

The Effect of Leadership and Employee Motivation on Business Success

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ABSTRACT

The aim of this study is to examine the influence of leadership and employee motivation on business success at Telkomsel Timor – Leste. To achieve this goal, a sample of 130 Telkomsel Timor-Leste employees was taken. Data collection used questionnaires, interviews, literature and documentation. The data analysis techniques used were descriptive statistical analysis and multiple linear regression. The results of the analysis show that leadership is in the good category with a score of 4.20. Employee motivation is in the very good category with a value of 4.34. Business success is in the very good category with a score of 4.37. And the organization's performance is in the good category with a score of 4.00. The results of testing hypothesis 1 obtained a tcount value of 2.133, which was greater than ttable, namely 1.978 with a significance value of 0.002, smaller than 0.05, so leadership had a significant effect on business success. The results of testing hypothesis 2 obtained a tcount value of 2.121, which is greater than ttable, namely 1.978 with a significance value of 0.000, smaller than 0.05, so employee motivation has a significant effect on business success. The results of testing hypothesis 4 obtained a tcount value of 2.937, which is greater than ttable, namely 1.978 with a significance value of 0.001, smaller than 0.05, so leadership has a significant effect on organizational performance. The results of testing hypothesis 5 obtained a tcount value of 14.343, which is greater than ttable, namely 1.978 with a significance value of 0.000, smaller than 0.05, so employee motivation has a significant effect on organizational performance. The results of testing Hypothesis 3 show that leadership and employee motivation simultaneously influence business success. The results of hypothesis 6 testing show that leadership and employee motivation simultaneously influence organizational performance.

Keywords: leadership, employee motivation, business success, and organizational performance

I. INTRODUCTION

In this era of globalization, competitive human resource management is an important element in achieving company progress. Although currently technological advances are increasingly rapid and play an important role in the development of the company, it does not reduce the role of human resources which is the most important element in moving an organization. Therefore, human resources are an important factor to consider in the face of intense business competition that occurs today.

The intense competition in today's business environment raises concerns about the success of enterprises, which heavily rely on human resources. Organizational performance is a crucial integrated resource that leaders at Telkomsel need to pay attention to. Every organization must carry out its tasks effectively, and to determine whether its set objectives have been achieved, it must closely monitor its organizational performance to ensure smooth operation.

Organizational performance is essentially the responsibility of every individual working within the organization. When individuals in the organization work diligently, perform well, are motivated, and operate collaboratively within teams to contribute their best to the organization, overall organizational performance will be good, leading to the success of the organization. This research will discuss two factors identified as influencing business success and organizational performance: leadership and employee motivation.

The first factor identified as influencing business success and organizational performance is leadership. According to Yukl (2002:4), leadership is the ability of an individual to influence, motivate, and enable others to contribute to the effectiveness and success of the organization. In achieving business success and good organizational performance, the second factor identified as influencing business success and organizational performance is employee motivation. Motivation is the drive, desire, passion, and energy that emanate from individuals to act or accomplish something (Wursantos, 2005:301). Motivation is a conscious effort to influence an individual's behavior to align with the predetermined goals of the organization, playing a crucial role in the achievement of business success and organizational performance.

A. Problem Statement

Based on the background above, the problems to be examined in this study are:

1. Does leadership partially influence the success of Telkomsel's business?
2. Does employee motivation partially influence the success of Telkomsel's business?
3. Do leadership and motivation simultaneously influence the success of Telkomsel?

B. Research Objectives

Based on the problem formulation above, the objectives of this research are:

1. To analyze the variable of leadership in relation to the success of Telkomsel's business.
2. To analyze employee motivation in relation to the success of Telkomsel's business.

3. To analyze the impact of leadership and motivation on the success of Telkomsel's business.

II. THEORETICAL BACKGROUND

A. Organizational Performance

According to Muldyadi (2007:337), organizational performance is the success of personnel, teamwork, or the organization in strategically achieving predetermined goals with expected behavior. Daft (2010) defines performance as the ability to accomplish organizational tasks efficiently and effectively, utilizing resources such as human resources, wealth, capabilities, organizational processes, company attributes, information, and knowledge controlled by the company.

Mahsun (2006:31-32) identifies six aspects of organizational performance indicators:

1. Input group consists of everything needed for the implementation of activities to generate output, including human resources, budget, facilities/infrastructure, regulations, and so on.
2. Process group measures activities in terms of speed, precision, and the level of accuracy in carrying out those activities.
3. Output group represents expected outcomes directly achievable from an activity, whether tangible or intangible.
4. Outcome group encompasses everything reflecting the functioning of the activity's output in the medium term that has direct effects.
5. Benefit group includes elements related to the ultimate goal of activity implementation.
6. Impact group refers to the influence generated, both positive and negative.

B. Business Success

Noo (2007:397) states that business success fundamentally entails the achievement of goals set by the business. Suyatno (2010:179) mentions that business success is influenced by various factors and is a goal pursued by every entrepreneur, observable through aspects such as financial performance and company image.

Indicators for determining business success, as outlined by Noor (2007:397), include:

1. Profit, which is the difference between income and expenses. Profit is obtained by selling goods and services produced by the company and is a primary goal of any business.
2. Productivity and efficiency, where a company in its production activities needs to consider efficiency levels. Higher efficiency results in lower production costs, and this significantly affects a company's productivity.
3. Competitiveness, defined as the ability to compete among companies to attract consumer attention and loyalty. The core of competitiveness is the ability to innovate and create new market opportunities.
4. Business ethics competence, which involves accumulating knowledge that supports business success and needs to be adjusted to ongoing developments to maintain competitiveness. Business ethics refers to

behavior in conducting business that, broadly speaking, does not harm the interests of others, whether individual or group.

5. Establishment of a positive company image resulting from public assessments or responses to various activities, empathy, achievements, and the company's reputation during its various activities.

C. Leadership

Handoko (2003:294) states that leadership is the ability of an individual to influence others to work towards goals and objectives. Luthans (2006) defines leadership as a set of personality processes, specific behavior fulfillment, persuasive authority, goal achievement, interaction, role differentiation, structure initiation, or a combination of two or more of these elements. Leadership is the ability to influence the spirit, enthusiasm, security, work quality, and organizational performance, as well as the ability to play a role in motivating individuals and groups to achieve organizational goals.

Therefore, (2003:97) suggests seven indicators that a leader should possess:

1. Trustworthy climate should be established in the company where the leader treats employees well, and employees comply with their leadership.
2. Recognition of employees' ideas by a leader can provide motivation for employees to generate positive ideas for the achievement of organizational goals.
3. Taking into account the feelings of employees. From this, it can be understood that employee attention is a managerial vision based on the humanity aspect of a leader's behavior, focusing on job comfort for employees.
4. The relationship between individuals and groups will create expectations for individual behavior and result in specific roles to be played. Some must act as leaders while others play roles as subordinates.
5. Attention to the well-being of subordinates. A leader in leadership function will always be related to two important things: relationships with subordinates and relationships related to tasks.
6. Taking into account job satisfaction factors for subordinates in completing assigned tasks.
7. Recognition of the status of subordinates as permanent and professional, which places on a leader the extent to which subordinates can accept and acknowledge his authority in leadership.

D. Employee Motivation

Mangkunegara (2015) states that motivation is defined as a tendency to be active, starting from an inner drive and ending with self-adjustment said to satisfy motivation. Meanwhile, Hasibuan (2012) states that motivation is a stimulated need oriented towards individual goals in achieving satisfaction and motivation as a condition that drives humans towards a specific goal. Thus, motivation can be said to be a need drive within employees that needs to be fulfilled so that employees can adapt to their environment and conditions that drive employees to achieve goals.

The indicators of motivation from Clelland's motivation theory used as operational variables are:

1. Need for achievement, including indicators such as trying to do something in new ways and actively seeking feedback about one's actions, choosing risks in their actions, and taking personal responsibility for their actions.
2. Need for affiliation, including liking friendships, seeking approval or opportunities from others, preferring collaboration to competition, and always trying to avoid conflict.
3. Need for power, including liking jobs where they become leaders, being very active in determining the direction of activities in an organization wherever they are, and enjoying tasks assigned to them.

III. RESEARCH METODOLOGY

This study falls within the realm of quantitative research (survey), which involves sampling from a population and utilizing a questionnaire as the primary data collection tool. The survey aims to provide an explanation of the causal relationship between variables through hypothesis testing, following Ribun's approach (1945:75). The population for this research comprises all employees at Telkomsel, totaling 130 individuals. Data collection techniques include the use of questionnaires, interviews, observations, and documentation. The data analysis techniques employed in this study encompass descriptive statistical analysis, multiple linear regression with classical assumption testing, multiple linear regression modelling, hypothesis testing, and coefficient of determination analysis.

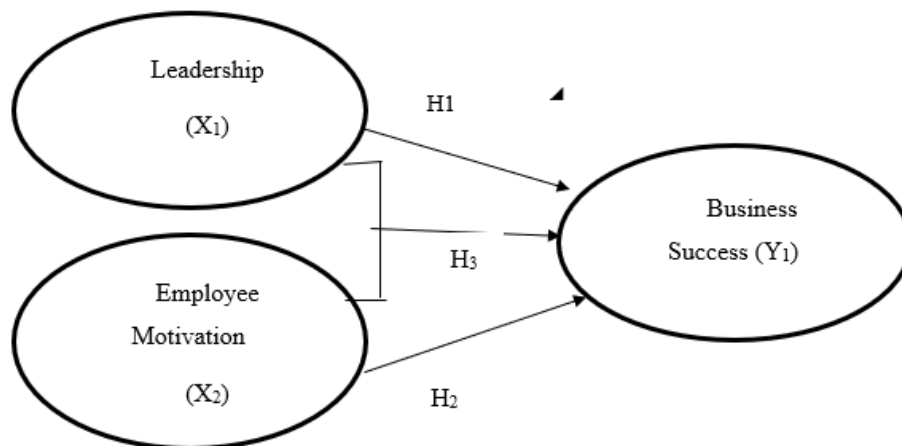


Figure 1. Framework

IV. FINDINGS

A. Company Profile

Telkomsel is one of the mobile telecommunications operators in Timor Leste organized by Telkom Indonesia International (TL). S.A. (Telin) Timor Leste, which is a subsidiary of PT Telin and part of the Telkom Group. Telkomsel was established on September 17, 2012. Telkomsel obtained a radio spectrum license from the Timor Leste government on October 22, 2012, to provide mobile services across districts in Timor Leste and 3G internet network.

B. Multiple Linear Regression Model

To understand the influence of variables X^1 and X^2 on variable Y^1 , as well as variables X^1 and X^2 on variable Y^2 , multiple linear regression analysis is conducted using SPSS 21. The results of the multiple linear regression calculations are presented in the following table:

Table 1. The Results of the Multiple Linear Regression Calculations

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	T	Sig.
	(Constant)	22.733	7.091		3.206	.002
	Leadership	.185	.087	.189	2.133	.002
1	Employee Motivation	.254	.120	.188	2.121	.000
Dependent variable: business success						

Source: Primer Data (2023, Diolah)

$$Y = 22.733 + 0,185X^1 + 0,254 X^2$$

The regression equation has the following meanings:

1. Constant = 22.733

If the variables of leadership and employee motivation remain constant (unchanged), the magnitude of the change in the business success variable is 22.733.

2. Coefficient of Variable $X^1 = 0.185$

If the leadership variable increases by one point (unit), while employee motivation remains constant, it will result in an increase in business success of 0.185.

3. Coefficient of Variable $X^2 = 0.285$

If the employee motivation variable increases by one point (unit), while leadership remains constant, it will result in an increase in business success of 0.245.

C. Multiple Linear Regression Analysis

Table 2. Multiple Linear Regression Analysis Results

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		

	Modal	B	Std. Error	Beta	T	Sig
	(Constant)	14.980	2.933		5.108	.000
	Leadership	.034	.036	.052	2.937	.001
1	Employee Motivation	.712	.050	.789	14.343	.000
a. Dependent variable: business success						

Source: Primer Data (diolah, 2023)

$$Y = 14.980 + 0,034X^1 + 0,712X^2$$

The regression equation has the following meanings:

1. Constant = 14.980

If the variables of leadership and employee motivation remain constant (unchanged) at 0, the change in the variable of organizational performance is 14.980.

2. Coefficient of Variable $X^1 = 0.034$

If the leadership variable increases by one point (unit), while employee motivation remains constant, it will result in an increase in organizational performance of 0.034.

3. Coefficient of Variable $X^2 = 0.712$

If the employee motivation variable increases by one point (unit), while leadership remains constant, it will result in an increase in organizational performance of 0.712.

D. Hypothesis

1) Hypothesis (1,2 and 3) - Partial test

The translation of the provided text to English for formal use is as follows:

1. The Influence of Leadership on Business Success – Hypothesis 1

Testing using Statistical Product and Services Solution (SPSS) version 21 on the leadership variable (X^1) yielded a t-value of 2.133 with a significance level of 0.002, and the critical table value is 1.97867 ($df = 130 - 2 = 128$). Because the significance value of 0.002 is smaller than alpha 0.05 ($p < \alpha$), and the t-value is greater than the table value ($2.133 > 1.97867$), this implies that the leadership variable has a positive and significant partial effect on business success.

2. The Influence of Employee Motivation on Business Success – Hypothesis 2

Testing using Statistical Product and Service Solution yielded a t-value of 2.97867 ($df = 130 - 2 = 128$). Because the significance value of 0.000 is smaller than alpha 0.05 ($p < \alpha$), and the t-value is greater than the table value ($2.97867 > 1.97867$), this means that the employee motivation variable has a positive and significant partial effect on business success.

3. The Influence of Leadership on Organizational Performance

Testing using Statistical Product and Services Solution (SPSS) version 21 on the leadership variable (X^1) yielded a t-value of 1.97867 ($df = 130 - 2 = 128$). Because the significance value of 0.001 is smaller than alpha 0.05 ($p < \alpha$), and the t-value is greater than the table value ($2.937 > 1.97867$), this means that the

leadership variable has a positive and significant partial effect on organizational performance.

4. The Influence of Employee Motivation on Organizational Performance

Testing using Statistical Product and Services Solution (SPSS) version 21 on the employee motivation variable (X^2) yielded a t-value of 14.343 with a significance level of 0.000, and the critical table value is 1.97867 ($df = 130 - 2 = 128$). Because the significance value of 0.000 is smaller than alpha 0.05 ($p < \alpha$), and the t-value is greater than the table value ($14.343 > 1.97867$), this means that the employee motivation variable has a positive and significant partial effect on organizational performance.

2) Hypothesis 3 - Simultaneous Test (f Test)

Simultaneous hypothesis testing (f) is conducted to determine whether there is a significant joint influence of leadership (X_1) and employee motivation (X_2) on the independent variable of business success (Y_1), and leadership (X_1) and employee motivation (X_2) on organizational performance (Y_2).

Table 3. Hypothesis Testing Results 3 - Simultaneous Test (f Test)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	390,476	2	195,238	17,483	,001 ^b
	Residual	3313,493	127	26,090		
	Total	3703,969	129			

Source: Data Primer (diolah, 2023)

Based on hypothesis testing 3 (f-test) in Table 5.14, it can be seen that the significant value is 0.001 with an f-test value of 17.483. The table with degrees of freedom $df = n - k = 130 - 3 = 127$, $\alpha = 0.05$, yields a critical f-value (ftabel) of 2.68. Since the calculated f-value is greater than the critical f-value ($17.483 > 2.68$) and the significance value 0.001 is less than 0.05, it means that leadership and employee motivation simultaneously have a significant impact on the success of Telkomsel's business.

Table 4. Results of Simultaneous Hypothesis Testing (f-test)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1228,096	2	614,048	30,258	,000 ^b
	Residual	2577,327	127	20,294		
	Total	3805,423	129			

Source: Data Primer (diolah, 2023)

Based on hypothesis testing (F test) in the table, it can be seen that a significant value of 0.000 is obtained with an F-test value of 30.528. The table with degrees of freedom ($df = n - k = 130 - 3 = 127$), at $\alpha = 0.05$, yields an

F-table value of 2.68. Since the calculated F-test value is greater than the table value ($30.528 > 2.68$) and the significance value of 0.000 is less than 0.05, this means that leadership and employee motivation simultaneously have a significant effect on organizational performance at Telkomsel.

E. Coefficient of Determination

Testing the coefficient of determination is done with the intention of measuring the model's ability to explain how strongly the independent variables collectively influence the dependent variable, as indicated by the adjusted R-Squared value. The results of the coefficient of determination test can be seen in the following table:

Table 5. Coefficient of Determination Analysis Results

Moda Summary ^b					
Modal	R	R Square	Ajust R Square	Std Error of the estimate	Durbin Watson
1	.807	.651	.643	2.127	1.490
Predictor (constant),leadership dan employee motivation					
Dependent variabel: business success					

Source: Data Primer (2023, Diolah)

Based on the table, it can be observed that the R-squared value, commonly referred to as the coefficient of determination, obtained is 0.651, indicating that 65.1% of the variations in the success of the business, as measured by the high and low levels, are attributed to the leadership variable (X^1) and employee motivation (X^2). The remaining 34.9% is explained by other variables not considered in this study, with a standard error of estimate or standard error, $Se = 2.127$. In this test, based on the adjusted R-squared value of 0.651, it falls into the moderate category. Therefore, it can be concluded that the leadership and employee motivation variables have a moderately strong influence on the success of the business at Telkomsel.

V. CONCLUSION

1. The leadership at Telkomsel, Timor-Leste, falls into the category of very good. This means that Telkomsel, Timor-Leste, has been able to meet employee expectations through the implementation of effective leadership. As a result, employees perform their daily activities well, contributing to the overall organizational performance. The motivation of Telkomsel employees is rated very high, indicating the strong motivation possessed by employees to continue working for the company. This is attributed to receiving salaries and facilities in line with their expectations.
2. Leadership significantly influences the success of a business. The quality of leadership within an organization plays a dominant role in the success of the organization as a whole and various groups within a specific organization. The effectiveness of leadership in a particular organization is crucial for its success.

3. Employee motivation significantly influences the success of a business. Motivation drives employees to exhibit behavior towards the achievement of specific goals, including the success of the business.
4. Leadership significantly influences organizational performance. An organization functions well when leadership roles within the organization are carried out effectively and responsibly.
5. Employee motivation significantly influences organizational performance. Motivation serves to stimulate employee capabilities, resulting in the maximum performance from employees that supports the improvement of organizational performance.
6. Leadership and employee motivation simultaneously have a significant impact on the success of Telkom's business.
7. Leadership and employee motivation simultaneously have a significant impact on the organizational performance of Telkom.

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