The Influence of Leadership Style, Communication, and Work Discipline on Employee Performance of PT Sinar Gunung Sawit Raya

Purnama Yanti Purba1*, Ricky Van Houten2, Nadessah Riama Sello Siahaan3, Marco Yeremia Nababan4, Dolly Christian Sinaga5

1–2 Management, Faculty of Economics, Prima Indonesia University, Medan, Indonesia

ABSTRACT

Amid the Covid-19 pandemic, economic growth in various business sectors worldwide has decreased. The background of this research is the phenomenon of not achieving production targets, leaders who are too strict with subordinates, communication between employees is not good, and lack of discipline and self-awareness of employees in carrying out regulations. This study aimed to examine and analyze the effect of Leadership Style, Communication, and Work Discipline on Employee Performance at PT Sinar Gunung Sawit Raya. The approach in this study is a quantitative descriptive approach. The population totals 140 employees. The technique of determining the sample is simple random sampling. Collecting data in this study using observation, questionnaires, and documentation studies. The data analysis method used is multiple linear regression. Partial test results Leadership style has a positive and significant effect on employee performance. Communication has a positive and significant effect on employee performance, and work discipline has a positive and significant effect on employee performance at PT Sinar Gunung Sawit Raya. Simultaneously Leadership Style, Communication, and Work Discipline positively and significantly affect Employee Performance at PT Sinar Gunung Sawit Raya.

1. INTRODUCTION

In the midst of the Covid-19 pandemic, economic growth in various business sectors in the world experienced a significant decline, causing a decrease in income for a country in general and business actors in particular (J. Abbas et al., 2021; Cusinato et al., 2020; Tohidast et al., 2020). The Covid-19 pandemic has resulted in recessions for several countries and significant changes in state policies in various sectors (Abdel-Hameed et al., 2021; Sumandiyyar et al., 2021). There has been a decline in exports and imports, restrictions on entering a country, restrictions on access in the country, the implementation

*Corresponding author.
E-mail: purnama.j@gmail.com (Purnama Yanti Purba)
of WFH (Work from Home), many layoffs, and salary cuts by companies are major challenges in strategic business development (Hao et al., 2020; Supadiyanto, 2020). One of the business sectors that have felt the impact of the pandemic in Indonesia is the palm oil industry. The COVID-19 pandemic has had a negative impact on the Indonesian economy (Paramita & Putra, 2020; Sudiartini et al., 2020). However, the palm oil sector still shows resilience and contributes higher foreign exchange earnings compared to 2019. Indonesian palm oil is a global commodity and is able to compete with vegetable oils. The palm oil sector can become a mainstay as a driving force for the economy in the era of the COVID-19 pandemic. This provides a breath of fresh air for employees working in this sector.

PT Sinar Gunung Sawit Raya is a private company located in Masnauli Village, Sirandorung District, Central Tapanuli Regency, North Sumatra Province. This company is engaged in the processing of palm oil which is processed in a factory to produce Crude Palm Oil (CPO). The Covid-19 pandemic has not had much of an impact on the incomes of employees who work for this company because the palm oil industry is still able to compete. The results of the researchers’ initial observations through data on FFB production in December 2020 of 5,552,640 kg did not reach the FFB production target (Gross) or decreased by 3.78% from the previous month of 5,762,529 kg so that the decrease last month from the RKAP was 91.63%. This indicates a decline in employee performance at PT Sinar Gunung Sawit Raya. The decline in employee performance may be influenced by several factors such as leadership style, communication, and work discipline. The results showed that leadership style, motivation, and work discipline positively and significantly affected employee performance (Abdelwahed et al., 2022; Dey et al., 2022). Previous research also shows that hypothesis testing Leadership style, motivation, and work discipline have a positive and significant effect on employee performance at PT Jago Diesel Surabaya (Nisyak & Tryionowati, 2016). It can be concluded that leadership has a direct positive effect.

A good leadership style can reflect a manager’s level of responsibility towards his employees (M. Abbas & Ali, 2021; Stremersch et al., 2021). When employees are shown good leadership from their superiors, they can be encouraged to apply occupational health and safety in a disciplined manner. Therefore, leaders are expected to set the right example for their co-workers and employees (AlNuaimi et al., 2021; Padauleng et al., 2020). Leadership style is a set of strategies that leaders use to influence their employees to achieve company goals (Jamali et al., 2022; Leigh et al., 2021). Alternatively, a leadership style is a pattern of strategies or behaviors that leaders like and commonly use. In essence, the ideal leader is someone who can solve complex problems with existing creativity (Abu Nasra & Arar, 2020; Sahara, 2020). Transformed leaders are leaders who inspire, have creative solutions, and meet the needs of the organization. A good leader does not solve personal problems but seeks to help others succeed in their work.

One of the success or failure of a company is determined by many things, one of which is the leadership style applied in the company (Bintara et al., 2021; Ozturk & Ozcan, 2020). Leadership style is used as the ability to influence employees towards achieving goals (Elpisart & Hartini, 2019; Supriyati & Wijono, 2021). It is known that at PT SGSR the leadership style applied by the leader is less effective, where in the observations of researchers there are leaders who behave too firmly towards employees so that employees feel afraid to carry out their duties or meet with leaders. In addition, communication in this company also affects performance. Communication as sending and receiving messages or news between two or more people, or between organizations, so that the message in question can be understood and received clearly (Chu et al., 2020; Reilly & Hynan, 2014; Tsani et al., 2019). The initial observations of researchers in the field, it was seen that leaders and employees experienced communication problems that allowed the delivery of orders and information not to go well (Teguh & Ciawati, 2020; Zheng et al., 2018). Likewise, communication between employees is less effective when working in carrying out their duties so that work is sometimes not completed properly.

Besides communication, work discipline also has an impact on employee performance (Firmansyah et al., 2020; Hidayah & Santoso, 2020). Work discipline is the awareness and willingness of employees to obey all organizational regulations and applicable social norms (Suyanto, 2018; Yuliandi & Tahir, 2019). Thus, work discipline is a tool used by leaders to communicate with employees so that they are willing to change their behavior following the rules of the game that are applied (Hidayati et al., 2019; Hu & Liu, 2020). Preliminary data shows that absenteeism has decreased, there are employees who are late for morning apples and come to work, cut the rest hours that have been determined from the start, and there are still employees who are absent during working hours and violate the regulations that apply to the PT Sinar Gunung Sawit Raya factory. The purpose of this study was to determine and analyze the effect of Leadership Style, Communication, and Work Discipline on Employee Performance at PT Sinar Gunung Sawit Raya.
2. METHODS

The approach in this study is a quantitative descriptive approach. The research approach used is a quantitative descriptive approach which is a method used to describe, explain, or summarize various conditions, situations, phenomena, or various research variables according to events as they are that can be photographed, interviewed, observed, and which can be expressed through materials. The location of this research is PT Sinar Gunung Sawit. The population is a collection of groups that are covered by objects or subjects that have certain qualities and quantities that will be applied to research to determine the conclusions. The population in this study were all employees at PT Sinar Gunung Sawit Raya totaling 140 employees. The technique of determining the sample is simple random sampling. Simple Random Sampling is the taking of sample members from the population which is carried out randomly without regard to the strata that exist in the population (Sugiyono, 2017). Determination of the number of samples using the Slovin formula. The number of samples is 104 people. For data collection in this study using observation, questionnaires, and documentation study. Researchers used primary and secondary data. The data analysis method was multiple linear regression analysis. The research conceptual framework showed in Figure 1.

![Figure 1. Conceptual Framework.](image-url)

3. RESULTS AND DISCUSSIONS

Results

The characteristics of the respondents above can be found that the employees are dominated by men, 88 people (84.6%), because the company prioritizes male workers compared to female workers. On the criteria based on age, which are dominated by the age of 26-35 years, 37 people (35.6%), are relatively young in working age because the company recruits many employees who are fresh graduates with the hope of making a big contribution in achieving the company's targets where thoughts new ones are also needed. In terms of education status, there are the most dominant ones with high school degrees totaling 65 respondents (62.5%), because the company environment is still relatively far from the city center with relatively low education, so the company recruits the title so that it can help the surrounding community to enter the world of work in the coconut industry. palm. Regarding the status of the respondents, there were 79 respondents (76.0%) in married status, because in this status the company did not limit employees in terms of working status. In terms of length of work the most dominant working over 5 years as many as 52 respondents (50.0%), thus PT Sinar Gunung Sawit Raya has more dominant employees who have worked for a long time and extensive experience in the company compared to employees who are new to the company.

Based on the results of data analysis, it shows that the data moves parallel to form an inverted U and fulfills the assumption of normality. Based on the results of the analysis of the normality of the test with Kolmogorov-Smirnov, it was found that the value of asymp.sigt is 0.102 > 0.05. This means that the data in this study are normally distributed. The data is spread along the line and fulfills the assumption of normality. Multicollinearity test results show the tolerance value of all variables > 0.10, and the VIF value of all variables < 10. This means that the data of the three independent variables in this study avoids multicollinearity. So the data in this study deserves to be continued in the next test. Heteroscedasticity Test show that the significance value on all variables> 0.05. This means that the data from the three independent variables in this study avoid heteroscedasticity. So the data in this study deserves to be
continued in the next test. The test results on the scatterplot graph show that the information is scattered and does not form a regular (random) pattern, so it can be concluded that there is no sign of heteroscedasticity. Multiple Linear Regression Test show that the constant value of 13,368 units indicates that the independent variables of Leadership Style, Communication and Work Discipline are 0, then the Employee Performance of PT Sinar Gunung Sawit Raya is still 13,368 units. Leadership Style Coefficient of 0.230 units. This shows that there is an increase in units of Leadership Style which causes the influence of Employee Performance on PT Sinar Gunung Sawit Raya to remain at 0.230 units. The value of the Communication Coefficient is 0.240 units. This shows that there is an increase in Communication units which causes the influence of Employee Performance on PT Sinar Gunung Sawit Raya to remain at 0.240 units. The Work Discipline Coefficient is 0.348 units. This shows that there is an increase in Work Discipline units which causes the influence of Employee Performance at PT Sinar Gunung Sawit Raya to remain at 0.348 units.

The results of the coefficient of determination obtained the Adjusted R Square value of 0.473, this means 47.3% of the variation in employee performance variables which can be explained by variations in the Leadership Style, Communication and Work Discipline variables while the remaining 52.7% (100% - 47.3%) is explained by other variables such as job satisfaction, compensation, and organizational culture which were not examined in this study. The test results obtained the calculated F value (31.831) > F table (2.70) and the significance probability is 0.000 <0.05, meaning that Ha is accepted and Ho is rejected. This can be interpreted that simultaneously Leadership Style, Communication and Work Discipline have a positive and significant effect on Employee Performance at PT. Rays of Gunung Sawit Raya. Partial Test (T-Test) showed in Table 1.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>13.368</td>
<td>1.873</td>
<td>7.136</td>
<td>0.000</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>0.230</td>
<td>0.115</td>
<td>2.010</td>
<td>0.047</td>
</tr>
<tr>
<td>Communication</td>
<td>0.240</td>
<td>0.089</td>
<td>2.695</td>
<td>0.008</td>
</tr>
<tr>
<td>Work Discipline</td>
<td>0.348</td>
<td>0.072</td>
<td>4.851</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Based on Table 1, the partial test obtained t-count > t-table of 2.010 > 1.983 and significant obtained 0.008 <0.05, which means that Ha is accepted and Ho is rejected, meaning that partially Leadership Style has a positive and significant effect on employee performance. Partially testing the communication variable, the value of t-count > t-table is 2.659 > 1.983 and significant is obtained 0.008 <0.05, which means that Ha is accepted and Ho is rejected, meaning that partially communication has a positive and significant effect on employee performance. Partial testing of the Work Discipline variable obtained t-count > t-table of 4.851 > 1.983 and significant obtained 0.000 <0.05 which means Ha is approved and Ho is rejected, meaning that partially Work Discipline has a positive and significant effect on Employee Performance at PT Sinar Great Palm Oil Mountain.

Discussion

Based on the test results, it was found that Leadership Style had a positive and significant effect on employee performance at PT Sinar Gunung Sawit Raya. It proves that leadership style is one of the factors in developing employee performance in the company (Padauleng et al., 2020; Stremersch et al., 2021). From the research, the rise and fall of employee performance at PT Sinar Gunung Sawit Raya is influenced by the leader’s style towards his subordinates at work. In this condition, the better the leadership style in leading the company’s employees and having a high responsibility to their subordinates, the higher the employee’s performance (Abu Nasra & Arar, 2020; Sahara, 2020). The study’s results are also in line with previous research, which states that leadership style positively affects employee performance (Bintara et al., 2021; Wakhidah et al., 2021). It is in line with the theory that leadership is the ability to influence subordinates through communication either directly or indirectly (Ratna, A., Natajaya & Dantes, 2019; Sieweke & Santoni, 2020). Directly intends to move people to understand, be aware, and be willing to follow the leader’s will. Thus the results of this study further strengthen previous studies and the theory that shows that the influence of leadership style has a significant effect on employee performance.

In addition, communication positively and significantly affects employee performance at PT Sinar Gunung Sawit Raya. It proves that communication is one of the factors in developing employee performance (Padauleng et al., 2020; Sahara, 2020). From the research, poor communication between
employees influences the decrease in employee performance at PT Sinar Gunung Sawit Raya. Under these conditions, effective communication between employees and leaders in the workplace can further improve employee performance at PT Sinar Gunung Sawit Raya. The study's results also align with previous research, which states that communication has a positive and significant effect on employee performance (Diamantidis & Chatzoglou, 2018; Teoh et al., 2021). If employees obtain the required information clearly and precisely, they perform better as individuals and in groups (Audenaert et al., 2021; Karim et al., 2019). Thus the results of this study further strengthen previous research and the theory that shows the influence of communication has a significant effect on employee performance.

Work discipline positively and significantly affects employee performance at PT Gunung Sawit Raya. It proves that work discipline is one of the factors in developing employee performance (Hidayah & Santoso, 2020; Hidayati et al., 2019). From the research, the decline in employee performance at PT Sinar Gunung Sawit Raya is influenced by employees’ lack of discipline and awareness in carrying out applicable regulations. In this condition, employee awareness to be disciplined in carrying out or complying with applicable company regulations can further improve employee performance at PT Sinar Gunung Sawit Raya. The study's results are also in line with previous research, which states that work discipline positively affects employee performance (Herman & Didin, 2020; Hidayah & Santoso, 2020). It is in line with the theory that discipline is a person’s awareness and willingness to comply with all company rules and norms (Firmansyah et al., 2020; Yuliandi & Tahir, 2019). Thus the results of this study further strengthen previous studies and the theory that discipline has a significant effect on employee performance. Suggestions for PT Sinar Gunung Sawit Raya so that the research results can be considered in making related policies influencing employee performance. Regular meetings can be held in an informal setting, such as eating together after work, to improve good communication between fellow employees. In improving the company’s work discipline, it is recommended that the company re-instill the values of the importance of discipline and its positive impact on employees.

4. CONCLUSION

This study's conclusions are that Leadership Style has a positive and significant effect on employee performance. Second, communication has a positive and significant effect on employee performance. Third, work discipline has a positive and significant effect on employee performance. Fourth, that Leadership Style, Communication, and Work Discipline simultaneously have a positive and significant effect on employee performance at PT Sinar Gunung Sawit Raya.

5. REFERENCES


