

DETERMINANTS OF EMPLOYEE PERFORMANCE IN BANKING EMPLOYEES IN BATAM CITY

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ABSTRACT

The purpose of this study was to determine and analyze the effect of work stress, leadership style, and motivation on employee performance. Based on observations, the results show that there are still employees who lack enthusiasm at work, work is sometimes sluggish, and do not respond well to the public when serving customers, it is suspected that this problem is due to a lack of employee motivation at work. The method used for sampling is the purposive sampling technique. The respondents used in this study were 100 employees who worked at state-owned banks in Batam. The results of this study indicate that the stress variable sometimes has no significant effect on employee performance. The leadership style variable partially has a significant effect on employee performance and the work discipline variable partially has a significant effect on employee performance. The variable ratio of work discipline, work stress, and leadership style is 66.5%, and the remaining 33.5 is influenced by other factors such as organizational culture, communication, etc. Based on the results of the F test, it can be interpreted that the variables of work discipline, work stress, and leadership style simultaneously have a significant effect on employee performance.

Keywords: *Work Stress; Leadership Style; Work Discipline; Employee Performance*

INTRODUCTION

Banking is a financial institution that deals with services that provide services and believes that customers will keep their money in the bank. Banks owned by the private sector make competition in the banking sector tight. Good performance of banking employees is very important because the banking sector is an important part in a country's economy. As a financial institution, banks have a very vital role in collecting funds from the public and channeling them to productive sectors in the form of credit. Therefore, good performance of banking employees is needed so that banks can carry out their functions effectively and efficiently.

In the era of globalization, every organization must implement the dynamics of change. Therefore, every organization must be competitive. One of the strategies is good and competitive staffing. Human resources are a company's most valuable, unique, pure and unpredictable asset. To achieve its goals, organizations need people like system administrators. Human resources are also key in managing an organization. They are the driving force of the organization to achieve and implement the goals and objectives that have been set. Therefore, organizational productivity is largely

determined by the productivity of the human resources concerned (Dwita et al., 2023).

Good employee performance is one of the company's success factors. In order for employees to work well, companies need to train, improve communication and strengthen work discipline. Training can improve employee skills and knowledge, while effective communication can increase employee engagement and motivation (Nasution et al., 2020). On the other hand, work discipline can ensure that employees work according to established rules and standards. Poor employee performance is sometimes observed in the company. If this ultimately applies to the company, for example many customer complaints or for example the company's profits decreased because many orders did not arrive on time. This is obviously detrimental to the company and cannot go on like this. Therefore, it is necessary to take some important steps to avoid the risk of poor employee performance.

PT Garuda Indonesia (Persero) Tbk The union threatened to strike if the management and shareholders did not comply. Behind that, there are concerns about the company's internal condition which is seen as a future threat to the company's obligations. This is due to three main factors, namely Garuda Indonesia's increasingly poor

financial condition, the company's poor working relationship with employees, and consumer complaints related to repeated flight cancellations or delays. Therefore, it must replace the management with aviation professionals from within the company because they better understand the problems in the company. (Isna Rifka Sri Rahayu, 2018)

Efforts to improve employee performance, for example by managing work stress. Stress is a condition in which a person experiences tension due to circumstances that affect him. The condition can be obtained from inside or outside the person or from outside the person. Stress can also reduce the performance of an employee, such as the accumulation of tasks assigned by the company (Prentice et al., 2023). It is therefore important for banking companies to manage employee stress well and provide necessary support such as training programs on stress management, adequate leave and a supportive work environment. This will help employees cope with stress and improve employee performance.

Leadership style also has an effect on the performance of bank employees. The right leadership style can help employees stay motivated and driven to work to their full potential while a poor leadership style can reduce employee morale and performance. Good leadership helps motivate employees to achieve the goals and targets set by the company. Employees who feel motivated tend to work harder and be more productive (Riyadi, 2015; Yanti Purba et al., n.d.). A good leadership style can help foster a positive work culture in the company. A positive work culture can enhance and foster collaboration and creativity (Latief et al., 2023). Therefore, it is important for managers in banking companies to develop a good and effective leadership style that includes communicating vision, providing direction and support, promoting a positive work culture and motivating employees to achieve company goals. This can help improve employee performance and overall company productivity.

The problem of increasing employee motivation is how the attitude and style of company leaders in encouraging good work motivation in employees. When motivation or morale decreases, it causes losses to the organization. Therefore, the management of the organization must immediately look for and investigate the reasons that reduce the motivation of employees. The results of observations show that there are still employees who lack enthusiasm at work, sometimes their work is slow and does not respond well to customers, this shows that the

problem can occur due to the lack of motivation that employees have at state-owned banks in Batam City. In addition, related to the behavior of employees at state-owned banks in Batam City, sometimes there is a change in the attitude of these employees starting from the lack of mutual assistance between employees, sometimes blaming each other when work problems arise. There are also employees who always complain about trivial things that happen in the office, seeing this problem as a bad attitude.

The results of the study (Liu et al., 2023) examined the impact of the Covid 19 pandemic on employee performance, this finding draws from event system theory stating that employee job performance decreased during Covid 19 but gradually increased during the postponed period. The findings enrich researchers' understanding of the impact of Covid 19 on employees across jobs, highlight the role of status in moderating such changes over time and also provide practical implications for understanding employee performance when faced with crises.

THEORETICAL FOUNDATION

According to Fiedler's contingency theory in Sujak (1990), successful leadership depends on the application of leadership styles. The application of leadership styles to situations in self-adjustment can be through the following processes: 1) understanding leadership styles, 2) diagnosing situations, and 3) applying leadership styles in relation to the needs of the situation.

Work Stress

Work stress is a condition in which an employee experiences high pressure or tension due to excessive demands or workload. Excessive workload can include high productivity demands due to multitasking demands or demands and a work environment that is not conducive such as conflicts with colleagues or superiors (Statistician et al., 2022). Work stress can have a negative impact on employees' mental and physical health, as well as poor work performance. Some symptoms that often appear in employees who experience work stress include irritability, fatigue, lack of concentration and sleep problems. Therefore, it is important for companies to identify and manage employee work stress so that they can work optimally and productively and stay physically and mentally healthy.

Leadership Style

Leadership style is the way or style chosen by a leader in leading and managing a team or

organization. Authoritarian leadership is a leader who uses force, quick decisions and leads without giving much wiggle room to his subordinates. Leaders who facilitate the participation of their subordinates in decision-making and give confidence to their subordinates to lead are called democratic leadership (Prentice et al., 2023)

Work Discipline

Work discipline is an attitude or behavior that shows a strong and consistent commitment in performing job duties correctly, conscientiously and responsibly. According to Koontz and O'Donnell, work discipline is a person's willingness to follow established rules and procedures to achieve a defined goal (Latief et al., 2023)

Employee performance

Employee performance refers to how well an employee can complete the job tasks assigned to him. Employee performance can be measured based on the results of work produced and the quality of the work. Employee performance appraisals can be done periodically, usually every year or every few months (Dwita et al., 2023). Employee performance can be affected by several factors such as employee abilities and skills, motivation, work environment and support provided by management and colleagues.

RESEARCH METHODS

The population in this study is all employees of state-owned banks in Batam City because bank employees have excessive work. Purposive sampling methods are suitable for use when research is specific and researchers want to gain deep insight into a particular group or individual. In this situation, the researcher can select samples that fit the relevant criteria to achieve the research objectives. The sample in this study was 100 respondents. The SPSS version 25 program was used to process and analyze this research data. The data analysis techniques used are data quality tests, namely validity and reliability tests, classical assumption tests, multiple linear regression analysis and hypothesis testing through t tests and f tests and coefficients of determination (R square).

Results and Discussion

Classical Assumption Test

1. Normality Test

Normality test in research using kolmogrov-smirnov, if the significance value obtained > 0.05 then the data can be declared to have been distributed normally. If the significance value

produced by the researcher < 0.05 , then the data can be declared not normally distributed. Based on the results of the *Kolmogorov-Smirnov One-Sample Test* obtained sign results (Asymp.sig. 2-tailed) worth $0.704 > 0.05$, it can be concluded that the data in this study are normally distributed.

2. Influence Test

Determination Test

Determination Test A statistical technique used to measure how well an independent variable can explain variations or changes in the dependent variable. The higher the Adjusted R Square value, the better the linear regression model is at explaining the relationship between the independent variable and the dependent variable.

Percentage measurement to see the impact given by the independent variable on the dependent variable using an Adjusted R Square value of 66.5% can be concluded that the contribution of the variables of work discipline, work stress and leadership style 66.5%, the remaining 33.5 is influenced by other factors such as organizational culture, communication, etc.

T Test

The T test aims to determine whether the independent variable has an influence on the dependent variable. After the t test is carried out, you can see the results of the SPSS output to find out whether the t test has an effect or not. The significance value (p-value) indicates how significant the average difference between two groups or populations is.

The basis for the decision on this t test is as follows.

1. If the p value ≤ 0.05 , then the influence of the independent variable and the dependent variable is statistically significant.

2. If the p value > 0.05 , then the influence of the independent variable and the dependent variable is insignificant.

Based on the results of the t test, work stress gets t calculated at $1.147 < 1.9956$ and a significant value of $0.254 > 0.05$. It can be concluded that the variable work stress partially does not have a significant effect on employee performance. The leadership style variable gets t count worth $4.820 > 1.9956$ and a significant value of $0.000 < 0.05$. It can be concluded that the variable of leadership style partially has a significant effect on employee performance. The variable labor discipline gets t count worth $4.820 > 1.9956$ and a significant value of $0.000 < 0.05$. It can be concluded that the variable of work

discipline partially has a significant effect on employee performance.

Simultaneous Test (Test F)

The F test conducted in research aims to test the effect of all independent variable variables on one dependent variable is appropriate. F test testing is carried out using criteria of F value and p value significance (Chandrarin, 2018). The basis for making F test decisions is as follows.

1. If the p value ≤ 0.05 , then the results show significant.
2. If the p value > 0.05 , then the result shows insignificant.

The F test is done by finding F table through $df_1 (k - 1) = (4-1) = 3$, then $df_2 (n-k) = (100-4) = 96$ obtained the result of table f is 2.70. The results of the F test are calculated $> F$ table, which is $66.537 > 2.70$ with a significance value of $0.000 < 0.05$. It can be concluded that the variables of work discipline, work stress and leadership style simultaneously have a significant effect on employee performance.

CONCLUSION AND ADVICE

Conclusion

Based on the results of research on the determinants of employee performance in bank employees in Batam City, the following conclusions can be drawn:

1. Work stress does not have a significant effect on employee performance. Based on the results of the t test, work stress gets t calculated at $1.147 < 1.9956$ and a significant value of $0.254 > 0.05$. It can be concluded that the variable work stress partially does not have a significant effect on employee performance. This is because banking employees who have a high level of resilience tend to be better able to cope with stress and keep their performance optimal. Banking employees who work in a supportive and friendly work environment and have support from superiors and co-workers tend to be easier to cope with stress and maintain their optimal performance. Some level of work pressure can motivate banking employees to improve their performance. For example, when you have to complete a big project in a short time, banking employees will feel challenged and try harder to achieve goals. The results of this study (Yanti Purba et al., n.d.) state that work stress has a significant effect on employee performance.

2. Leadership Style has a significant effect on employee performance.

Based on the results of the t-test, leadership style gets a t count of $4.820 > 1.9956$ and a significant value of $0.000 < 0.05$. It can be concluded that the variable of leadership style partially has a significant effect on employee performance. An effective leadership style in banking is a transformational or democratic leadership style, where the leader can develop a strong vision and motivate employees to achieve common goals but also consider employee input and perspectives in the decision-making process. Leaders in banking companies must also be able to provide proper support, training and feedback to employees to help them achieve their best performance amid intense competition and strict regulation. The results of this study (Riyadi, 2015) state that leadership style affects employee performance.

3. Work discipline has a significant influence on employee performance.

Based on the results of the t test, the work discipline variable gets a t count of $4.820 > 1.9956$ and a significant value of $0.000 < 0.05$. It can be concluded that the variable of work discipline partially has a significant effect on employee performance. Work discipline is very influential on the performance of bank employees. When bank employees are disciplined in carrying out their duties and responsibilities, they can increase their efficiency and productivity at work. It is important for banking companies to establish effective communication with their employees. This can help encourage employees to understand their duties and responsibilities better and increase their motivation at work. The results of this study are in line with research (Pratiwi et al., n.d.) that states work discipline on employee performance

Suggestion

Given the limitations mentioned above, it is necessary to note suggestions for further research as follows:

1. Based on the results of the study, it is important for superiors to always empower their employees or be responsive to employee needs and monitor employee discipline so that they can work according to existing rules. So that later it can affect the work of the employees themselves.

2. For further researchers, it is recommended to use samples from state-owned companies within the scope of Indonesia, knowing how to reveal the theory of job satisfaction and work discipline.

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