The Performance of Sharia Banks Employees X Branch Batam Through Work Motivation

Sri Langgeng Ratnasari¹, Gandhi Sutjahjo², Dewi Yana³

Abstract. There are several affecting factors to the Employees’ performance. This research aimed to examines the factor that influences work motivation and employees’ performance. The method was the structural equation model. The results found that leadership style and compensation affect the work motivation, but the variable of work discipline does not have an impact on work motivation. This study also found that work discipline and compensation affect the employees' performance, but the leadership style does not have an impact. The Policy implications suggest the chairman to set-up leadership style appropriate to the employees’ situation, and compensation should be enhanced, awards and penalties apply to increase employees'discipline and welfare.

Keywords: sharia banks, work motivation, employees’ performance

JEL Classification: G21, M12

How to Cite:
Introduction

The development of Sharia banking is quite rapidly in Indonesia, and this also happens in Batam. The community that is majority Muslim began to realize the importance of developing Sharia banking, one of them is by becoming a customer. To welcome a sense of enthusiasm and customer growth in Sharia banking in Batam city should be supported by superior human resources, such as employees.

An organization’s success comes from its activeness, highly responsive, energetic, its employees’ good learning capacity, performance, and skills. The organization has to learn quickly and continuously, continuous innovation, using a faster, more secure, and convenient strategy. The success of the organization depends on the speed of reading the situation in the application and replacement of appropriate strategies to be applied. Managing those processes intelligently, effectively, and efficiently and maximizing the contribution and commitment of the employees.

Humans always play an active role and are dominant in every activity of the Organization, because people become planners, perpetrators, and the deciding goal attainment of an organization. That goal unlikely to materialize, without the active role of employees, however, sophisticated the instruments belonging to the organization. Sophisticated tools that belong to the organization there is no benefits for the Organization if the role of the active employees not included. Set up employees is difficult and complex because they have thoughts, feelings, desires, status, and various backgrounds were brought into the Organization so that employees can not adequately be regulated and controlled such as regulating machines, capital, building. However, it must be arranged by the theories of management that focus on setting the human role in realizing the goal.

To organize and manage the human resource management, one of them needs a leader. It is required an appropriate leadership style which suits the needs, conditions, and human resource management that are available. The organization’s goals will achieve if it applies an appropriate leadership style if the existing human resource management is having a good work discipline if the compensation given to the employees following their duties, responsibilities, and expectations in order to increase their motivation. If those three factors had fulfilled, it could convince that the employees’ motivation will be good, then it also relevance to their excellent performance, finally, the goals of the organization also can be realized well.

Based on the results of observation and interviews with employees and leadership in Sharia banks X Branch Batam retrieved the phenomenon that the existing leadership style deemed appropriate, working discipline has not yet optimal, the compensation that given have not to consider by the employee’s performance expectations, and has not been optimal. For that, it needs to do research that examines the impact of leadership style, work discipline, and compensation to employee performance through work motivation at Sharia Bank X branch of Batam.

Discipline work according to Hasibuan (2012) is the work discipline awareness and the willingness of someone to obey all company regulations and social norms in force. Indicators of work discipline: goals and capabilities, exemplary leader, retribution, justice, punishment,
and finality of sanctions. Compensation is setting the overall allotment of retribution for employers as well as employees, either directly in the form of money (financial) or indirect in the form of a non-money (non-financial). Compensation is everything received by employees in the form of salaries, wages, bonuses, incentives, premiums, treatment, insurance and other similar ones in the pay of the company directly (Umar, 2011). Indicators of compensation: salaries, wages, bonuses, incentives, premiums, treatment, and insurance. Compensation is received by the employee, whether in the form of money or not money as retribution which gives to the efforts of employees (employee contributions) that he gave to the organization (Gaol, 2014). Compensation is all the income in the form of money, goods, directly or indirectly, received as a reward the employee services rendered to the company (Hasibuan, 2012).

Work motivation is the driving power that resulted in the person’s organization members want and willing to move his ability in the form of skills and power to organize various activities. It is an obligation within the framework of the achievement of the objectives and targets of the various organizations that have defined previously. The Indicators of work motivation are the driving power, willpower, willingness, expertise, skills, responsibilities, obligations, and objectives.

The motivation of working is a process that shows individual intensity, direction, and perseverance of effort towards the achievement of the objectives. Motivation is the responsibility towards by the employees, employers, and colleagues. The need for achievement and good work, grit will ensure honesty in work and tenacity or concerns if faced failure. Performance is the output generated by the functions or indicators of an occupation or a profession within a specified time. Employee performance indicators are job skills, quality of work, initiative, responsibility, discipline, cooperation, and quantity of work. Dessler (2013) provides other insight into the performance that results in real work with the standard of work is assigned its achievements and focusing more on his work.

This study contributes by examining several factors that can influence employee performance with mediating variables of work discipline. This topic is what distinguishes this research from various previous studies. This study will examine the effect of several variables on employee performance both directly and indirectly through mediating variables.

Methods

This research uses a quantitative approach, and simple random sampling method and the data used in this research is primary data in the form of a questionnaire. The analysis technique used in this research is the Structural Equation Model (SEM) technique. The research population was 160 Sharia Bank X employees. The sampling technique was using Census, i.e., all employees of Shariah Bank X used as the object of research. Before the questionnaire distributed, the validity and reliability were measured, and after it was valid and reliable, then the questionnaires were distributed to the respondents.

The variables used in this research are leadership style, work discipline, compensation, work motivation, and employees performance. This research is to examine the impact of
leadership style, work discipline, and compensation on employees performance either direct effect or an indirect effect through work motivation. Figure 1 shows the structural model of this research.

**Figure 1. The Structural Model**

Result and Discussion

The first step taken in this study is to examine the regression weight. Table 1 shows that the Regression Weight of Work Discipline, Leadership Styles, Employee Performance Compensation through the employee motivation of Sharia Bank X Branch Batam.

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mk</td>
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<td>Gk</td>
<td>.405</td>
<td>.164</td>
<td>.013</td>
</tr>
<tr>
<td>Mk</td>
<td>&lt; - - -</td>
<td>Dk</td>
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<td>.130</td>
<td>.450</td>
</tr>
<tr>
<td>Mk</td>
<td>&lt; - - -</td>
<td>K</td>
<td>.539</td>
<td>.122</td>
<td>.001</td>
</tr>
<tr>
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<tr>
<td>Kn</td>
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<td>Gk</td>
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<td>.988</td>
</tr>
<tr>
<td>Kn</td>
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<td>K</td>
<td>1.079</td>
<td>.330</td>
<td>.001</td>
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<tr>
<td>Kn</td>
<td>&lt; - - -</td>
<td>Dk</td>
<td>-.014</td>
<td>.230</td>
<td>.944</td>
</tr>
</tbody>
</table>

Table 2 shows that the latent variables influence visible leadership style (Gk) toward the latent variables Work Motivation (Mk) has a component estimate (regression weight) of 0.347 with Cr (Critical ratio = is identical to the value of the t-count) of 2.472 on probability = 0.10. The value of CR 2.472 > 2.00 and Probability = 0.13 > 0.05 indicates that the latent variables influence the leadership style (Gk) toward the latent variables Work Motivation (Mk) is not significant. This is in line with the study results of Rawung (2013), Tamarunday, et al., (2017), but not in line with the study results of Riyadi (2011), Kurniawan (2012), Taruno et al., (2012).
Table 2. Regression Weight Style Leadership, Work-Discipline, Compensation, Employee Performance

<table>
<thead>
<tr>
<th>Estimate</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mk</td>
<td>&lt;---</td>
<td>Gk</td>
<td>0.347</td>
</tr>
<tr>
<td>Mk</td>
<td>&lt;---</td>
<td>Dk</td>
<td>-0.103</td>
</tr>
<tr>
<td>Mk</td>
<td>&lt;---</td>
<td>K</td>
<td>0.716</td>
</tr>
<tr>
<td>Kn</td>
<td>&lt;---</td>
<td>Mk</td>
<td>-0.074</td>
</tr>
<tr>
<td>Kn</td>
<td>&lt;---</td>
<td>Gk</td>
<td>-0.002</td>
</tr>
<tr>
<td>Kn</td>
<td>&lt;---</td>
<td>K</td>
<td>0.986</td>
</tr>
<tr>
<td>Kn</td>
<td>&lt;---</td>
<td>Dk</td>
<td>-0.010</td>
</tr>
</tbody>
</table>

The influence of the Work Discipline latent variable (Dk) toward the Work Motivation latent variables (Mk) has a component estimate (regression weight) amounted to -0.103, with Cr (Critical ratio = is identical to the value of the t-count) of 0.755 on probability = 0.450. The value of CR = 0.755 < 2.000 and Probability = 0.450 > 0.05 indicates that the influence of a variable latent (Dk) Work Discipline toward the latent variables Work Motivation (Mk) is not significant.

The influence of the Compensation latent variable (K) toward the Work Motivation latent variables (Mk) has a component estimate (regression weight) of 0.716 with Cr (Critical ratio = is identical to the value of the t-count) of 4.432 on probability = **. The value of CR = 4.432 > 2.000 and Probability = ** < 0.05 indicate that influence of the compensation latent variable (K) toward the Work Motivation latent variables (Mk) is positively significant. This result is in line with the research results of the research of Suwati (2013), but it is not in line with the study results of Riyadi (2011).

The influence of leadership styles (Gk) toward Work Motivation (Mk) is positive and insignificant. The influence of the working Discipline (Dk) toward Work Motivation (Mk) is not significant. Then, Compensation (K) toward work Motivation (Mk) has a positive impact. So, the simultaneous influence of leadership styles (Gk), work discipline (Dk), toward work Motivation (Mk) is not significant. Martin & Bou-Llusar (2018) state that skill enhancing and opportunity enhancing will increase the employee abilities and motivation.

The influence of leadership style latent variables (Gk) toward the performance latent variable (Kn) has a component estimate (regression weight) amounted to -0.002 with Cr...
(Critical ratio = is identical to the t-count value) amount of -0.015 on probability = 0.988. The value of CR-0.015 < 2.000 and Probability = 0.988 > 0.05 indicates that the influence of leadership style latent variables (Gk) toward the latent variable (Kn) Performance is not significant. This is in line with the research of Lumbanrja (2009), Risambessy et al., (2011), Abbas & Yaqoob (2009), Indayati et al., (2012), Kurniawan (2012), Husin et al., (2012), Yaghoubipoor et al., (2013), Indrayanto et al., (2014), Cavazotte et al., (2013), Ma’arif et al., (2013), Maharani et al., (2013), Sundi (2013), Djoemadi & Noermijati (2014), Lina (2014), and Gita & Yuniawan (2016). But this result is different with the research results of Riyadi (2011), and Zameer et al., (2014). Leadership style according to Gaspersz (2008) is the ability to positively influence people and system to provide a beneficial impact and achieve the desired results. Elbaz & Haddoud (2017) find a different result, and they conclude that not all leadership style has a positive influence on employees’ performance.

The influence of Compensation latent variable (K) toward the performance latent variable (Kn) has a component estimate (regression weight) of 0.986, with Cr (Critical ratio = is identical to the t-count value) of 3.272 on probability = 0.001. The value of CR 3.272 > 2.000 and Probability= 0.001 < 0.05 indicate that the influence of Compensation latent variable (K) toward the performance latent variable (Kn) has a positive impact. This result is in line with the results of the research by Nurul (2010), Juliningrum & Sudiro (2013), and Suwati (2013). But this result is not in line with the study results of Riyadi (2011).

The influence of Work Discipline latent variable (Dk) toward the Performance latent variable (Kn) has a component estimate (regression weight) of -0.010, with Cr (Critical ratio = is identical to the t-calculated value) amounting to -0.071 on probability = 0.944. The value of CR-0.071 < 2.000 and Probability = 0.944 > 0.05 indicates that the influence of Work Discipline latent variable (Dk) toward the performance latent variable (Kn) is not significant. This result is not in line with the research results of Tamarunday et al., (2017). Table 3 shows the evaluation result of the goodness of fit evaluation index.

Table 3. Goodness of Fit Evaluation

<table>
<thead>
<tr>
<th>Goodness of Fit Index</th>
<th>Cut Of Value</th>
<th>Model Result</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>Expected Small</td>
<td>462,283</td>
<td>Good</td>
</tr>
<tr>
<td>Relative Chi-square</td>
<td>≤3,00</td>
<td>1,744</td>
<td>Good</td>
</tr>
<tr>
<td>Probability</td>
<td>&gt;0.05</td>
<td>0,000</td>
<td>Not Good</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≤0.08</td>
<td>0,068</td>
<td>Good</td>
</tr>
<tr>
<td>TLI</td>
<td>≥0.94</td>
<td>0,847+</td>
<td>Marginal</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt;0.94</td>
<td>0,865+</td>
<td>Marginal</td>
</tr>
</tbody>
</table>

The research results with Square Multiple Correlation which value for each Performance = 0.835, for Work Motivation = 0.811 as seen in Table 4. The value of the coefficient of determination (R²) is 0.835. Thus it can be stated that the performance of the employees influenced by the leadership style of 83.50%
Table 4. Squared Multiple Correlations: (Group number 1-Default model)

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mk</td>
<td>.811</td>
</tr>
<tr>
<td>Kn</td>
<td>.835</td>
</tr>
</tbody>
</table>

For the variable of work-motivation has the value of $R^2$ is 0.811; thus it can be stated that a change of leadership style influenced by the factors of motivation, discipline, work Motivation, compensation, employee performance, amounting to 81.10%. All of the above analysis can conclude all indicators for the leadership style of Work, compensation, discipline, and work motivation significantly influenced the performance of the employee. Besides those factors, the company should create and maintain a better work environment to increase the employees’ performance (Pradhan & Jena, 2016). Corporate culture also one of the factors that influence employee performance (Syafii, et al., 2015; Ali et al., 2015).

**Conclusion**

The purpose of this research is to examine the factors (leadership style, motivation, and work discipline) to employees’ performance with work motivation as a mediating variable. The result shows that the factors that have an impact on motivation are leadership style and compensation, but the work discipline does not have any impact on work motivation. Besides that, this research also shows that the work discipline and compensation have an impact on employees’ performance, but the leadership style does not have any impact on employees’ performance. Finally, this research shows that the leadership style, the work discipline, the compensation does not have an impact on the Employees’ Performance through motivation.

The leadership of Sharia Bank X Branch Batam is expected to implement a leadership style that is appropriate to the situation and condition of the employees. Compensation given should be reviewed and enhanced periodically — application of rewards and penalties related to the discipline of work. Motivation is enhanced utilizing improving the welfare of employees. The results of this research are expected to be a consideration in decisions related to the leadership style of work, compensation, discipline, motivation, and performance of employees.

**References**


