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Influence of Leadership and Compensation on Performance through Job Satisfaction in PT. Rekayasa Engineering Jakarta

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Abstract:

This study aimed to analyze the influence of leadership and compensation to performance through job satisfaction PT. Rekayasa Engineering in Jakarta. The survey respondents include 284 employees of PT. Rekayasa Engineering, Jakarta. The technical sampling is saturated sampling and analysis using path analysis.

The results showed that there is a direct effect of significant leadership on job satisfaction, directly there is influence significant compensation to job satisfaction, there is a direct effect of the significance of leadership on employee performance, directly there is influence significant compensation to employee performance, is directly influence job satisfaction significant work on employee performance, indirect leadership through employee satisfaction significantly influence employee performance and indirectly compensated through job satisfaction significantly influence employee performance so that simultaneous leadership and compensation through job satisfaction have a significant effect on the performance of employees of PT. Rekayasa Engineering in Jakarta.

Keywords: Leadership, compensation, job satisfaction and employee performance

1. Introduction

One purpose of the State of Indonesia is to promote the general welfare (the 1945 opening paragraph to 4). Promote the general welfare levels mean change for the better in the areas of life that are closely related to the needs of the people of Indonesia. In toward a better change it to do a development conducted in a fair and equitable so that every Indonesian citizen so that they can enjoy the fruits of development that have been done and will result in the increased well-being of the people of Indonesia. Physical development is one form of development that absolutely must be done in an effort to promote the general welfare. Physical development can be the development of infrastructure in buildings and transportation facilities and infrastructure that support and sustain the activities of the community, will be able to realize a quality development. In order to achieve these goals required a lot of companies that can support it, either directly or indirectly.

One of the companies that participated to support the ideals of the nation Indonesia, namely PT. Rekayasa Engineering which has a mission "Being a leading engineering company in the field of innovation and quality to become a competitive company in the global business areas". PT. Rekayasa Engineering at Jl. Kalibata Pancoran Jakarta. To embody that mission must have qualified human resources and has a high performance. Human resources to contribute to organizations that known performance. According to Mathias and Jackson (2002), the employee's performance is how much they contribute to the organization which, among other output quality, quantity of output, the output time period, the level of attendance at work and cooperation.

In order PT. Rekayasa Engineering have employees who are qualified and have the employee's performance is high then should note the level of job satisfaction of employees because according to Hasibuan (2008: 202), states that job satisfaction is an emotional attitude fun to love his work, and this attitude can reflect the moral work and discipline and work performance.

2. Literature Review

2.1. Employee Performance

Performance is a systematic representation of the goodness and weaknesses of individual or group work. Despite any of the technical issues (such as the selection of formats) and the human problem itself (such as appraisers resistance and obstruction relationship between individuals), all of it will not be resolved by the assessor's performance by Suwatno and Donni (2011: 197).

Understanding the performance of others, according to Simanjuntak (2005), the performance is the level of achievement of results on the implementation of the tasks specified. A company's performance is the level of achievement of the planned results to achieve company goals. Performance management is a whole series of activities held for the sake of improving the performance of the organization or company, including the performance of each individual or workgroup within the company.

According to Dessler (2004), the employee's performance is the actual achievement of employees compared to the achievement of the targeted or expected from employees. Standard expected accomplishments compiled as a baseline so that it can see the performance of employees in accordance with their respective position compared to the standard being created. Can also be seen other than the employee's performance as compared to other employees.

Performance overall is the result of a person in a particular period in the performance of duty, for example, the standard work is the target or targets of criteria that have been planned in advance and a collective agreement (Veithzal, 2005: 97). Employee performance is not just information to be able to do promotions or wage freeze for the company. But how the company can provide Job Satisfaction and develop a plan for

According to Sutrisno (2009), directed performance measurements on several aspects:

- The work is the quantity and quality level has been achieved and the level of supervision performed.
- Knowledge work is the level of knowledge on will work directly affects the quantity and quality of the results achieved,
- The initiative is an initiative in the level of duties and jobs in particular to the problems that arise.
- Mental prowess is the level of ability and speed in implementing the work instructions in accordance with the methods of work and work situation it faces.
- Attitude is the level of morale or a positive attitude to carry out tasks and jobs.
- Time discipline is the level of punctuality in carrying out the task and the level of attendance.

2.2. Leadership

Leadership has led the basic word while the word itself has meaning foster leading, directing, or guide, organize and show or influence. Leaders have a responsibility to physically or spiritually for the success of the work activities of member-led, and therefore to be the leader of everyone is not going to have similarities in the run.

Toha (2010: 9) state leadership is an activity undertaken for pushing affect the behavior of others, or the arts to influence human behavior towards both individual and group basis. Because of that leadership is a very important factor for organizations because most of the success or failure of an organization is determined by the leadership who manage the organization.

According to Turney (1992) assert leadership as a process carried out by someone in managing or inspiring a number of jobs in order to achieve organizational goals through the application media management techniques.

Timple (2000: 58) states that leadership is a process of social influence in which where managers participate and volunteer and subordinates for the sake of joint efforts achieve organizational goals. Leadership accomplishments can also describe the direction or purpose of an organization. Therefore, leadership greatly affect the organization's name.

So that in the opinion concluded that leadership is a method of a leader to influence subordinates to use only characteristics to achieve the planned targets or objectives. Leaders will succeed if it has good leadership techniques and done to create awareness of the situation that led to carrying out according to plan. Thus the effectiveness of the leader depends on how the leadership ability to manage or apply leadership patterns and can adjust to the circumstances that exist in the organization.

Toha (2010: 49) states leadership style is the norm of the behavior of a person in which the person trying to influence the behavior of others. Such as leadership style include:

2.2.1. Autocratic Leadership Style

Autocratic leadership style commonly called authoritarian leadership, meaning that this leadership style tends to show the strength of the position or use of authority.

2.2.2. Democratic Leadership Style

Democratic leadership style followers tend to include organizations in the process of problem-solving and decision making.

2.2.3. Permissive Leadership Style

This permissive leadership style tends to give freedom to subordinates so that subordinates typically do not have a strong grip on complete a problem. Leaders with the permissive style are usually not consistent with what is done. If the associated leadership of the company (the Director), the directors should use the style of leadership to influence officials or employees of the company he leads. Because the leadership style appropriate and properly applied will be motivating both officers and employees.

2.3. Compensation

Compensation or remuneration directly is the right of employees and an obligation for companies to provide appropriate rewards. Because here lies the importance of compensation to employees as a seller of labor (services). Compensation is the expenditure incurred by the company, while the company expects to compensation paid to an employee would earn greater employee. Hasibuan (2003: 118) states "Compensation is the income in the form of money and goods directly or indirectly that should be accepted by the employees as a result of fee for which has been awarded to the company".

Sastrohadiwiryo (2003: 181) claimed compensation for a service fee or remuneration than what is given from the company to workers who caused the labor force has contributed ideas and energy for the survival and progress of the company in accordance goals set.

Handoko (2000: 155) states that compensation is received by all employees as a reward or as a reward for their efforts.

While Mangkunegara (2005: 83) named that: "Compensation is something to be considered as a comparable". From the opinions of the above can be concluded compensation is interaction among employees with a company that provides mutual reciprocity in accordance with the service or employees who need the power that deserves the appreciation of the company or organization.

Interest-based compensation. Hasibuan (2003: 121), based on several reasons:

2.3.1. Cooperation Ties

Compensation will establish formal cooperation ties between the employer and employee. Employees must work better as possible, whereas the employer or the employer is obliged to provide compensation based on an agreed arrangement.

2.3.2. Job Satisfaction

Job satisfaction of compensation, employees can meet their needs physical and non-physical form social dan status also selfish so will get office job satisfaction according to which it aspires.

2.3.3. Effective Procurement

Effective procurement if the program compensation has set large enough so as to recruit qualified workers will be easier for the company.

2.3.4. Motivation

If the compensation is considered large enough then the manager will be easy to motivate subordinates.

2.3.5. Stability employee

If the compensation program is based on the principle of fairness and worth much less externally competitive the consistency has stabilized, the employee will feel more assured that its turnover to be relatively small.

2.3.6. Discipline

Sovereign, when the compensation was enough to cause the employees to be better disciplined. Because they are aware of and will obey the regulations of the company.

2.3.7. The unions

If the program is already well compensated the influence of trade unions could be avoided because employees can concentrate and focus the work that is being assigned.

2.3.8. Government Influence

If the compensation program is in conformity with the laws and regulations, the government intervention will inevitability.

2.4. Job Satisfaction

Job satisfaction is an emotional attitude which is based on the attainment of the needs, desires, and expectations of one's job. In general, a person will feel satisfaction in their work when their needs are met. This relates to the wages or salaries earned to meet the needs of the living. Besides, job satisfaction due to the wishes are fulfilled them want to get equal opportunity in work, wants to be appreciated and would like to give advice to the company. More job satisfaction is also

influenced by the fulfillment of the expectations of the employees of a post according to his ability, health insurance and guarantee safety in the work.

Siagian (2006: 295) expressed satisfaction at work is the perspective of someone either be positive or negative about his work. The Rivai (2004: 475) stated job satisfaction is something individual. Because each individual has a different level of satisfaction in accordance with the systems and values that apply to him.

This could indicate that the concept of job satisfaction is as a result of interaction between humans on the environment where she worked. So the determination of job satisfaction based on the definition that includes the difference between the individual and the environmental situation of employment. And also one's feelings towards work and is a reflection of his attitude towards work. Therefore, the opinions of the above can be concluded that job satisfaction is a good feeling to support or not support the employees related to the work that involves elements including their salary, wages, opportunity to develop a career, occupation, employee relations, quality control, job placement and organization structure of the company. But the feeling associated to him are:

Mangkunegara (2005: 120) stated that there are two factors that could affect job satisfaction include:

- Factors that of self-employees, such as age, intelligence (IQ), gender, special skills, education, physical condition, work experience, emotion, personality, work attitude and perceptions and ways of thinking
- Occupational factors, such as organizational structure, occupation, position, rank (class), financial assurance, quality control, promotion opportunity, employment, and social interaction.

High and low of the compensation received or held by employees will definitely affect his commitment to the organization. And also the commitment will affect job satisfaction of employees. Plus employees who felt it was satisfied it would be allowed to engage and collaborate and accept the goals of the organization so as to increase productivity, while employees who are dissatisfied will fail to work and collaborate and could rule out efforts to achieve organizational goals. Statement of Handoko (2000: 155) is a department in improving job satisfaction for employees is through the provision of monetary compensation.

3. Research Methods

3.1. Framework

To more easily carry out the study, the researchers used this line of thought as follows:

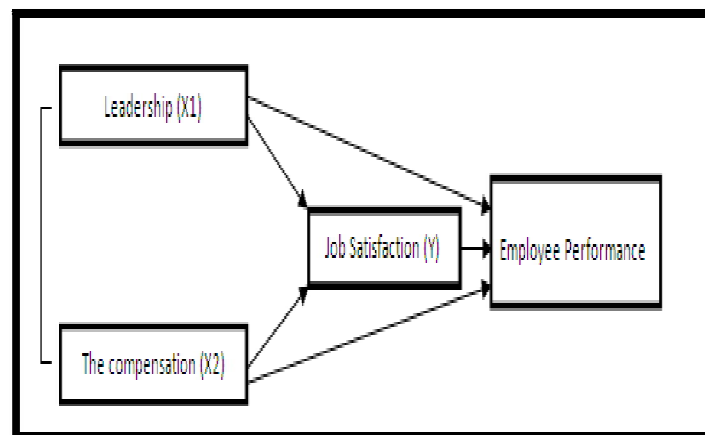


Figure 1. Research Design

The study design used is a descriptive quantitative analytical design that aims to spell out the nature and characteristics of the data or variables to be tested. In addition, this study design is used to describe and illustrate what it is about a variable, symptoms, circumstances, or phenomenon, so in this study was used to analyze the data obtained in depth with the hope it can be seen the influence of exogenous variables of leadership (X1), compensation (X2), employee performance endogenous variable (X3), and intermediate variable (intervening) job satisfaction (Y). This study also uses causality design that aims to analyze the relationship or degree of influence of exogenous variables through an intervening variable with path analysis.

3.2. Population and Sample

According to Sugiyono (2008: 115), the population is generalization region consisting of: the "object/subject that has certain qualities and characteristics defined by the researchers to learn and then drawn conclusions". According to Sugiyono (2008: 81), the sample is part of the number and characteristics possessed by this population.

The study population was employees of PT. Rekayasa Engineering. Selection of the research object, among others, can be based on consideration of information from studies that have been done, in this case, the problem of leadership,

compensation and Job Satisfaction and employee performance. Although the object of research is a firm but the expected results, it represents the general picture of employee characteristics. The population in this study a number of 284 permanent employees working in PT. ReKayasa Engineering in South Jakarta. The total population is not too large than to the sampling technique used in this research census or sampling that involves all members of the population carried out without regard to strata that exist in the population.

3.3. Data Collection Technique

The data collection techniques required here is the technique most appropriate data collection so that actually obtained data is valid and reliable (Riduwan, 2006: 97). Types and sources of data are important factors into consideration in determining the method of data collection. The data source consists of a source of primary data and secondary data.

3.4. Quality Test Data

3.4.1. Validity Test

Validity indicates the extent to which a measuring instrument is able to measure what you want to be measured (a valid measure if it successfully measures the phenomenon) (Sofyan, 2013: 75). In a study using the instrument in the form of a questionnaire, the validity of the test is used to see how much ability can find out respondents' answers questions. The higher level of validity of a measuring instrument, the more precise the measurement tool to measure well, how that can be used to search for the homogeneity of the measuring instrument is to correlate the measurement value to the total value. A questionnaire considered valid if the questions in the questionnaire were able to reveal something that will be measured by the questionnaire (Ghozali, 2006: 45). Test validity can be done by looking at the correlation between the scores of each item in the questionnaire with a total score to be measured is using Pearson correlation coefficient in SPSS. If the value is significant (P-value) > 0.05, not a significant relationship. Meanwhile, if a significant value (P value) < 0.05 then becomes a significant relationship.

3.4.2. Test Reliability

Test reliability is a tool to measure a questionnaire which is a statistic of the variables or constructs. A questionnaire is said to be reliable or reliable if someone answers on the statement are consistent or stable over time. Reliability measurement is done by one measurement once with SPSS statistical tests Cronbach Alpha (α). A construct or a variable is said to be reliable if the value Cronbach Alpha > 0.60 (Nunnally in Ghozali, 2006: 42).

4. Results and Discussion

4.1. The Influence of Leadership and Compensation on Job Satisfaction

In phase 1, to determine the value or amount of the required path analysis the following data:

Model		Coefficients Unstandardized		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,271	.359		20 266	.000
	Leadership	.273	.042	.450	6502	.000
	Compensation	.316	.048	.453	6546	.000

Table 1: The Coefficient of X1 and X2 To X3
Dependent Variable: Job satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.883a	.780	.779	1.53185

Table 2: R Square X1 and X2 to X3
a. Predictors: (Constant), Compensation, Leadership
b. Dependent Variable: Job satisfaction

R square = 0.780, then the path coefficient is model (error) is $\rightarrow 1 - \sqrt{0.780} = 0.469$.
From the above table can be used to determine the value of the coefficient in the following figure:

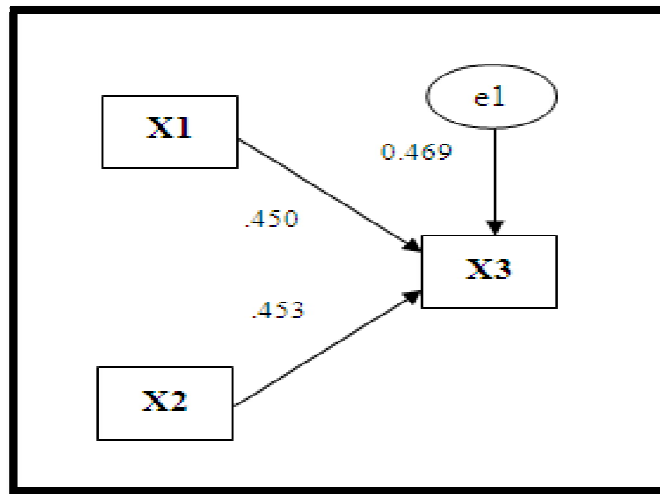


Figure 2: Path Coefficients X1 and X2 To X3

4.2. The Influence of Leadership, Compensation and Job Satisfaction on Employee Performance

In stage 2, this part is to determine the value or amount of the required path analysis the following data:

Model		Coefficients unstandardized		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,418	.585		2423	.016
	Leadership	.118	.047	.167	2,519	.012
	Compensation	.180	.054	.222	3,344	.001
	Job satisfaction	.645	.062	.554	10,397	.000

Table 3: Coefficients X1, X2, X3 on Y
a. Dependent Variable: Employee Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908a	.825	.823	1.59283

Table 4: R Square X1, X2, X3 to Y
a. Predictors: (Constant), Job Satisfaction, Leadership, Compensation
b. Dependent Variable: Employee Performance

Rsquare = 0.825, then the path coefficient is modeled (error) is $\rightarrow 1 - \sqrt{0.825} = 0.418$.

From the above table can be used to determine the value of the coefficient in the following figure:

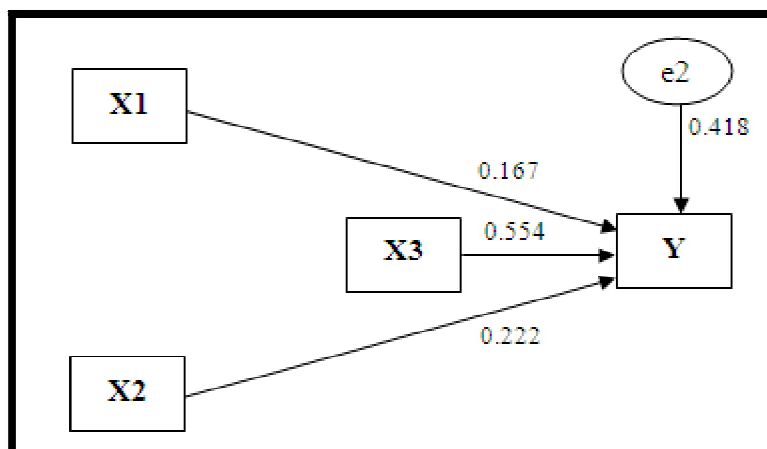


Figure 3: Line coefficient X1, X2, and X3 to Y

4.3. The Influence of Leadership and Compensation to Employee Performance through Job Satisfaction

In the third stage is a combination of images 3 and 4 can be made including the following relationship:

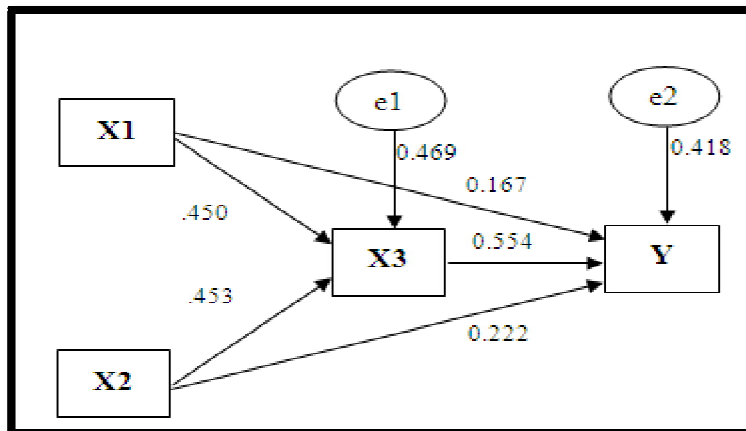


Figure 4: Line coefficient X1, X2 to Y via X3

4.4. Hypothesis Testing

From the research that has been done above could test the following hypotheses:

- Analysis of the influence of leadership (X1) on job satisfaction (X3): obtained significance value of $0.000 < 0.05$. It can be concluded that there is significant influence directly on leadership job satisfaction.
- Analysis of the effect of compensation (X2) on job satisfaction (X3): obtained significance value of $0.000 < 0.05$. So it can be concluded that there is significant influence compensation directly on job satisfaction.
- Analysis of the influence of leadership (X1) on employee performance (Y): obtained significance value of $0.012 < 0.05$. It can be concluded that a direct significant effect of leadership on employee performance.
- Analysis of the effect of compensation (X2) on employee performance (Y): obtained significance value of $0.001 < 0.05$. So it can be concluded that there is significant influence compensation directly on employee performance.
- Analysis of the effect of job satisfaction (X3) on employee performance (Y): obtained significance value of $0.000 < 0.05$. It can be concluded that there is significant influence directly on job satisfaction of employee performance.
- Analysis of the influence of leadership (X1) through job satisfaction (X3) on employee performance (Y): known to influence directly given to Y, X1 through X3 is obtained by multiplying the value of the indigo beta X1 to X3 X3 to Y is: $0.450 \times 0.554 = 0.2493$, So the total effect on Y has given X1 is a direct effect plus the indirect effect is: $0.167 + 0.2493 = 0.4163$. Based on the above calculation is known that the value of the indirect influence of 0.2493 and the direct effect of 0.167 which means that the indirect effect is greater than the effect of the direct influence value, these results suggest that indirectly X1 through X3 has a significant influence on the Y.
- Analysis of the effect of compensation (X2) through job satisfaction (X3) on employee performance (Y): known to influence directly given X2 by X3 to Y is obtained by multiplying the value of the indigo beta X2 to X3 X3 to Y is: $0.453 \times 0.554 = 0.250962$, So the total effect is given X2 to Y is a direct effect plus the indirect effect is: $0.222 + 0.250962 = 0.472962$. Based on the above calculation is known that the value of the indirect impacts of 0.250962 and the direct effect of 0.222 which means that the indirect effect is greater than the effect of the direct influence value, these results suggest that the indirect X2 by X3 has a significant influence on the Y.

5. Conclusions and Recommendations

5.1. Conclusion

Based on the results of data analysis and discussion that has been described in previous chapters, then from this study can be concluded as follows:

- Directly significant effect on leadership job satisfaction.
- Directly significant effect compensation on job satisfaction.
- Direct significant effect of leadership on employee performance.
- Directly significant effect compensation on employee performance.
- Directly significant effect on job satisfaction of employee performance.
- Indirectly leadership through job satisfaction has a significant influence on employee performance and indirectly compensated through job satisfaction has a significant influence on employee performance so that simultaneous leadership and compensation through Job Satisfaction has a significant influence on the performance of employees of PT.RekayasaEngineering Jakarta.

6. Suggestion

- Employees are the greatest assets of the engineering company.
- To obtain the required high employee performance leadership expected of employees and compensation on performance through job satisfaction of employees are met so that corporate objectives can be realized in accordance with the vision and mission of the company.
- For subsequent researchers could develop this research with other methods.

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