

The influence of a leadership style and a compensation towards the employees' motivation and performance

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Abstract : *This study is to determine the effect of the leadership style and the compensation on the employees' motivation and performance. This is the quantitative study using the primary data from the result of questionnaires. There were 98 respondents for the population. The data analysis was the questionnaires and the data process used the statistics software of SmartPLS. 3.0. The result showed that the leadership style significantly influenced the employees' motivation and performance, whilst the compensation significantly affected the employees' motivation and performance. The motivation significantly influenced the employees' performance, the leadership style significantly influenced the employees' performance through the motivation, and the compensation gave a significant effect to the employees' performance through the motivation.*

Keywords : *Organization Culture, Promotion, Selection and Employee performance*

1 INTRODUCTION

The tight business competition in the globalization era urges each company to utilize its own maximum amount of resources. It means that the company must be able to create excellent products through a management and a coordination of human resources effectively and efficiently to compete against other competitors (Bianca, 2017). Lijan Poltak Sinambela et al., in Sinambela (2016:480) mention that the employees' performance is the ability of employees in specific skills. The performance of employees is an important indication to know how good the employee is. Therefore, it requires clear and measurable criteria for a reference. A manager's responsibility is to guide his employees to abide by the company's rules so that the employees can do their jobs well. In addition, a manager should pay attention to his employees' rights and needs in order that the employees feel comfortable to be in the company which functions as the second home for the employees.

Thoha (2019:1) puts out that a leader and a leadership are responsible for either the success or the failure of an organization. It shows that a qualified leader plays an important role in managing his organization. Some studies' findings related to the style of a leadership towards the work motivation vary. Studies by Mangesha (2015), Alghazo and Al-Anazi (2016), Belrhiti et al., (2019), Cardoso et Al., (2019), Al Rahbi et al., (2017), Tulsi Mir (2018), Nugraha (2016), Pradana (2015), Wijaya et al., (2017) showed a positive effect of the leadership style on the work motivation. On the contrary, Effendi (2018) found that there was not a significant influence of the leadership style on the work motivation.

The results of previous studies on the compensation towards motivation also vary. Studies conducted by Rizal et al., (2014), Mahathir et al., (2020), Negash et al., (2014), Afrida et al., (2014), Haryani et al., (2015), Putrayasa et al., (2014), Wulansari et al., (2014) showed that the compensation positively influenced the motivation, whilst Idris (2011), Juliningrum and Sudiro (2013) found that the compensation significantly and negatively affected the motivation.

The previous studies on the leadership style towards the employees' performance conducted by Nawoselng'ollan and Josse Raussel (2017), Belonio (2012), Rathore et al., (2017), Fatokun et al., (2010), Minh Ha and Nguyen (2014), Asrar-ul-haq and Kuchinke (2016), Sistiyanı et al., (2019), Hardian et al., (2015), Siswanto and Hamid (2017), Fabio et al., (2016), Tampı et al., (2014), Kharızah et al., (2015), Muızu et al., (2019), Yulia and Mukzam (2017) showed there was a positive influence of the leadership style towards the employees' performance. The negative influence as the result of the leadership style towards the employees' performance was the study of Yulia (2017).

The positive compensation influence on the employees' performance was the findings of Akter and Husain (2016), Emerole and Edeh (2017), Citra and Sagala (2019), Darma and Supriyanto (2017), Oluıgbu and Anyiam (2014), Marlıanı and Parlengkuan (2016), Rumere et al., (2016), Sadzwina and Gilang (2015), Ulfa et al., (2013), Firmandari (2014), Hati and Simangunsong (2016). Meanwhile, Utami's study (2014) showed there was no significant influence of compensation on the employees' performance.

The previous studies on the effect of work motivation on the employees' performance conducted by Anwar and Aima (2019), Amalia and Fakhri (2016), Gachengo and Wekesa (2017), Prasetyo et al., (2017), Endang and Sari (2019), Hanafi (2017), Larasati (2014), Luthfi et al., (2014), Negara et al., (2014) showed a positive influence of the work motivation on the employees' performance, but the negative effect of the work motivation on the employees' performance was the result of the study done by Anjani (2014) and Puspitasari (2014). Theodora (2015) found there was no significant influence of the work motivation on the employees' performance.

There are no studies on the direct or indirect influence of the leadership style and the compensation on the employees' motivation and performance. To fill in the research gap of the previous studies conducted by Mangesha (2015), Alghazo and Al-Anazi (2016), Belrhıti et al., (2019), Cardoso et al (2019), Tulsi mir (2018), Al Rahbi et al (2017), Rizal et al., (2014), Mahathir et al., (2020), Negash et al., (2014), Nawoselng'ollan and Josse Raussel (2017), Belonio (2012), Rathore et al., (2017), Fatokun et al., (2010), Minh Ha and Nguyen (2014), Sistiyanı et al., (2019), Asrar ul haq and Kuchinke (2016), Akter and Husain (2016), Emerloe and Edeh (2017), Citra and Sagala (2019), Darma and Supriyanto (2017), Oluıgbu and Anyiam (2014), Ali et al., (2016), Anwar and Aima (2019), Endang and Sari (2019), Gachengo and Wekasa (2017), Prasetyo et al., (2017), this study is called "The influence of the leadership style and the compensation towards the employees' motivation and performance at PT Bazık Bangkit Indonesia".

2 LITERATURE REVIEW

Leadership style

It is a way of a leader to affect his subordinates' behaviour or mind so that they are able to do their responsibilities to achieve the organization's goal (Samsuddin, 2018:37).

Robbins (2006) in Samsuddin (2018:39) explained that the leadership is the ability to give influence to someone or to a group in order that a goal can be achieved. There are four (4) styles of leadership in Robbins' theory (2006), they are 1) charismatic, 2) transactional, 3) transformation, 4) visioner.

Compensation

Veithzal Rivai's study (2011:357) mentioned that a compensation was a company's reward provided to employees. Sutisno (2012: 182) points out that compensations are all things related to remuneration for employees who have worked for the companies. Two types of compensations are :

a. Compensation based on its form

It is the financial and non-financial forms. The first is related to the salary and the latter is rewards for someone physically or physiologically.

b. Compensation based on its distribution

Corrective discipline is an action to take care of violations against existing company's rules. Known also as the disciplinary action, it can be a warning or a suspension.

Motivation

McDonald in Sudirman (2011:73-74) describes that a motivation is a self-energy changes marked with the appear of feeling and is preceded by responding a purpose. McClelland in Hasibuan (2012:162) said that a motivation is someone's reserved potential energy which will be used for beneficial efforts.

Mr. David and McClelland in Hasibuan (2012:162) describe the theory of motivation as follows:

a) Need for achievement. It is an intention to do a better thing.

b) Need for power. It is a need to be stronger and more influential to others.

Employees' performance

The word 'performance' deriving from the 'job performance' or 'actual performance (someone's achievement) is an employee's best work result based on his responsibility (Samsuddin, 2018:76).

Bernardin and Russel in Samsuddin (2018:76) explain that some criteria are required to measure employees' performance; they are :

- a) Quality is a nearly-perfect process or a result of an activity.
- b) Quantity is a product in the form of currency, a unit, or a number of completed activities.
- c) Punctuality is an activity or a product which is completed in accordance with the scheduled time. It is also coordinated with other products and time allocations for other activities.

Hypotheses

House and Mithell in Sagala (2018:139) emphasized that the leader's behaviour will improve the employees' motivation, if 1) a leader is able to satisfy his subordinates related to the effective work, and 2) a leader provides trainings, guidances and supports. Otherwise, expected purpose of motivation will fail.

The studies of Mangesha (2015), Alghazo and Al-Anazi (2016), Belrhiti et al., (2019), Cardoso et al., (2019), Al-Rahbi et al., (2017), Tulsi Mir (2018), Nugraha (2016), Perdana (2015), Wijaya et al., (2017) showed that the leadership style positively influenced the motivation variable. Based on this finding, the first hypothesis is : H1 = the leadership style positively affects the motivation

Sinambela (2016:217) mentions that a compensation is one of the reasons and of the main motivations why people work. Employees use their knowledge, skills, energy, time and commitment to do their responsibilities. The reason they work is not only to devote themselves to the company, but to gain a reward for what they do. A compensation is closely related to the work motivation. Sinambela (2016:244) suggests that companies use compensations to motivate their employees.

The studies of Rizal et al., (2014), Mahathir (2020), Negash et al., (2014), Afrida et al., (2014), Haryani et al., (2015), Putrayasa et al., (2014), Wulansari et al., (2014) showed that a compensation affected positively the motivation variable. The second hypothesis based on their findings is :

H2 : the compensation positively influences the motivation.

A leader is responsible for the success or the failure of an activity. The previous study conducted by Muizu, Kaltum and Sule (2019) clearly showed that integrated elements of an organization strongly contributed to the optimum employees' performance. Good socializations and interactions make someone discipline. Since a leader is an agent of change, he must be consistent, fair, positive, and open-minded.

Nawoselng'ollan and Josse Raussel (2017), Belonio (2012), Rathore et al., (2017), Fatokun et al., (2010), Minth Ha and Nguyen (2014), Asrar ul haq and Kuchinke (2016), Sistiyan et al., (2019), Hardian et al., (2015), Siswanto and Hamid (2017), Fabio et al., (2016), Tampi et al., (2014), Kharizah et al. (2016), Muizu et al., (2019), Yulia and Mukzam (2017) found that the leadership style positively influenced the employees' performance, and the third hypothesis is :

H3: the leadership style positively influences the employees' performance

Sinambela (2016:234) said that some factors affected compensations provided by companies. The factors are performance and work productivity, payment ability, payment willingness, labor supply and demand, labor union, existing laws and regulations.

Meanwhile, the studies of Akter and Husain (2016), Emerloe and Edeh (2017), Citra and Sagala (2019), Darma and Supriyanto (2017), Oluigbu and Anyiam (2014), Marliani and Parlengkuan (2016), Rumere et al., (2016); Sadzwina and Gilang (2015), Ulfa et al., (2013), Firmandari (2014), Hati and Simangunsong (2016) revealed that the compensation positively affected the variable of employees' performance. Based on the above study, the fourth hypothesis is as follow:

H4: the compensation positively influences the employees' performance.

Endang and Sari (2019) suggested that a motivation and a work discipline are two important things in an organization since they can give some impacts to employees to achieve the goals.

The studies conducted by Ali et al., (2016), Anwar and Aima (2019), Amalia and Fakhri (2016), Gechengo and Wekesa (2017), Prasetyo et al., (2017), Endang and Sari (2019), Hanafi (2017), Larasati (2014), Luthfi et al., (2014), Negara et al., (2014) found out that a motivation positively influenced the variable of employees' performance. The fifth hypothesis is:

H5: the motivation positively affects the employees' performance.

Nawoselng'ollan and Raussel (2017) put out a good leader motivates his employees and this will make employees be committed to their work responsibilities. In this way, a company can get benefit from motivated employees.

Saputro and Siagian (2017) revealed in their studies that the leadership style gave a positive influence to the employees' performance through a motivation. The sixth hypothesis is:

H6: the leadership style positively affects the employees' performance through the motivation.

Sasongko (2016) viewed that the fairness of compensation had an effect on the employees' performance through a motivation, whilst Rizald et al., (2014) assured that a motivation strongly affected both compensation and the employees' performance. Those theories cause the seventh hypothesis as follow:

H7: the compensation positively influences the employees' performance through the motivation.

The previous studies result in the framework on the influence of leadership style towards a compensation. Framework

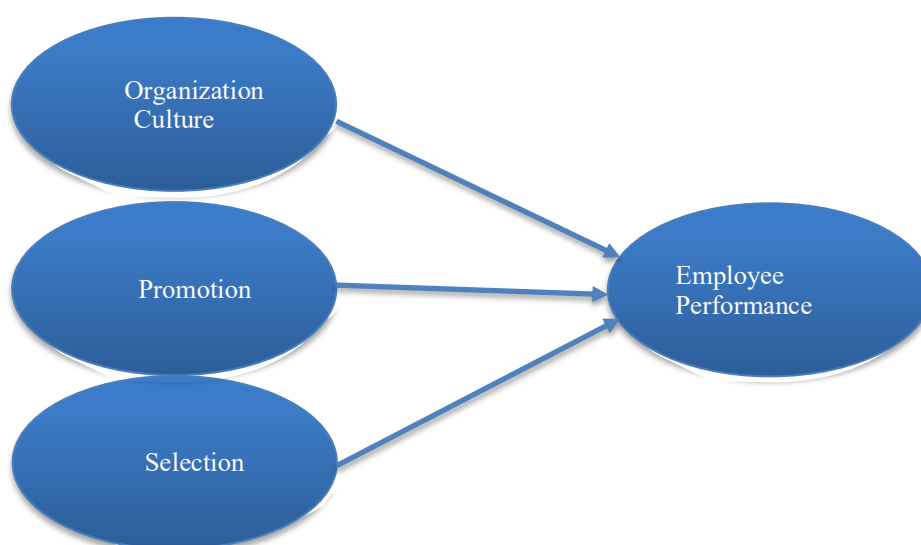


Figure 1. Research Framework

Hypothesis:

H1: Organization culture has effect on employee performance at PT. Amorindo Mitra Sentosa.

H2: Promotion has effect on employee performance at PT. Amorindo Mitra Sentosa.

H3: Selection has effect on employee performance at PT. Amorindo Mitra Sentosa.

H4: Organization culture, Promotion and Selection have effect on employee performance at at PT. Amorindo Mitra Sentosa

3 METHODOLOGY

The total of 98 employees at PT Bazic Bangkit Indonesia is the sample in this study. The following is the variables, dimensions, and indicators used in this study:

Table 1. Operational Variable

Variable	Variable concept	Dimension	Question indicator
Leadership style (X1) <i>Independent Variable</i>	effective leadership will only occur with full inclusion, initiation and cooperation among	1. Transaction	1. Contingent rewards 2. Management by exception 3. Laissez-Fairez

	employees and followers. Reference: Fred Luthans, Sagala (2018)	2. Transformation	1. Charisma 2. Inspiration 3. Intellectual Stimulation 4. Individual consideration
Compensation (X2) Independent Variable	Compensation is the main motivation and is one of the reasons why an employee works. An employee uses his knowledge, skills, energy, and time. In addition to his devotion to his job, an employee works and is committed to working time. Reference: Sinambela (2016) Hati and Simangungsong (2008)	1. direct compensation	1. salary 2. incentive
		2. indirect compensation	1. health insurance 2. allowance 3. day-off/a leave 4. facility
Motivation (Z) Intervening Variable	Motivation is the reserved energy to be used by someone or an employee. It is due to the basic needs, hopes and incentive values.	1. Achievement needs	1. Creativity development 2. Ambition to gain high achievement.
		2. Power needs	1. sense of belonging. 2. sense of importance. 3. sense of achievement. 4. participation.
		3. Affiliate needs	1. position. 2. power.
Employees' performance (Y) Dependent Variable	Performance is the results record of certain work or activities for certain period of time.	1. Quality factor	1. job handling. 2. punctuality. 3. team work
		2. Quantity factor	1. patience 2. spiritfull employees. 3. accurate employees. 4. responsibility.
		3. Punctuality factor	1. time discipline 2. quality and self-development.

Source : processed data

This study used the first order confirmatory approach. Based on both the research and indicator variables, the path diagram is for data analysis by using the software Smart PLS 3.2. The path diagram in Structural Equation Model is obligatory because it is simple to analyze the cause-effect relationship. Following is the figure of Full Structural Equation Modelling:

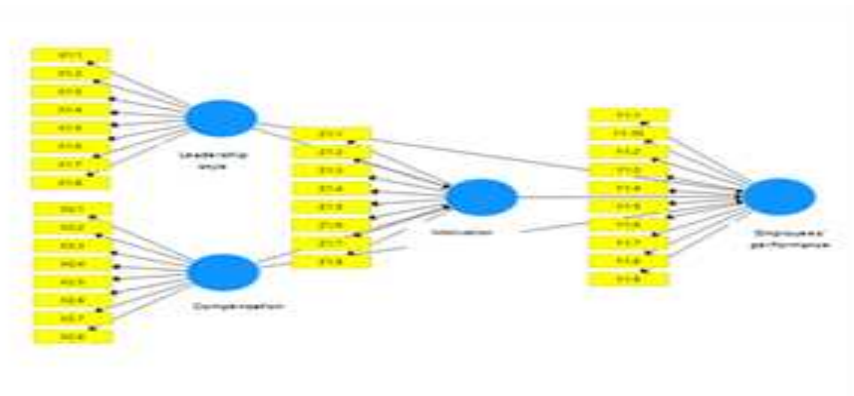


Figure 2. Model SEM

The above model is then translated as follows:

$$M = \beta_1GK + \beta_2K + \epsilon_1 \dots (3.1)$$

$$KK = \beta_3GK + \beta_4K + \beta_5M + \beta_6GKM + \beta_7KM + \epsilon_2 \dots (3.2)$$

Description:

GK= Leadership style

K= Compensation

M= Motivation

KK= Employees' performance

ϵ_1 = Error

ϵ_2 = Error

4 FINDINGS AND DISCUSSION

Descriptive analysis

Following is the analysis of research variables based upon the questionnaires.

Table 2. Mean score of respondents' category

Interval	Category
1,00 - 1,79	worst /lowest
1,80 - 2,59	bad /low
2,60 - 3,39	fair
3,40 - 4,19	Good /high
4,20 - 5,0	best/highest

Table 3. research variable description

Variable and Indicator	1		2		3		4		5		Mean	Category
	F	%	F	%	F	%	F	%	F	%		
Leadership style (X1)											3,93	Good
X1.1	1	1,02	4	4,08	15	15,31	41	41,84	37	37,76	4,11	Good
X1.2		1,02	9	9,18	5	5,31	9	9,80	4	4,69	3,98	Good
X1.3		3,06	6	6,33	5	5,51	7	7,55	7	7,55	3,60	Good
X1.4		0,00	1	1,22	7	7,55	3	3,67	7	7,55	3,78	Good
X1.5		4,08	3	3,06	2	2,45	6	6,73	3	3,67	3,93	Good
X1.6		1,02	9	9,18	8	8,37	1	1,63	9	9,80	4,00	Good
X1.7		1,02	4	4,08	6	6,33	5	5,71	2	2,86	4,15	Good
X1.8		1,02	6	6,12	1	1,63	8	8,37	0	0,82	3,86	Good
Compensation (X2)											3,97	Good
X2.1		1,02	1	1,22	5	5,31	4	4,69	7	7,76	3,97	Good
X2.2		0,00	7	7,14	9	9,39	1	1,84	1	1,63	3,98	Good
X2.3		1,02	9	9,18	7	7,55	3	3,67	8	8,57	3,80	Good
X2.4		0,00	8	8,16	7	7,55	2	2,65	1	1,63	3,88	Good
X2.5		1,02	4	4,08	6	6,33	4	4,69	3	3,88	4,16	Good
X2.6		1,02	4	4,08	5	5,31	8	8,78	0	0,82	4,14	Good
X2.7		1,02	5	5,10	8	8,57	7	7,55	7	7,76	3,96	Good
X2.8		1,02	8	8,16	9	9,59	0	0,41	9	9,80	3,87	Good
Motivation (Z)											4,28	Best

Z1.1	0,00	0,00	3,27	3,43	2,88	2,42	4,30	Best
Z1.2	1,02	2,04	2,45	2,66	2,53	7,96	4,18	Good
Z1.3	0,00	0,00	5,31	6,36	7,73	7,96	4,33	Best
Z1.4	0,00	2,04	1,22	0,11	4,40	5,45	4,31	Best
Z1.5	0,00	0,00	0,41	2,20	3,33	5,45	4,26	Best
Z1.6	0,00	5,10	6,12	4,18	4,84	6,94	4,31	Best
Z1.7	0,00	1,02	9,39	3,19	3,33	5,92	4,24	Best
Z1.8	0,00	0,00	4,29	2,14	4,86	2,42	4,29	Best
Employees' performance (Y)							4.10	Good
Y1.1	3,06	0,00	2,24	0,12	4,82	3,88	4,22	Best
Y1.2	0,00	2,04	8,37	2,18	2,86	6,73	4,14	Good
Y1.3	0,00	2,04	2,24	7,12	7,76	7,96	4,32	Best
Y1.4	0,00	8,16	5,31	5,15	5,71	0,82	4,09	Good
Y1.5	0,00	2,04	1,43	2,21	6,73	9,80	4,14	Good
Y1.6	0,00	3,06	8,16	4,88	4,90	3,88	4,30	Best
Y1.7	0,00	0,00	0,41	2,20	3,31	7,96	4,28	Best
Y1.8	0,00	2,04	9,18	4,99	4,84	5,92	4,29	Best
Y1.9	1,02	1,02	8,37	4,18	3,69	4,90	4,21	Best

Source: Processed data

The first variable of the leadership style is Mean 3.94, meaning it has a good respond. The indicator of X1.3 has the highest negative respond of 3.60. It shows that a leader provides uncertain policies causing employees confused.

The second variable of compensation is Mean 3.80, making a good respond. The indicator X2.3 has the highest negative respond of 3.80 and it explains that the old employees do not get higher incentives.

The third variable of motivation is Mean 4.28, giving a fair enough respond. Employees' negative responds are on the indicator Z1.1 of 4.18. It means some employees do not fully develop their creativity for the company.

The fourth variable of employees' performance is Mean 4.10, making a fair enough respond. The indicator Y1.10 of 3.98 shows some employees' negative reponds; they are not punctual so that their jobs are neglected

Validity Test

Following is the output factor loading of the leadership style, compensation, motivation, and employees' performance on PLS:

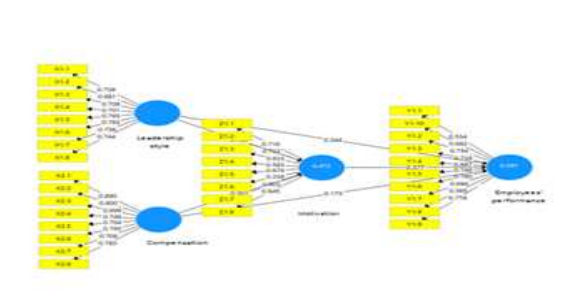


Figure 3. Loading factor variable before being dropped

Source : Smart PLS process

The above loading factor shows that some of them are lower than 0.5 due to low score of convergent validity. Therefore, questions with 0.5 loading factor must be dropped. Since the indicator Z1.6 is lower than 0.5, it must be dropped

Reliable test

The reliability variables must have the score of construct reliability more than 0.6. Below is the reliability test outcome of each variable.

Table 4. Reliability test

Variable & Dimension	Composite Reability	Cronbachs Alpha
Leadership style	0.878	0.904
Employees' performance	0.884	0.906
Compensation	0.900	0.920
Motivation	0.811	0.861

Source : Smart PLS process

Structural model evaluation of Goodness of Fit (Inner Model)

The structural model evaluation of Goodness of Fit is measured with the value of predictive-relevance (Q2). The value of predictive-relevance (Q2) is calculated with the following forms:

$$\begin{aligned}
 Q2 &= 1 - (1-R21) (1-R22) \\
 Q2 &= 1 - (1-0.592) (1-0.479) \\
 &= 1 - (0.408) (0.521) \\
 &= 1 - 0.212568 \\
 Q2 &= 0.7874
 \end{aligned}$$

R2 is the determined coefficient which is part of various total of dependent variables which are explained in various independent variables. The following Table 5 explains the result of the determined coefficient analysis:

Tabel 5. R Square

Variable	R Square
Employees' performance (Y)	0.592
Motivation (Z)	0.479
Predictive-Relevance (Q2)	0.787

Source Smart PLS

The research model found that the R² value of the employees' performance is 0.592. It shows that the employees' performance can be described by both variables of the leadership style and of compensation with 59% and the remaining 52% is affected by other variables which are not included in the research model. 0.787 or 78% is the value of predictive-relevance for structural model. It means the model explains the phenomenon of the employees' performance connected to variables of the leadership style, the compensation, and the motivation. The model is good and it can be utilized for hypothesis test.

Hypothesis test

T-statistics is for the hypothesis test on each direct effect. Based on the diagram path, all dimensions on every variable has a higher t-statistics value than 1.661. To test the connection among variables - the t-statistics value, the result of Smart PLS - is used and is compared to t-table values. Below is the table of variable connections

Table 6. Path Coefficients (Mean, STDEV, P-Values)

Variable connection	Koefisien Parameter	T Statistics	P Value	Note
Leadership style-> Motivation	0.489	4.665	0.000	Significant**
Leadership style-> employees' performance	0.339	2.863	0.002	Significant**
Compensation-> Motivation	0.299	2.766	0.003	Significant**
Compensation-> employees' performance	0.174	2.106	0.018	Significant**
Motivation -> employees' performance	0.383	3.716	0.000	Significant**
Leadership style-> Motivation -> employees' performance	0.187	3.157	0.001	Significant**
Compensation-> Motivation -> employees' performance	0.114	2.033	0.021	Significant**

note: **Significant on level 5%, * Significant on level 10%.

Source: Smart PLS process

The above path diagram is inferred as follow:

$$M = \beta_1GK + \beta_2K + \epsilon_1 \dots (3.1)$$

$$KK = \beta_3GK + \beta_4K + \beta_5M + \beta_6GKM + \beta_7KM + \epsilon_2 \dots (3.2)$$

The influence of the leadership style on the motivation

The coefficient path parameter derived from variable of the leadership style towards motivation is 0.489 with t-statistics value of 4.665 > 1.661 on the significance level of $\alpha = 0.05$ (5%), stating that there is a positive and significant effect between the leadership style and the employees' performance. The value of 0.489 on the parameter coefficient says that the better leadership style elevates the motivation. The first hypothesis supports this result due to a positive and significant effect between the leadership style and the motivation.

The influence of the compensation on the motivation

The coefficient path parameter obtained from the influence of the leadership style variable towards the employees' performance is 0.339 with the t-statistics value of $2.863 > 1.661$ on the significance level of $\alpha = 0.05$ (5%), explaining there is a positive and significant effect between the leadership style and the employees' performance. The value of 0.339 on the parameter coefficient shows the better leadership style encourages the employees' performance. The first hypothesis also supports this result because there is a positive and significant between the leadership style and the employees' performance. It is in line with the previous studies conducted by Rizal et al., (2014), Mahathir et al., (2020), Negash et al., (2014), Afrida et al., (2014), Haryani et al., (2015), Putrayasa et al., (2014), Wulansari et al., (2014). Their findings revealed that the leadership style positively and significantly influenced the employees' performance

Simultaneous Test

According to Ghozali (2013: 98), the F statistical test basically shows whether all the independent variables included in the model have a simultaneous effect on the dependent variable. The following is the test of F Test.

The influence of the leadership style on the employees' performance

The coefficient path parameter found from the influence of the compensation variable on motivation is 0.299 with t-statistics value of $2.766 > 1.661$ on the significance level of $\alpha = 0.05$ (5%). It shows there is a positive and a significant effect between the compensation and the motivation. The value of 0.229 on the parameter coefficient describes that the better compensation increases the motivation. The finding of this study is supported by the first hypothesis due to the the positive and significant influence between the compensation and the motivation. It is related to the previous studies of Nawoselng'ollan and Josse Raussel (2017), Belonio (2012), Rathore et al., (2017), Fatokun et al., (2010), Minh Ha and Nguyen (2014), Asrar-ul-haq and Kuchinke (2016), Sistiyanı et al., (2019), Hardian et al., (2015), Siswanto and Hamid (2017), Fabio et al., (2016), Tampi et al., (2014), Kharizah et al., (2015), Muizu et al., (2019), Yulia and Mukzam (2017). Their results showed the compensation gave the positive and significant influence to the motivation.

The influence of the compensation on the employees' performance

The coefficient path parameter gained from the influence of the compensation variable on the employees' performance is 0.174 with the t-statistics value of $2.106 > 1.661$ on the significance level of $\alpha = 0.05$ (5%), stating that there is a positive and significant influence between the compensation and the employees' performance. The value of 0.174 on the coefficient parameter explains that the better compensation upholds the employees' performance. In addition to be in line with the first hypothesis due to the positive and significant influence between the compensation and the employees' performance, this result is also supported by the previous studies of Akter and Husain (2016), Emerole and Edeh (2017), Citra and Sagala (2019), Darma and Supriyanto (2017), Oluigbu and Anyiam (2014), Marliani and Parlengkuan (2016), Rumere et al., (2016), Sadzwina and Gilang (2015), Ulfa et al., (2013), Firmandari (2014), Hati and Simangunsong (2016). They put out that the compensation positively and significantly affected the employees' performance.

The influence of the motivation on the employees' performance

The coefficient path parameter from the influence of motivation variable on the employees' performance is 0.383 with the t-statistics of $3.716 > 1.661$ on the significance level of $\alpha = 0.05$ (5%). It says that the motivation positively and significantly influences the employees' performance. The value of 0.383 on the parameter coefficient reflects that the better motivation raises the employees' performance. The first hypothesis encourages this outcome since the motivation positively and significantly affects the employees' performance. This finding is also supported by the previous studies of Ali et al., (2016), Anwar and Aima (2019), Amalia and Fakhri (2016), Gachengo and Wekesa (2017), Prasetyo et al., (2017), Endang and Sari (2019), Hanafi (2017), Larasati (2014), Luthfi et al., (2014), Negara et al., (2014). Those previous studies stated the motivation positively and significantly influenced the employees' performance.

The influence of the leadership style on the employees' performance through the motivation

The coefficient path parameter derived from the influence of leadership style towards the employees' performance through motivation is 0.187 with the t-statistics value of $3.157 > 1.661$ on the significance level of $\alpha = 0.05$ (5%). It reveals that there is a positive and significant influence of leadership style on the employees' style through the motivation. The value of 0.187 on the coefficient parameter is the better leadership style lifts up the employees' performance through the motivation. Again, the first hypothesis supports this finding due to the positive and significant effect of the leadership style towards the employees' performance through the motivation

The influence of the compensation on the employees' performance through the motivation

The coefficient path parameter from the influence of the compensation variable towards the employees' performance through the motivation is 0.114 with the t-statistics value of $2.033 > 1.661$ on the significance level of $\alpha = 0.05$ (5%), making the positive and significant effect of the leadership style on the employees' performance through the motivation. The value of 0.114 on the coefficient parameter means that the better compensation grows the employees' performance through the motivation. The first hypothesis defends this finding since the compensation positively and significantly affects the employees' performance through the motivation..

5 CONCLUSION

Based on the descriptive and verificative analyses, PT. Bazic Bangkit Indonesia has yet to meet the employees' expectation in the leadership style. The leaders need to provide more motivation and to build a good communication to employees. Empirically, the leadership style positively and significantly affects the motivation. The better leadership style increases the motivation. The compensation significantly and positively influences the motivation. The leadership style significantly influences the employees' performance. The compensation has a significant influence on the employees' performance. The motivation has a significant effect on the employees' performance. The leadership style gives a significant influence to the employees' performance through the motivation, and the compensation significantly influences the employees' performance through the motivation.

The absence of the interview is the limitation of this study and the data were only from questionnaires disseminated to the respondents of PT. Bazic Bangkit Indonesia. It is acknowledged that the leadership style is quite qualified, but the perception and the empirical analyses showed that the employees do not feel satisfied with the leadership style in that the leaders do not often provide rewards to the employees. Therefore, the employees have no good motivation to dedicate themselves to the companies. The leaders must pay a close attention to this issue

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