



Research Paper

## The Effect of Leadership Style and Compensation on Work Motivation and Its Impact on Employee Performance (Study at the Public Works and Spatial Planning Office of Mamuju)

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*This research aims to know the effect of leadership style and compensation towards work motivation and performance, as well as work motivation towards performance of the employees of the Mamuju Regency Public Works and Spatial Planning Office (DPUPR). It also aims to know the effect of leadership style mediated by work motivation, and compensation mediated by work motivation. The research method use is associative/correlational with quantitative approach. The research result is that there is an effect of leadership style and compensation towards employee work motivation and employee performance, there is an effect of work motivation towards employee performance, there is an effect of leadership mediated by work motivation towards employee performance, and there is an effect of compensation mediated by work motivation towards employee performance in Mamuju Regency Public Works and Spatial Planning Office.*

**Keywords:** Leadership Style, Compensation, Work Motivation

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### I. INTRODUCTION

Each agency has a policy in formulating regulations, these regulations are applied by a leader so that one leader with another leader has a different style. The leadership style applied by a leader varies according to needs so that it can encourage his subordinates to make the best contribution to the agency. With effective leadership can improve employee performance. Leadership is a process of interrelationships or interactions between leaders, followers and situations. Leadership must involve other people, subordinates or followers. Leadership involves an unequal distribution of power among leaders and group members, leaders can also have influence (Djarmiko, 2005: 47).

Effective leaders not only use their power to encourage employees but can also provide motivation, inspiration and loyalty for employees to be able to devote all of their focus to achieving optimal performance. Each leader certainly uses a different way in the leadership process. There are leaders who have strong interactions with followers who consider the needs of followers or are known as transformational leadership. Strong interactions create value and positive change for followers (Winkler, 2010).

Good leadership can be seen from the way he communicates to his subordinates and pays attention to the situation. Good communication is needed to make members socialize, plan strategies and carry out decisions. Leaders are one of the communication links in an organization, therefore, leadership is very important in an organization.

From the observations, it can be seen that the leadership style in the Public Works and Spatial Planning Office of Mamuju Regency can be seen as quite good, the leader interacts in two directions. Leaders involve employees in discussing problems and making decisions. Employees feel comfortable and enjoy what they do. In completing the work, the leader usually asks employees to exchange ideas in making a decision. The supervisor of the appraiser officer is obliged to check the results of the work performance assessment, and from there will be analyzed the shortcomings and how to provide solutions for employees, one of which is by providing motivation.

Motivation is a determining factor for an employee at work. A conducive atmosphere, adequate facilities, the ability of employees if they do not have the motivation to complete the work, the results of the work will not work properly. Giving motivation can be done by a leader in his own way, this is needed to foster employees and move his subordinates to strengthen relationships within the organization and create maximum production results. The motivation that is built on followers is to reward the extra performance that has been achieved (Winkler, 2010).

## **II. LITERATURE REVIEW**

### **2.1. Human Resources Management**

Human resource management is an activity carried out within a company in order to support the achievement of company goals effectively and efficiently. Human resource management is a key to the success of a company in achieving the goals it wants to achieve, the term management comes from the word "to manage" which means to manage, organize, perform, and manage.

### **2.2. Employee Performance**

In the organization, performance is the answer to the success or failure of the organization's goals. Performance is basically what employees do and don't do (Pianda, 2018).

Employee performance on the basis of ability, which is supported by motivation that can affect diversity in the form of better work productivity (Riniwati, 2016). Performance is also the actions or execution of tasks carried out by someone within a certain period of time. In another sense, performance is a person's level of achievement in an organization that can increase productivity (Riyadi, 2011). Organizational success in achieving goals is determined by organizational performance which is influenced by internal and external factors.

### **2.3. Leadership Style**

The broad definition of leadership includes influencing processes in determining organizational goals, motivating followers' behavior to achieve goals, influencing to improve the group and its culture. In addition, leadership also affects the interpretation of the events of its followers, organizing and activities to achieve goals, maintaining cooperative relationships and group work, obtaining support and cooperation from people outside the group or organization (Rivai, 2004).

### **2.4. Compensation**

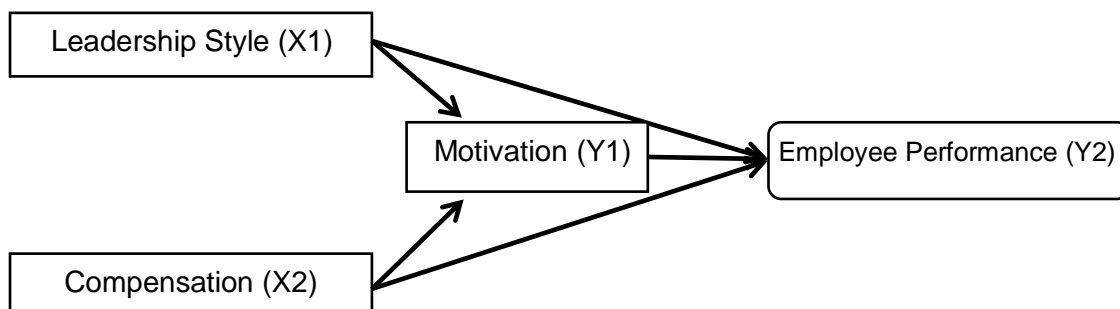
Compensation is a counter achievement to the use of labor or services that have been provided by the workforce. Compensation is the number of packages that the organization offers to workers in return for the use of their workforce.

### **2.5. Work Motivation**

Motivation is a function of the motive of one's needs (motive), expectations, and stimulation (incentive). Motivation is a series of gifts to encourage employees to take action to achieve a desired goal. In other words, motivation becomes a force and impetus to take action so that the needs of employees can be met. The motivation process emphasizes more on the content of needs, but also focuses on how and what goals individuals are motivated according to (Utaminingsih, 2017).

## **III. CONCEPTUAL FRAMEWORK**

### **3.1. Conceptual Framework**



### **3.2. Hypothesis**

- H1: There is an influence of leadership style on the work motivation of the employees of the Public Works and Spatial Planning Office of Mamuju Regency.
- H2: There is an effect of compensation on the work motivation of the employees of the Public Works and Spatial Planning Office of Mamuju Regency.
- H3: There is an influence of leadership style on the performance of the Public Works and Spatial Planning Office of Mamuju Regency.
- H4: There is an effect of compensation on the performance of the Public Works and Spatial Planning Office of Mamuju Regency.
- H5: The effect of work motivation on the performance of the Public Works and Spatial Planning Office of Mamuju Regency employees.
- H6: There is an influence of leadership style mediated by work motivation on the performance of the employees of the Public Works and Spatial Planning Office of Mamuju Regency.
- H7: There is an effect of compensation mediated by work motivation on the performance of the employees of the Public Works and Spatial Planning Office of Mamuju Regency.

## **IV. RESEARCH METHOD**

### **4.1. Research Design**

The type of research used in this research is associative/correlational research with a quantitative approach. Associative/correlational research is research that aims to determine the effect or relationship between two or more variables.

### **4.2. Research Time and Location**

The location that has been determined in this study is the PUPR Office of Mamuju Regency. This research was conducted March-April 2021.

### **4.3. Population and Sample**

The population in this study were employees or employees of the PUPR Office of Mauju Regency, which amounted to 72 people. The number of respondents to be studied is 61 people. Samples were taken based on probability sampling, random sampling, where the researcher provided equal opportunities for each element (member) of the population to be selected as a member of the sample which was carried out randomly without regard to the strata in the population itself.

### **4.4. Data Types and Sources**

This study uses primary data and secondary data. Primary data is data obtained from the first source either from individuals or individual data such as results and interviews or the results of filling out questionnaires that can be done by researchers (Umar 2014:42). Primary data sources are data collected directly by researchers. Where in this study obtained directly from the respondents through a questionnaire technique. Secondary data is primary data that has been further processed and presented either by primary data collectors or other parties, for example in the form of tables or diagrams. Secondary data in this study are literature studies, journals, and documentation information that can be retrieved through the on-line system (internet).

### **4.5. Data Gathering Method**

The data collection method that the author uses is the questionnaire method. The questionnaire method is a series or list of questions that are arranged systematically, then filled out by the respondent. Sugiyono (2010:45). This questionnaire uses a Likert scale on each questionable indicator. This scale is used to measure attitudes, opinions and perceptions of a person or group about events or symptoms. The measurement in this case uses 4 levels consisting of strongly agree, agree, disagree and strongly disagree.

### **4.6. Operational Definition**

#### **1. Dependent Variable (Y2)**

The dependent variable in this study is the performance of DPUPR employees in Mamuju Regency. Employee Performance is the process of achieving the tasks that have been given to employees, which are measured both in quality and quantity.

#### **2. Independent Variable (X)**

##### **a. Leadership (X1)**

Leadership is a person's ability to regulate, influence others to make a cooperative effort in achieving the goals that have been set by the company.

b. Compensation (X2)

Compensation is everything that employees receive either directly or indirectly as compensation for their contributions to the company.

3. Mediating Variable (Y1)

That is the work motivation. Work motivation is the overall driving force or driving force both from within and from outside that gives rise to the desire of employees to carry out an activity in carrying out their duties to achieve a company goal.

**3.7. Research Instrument**

No	Variable	Indicator	Likert Scale
1	Leadership Style (X1)	a. A climate of mutual trust. b. Respect for subordinates' ideas c. Taking into account the feelings of subordinates d. Attention to work comfort for subordinates e. Attention to the welfare of subordinates f. Taking into account the job satisfaction factor of subordinates in completing the tasks entrusted to them. g. Appropriate and professional recognition of the status of subordinates	Likert
2	Compensation (X2)	a) Satisfied towards Salary b) Satisfied towards Incentive c) Satisfied towards Facility d) Satisfied towards Allowance	Likert
3	Motivation (Y2)	1) Internal Motivation a) Responsibility in doing tasks b) Do tasks with a clear target c) Has a clear and challenging target d) Existence of feedback towards efforts e) Feeling happy in working f) Always try to outperform others g) Prioritize the achievement of what they do 2) External Motivation a) Always try to meet the needs of life and work needs. b) Enjoys getting praise for what they do. c) Work with a desire to get incentives. d) Work with the hope of getting attention from friends and superiors	Likert
4	Employee Performance (Y)	(1) Work Quality (2) Work Quantity (3) Punctuality (4) Effectiveness (5) Independence (6) Work Commitment	Likert

**3.8. Data Analysis Technique**

1. Classic Assumption

Classical Assumption Test is a test conducted to assess a regression model, whether there are classical assumption problems or not. It is done by doing Normality Test, Multicollinearity Test, and Heteroscedasticity Test.

2. Hypothesis Test

Hypothesis testing aims to see whether or not there is an influence between variables and to prove the hypothesis. In testing this research using multiple regression analysis and path analysis (Path Analysis).

a. Determination Coefficient Test (R<sup>2</sup>)

The coefficient of determination is a test used to measure how far the ability of a model to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one.

b. Simultaneous Test (F)

Simultaneous test is a test conducted to determine whether all independent variables have a joint influence on the dependent variable.

c. Partial Test (T)

Partial test is a test used to see how much influence one independent variable individually explains the variation of the dependent variable. The t-test is carried out by looking at the value if the t-count value is smaller than t-table and has a significance > 0.05, then H<sub>0</sub> is accepted and H<sub>1</sub> is rejected and if the t-count value is greater than t-table and has a significance < 0.05, then H<sub>0</sub> is rejected and H<sub>1</sub> is accepted.

d. Path Analysis

Path analysis method is an analytical technique that serves to explain or know the direct and indirect effects of a set of variables which are the causal variables to a set of other variables which are the effect variables (Haryono and Oktavia, 2014:24).

**V. RESEARCH RESULTS AND DISCUSSION**

**5.1. Validity and Reliability Test**

1. Validity Test

Variable	Question Items	Significance Level	Information
Leadership	Leadership 1	0,000	Valid
	Leadership 2	0,000	Valid
	Leadership 3	0,000	Valid
	Leadership 4	0,000	Valid
	Leadership 5	0,000	Valid
	Leadership 6	0,000	Valid
	Leadership 7	0,000	Valid
	Leadership 8	0,000	Valid
	Leadership 9	0,000	Valid
	Leadership 10	0,000	Valid
	Leadership 11	0,000	Valid
	Leadership 12	0,000	Valid
	Leadership 13	0,000	Valid
	Leadership 14	0,000	Valid
	Leadership 15	0,000	Valid
	Leadership 16	0,000	Valid
	Leadership 17	0,000	Valid
Compensation	Compensation 1	0,000	Valid
	Compensation 2	0,000	Valid
	Compensation 3	0,000	Valid
	Compensation 4	0,000	Valid
	Compensation 5	0,000	Valid
	Compensation 6	0,000	Valid
	Compensation 7	0,000	Valid
	Compensation 8	0,000	Valid
Work Motivation	Motivation 1	0,000	Valid
	Motivation 2	0,000	Valid
	Motivation 3	0,000	Valid
	Motivation 4	0,000	Valid
	Motivation 5	0,000	Valid
	Motivation 6	0,000	Valid
	Motivation 7	0,000	Valid
	Motivation 8	0,000	Valid
	Motivation 9	0,000	Valid
	Motivation 10	0,000	Valid
Employee Performance	Employee Performance 1	0,014	Valid
	Employee Performance 2	0,000	Valid
	Employee Performance 3	0,000	Valid
	Employee Performance 4	0,000	Valid
	Employee Performance 5	0,000	Valid
	Employee Performance 6	0,000	Valid
	Employee Performance 7	0,000	Valid
	Employee Performance 8	0,000	Valid
	Employee Performance 9	0,000	Valid
	Employee Performance 10	0,000	Valid
	Employee Performance 11	0,000	Valid
	Employee Performance 12	0,000	Valid

Based on the results of the validity test, it can be seen that all the questions on the variable items have a significance below 0.05, meaning that the research instrument is feasible or valid to be used to obtain data.

2. Reliability Test

Variable	Cronbach's Alpha	Information
Leadership	0,912	Reliable
Compensation	0,850	Reliable
Work Motivation	0,896	Reliable
Employee Performance	0,944	Reliable

Based on the results from the table above, it can be seen that the Cronbach's Alpha value in each variable is 0.60 and above. This shows that each variable is reliable.

**5.2. Hypothesis Test**

1. Model I Regression Analysis

A. Determination Coefficient Test (R<sup>2</sup>)

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704 <sup>a</sup>	.496	.482	2.619

a. Predictors: (Constant), Compensation, Leadership

b. Dependent Variable: Work Motivation

Square of 0.482 or 48.2%. From this value it can be interpreted that the work motivation variable can be explained by the leadership and compensation variables with an R Square of 48.2%, while the remaining 51.8% is explained by other variables not examined.

B. Simultaneous Test (F)

a. If the value of F-count is greater than F-table and has a significant value of less than 0.05 then the independent variables simultaneously (simultaneously) affect the dependent variable

b. If the F-count is smaller than the F-table and has a significance value above 0.05, the independent variable has no effect on the dependent variable.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	472.698	2	236.349	34.455	.000 <sup>b</sup>
	Residual	480.179	70	6.860		
	Total	952.877	72			

a. Dependent Variable: Work Motivation

b. Predictors: (Constant), Compensation, Leadership

Based on the results from the table above, the F-count value is 34,455 and is greater than the f-table value of 3.12 and the significant value is 0.000 or less than 0.05 so it can be concluded that the leadership and compensation variables together (simultaneously) have an effect significant to the variable of Work Motivation.

C. Partial Test (T)

a. If the t-count value is smaller than the t-table and has a significance > 0.05 then H<sub>0</sub> is accepted and H<sub>1</sub> is rejected.

b. If the t-count value is greater than t-table and has a significance <0.05, then H<sub>0</sub> is rejected and H<sub>1</sub> is accepted.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.396	3.415		.409	.684
	Leadership	.250	.065	.350	3.847	.000
	Compensation	.654	.119	.499	5.484	.000

a. Dependent Variable: Work Motivation

Based on the table above, the leadership variable has a regression coefficient value of 0.250 which is positive (+), meaning that the leadership variable has a positive influence on employee engagement. The leadership variable has a t-count value of 3.847 or greater than the t-table (1.66600) and a significance value of 0.000 or less than 0.05. This indicates that the leadership variable has a significant effect on work motivation, meaning that:

**H1: Leadership affects Work Motivation, is Accepted**

Furthermore, the compensation variable has a regression coefficient of 0.654 which is positive (+), meaning that the compensation variable has a positive influence on work motivation. The compensation variable has a t-count value of 5.484 or greater than the t-table (1.66600) and a significance value of 0.000 or less than 0.05, this indicates that the compensation variable has a significant effect on work motivation. Therefore, it can be said that:



**H2: Compensation Affects Work Motivation, is Accepted**

2. Model II Regression Analysis

A. Determination Coefficient Test

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.538 <sup>a</sup>	.289	.258	4.163

a. Predictors: (Constant), Motivation, Leadership, Compensation

b. Dependent Variable: Employee Performance

Based on the table above, the coefficient value which has an R Square value is 0.289 or 28.9%. From this value it can be interpreted that the Employee Performance variable can be explained by the variables of Leadership, Compensation and Work Motivation with an R Square of 28.9%, while the remaining 71.1% is explained by other variables not examined.

B. Simultaneous Test

a. If the value of F-count is greater than F-table and has a significant value of less than 0.05 then the independent variables simultaneously (simultaneously) affect the dependent variable

b. If the F-count is smaller than the F-table and has a significance value above 0.05, the independent variable has no effect on the dependent variable.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	485.978	3	161.993	9.346	.000 <sup>b</sup>
	Residual	1195.940	69	17.332		
	Total	1681.918	72			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Motivation, Leadership, Compensation

Based on the results from the table above that the F-count value is 9.346 and is greater than the F-table value is 2.65 and the significant value is 0.000 or less than 0.05 so it can be concluded that the variables of leadership, compensation, work motivation together (simultaneously) has a significant effect on employee performance variables.

C. Partial Test

a. If the t-count value is smaller than the t-table and has a significance > 0.05 then H0 is accepted and H1 is rejected.

b. If the t-count value is greater than t-table and has a significance <0.05, then H0 is rejected and H1 is accepted.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.751	5.436		1.426	.158
	Leadership	.223	.114	.235	1.966	.043
	Compensation	.548	.227	.314	2.417	.018
	Work Motivation	.144	.190	.109	1.760	.045

Based on the table above, the leadership variable has a regression coefficient value of 0.223 which is positive (+), meaning that the leadership variable has a positive influence on employee performance. The leadership variable has a t-count value of 1.966 or greater than the t-table (1.66600) and a significance value of 0.043 or less than 0.05. This shows that the leadership variable has a significant effect on employee performance, meaning that:

**H3: Leadership affects employee performance, is Accepted**

Furthermore, the compensation variable has a regression coefficient of 0.548 with a positive (+) value, meaning that the compensation variable has a positive influence on employee performance. The compensation variable has a t-count value of 2.417 or greater than the t-table (1.66600) and a significance value of 0.018 or less than 0.05. This shows that the compensation variable has a significant effect on employee performance, meaning that:

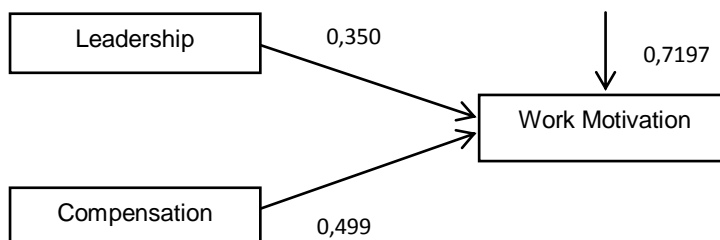
**H4: Compensation affects employee performance, is Accepted**

Furthermore, based on the table above, the work motivation variable has a regression coefficient of 0.144 with a positive (+) value, meaning that the work motivation variable has a positive influence on employee performance. The work motivation variable has a t-count value of 1.7160 or greater than the t-table (1.65251) and a significance value of 0.045 or less than 0.05. This shows that the work motivation variable has a significant effect on employee performance, meaning that:

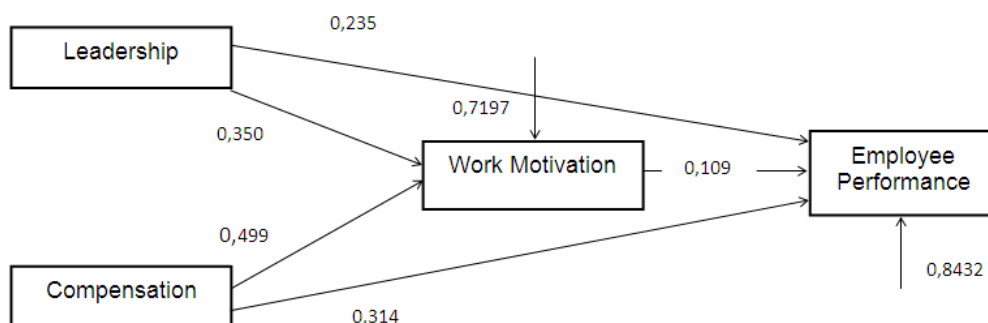
**H5: Work Motivation affects employee performance, is Accepted**

D. Path Analysis

1. Model I Path Coefficient



2. Model II Path Coefficient



3. Analysis of Leadership (X1) effect towards employee performance (Z) through work motivation (Y) Based on the path diagram model I, the direct influence given by the leadership variable (X1) on Employee Performance (Z) is 0.235. While the indirect effect of the leadership variable (X1) on work motivation (Y) is multiplied by the beta value of Y to Z, which is 0.350 x 0.109 = 0.038. Furthermore, it can be seen that the total effect given by X1 to Z by showing direct and indirect effects is: 0.235 + 0.038 = 0.273.

4. Analysis of Compensation (X2) effect towards employee performance (Z) through work motivation (Y) Based on the path diagram model II, the direct effect given by the compensation variable (X2) on Employee Performance (Z) is 0.314. While the indirect effect of X2 on Y is multiplied by the beta value of Y on Z, which is 0.499 x 0.109 = 0.054. Furthermore, it can be seen that the total effect given by X2 to Z by showing direct and indirect effects is: 0.314 + 0.054 = 0.368.

Testing the mediation hypothesis can be done with the Sobel test procedure as follows:

$$\begin{aligned}
 &= \sqrt{(0,109)^2(0,043)^2 + (0,235)^2(0,040)^2 + (0,314)^2(0,51)^2 + (0,047)^2(0,040)^2(0,051)^2} \\
 &= \sqrt{(0,011881)(0,002209) + (0,064009) (0,0016) + (0,098596)(0,002601) + (0,002209) (0,0016)} \\
 &= \sqrt{0,000026245129 + 0,0001024144 + 0,000256448196 + 0,0000000092} \\
 &= \sqrt{0,000385116925} = 0,019624
 \end{aligned}$$

Based on the results of this sp3p3p5, it can be calculated the statistical t value of the mediation effect with the following formula:

a. Leadership

$$t = p3p5 / sp3p4p5 = 0,034 / 0,019624 = 1,733$$

Therefore, the t-count value is 1.733 > t-table 1.652 and the mediation coefficient is 0.034, it can be concluded that leadership (X1) has an effect on Employee Performance (Z) through Work Motivation (Y).



**H6: Leadership has an effect towards employee performance through work motivation as an intervening variable, is Accepted**

b. Compensation

$$t = p3p5 / sp3p4p5 = 0,228 / 0,019624 = 11,618$$

Therefore, the t-count value is  $11.618 > t\text{-table } 1.652$  and the mediation coefficient is 0.228, it can be concluded that compensation (X2) has an effect on employee performance (Z) through work motivation (Y).

**H7: Compensation has an effect towards employee performance through work motivation as an intervening variable, is Accepted**

### 5.3. Discussion

#### 1. Leadership Effect towards Work Motivation

In this study, the leadership variable has a regression coefficient of 0.250 with a positive (+) value, meaning that the leadership variable has a positive influence on work motivation. The leadership variable has a t-count value of 3.847 or greater than the t-table (1.66600) and a significance value of 0.000 or less than 0.05 this indicates that the leadership variable has a significant effect on work motivation.

The results of this study are in accordance with previous researchers by Ilham Mawardi Siwesdi (2012) the influence of leadership style on employee motivation at the West Java Provincial Education Office. The results of this study indicate leadership style on employee work motivation with a coefficient of determination obtained by 42.38%, meaning that leadership style affects employee work motivation at the West Java Provincial Education Office by 42.38% and the remaining 57.62% is influenced by other factors not examined, based on the significant test that has been obtained tcount of 4,538 and ttable of 1,701 because tcount  $>$  ttable ( $4.538 > 1.701$ ) then  $H_0$  is rejected, meaning that there is a significant relationship.

#### 2. Compensation Effect towards Work Motivation

Based on the research conducted, there are results that the compensation variable has a regression coefficient value of 0.654 which is positive (+), meaning that the compensation variable has a positive influence on work motivation. The compensation variable has a t-count value of 5.484 or greater than the t-table (1.66600) and a significance value of 0.000 or less than 0.05, this indicates that the compensation variable has a significant effect on work motivation.

The compensation system applied at the PUPR Office of Mamuju Regency has a positive influence on employee work motivation, but there are still many other factors that can affect the level of employee motivation such as organizational culture, work environment and work stress, it is important for companies to pay attention to some of these aspects so that employee motivation level remains stable and increases.

#### 3. Leadership Effect towards Employee Performance

In the research conducted this time, it was found that the leadership variable has a regression coefficient value of 0.223 which is positive (+), meaning that the leadership variable has a positive influence on employee performance. The leadership variable has a t-count value of 1.966 or greater than the t-table (1.66600) and a significance value of 0.053 or equal to 0.05. This shows that the leadership variable has a significant effect on employee performance.

The results of this study are also supported by the results of research conducted by Nurul Indayati, et al (2012), the results of his research indicate that there is a positive and significant influence of leadership on employee performance.

#### 4. Compensation Effect towards Employee Performance

In this research, which was conducted at the PUPR Office of Mamuju Regency, the results showed that the compensation variable had a regression coefficient value of 0.548 which was positive (+), meaning that the compensation variable had a positive influence on employee performance. The compensation variable has a t-count value of 2.417 or greater than the t-table (1.66600) and a significance value of 0.018 or less than 0.05. This means that compensation has an influence on employee performance, which means that the increase in compensation and is carried out fairly, then it will have an effect and have an impact on improving the performance of the PUPR Office of Mamuju Regency.

This research is in line with the results of research conducted by Dwianto and Purnamasari in 2019 about the significant positive effect of compensation on the performance of employees in the production division of PT. Jaeil Indonesia by showing the value of  $\rho$  is smaller than the value of  $\alpha$  ( $0.000 < 0.05$ ) and the value of t arithmetic  $>$  t table ( $5.146 > 2.04841$ ). Thus,  $H_0$  is rejected and  $H_a$  is accepted, which means that there is a significant influence between compensation (X) on employee performance (Y). This means that compensation can improve employee performance (the higher the compensation, the higher the performance).

### **5. Work Motivation Effect towards Employee Performance**

This study shows that the work motivation variable has a regression coefficient of 0.144 with a positive (+) value, meaning that the work motivation variable has a positive influence on employee performance. The work motivation variable has a t-count value of 1.7160 or greater than the t-table (1.65251) and a significance value of 0.045 or less than 0.05. This shows that the work motivation variable has a significant effect on employee performance.

This research is also in line with Ummul Chair's research in 2020 obtained from the t-count value on the work motivation variable (X) is 6.920 with a significant level of 0.000 because 6.920 t-table 1.667 and 0.000 0.05, it can be stated that the variable work motivation (X) has a significant effect on employee performance at PT. Nirha Jaya Technics. This shows that if the motivation increases, the performance of the employees of PT. Nirha Jaya Technics will improve.

### **6. Leadership Effect towards Employee Performance through Work Motivation**

As an intermediary variable, motivation has a partial indirect effect which is proven to be able to mediate the variables of leadership style and employee performance. These results prove that the fourth hypothesis is accepted and proven. As in this study, it was shown through the test results which showed a t-count value of 1.733 > t-table 1.652 and a mediation coefficient of 0.034, it can be concluded that leadership (X1) has an effect on Employee Performance (Z) through Work Motivation (Y).

These results are in accordance with the research of Dermawan, Susilo, and Aini (2018) which states that work motivation has an indirect influence on leadership style and employee performance, with high motivation, employee performance will be better. This proves that motivation is very influential as a mediator variable.

### **7. Compensation Effect towards Employee Performance through Work Motivation**

This study shows that work motivation can be an intervening on the effect of compensation on employee performance with statistical test results showing a t-count value of 11.618 > t-table 1.652 and a mediation coefficient of 0.228, it can be concluded that compensation (X2) has an effect on employee performance. (Z) through Work Motivation (Y).

This is in line with the theory of Robbins (2007:84) If an employee considers that the compensation given is in accordance with the employee's expectations, it will be able to motivate employees to improve employee performance. This shows that being satisfied with the compensation given in the form of salary, bonus allowances and various adequate facilities will foster high motivation at work, because employees feel valued and supported at work. The existence of high motivation makes employees more focused and attentive to efforts to achieve good work results and according to company expectations so that this fosters better performance of employees.

## **VI. CONCLUSION**

### **7.1. Conclusion**

1. There is an influence of leadership style towards employee work motivation on the Public Works and Spatial Planning Office of Mamuju Regency.
2. There is an influence of compensation towards employee work motivation on the Public Works and Spatial Planning Office of Mamuju Regency.
3. There is an influence of leadership style towards employee performance on the Public Works and Spatial Planning Office of Mamuju Regency.
4. There is an influence of compensation towards employee performance on the Public Works and Spatial Planning Office of Mamuju Regency.
5. There is an influence of work motivation towards employee performance on the the Public Works and Spatial Planning Office of Mamuju Regency.
6. There is an influence of leadership style mediated by work motivation towards employee performance on the Public Works and Spatial Planning Office of Mamuju Regency.
7. There is an influence of compensation mediated by work motivation towards employee performance on the Public Works and Spatial Planning Office of Mamuju Regency.

### **7.2. Suggestion**

Based on the results of research and discussion, it can be suggested to be able to maintain good employee performance at the PUPR Office of Mamuju Regency by increasing leadership effectiveness, increasing satisfaction with compensation, and providing good work motivation continuously.

This research can be carried out in other agencies in the North Mamuju Regency to be able to encourage productive employee performance. And can be a reference that can be used for further researchers.

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