

Influence of Leadership and Communication on Employee Performance in Microfinance Institutions

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Abstract— One approach in an effort to improve employee performance can be done through leadership practices or effective leadership styles. In addition, the communication that occurs must run well. Information must be submitted completely and can be justified. This study aims to empirically examine the effect of leadership style and communication either simultaneously or partially on employee performance. The method of determining the sample using saturated sampling as many as 60 employees. The method of analysis used multiple linear regression analysis. The results showed that simultaneously leadership and communication styles had a positive and significant effect on employee performance, while partially leadership and communication styles had a positive and significant effect on employee performance.

Keywords— Leadership, communication, employee performance.

I. INTRODUCTION

Human resources are an important factor in an organization. Employees are the most valuable resource in the organization. Without a qualified workforce or employees, it is impossible for the organization's goals to be achieved properly. To achieve this goal, an organization must be supported by good quality resources in the form of material, capital and human. Performance is the result or level of success of a person as a whole during a certain period in carrying out the task compared to various possibilities, such as work standards, targets or criteria that have been mutually agreed upon. Employee performance is something that affects how much they do. Performance management is a process designed to link organizational goals with individual goals, so that the two goals meet. Performance can also be an action or execution of a task that has been completed by someone within a certain time and can be measured.

One of the factors that influence employee performance is leadership. Leadership has a very close relationship with motivation, because the success of a leader in moving others to achieve the goals that have been set is very dependent on his authority, and also the leader's ability to create motivation in every employee. Empirical evidence shows that leadership has an influence on employee performance as shown by Febriyandi's research (2016), namely leadership has a positive and significant effect on employee performance.

In addition to leadership, employee performance is also influenced by communication. Communication is the process of delivering statements in the form of ideas, facts, thoughts, feelings, and values of a person to others. Communication involves individuals in a relationship group, organization, and society who respond and create messages to adapt to each

other's environment. Communication within a company organization in particular and generally other organizations, usually occurs in two contexts, namely communication that occurs within the company (internal communication) and communication that occurs outside the company (external communication). In internal communication, either vertically, horizontally, or diagonally, there are often difficulties that cause communication difficulties or in other words there is a miscommunication. This difficulty occurs due to misunderstandings, psychological traits such as selfishness, lack of openness between employees.

Leadership is the most vital factor in carrying out the work of a company. Leaders improve the quality of employee performance by communicating well with their employees. However, the communication process that took place in Indonesia did not run smoothly as set out according to the meeting schedule. This can be felt by employees regarding messages or information that is not clear.

II. LITERATURE REVIEW

Leadership style

Leadership is essentially the ability of individuals to use their power to carry out the process of influencing, motivating, supporting businesses that allow others to be able to contribute to the achievement of organizational goals. Leadership style emphasizes leader behavior. The leadership style mainly focuses on what leaders do and how they act. It states that leaders perform two main types of behavior, namely task behavior and relationship behavior.

Communication

Communication is the process by which information and meaning or meaning is transferred from the sender to the receiver. Communication refers to the process by which information is transmitted and understood between two or more people. The emphasis on words is understood because transmitting the meaning intended by the sender is the essence of good communication. With good communication, problems that occur in the company can be solved. So open management will support the creation of security maintenance, good loyal health of employees

Employee performance

One way that can be used to see the development of the company is by looking at the results of the performance appraisal. The targets that become the object of performance appraisal are the skills, abilities of employees in carrying out a

job or task that are evaluated using certain benchmarks objectively and carried out regularly.

Research Hypothesis

A hypothesis is a provisional assumption or a temporary answer to a problem that is presumptive because it still has to be proven true. Based on the background, theoretical basis, previous research results and framework, the following hypotheses can be built:

- H1: Leadership and communication styles have a positive and significant effect simultaneously on employee performance
- H2 : Leadership style has a positive and partially significant effect on employee performance
- H3 : Communication has a positive and partially significant effect on employee performance

III. RESEARCH METHODS

The data collection method used in this research is a questionnaire, namely by dividing a list of questions to respondents. Respondents were asked to provide information on an experience related to the problems discussed in this study. The questionnaire used is a closed system, meaning that respondents are given alternative answers to choose one of five categories of answers.

IV. RESULTS AND DISCUSSION

Simultaneous Significant Test Results (F-Test Test)

Based on the F-count value obtained is $39.650 > F\text{-Table}$ of 3.17; significance level of $0.000 < 0.05$; shows that F-Calc is in the area of rejection of H_0 , it can be stated that leadership and communication styles have a positive and significant effect simultaneously on employee performance. So, the regression model in this study shows the feasibility of the model (fit).

Partially Significant Test Results (t-test)

The t-count value was $2.512 > t\text{-table}$ 1.674 and the significance level of the leadership style variable (X1) was $0.015 < 0.05$. shows the value of t-count is in the rejection area of H_0 . This means that Hypothesis 1 (H1) in this study is accepted, namely leadership style has a positive and significant effect on employee performance. B, the t-count value is $4.485 >$ from the t-table 1.674 and the significance of the communication variable (X2) is $0.000 < 0.05$. shows the value of t-count is in the rejection area of H_0 . This means that Hypothesis 2 (H2) in this study is accepted, namely communication has a positive and significant effect on employee performance.

Discussion of Hypothesis Test Results

Testing the first hypothesis which reads that leadership and communication styles have a positive and significant simultaneous effect on employee performance, the F-count 39.650 is greater than F-table 3.17, the significance level is 0.000 less than 0.05, and is in the rejection area. H_0 , which means that Hypothesis 1 (H1) proposed in this study is accepted, namely leadership and communication styles have a

positive and significant effect simultaneously on employee performance.

Testing the second hypothesis which reads that leadership style has a positive and partially significant effect on employee performance, the t-86 count value is 2.512 which is greater than t-table 1.674; significance level of 0.000 is less than 0.05; and is in the area of rejection of H_0 , which means that Hypothesis 2 (H2) proposed in this study is accepted, namely leadership style has a positive and partially significant effect on employee performance.

Testing the third hypothesis which reads that communication has a positive and partially significant effect on employee performance, the t-count value of 4.485 is greater than t-table of 1.674; significance level of 0.000 is less than 0.05; and is in the area of rejection of H_0 , which means that Hypothesis 3 (H3) proposed in this study is accepted, namely communication has a positive and partially significant effect on employee performance.

V. CONCLUSION

Based on the results of the analysis and discussion that have been described, it can be concluded as follows:

- a. Leadership and communication styles have a positive and significant effect simultaneously on employee performance
- b. Leadership style has a positive and partially significant effect on employee performance
- c. Communication has a positive and partially significant effect on employee performance

VI. LIMITATIONS AND SUGGESTIONS

This study has limitations, namely the involvement of other variables that can affect employee performance. For further researchers to examine different organizations, as well as the involvement of other variables such as job satisfaction that can affect employee performance.

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