Leadership Effect and Work Environment on Employee Performance With Motivation Variables as Mediation (Study at The Wangsa Hotel)

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Abstract—This study aims to analyze the influence of leadership and work environment on employee performance with motivational variables as a mediation at The Wangsa Hotel. The research was conducted at The Wangsa Hotel. The number of respondents were 60 people. The sampling technique used in this study was saturated samples. Data retrieval is done by questionnaire with Likert scale. The method of analysis uses descriptive analysis and inferential analysis. The results of the analysis showed that leadership does not affect motivation, meaning that leadership has not been able to increase employee motivation at the The Wangsa hotel. The work environment has a positive and significant influence on motivation, it means that the increasing work environment, the work motivation of employees increases. Leadership has a positive and significant effect on employee performance, it means that the better the leadership, the employee's performance increases. The work environment does not affect employee performance, it means that the work environment has not been able to influence the performance of the hotel employees of The Wangsa. Motivation has a negative and significant influence on employee performance, it means that the higher the motivation, the performance will decrease.

Keywords: employee performance; leadership; motivation variable as mediation; work environment

How to cite;
I. INTRODUCTION

Bali as one of the tourist destinations has cultural diversity and natural beauty that can be used as the basic capital to develop tourism and attract more tourists who come and extend the length of stay. Tourism is a mainstay sector for both the Balinese and national economies. Bali is a barometer for the advancement of Indonesian tourism. Bali in the midst of increasingly fierce competition in the tourism world is growing and the abundant offer of tourism products in various parts of the world adds to the intense competition. The increasing knowledge and experience of tourists in traveling to various countries or tourist destinations that make their guidance on the quality of the products enjoyed becomes increasingly also. The facilities in the form of hotels are one of the most important components of the tourism industry. Hotels are a major requirement for tourists visiting Bali. The development of tourism must certainly be supported by the growing number of star hotels in Bali.

Performance in the organization is the answer to the success or failure of the stated organizational goals. So performance is important for an organization and from the individual. (Torang, 2014) reveals that performance is the result or the level of success of a person as a whole over a period of time in carrying out tasks compared to various possibilities, such as standards of work results, targets or targets that have been determined in advance. The low performance of employees in a company can cause the organization to hamper achieving its intended goals. Employees who are less skilled and do not have high dedication in serving the organization are problems that occur in the company today.

Employee performance is one of the factors that can increase the effectiveness of an organization’s operations. (Kamal & Na’im, 2000) state that what is meant by employee performance is the performance of individual organizational members in operational activities, such as carrying out routine tasks, obeying orders from superiors and completing work on time. According to (Rivai, 2004) performance is a real behavior that is displayed by everyone as the work performance produced by employees in accordance with their role in the company. Performance is a condition that must be known and confirmed to certain parties to find out the level of achievement of the results of an agency associated with the vision carried out by an organization or company and to know the positive and negative effects of an operational policy. (wikipedia.org, 2014). Performance appraisal is the periodic determination of the operational effectiveness of an organization, part of the organization, and its employees based on predetermined targets, standards and criteria (Mulyadi, 1993).

Leadership is a science that comprehends comprehensively about how to direct, influence and supervise other people to work on tasks in accordance with the planned order (Fahmi, 2012). In an organization, leadership factors play an important role because leaders are the ones who will move and direct the organization in achieving its goals. The performance produced by a company is a
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Leadership effectiveness is the ability of leaders to influence the behavior of other individuals in a group without using any form of coercion. Leadership arises when one group member changes the motivation or competence of other members in the group (Gibson, Ivancevich & Donelly, 1997). (Andarini, 2005) leadership is the ability to influence a group of people towards achieving goals. In general, leaders in each organization can be classified into five main types (Siagian, 2007).

Performance is the quantity and quality of work results of individuals or groups within the organization in carrying out basic tasks and functions that are guided by norms, standard operating procedures, criteria and measures that have been set or that apply in the organization (Torang, 2014). Performance is one measure of the success of a company. When the performance of employees increases, we can be sure that the income of the company also increases. Performance is the work produced by employees in accordance with their role in the organization (Hasibuan, 2014). Performance is something that is very important in the organization’s efforts to achieve its objectives, so that part of the effort must be made by the organization to improve it. (Siagian, 2007) states that the work performance of an employee is basically the result of the work of an employee for a certain period compared to various possibilities, for example target standards or predetermined criteria.

Leaders must be able to pioneer all good deeds, to be followed by subordinates or their people, not just to govern and advocate. The ability and leadership skills in direction are important factors for manager effectiveness (Torang, 2013). Referring to the leadership style developed by (Martoyo, 2008) states leadership plays an important role for an organization in order to achieve good performance for every function of the company.

Employee motivation is the willingness to carry out high efforts to achieve organizational goals, which are conditioned by the ability of effort, to meet certain individual needs (Robbins, 2003). In creating a work environment in order to increase organizational activities, it is necessary to regulate the physical work environment such as air, sound, light and color (Martoyo, 2008).

Motivation is a potential force that exists within a human being, which can be developed independently or developed by a number of external forces which essentially revolve around monetary and non-monetary rewards, which can affect
performance results positively or negatively, which things depend on the situation and conditions faced by the person concerned (Winardi, 2011). Motivation is the giving of the driving force that creates the enthusiasm of one's work so that they will cooperate, work effectively, and be integrated with all their efforts to achieve satisfaction (Hasibuan, 2014).

The work environment is everything that is around workers, which can affect themselves in carrying out their tasks (Nitisemito, 1996). The work environment factor can be in the form of the physical condition of the office which includes lighting, air temperature, etc. which can improve the conducive atmosphere and work spirit and influence the performance of employees (Sedarmayanti, 2001).

Leadership style is how a leader can precisely direct individual goals and organizational goals (Handoko, 2005). The more aspects that are in accordance with the wishes of the individual, the higher the job satisfaction (Wexley & Yulk, 1992) in (Waridin & Masrukhin, 2006). The work environment is everything that is around workers, which can affect themselves in carrying out their tasks (Nitisemito, 1996). Another opinion by (Ostroff, 1992) state that work motivation has a significant relationship with performance, then employees who feel motivated towards work usually work harder and better compared to employees who are stressed and unmotivated.

II. METHODS

This research was conducted by testing hypotheses regarding the influence of leadership, work environment, and motivation on performance. This research is quantitative, because it uses numerical or numerical data as research data analyzed to reach conclusions. The nature of this research is explanatory research, which aims to explain the causality relationship between the variables observed in this study.

Data collection in this study was conducted based on questionnaires to research respondents. The number of respondents in this study were 60 employees at The Wangsa hotel. This study included census research, because all existing populations were used as research respondents. Most respondents in this study were male that is equal to 53.3%. While the female sex is 46.7%. This shows that there is a balance in the composition of male employees and female employees at The Wangsa hotel. Most of them range (71.7%) over 40 years old, the rest are age groups ranging from 20 to 30 years as many as 2 people (3.3%), age groups range from 31 to 41 as many as 15 people (25%). most of the employees of The Wangsa hotel staff have a Diploma 3 education of 34 people (56.7%), the rest are high school as many as 8 people (13.3%), graduates as many as 11 people (18.3%) and D1 as many as 1 person (1.7%).

III. RESULTS AND DISCUSSION

Inferential Analysis
Convergent Validity

An indicator is said to be valid, if the outer loading coefficient is between 0.60 - 0.70. But for an analysis whose theory is not clear, the outer loading 0.50 is recommended (Lathan & Ghozali, 2012) and is significant at the alpha level of 0.05 or t-statistic 1.96. Calculation of the outer loading of each indicator construct leadership, work environment, motivation and performance, there are four

Table 1. Outer Loading Value Results of Model Estimation After Model Reconstruction

| Indicator | Construct | Original Sample Mean (O) | Original Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (|O/STERR|) |
|-----------|-----------|--------------------------|------------------|---------------------------|-----------------------|------------------|
| X11       | LEADERSHIP| 0.47                     | 0.45             | 0.18                      | 0.18                  | 2.65             |
| X14       | LEADERSHIP| 0.94                     | 0.93             | 0.10                      | 0.10                  | 9.08             |
| X21       | WORK ENVIRONMENT| 1.25                 | 1.15             | 0.23                      | 0.23                  | 5.39             |
| X22       | WORK ENVIRONMENT| 0.79                 | 0.71             | 0.33                      | 0.33                  | 2.35             |
| X23       | WORK ENVIRONMENT| 0.61                 | 0.57             | 0.17                      | 0.17                  | 3.66             |
| Y11       | MOTIVATION | 0.68                     | 0.64             | 0.16                      | 0.16                  | 4.25             |
| Y12       | MOTIVATION | 0.48                     | 0.46             | 0.18                      | 0.18                  | 2.60             |
| Y13       | MOTIVASI  | 1.09                     | 1.04             | 0.21                      | 0.21                  | 5.12             |
| Y21       | KINERJA   | 0.78                     | 0.77             | 0.06                      | 0.06                  | 13.60            |
| Y23       | MOTIVATION| 0.60                     | 0.60             | 0.07                      | 0.07                  | 9.23             |

Figure 2. Outer Loading and Estimated Path Analysis Results

Figure 3. Booth strapping (Test Statistics)
Discriminant Validity

Measuring the validity of indicators that form latent variables can also be done through discriminant validity. Discrimination validity can be done by comparing the AVE root coefficient (√AVE or Square root Average Variance Extracted) of each variable with the correlation value between the variables in the model. A variable is said to be valid, if the AVE roots (√AVE or Square root Average Variance Extracted) each construct is greater than the correlation value between constructs (Lathan & Ghozali, 2012), and each AVE value is greater than 0.50. √AVE value of each construct ranges from 0.69 to 0.92 greater than the correlation value which is between 0.44 to 0.53, and all AVE values of constructs > 0.50 so that it meets valid requirements based on discriminant validity criteria.

Composite Reliability and Cronbach Alpha

A measurement can be said to be reliable, if the composite reliability and cronbach alpha has a value greater than 0.70. Composite reliability and Cronbach alpha is a measurement of reliability between indicator blocks in the research model. The composite reliability value of each construct has a value of at least 0.70 so that it meets reliable requirements based on composite reliability criteria. In terms of the value of Cronbach Alpha there is only one index value that is slightly smaller than 0.70, namely leadership, while the other constructs already meet valid requirements.

Evaluation of Structural Models (Structural Model / Inner Model)

Evaluation of structural models (Structural Model / Inner Model) is a measurement to evaluate the level of accuracy of the model in the overall research, which is formed through several variables along with the indicators. In evaluating this structural model it will be carried out through several approaches including: a) R-Square (R²), b) Q-Square Predictive Relevance (Q²), and c) Goodness of Fit (GoF).

Evaluation of Structural Models Through R-Square (R²)

R-Square (R²) can show the strength of the influence caused by the dependent variable on the independent variable. R-Square (R²) can also show the strength of a research model. According to Chin (Lathan & Ghozali, 2012), the value of R-Square (R²) is 0.67 classified as a strong model, R-Square (R²) is 0.33 moderate model, and R -Square (R²) is 0.19 classified as a weak model.

Evaluation of Structural Models through Q-Square Predictive Relevance (Q²)

Q-Square Predictive Relevance (Q²) is a measure of how well the observations made give results to the research model. The Q-Square Predictive Relevance (Q²)
value ranges from 0 (zero) equal to 1 (one). The closer to the 0 value of Q-Square Predictive Relevance (Q2), gives an indication that the research model is getting worse, while the opposite is getting away from 0 (zero) and closer to the value of 1 (one), this means the research model is getting better. Criteria for the strength of the model are measured based on Q-Square Predictive Relevance (Q2) according to (Lathan & Ghozali, 2012) as follows: 0.35 (strong model), 0.15 (moderate model), and 0.02 (weak model) The Q-Square formula is: Q2 = 1 - (1 - R12) (1 - R22).

Evaluation of Structural Models through Goodness of Fit (GoF)

Goodness of Fit (GoF) is a measurement of the overall accuracy of the model (global), because it is considered to be a single measurement of the measurement of the outer model and measurement of the inner model. The measurement value based on Goodness of Fit (GoF) has a range of values between 0 (zero) to 1 (one). The value of Goodness of Fit (GoF) which is getting closer to 0 (zero), shows the model is getting less good, on the other hand, getting away from 0 (zero) and getting closer to 1 (one), the model is getting better. Criteria for the strength of the model based on measurements of Goodness of Fit (GoF) according to Lathan and Ghozali (2012: 88), are as follows: 0.36 (GoF large), 0.25 (GoF medium), and 0.10 (small GoF) . (Tenenhaus et al., 2004: 175). Calculation with GoF shows an average value of R2 of 0.90 while the average Communality is 0.29, then the value of GoF is √ AR2 * A.Com = √ 0.90 * 0.29 = √ 0.26 = 0, 51 This means that the global model is large predictive.

Table 2. Path Statistics Analysis and Test

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>Standard Error (STERR)</th>
<th>T Statistics ([O/STERR])</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEADERSHIP -&gt; PERFORMANCE</td>
<td>0,41</td>
<td>0,40</td>
<td>0,12</td>
<td>0,12</td>
<td>3,51</td>
</tr>
<tr>
<td>LEADERSHIP -&gt; MOTIVATION WORK</td>
<td>-0,29</td>
<td>-0,27</td>
<td>0,18</td>
<td>0,18</td>
<td>1,66</td>
</tr>
<tr>
<td>ENVIRONMENT -&gt; PERFORMANCE WORK</td>
<td>0,20</td>
<td>0,19</td>
<td>0,11</td>
<td>0,11</td>
<td>1,85</td>
</tr>
<tr>
<td>ENVIRONMENT -&gt; MOTIVATION WORK</td>
<td>0,32</td>
<td>0,28</td>
<td>0,14</td>
<td>0,14</td>
<td>2,28</td>
</tr>
<tr>
<td>MOTIVATION -&gt; PERFORMANCE</td>
<td>-0,39</td>
<td>-0,39</td>
<td>0,10</td>
<td>0,10</td>
<td>4,14</td>
</tr>
</tbody>
</table>

Leadership has a positive effect of 0.41 on performance, and the relationship is significant at the 0.05 level because the T-statistic value is smaller than 1.96 which is 3.51. Leadership has a negative effect on motivation at -0.29, and the relationship is significant at the level of 0.10 with a t value of 1.66 greater than T-table which is equal to 1.64. The work environment has a positive effect of 0.20 on performance, and the relationship is significant at the level of 0.10 with a t value of 1.85 greater than the value of T-table that is 1.64. The work environment has a positive effect of 0.32 on motivation and the relationship is significant at the 0.05 level because the value of t count is 2.28 greater than the value of the T table of 1.96. Motivation has a
negative effect on the performance of -0.39 and the relationship is significant at the 0.05 level with a calculated t value of 4.14.

The influence of mediation analyzed included direct and indirect effect analysis. The analysis in this study used the examination method. The examination method is by conducting two analyzes, namely analysis by involving mediating and analysis variables without involving mediating variables. The method of examining mediation variables with the approach of difference coefficient is carried out as follows: (a) examine the direct effect of Independent Variables on the Dependent Variables on the model involving mediating variables, (b) examine the effect of Independent Variables on Dependent Variables on the model without involving mediating variables, (c) examine the influence of Independent Variables on Mediation Variables, and (d) examine the effect of Mediation variables on Dependent variables. If (c) and (d) are significant, and (a) are not significant, then the intervening variable is said to be a complete mediation variable. If (c) and (d) are significant and (a) are also significant, where the coefficient of (a) is smaller (down) than (b), the intervening variable is said to be a partial mediation variable. If (c) and (d) are significant and (a) are also significant, where the coefficient of (a) is almost the same as (b), the intervening variable is said not as a mediating variable. If one (c) or (d) or both are not significant then it is said not as a mediating variable (Solimun, 2011; Hair et al., 2010).

![Figure 4. The Role Of Mediation Theoretically](image1)

![Figure 4. The Role of Mediation Motivation for Leadership Against Performance (Indirect Effect)](image2)
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Based on Figure 8, it turns out that motivation is the perfect mediation between the work environment and performance.

Leadership on performance

The calculation results regarding the influence of leadership on performance indicate that leadership has a positive and significant effect on performance. This result is based on the path coefficient between leadership constructs towards the performance construct of 0.41 with a t-statistical coefficient of 3.51 > t-table 1.96. The results of this test prove that hypothesis 1 (H1), which states that leadership has a positive and significant effect on performance is acceptable.

Work Environment on Motivation

The results of the calculation of the work environment on motivation, indicate that the work environment has a positive and significant effect on motivation. This result is based on the path coefficient between the construct of the work
environment towards the motivation construct of 0.32 with the t-statistic coefficient of 2.28 > t-table 1.96. The results of this test prove that hypothesis 2 (H2), which states that the work environment has a positive and significant effect on job satisfaction can be accepted.

Leadership towards performance

The results of the leadership calculation on performance, indicate that leadership has a positive and significant effect on performance. This result is based on the path coefficient between leadership constructs towards the performance construct of 0.41 with a t-statistical coefficient of 3.51 > t-table 1.96. The results of this test prove that hypothesis 3 (H3), which states that leadership has a positive and significant effect on job satisfaction is acceptable.

Work Environment for Performance

The results of the calculation of the work environment on performance, show that the work environment does not affect performance. This result is based on the path coefficient between the work environment construct towards the performance construct of 0.20 with a t-statistic coefficient of 1.85 < t-table 1.96. The results of this test prove that hypothesis 4 (H4), which states that the work environment does not affect performance is rejected, is theoretically acceptable but statistically unacceptable.

Motivation for performance

The results of the calculation of motivation on performance, shows that job satisfaction has a negative and significant effect on performance. This result is based on the path coefficient between motivational constructs towards the performance construct of -0.39 with a t-statistic coefficient of 4.14 > t-table 1.96. The results of this test prove that hypothesis 5 (H5), which states that motivation has a positive and significant effect on performance is rejected.

Discussion

Effect of leadership on performance

Based on the results of the analysis of the influence of leadership on performance, indicating that leadership has a positive and significant effect on the performance of the hotel employees of The Wangsa. This gives the meaning that the better leadership will be able to improve employee performance. Appropriate leadership in directing employees to achieve organizational goals with all aspects / goals expected by individuals to their work, the higher the performance. The results of this study are supported by (Susanto, 2015) which analyzed the influence of leadership on motivation at the Kebumen Land Office, which found that leadership had a positive and significant effect on employee motivation. (Rezy, 2014) also got the same results.
The influence of the work environment on performance

Based on the results of the analysis of the influence of the work environment on performance, it shows that motivation has a positive and significant effect on the motivation of the hotel employees of The Wangsa. This means that there is a unidirectional relationship between the work environment and work motivation. If the employee's working environment improves, the employee's work motivation will also increase, and vice versa. In other words, it means improving the work environment can increase work motivation. The results of this study are supported by (Khoiri, 2013) mentioning that a conducive work environment can affect the work motivation of library employees at Yogyakarta State University.

The influence of leadership on employee performance

Based on the results of the analysis of the influence of leadership on employee performance, it shows that leadership has a positive and significant effect on the performance of the employees of The Wangsa hotel, meaning that if leadership is getting better the employee's performance will be better too. The results of this study are supported by research conducted by (Nunparidi, 2017) found that leadership has a significant positive effect on performance. The results of (Munparidi, 2016) state that leadership has a positive and significant effect on the performance of employees of the regional Tirta Musi drinking water company in Palembang City. Similar results are also shown by (Aurelia, 2015). In (Teresa, 2014) assessing the effect of leadership style on employee performance in international luxury hotels in Spain states that transformational leadership style is an important factor that can have a positive effect on employee performance.

The influence of the work environment on employee performance

Based on the results of the analysis of the influence of the work environment on employee performance, it shows that the work environment has a positive and not significant effect on the performance of the hotel employees of The Wangsa. This means that the work environment has not been able to influence employee performance. The results of this study are not supported by research conducted by (Nunparidi, 2017) found that the work environment has a significant positive effect on performance. (Komalanathan, 2014) states that room temperature and illumination are parts of the work environment that affect employee performance, temperature, temperature factors have a greater contribution than lighting.

The influence of motivation on employee performance

Based on the results of the analysis of the effect of motivation on employee performance, it shows that motivation has a negative and significant effect on the performance of the hotel employees of The Wangsa. This gives meaning that with increasing motivation can reduce performance. The results of this study are not supported by the research of (Hery, 2017) found that motivation influences employee performance at the Kebumen District Land Office. Similar results are shown in the (Aurelia, 2015).
Research Implications

The implications of research at the Hotel The Wangsa can be applied theoretically as follows:

Theoretical implications

The important theoretical implications of this research are that it can be used as a media for developing science related to Human Resources. The results of this study show that between the two exogenous constructs examined for their effect on performance, the most influential construct is leadership, meaning leadership reflected by indicators of mutual trust between superiors and subordinates, employee idea awards, taking into account feelings, attention and taking into account job satisfaction factors, a very important role in improving the performance of the hotel employees of The Wangsa. Therefore leaders should improve indicators related to leadership constructs in order to be able to increase their ability to compete with other competitors.

Practical implications

The results of this study contributed to the hotel leadership of the Wangsa, including in this case the Human Resources (HR) practitioners within the agency, so that it can help provide an overall experience of how leadership and work environment influences employee performance at The Wangsa hotel. Better policies will improve employee performance

Research Limitations

This study has several limitations, including the scope only carried out in one hotel, namely The Wangsa. Another limitation is that this study only involves leadership variables, work environment variables on motivational variables and employee performance variables.

IV. CONCLUSION

Based on the description and results of the analysis of the research, several conclusions and suggestions can be put forward, leadership has a negative and significant effect on motivation, meaning that leadership has not been able to increase employee motivation at The Wangsa hotel. The work environment has a positive and significant effect on motivation, meaning that the better the work environment, the work motivation of employees increases. Leadership has a positive and significant effect on employee performance, meaning that the better the leadership, the employee's performance increases. The work environment has a positive and not significant effect on employee performance, meaning that the work environment cannot influence the performance of the hotel employees of The Wangsa. Motivation has a negative and significant influence on employee performance, meaning that the higher the motivation, the performance will decrease.
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