
The Mediating Role of Motivation in Relationship Between Compensation and Leadership on Employee Performance

Annur Wahyu Hasanah¹, Joko Suyono¹, Damarsari Ratnasahara Elisabeth²

¹Universitas Narotama, Surabaya, Indonesia

²Sekolah Tinggi Ilmu Ekonomi Mahardhika, Surabaya, Indonesia

Corresponding Author*: joko.suyono@narotama.ac.id

ABSTRACT

Purpose: The purpose of this study is to analyze the effect of compensation and leadership on employee performance, and also to analyze the mediating role of motivation.

Design/methodology/approach: The population in this study were 63 employees of Textile Industries in Surabaya, East Java, Indonesia. Questionnaire was used to obtain the data and data analysis technique used was Partial Least Square (PLS).

Findings: The results indicated that compensation and leadership affect employee performance, either directly or indirectly. motivation is able to mediate the effect of compensation and leadership on employee performance.

Research limitations/implications: This research is limited to doing in Textile Industries in East Java, Indonesia. For generalization so that further research can be carried out in different organizations or companies and in different regions (cities).

Practical implications: The results of this research can be used as a reference to employee performance in textile industries and similar industries.

Originality/value: The results of the research show that among the variables of compensation, leadership and motivation need to be implemented in textile industries and similar industries.

Paper type: This paper can be categorized as research paper.

Keywords: *Compensation, Leadership, Motivation, Employee Performance*

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I. INTRODUCTION

In the era of globalization companies are required to be sensitive to the rapidly changing environment. In addition, companies are required to continue to innovate and increase creativity. It is intended that the company can continue to compete in a healthy manner and be able to keep up with environmental changes. The era of globalization is a challenge for companies around the world (Nursaid et al., 2023)

Companies need good and correct management to achieve company goals. In implementing the company's management involves human resources. Human resources are one of the most important assets in the company. Human resources are the only resources that can drive other resources. This aims to achieve the goals of the company (Klaudia et al., 2020). In addition, human resources are company assets that have an important role in a company. This is due to human resources as executors of company policies and operational activities to achieve company goals that have been set. Without human resources, companies cannot generate profits and cannot survive in the business they run (Armantari et al., 2021).

Human resources play a very important role in the company. Human resources are required to be able to think smart, be innovative, have a sense of wanting to progress to work, and have a high enthusiasm to face the era of globalization. Therefore, companies must manage human resources properly and reliably so that companies can compete with competitors (Suwandi & Mandahuri, 2021). One of the supporting factors for a company to be

able to win competitive competition with competitors is the totality of employee performance in carrying out the mandate to achieve company goals (Lubis et al., 2021).

One of the supporting factors for a company to be able to win competitive competition with competitors is the totality of employee performance in carrying out the mandate to achieve company goals (Lubis et al., 2021). Employee performance is the result of work achieved by a person in carrying out the tasks assigned to him according to established criteria. Employees who have a low level of satisfaction such as dissatisfaction with the value of remuneration co-workers and working conditions will have an impact on their performance.

Based on several previous studies, there are several variables that can affect employee performance, including compensation (Agustine & Andani, 2023; Rahmizal & Arifin, 2023; Wahyuni and Nirmalasari, 2023), leadership (Azhari and Azzahra, 2022; Hayati et al, 2023; and Hartini & Dirwan; 2023), and motivation (Saptono, 2016; Saparudin & Suhardi, 2023; and Mubarak et al, 2023). The results of this study prove that compensation, leadership and motivation affect employee performance. Besides that, motivation is able to mediate the influence of compensation and leadership on employee performance.

The research conducted by Solihin (2023) found slightly different results through research on employee performance at RSKD Dharmas which was influenced by leadership style with motivation as an intervening variable explaining that motivation directly or indirectly does not have a significant effect on employee performance. The study conducted by Pratama et al (2023) also obtained research results regarding "The effect of competence and work discipline on employee performance with work motivation as a mediating variable" that motivation as an intervening variable does not have a significant impact on employee performance. Thus there is still a research gap and it is necessary to re-do research to obtain generalizations.

This research was conducted with the aim of analyzing the influence of compensation, leadership and motivation on employee performance, both directly and indirectly. Besides, this study also analyzes the role of motivation as an intervening variable.

A. Literature Reviews And Hypotheses

2.1 Motivation

Motivation is a process for associating motives into changes or behavior to fulfill needs and achieve goals or conditions as well as readiness in individuals that encourage their behavior to do something in achieving certain goals (Yusuf, 2015).

Motivation means the impetus that underlies employees to carry out their activities both within the organization and the willingness to work of members of the organization that arises because of encouragement from the subconscious. Motivation is born as a result of the overall integration of personal needs, the influence of the physical environment and the influence of the social environment. The strength of motivation is highly dependent on the process of integrating these needs. Therefore, work motivation is a psychological symptom that is dynamic, multiple and specific for each member of the organization. Therefore, a leader must be sensitive to psychiatric symptoms and psychological factors of employees or members of the organization they lead. This is very important for leaders in providing positive motivation to their members (Wijaya & Manurung, 2021).

Based on the definitions and theories that have been discussed regarding work motivation, work motivation according to Ajabar et al (2021) has several characteristics that can be understood. The following is an overview of these characteristics:

1. Work motivation is personal: The reasons a person is motivated can vary due to varying wants and needs. Motivation can come from the desire to get something you want or avoid something you don't want.
2. Work motivation is an internal process: Work motivation occurs within the individual and is difficult to know directly. Motivation can be estimated through individual behavior, such as direction, intensity, and persistence of action at work.
3. Work motivation is situational or contextual: Work motivation can be influenced by certain conditions or situations. Motivation can be different for the same person but in different situations or contexts.
4. Work motivation is social: Work motivation is influenced by social relations in the workplace. Motivation from colleagues, superiors and subordinates can affect individual motivation, and conversely individual motivation can also affect the people around them.

2.2 Employee Performance

Employee performance according to (Rivaldo, 2022) is a person's actions or behavior in carrying out tasks that produce results or products to achieve the set goals. In order to achieve the goals desired by both the company and employees, it is important to conduct performance appraisals. Performance appraisal involves certain components that must be met. Human resources have an inseparable role in influencing the course of organizational processes. Performance includes work results and behavior and responsibilities over a certain period.

There are several factors that affect the level of employee productivity in a company according to (Darmawan et al., 2023), including:

1. Individual Variables: Attractive working conditions, fair wages, and security guarantees can provide more motivation to employees. Adequate work facilities, a supportive environment, and opportunities for career development can affect productivity.
2. Organizational Productivity Factors: Good employee competency and effective management knowledge are important assets in increasing company productivity. The availability of sufficient resources to carry out company activities also affects productivity.
3. Knowledge Factor: Extensive knowledge helps employees in making better contributions in solving problems and completing tasks.
4. Skills Factor: Skills that are relevant to the field of work have a significant role in increasing employee productivity.
5. Capability Factor: A good employee's ability, supported by adequate knowledge and skills, can have a positive impact on productivity levels.
6. Attitude and Behavior Factors: The positive attitude and good behavior of employees can directly affect productivity.
7. Work Environment Factors: The creation of a conducive work environment, both physically and in a positive work atmosphere, can encourage increased employee productivity.
8. Process Factors: Implementing effective work processes can help increase team productivity in completing tasks more efficiently.
9. Goal Factor: Setting clear goals for employees can be a strong motivation to increase employee productivity.
10. Employee Health Factors: Health conditions both physically and mentally play a major role in the level of employee productivity

2.2 Compensation

Compensation is the result of income, either in the form of money or in kind, directly or indirectly from the company which is handed over to employees as a token of gratitude for a job well done. Each company has a different policy in providing compensation to employees. This compensation is a company effort to improve employee welfare, such as holiday allowances, pension benefits and so on (Mujanah, 2019).

Compensation is all forms of remuneration or rewards given to employees, either in the form of remuneration in cash or indirectly in the form of donations or catalysts. Compensation is an important means for companies to retain talent and improve employee performance (Riani, 2014).

Compensation is the overall income in the form of money, goods or other. The compensation from the company that is given to employees includes the principles of fairness, the principles of appropriateness and the principles of fairness. Compensation depends on company policy. Compensation can improve employee welfare (Mujanah, 2019).

Compensation is a gift from the company that is expected by employees as a sign of gratitude for the dedication of employees to the company. The company realizes that human resources are one of the company's biggest assets to develop its business and compete superior to its competitors. Compensation refers to the policies of each company. If the compensation provided by the company to employees is appropriate, then employees can feel more comfortable. So that it can increase work motivation higher. In human resource management, compensation is one of the most important things, so it becomes a sensitive aspect in work relations (Syarif et al., 2022).

The factors that can influence the determination of compensation are as follows: (Syafri & Alwi, 2014).

1. Market Conditions. Market conditions play a major role in determining compensation. Employee salaries are determined by the size of the price of basic necessities that apply in the area each company occupies. Of course, compensation also applies with reference to the price of basic necessities in that area.
2. Social Justice. Social justice by setting compensation according to job roles. Providing wages in accordance with government regulations that have been set.
3. Individual Performance. The company's individual performance really needs to consider this to determine compensation. So employees who have a high enough dedication to the company and totality need to get compensation to stabilize their performance.
4. Seniority. Each company has a different policy in determining compensation. One of them is by paying attention and giving priority to old employees who have good enough performance for the development and progress of the company. Old employees who have dedicated themselves to the company have a long time, so they are entitled to a higher salary than seniors. It also refers to skills, extensive knowledge and more experience than junior employees.
5. Salary Based on Group. In determining compensation judging by class is quite easy than the others. This is because one's tenure or experience is better.

Research on the effect of compensation on motivation has been carried out by several previous researchers, including by (Fauzi et al., 2023), (Qomariyah et al., 2023), (Adnyani & Surya, 2019), (Saputra & Agustedi, 2022), and (Nasurdin et al., 2022). The results of this study provide evidence that compensation has an effect on employee motivation. Thus a hypothesis can be made as follows:

H1: compensation has an effect on employee motivation

2.3 Leadership

Leadership is an ability of a leader who has both internal and external factors. In addition, leadership can also be defined as someone who has the ability to influence others to act according to their directions (Hutahaen, 2021). Leadership is a process carried out by company managers to direct and influence their subordinates in carrying out task-related activities. This is intended so that subordinates have the willingness to exert all their abilities, both personally and as members of a team, to achieve the goals set by the company (Farida et al., 2022).

Operationally leadership can be divided into five main functions, include the following function (Sutikno, 2018):

1. **Instructive Function.** The instructive function is a one-way function. The leader is a controller in communication or a communicator. The leader as the party that determines what, how, when where, where the order is carried out so that decisions can be taken and carried out effectively. Leadership requires the ability to influence someone to carry out orders from a leader. So that someone who is ordered by the leader has a high enough motivation to carry out the order. A person under the leader must be ready to carry out the duties and orders of the leader.
2. **Consultative Function.** The consultative function is a two-way communication. When the leader makes a decision and communicates it to the people under his auspices to give the best advice. So that it can help find the right and accurate decision point.
3. **Participation Function.** The participation function is a leader's attempt to activate all members under his leadership to participate in decision-making and implementation.
4. **Delegation function.** The leader gives authority to the person appointed under his leadership. That person will make decisions either with the approval or not with the leader's approval. Things like this leaders must do, because company progress cannot be achieved if there is no solidarity and mutual cooperation and good cooperation between leaders and their subordinates.
5. **Control Function.** Success in leadership can be seen by the ability of a leader who is able to organize the activities of its members in a directed manner. So that the possibility of achieving company goals is greater. The control function can be realized through the activities of guidance, direction, coordination and supervision.

In terms of concepts, Farida and Hartono (2016) explain that there are two concepts of leadership authority, include the following:

1. **Top Down Authority.** This authority can come from superiors, which means a president director, for example appointing someone who is considered capable to become the head of the sales department and then being given what authority is deemed necessary for someone to the sales department. So in this case a leader is given the authority to rule from his superiors.
2. **Bottom Up Authority.** This authority is the basis of acceptance theory. In this concept, leaders are chosen (accepted) by employees who will become their subordinates. If someone is accepted as a leader and given the authority to lead, then subordinates will respect that authority because employees have personal respect to respect that person or that person is a representative who represents values that are considered important. In accordance with this theory, subordinates recognize that guidance and encouragement can be obtained from leadership.

Meanwhile, when viewed from a leadership style, according to Badu & Djafri (2017) there are three general leadership styles that are known, namely authoritarian, democratic, and laissez-faire leadership.

1. **Authoritarian leadership** involves leaders who make decisions on their own without involving much participation from team members. This style is effective in emergency situations, but can limit team members' creativity and participation.
2. **Democratic leadership** involves the active participation of team members in decision-making and encourages collaboration, increases team member engagement, promotes creativity, and supports better decision-making through collective agreement.
3. **Laissez-faire leadership** gives team members high freedom to make decisions and carry out their respective tasks, but can also result in a lack of direction and lack of accountability. An effective leader will choose and adapt a leadership style according to the situation and his team members to achieve optimal results.

Research on the influence of leadership on motivation has been carried out by several previous researchers including (Nurofik & Yuliana, 2022), (Martini et al., 2022), (Nelson, 2021), (Guterresa et al., 2020), and (Norawati & Syafarisna, 2023). The results of this study prove that leadership influences motivation. Thus a hypothesis can be made as follows:

H2: leadership influences employee motivation

2.4 Compensation and Employee Performance

Previous research on the effect of compensation on employee performance has been carried out by several previous researchers including (Agustine & Andani, 2023), (Pitria, 2023), (Zainuddin et al., 2023), (Asriani et al., 2020), and (Yudistia & Conscience, 2023). The results of this study prove that compensation affects employee performance. Thus a hypothesis can be made as follows:

H3: compensation affects employee performance

2.5 Leadership and Employee Performance

Several previous studies have been conducted on the influence of leadership on employee performance by Azhari and Azzahra (2022); Hayati et al (2023); and Hartini & Dirwan (2023). The results of this study prove that leadership influences employee performance. Thus a hypothesis can be made as follows:

H4: leadership influences of employee performance.

2.4 Motivation and Employee Performance

Previous research on the effect of motivation on employee performance has been carried out by several previous researchers including (Abdusalam & Budiyanto, 2023), (Sibagariang & Wahyuningsih, 2023), (Putuhena, 2023), (Dedali, 2023), and (Winanti et al ., 2023). The results of this study prove that motivation influences employee performance. Thus a hypothesis can be made as follows:

H5: motivation influences employee performance.

2.5 The Role of Motivation as a Mediation Between Compensation and Employee Performance

Research on the effect of compensation on employee performance with motivation as an intervening variable has been carried out by several previous researchers including (Novita et al., 2023), (Mayasari & Harjatno, 2023), (Armantari et al., 2021), (Mayasari & Harjatno, 2023), (Armantari et al., 2021), (Candradewi & Dewi, 2019) and (Nugraha & Pibriari, 2022). The results of this study prove that compensation affects employee performance with motivation as the intervening variable. Thus a hypothesis can be made as follows:

H6: motivation is able to mediate the effect of compensation on employee performance

2.6 The Role of Motivation as a Mediation Between Leadership and Employee Performance

Previous research on the effect of competence on employee performance with motivation as an intervening variable has been carried out by several previous researchers including (Mutiya et al., 2022), (Firmansya et al., 2022), (Pranata, 2019), and (Putra et al ., 2021). The results of this study prove that leadership influences employee performance with motivation as an intervening variable. Thus a hypothesis can be made as follows:

H7: motivation is able to mediate the influence of leadership on employee performance

Based on the formulation of the problem that has been made and also based on previous research, a research framework can be compiled as follows:

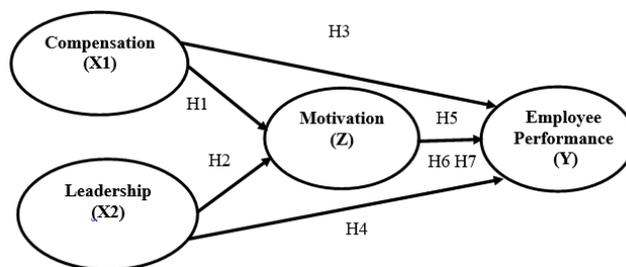


Figure 1: The research model

II. METHODS

The population in this study were 63 permanent employee of textile industries in Surabaya, East Java, Indonesia. While the sampling technique used total sampling, meaning that the entire population of 63 people was taken as a research sample. The questionnaire technique is used to obtain data related to the research variables. The questionnaire is arranged in the form of a closed statement with 5 (five) alternative answers using a Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Data analysis technique used to analyze questionnaires that have been filled out by respondents is Partial Least Square (PLS).

III. RESULTS AND DISCUSSION

4.1 Outer Model Evaluation

1. Convergent Validity

To test convergent validity, the outer loading value or loading factor is used. An indicator is declared to meet convergent validity in a good category if the outer loading value is > 0.7 . The following is the value of the outer loading of each indicator on the research variable:

Table 1. Outer Loading

<i>Variable</i>	<i>Indicator</i>	<i>Outer loading</i>
<i>Compensation (X1)</i>	<i>X1.1</i>	<i>0,897</i>
	<i>X1.2</i>	<i>0,894</i>
	<i>X1.3</i>	<i>0,885</i>
<i>Leadership (X2)</i>	<i>X2.1</i>	<i>0,893</i>
	<i>X2.2</i>	<i>0,882</i>
	<i>X2.3</i>	<i>0,879</i>
	<i>X2.4</i>	<i>0,915</i>
	<i>X2.5</i>	<i>0,896</i>
	<i>X2.6</i>	<i>0,870</i>
<i>Motivation (Z)</i>	<i>Z1.1</i>	<i>0,892</i>
	<i>Z1.2</i>	<i>0,902</i>
	<i>Z1.3</i>	<i>0,920</i>
	<i>Z1.4</i>	<i>0,861</i>
	<i>Z1.5</i>	<i>0,880</i>
	<i>Y.1</i>	<i>0,839</i>

<i>Variable</i>	<i>Indicator</i>	<i>Outer loading</i>
<i>Employee Performance (Y)</i>	<i>Y.2</i>	<i>0,793</i>
	<i>Y.3</i>	<i>0,895</i>
	<i>Y.4</i>	<i>0,851</i>
	<i>Y.5</i>	<i>0,876</i>

The data presented in the table above shows that each research variable indicator has an outer loading value > 0.7. According to Ghazali (2018), the outer loading value between 0.5 - 0.6 is considered sufficient to meet the convergent validity requirements. The data above shows that there is no variable indicator whose outer loading value is below 0.5, so all indicators are declared feasible or valid for research use and can be used for further analysis.

2. Discriminant validity

Discriminant validity can be known by looking at the average variant extracted (AVE) value for each indicator and it is required that the value must be > 0.5 for a good model (Ghozali, 2018).

Table 2. Average Variant Extracted (AVE)

<i>Variable</i>	<i>AVE</i>
<i>Compensation</i>	<i>0.796</i>
<i>Leadership</i>	<i>0.791</i>
<i>Motivation</i>	<i>0.794</i>
<i>Employee Performance</i>	<i>0.725</i>

The data presented in table 2 above shows that the AVE value of compensation, leadership, motivation and employee performance variables is > 0.5. So it can be stated that each variable has good discriminant validity.

3. Composite Reliability

Composite Reliability is the part that is used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value > 0.6 (Ghozali, 2018). The following is the composite reliability value of each variable used in this study:

Table 3. Composite Reliability

<i>Variable</i>	<i>Composite Reliability</i>
<i>Compensation</i>	<i>0,876</i>
<i>Leadership</i>	<i>0,948</i>
<i>Motivation</i>	<i>0,938</i>

Employee Performance 0,930

Based on the data presented in table 3 above, it is known that the composite reliability value for the variables of compensation, leadership, motivation and employee performance are bigger than 0.6 (> 0.6). Thus, it can be stated that each variable has a good composite reliability.

4. Cronbach Alpha

The reliability test with the composite reliability above can be strengthened by using the Cronbach alpha value. A variable can be declared reliable or fulfills Cronbach alpha if it has a Cronbach alpha value > 0.7 (Eisingerich and Rubera, 2010). The following is the Cronbach alpha value of each variable:

Table 4. Cronbach Alpha

<i>Variable</i>	<i>Cronbach Alpha</i>
<i>Compensation</i>	<i>0,872</i>
<i>Leadership</i>	<i>0,947</i>
<i>Motivation</i>	<i>0,935</i>
<i>Employee Performance</i>	<i>0,905</i>

Based on the data presented above in table 4.19, it can be seen that the Cronbach alpha value of each research variable is > 0.7 . Thus, these results can indicate that each research variable has met the requirements of the Cronbach alpha value. So, it can be concluded that all variables have a high level of reliability.

4.2 Inner Model Evaluation

The following is an inner model involving compensation, leadership, motivation and employee performance variables.

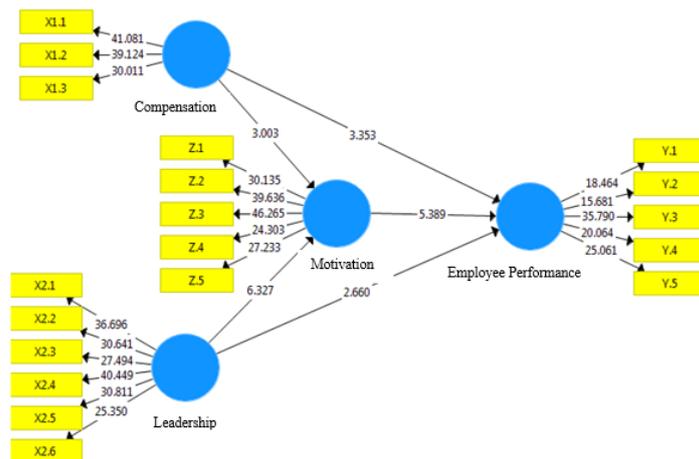


Figure 1. Inner Model

The schematic of the inner model that has been shown in figure 1 above can be explained that the greatest value is shown by leadership to motivation of 6.327. Then the smallest effect is the leadership on employee performance of 2.660.

4.3 Hypothesis Testing

In accordance with the data processing that has been done, the results can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics value and the P-Values value. The research hypothesis can be declared accepted if the P-Values value < 0.05 (Yamin and Kurniawan, 2011). The following are the results of hypothesis testing obtained in this study through the inner model:

Table 5. Hypothesis Test of Direct Effect

<i>Hypothesis</i>	<i>Effect</i>	<i>Original Sample</i>	<i>T-statistics</i>	<i>P-Values</i>	<i>Result</i>
<i>H1</i>	<i>Compensation → Motivation</i>	<i>0,308</i>	<i>3,003</i>	<i>0,003</i>	<i>Accepted</i>
<i>H2</i>	<i>Leadership → Motivation</i>	<i>0,631</i>	<i>6,327</i>	<i>0,000</i>	<i>Accepted</i>
<i>H3</i>	<i>Compensation → Employee Performance</i>	<i>0,283</i>	<i>3.353</i>	<i>0,001</i>	<i>Accepted</i>
<i>H4</i>	<i>Leadership → Employee Performance</i>	<i>0,242</i>	<i>6,327</i>	<i>0,008</i>	<i>Accepted</i>
<i>H5</i>	<i>Motivation → Employee Performance</i>	<i>0,469</i>	<i>5,389</i>	<i>0,000</i>	<i>Accepted</i>

Table 6. Hypothesis Test of Indirect Effect

<i>Hipotesis</i>	<i>Effect</i>	<i>Original Sample</i>	<i>T-statistics</i>	<i>P-Values</i>	<i>Result</i>
<i>H6</i>	<i>Compensation → Motivation → Employee Performance</i>	<i>0,144</i>	<i>2,422</i>	<i>0,016</i>	<i>Accepted</i>
<i>H7</i>	<i>Leadership → Motivation → Employee Performance</i>	<i>0,295</i>	<i>4,465</i>	<i>0,000</i>	<i>Accepted</i>

Referring to the results of the data in tables 5 and 6 above, it can be seen that of the seven hypotheses proposed in this study, they are as follows:

1. The effect of compensation on motivation has a P value of 0.003 or less than 0.05. This means that the compensation variable affects motivation.
2. The Influence of Leadership on Employee Motivation has P values of 0.000 or less than 0.05. This means that the leadership variable influences employee motivation.
3. The effect of compensation on employee performance has a P value of 0.001 or less than 0.05. This means that the compensation variable affects motivation.
4. The influence of work leadership on employee performance has a P value of 0.008 or less than 0.05. This means that the leadership variable influences motivation.
5. The effect of motivation on employee performance has a P value of 0.000 or less than 0.05. This means that the motivation variable affects employee performance.
6. The effect of compensation on employee performance through motivation has a P value of 0.016 or less than 0.05. This means that the Organizational Support variable has an effect on Employee Performance Through Motivation.
7. The Influence of Leadership on Employee Performance Through Motivation has a P value of 0.000 or less than 0.05. This means that the leadership variable influences employee performance through motivation.

V. CONCLUSION

Referring to the results of hypothesis testing shows that compensation has an effect on motivation. Both variables have a positive relationship direction. These results indicate that changes that occur in the Loyalty variable will make changes in the Motivation variable that are directly proportional. If compensation shows in a good position it will encourage high motivation. Conversely, low compensation will have an effect on decreasing motivation. The results of this study are in line with previous studies conducted (Fauzi et al., 2023), (Qomariyah et al., 2023), (Adnyani & Surya, 2019), (Saputra & Agustedi, 2022), and (Nasurdin et al., 2022). The results of this study provide evidence that compensation has an effect on employee motivation.

Referring to the results of hypothesis testing, leadership influences motivation. Both variables have a positive relationship direction. These results indicate that changes that occur in the Leadership variable will have an effect on changes in the Motivation variable that are directly proportional. If leadership is carried out in the right organization, it will have a positive impact on motivation. Conversely, bad leadership will have a bad effect on motivation. The research results which state that leadership influences motivation are supported by previous studies including research (Nurofik & Yuliana, 2022), (Martini et al., 2022), (Nelson, 2021), (Guterresa et al., 2020), and (Norawati & Syafarisna, 2023). The results of this study prove that leadership influences motivation.

Referring to the results of hypothesis testing, it can be concluded that there is a relationship between compensation and employee performance. This relationship is positive, which means changes in compensation will affect changes in line with employee performance. If Compensation increases, it will lead to an increase in Employee Performance. Conversely, if compensation is low, it will have a negative impact on employee performance by causing a decrease in quality. The results of this study are relevant to several previous researchers including others by (Agustine & Andani, 2023), (Pitria, 2023), (Zainuddin et al., 2023), (Asriani et al., 2020), and (Yudistia & Nurani, 2023). This research provides evidence that compensation affects employee performance. The existence of compensation will make employees optimal in carrying out their duties. Employees will easily complete the job because it is supported by proper compensation. Problems will be easily resolved because they are always at work receiving good compensation support.

The results of the hypothesis test show that leadership has an effect on employee performance. The relationship between the two variables is positive. These results indicate that changes in the Leadership variable will be followed by changes in the Employee Performance variable in the same direction. If leadership shows high it will make employee performance increase. Conversely, low leadership will have an impact on poor employee performance. The results of this study are supported by previous research which states that leadership influences employee performance (employees). Research (Mustafa et al., 2023), (Ryan, 2023), (Gulo & Tjun, 2023), (Purwanto & Nurhasanah, 2022), (Ryan, 2023), and (Ramli, 2023) states that good leadership will have an impact positive on employee performance. Leadership will make employees able to carry out work targets both quantitatively and qualitatively.

Based on hypothesis testing, confirms that motivation influences employee performance. The direction of the relationship between the two variables is positive. These results indicate that changes that occur in the variable Motivation will have an impact on changes in the Employee Performance variable in a direct proportion. If motivation improves, it will encourage an increase in employee performance. Conversely, low motivation will have an effect on decreasing employee performance. The results of the study stating that motivation influences employee performance are relevant to previous research, including (Abdusalam & Budiyanto, 2023), (Sibagariang & Wahyuningsih, 2023), (Putuhena, 2023), (Dedali, 2023), and (Winanti et al., 2023). The results of this study prove that motivation influences employee performance.

Referring to the results of hypothesis testing shows that Management Support affects Employee Performance through Motivation. The relationship between the three variables is positive. These results indicate that changes in the variable Motivation will encourage the influence of Leadership on Employee Performance which is directly proportional. If motivation increases, the effect of compensation on employee performance is even greater. The results of this study received support from previous research. Research (Novita et al., 2023), (Mayasari & Harjatno, 2023), (Armantari et al., 2021), (Mayasari & Harjatno, 2023), (Armantari et al., 2021), (Candradewi & Dewi, 2019) and (Nugraha & Pibriari, 2022). A number of these studies state that compensation affects employee performance with motivation as an intervening variable.

The results of the hypothesis test show that leadership influences employee performance through motivation. The relationship between the three variables is positive. These results indicate that any changes in the variable Motivation will support the influence of Leadership on Employee Performance in a unidirectional manner. If motivation changes in a good direction, it will encourage the influence of leadership on employee performance. The results of this study have the support of previous research. Research (Mutiya et al., 2022), (Firmansya et al., 2022), (Pranata, 2019), and (Putra et al., 2021) state that leadership influences employee performance with motivation as an intervening variable.

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