The Influence of Leadership, Work Environment and Work Motivation on Employee Performance at PT X Jakarta

Rosalina Sianturi[1], Dian Indiyati[2]
Universitas Telkom Bandung, Indonesia
Emails: rosalinasianturi528@gmail.com

Abstract

This research explores the influence of leadership, work environment, and work motivation on employee performance at PT X Jakarta, a company operating in the Fast-Moving Consumer Goods (FMCG) industry. Utilizing a descriptive and causal approach, the study applies quantitative methods with Structural Equation Modeling (SEM) to analyze the relationships among these factors. The results indicate that leadership has a notable effect on performance, with work motivation emerging as the most influential factor. Additionally, a positive work environment significantly contributes to increased productivity. Collectively, leadership, motivation, and work environment account for 34% of the variance in employee performance. The findings suggest that PT X Jakarta should prioritize transformational leadership, foster a supportive workplace atmosphere, and implement effective motivation strategies to enhance employee outcomes. This study offers practical recommendations for improving human resource practices and organizational effectiveness within the FMCG sector.

Keywords: Leadership, Work Environment, Work Motivation, Employee Performance

INTRODUCTION

Dessler (2020) stated that Human Resource Management (HRDM) is crucial to an organization's success, particularly when it comes to initiatives to boost productivity and performance. Businesses need to be able to harness the potential of their people resources (Albayrak & Ertürk, 2021; Sadly, 2021). One of the primary measures of organizational success is employee performance, and the profitability and sustainability of the business are directly impacted by both individual and team productivity (Chams & García-Blandón, 2019; Davidescu et al., 2020). An organization's ability to manage its people resources effectively is just as important to its success as the business plan it employs (Holbeche, 2022; Igwe et al., 2014).

Employees and leaders are two components of a business. Because it influences an organization's success or failure, the study of leaders and employees is therefore a crucial management philosophy (Setiawan et al., 2021; Sonmez Cakir & Adiguzel, 2020). In the fast-

paced food sector, the connection between effective leadership and high staff performance is crucial (Manowah et al., 2024; Musyoka et al., 2024; Olatunji & Awolusi, 2019).

After the post-COVID-19 pandemic, many organizations face challenges in maintaining employee performance due to changes in work dynamics and economic pressures. So that it affects employee performance, therefore organizations must take proactive actions to improve performance (Wolor et al., 2022). For example, the Fast-Moving Consumer Goods (FMCG) sector shows a close relationship between employee performance and sales success, as well as organizational sustainability (Gupta, 2020); (Yang, Zeng, Liu, and Li, 2022) (Tang et al., 2024). The symptoms studied in this study focus on employee performance in the FMCG industry, especially at PT X in Jakarta.

Previous research has proven that effective leadership has a significant influence on employee performance (Pawirosumarto et al., 2017; Tang et al., 2024). In addition, a supportive work environment and high levels of work motivation have also been proven to be determining factors in improving individual and team performance (Busro, 2019; Hasibuan, 2019). However, research that specifically explores the relationship between these three factors in the food industry sector is still very limited, although the sector has unique dynamics that influence employee behavior and organizational achievement (Akdere & Egan, 2020; Maheshwari et al., 2020; Pai et al., 2024).

This study brings a unique approach by examining the combined impact of leadership strategy, work environment, and work motivation on employee performance in the Fast-Moving Consumer Goods (FMCG) sector, particularly at PT X in Jakarta, an area that has not been extensively studied. Previous research often isolated these factors or focused on different industries, making this study novel by integrating these variables into a single, cohesive framework within the specific context of FMCG companies (Becher, 2022; Kitchens et al., 2018).

This research's importance stems from its capacity to tackle the difficulties that organizations face, especially in the post-pandemic period when work dynamics and employee behavior have undergone substantial change. This study is essential for businesses like Jakarta's PT X that want to enhance worker performance and adjust to the changing workplace, guaranteeing continued growth and productivity in the face of these changes.

This study's primary goal is to evaluate how employee performance at PT X in Jakarta is impacted by leadership, the workplace, and motivation. By determining how these elements both separately and in combination improve worker effectiveness and productivity, the study hopes to offer important insights for organizational growth and human resource management in the FMCG industry.

In terms of academia, this study adds to the corpus of knowledge in human resource management by examining how motivation, work environment, and leadership impact employee performance. In practice, managers and legislators at PT X and other comparable organizations can use the findings to create focused plans to promote a positive workplace culture, strengthen

leadership, and boost employee motivation, all of which will eventually improve organizational performance and productivity.

METHOD

The type of research used in the study "The Influence of Leadership, Work Environment, and Work Motivation on Employee Performance at PT X" is descriptive and causal research. Descriptive research aims to describe a specific situation or event using clear measures (Hair et al., 2020). In this study, descriptive analysis was applied to detail the existing variables, with an exploratory approach that utilizes quantitative methods. Meanwhile, causal research is designed to elucidate the cause-and-effect relationship between one factor and another (Hair et al. 2020). Causal research aims to find out whether there is a relationship or influence between variables (leadership, work environment, work motivation, and employee performance) and measure the level of significance between these variables.
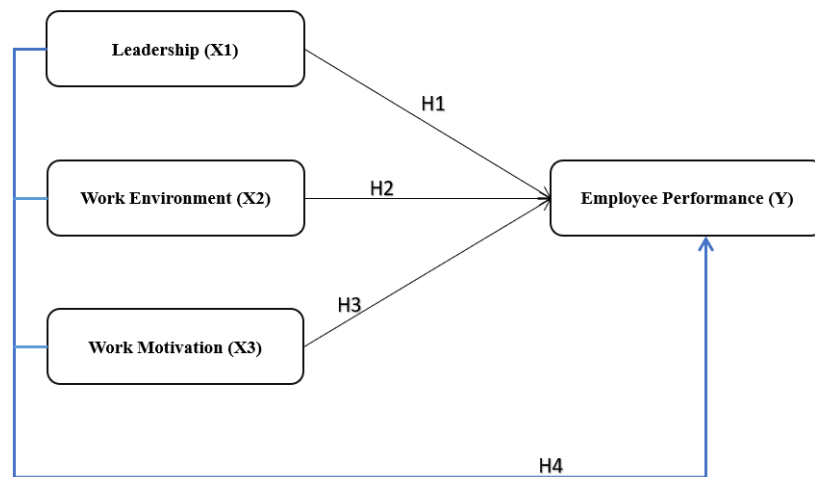

Figure 1. Framework

research hypothesis
A. H1 = Leadership has a significant influence on employee performance
B. H2 = Work environment has a significant influence on employee performance.
C. H3 = Work motivation has a significant influence on employee performance
D. H4 = Leadership, Work environment, and work motivation have a significant influence on employee performance

RESULT AND DISCUSSION

The findings of the data analysis conducted using the research methodology outlined in the earlier chapters on "The Influence of Leadership, Work Environment, and Work Motivation on Employee Performance at PT X Jakarta" will be thoroughly explained in this study. This data analysis began with the respondent profile, then continued with the results of the management and also data analysis using descriptive and causality analysis using SEM PLS which is a multivariate

structural analysis method applied to test the series of influences between structures simultaneously. This method aims to predict, explore, or develop structural models.

Evaluation Of Meausurement Model (Outer Model)
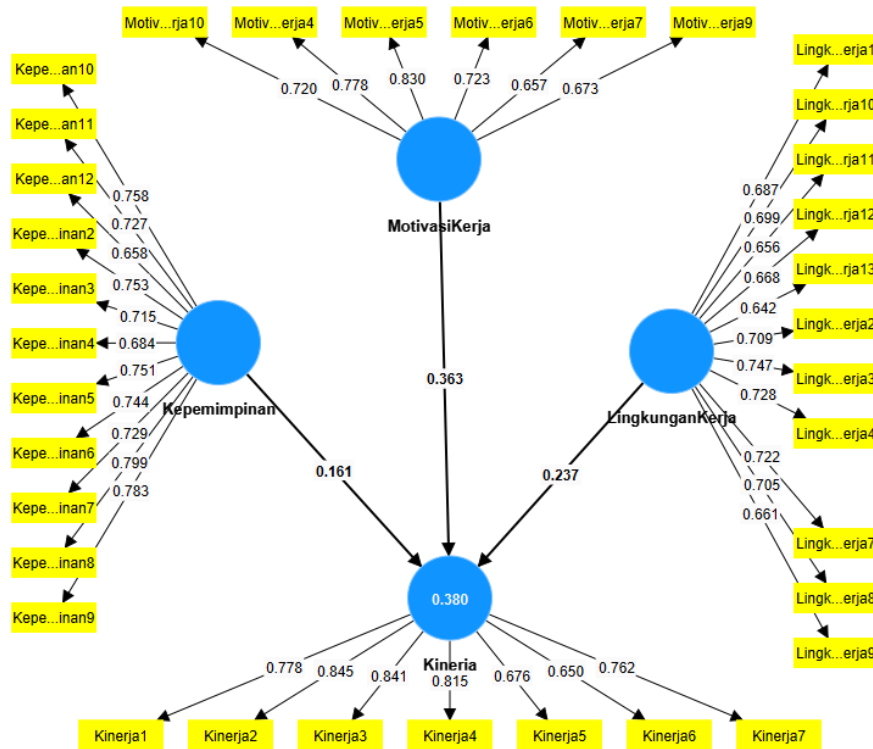
Convergent Validity & Reliablility

Average Variance Extracted (AVE) is used to determine convergent validity, and a minimum AVE value of 0.50 is advised. (Hair and others, 2019). Additionally, Cronbach's alpha and Composite Reliability indices are used to assess reliability in PLS analysis. According to Hair et al. (2019), the minimal values are 0.70.

Table 1. Construct Reliability & Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Leadership	0,917	0,922	0,929	0,544
Employee Performance	0,884	0,895	0,91	0,593
Work Environment	0,893	0,895	0,911	0,502
Work Motivation	0,827	0,833	0,873	0,537

Discriminant Validity
VALIDITAS DISKRIMINANT -→ Fornell-Larcker Criterion, Cross Loadings, HTMT

Tabel 2. Heterotrait-Monotrait Ratio (HTMT)

	Leadership	Performance	Work Environment	Work Motivation
Leadership				
Performance	0,449			
Work Environment	0,403	0,506		
Work Motivation	0,527	0,623	0,549	

The results of the Heterotrait-Monotrait Ratio (HTMT) test show that all HTMT values are below the threshold of 0.90, which is a common criterion for indicating good discriminant validity. Specifically, the highest HTMT value in this table is the relationship between Work Motivation and Performance (0.623), which is still within acceptable limits. Meanwhile, the relationship between Leadership and Work Environment (0.403) has a lower value, indicating that the two constructs have quite clear differences.

Structural Model Evaluation (Inner Model)
R-Square

Table 3 R-Square

	Performance	Relationship
R-square	0,34	Moderat
R-square adjusted	0,33	

The R-squared value of 0.34 in the regression findings indicates that the independent variables in this model may account for the moderate impact on the dependent variable (performance).

Tabel 4. T-Table

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Leadership-> Performance	0,161	0,167	0,07	2,308	0,021
Work Environment -> Performance	0,237	0,244	0,077	3,084	0,002

Work Motivation -> Performance	0,363	0,366	0,082	4,406	0

< 0.05 (5%) and T value > 1.96

The T-Statistics and P-Value values of the association between variables are examined in order to evaluate hypotheses in SEM-PLS. The analysis's findings demonstrate that every relationship in the model has a P-Value of less than 0.05 and a T-Statistic above 1.96, indicating that every link is statistically significant.

1. H1 Leadership → Performance (p = 0.021) → Leadership has a significant influence on employee performance. This shows that good leadership can improve performance through guidance, motivation, and direction given to employees (H1 accepted) 0.161 or 16.1%.
2. H2 Work Environment → Performance (p = 0.002) → A conducive work environment has a positive influence on performance. Factors such as comfort, facilities, and good work culture can increase productivity and job satisfaction (H2 accepted) 0.237 or 23.7%.
3. H3 Work Motivation → Performance (p = 0.000) → Work motivation has the greatest influence on performance, indicating that motivated employees are more likely to have better performance. Motivation can come from financial incentives or intrinsic factors such as a sense of belonging and purpose in work (H3 accepted) 0.363 or 36.3%.

Table 5. SIMULTAN F - Table H4

	Sum square	df	Mean square	F	P value
Total	1992,402	178	0	0	0
Error	1314,453	175	7,511	0	0
Regression	677,95	3	225,983	30,086	0

SmartPLS 4.0 (2025)

In the meantime, the simultaneous test (F test) results, which have an F-value of 30.086 and a p-value of 0.000, demonstrate that motivation, leadership, and the work environment all positively impact performance (H4 is accepted).

Discussion of Research Results

In this sub-chapter, the researcher discusses the results of research that have been tested and explained previously regarding the descriptive results of the verification analysis fund and discusses the impact of "the Influence of Leadership, Work Environment and Work Motivation on Employee Performance at PT X Jakarta." This study uses the Leadership variable as an exogenous variable. This study was conducted with 180 employees. From the results of the respondents' responses, the results of the Leadership variable were obtained, namely the results of descriptive and structural tests on the leadership variable showing that all indicators have good convergent validity values, with outer loading above 0.70, AVE of 0.786, and composite reliability of 0.916. The structural model estimate results, which demonstrate a positive contribution of leadership to

the endogenous performance variable of 0.161 or 16.1%, support this. Employee performance at PT X Jakarta is greatly impacted by leadership. According to the analysis's findings, employee performance is positively impacted by the work environment by 0.237, or 23.7%. The study's findings clarify that, at 0.363, or 36.3%, job motivation had the most impact on employee performance. This finding is corroborated by McClelland and Maslow's work motivation theory, which highlights the need of meeting the demands of self-actualization and recognition in order to boost job passion.

CONCLUSION

This study show The leadership of PT X Jakarta is in the good category. The work environment of PT X Jakarta is in the good category. Employees of PT X Jakarta have high work motivation. At PT X Jakarta, employee performance falls into the high range. This study demonstrates the important effects that PT X Jakarta's leadership, workplace culture, and employee motivation have on worker performance. It was discovered that while a comfortable workplace increases comfort and productivity, leadership plays a beneficial function in assisting staff in reaching corporate goals. Work motivation had the biggest impact on employee performance, highlighting the necessity of strong incentives, chances for professional growth, and a system of recognition. Given the findings, it is suggested that PT X Jakarta continues to invest in leadership training, maintain a positive work environment, and develop systems to enhance work motivation. A holistic approach that integrates these three elements is crucial for improving overall employee performance and ensuring long-term organizational success.

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