

The Effect of Leadership and Training on Employee Performance with Work Motivation as an Intervening Variable

(Case Study on Millennial Employees of PT. PNM)

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Abstract:- This study aims to analyze the effect of leadership and training on performance through motivation as an intervening variable at PT. Madani National Capital (Persero). Based on the results of research from Dale Carnegie Indonesia that 25% of the millennial generation has no attachment to the company. This phenomenon also occurs in PT PNM where almost 95% of the turnover is millennial employees. HR is an asset for the company so that employee performance will have an impact on company performance. Leadership and training are very important factors in the development of an organization. Work motivation is a work urge that arises in an employee to do certain jobs or activities so that motivation has an important role in the organization which will have an impact on employee performance. The population subject of this research are employees of PT. Permodalan Nasional Madani (Persero) who are under 40 years old in the Jabodetabek working area. Subjects that were used as samples were 877 respondents using the Structural Equational Modeling (SEM) method with IBM SPSS Amos 22 tools. The results of this study revealed that: 1) Leadership had a positive and significant effect on performance; 2) Training has a positive and significant effect on performance; 3) Leadership has a positive and significant effect on motivation; 4) Training has a positive and significant effect on motivation; 5) Motivation has a positive and significant effect on performance.

Keywords: Leadership, Training, Work Motivation, Millennial Employees, Employee Performance.

I. INTRODUCTION

According to data from the Central Statistics Agency (BPS) in 2020, the total productive age of Indonesia's population (aged 15 to 64 years) is 191.085 million or 70.72% of Indonesia's population is of productive age. Of the productive age, 25.87 percent or 69.90 are millennials. The millennial generation is the generation born in 1980 to 2000 (Buza, 2017). The millennial generation is the generation that is currently between the ages of 20 to 40 years. Based on these statistical data, in 2020 all millennial generations are in the productive age. The fact that the millennial generation has dominated the working population needs to be considered in order to understand the behavior of the millennial generation. Dale Carnegie Indonesia's research conducted on 1,200

millennial and non-millennial employees shows that only one out of four millennials is totally employed or fully involved in their careers.

According to Robbins (2007) one of the factors that affect employee performance is organizational factors such as companies providing training to develop self-competence or capacity, leadership and compensation. Training is a learning process given to employees to improve knowledge, skills and behavior of employees so that employee performance is getting better. Training is provided so that employees can meet the competency standards that have been set. Training is expected to increase employee motivation to be able to work optimally which aims to improve employee performance.

Leadership is a process of someone being able to influence others to achieve a common goal (Kreitner and Kinicki, 2010). Leaders have both inner and outer responsibilities for the success of the work activities they lead, so being a leader is not easy and everyone has nothing in common in carrying out their leadership (Saleem, 2015). Leaders must understand each different behavior of subordinates, influencing them in such a way that they can provide services and participation to the organization effectively and efficiently (Buil et al., 2019). Thus it can be said that the success or failure of achieving organizational goals and objectives is determined by the quality of leadership.

In order for the company's goals to be achieved, good performance from employees is needed. Employees need motivation to perform well. According to Robbins & Coulter (2010:109) motivation is a process in which one's efforts are energized, directed, and sustainable towards the achievement of a company goal. Employee work motivation has a very important role so that employees can work effectively. Employees with high work motivation will have an awareness to work well without any coercion or pressure from superiors or from the company. At the company where the research was conducted, in the period of December 2020 the number of employees was 48,600 employees aged 18 to 35 years, amounting to 85.8% % of the total employees or the millennial generation and generation Z. The phenomenon that occurs is based on data from the last 2 years the turn over rate employees are quite high with the following composition as shown in the table 1:

TABLE I. EMPLOYEE TURN OVER RATE

Year	Turn Over	Millennial Employee Turn Over Rate	Non-Millennial Employee Turn Over Rate
2019	> 30 %	99 %	1 %
2020	>30 %	95 %	5 %

Based on the consideration that the turnover ratio is quite high and the majority are millennials, the researcher wants to see the influence of leadership and training can increase employee motivation on employee performance which will have an impact on company performance. Based on previous research (Ozkeser, 2019) stated that training has a positive and significant effect on employee performance. However, in this study the sample was not limited by age. The results of this study are also supported by the results of other studies (Mohammad Reza, Rofiaty Rofiaty, Atim Djazuli: 2018) stating that leadership and training have a positive and significant effect on performance in millennial employees. The research gap is seen in other studies (Raden Ayu Yawmillisa, Sumardi, Jumidah: 2017) that leadership and training have a positive but not significant effect on employee performance. Another study (Munparidi: 2012) states that leadership and motivation are not significant so they have no effect on employee performance. Based on the Phenomenon and Research Gap mentioned above as well as several theoretical references, the researcher raised the title The Effect of Leadership and Training on Employee Performance With Motivation as an Intervening Variable.

II. LITERATURE REVIEW

A. Performance

According to Dessler (2015) defines employee performance as a comparison between real work results and the work standards set. Mangkunegara (2014:9) defines performance as the result of work or work performance achieved by a person both in quantity and quality achieved by a person in carrying out tasks according to the responsibilities given to him. According to Rivai (2013: 548) the definition of employee performance is the real behavior displayed by each employee as work performance produced by the employee in accordance with his role in the organization. Meanwhile, Sedarmayanti (2011: 273) states that employee performance is the work that can be achieved by an employee in an organization in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals where the work results can be proven concretely and can be measured according to standards. set.

Colquitt (2011:35) suggests that performance is the value of a set of employee behaviors that contribute both positively and negatively to achieving organizational goals. Performance has three dimensions, namely: (1) task behavior, (2) moral behavior, and (3) opposing behavior. Duty behavior is the behavior of employees in carrying out the duties that have become their obligations. Task behavior includes tasks that are routinely performed and tasks in innovation or renewal. Moral behavior is a voluntary activity of employees to contribute to the organization's overall quality improvement. Examples of working beyond formal duties, trying without expecting a reward, loving the organization.

While challenging behavior is employee behavior that intentionally hinders the achievement of goals.

B. Work Motivation

According to Rivai (2011:839) defines work motivation as a set of attitudes and values to generate, direct and maintain behavior related to the work environment. According to Robbins & Coulter (2010:109) states that motivation refers to the process by which one's efforts are energized, directed, and sustained towards the achievement of a goal. Hasibuan (2008:65) states that motivation is the provision of driving force, which creates the enthusiasm of one's work, so that they want to work together, work effectively and be integrated with all their efforts to achieve satisfaction. Siagian (2008:76) defines work motivation as a driving force for a person to contribute as much as possible to the success of the organization in achieving its goals, with the understanding that achieving organizational goals means achieving the personal goals of the members of the organization concerned. Dessler (2015:112) defines work motivation as a condition in a person who is driven by an individual's desire to carry out certain activities in order to achieve goals.

C. Leadership

According to Kreitner and Kinicki (2010), leadership is defined as a process of someone being able to influence others to achieve a common goal. According to Robbins and Coulter (2016: 127) leadership is a person's ability to influence others to achieve a vision or set of goals that have been set. According to Buil, Martínez, and Matute, (2019) leadership is an ability possessed by a person to influence other people, subordinates, or groups, as well as the ability to direct the behavior of subordinates or others in order to achieve the goals of an organization or group. Menrutu Sagala (2018) leadership is an act to influence other people or subordinates so that they are willing to work together to achieve a certain goal. From the above definition it can be interpreted that the role of a leader in an organization is to be able to direct, motivate and encourage a person or group to achieve organizational goals that have been set. The performance of a company will depend on the professional abilities of its leaders. The good performance of a company is indirectly related to the influence of the quality of a leader of the company. There are differences in the activities carried out by managers and leaders. According to Bernard Bass (in Kreitner & Kinicki, 2010) states that the leader is the person who manages and the manager is the person who leads. A leader is more about inspiring others, encouraging others to achieve organizational goals. While the manager is more carrying out the company's strategic functions such as planning, organizing and controlling and is responsible for implementing the company's vision and goals.

D. Training

According to Garry Dessler (2015: 284) states that training is a process of improving the skills needed by new employees to carry out their work. According to Rivai and Sagala (2011:212), training is a systematic process to change employee behavior in order to achieve the goals of an organization. Training relates to the skills and abilities of employees to carry out current jobs.

According to Wilson Bangun (2010) training is the process of developing employees in a company which is the responsibility of the company. Caple stated that training is a systematic and planned effort to change or develop knowledge/skills/attitudes through learning experiences in order to increase the effectiveness of the performance of activities or various activities.

The conclusion of training according to the understanding that has been conveyed previously is a systematic and planned process to increase knowledge, skills and changes in employee behavior in accordance with the analysis of the needs of an organization.

E. Theoretical Framework

Based on these theory above, it could be described a theoretical framework for these titles as follows:

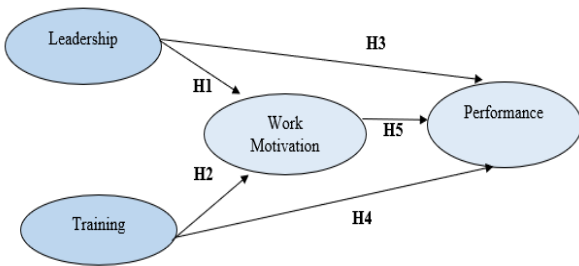


Fig 1: -Theoretical Framework

F. Hypothesis

The hypothesis of this cases that could be seen as in follows:

- H₁:** Leadership has a positive and significant impact on Millennial employees' work motivation.
- H₂:** Training has a positive and significant effect on Millennial Employees' Work Motivation.
- H₃:** Leadership has a positive and significant effect on the performance of Millennial Employees
- H₄:** Training has a positive and significant effect on employee performance
- H₅:** Work Motivation has a positive and significant effect on the performance of Millennial Employees

III. METHODOLOGY

This study uses a quantitative approach. This approach is used to examine a particular population or sample with the aim of testing the hypothesis that has been determined through the data collection process using research instruments with quantitative/statistical data analysis. The research will be conducted on employees of PT. PNM with a maximum age of 35 years or millennial employees from generation Z or PNM employees under 40 years old residing at the Head Office, UlaMM Branch Office and Mekaar Branch Office. UlaMM Branch Office has 62 Branches and 642 unit offices with the majority of employees being millennials. Mekaar employees have 2683 unit offices with the majority of employees being millennials and generation Z. In this study, path analysis of the AMOS statistical software package is used in model development. While hypothesis testing is done by using path analysis.

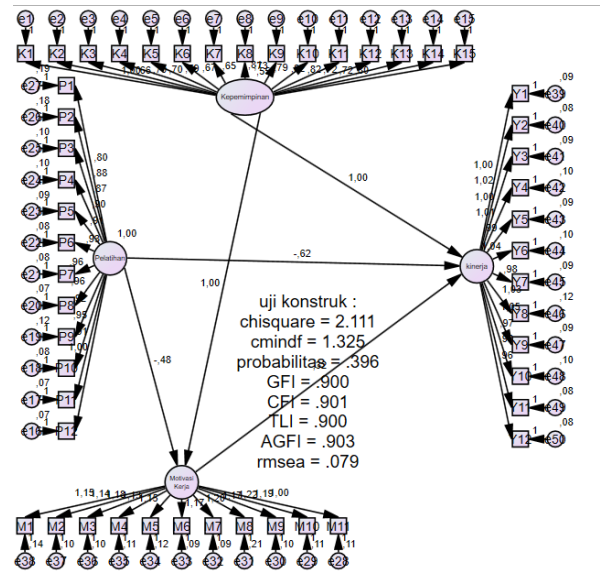


Fig2: - Structural Equation Model

IV. RESULTS AND DISCUSSIONS

A. Validity and Reliability Test

Based on the results of the validity test, it shows that all indicators in the sample research sample have a correlation coefficient that is greater than the r-table for the value of n-772 respondents with a df value of 770 which is 0.13. Thus this shows that all indicators as a measure of each of these variable constructs are valid.

Based on table 2 of the reliability test results, it can be seen that the Cronbach Alpha of all instruments is greater than 0.6. This shows that these measurements can provide consistent results if repeated measurements are made on the same subject.

TABLE 2. RELIABILITY TEST RESULTS

Variabel	Cronbach's Alpha	Information
Leadership	0.80	Reliabel
Training	0.70	Reliabel
Work Motivation	0.79	Reliabel
Performance	0.67	Reliabel

G. Hypothesis Test

Hypothesis testing is done by looking at the C.R (critical ratio) value contained in the Amos 22.0 output table regarding the regression weight shown in table 3

TABLE 3. HYPOTHESIS TESTING

	Estimate	S.E.	C.R.	P	Label
Work_Motivation ← Training	,659	,038	17,237	***	par_1
Work_Motivation ← Leadership	,704	,044	16,191	***	par_2
Performance ← Work_Motivation	,704	,043	16,520	***	par_3
Performance ← Leadership	,794	,050	15,897	***	par_4
Performance ← Training	,671	,043	15,552	***	par_5

Based on table 3 then the hypothesis test is as follows :
H₁: The Effect of Leadership on Work Motivation.

The Result :C.R. of 16,191 > 1,967 and p value of 0.000 < 0.05. H₁ is accepted so that it can be concluded: Leadership has a positive and significant influence on Millennial Employees' Work Motivation.

H₂: *Training has a positive and significant effect on Millennial Employees' Work Motivation.*

Result :C.R. of 17.237 > 1.967 and p value of 0.000 < 0.05. H₂ is accepted so that it can be concluded: Training has a positive and significant effect on Millennial Employees' Work Motivation

H₃: *Leadership has a positive and significant effect on the performance of Millennial Employees.*

Result:C.R. Value of 15,897 > 1,967 and p value of 0,00 < 0,05. H₃ is accepted so that it can be concluded that Leadership has a positive and significant effect on the performance of Millennial Employees

H₄: *Training has a positive and significant effect on employee performance.*

Result:C.R. Value of 15,552 > 1,967 and p value of 0.000 < 0.05. H₄ is accepted so that it can be concluded that training has a positive and significant effect on employee performance

H₅: *Work Motivation has a positive and significant effect on the performance of Millennial Employees..*

Result:C.R. Value of 16.520 > 1.967 and p value of 0.000 < 0.05. H₅ is accepted so that it can be concluded that work motivation has a positive and significant effect on the performance of Millennial Employees.

V. CONCLUSSION AND SUGGESTIONS

Conclusion

Based on the results of the analysis and hypothesis testing that have been carried out, it can be concluded that leadership has a positive and significant effect on work motivation. The conclusion above can be interpreted that if leadership increases or is said to be high, then work motivation will also increase. Training has a positive and significant effect on motivation, which means that if training increases or is said to be high, then motivation will also increase. Leadership has a positive and significant effect on performance so that if leadership increases or is said to be high, it will increase performance. Training has a positive and significant effect on performance, which means that if leadership increases or is said to be high, it will increase performance, and motivation has a positive and significant effect on performance. so that if motivation increases or is said to be high, it will increase performance.

Suggestions

For further research, it can be done on millennial employees in the eastern part of Indonesia so that they can be more representative of all millennial employees. Because this research is only limited to the variables of leadership, training, motivation and performance, it is necessary to conduct further research on other variables that can affect performance such as work life balance, work engagement, work environment, work stress and workload in a wider scope of research.

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