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# The Influence Of Leadership Style On Employee Performance With Work Discipline As An Intervening Variable At PT. Bank Syariah Indonesia Kanca Palembang

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#### **ARTICLE HISTORY**

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# **KEYWORDS**

Leadership Style, Work Discipline Employee Performance.

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#### **ABSTRACT**

This study aims to determine the effect of leadership style on employee performance with work discipline as an intervening variable at PT. Bank Syariah Indonesia (Persero) Tbk. Palembang Branch Office. The data in this study are primary data in the form of questionnaires. Respondents in this study were employees at PT. Bank Syariah Indonesia (Persero) Tbk. Palembang Branch Office. The respondents of this study were 26 employees of PT. Bank Syariah Indonesia Kanca Palembang. This study uses two test methods, namely simple regression analysis and Path Analysis (Sobel Test). The results of the study show that leadership style has no effect on employee performance. Based on the calculated t value and significance value: it is known that the t value is 0.344 and the significance value is 0.734 > 0.05. That is, the first hypothesis is rejected. Furthermore, Leadership Style has no effect on Employee Performance with Work Discipline as an Intervening Variable. The results of the Sobel Test show that the a value is 0.073, the b value is 0.922, the Sa value is 0.213, the Sb value is 0.120. The value of the Statistical Test is 0.432 and the P-Value is 0.732. That is, the second hypothesis is rejected.

#### INTRODUCTION

Employee performance is one of the most important aspects in human resource management and has been defined by various researchers in the literature, (Agus Triansyah et al., 2023), (Jaiswal & Thaker, 2024). (Utami, 2022) define employee performance as the results or output achieved by employees based on predetermined standards and targets. High employee performance not only increases productivity and efficiency but also influences the success and competitiveness of the organization (Popescu, 2012).

By understanding the factors that influence employee performance, banks can develop effective human resource management strategies to improve performance and productivity. Banking plays an important role in the financial life of a business, and its importance can be seen from the fact that banks are considered the lifeblood of the modern economy (Brudno & Arlazarov, 2023). The banking context, employee performance is very crucial considering that this industry is very competitive and focuses on the quality of customer service (Ghimire et al., 2023). Banks must ensure that their employees are not only competent in carrying out routine tasks, but also able to deal with market changes, understand complex financial products, and provide satisfactory service to customers(Raza et al., 2023).

Optimal employee performance in the banking sector contributes directly to customer trust, customer satisfaction and long-term loyalty, all of which are important for maintaining market share and driving business growth. Apart from the importance of employee performance, leadership style also plays an important role in determining employee performance in the banking industry (Abdelwahed et al., 2023). The leadership style implemented by management can significantly influence employee motivation, productivity, and commitment to their work (Lee, 2011), (Arghode, 2022). Various leadership styles, such as transformational, transactional, and laissez-faire leadership, have different impacts on employee performance. The influence of leadership style on employee performance can also be mediated by work discipline (P Puspitasari, 2022). Work discipline includes compliance with company rules and policies, punctuality and quality of work (R. Saragih, 2021). An effective leadership style can help create a disciplined work environment where employees understand the expectations and standards that must be met (Permana, 2019). For example, transformational leaders can increase discipline by setting an example and inspiring employees to adhere to high standards. Meanwhile, transactional leaders ensure discipline through strict policies and supervision.

Therefore, research on the influence of leadership style on employee performance is very important for PT. Indonesian Syariah Bank Kanca Palembang. By understanding how various leadership styles influence employee performance through work discipline, bank management can develop more effective leadership strategies(Nurhuda, 2019). This strategy will not only improve employee performance but will also help the bank achieve its vision as a leading, superior and trusted institution in producing quality human resources with noble character.

## LITERATURE REVIEW

## **Leadership Style**

The strong determination shown by a leader to ensure that all individuals in a group are inspired and motivated to exert maximum effort to achieve the goals and objectives set by the organization is known as leadership (Northouse, 2016). Leadership is an activity to influence people to be directed towards organizational goals (Thoha, 2010). (Popy Puspitasari & Wulandari, 2022) Leadership style indicators include Directive, Supportive, Participative and Achievement.

# **Work Discipline**

(Rivai, 2014) Discipline is a tool used by managers to communicate with employees so that they are willing to change their behavior and as an effort to increase awareness and willingness of a person to comply with all applicable company rules and social norms. (Hasibuan, 2014) work discipline indicators include, Objectives and Abilities, Leadership Exemplars, Remuneration, Justice, Waskat (inherent supervision), Punishment Sanctions, Firmness.

## **Employee Performance**

(Armstrong & Baron, 2005) Performance is the result of work that has a strong relationship with the strategic goals of the organization, customer satisfaction, and provides economic contribution. (Robbins, 2012) Employee performance indicators include:

- 1. Work ability,
- 2. Skills,
- 3. Work compliance,
- 4. Work quality,
- 5. Cooperation,
- 6. Initiative,
- 7. Leadership,
- 8. Responsibility

## **METHODS**

# **Analysis Method**

The data in this study are primary data in the form of questionnaires. The respondents of the study were employees at PT. Bank Syariah Indonesia Kanca Palembang. The variables in this study consist of Employee Performance (Y), Leadership Style (X), and Work Discipline (Z). The first Hypothesis Equation is as follows:

$$KK = \alpha + \beta GK$$

The second Hypothesis Equation with Path Analysis and the Method used is Product of Coefficient. The equation is as follows:

 $KK = \beta + \beta 1GK$   $DK = \beta + \beta 2GK$  $KK = \beta + \beta 3GK + \beta 4DK$ 

Note:

KK = Employee Performance

GK = Leadership Style DK = Work Discipline

 $\alpha$  = Constant  $\beta 1\beta 2\beta 3$  = Coefficient

# **RESULTS**

#### **Validity Test**

The respondents of this study were 26 employees of PT. Bank Syariah Indonesia Kanca Palembang. Validity test through bivariate correlation, then comparing the calculated r value with the r table. There are 24 statement items and all are valid.

# **Reliability Test**

Constraint testing for all variable instruments, where the Cronbach's Alpha value> r table is considered reliable.

**Table 1 Reliability Test Results** 

Table 1 Kenability 1 est Kesalits				
Variable	Cronbach's Alpha	Result		
Leadership Style	.853	reliable		
Disipline Work	.946	reliable		
Employee Performance	.951	reliable		

Source: Processed Primary Data, 2024

The Influence of Leadership Style on Employee Performance

**Table 2 Hypothesis 1** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.070a	.005	037	4.58890

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	В	Std. Error	Beta		
(Constant)	30.596	5.164		5.925	.000
GK	.073	.213	.070	.344	.734

Source: Processed Primary Data, 2024

Based on the calculated t value and significance value: the t value is 0.344 and the significance value is 0.734> 0.05. This means that Leadership Style has no effect on Employee Performance. In conclusion, the first hypothesis (H1) is rejected.

The results of the study (Beauty & Aigbogun, 2022), (Choiriyah dkk, 2021), (Suyatin, 2019) show that there is an influence of leadership style on employee performance. However, these results are inversely proportional to the results of the study (Handoyo et.al, 2015).

Leadership plays an important role in managing banking sector affairs (Osifo & Lawal, 2018). Leadership means that leaders inspire their followers and direct their actions to achieve set goals (Olayisade & Olawumi, 2021). Organizations need quality leaders, leaders who evolve to work consistently in organizations must have four key abilities to make changes. Important characteristics include applying the right leadership style, communicating effectively, aging performance regularly, and developing co-worker accountability (Obisi, 1996). These keys, when skillfully applied, provide an opportunity for an individual to unlock leadership excellence.

The Influence of Leadership Style on Employee Performance with Work Discipline as an Intervening Variable

**Table 3 Hypothesis 2** 

Variable	Unstandartized	Std. Error
Leadership Style → Work Discipline	0.073 (a)	0.213 (sa)
Work Discipline → Employee Performance	0.922 (b)	0.120 (sb)

Source: Processed Primary Data, 2024

**Table 4 Sobel Test Calculation** 

10000 10000 1000 0000000000000000000000				
Leader	ship Style	Test Statistic	P-Value	Result
a	0.073			No Significant
b	0.922	0.342 < 1.96	0.732	Effect (H2 Rejected)
Sa	0.213			
Sb	0.120			

Source: Processed Primary Data, 2024

Based on the table above, the Test Statistic value is 0.342 (less than 1.96) and the P-Value value is 0.732. So it can be concluded that there is no influence of leadership style on employee performance with work discipline as an intervening variable. This result is in contrast to the research findings (Siahaan dkk, 2022), (J. R. Saragih & Wardati, 2022) which state that there is an influence of leadership style on employee performance with work discipline as an intervening variable.

A key component of a successful organization is leadership. In addition, leadership includes communication and guiding team members, empowering, encouraging and inspiring them to work hard to achieve the desired organizational goals (Beauty & Aigbogun, 2022). Rare communication can be a problem with leadership style which will then affect employee performance, this is because there is no effective communication channel between managers and their employees (Olayisade & Olawumi, 2021).

If this is allowed, it can create a communication gap between leaders and subordinates and in most organizations this is the reason why employee performance is low. Work discipline as a tool for superiors to communicate employee willingness to change their behavior and to increase awareness and willingness of a person to comply with all company rules and relevant social norms (Rivai & Sagala, 2009).

Based on this understanding, work discipline means responsibility and obedience. (Trahan & Steiner, 1998) said that work discipline is related to employee performance. This is because with work discipline, a leader can carry out and implement actions according to work standards that have been set and must be obeyed by employees.

#### **DISCUSSION**

In the financial sector, banks act as catalysts for economic growth, and it is clear that countries with good financial systems tend to develop their economic growth faster (Ojokuku et.al, 2012). To realize a successful banking company, it is important to have quality human resources that support the company's vision and mission. Leadership style is increasingly recognized as an extraordinary tool that influences employee performance. An effective leader has the responsibility to provide guidance and lead employees for better performance (Gunasekare, 2021).

Leadership style is considered one of the main functions of management in achieving organizational goals and maximizing productivity (Abdullahi, 2018). Achieving organizational goals becomes impossible or very difficult to achieve without leadership. A leader in leading employees has a major impact on the performance of those employees.

Leaders are also responsible for ensuring team success, creating a positive atmosphere, and solving complex problems. Leaders who do not have the ability to lead people effectively will never be successful and therefore cannot lead their subordinates well (Agarwal, 2020).

The banking world is always facing an increasingly complex and rapidly changing environment. This condition requires a leader to have employees who put their full attention and energy into achieving the company's expectations that have been documented in the employment contract.

#### **CONCLUSION**

Based on the results of the simple regression test and the Sobel test that have been conducted previously, it can be concluded as follows:

- 1. Leadership Style does not significantly affect Employee Performance.
- 2. Sobel Test Results, a value of 0.073, b value of 0.922, Sa value of 0.213, Sb value of 0.120. Test Statistic value of 0.432 and P-Value of 0.732. This means that there is no significant effect of Leadership Style on Employee Performance with Work Discipline as an Intervening Variable.

#### **SUGGESTION**

- 1. Further researchers can add research objects to two banking offices and compare them.
- 2. Further researchers can add other relevant variables in this study. For example: Work Motivation

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