significant probability  $0.000 < 0.05$  significance probability  $< 0.05$ , meaning that the style of leadership in manufacturing industries has a significant effect on the performance of the employee, if the leadership style increases, the performance of employees will also rise, and vice versa if the leadership style tends to deteriorate or down, then the employee's performance will go down, it is necessary to figure a leader who can give free rein, participation if you want increased performance. The regression equation of leadership style influence on employee performance manufacturing industries is  $Y = 1,478 + 1.176X_1$ , if the leadership style in manufacturing industries improved one unit, it will increase the performance of employees amounted to 1,478 assuming leadership style remains. The amount of the contribution of leadership style to influence employee performance Manufacturing Industries was 77.7% while the remaining 22.3% is explained by other variables that are not included in the model (Baird and Parasnis, 2011; Wang et al., 2016).

The first hypothesis says there is influence between organizational commitment to employee performance at Manufacturing Industries. Regression coefficient for  $8509 > 1,663$  and  $0,000$  significance probability  $< 0.05$ , meaning that the organization's commitment to the manufacturing industries has a significant effect on the performance of the employee, if the organization's commitment increases, the performance of employees will also rise, and vice versa if the organization's commitment to deteriorate or inclined down, then the employee's performance will go down, it is necessary for the commitment of organizations that can give free rein if you want increased performance. The regression equation influence organizational commitment to employee performance Manufacturing Industries is  $Y = 5705 + 1.368X_2$ , if the organizational commitment in Manufacturing Industries improved one unit, it will increase employee performance by 5705 assuming organizational commitment remains. The amount of the contribution of the organization's commitment to influence employee performance manufacturing industries amounted to 46.6%, while the remaining 53.4% is explained by other variables that are not included in the model (Joo and Ready, 2012; Thrun, 2014).

The first hypothesis says there is influence between work motivation on employee performance in manufacturing industries. Regression coefficient value of  $34\ 047 > 1,663$  and  $0,000$  significance probability  $< 0.05$ , meaning that motivation to work on Manufacturing Industries has a significant effect on the performance of the employee, if the employee motivation increases, the performance of employees will also rise, and vice versa if the motivation to work or tend to deteriorate down, then the employee's performance will go down, it is necessary for employee motivation which can give free rein to the performance. Regression equation of the influence the motivation of working on performance clerk manufacturing industries is  $Y = 1,021 + 0.697 x_3$ , if the motivation of the employees are there in 1 unit of Manufacturing Industries improved, it will increase the performance of the employees of 1,114 assuming the motivation of working anyway. The magnitude of the contribution of the motivation of working on the influence of employee performance at manufacturing industries is amounted to 93.3% while the rest

of 6.3% is explained by other variable which is not included in the model (Al Mehrzi and Singh, 2016; Halbesleben and Wheeler, 2008; Jayawarna et al., 2013).

Fourth Hypothesis says, influences between leadership style, organizational commitment, and motivation of work on performance of employees at manufacturing industries. Influence between leadership style, organizational commitment, and motivation have F value of 486,440 and significance probability  $0.000 < 0.05$ , with equation is  $Y = 0.515 + 0,397X_1 + 0.186X_2 + 0.559 X_3$ , if the variables are there in constant, then the performance of the employees is 0.515. The magnitude of the contribution of leadership style, organizational commitment, and motivation of working on the influence of employee performance at manufacturing industries is amounted to 58.8%, while the remainder of 5.3% is explained by other variables that are not included in the model (Gupta and Sharma, 2016; Harwiki, 2016; Sutanto and Kurniawan, 2016).

## 5. CONCLUSION

A style of leadership in manufacturing industries is a way or style of a person's ability as a leader in influencing subordinates, both individually and in groups, to do or not do anything, according to the will of leaders to succeed in achieving a predetermined or desired.

Organization commitment as the relative power of partnership and the involvement of a person against an organization. In other words, organizational commitment in manufacturing industries is the attitude about the loyalty of the workers against the organization and is an ongoing process of organizational members to express his concern to the organization and it continues on success and prosperity.

Motivation of employee in manufacturing industries is an individual that underlie the individual activities to achieve results or better destination that can be progress, work, competition, fulfillment and so forth, while the dimensions of the dimension motivation to work in this study are: physiological needs, security needs, social needs, esteem needs and self-actualization needs.

Employee performance in manufacturing industries is the result of work include: quality of work, quantity of work, workplace behavior, and nature - a personal nature relating to the work done within the organization in helping the organization achieve the goals set.

Leadership style, organizational commitment, and motivation have positive and significant effect on employee performance. Motivatiaon has dominant effect on employee performance. Manufacturing Industries in DKI Jakarta have to become employee motivation priority improvement to increase employee performance, with suggestion by improvement leadership style and develop organizational commitment.

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