THE INFLUENCE OF LEADERSHIP AND COMPENSATION AGAINST EMPLOYER PERFORMANCE ON MUNICIPAL DEVELOPMENT COMPANY KOTA MEDAN, INDONESIA

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Abstract

The purpose of this study is to find out whether Leadership and Compensation affects partially or simultaneously to the Performance Employee at Medan City Regional Development Company. Research population this is all employees who work in the company with a sample used as many as 62 people. The sample selection is done by using saturated sample technique. This research uses two independent variables: Leadership, Compensation (X) while the dependent variable is Employee Performance (Y). The data will have been collected analyzed by the method of analysis of the data first, first testing the classical assumptions before testing hypotheses. Hypothesis testing in this study using multiple linear regression by partial and partial F-test with simultaneously significant levels by 5%. The results obtained from this study show that Leadership and Compensation Affect Employee Performance On Medan Regional Development Company. Judging from the t test where Leadership has a positive and significant impact on Employee Performance, while the results for compensation have no significant effect on performance employees. The results of the F-test simultaneously show that Leadership and Compensation jointly affect employee performance in Medan City Regional Development Company. The magnitude leadership and leadership skills to explain variables employee is 11.8% while the rest of 88.2% is explained by the variable or other factors not included in the study.

Keywords: Leadership, Compensation, Employee Performance, On Medan Regional Development Company

Preliminary

Human resources is one of the important factors in a company. Whatever the purpose of the company made for the benefit of man and in the execution of his mission is managed with superior and responsible human resources. So man is one factor that is very strategic in carrying out activities management in achieving company goals. The management of human resources for the company must be able to brings together the views of employees and corporate leaders to achieve company goals through work motivation and high loyalty towards their work, training and development, direction and coordination both in working by a leader to his subordinates. Human Resources (HR) is a company asset that is not The company is required to have a competitive advantage in terms of both quality, service, cost and professional human resources. Create and improve employee performance and organizational commitmentis not easy because employee performance can be created if the variables which influenced him, among others, leadership and compensation well accommodated and accepted by all employees within an organization or company. PD. Development of Medan City, is one of 3 Business Entities Owned Area (BUMD) engaged in construction services, developers, management of public facilities and entertainment. Business activities of PD. Development includes warehousing leases, rental rental lease, swimming pool and entertainment entertainment zoo. Based on observations in the field on PD. Buliding the city Medan there are still employees whose performance is decreasing so that work is generated less optimally due to poor office
placement push, like a computer that is often damaged, wifi network is lacking supporting it so that it slows down the delivery of e-Invoice tax report, and other jobs are piled up and dormant, eventually there is a decline employee performance.

Based on observations in the field on PD. Building the city Medan to leadership. Leaders lack understanding of employees, with share job description and direction to its employees, so causing employee morale to decline And leadership less consideration in decision making such as granting sanctions to employees who violate existing organizational rules on company. As a result the employee is saturated with the task given so its performance has decreased. Based on the results of field observations on PD. Pembangunan Kota Medan to compensation is the company pay less attention to employees, this can be seen from employee incentives that are still lacking at the moment implement overtime. In addition, the facilities provided employees still less. Example seats and tables that are not feasible to use still remain used, this has an impact on employee performance decrease in employee performance.

According to Mangkunegara (2014, p.9) performance is a performance is the result of work in quality and quantity obtained by a person employees in performing tasks in accordance with the responsibilities provided to him, Mangkunegara (2014, p.9) Leadership is one of the most valuable elements important in any company management. Realities in management indicating that a group of workers left alone without a leader, letting go of their own way, less deployment and discipline, they are reach only a few goals. Every group or team needs leaders, either self-generating leaders of groups or ones assigned. Sutrisno (2009, p. 213) leadership is a process of activity someone to move others by leading, guiding, influence others to do something in order to achieve that result expected. Hasibuan (2009) states that compensation is classified into two types of direct and indirect compensation. A capable employee working beyond defined work standards are entitled to get intensive, bonuses and rewards that can motivate better job performance and serves as an additional income, so this is related to loyalty and value of work and achievement for the company. Provision of compensation.

Description Of Theory

1. Employee performance

a. Understanding performance No business actor from industry sector or want the company's performance declined. However, it is not easy to maintain and improve it amidst economic situation and condition Indonesia, which many observers say is carutmarut since the crisis economy, let alone the level of business competition both from within and outside the country increasing and increasingly strict government regulations. An organization established because it has goals that want and must be achieved this purpose of employee performance is very important to noticed by the management company. Performance can be viewed as a process or a result of work. Performance is a process of how the work goes for reach the work. However, the work itself also shows performance. According Sutrisno (2009, p. 170) states that the performance is one's success in performing the task. While Sutrisno (2009, p. 172) points out that: "performance is the quantity, quality, and time used in running Quantity is a calculated result to what extent a person can 8 managed to achieve the established goals. Quality is how someone in carrying out his duty, that is about the number of errors made, discipline and accuracy. Working time is about the amount absent performed. According to Mangkuprawira and Aida (2007, p. 153) suggests that performance is the result of a certain work process in a planned manner at a time and places of employees and organizations concerned. Performance measures can be viewed in terms of quantity and quality, according to organizational standards or company. It is strongly associated with the functions of the organization and / or the culprit. From the above definitions, the authors conclude that the referred to as employee performance is the result of employee work seen on aspects of quality, quantity, working time.
and cooperation among members of the organization in achieving the goals that have been planned and ditetapakan by the organization.

b. Factors Affecting Performance

According to Prawirosentoso in Sutrisno (2009, p. 176-178) states that the factors that affect the performance as follows:

Effectiveness and efficiency

In relation to organizational performance, the size is good poor performance is measured by effectiveness and efficiency. The problem is how the process of efficiency and effectiveness. It is said to be effective when achieving goals, is said to be efficient when it is satisfying as the driver reaches the goal, regardless of whether it is effective or not. That is, effective from group (organization) if the group's objectives can be achieved in accordance with needs are planned. While efficient with regard to amount 9 he sacrifice spent in an effort to achieve organizational goals achieved the desired goals of the organization, one that needs to be gained the attention is the matter of authority and responsibility of the people participants who support the organization.

2) Authority and responsibility

In organizations where both authority and responsibility have been delegated well, without any overlapping tasks is in the organization knowing what its rights and responsibilities are in order to achieve organizational goals. Clarity of authority and responsibility Answer every person in an organization will be realized if the employee committed to the organization and supported by work discipline tall one

3) Discipline

4) Initiative

10 every initiative should receive the attention or positive response from the boss, if he is a good boss. While According to Mangkunegara (2013, pp. 67-68) the factors are affect the performance is as follows:

Capability factor

Psychologically, the ability (ability) of employees consists of ability potential (IQ) and the ability of reality (knowledge + skill). That is, the employee who has an above average IQ (IQ 110-120) with adequate education for his position and skilled in doing his daily work, then he will be younger achieve the expected performance. Therefore, employees need to be placed on work that suits his or her expertise.

Motivation Factor

Motivation is formed from an employee's attitude face the situation (situation) work. Motivation is a condition that mobilizing directed employees to achieve organizational goals (work goals). According to Mathis (2014, p.198) Factors that affect individual performance that is : a) Ability b) Motivation c) Support received d) Existence of work performed e) Employee and organizational relations 11 From the above opinion can be concluded the dominant factor affect performance is the ability, motivation that there is in every opinion the experts. c. Performance assessment A person's work will not show results if not done an assessment. This means that there is an effort to assess the outcome or behavior employee work, so it will be known whether
the employee already do the job well and correctly or not. If it's done something as expected, then it will certainly be rewarded or award. However, if it does not reach or has not reached, then evaluation needs to be done. According to Kashmir (2016, p. 184), performance appraisal is a the system undertaken periodically to review and evaluate performance individual. Performance appraisal is a guideline that is expected to be shows the work performance of employees regularly and regularly. In judging a person's performance can not be done in a way haphazard, but it needs to be done according to certain rules or systems which has been applied by the company. Standard of each company of course different from each other. To make it easier to understand the assessment employee performance should be asked several questions that are: First, what is meant by employee performance appraisal? Answer performance appraisal is a systematic process for assessing the overall performance of employees within a certain time or period. 12 From this sense it can be concluded that in the performance appraisal contains elements of the process in assessing, then done in a way systematic, comprehensive, and the duration of the assessment. d. Performance appraisal objectives According to Kashmir (2016, p. 200), the purpose of the appraisal work is as the following: 1) To improve the quality of work 2) Placement decision 3) Career planning and development 4) Training and development needs 5) Adjustment of compensation 6) Employee competency inventory 7) Fair employment opportunities 8) Effective communication between superiors 9) Work culture 10) Applying sanctions

Research Methods

A. Research Approach

In this study the authors use an associative approach and quantitative, Sugiyono (2009, p.7). The associative approach is the approach by using two or more variables to know relationship / pengeruh between variables with each other. While Quantitative approach because in this study data that has been in can tangible numbers that can be counted in number.

B. Operational Definition

An operational definition is how a variable is measured for knowing well the poorness of the research. In this research the operational definition is:

1. Leadership (X1)

C. Population and sample

1. Population

According to Sanusi (2011, p.87) states that the whole set elements that indicate certain features that can be used for make a conclusion. Thus, the set of elements shows the number, whereas certain traits indicate the characteristic of the conclusion " the population of this study are all permanent employees in PD.Pembangunan Kota field of 165 employees.

2. Sample

According to Sanusi (2011, p. 87) the sample is a take research sample or representative sample of the available population. How sampling of the population can be done with regard to elements 33 opportunity or not. Research the number of samples taken as respondents using the slovin formula in Umar (2004, pp. 108)
Results And Discussion

1. Effect of Leadership on Employee Performance

Based on the results partially research organizational commitment on Regional Development Company of Medan City. Leadership is hypothesized has a positive and significant effect on employee performance on Medan Regional Development Company. This can be proven from the results test partial hypothesis that the value of t 1.858 while t is 2.000 and has a significant number with probability sig 0.048, smaller from 0.05. Means Ha accepted (Ho rejected). Leadership is a process of one's activities for mobilizing others by leading, guiding, influencing people others to do something to achieve the expected results. Sutrisno (2009, p. 213). Based on research conducted by Widyantoro, (2005) states that Leadership Affects Pegwai Performance. This finding also implies that to improve performance can be

2. Effect of Compensation on Employee Performance

Based on the results of partial test partial influence kompensasai on employee performance diproleht of 2.825 while t 2,000 and has a significant number of 0.13> 0.05, With sig probability 0.13, greater than = 0.05. Means Ha rejected (Ho accepted). This matter shows that there is a significant influence between compensation performance of employees of Medan city development company. Compensation is something to be considered as being comparable. In employment, the prize is money compensation given to employees as a service of service they. Mangkunegara (2009, p. 83), Based on research conducted Cristie (2002) found that compensation has a positive and significant influence with the knowledge of pegawai about the corporate pay structure and policies can be directly related with performance. Effect of Leadership and Compensation on Employee Performance Based on the results of research on the influence of leadership and compensation for employee performance in Regional Development Company The city of Medan in this study proved to have simultaneous influence, which indicating that Ha accepted Ho rejected, or in other words that independent variables together affect the variable dependent. Thus it can be said that Leadership and compensation together have a significant effect on performance employees of Medan city development company, this can be proven 71 through the known simultaneous test F 3.962> F 3.15 with the level significant of 0.024 <0.05. Then Ho is rejected and Ha accepted. Conclusion from the results of this study partially partially between leadership and compensation the most significant employee performance is the influence of leadership, while the effect of compensation on employee performance is only influential positive but not significant. The result of multiple linear regression analysis in this research is obtained by AdjustedR (RSquare) of 11.8%. This shows that percentage of contribution dependent variable influence (employee performance) of 11.8% is affected or explained by other variables not included in this research model. The results of the analysis of this study showed that as much as 88.2% of employee performance is influenced by other variables, supported by some theories that disprove other possible variables affect the performance of employees. The relationship between employee performance leadership is a relation positive value, the better the existing leadership the better employee performance and vice versa. Other factors that determine employee performance and the organization's ability to adapt to the changing environment of Basset's menurt al. (2003 and Locander et al. (2002) are leadership factors Leadership describes the relationship between the leader and the led and how a leader leads his followers to determine how far followers achieve the goals or expectations of the leader. In the relationship between compensation and employee performance, Syarifuddin (2005) conducted a study on the analysis of factors that influence 72 employee performance with earnings conclusions has a positive effect on The study conducted by Christie (2002) found that employee's knowledge of salary structure and company policy regarding compensation can be directly related to performance. Another study that conducted by Carlsonet al (2006) also found a cash compensation award the competitive ones can have a positive impact on performance company. Based on the results of research conducted Sukanda
(2010) summarizes the results of his research that variables of leadership and compensation have a positive and significant effect on employee performance in the Company Medan City Development Area. 73

Conclusion

Based on the results of research, data analysis and discussion in chapters before, it can be taken conclusion as follows:

1. Partially, the leadership in this study has an influence positive and significant to the performance of employees at the Company Derah Development of Medan City. These results indicate that in the presence leadership who has a high desire in carrying out the task. It will improve the performance of employees in the work.
2. Partially, Compensation in this study has a significant influence on the performance of employees at the Regional Development Company Medan City.
3. Simultaneously, there is an influence between leadership and compensation on the performance of employees of Regional Development Company of Medan City.
4. Determination, variables that affect leadership and compensation for employee performance, while the ability of leadership and compensation in explaining employee performance is influenced by other variables not examined in this study.

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