



---

## The Effect of Leadership Style and Compensation on Employee Performance with Organizational Commitment

**Hasna Zulfa Nurfauziah**

hasnazulfanur@gmail.com

Sarjanawiyata Tamansiswa University of Yogyakarta

**Kusuma Chandra Kirana**

kusumack@ustjogja.ac.id

Sarjanawiyata Tamansiswa University of Yogyakarta

**Epsilandri Septyarini**

septyariniepsilandri@gmail.com

Sarjanawiyata Tamansiswa University of Yogyakarta

**Azmah Othman**

g3azmah@um.edu.my

Malay University of Malaysia

---

### Abstract

The purpose of this study was to determine the effect of leadership style and compensation on employee performance through organizational commitment as an intervening variable. This study uses primary data and is quantitative in nature. The population in this study were all employees of *Baitul Maal Wa Tanwil*, Gunungkidul Regency, while the sample used was 100 people. Sampling technique used in this research is sampling technique, random sampling and hairs theory with Structural Equation Modeling analysis method. The analysis used in this research is path analysis, hypothesis testing, multiple linear regression and single test. This study indicate that employee performance is getting better if the influence of leadership style and compensation is better preceded by the creation of a higher organizational commitment that individuals have to their organization. This is because leadership style has a positive effect on commitment, but has no effect on performance. Compensation has no effect on commitment but has a positive effect on performance. While commitment has a positive effect on performance so that it can be a mediator between leadership style and employee performance, not on employees.

**Keywords** : Leadership, Compensation, Commitment, Performance.

DOI: <https://doi.org/10.28918/hikmatuna.v7i1.406>

### Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui pengaruh gaya kepemimpinan dan kompensasi terhadap kinerja karyawan melalui komitmen organisasi sebagai variabel intervening. Penelitian ini menggunakan data primer dan bersifat kuantitatif. Populasi dalam penelitian ini adalah seluruh pegawai *Baitul Maal Wa Tanwil Kabupaten Gunungkidul*, sedangkan sampel yang digunakan adalah 100 orang. Teknik pengambilan sampel yang

*digunakan dalam penelitian ini adalah teknik sampling, random sampling dan hairs theory dengan metode analisis Structural Equation Modelling. Analisis yang digunakan dalam penelitian ini adalah analisis jalur, uji hipotesis, uji regresi linier berganda dan uji tunggal. Penelitian ini menunjukkan kinerja pegawai semakin baik jika pengaruh gaya kepemimpinan dan kompensasi semakin baik didahului dengan terciptanya komitmen organisasi yang lebih tinggi yang dimiliki individu terhadap organisasinya. Hal tersebut dikarenakan Gaya kepemimpinan berpengaruh positif terhadap komitmen, namun tidak berpengaruh terhadap kinerja. Kompensasi tidak berpengaruh terhadap Komitmen namun berpengaruh positif terhadap kinerja. Sedangkan komitmen berpengaruh positif terhadap kinerja sehingga dapat jadi mediator antara gaya kepemimpinan dan kinerja pegawai, bukan pada karyawan.*

**Kata kunci :** Kepemimpinan, Kompensasi, Komitmen, Kinerja.

## **A. INTRODUCTION**

Baitul Maal Wa Tanwil (BMT) is a model of simple Islamic financial institutions that are currently popping up in Indonesia in particular, up to thousands of BMTs. According to data on Cooperatives and UKM in Gunungkidul Regency in Gunungkidul Regency itself, there are 19 BMT. According to Jayaningrum et al. (Jayaningrum et al., 2020, p. 21) *Baitul Maal wa Tanwil (BMT) was known in Indonesia in the 1990s, BMT was originally a business unit of the Sharia Rural Bank (BPRS). The growth of BMT is a microeconomic pattern, and is starting to play an important role in strengthening the grassroots economy in Indonesia.* The simple and closed operation in the community made BMT easy to be developed and accepted by the community.

According to Irham Zaki et al (2019, p. 276) human resources are one of the crucial factors that cannot be separated and have a major influence on the progress of the company. Another opinion that HR development is an important element that aims to increase productive capacity and good human resource management as well as streamline sources of success in competition so that the organization has competitive strength (Jayaningrum et al., 2020, p. 18). In fact, it must be admitted that there are many factors that need to be considered to maximize employee performance. At least, that's the result of some existing research.

Leadership style is a very valuable factor for companies because in fact a leader can influence morale, a good work lifestyle and especially the level of success of an organization. Followed by leadership styles that are important in management, functions that can influence employees in working to achieve organizational goals (Setiawan & Mujiati, 2017, p. 7975). This is because leadership style is an important factor in the company because it can affect employee performance, employee commitment to a company and affect the compensation that will be received by employees.

Wrok compensation consists of all possible payment styles given to employees and arising from their work relationship (Meldi & Heryanto, 2019, p. 137). Employees use their skills, working time and commitment, not only to prove or devote themselves to the organization, but also expect rewards or rewards for their work performance and productivity. So, compensation is all forms of compensation received by employees for the work of employees in the organization. Organizational commitment is a condition where an employee sided with a particular organization and its goals, and intends to in maintain membership the organization (Rajagukguk, 2016, pp. 24–25).

Organizational commitment is a requirement for employees to have a high interest in the goals, values and goals of the organization. Organizational commitment is not only a formal membership, but also because it includes an attitude of liking the organization

and a willingness to do business. Performance is the effort made by a person in carrying out the tasks assigned to him based on expertise, experience and sincerity and time (Rajagukguk, 2016, pp. 25–27). Performance is organizational behavior that is directly related to the provision of good service. Performance is often seen as the achievement of a task, where the completion of the task itself comes from thinking about the activities required by workers.

It can be concluded that the existence of human resources who dare to see and carry out the transformation and management of human resources can guarantee and guide human resources so that the organization is competitive and can maximize performance. While commitment is a requirement for an employee to take sides with an organization and have the will to improve its performance for the benefit of the organization in achieving company goals. The overall performance of workers is the final result achieved by workers in their work in accordance with the criteria applicable in the organization for certain positions.

A more appropriate compensation is given, the satisfaction will increase, and if the satisfaction increases, it will affect the employee's performance. In connection with the above explanation regarding the research that has been conducted regarding compensation for employee performance, this research was conducted to re-examine the factors that affect employee performance by adopting the previous variable, namely compensation. With this comparison, the researchers conducted a similar study with the research object, namely BMT in Gunungkidul Regency.

Research Gap	Results	Researchers
To difference with the effects of compensation to the commitment	Significant positive	Martini et al
	Not significantly positive	Syukri & Heriyanto
There are differences in the results of research on the impact of leadership style on employee performance	Significant positive	Arini Yulianita
	Not significantly positive	Wibowo

**Tabel 1**

Research Summary (Martini et al., 2018; Syukri & Heryanto, 2019; Wibowo, 2015; Yulianita, 2017)

Based on the table 1 That the results of the research on the effect of leadership style and compensation on employee performance with organizational commitment as intervening variables give different results. Therefore, further research is needed in the hope of explaining the causal relationship between compensation and commitment and explaining the causal relationship between leadership style and employee performance. Based on the description above, the researcher wants to know whether there is an influence of leadership style, compensation, commitment as described in the title "The Effect of Leadership Style and Compensation on Employee Performance through organizational commitment as an intervening variable (Learn From Baitul Maal Wa Tanwil in Gunungkidul Regency).

## B. DISCUSSION

### 1. Research methodology

The type of research is quantitative research, which uses intermediate variable to test the influence of independent variables on dependent variables and the influence of independent variables on dependent variables. Research population is the employees of is the employees of The Effect of Leadership...(Hasna Z.N, dkk)

Baitul Maal Wa Tanwil in Gunungkidul Regency. From this population, a sample of 100 people was taken using the Hair formula with SEM analysis method. The sampling technique used in this research is the sampling technique and simple random sampling. Based on the main problem and the proposed hypothesis, the independent variables in this study are Leadership Style as ( $X_1$ ), and Compensation as ( $X_2$ ), the dependent variable in this study is employee performance ( $Y$ ) and the intervening variable is organizational commitment as ( $Z$ ).

The following describes the operational definitions of the variables, leadership style is defined as a general pattern of leader behavior, which is both visible and invisible to the core. Therefore, the leadership style can maximize productivity, job satisfaction, growth and easily adapt to the situation. Compensation is defined as compensation for payment of money or goods, directly or indirectly provided by the company to employees as proof of remuneration for work they have completed for the company. Performance is the end result of work. In order to achieve organizational goal, an individual or organization of human beings in an organization can achieve goal organization can achieve goal based on their respective powers, responsibilities and responsibilities, without violating the law, and complying with morals or ethics (Yulianita, 2017, p. 42). Organizational commitment is defined as an attitude reflects employee attention to operations and success and sustainable progress.

Data analysis technique in quantitative research uses the path analysis model. Analysis is used to determine whether or not the independent variable has an indirect influence on the dependent variable through the intermediate variable (Ghozali, 2011, p. 67). The steps take in path analysis determine the path coefficients by deriving two structural equations from the regression equation, which show hypothetical relationships between variabel. The  $t$  statistical take a look at essentially suggests the diploma of affect of an independent variable in explaining the change of the dependent variabel. It can be concluded that the test aims to test the authenticity of the hypothesis established using the test standard. If the probability value of significance is 0,05%, then  $t > t$  table and the reject  $H_0$  and accept  $H_1$ , the determine the test standard with a significance level of 0,05 as follow. If the significance probability values is 0,05, then  $t \text{ count} < t$  table, the  $H_0$  cannot be rejected. In this study, there is an intermediate variable, namely organizational commitment. To test the mediation hypothesis a program developed by sobel can be used, which was later called the sobel test. The sobel test is used to test whether the intervening variables generated in the path analysis are significant or not. The sobel test approach uses the error of the indirect effect coefficient (Ghozali, 2011: 22).

## 2. Validity and Reliability test

The validity of research data can be obtained by using valid instruments, using appropriate and sufficient data sources, as well as the correct data collection and analysis methods.(Sugiyono, 2012, p. 172). Validity means the extent to which the test can measure accurately and can be justified for its correctness. The obtained calculation result is compared with the critical number of the correlation table with significance level of 5 %. If the calculation result of the correlation is  $> 5\%$  of value of  $r$  in the critical number, the sentence is considered valid. However, if  $r \text{ count} < r$  table there is no significant correlation with the total score, and it is declared invalid.

Reliability test is a measuring tool for an indicator and construct questionnaire. Reliability testing aims to test data consistency. If someone is stable over time with the questions started in the questionnaire, the questionnaire is considered reliable or reliable. The Cronbach Alpha test ( $\alpha$ ) is used to implement the test standart. If the Cronbach Alpa value ( $\alpha$ ) of variable is  $> 0,70$ , then the variable is considered realistic. It can be concluded that reliability testing is a tool for

measuring questionnaires, if the respondent's responses to the statement can be consistent over time, then the questionnaire can be said to be good (Ghozali, 2011, p. 28).

### 3. Research Result

Based on the hajj validity test with a sample size of 100 respondents, it can be seen that all statements regarding Leadership Style, Compensation, Organizational Commitment and Employee Performance submitted to BMT employee respondents in Gunungkidul Regency are valid because  $r_{count} > r_{table}$  can draw conclusions. It can be said that the statements in the questionnaire are feasible as a tool for measuring research data.

Variable	Cronbach's Alpa	Information
Leadership Style	0.921	Reliable
Compensation	0.925	Reliable
Organizational Commitment	0.902	Reliable
Employee Performance	0.845	Reliable

**Table 2**

Research on project variables of realibility test result

According to the reliability test result in table 1 of 100 respondents, it can be seen that the Cronbach's Alpha value of is 0,921, the salary in 0,925, the organizational commitment is 0,902, and the employee performance is 0,845. Therefore, it can be concluded that all statements the variable declaration in is reliable because it has met the required values,i.e. Cronbach Alpa  $> 0,70$ .

		Unstandardized Residual	
N		100	
Normal Parameters <sup>a,b</sup>	Mean	,0000000	
	Std. Deviation	1,75045947	
Most Extreme Differences	Absolute	,097	
	Positive	,073	
	Negative	-,097	
Test Statistic		,097	
Asymp. Sig. (2-tailed)		,022 <sup>c</sup>	
Monte Carlo Sig. (2-tailed)	Sig.	,320 <sup>d</sup>	
	95% Confidence Interval	Lower Bound	,229
		Upper Bound	,411

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Based on 100 sampled tables with starting seed 2000000.

Source : Data processed by author in 2021

According to Table 2 above, it can be seen that since the Monte Carlo Sig (2-tail) value is  $> 0.05$ , the data is normally distributed.

**Table 3**

The end result of a sample komlogorov- smirnov Normality test One-Sample Kolmogorov-Smirnov Test

The results show that the VIF value of each variable is less than 10 and a tolerance value less than 0.1, so it can be concluded that there is no multicollinearity in this model. The results showed that there was no heteroscedasticity on the grounds that the sig value was  $> 0.05$  so there was no heteroscedasticity. This test analyzes and determine the level of significance and which variables have a significant impact on employee performance. In this way, we can see the relationship between X1, and Y, X2 and Y.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	,457	1,507		,957	,004
LEADERSHIP	045	,033	,163	,380	,171
COMPENSATION	204	,052	,440	,947	,000
COMMITMENT	088	,031	,255	,855	,005

1. The constant is 4.457: if the variables of leadership style, compensation, commitment are assumed to have no effect, the employee's performance is 4.457.
2. The regression coefficient value of the leadership style variable in the regression equation is shown as a positive value of 0,045, which mean that if the leadership style variable is 1, the employee performance will increase by 0,045
3. The regression coefficient value of the compensation variable (x) in the regression equation is show as a positive value of 0,204 , which mean that if the compensation variabel is 1, the employee's performance will increase by 0,204.
4. The regression coefficient value of the commitment variable (x) in the regression equation show a positive value of 0.088, which meant that if the commitment variable is 1, the employee performance will increase by 0.088.

**Table 4**

The End Result of Multiple Liniear Regression Test Coefficients<sup>a</sup>

The following will use the SPSS computer program of windows version 24 to illustrate some of the variable testing and statistical calculations in the t test used in this study. In addition, the t test result are described in the table below.

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	td. Error	Beta		
(Constant)	,457	,507		,957	004
LEADERSHIP	045	033	,163	,380	171
COMPENSATION	204	052	,440	,947	000
COMMITMEN	088	031	,255	,855	005

Dependent Variable: EMPLOYEE\_PERFORMANCE With the sig value criteria.  $< 0.05$ , so that:

- |  |
|--|
| <p>a. Leadership style has no impact on employee performance, because <math>0,272 &gt; 0,05</math></p> <p>b. Compensation has no impact on employee performance because <math>0.000 &lt; 0.05</math></p> <p>c. commitmen has no impact on employee performance, because <math>0,005 &lt; 0,05</math></p> |
|--|

**Table 5**  
Result of Partial test

To analyze and determine the level of significance and which variables have a strong influence on commitment. With this method, we can see the relationship between X1 and I, X2 and I

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	T	ig.
	B	Std. Error	Beta		
(Constant)	-1,157	4,948		,234	816
Leadership	,395	,100	,492	,947	000
Compensation	,300	,167	,225	,803	075

1. The constant is 1.157 if the leadership style and compensation variables are assumed to be fixed, and the employee's performance is 1.157

2. The regression coefficient value of the leadership style variable (x) in the regression equation shows a positive value of 0.395, which means that if the leadership style variable is 1, the employee's performance will increase by 0.395.

3. The regression coefficient value of the compensation variabel in the regression equation is shown as a positive value of 0,300, which mean that if the compensation variabel is 1, the employee's performance will increase by 0,300.

**Table 6**  
The End Results of Multiple Linear Regression

The following will use the SPSS computer program of windows version 24 to illustrate some of the variable testing and statistical calculations in the t test used in this study. In addition, the test result are describe in the table below.

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	T	ig.
	B	Std. Error	Beta		
(Constant)	-1,157	4,948		,234	816
LEADERSHIP	,395	,100	,492	,947	000
COMPENSATION	,300	,167	,225	,803	075

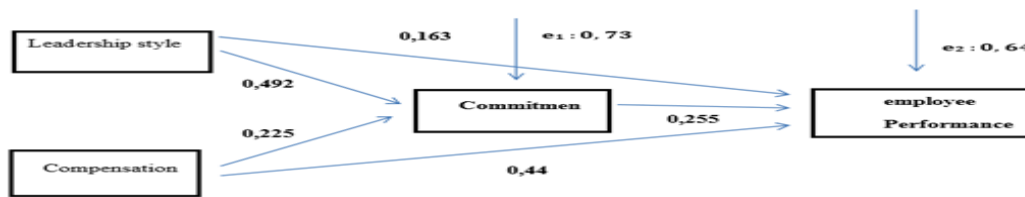
With the sig value criteria.  $< 0.05$ , so that:

a) Leadership style affects commitment because  $0.000 < 0.05$

b) Compensation has no effect on commitment because  $0.075 > 0.05$

**Table 7**  
The End Result for Partial test

Path analysis is carried out to determine the path coefficient by creating two structural equations from the regression equation that show the hypothesized relationship between variables



**Figure 1:** The End Result for Partial test

**Direct Effect**

- a) The impact of leadership style variables on employee performance = 0.163
- b) Effect of variable compensation on employee performance = 0.44
- c) Effect of commitment on employee performance = 0.255

**Indirect influence**

- a) Through commitment, the impact of leadership style on employee performance (=  $0.492 \times 0.255 = 0.12546$ )
- b) The impact of compensation on employee performance through promise (=  $0.225 \times 0.255 = 0.0574$ )

**Total effect**

- a) Through commitment, the impact of leadership style on employee performance (=  $0.163 + 0.12546 = 0.289$ )
- b) The impact of compensation on employee performance through promise (=  $0.44 + 0.0574 = 0.4974$ )

Based on the above equation, it can be explained that if the leadership style increases by 1 unit, the commitment will increase by 0,492. In addition, if the compensation increases by 1 unit, the commitment amount will increase by 0,225. The leadership style and salary variable can explain the commitment variable as 0,27 or 27%, and the remaining 73% is explained by variables other than the research. According to the above equation, it can be explained that for every additional unit of leadership style, the company’s performance will increase by 0,163. In addition, if the compensation is increased by 1 unit, the company’s performance will increase by 0,255. Leadership style, compensation, commitment variable can explain 0,36 or 36% of employee performance variable, while the remaining 64% can be explained by variables other than research

Sobel test is used to test whether the influence of the obtained intermediated variabel on the path analysis is significant or not

Input:	Test statistic:	Std. Error:	p-value:
a 0.395	Sobel test: 2.30517347	0.01507913	0.02115686
b 0.088	Aroian test: 2.25795215	0.01539448	0.02394864
s <sub>a</sub> 0.1	Goodman test: 2.35548703	0.01475703	0.01849844
s <sub>b</sub> 0.031	Reset all	Calculate	

**Figure 2:** Leadership style through commitmen to employee’s performance



According to the P value of a single test, it can be concluded that commitment can mediate the relationship between leadership style and employee performance with value of  $0,021 < 0,05$

Input:		Test statistic:	Std. Error:	p-value:
a	0.3	Sobel test: 1.51798758	0.01739145	0.12901753
b	0.088	Aroian test: 1.45489607	0.01814563	0.14569804
s <sub>a</sub>	0.167	Goodman test: 1.59006982	0.01660304	0.11181907
s <sub>b</sub>	0.031	Reset all	Calculate	

**Figure 3:** Compensation for employee’s performance through commitment

According to the P value of the sobel test, it can be concluded that commitmen will not mediate the relationship between compensation and employee, with a value of  $0,12 > 0,05$ .

#### 4. Explanatory

Leadership style is one of the important factors of company. In fact, leaders can influence morale, quality of work and life, and especially the level of achievement of the company. Leadership is the process of interaction between leaders and workers to achieve management goal. It can be seen from the test result that leadership affect commitment. It is shown by (table 7 T test) sig value of  $0.00 < 0.05$  and the t value of  $3.947 > 1.98472$ . Several things that underlie the research conducted by the author give results where leadership style affects organizational commitment: leaders have tolerance towards employees, leaders communicated two-way with employees, leaders provide encouragement to employees, leaders give prior direction and leaders give opportunities to employees. It can be concluded from this study that leadership style affects the organizational commitment of employees. Having a leader who cares for his employees will increase a sense of commitment in an employee.

Compensation can be interpreted as remuneration received by employees as a result of work or dedication to the company. Compensation is part of what is received by workers in exchange for their contribution to the company (Wibowo, 2015, p. 290). In compensation, there is an incentive system that links compensation to performance. From the effects of the tests conducted, it can be seen that compensation has no effect on commitment. Its is shown by (table 7) the sig value of  $0.075 > 0.05$  and the t value of  $1.803 < 1.98472$ . Several things that underlie the research conducted by the author provide that compensation results do not affect commitment: compensation has been given to employees in accordance with regulations and existing policies, cannot affect organizational commitment.

It can be concluded that on the grounds that ordinary employees do not question the fairness of compensation, compensation has no effect no organizational commitment, they receive on the grounds that each has been given an explanation related to what the company will provide when they work, so having commitment or not in the organization for employees is not compensation received. Leadership includes the process of influencing the determination of organizational goals, motivating behavior to achieve organizational goals, motivating follower behavior to achieve goal, and influencing the process of improving cultural groups. At the same time, performance refers to the results of performance achieved by a person in the organization according to their respective authority, responsibilities and responsibilities in terms of quality and quantity to achieve organizational goal.

The analysis result of this study prove that leadership style has no effect no performance. It can be seen from the test results that the leadership style has no effect no performance. Pass (t test in table 4) sig value  $0,17 > 0,05$  t count value  $1,380 < 1,9849$ . It can be concluded that leadership style has no effect on employee performance, because there are other factors that affect employee performance, such as employee motivation, organization culture, and working envorment, which are variable outside the research. Compensation is one of the main reasons

and motivations why employees work. Compensation can affect employee performance. Hasbiuan (2012) stated that he support this view, that compensation is all income that employees receive in the form of money, direct and indirect goods, and these income are expenses that the company must bear in order to be paid in the form of employee achievement. According to Torang (2013, p.74) performance is the result of work done by individuals or groups, such as work standars, within a certain period of time based on specifications, standard operating procedures, standars, and goals that have been determined or applied to the company's functions.

It is emphasized by the explanation from Hendro (2018; 1) disclosing the explanation from Hamid that additional salary and bonuses in accordance with contributions can be a strong motivator for improving performance. This is shows that the appropriate compensation motivates employee's to carry out activities in order to obtain the best results for the company through their performance. Compensation affects employee's performance in achieving company goal. Therefore, it is albe to concluded that compensation can enchance employee performance. The analysis result of this study prove that compensation has an impact on performance. It can be seen from the test result that the leadership style has no effect on performance. This is proven by (table 4. T test) the sig value of  $0.000 < 0.05$  and the t count value of  $3.947 > 1.9849$ . Several things that underlie the research conducted by the author provide the results of compensation that affect performance, namely the company provides training and development to employees, the company provides incentives in accordance with employees' expectations and bonuses and benefits apart from that in terms of non-financial compensation, the company pays attention to and ensures the health of employees. It can be concluded that the company's efforts to provide allowances, incentives and bonuses to employees will have an impact on employee's performance. If a company focuses on financial compensation and non financial compensation, it can improve employee's performance.

Stephen P Robbins and the judge define commitment as a situation in which individuals will support the organization to achieve its goals and wish to maintain membership in the organization. Employees with higher organizational commitments have different attitudes from employees with lower commitments. A high degree of organizational commitment leads to high performance. A high degree of commitment makes individuals care about the fate of the organization and strive to make the organization a better direction. Pointed out that performance is an organizational behavior directly related to production or service provision.

Performance is usually considered to be the achievement of tasks and goal in an organization. However, with the support of individual who care about other in the organization, it will give the organization a better direction. High commitment can avoid the possibility of performance degradation. Organizational commitment plays an important role in improving employee's performance. Organizational commitment has a positive impact on employee's performance The analytical result of this study prove that commitmens have an impact on performance. From the results of the tests carried out, it can be seen that commitment has an effect on performance. This is shown by (table 4 T test) the sig value of  $0.000 < 0.05$  and the t value of  $3.947 > 1.9849$ . It can be concluded that commitment will have an impact on employee's performance based on their perspectives, such as emotional commitments, such as whether employees are loyal, happy or not working in the company, and what the company means in the company.

Leadership style is the behavior or approach that leaders choose and use when influencing the thoughts, feelings, attitudes, and behaviors of individuals of the organization (Nuraeni S et al., 2019, p. 33). Leaders have several criteria depending on the point of view or approach they use, their personality, skills, talents, attitudes, or authority which will later affect the leadership style that will be applied. Employee's performance is the employee's contribution to the company, including quantity output, quality output, time period, employees attendance and a cooperative attitude (Nurcahyani & Adnyani, 2016, p. 529). Meanwhile, according to Stephen P Robbins and Judge, explains that organizational commitment is defined as a situation in which every aspect of the organization and the purpose and goal of the desire to maintain organizational membership (Sapitri & Suryalena ", 2016, p. 29).

According to the p value of the sobel test, it is able to be concluded that commitment can mediate the relationship between leadership style and employee performance, with a value of  $0,021 < 0,05$ . It can be concluded that commitment can mediate the relationship between leadership and employee performance, based on the establishment of employee organizational commitment to improve employee performance. Compensation is defined as all forms of compensation or reward that flow to employee and are due to their performance (Nurcahyani & Adnyani, 2016, p. 530). Compensation is necessary to maintain a decent standard of living for employee, but it can also provide a practical measure of the company's personal value.

It is supported by Mangkunegara in Ni Made Nurcahyani's research that compensation given to employees also greatly affects job satisfaction and motivation, as well as employee performance. According to the p value of the sobel test, it can be concluded that the promise will not mediate the relationship between compensation and employee performance with a value of  $0,12 > 0,05$ . It can be concluded that efforts to improve company performance take various ways, such as providing adequate compensation, providing motivation, and fostering the commitment of an employee in a company. It is hoped that the existence of proper compensation can foster the commitment of an employee in the company this cloud have an impact on employee performance

### C. Conclusion

Based on the results of data analysis that has been carried out in this study, several conclusions can be drawn that employee performance is getting better if the influence of leadership style and compensation is getting better preceded by the creation of higher organizational commitment that individuals have to their organization. This is because leadership style has a positive effect on commitment, but has no effect on performance. Compensation has no effect on commitment but has a positive effect on performance. While commitment has a positive effect on performance so that it can be a mediator between leadership style and employee performance, not on employees.

### REFERENCES

- Ghozali, I. (2011). *Aplikasi Analisis Multivariate Dengan Program SPSS*. Badan Penerbit Universitas Diponegoro.
- Jayaningrum, S. K., Kirana, K. C., & Wiyono, G. (2020). ANALISIS KOMPETENSI DAN KOMPENSASI TERHADAP KINERJA KARYAWAN BERBASIS LINGKUNGAN KERJA NON FISIK. *Jurnal Bingkai Ekonomi*, 5(2), 16–26.
- Martini, I. A. O., Rahyuda, I. K., Sintaasih, D. K., & Piartrini, P. S. (2018). The Influence of Competency on Employee Performance through Organizational Commitment Dimension. *IOSR Journal of Business and Management (IOSR-JBM)*, 20(2), 29–37.
- Meldi, M., & Heryanto, H. (2019). THE INFLUENCE OF QUALITY OF HUMAN RESOURCES AND COMMUNICATION ON THE PERFORMANCE OF CIVIL SERVANTS IN THE REGIONAL SECRETARIAT OF DHARMASRAYA REGENCY WITH ORGANIZATIONAL COMMITMENT AS INTERVENING VARIABLES. *Archives of Business Research*, 7(7), 132–141. <https://doi.org/10.14738/abr.77.6647>
- Nuraeni S, Mattalatta, M., & Syukur, A. (2019). PENGARUH GAYA KEPEMIMPINAN DAN KOMPENSASI TERHADAP KINERJA PEGAWAI MELALUI MOTIVASI KERJA DI KECAMATAN BANTAENG KABUPATEN BANTAENG. *YUME: Journal of Management*, 2(1), Article 1. <https://doi.org/10.2568/yum.v2i1.367>
- Nurcahyani, N. M., & Adnyani, I. G. A. D. (2016). PENGARUH KOMPENSASI DAN MOTIVASI TERHADAP KINERJA KARYAWAN DENGAN KEPUASAN KERJA SEBAGAI VARIABEL INTERVENING. *E-Jurnal Manajemen*, 5(1), 500–532.

- Rajagukguk, P. (2016). Pengaruh Motivasi dan Komitmen Organisasi Terhadap Kinerja Pegawai (Study pada PT Challenger Tangerang). *Ecodemica*, 4(1), 24–31. <https://doi.org/10.31294/jeco.v4i1.283>
- Sapitri, R., & Suryalena ". (2016). PENGARUH KOMITMEN ORGANISASI TERHADAP KINERJA KARYAWAN PERUSAHAAN LISTRIK NEGARA AREA PEKANBARU. *Jurnal Online Mahasiswa (JOM) Bidang Ilmu Sosial Dan Ilmu Politik*, 3(2), 1–9.
- Setiawan, K. A., & Mujiati, N. W. (2017). PENGARUH GAYA KEPEMIMPINAN DAN KOMPENSASI TERHADAP KINERJA KARYAWAN PT. ASTRA HONDA NUSA DUA KABUPATEN BADUNG. *E-Jurnal Manajemen*, 5(12). <https://ojs.unud.ac.id/index.php/Manajemen/article/view/25778>
- Sugiyono. (2012). *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D*. Alfabeta.
- Syukri, M., & Heryanto, H. (2019). THE INFLUENCE OF LEADERSHIP STYLE, AND ORGANIZATIONAL COMMITMENT, ON EMPLOYEE DISCIPLINE AND ALSO ITS IMPACT ON EMPLOYEE PERFORMANCE OF THE DHARMASRAYA DISTRICT COMMUNITY AND VILLAGE EMPOWERMENT OFFICE. *Archives of Business Research*, 7(7), 102–111. <https://doi.org/10.14738/abr.77.6641>
- Wibowo. (2015). *Manajemen Kinerja* (5th ed.). Rajawali Pers.
- Yulianita, A. (2017). *PENGARUH GAYA KEPEMIMPINAN DAN MOTIVASI TERHADAP KINERJA KARYAWAN CV. CIPTA NUSA SIDOARJO* [Skripsi]. UMS.
- Zaki, I., Mawardi, I., Widiastuti, T., Hendratmi, A., & Anova, D. F. (2019). BUSINESS NETWORK STRATEGY IN ISLAMIC MICRO FINANCE INSTITUTION OF ISLAMIC BOARDING SCHOOL. *Humanities & Social Sciences Reviews*, 7(4), 276–279. <https://doi.org/10.18510/hssr.2019.7435>