Employee Performance Termination

Ginta Fernandes Ginting[1]*, Kiki Farida Ferine[2]
Universitas Pembangunan Panca Budi, Indonesia
*Correspondence Email: kikifarida@dosen.pancabudi.ac.id

Abstract
This research was conducted to examine the influence of leadership style on employee performance with organizational strategy as an intervening variable. By using quantitative research, primary data sources and collecting data by conducting questionnaires and sharing them with respondents, the population of this study was 80 employees and the sample used was also 80 respondents using a saturated sampling technique as the sampling technique. This research model uses phat analysis. The results of this research are as follows: Leadership style has a positive and insignificant effect with a value of 0.053 and a significant value of $0.172 > 0.05$. BPJS Employment Sumbagut Regional Office. Leadership style has a positive and significant effect on Organizational Strategy with a value of 0.785 and a significant value of $0.000 < 0.05$. BPJS Employment Sumbagut Regional Office. Organizational Strategy has a positive and significant effect on Employee Performance with a value of 0.898 and a significant value of $0.000 < 0.05$ at. BPJS Employment Sumbagut Regional Office. Leadership Style has an indirect effect on Employee Performance positively and significantly through Organizational Strategy with a value of 0.705 and a significant value of $0.000 < 0.05$ at. BPJS Employment Sumbagut Regional Office.

Keywords: Leadership Style, Organizational Strategy, Employee Performance

INTRODUCTION

To create high performance, it requires optimal work improvement and is able to utilize the potential of human resources owned by employees to create organizational goals, so that it will provide a positive contribution to the development of the organization. Performance is a process where the company evaluates and assesses employee performance in each of its jobs.

Every leader must have a different leadership style, the leadership style is used to influence subordinates to work optimally to achieve good performance. Leadership can also be interpreted as behavior that influences others so that they provide cooperation in achieving goals that have been agreed upon together for the progress of their organization. Organizational strategy plays a role in identifying various general approaches used by organizations to achieve goals. So that organizations in achieving their goals there are two ways, namely through better management of what is being done now and through the discovery of new things. Organizational strategy is a pattern or plan that integrates the main objectives or policies of the organization with a series of actions in a mutually binding statement related to general principles to achieve the organization's mission. Employee performance is the result of a process that refers to and is measured over a certain period of time based on predetermined provisions and agreements.

LITERATURE REVIEW

Employee Performance

Performance is the work results that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals illegally, without violating the law and without conflicting with morals and ethics (Afandi, 2018)

Employee Performance Indicators

According to Afandi (2018) it is as follows:

a. Quantity of work results

All kinds of units of measurement related to the amount of work results that can be expressed in numbers or other numerical equivalents.

b. Quality of work results

All kinds of units of measurement related to the quality or standard of work results that can be expressed in numerical measurements or other numerical equivalents.

c. Efficiency in carrying out tasks

Share resources wisely and in a cost-effective manner.

d. Work discipline

Comply with applicable laws and regulations.

e. Initiative

The ability to decide and do the right thing without being told, being able to find what should be done about something that is around, trying to keep moving to do several things even though the situation feels increasingly difficult.

f. Accuracy

The level of conformity of the work measurement results, whether the work has achieved its objectives or not.

g. Leadership

The process of influencing or giving an example by a leader to his followers in an effort to achieve organizational goals.

h. Honesty

One of the human traits that is quite difficult to apply.

i. Creativity

A mental process involving the generation of ideas or involving the generation of ideas.

Leadership Style

According to Yukl (2020) leadership involves the use of decision-making procedures that allow others to have influence over the leader's consultation. Leadership can take many forms and include several specific decision-making procedures.

Leadership Style Indicators

Indicators of participative leadership style according to Yukl (2020), namely:

a. Leadership is carried out persuasively.

Strategies or methods used by leaders to persuade employees to participate in making joint decisions and to work harder. Indicators include: persuading, motivating and mixing in activities.

b. Creating harmonious cooperation.

Teamwork can be realized well if fellow co-workers work in a structured manner towards a common goal. Indicators include: communication between co-workers, cooperation, trust, and solidarity.

c. Cultivate loyalty.

Employees are the most important assets in a company. Because the success of a company depends on employees who work competently and loyally to the company. Indicators include: fostering a sense of trust in leaders, providing employee rights as promised, and creating a comfortable working atmosphere.

d. Participation of subordinates.

Employee involvement and participation as a positive Action, job fulfillment or Action related to a state of mind characterized by enthusiasm, dedication and absorption. Indicators include: work participation, responsibility, work commitment and knowledge sharing.

Organizational Strategy

Strategy must be able to develop to address strategic issues in its environment, where strategy must be able to respond to the organization to the policy choices that will be taken. That is why a strategy has a scheme to achieve what goals will be targeted. So basically strategy is a tool to achieve goals.

According to Supriatna (2018), organizational strategy is an expansion of the mission to bridge the organization with its environment.

Organizational Strategy Indicators

Organizational Strategy Indicators according to Supriatna (2018) are as follows:

a. Strength strategy
b. Strategy on customer value proposition (Values)
c. Strategy through internal business processes (Progress)
d. Simultaneous theme strategy (Theme)
e. Strategic alignment (Harmony)
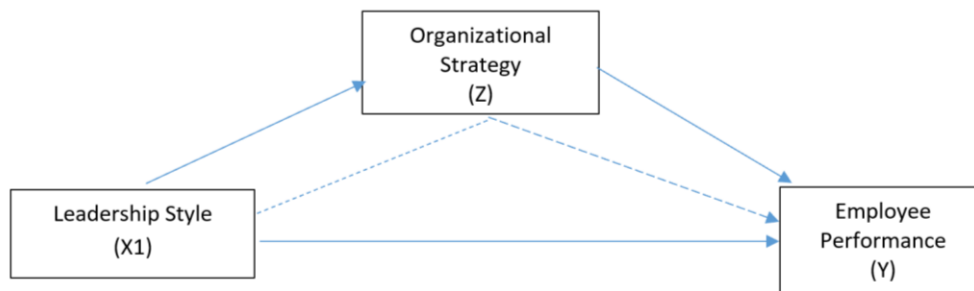
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Conceptual Framework

Figure 1. Conceptual Framework

Hypothesis

The hypothesis in this study is as follows:

H1: Leadership style has a positive and significant influence on organizational strategy at the BPJS Ketenagakerjaan North Sumatra Regional Office.

H2: Leadership style has a positive and significant effect on employee performance at the BPJS Ketenagakerjaan North Sumatra Regional Office.

H3: Organizational Strategy has a positive and significant effect on Employee Performance at the BPJS Ketenagakerjaan North Sumatra Regional Office.

H4: Leadership style has a positive and significant effect on employee performance through organizational strategy as an intervening variable at the BPJS Ketenagakerjaan North Sumatra Regional Office.

METHOD

The type of research used by researchers is quantitative research. According to Sugiyono (2017) quantitative research can be interpreted as a method based on the philosophy of positivism, used to research a certain population or sample, sampling techniques are generally carried out randomly, data collection using research instruments, data analysis is quantitative / statistical in nature with the aim of testing the hypothesis that has been set. This type of quantitative research is conducted to create a study that aims to adjust a study and for the Influence of Leadership Style on Employee Performance with Organizational Strategy as an Intervening Variable at BPJS Ketenagakerjaan, Sumbagut Regional Office.

Research Location and Research Time

The location of the research was conducted at the BPJS Ketenagakerjaan Regional Office of Sumbagut on Jalan Kapten Pattimura No. 334 Floor I, Medan, North Sumatra. The research period was carried out for 3 months, starting from May to July 2024.

Population and Sample

Sugiyono (2017) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and

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then conclusions drawn. The population and sample in this study were all permanent employees at the BPJS Ketenagakerjaan, Sumbagut Regional Office, totaling 80 employees (saturated sample).

Research Data Sources

The data sources used in this research are primary data.

Data Analysis Techniques

Data analysis in this study uses Structural Equation Modeling (SEM) based on Partial Least Square (PLS) using SmartPLS 3.3.3 software. According to (Gozali, 2014) Partial Least Square (PLS) is a fairly strong analysis method because it is not based on many assumptions.

Measurement Model (Outer Model)

The procedure in testing the measurement model consists of validity testing and reliability testing.
1. Validity Test
   a. Convergent Validity
   b. Discriminant Validity
2. Reliability Test

The Cronbach's alpha value is recommended to be greater than 0.7 and the composite reliability is also recommended to be greater than 0.7 (Sekaran, 2014).

Structural Model (Inner Model)

To produce the inner model test values, the steps in SmartPLS Structural Model are evaluated using R-square for the dependent variable, Stone-Geisser Q-square test for predictive elevation and t-test and significance of the structural path parameter coefficients with the following explanation:
1. Coefficient of Determination / R Square (R2)
2. Predictive Relevance (Q2)
3. t-Statistic
4. Path Coefficient

RESULTS AND DISCUSSION

Outer Model Analysis

The details of the relationship between latent variables and manifest variables can be ascertained by using measurement model testing, also known as external model testing. This test has reliability, discriminant validity, and convergent validity.

1. Convergent Validity

The correlation between item/indicator scores and construct scores indicates the convergent validity of the measurement model with reflective indicators. While still in the research development stage, indicators whose individual correlation values are greater than

0.7 are considered valid. Indicator levels of 0.5 and 0.6 are still considered acceptable. The indication has a loading below 0.60 and is not significant according to external loading data. The structural model of the study is depicted in the following figure:
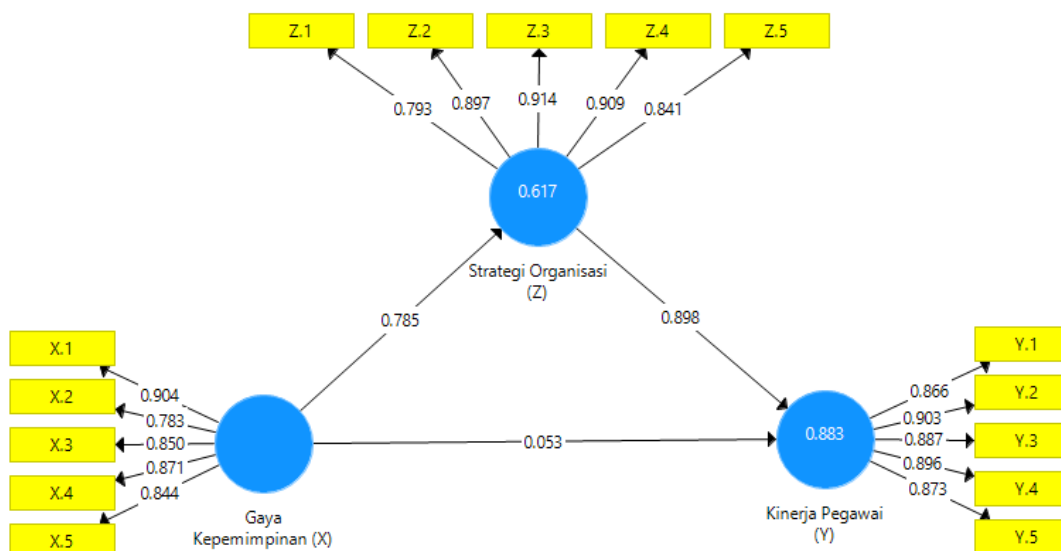

Figure 2. Outer Model
Source: Smart PLS 3.3.3

Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two substructures for substructure 1

$Z = b1X + e1$
$Z = 0.785X + e1$
For substructure 2
$Y = b3X + b4Z + e2$
$Y = 0.053X + 0.898 Z + e2$

Table 2. Outer Loadings

	Leadership Style (X)	Employee Performance (Y)	Organizational Strategy (Z)
X.1	0.904		
X.2	0.783		
X.3	0.850		
X.4	0.871		
X.5	0.844		
Y.1		0.866	
Y.2		0.903	
Y.3		0.887	
Y.4		0.896	
Y.5		0.873	

Z.1			**0.793**
Z.2			**0.897**
Z.3			**0.914**
Z.4			**0.909**
Z.5			**0.841**

Source: Smart PLS 3.3.3

The outer loading value is greater than 0.7, then it can be explained why each indicator has a value greater than 0.7 and why the data is considered valid. The research can be done because all indicators in the table above are valid. additional.

2. Discriminant Validity

The discriminant validity test is conducted next. Based on the idea that an indicator has a strong correlation with the construct, the purpose of this test is to ensure whether the reflective indicator is a suitable measurement for the construct. The following table shows the results of the cross-loading discriminant validity test:

Table 3. Discriminant Validity

	Leadership Style (X)	Employee Performance (Y)	Organizational Strategy (Z)
X.1	0.904	0.686	0.740
X.2	0.783	0.563	0.579
X.3	0.850	0.684	0.694
X.4	0.871	0.621	0.630
X.5	0.844	0.660	0.685
Y.1	0.682	0.866	0.776
Y.2	0.667	0.903	0.864
Y.3	0.689	0.887	0.881
Y.4	0.684	0.896	0.830
Y.5	0.632	0.873	0.799
Z.1	0.722	0.723	0.793
Z.2	0.654	0.832	0.897
Z.3	0.682	0.879	0.914
Z.4	0.690	0.836	0.909
Z.5	0.677	0.817	0.841

Source: Smart PLS 3.3.3

The cross loading value of the leadership style variable is greater than the cross loading value of other latent factors, for the cross loading factor value of the employee performance variable, the cross loading factor value is greater than the cross loading factor value of other latent variables, for the cross loading factor of the organizational strategy variable, there is

a cross loading factor value that is greater than the cross loading factor value of other latent variables, meaning that this study is discriminantly valid.

3. Composite reliability

If the Cronbach's alpha value of a construct is more than 0.7, it is considered reliable. The loading values of the research variable constructs obtained from the implementation of the Smart PLS program are presented in the following table:

Table 4. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Leadership Style (X)	0.905	0.929	0.725
Employee Performance (Y)	0.931	0.948	0.783
Organizational Strategy (Z)	0.920	0.941	0.760

Each variable in the composite reliability column has a value greater than 0.6, as can be observed, which helps explain why each variable is considered reliable. Examining the AVE and square root of AVE values, if each construct has a higher correlation than the correlation between the other constructs, is an additional way to assess discriminant validity. If the AVE value is more than 0.7, it is considered valid before the correlation test is carried out. Because each value in this study is higher than the specified value, all are considered credible.

Inner Model Analysis

Structural model evaluation (inner model) is conducted to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the structural model evaluation are seen from several indicators, namely:

1. Coefficient of Determination (R2)

Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as follows:

Table 5. R Square Results

	R Square	Adjusted R Square
Employee Performance (Y)	0.883	0.880
Organizational Strategy (Z)	0.617	0.612

Source: Smart PLS 3.3.3

The R square value can be explained in each variable as follows, the R square value of the Employee Performance variable is 0.883, meaning that the influence of the Leadership

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Style and Organizational Strategy variables on Employee Performance is 0.883 and if it is expressed as a percentage, it is 88.3% and the rest is on other variables. For the R square value of the Organizational Strategy variable, it is 0.617, meaning that the influence of Leadership Style on Organizational Strategy is 0.617, if expressed as a percentage, it is 61.7, the rest is on other variables.

2. Hypothesis Testing

The next step is to analyze the hypothetical relationship between latent constructs in this study after evaluating the inner model. T-Statistics and P-Values are tested in the process of testing the hypothesis of this study. If the P-Value is less than 0.05 and the T-Statistics value is more than 1.96 then the hypothesis is considered accepted. The results of the direct influence path coefficient are as follows:

Table 6. Path Coefficients (Direct Effect)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Leadership Style (X) -> Employee Performance (Y)	0.053	0.946	**0.172**	**Rejected**
Leadership Style (X) -> Organizational Strategy (Z)	0.785	27,765	**0,000**	**Accepted**
Organizational Strategy (Z) -> Employee Performance (Y)	0.898	17,092	**0,000**	**Accepted**

Source: Smart PLS 3.3.3

The results of the direct influence on each hypothesis, then the results of each hypothesis will be explained as follows:
1. Leadership style has a positive and insignificant effect with a value of 0.053 and a significant 0.172> 0.05. This means that leadership style does have a positive effect on employee performance but this does not have a big effect so that employee performance continues as usual, if the leadership style increases then employee performance does not necessarily increase, conversely if the leadership style decreases then employee performance does not necessarily decrease.
2. Leadership style has a positive and significant effect on Organizational Strategy with a value of 0.785 and a significance of 0.000 <0.05. This means that if the leadership style increases well, the organizational strategy will increase and vice versa if the leadership style decreases, the organizational strategy will decrease.
3. Organizational Strategy has a positive and significant effect on Employee Performance with a value of 0.898 and a significance of 0.000 <0.05. This means that if the organizational strategy improves, employee performance will improve and vice versa if the organizational strategy decreases, employee performance will decrease.

Table 7. Path Coefficients (Indirect Effects)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Leadership Style (X) -> Organizational Strategy (Z) -> Employee Performance (Y)	0.705	14,815	0,000	Accepted

Source: Smart PLS 3.3.3

The results of the indirect influence hypothesis will be explained as follows:

4. Leadership Style has an indirect effect on Employee Performance with a positive and significant through Organizational Strategy with a value of 0.705 and a significance of 0.000 <0.05. This means that the organizational strategy variable is an intervening variable because it is able to indirectly and positively influence leadership style on employee performance so that with the strategy, leadership style will shape employee performance to be even better.

CLOSING
Conclusion

1. Leadership style has a positive and insignificant influence with a value of 0.053 and a significant value of $0.172 > 0.05$. on. BPJS EmploymentNorth Sumatra Regional Office.
2. Leadership style has a positive and significant influence on Organizational Strategy with a value of 0.785 and a significance of $0.000 < 0.05$. on. BPJS EmploymentNorth Sumatra Regional Office.
3. Organizational Strategy has a positive and significant influence on Employee Performance with a value of 0.898 and a significance of $0.000 < 0.05$. on. BPJS EmploymentNorth Sumatra Regional Office.
4. Leadership Style has an indirect effect on Employee Performance with a positive and significant effect through Organizational Strategy with a value of 0.705 and a significance of $0.000 < 0.05$. on. BPJS EmploymentNorth Sumatra Regional Office.

Suggestion

1. For organizations, this research can be used as a suggestion to choose or use a leadership style that is suitable for employees in order to avoid conflict between employees and the organization.
2. For employees, it is hoped that this research will be used as a reference to improve employee performance to be even better.
3. For researchers, it is hoped that this research can change views on leadership and increase insight in implementing strategies in future work.
4. For new research, it is hoped that this research will be used as a reference for research and used as reference material for researching new research, whether the title is exactly the same or a different title.

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