# The Effect of Leadership on Employee Performance Through Work Motivation as a Mediating Variable in Employee PT Conisla Karya Indonesia

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**ABSTRACT**

This study aims to examine the effect of leadership on employee performance through work motivation as a mediating variable. This study uses quantitative methods with primary data obtained from the distribution of questionnaires to 89 employees of PT Conisla Karya Indonesia, with sampling techniques using purposive sampling determined by researchers with consideration of certain characteristics or characteristics based on employee status and division of each employee. Where the results of the questionnaire obtained are processed using Structural Equation Modeling (SEM) PLS 3.0 analysis through outer model analysis, inner model, and hypothesis testing. The results of this study indicate that there is a significant effect of leadership on employee performance, leadership has a significant effect on work motivation, work motivation has a significant effect on employee performance, and work motivation variables can significantly mediate the effect of leadership on performance employees.

## INTRODUCTION

According to the Directorate General of Construction of the Ministry of Public Works where the construction sector contributes significantly to economic growth in Indonesia. In 2023 the Gross Domestic Product (GDP) in the construction sector amounted to 9.92%, where the construction sector became the 5th largest sector among other sectors. One of them is in urban areas such as the cities of Sidoarjo and Surabaya, where there are currently many building / office and housing developments, where with the increasing development or implementation of construction in urban areas, of course this can be an opportunity for companies engaged in providing construction services.

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This is a special concern for construction companies to improve the performance of their employees in order to be able to compete with other companies, considering that many contractors have successfully handled construction projects but due to the existence of projects that are less than optimal, which is due to the low quality of the performance of building construction employees. Thus, this makes every company try as optimally and as much as possible to improve the performance of its employees both through work motivation and the role of leaders in the company. It takes a leader who is in accordance with his ability to optimize the management of available human resources, it is also seen how a leader in creating high work motivation to his employees in order to carry out his duties properly and foster a high work ethic. This is in accordance with research conducted by Alhidayatullah et al., (2023) which suggests that the challenge that needs to be overcome by a leader is how to motivate subordinates to always be willing to exert their best efforts for the benefit of their group or organization.

According to Robins in Halawa et al. (2021) defines that leadership is the ability to influence groups in achieving organizational goals. From this statement it can be concluded that the sustainability of an organization can be said to have failed or succeeded in achieving its goals lies in the role of a leader. Where the role of the leader is very important for an organization in influencing and motivating subordinates so that they can carry out their duties properly and as much as possible. According to Ratnasari et al., (2019) suggests that work motivation is a driving force that causes an organization member to be willing and willing to move his abilities in the form of skills and energy to carry out various activities. Meanwhile, according to Rajak (2021) performance is the result of a process that refers to and is measured over a certain period of time based on predetermined conditions or agreements.
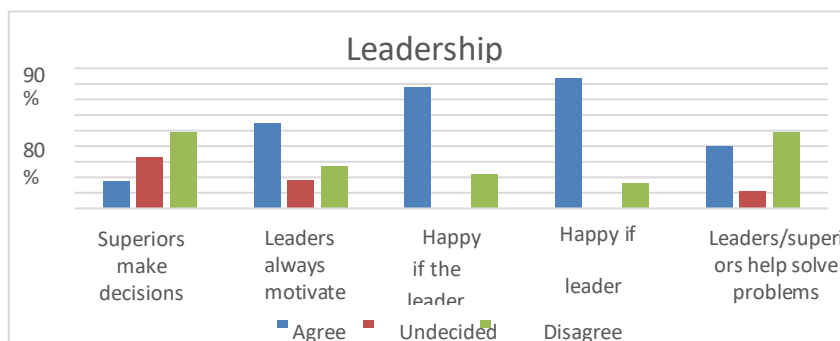


**Figure 1.**
**Pre-research Results of Leadership Variables**
*Source: Pre-survey research 2024*

Based on Figure 1 of the pre-survey results of 45 employees of PT Conisla Karya Indonesia where it is happier if the leader / boss gives direction to his employees at work, which reaches 78%. About 85% of employees of PT Conisla Karya Indonesia also feel happy if the leader / boss provides support to their employees to develop better. As many as 49% of employees feel that the superiors/leaders where they work do not help their employees to solve problems, where only 40% of employees feel helped by superiors/leaders in solving problems. In addition, 49% of employees feel that superiors/leaders never listen to opinions from subordinates regarding decisions made by a leader regarding technical matters in the field. In the explanation related to the pre-survey results, there are problems where there are some leaders who are less responsive to this.

Where employees want to perform better, this must also be balanced by a leader who is responsive to his employees. Based on the data above, it can be seen that the expectations of employees for leaders who listen to the opinions of their subordinates and help solve problems are very high. This reflects commitment to work and the role of leaders in the organization. However, this requires attention to several aspects in the field.
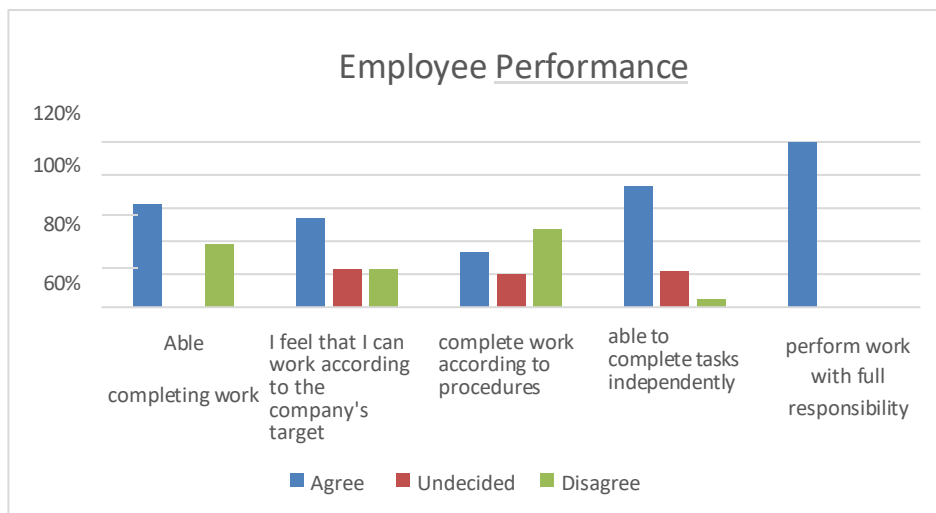


**Figure 1.**
**Pre-research Results of Employee Performance Variables**
*Source: Pre-survey research 2024*

Based on Figure 2 the results of the pre-survey 100% of employees show high responsibility for the work they do. Where it shows that all employees of PT Conisla Karya Indonesia are responsible for completing their work in accordance with the provisions of the company. In addition, 73% of PT Conisla Karya Indonesia employees are able to complete their tasks independently, but in this case it still requires further attention. About 55% of PT Conisla Karya

Indonesia employees are only able to carry out work in accordance with company targets. This reflects that there are several aspects that require further attention and special attention from the leader or company of PT Conisla Karya Indonesia.
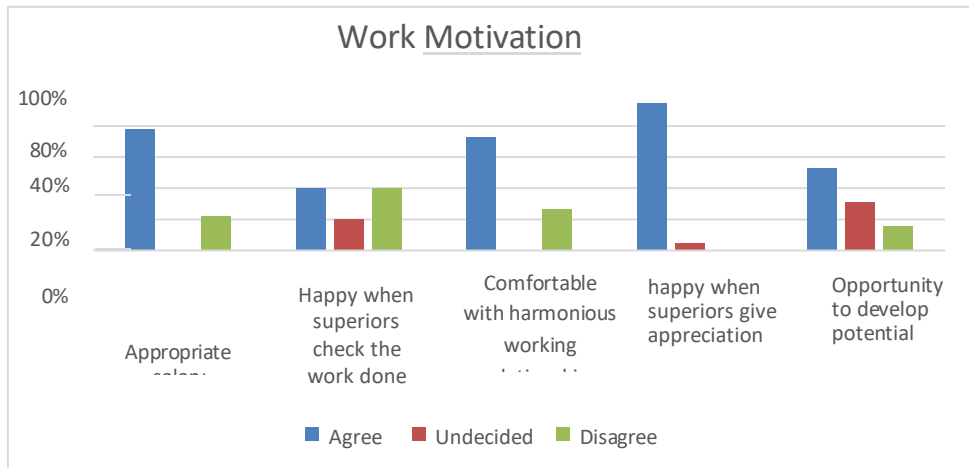


**Figure 3.**
**Pre-research Results of Work Motivation Variables**
*Source: Pre-survey research 2024*

Based on Figure 3 above, it shows that 79% of employees feel that the salary they get is in accordance with the work they do. As many as 72% of PT Conisla Karya Indonesia employees feel comfortable with the existence of good relationships with fellow workers and their superiors, while there are some employees who disagree with this. The desire of employees to be appreciated for the results of their performance is 94% of employees, where they will feel happy if the results of the performance they do are appreciated by their superiors or the company. But there are problems in terms of appreciation where there are some superiors who do not pay attention to this, and are less responsive to the performance carried out by employees.

Based on the results of pre-research that has been carried out related to leadership, employee performance, and work motivation. However, from these results there are still several things that need to be improved, which will affect the results of the building projects they run. In every construction project development process, the quality and quantity of employee performance is needed, where it is necessary to support work motivation and the role of leaders in the company so that there is no decrease in the quality of employee work and in order to increase the competitiveness of employee performance between construction companies. Thus this study aims to test whether there is an influence of leadership on employee performance through work motivation as a mediating variable for employees of PT Conisla Karya Indonesia.

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**Conceptual Framework**

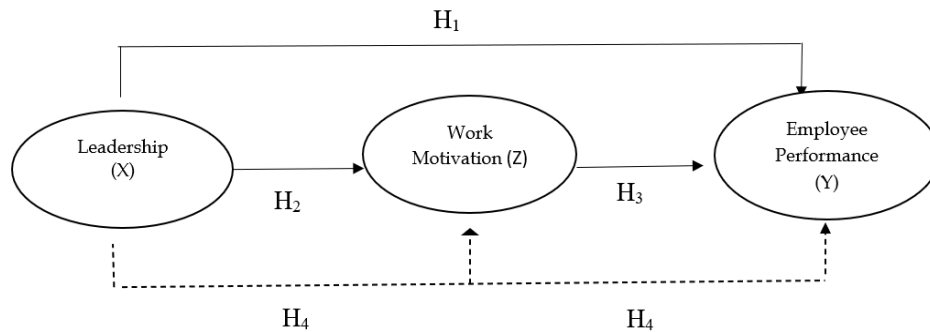Based on the description above, the following conceptual framework is compiled:



**Figure 4 conceptual framework**
**Source: Mukaromah, 2022**

**Hypothesis Formulation**

Based on the conceptual framework above, the hypothesis to be tested in this study is:

H1    :It is suspected that leadership has a significant effect on employee performance.

H2    : It is suspected that leadership has a significant effect on work motivation.

H3    : It is suspected that work motivation has a significant effect on employee performance.

H4    : It is suspected that leadership has a significant effect on employee performance through work motivation.

**RESEARCH METHOD**

Population according to Sugiyono in Safitri (2022) is a generalization area consisting of objects that have certain quantities and characteristics set by researchers to study and then draw conclusions. The population in this study were all employees of PT Conisla Karya Indonesia, approximately 90 employees. The sampling technique in this study is to use purposive sampling, namely where the sampling technique and sample determination are determined by the researcher with consideration of certain characteristics or characteristics (Firdaus & Pasaribu, 2023). The samples used in this study were 75 freelance employees based on the head builder division and coolie / construction worker employees at PT Conisla Karya Indonesia.

The research method used is quantitative research, using primary data, where the data collection technique is carried out through distributing questionnaires that will be distributed to respondents, then the data obtained is processed using the Smart-PLS 3.0 analysis test. The data analysis method used

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in this research is Partial Last Square (PLS), where the structural model used includes three stages, namely outer model analysis, inner model, and hypothesis testing.

## RESULT AND DISCUSSION
### Respondent Characteristics

From the results of the questionnaire that has been distributed and filled in by the respondents, the respondent's identity data is obtained which provides an overview of the respondent's condition. The characteristics of respondents based on age, length of service, employee status, and education level are presented in table 1, which is as follows:

**Table 1.**
**Respondent Characteristics**

| Overview General | Description | Total | Percentage % |
|---|---|---|---|
| | < 20 years | 0 | 0% |
| | 21-29 years old | 11 | 12.3% |
| Age | 30-39 years old | 43 | 48.3% |
| | 40-49 years old | 28 | 31.5% |
| | 50-59 years old | 7 | 7.9% |
| | < 2 years | 4 | 4.5% |
| Length of | 2-4 years | 37 | 41.6% |
| Service | 5-7 years | 48 | 53.9% |
| | 8-10 years | 0 | 0% |
| Employee | Permanent employee | 9 | 10.1% |
| Status | Freelance | 80 | 89.9% |
| | Elementary/middle school | 72 | 80.9% |
| Education Level | Vocational/high school | 8 | 9% |
| | Diploma 3 | 5 | 5.6% |
| | D4/Bachelor's degree | 4 | 4.5% |

Source: primary data, 2025

Based on the results of filling out questionnaires obtained from 89 respondents, based on age characteristics, respondents aged 30-39 years were dominated by respondents with a percentage of 48.3%. This shows that PT Conisla Karya Indonesia has productive human resources at work. In the grouping of respondent characteristics based on tenure, it is dominated by

respondents with a tenure of 5-7 years with a percentage of 53.9%, this shows that PT Conisla Karya Indonesia employees have human resources with good enough work experience so that it is hoped that with this work experience employees are able to have a high sense of responsibility for the work given. The characteristics of respondents with employee status are dominated by freelance employees, namely around 80 employees with a percentage of 89.9%. While the level of education is dominated by employees with elementary/junior high school graduates, namely 72 employees with a percentage of 80.9%.

**Outer Model Analysis**

This outer model analysis is carried out to see the convergent validity value on the loading factor and discriminant validity on the cross loading factor to determine the validity results, and also see the composite reliability and Cronbach alpha to determine the reliability results. At the initial stage of the calculation, the outer model test is carried out which is presented in Figure 2. The test is carried out to determine whether the data used is valid or invalid.
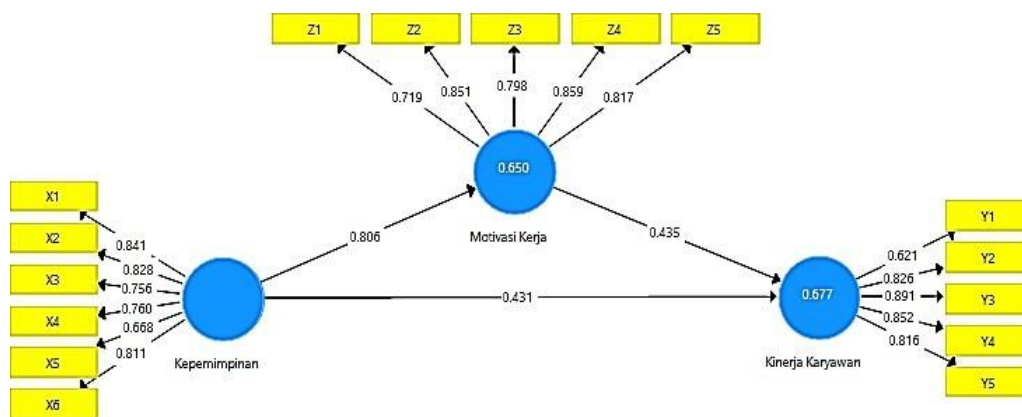


**Figure 5.**
**Outer Model Measurement Model**

**Convergent Validity**

Convergent validity analysis is used to evaluate whether indicators can measure variables with expected values. According to Chin (1998) in Oda et al., (2014), a correlation can be said to fulfill convergent validity if it has a loading value greater than 0.5.

**Table 2.**
**Outer Loading Value**

| Variables | Indicator | *Outer Loading* | Description |
|---|---|---|---|
| | K1 | 0.841 | Valid |
| | K2 | 0.828 | Valid |

| | | | |
|---|---|---|---|
| Leadership | K3 | 0.756 | Valid |
| | K4 | 0.760 | Valid |
| | K5 | 0.668 | Valid |
| | K6 | 0.811 | Valid |
| Work Motivation | MK1 | 0.719 | Valid |
| | MK2 | 0.851 | Valid |
| | MK3 | 0.798 | Valid |
| | MK4 | 0.859 | Valid |
| | MK5 | 0.817 | Valid |
| Employe Performance | KK1 | 0.621 | Valid |
| | KK2 | 0.826 | Valid |
| | KK3 | 0.891 | Valid |
| | KK4 | 0.852 | Valid |
| | KK5 | 0.816 | Valid |

Source: data processed by researchers using Smart-PLS 3.0

Based on the data in table 2, it can be concluded that the outer loading value > 0.5. So that each indicator of the research variable has met the criteria for convergent validity and is declared valid.

**Discriminant Validity**

Discriminant validity is a test used to determine whether a variable has adequate discriminant, namely by comparing the loading value on the intended variable must be greater than the loading value of other variables. The following is a discriminant validity table.

**Table 3.**
**Cross Loading**

| | Leadership | Employee Performance | Work Motivation |
|---|---|---|---|
| **X1** | 0.841 | 0.651 | 0.621 |
| **X2** | 0.828 | 0.728 | 0.762 |
| **X3** | 0.756 | 0.663 | 0.518 |
| **X4** | 0.760 | 0.505 | 0.467 |
| **X5** | 0.668 | 0.412 | 0.600 |
| **X6** | 0.811 | 0.632 | 0.740 |
| **Y1** | 0.518 | 0.621 | 0.610 |
| **Y2** | 0.642 | 0.826 | 0.597 |
| **Y3** | 0.665 | 0.891 | 0.597 |
| **Y4** | 0.686 | 0.852 | 0.623 |
| **Y5** | 0.621 | 0.816 | 0.660 |
| **Z1** | 0.507 | 0.449 | 0.719 |
| **Z2** | 0.679 | 0.626 | 0.851 |
| **Z3** | 0.583 | 0.603 | 0.798 |
| **Z4** | 0.733 | 0.727 | 0.859 |
| **Z5** | 0.722 | 0.713 | 0.817 |

Based on table 3 on the cross loading value, the results of discriminant validity for each indicator block can be assessed as good. It appears that all indicators used in this study are declared valid because they meet the discriminnat validity requirements, namely the value of each indicator block that has a construct must have a higher value than other constructs.

**Average Varience Extracted (AVE)**

Measuring the average varience extracted (AVE) value can help in comparing each construct with the correlation between other constructs in the model. According to Latan and Ghozali in Dewi et al., (2022) recommend that the AVE value must be > 0.5. In table 4 it can be seen that the results obtained from the AVE calculation have been carried out.

**Table 4.**
**Average Variance Extracted (AVE) Value**

| Variables | Average variance extracted (AVE) |
|---|---|
| Leadership | 0.607 |
| Work Motivation | 0.657 |
| Employee Performance | 0.651 |

Source: data processed by researchers using Smart-PLS 3.0

Based on the table above, it can be concluded that all constructs have an AVE value > 0.5. So that from the results obtained, it states that the measurement evaluation has good validity through the average variance extracted (AVE) measurement model.

**Composite Reliability and Cronbach Alpha**

The resulting value of composite reliability and Cronbach's alpha will help in reliability testing. According to Hair et.al in Rofiroh et al., (2023) where data that has composite reliability > 0.7 has high reliability, while the expected Cronbach alpha value for all constructs is > 0.6. The calculation of the composite reliability value and Cronbach's alpha can be seen in the table below.

**Table 5.**
**Composite Reliability and Cronbach's Alpha values**

| | Cronbach's Alpha | Composite Reliability |
|---|---|---|
| Leadership | 0.870 | 0.902 |
| Work Motivation | 0.870 | 0.905 |
| Employee Performance | 0.861 | 0.902 |

Source: data processed by researchers using Smart-PLS 3.0

Based on the table above, it can be proven that this study has good reliability which shows the results of composite reliability > 0.7 and Cronbach's alpha value > 0.60 in each variable. The leadership variable has a composite reliability of 0.902 > 0.7 and a Cronbach's alpha value of 0.870 > 0.60. The work

motivation variable has a composite reliability of 0.905 > 0.7 and a Cronbach's alpha value of 0.870 > 0.60. Meanwhile, the employee performance variable has a composite reliability of 0.902 > 0.7 and a Cronbach's alpha value of 0.861 > 0.60.

**Inner model analysis**

Inner model analysis is carried out to evaluate the relationship between latent constructs. In the structural model test (inner model) using the bootstrapping procedure in Smart-PLS. This analysis can be done in several ways, including by looking at the results of the coefficient of determination (R2) and the Goodnes of Fit index (Gof).
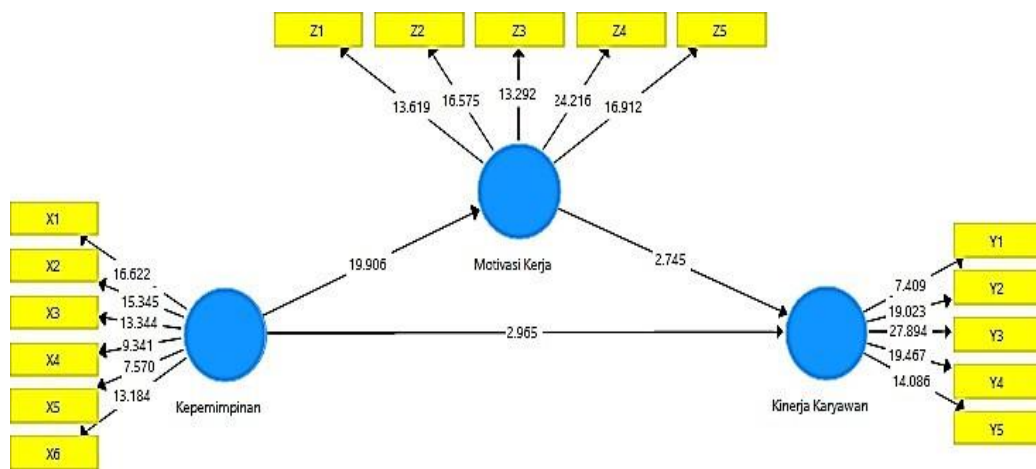


**Figure 6.**
**Inner Model Measurement Model**

**R-Square Analysis**

The results of structural model testing can be seen from the results of the R-square value which is a test of Goodness of Fit (GoF). The R square value is the coefficient of determination on endogenous constructs. According to Hair et al in Rofiroh et al., (2023) the R square value is categorized as strong if it has a value of 0.75, moderate if it has a value of 0.50, and weak if it has a value of 0.25.

**Table 6.**
**R-square (R²) value**

|  | R Square | Category |
|---|---|---|
| Work Motivation | 0.650 | Strong |
| Employee Performance | 0.677 | Strong |

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Based on table 6, it shows that the value generated by the Work Motivation variable is 0.650 and the Employee Performance variable is 0.677. From the results of Employee Performance of 0.677, it can be seen that the Employee Performance variable is influenced by the Leadership and Work Motivation variables by 67.7% and the rest is influenced by variables outside the variables studied. The result obtained by the Work Motivation variable is 0.650, which means that the Work Motivation variable is influenced by the Leadership variable by 65% and the rest is influenced by other variables that are not hypothesized in the model structure.

**Goodness of Fit (GoF)**

Goodness of Fit Model (GoF Model) is performed using R-square predictive relevance, as a structural model by measuring how well the conservation value produced by the model and also its parameter estimates. Gof is tested based on the square root of the average communality index and average R-Square values. According to Ghozali in Fabiana Meijon Fadul (2019) the GoF value with interpretations is 0.1 (small GoF), 0.25 (moderate GoF) and 0.36 (large GoF) with a recommended communality value of 0.50.

**Table 7.**
**R-Square and Community Value**

|  | R-Square | Communalities |
| --- | --- | --- |
| Leadership |  | 0.607 |
| Work Motivation | 0.650 | 0.657 |
| Employee Performance | 0.677 | 0.651 |
| *Mean* | **0.663** | **0.638** |

Source: data processed by researchers using Smart-PLS 3.0

It can be seen from the table above that the average R-square value is 0.663 and the average community value is 0.638 so that the GoF value is:

$GoF = \sqrt{(rata\text{-}rata\ R\text{-}square)}(rata\text{-}rata\ communalities)$

$GoF = \sqrt{(0.663)}(0,638)$

$GoF = 0.56$

From the GoF calculation results, it can be seen that the performance between the measurement model and the structural model has a GoF value of 0.56 (which is above 0.36). This shows that the GoF value in this study has a level of model feasibility with a large and good value in parameter estimation.

**Hypothesis Test**

To determine whether the hypothesis can be accepted or rejected, this study uses a significant value of alpha 0.05 or 5%. The relationship between variables can be said to be significant if the P value is smaller than the predetermined significant value. According to Hair et al in Purwanto et al.,

(2021) the P value is <0.05. If the alpha value is 5%, the T statistical value used is 1.96, then it can be concluded whether it is significant or not. The following are the P values and t statistics obtained in this study :

**Table 8.**
**Hypothesis Test**

| Hypothesis | Variables | T Statistic | P Values |
|---|---|---|---|
| H1 | Leadership -> Employee Performance | 2.965 | 0.003 |
| H2 | Leadership -> Work Motivation | 19.906 | 0.000 |
| H3 | Work Motivation -> Employee Performance | 2.745 | 0.006 |
| H4 | Leadership -> Work Motivation -> Performance Employees | 2.747 | 0.006 |

Source: data processed by researchers using Smart-PLS 3.0.

a. Hypothesis 1 (Leadership affects Employee Performance)
Based on the test results shown in Table 8, it shows that leadership has a significant effect on employee performance. This result is reinforced by the statistical t value > 1.96, which is 2.965 > 1.96 and the P value <0.05, which is 0.003. So this means that hypothesis one (H1) is accepted.

b. Hypothesis 2 (Leadership affects Work Motivation)
Based on the test results shown in Table 8, it shows that leadership has a significant effect on work motivation. This result is reinforced by the statistical t value > 1.96, which is 19.906, and the P value <0.05, which is 0.000. So from these results hypothesis two (H2) is accepted.

c. Hypothesis 3 (Work Motivation affects Employee Performance)
Based on the test results shown in Table 8, it shows that Work Motivation has a significant effect on Employee Performance. This result is reinforced by the showing of the t statistical value > 1.96, which is 2.745 > 1.96, and the P value <0.05, which is 0.006. So this means that hypothesis three (H3) is accepted.

d. Hypothesis 4 (Leadership affects Employee Performance through Work Motivation)
Based on the test results shown in Table 8, it shows that Leadership has a significant effect on Employee Performance through Work Motivation as a mediating variable. This result is reinforced by the statistical t value > 1.96, which is 2.747 > 1.96, and the P value <0.05, which is 0.006. So from these results hypothesis four (H4) is accepted.

## CONCLUSION

Based on the results of the analysis that has been carried out, the following conclusions are obtained:

1. Test results were obtained on leadership variables that had a significant effect on employee performance. It can be said that if leadership decreases employee performance will also decrease.

2. The test results on the leadership variable have a significant effect on work motivation. This can be said that if the role of the leader decreases, employee work motivation will also decrease.

3. The test results on work motivation variables have a significant effect on employee performance. This can be said that with good work motivation, employee performance will also increase.

4. The test results on the leadership variable have a significant effect on employee performance through work motivation. It can be said that work motivation can mediate the influence of leadership variables on employee performance, so it can be said that if the role of the leader is poor, work motivation will decrease, resulting in decreased employee performance.

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