

The influence of leadership style, work environment and competency on employee performance: job satisfaction as an intervening variable at the Labour and Transmigration Office in the Province of Riau Islands

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Abstract

Purpose: The purpose of this study was to analyze the effect of Leadership Style, Work Environment, and Competence on Employee Performance through Job Satisfaction as an intervening variable at the Riau Islands Provincial Manpower and Transmigration Office, totaling 105 employees of the Riau Islands Provincial Manpower and Transmigration Office.

Research Methodology: The research method uses a quantitative approach with the analysis of Partial Least Square (PLS) analysis techniques with the SmartPLS version 4.0 program.

Results: The results indicate that Leadership Style has a positive and insignificant effect on Employee Performance. Work Environment has a positive and insignificant effect on Employee Performance. Competence had a positive and significant effect on employee performance. Job Satisfaction has a positive and significant effect on Employee Performance. Leadership style had a positive and significant effect on job satisfaction. Work Environment has a positive and significant effect on Job Satisfaction. Competence has a positive and significant effect on Job Satisfaction. Job Satisfaction is not able to mediate the influence between Leadership Style on Employee Performance. Job Satisfaction is able to mediate the influence between Work Environment on Employee Performance. Job Satisfaction is able to mediate the influence between Competence on Employee Performance.

Keywords: *Leadership Style, Work Environment, Competence, Employee Performance, and Job Satisfaction*

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1. Introduction

The Manpower and Transmigration Service of the Riau Islands Province is one of the regional apparatuses formed based on the Regulation of the Governor of the Riau Islands Number 59 of 2017 The Position, Organizational Structure, Duties and Functions and Work Procedures of Regional Apparatuses has the main task of carrying out regional government affairs in the field of Manpower and Transmigration, carrying out deconcentration tasks and other tasks assigned by the governor in accordance with applicable laws and regulations, and carrying out its functions, namely carrying out tasks in the field of training and placement of workers, industrial relations and supervision of labor,

community development and transmigration areas, as well as preparing settlements and placement of transmigrants in accordance with applicable laws and regulations.

Related to the above, the number of civil servants based on data from the General and Personnel Subsection in 2021 (as of August) was 101. Civil Servants of the Riau Islands Province Manpower and Transmigration Office Strategic Plan 2021-2026 II - 12 Group III dominate the total Civil Servants in the Riau Islands Province Manpower and Transmigration Office with 85 people (84.16%). Group III or PENATA is a rank level for civil servants groups III/a to III/d with the following hierarchical designations: PENATA MUDA, PENATA MUDA TINGKAT I, PENATA, and PENATA TINGKAT I. When viewed from the requirements of the group, those who occupy this group are those with formal education of S1 or Diploma IV level and above or equivalent. From these provisions, it can be assumed that jobs at the PENATA rank level have begun to demand expertise in a particular field of science, with an in-depth understanding of scientific principles. With a comprehensive understanding of something, the STAFF is no longer just an implementer but is responsible to GUARANTEE the QUALITY of the work process and output of Group II or the REGULATOR level. Based on the staffing conditions of the Manpower and Transmigration Service of the Riau Islands Provincial Government, it can be concluded that the conditions of existing human resources need to be optimized to carry out the main tasks and functions of the Manpower and Transmigration Service.

The current problem is that the leader has been replaced by the transfer of employees at the subsection head level. This change causes fluctuations in employees' performance. Different leadership patterns, less-than-optimal adaptation, and mastery of tasks in the new place are the causes, not to mention problems with existing leaders. The success of a leader in moving others to achieve predetermined goals is highly dependent on authority and the leader himself creating motivation within each subordinate. The ability that a person has is potential, where a person is not necessarily willing to mobilize all or her potential to achieve optimal results, so there is still a need for encouragement so that an employee or member is willing to use all of his potential. To achieve maximum employee performance, the application of the right leadership style from superiors is one of the factors that can move, direct, guide and motivate employees to achieve more in their work. A leader can influence morale, job satisfaction, security, quality of work life, and especially, the level of achievement of an organization.

In terms of employee performance of the Manpower and Transmigration Service of the Riau Islands Provincial Government, it is reflected in one of its missions which is to build a work environment that is able to motivate employees to work with strong and consistent discipline, but the ongoing phenomenon is that there are several employees who have a mindset that only fulfills their duties. Employee performance focuses only on doing work according to the section in which they work. Therefore, in measuring employee performance, we must reflect on the results of this study. Not only do work environment factors have a big influence on declining employee performance, work atmosphere factors include disharmony between some employees and leaders or between one employee and another in the agency, which has an impact on poor communication between employees and leaders or with other employees, as well as the availability of inadequate facilities causing employees to feel uncomfortable and bored with the existing work environment. Thus, employees are not optimal in providing services to the community, making the community judge the condition of the work environment in the agency because they feel dissatisfied with the services provided.

The availability of human resources in the Manpower and Transmigration Office of the Riau Islands Province currently lacks staff with competency in information technology. Therefore, in meeting the need for human resources, it is filled with Contract Workers, but their competency is still not in accordance with expectations. The recruitment/addition of ASN has not been implemented by the Riau Islands Provincial Government, so to support the implementation of the performance of government support affairs in the fields of manpower and transmigration, technical guidance is needed to improve human resource competency, as well as cooperation with universities and consultants at the Manpower and Transmigration Office of the Riau Islands Province. In addition, in the future, to fulfill employment services, labor supervision, industrial relations, and labor placement, it is necessary to add certain

functional positions such as labor inspectors, mediators, and job placement, the number of which is adjusted to the number of companies and workers in the Riau Islands Province.

Dissatisfaction can be the starting point for the emergence of problems with employee performance in an organization, such as absenteeism, conflict between superiors and subordinates, high absenteeism rates, and employee turnover. This dissatisfaction can lead to a decrease in employee work motivation, employee work morale, and employee work performance, both qualitatively and quantitatively. Job satisfaction is the pleasure or positive emotional state due to an assessment. If a person's level of job satisfaction is high, they will show a positive attitude towards their work and vice versa. If a person's level of job satisfaction is low (not satisfied), they will show a negative attitude towards their work. Job satisfaction is not always a strong motivational factor for an employee to excel because employees who are satisfied with their work do not necessarily have increased work performance.

Based on initial observations made by researchers, there are still some employees who are lazy in carrying out their work, so the work cannot be completed within the time that has been planned previously. In addition, the performance of employees is also considered less able to carry out their duties properly, due to the lack of employee knowledge of what is being done, the lack of facilities or facilities to help the smooth running of employee work activities, and also the level of employee discipline, which is still a problem that can affect employee performance and organizational productivity in the agency.

Based on the background and existing phenomena, a research gap has been found, so this can be used as a basis for researchers to conduct research on **"The Influence of Leadership Style, Work Environment, and Competency on Employee Performance: Job Satisfaction as an Intervening Variable at The labor And Transmigration office In The province of Riau Islands."**

2. Literature Review

2.1 Performance

Performance can also be defined as the result of a certain work process in a planned manner at the time and place of the employee and the organization concerned (Monyei, Okeke, & Nwosu, 2021). Performance development is a learning activity that meets long-term general needs. Development is seen as improving the quality of human resources through education and training programs to improve everything that is owned, so that it becomes better or bigger than before. Human resource development refers to efforts to improve the potential of these human resources to become larger, better, and of higher quality (Chijioke, John-Akamelu, & Ejiofor, 2021). Performance will also be important because performance will be able to reflect the measure of the success of the leadership elements in managing the organization and Human Resources in an organization (Maharani, Yahya, Putra, & Pramono, 2023).

Theoretically, Mangkunegara (2017) explains that performance is the result of work in terms of the quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Therefore, what is meant by the quantity of work is the level of good or bad results obtained, whereas quantity is the amount obtained from the results of work. Employee performance indicators were used to measure employee performance.

2.2 Leadership style

Leadership style is a technique for someone to carry out leadership. Furthermore, leadership style can also be interpreted as a behavioral norm used by someone when the person tries to influence the behavior of others as he sees it. In this case, the effort to align perceptions between people who influence behavior and those who will be influenced becomes very important.

A leader needs to think about the most appropriate leadership style, namely one that can maximize performance and that is easy to adjust to all circumstances and conditions in the organization. Leadership style forms the basis for classifying leadership types. The leadership style is a comprehensive pattern of a leader's actions, both visible and invisible to subordinates. Leadership style

describes a consistent combination of philosophy, skills, traits, and attitudes that underlie a person's behavior. Thus, the most appropriate leadership style is one that can maximize productivity, job satisfaction, and growth, and is easy to adjust to the situation. Therefore, leadership style has three basic patterns: prioritizing task implementation, cooperative relationships, and the results achieved.

2.3 Work Environment

According to Sedarmayanti (2018), the work environment is the entire tool and material faced where a person works, his work method, and work arrangements, both as individuals and as a group. According to Rahman and Shanjabini (2022), the work environment is the condition around workers when they carry out their duties, which has an influence on workers when doing their work in order to run company operations, because the work environment plays an important role for workers so that in completing their tasks can be carried out effectively and efficiently. According to SUNYOTO (2015), the work environment is a very important component when employees carry out work activities. Paying attention to a good work environment or creating working conditions that can motivate work will have an impact on employee performance at work.

In addition, according to Sudaryo, Aribowo, and Sofiati (2018) the work environment is the environment where employees do their daily work. A conducive work environment provides a sense of security and improves employees' ability to work optimally. In addition, the work environment can also affect employee emotions; for example, if employees like the work environment where they work, then the employee will be comfortable in his workplace to carry out activities, so that work time is used effectively and optimistically, and employees' work performance is also high. Work environment concerns the physical and psychological aspects that directly or indirectly affect employees in carrying out their work (Hamalik, 2016).

2.4 Competence

Competence is a set of knowledge, skills, and behaviors that must be possessed by a person when carrying out their professional duties. According to Wibowo (2016), competence is the basic foundation of a person's characteristics and indicates how to behave or think, equate situations, and provide support for a fairly long period of time. The essence of this competence lies in the serious willingness to develop others and their impact rather than a formal role, either by sending people to training programs regularly to meet the needs of employees and agencies or in another way by working to develop colleagues, the community and even superiors.

Teamwork and cooperation means a serious willingness to work together to become more competitive. Self-concept, including self-confidence and self-control. Self-confidence is the ability to control emotions and reduce negative actions when angry, when faced with opposition or rude actions from others, or when working under stressful conditions. Self-control is more often found in lower-level managerial positions and contributor positions with high stress levels. Knowledge, including 1) Always seeking information, 2) Technical expertise, including knowledge related to employees (can be technical, professional, or managerial), and also the motivation to expand, utilize and distribute that knowledge. Skills, including analytical thinking and conceptual thinking. Analytical thinking is the ability to understand a situation by breaking it down into small parts or seeing the implications of a situation in detail, this competence allows someone to think analytically or systematically about something complex. Conceptual thinking involves understanding a situation or problem by placing each part in a whole to obtain a bigger picture. The ability to identify patterns or relationships between situations that are not clearly related, identifying fundamental or key issues in complex situations, and conceptual thinking is creative, conceptual, or inductive.

2.5 Job Satisfaction

Darsono and Siswandoko revealed that job satisfaction is a set of pleasant or unpleasant employee feelings based on material and psychological rewards (non-material). Satisfaction or dissatisfaction arises when employees evaluate the rewards and supporting facilities received after completing their work, whether they satisfy expectations. Job satisfaction is an interesting and important problem

because of its widespread use in the interests of individuals, society, and industry.

According to Sudaryo et al. (2018), job satisfaction is a feeling of pleasure or discomfort regarding work based on expectations of the rewards given by the agency. According to Sudaryo et al. (2018), job satisfaction can be measured using the following indicators: 1) Turnover: if the job satisfaction felt by employees is high, then turnover is low. Employees who are less satisfied usually have high turnover rates. (2) The level of absenteeism and less satisfied employees tend to have a high level of attendance (absence). They were not present for illogical or subjective reasons. 3) Older employees tend to feel more satisfied than relatively younger employees. It is assumed that older employees are more likely to adapt to their work environment. Meanwhile, young employees usually have ideal expectations about the world of work, so a gap or imbalance between their expectations and the reality of work can cause them to become dissatisfied. 4) Employees who occupy higher job levels tend to be more satisfied than those who occupy lower job levels. Employees with a higher level of work demonstrate good work abilities, actively express ideas, and are creative in their work.

According to Wibowo (2017), job satisfaction is a general attitude towards one's work, as the difference between the amount of rewards received by workers and the amount of rewards they believe they should receive. Meanwhile, Sutrisno (2016) defines "job satisfaction as an employee's attitude towards work related to work situations, cooperation between employees, rewards received in work, and matters relating to physical and psychological factors". The more satisfied the needs of employees in an organization, the more optimal the level of performance and productivity of its employees, so that organizational goals are increasingly achieved. Essentially, job satisfaction is something that is an individual. Each individual has a different level of satisfaction, adjusted to the personal value system that applies to them. The higher the assessment of an activity is felt to be in accordance with the wishes of the individual, the higher the satisfaction with the activities carried out.

2.6 Hypothesis Development

2.6.1 The Influence of Leadership Style on Performance

Leadership style is a set of characteristics used by leaders to influence subordinates so that organizational goals are achieved, or it can also be said that leadership is a pattern of behavior and strategies that are preferred and often applied by a leader. This indicates that leadership style is related to improved employee performance. The better the leadership style applied, the more it will have an impact on performance. Leadership is a process of influencing others, understanding and agreeing with what needs to be done, how the task is carried out effectively, and the process of facilitating individual and collective efforts to achieve common goals to improve employee performance.

This is in line with Mukmin and Prasetyo (2021), who state that leadership style has a direct and significant influence on employee performance. The more appropriate the choice of leadership style, the more enthusiastic employees will be in completing their tasks so that they can improve their performance.

H1: Leadership Style has a direct effect on Employee Performance at the Manpower and Transmigration Service of the Riau Islands Provincial Government.

2.6.2 The Influence of the Work Environment on Performance

The work environment is everything around the employee that affects them, such as the surrounding environment, work methods, and work arrangements used to carry out the work. Physical and non-physical work environments can easily influence employees' work enthusiasm in meeting their work targets. However, when the work environment is uncomfortable and even interferes with employee concentration while working, it will have a negative impact on employee job satisfaction.

This is in line with the research of Ningrum et al. (2022), who state that the work environment has a positive and significant effect on performance. The more comfortable the work environment in an organization, the more employees' performance will increase.

H2: The work environment has a direct effect on employee performance at the Manpower and

Transmigration Service of the Riau Islands Provincial Government.

2.6.3 The Influence of Competence on Performance

Competence is the basic capital in carrying out any work in any form and scope of work. Employees will be more creative in working efficiently and effectively in achieving optimal work results, which in the end can achieve the goals that have been set. In other words, competence greatly supports the achievement of high employee performance: the higher the employee's competence, the higher their performance. This happens because, with the employee's competence, they will be increasingly able to carry out the tasks assigned to them.

This is in line with research by Agustinah, Naser, and Mulyono (2020) which states that competence had a positive and significant effect on employee performance. The more competent an employee, the more the employee's performance increases.

H3: Competence has a direct effect on Employee Performance at the Manpower and Transmigration Service of the Riau Islands Provincial Government.

2.6.4 The Influence of Job Satisfaction on Performance

Job satisfaction influences productivity, absenteeism, employee turnover, speaking up, ignoring, and loyalty. This means that there is one factor that is related to job satisfaction, namely, work productivity or the result of the comparison between the amount of output and the amount of labor input. Work productivity is the result of work in terms of quantity achieved by an employee in carrying out his duties according to the responsibilities given to him; therefore, it can be stated that work productivity is identical to performance and the relationship is positive, meaning that the higher the job satisfaction, the higher the work productivity (performance), and vice versa, the lower the job satisfaction, the lower the performance.

This is in line with Kusuma and Lina (2018), who state that job satisfaction has a positive and significant effect on employee performance. If the level of employee job satisfaction is high, employee performance will also improve.

H4: Job Satisfaction has a direct effect on Employee Performance at the Manpower and Transmigration Service of the Riau Islands Provincial Government.

2.6.5 The Influence of Leadership Style on Job Satisfaction

The better the leadership style applied, the more it will have an impact on employee satisfaction. Leadership style is a manifestation of a leader's behavior, which concerns their ability to lead. Leaders who are effective in applying a certain style in their leadership must first understand who the subordinates are who leads them, understand the strengths and weaknesses of their subordinates, and understand how to use the strengths of subordinates to compensate for the weaknesses they have so that they can influence the behavior or job satisfaction of their employees.

This is in line with Mukmin and Prasetyo's (2021) research, Mukmin and Prasetyo (2021) which states that leadership style has a positive and significant effect on job satisfaction. The right leadership style will make employees feel safe and comfortable, so that it can increase employee job satisfaction.

H5: Leadership Style has a direct effect on Job Satisfaction at the Manpower and Transmigration Service of the Riau Islands Provincial Government.

2.6.6 The Influence of Work Environment on Job Satisfaction

Job satisfaction significantly affects work environment. The better the work environment or one of its indicators, namely the relationship between employees and employees or with superiors, the better and more solid the job satisfaction. On the other hand, if the relationship is not good and not communicative, it will create poor job satisfaction because it requires other people to work together, and workplace building is maximized to create comfortable and safe conditions so that it can increase employee job satisfaction.

This is in line with the research of Sumerdana and Heryanda (2021), who state that the work environment has a positive and significant effect on employee job satisfaction. If the work environment is comfortable and safe, employees will feel happy so that it can increase their job satisfaction.

H6: The Work Environment has a direct effect on Job Satisfaction at the Manpower and Transmigration Service of the Riau Islands Provincial Government.

2.6.7 The Influence of Competence on Job Satisfaction

Competence can affect job satisfaction; high competence increases a person's job satisfaction. This shows that if competence is increased, it will encourage an increase in job satisfaction, which is certainly beneficial for employee performance. An employee's high level of competence will make them more confident about achieving job satisfaction.

This is in line with Hidayat et al. Hidayat, Mattalatta, and Sani (2020), who state that competence has a direct influence on job satisfaction. If employees have sufficient or even greater competence, they can increase their job satisfaction because they feel more confident in completing their work.

H7: Competence has a direct influence on Job Satisfaction at the Manpower and Transmigration Service of the Riau Islands Provincial Government.

2.6.8 The Influence of Leadership Style on Performance through Job Satisfaction as an Intervening Variable

The right leadership style increases job satisfaction and employee performance. Thus, employees can perform their jobs both optimally and completely. Employees need information from every job they do; therefore, the better the communication, the better the work results. However, on the other hand, if there is a lack of communication, it will affect the leadership style and employee performance, thereby reducing the level of employee job satisfaction.

This is in line with research by Jopanda (2021), who states that indirect leadership style through job satisfaction has a significant influence on employee performance.

H8: Leadership Style has an indirect effect on employee performance through job satisfaction as an intervening variable at the manpower and transmitting service of the Riau Islands provincial government.

2.6.9 The Influence of Work Environment on Performance through Job Satisfaction as an Intervening Variable

A conducive work environment provides a sense of security and allows employees to work optimally. An adequate work environment creates a good work atmosphere that increases employee satisfaction. An increase in job satisfaction can affect employee performance.

This is in line with Khatimah's (2021) research, Khatimah (2021) which states that competence has an indirect and significant effect on employee performance, which is mediated by job satisfaction.

H9: Work Environment has an indirect effect on employee performance through job satisfaction as an intervening variable at the manpower and transmitting service of the Riau Islands provincial government.

2.6.10 The Influence of Competence on Performance through Job Satisfaction as an Intervening Variable

Competence is an important skill or knowledge possessed by employees in a particular field. By having competence, employees experience satisfaction at work. Performance is optimal if it is in accordance with the competence possessed. The higher the employee's competence, the higher is the employee's performance. This shows that competence, consisting of motives, traits, self-concepts, knowledge, and expertise possessed by employees, is one way to increase job satisfaction.

H10: Competence has an indirect effect on Employee Performance through Job Satisfaction as an

Intervening Variable at the Manpower and Transmigration Office of the Riau Islands Provincial Government.

1.1. Relationship between variables

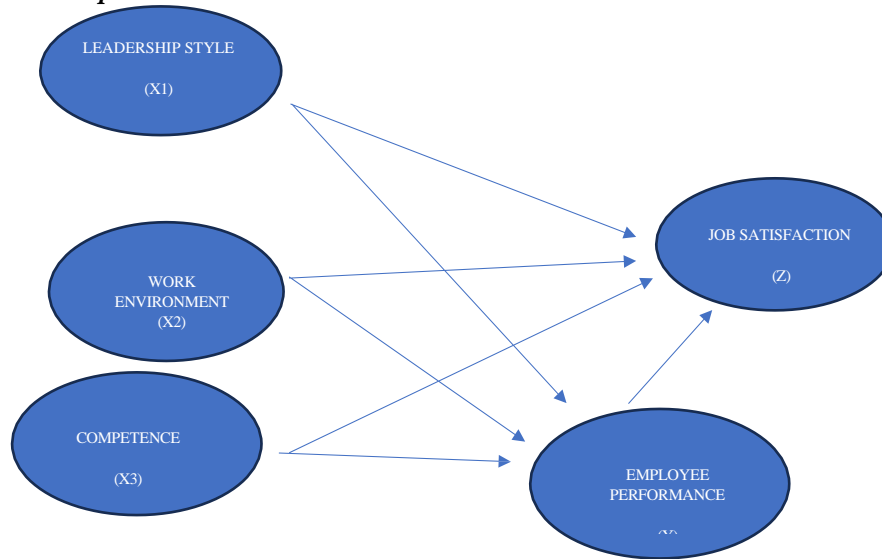


Figure 1. Relationship between variables

3. Research Methodology

3.1 Population

The population, according to Sugiyono (2018), is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. Determining the population is an important stage in research. Population can provide useful information or data for research. The population in this study was 105 employees of the Manpower and Transmigration Service of the Riau Islands Provincial Government.

3.2 Sample

The subjects of this study were employees of the Manpower and Transmigration Office of the Riau Islands Province with variables of Leadership Style, Work Environment, Competence, Employee Performance and Job Satisfaction of employees of the Manpower and Transmigration Office of the Riau Islands Provincial Government.

In this study, the sampling technique used was nonprobability sampling with the technique taken being saturated sampling (census). According to Sugiyono (2014) the saturated sampling technique is a sampling determination technique when all members of the population are used as samples. The sample used in this study comprised the entire population of 105 employees of the Manpower and Transmigration Office of the Riau Islands Province.

3.3 Definition of Variables and Measurement Scales

Table 1. Variable Instrument Grid

Variable	Dimensions/Indicators	Statement Items	Scale
Performance (Robbins, Mangkunegara and Afandi)	1. Quantity of work	1, 2, 3	Likert
	2. Punctuality	4, 5	
	3. Initiative	6, 7	
	4. Ability	8, 9	
	5. Communication	10, 11, 12	
Total		12	
Variable	Dimensions/Indicators	Statement Items	Scale

Leadership Style (Gary Yuki)	1. Visionary 2. Mentor 3. Affiliative (Combining) 4. Democratic 5. Communicative	1, 2, 3 4, 5, 6, 7 8, 9 10, 11, 12 13, 14	Likert
Total		14	
Variable	Dimensions/Indicators	Statement Items	Scale
Work environment (Rosa)	1. Lighting/lighting in the workplace 2. Air circulation in the workplace 3. Noise in the workplace 4. Bad smell in the workplace 5. Safety in the workplace	1, 2, 3 4, 5, 6 7, 8, 9 10, 11, 12 13, 14, 15	Likert
Total		15	
Variable	Dimensions/Indicators	Statement Items	Scale
Competence (Lestari)	1. <i>Task Skills</i> 2. <i>Task Management Skills</i> 3. <i>Contingency Management Skills</i> 4. <i>Job Role Environment Skills</i> 5. <i>Transfer Skills</i>	1, 2, 3, 4, 5, 6 7, 8, 9, 10 11, 12, 13, 14 15, 16, 17, 18	Likert
Total		18	
Variable	Dimensions/Indicators	Statement Items	Scale
Satisfaction (Robbins, Mangkunegara and Afandi)	1. Job 2. Salary or wages 3. Promotion 4. Co-workers	1, 2, 3 4, 5, 6 7, 8, 9, 10 11, 12, 13, 14	Likert
Total		14	

3.4 Measurement Scale

The data analysis tool used was a questionnaire, which was tested using Smart PLS version 4.0. The answers to each instrument item using the Likert scale have a gradation from strongly agree to strongly disagree.

Table 2. Likert Scale

Description	Scale
Strongly Agree	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree	1

3.5 Respondent Description

Respondent characteristic data can be seen in the following table:

Table 3. Respondent Characteristics

Gender	Total	Percentage
Male	53	50,48%
Female	52	49,52%
Total	105	100%
Age	Total	Percentage
21 s/d 30 Years	7	6,67%

31 s/d 40 Years	35	33,33%
41 s/d 50 Years	53	50,48%
More than 50 years	10	9,52%
Total	105	100%
Last education	Total	Percentage
SMA/SLTA	12	11,43%
S1	78	74,29%
S2	15	14,28%
Total	105	100%
Length of work	Total	Percentage
1-5 Years	10	9,52%
6-10 Years	20	19,05%
Over 10 years	75	71,43%
Total	105	100%

4. Result and Discussion

4.1 Measurement Model Analysis (Outer Model)

4.1.1 Internal Consistency Validity

Internal consistency analysis is a form of reliability used to assess the consistency of results across items on the same test. Khan and Hossain (2021) stated that a latent variable can be said to have good reliability if the composite reliability value is greater than 0.7 and the Cronbach's alpha value is greater than 0.7.

Table 4. Internal Consistency Analysis

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Employee_Performance	0,825	0,848	0,843	0,316
Work_Environment	0,885	0,887	0,901	0,399
Job_Satisfaction	0,829	0,843	0,861	0,420
Competence	0,944	0,951	0,951	0,564
Leadership_Style	0,904	0,918	0,921	0,467

Source: Processed Primary Data (SmartPLS 2024)

Based on the internal consistency analysis data in the table above, the results show that the Leadership Style Variable (X1) has a composite reliability value of 0.921, which is greater than 0.600, indicating that the Leadership Style Variable (X1) is reliable; The Work Environment Variable (X2) has a composite reliability value of 0.901, which is greater than 0.600, indicating that the Work Environment Variable (X2) is reliable; The Competence Variable (X3) has a composite reliability value of 0.951, which is greater than 0.600, indicating that the Competence Variable (X3) is reliable; The Employee Performance Variable (Y) has a composite reliability value of 0.843, which is greater than 0.600, indicating that the Employee Performance Variable (Y) is reliable; The Job Satisfaction Variable (Z) has a composite reliability value of 0.861, which is greater than 0.600, indicating that the Job Satisfaction Variable (Z) is reliable.

4.1.2 Convergent Validity

According to Ghazali and Ratmono (2017), a correlation can be said to meet convergent validity if it has a loading value of more than 0.7. The output shows that the loading factor provides a value above the recommended value of 0.7. So that the indicators used in this study have met convergent validity.

Table 5. Convergent Validity

	X1	X2	X3	Y	Z
X1.1	0,705				
X1.2	0,757				
X1.3	0,721				
X1.4	0,738				
X1.5	0,707				
X1.6	0,805				
X1.7	0,777				
X1.8	0,762				
X1.9	0,750				
X1.10	0,837				
X1.11	0,773				
X1.12	0,729				
X1.13	0,829				
X1.14	0,746				
X2.1		0,748			
X2.2		0,806			
X2.3		0,794			
X2.4		0,725			
X2.5		0,805			
X2.6		0,793			
X2.7		0,852			
X2.8		0,832			
X2.9		0,839			
X2.10		0,834			
X2.11		0,828			
X2.12		0,851			
X2.13		0,780			
X2.14		0,800			
X3.1			0,772		
X3.2			0,814		
X3.3			0,838		
X3.4			0,764		
X3.5			0,779		
X3.6			0,833		
X3.7			0,836		
X3.8			0,791		
X3.9			0,837		
X3.10			0,791		
X3.11			0,736		
X3.12			0,813		
X3.13			0,809		
X3.14			0,862		
X3.15			0,853		

Y.1				0,848	
Y.2				0,865	
Y.3				0,862	
Y.4				0,853	
Y.5				0,848	
Y.6				0,812	
Y.7				0,825	
Y.8				0,823	
Y.9				0,754	
Y.10				0,860	
Y.11				0,757	
Y.12				0,801	
Z.1					0,791
Z.2					0,736
Z.3					0,824
Z.4					0,763
Z.5					0,828
Z.6					0,809
Z.7					0,862
Z.8					0,865
Z.9					0,862

Source: Processed Primary Data (SmartPLS 2024)

Based on the table above, it can be seen that the outer loading value for variables X1, X2, X3, Y, and Z, where the value of all question items in the five variables tested is greater than 0.7, all indicators in the five variables are declared valid.

4.1.3 Discriminant Validity

Discriminant validity aims to assess whether an indicator of a construct variable is valid or not, namely by looking at the Heterotrait-Monotrait Ratio Of Correlation (HTMT) Value < 0.90, then the variable has good discriminant validity (valid). (Hair, Hult, Ringle, & Sarstedt, 2014).

Table 6. Discriminant Validity

	X1	X2	X3	Y	Z
X1					
X2	0,511				
X3	0,467	0,887			
Y	0,389	0,895	0,675		
Z	0,479	0,754	0,785	0,735	

Source: Processed Primary Data (SmartPLS 2024)

The results of discriminant validity in Table 9 show that the discriminant validity value of each indicator item against its construct is derived from the discriminant validity value. With that, it can be concluded that all constructs or latent variables already have better discriminant validity than the indicators in other blocks.

4.2 Structural Model Analysis (Inner Model)

4.2.1 Collinearity / Variance Inflation Factor / VIF

Collinearity testing is to prove whether the correlation between latent variables/constructs is strong or

not. If there is a strong correlation, it means that the model contains problems when viewed from a methodological perspective, because it has an impact on the estimation of its statistical significance. This problem is called collinearity. The value used for analysis is based on the variance Inflation Factor (VIF) value (Hair et al., 2014; Rahman & Shanjabin, 2022). If the VIF value is greater than 5.00, there is a collinearity problem; otherwise, there is no collinearity problem if the VIF value is <5.00 (Hair et al., 2014).

Table 7. Collinearity

	X1	X2	X3	Y	Z
X1				1,605	1,236
X2				1,489	1,164
X3				1,874	1,400
Y					
Z				1,536	

Source: Processed Primary Data (SmartPLS 2024)

From the data above, it can be described as follows:

1. The VIF for the correlation of X1 with Y was $1.605 < 5.00$ (no collinearity problem occurred).
2. The VIF for the correlation of X2 with Y was $1.489 < 5.00$ (no collinearity problem occurred).
3. The VIF for the correlation of X3 with Y was $1.874 < 5.00$ (no collinearity problem occurred).
4. The VIF for the correlation of Z with Y was $1.536 < 5.00$ (no collinearity problem occurred).

Based on the data above, the correlations between X1 and Y, X2 and Y, X3 and Y, and Z and Y do not result in collinearity problems.

4.2.2 Testing the Significance of Structural Model Path Coefficients

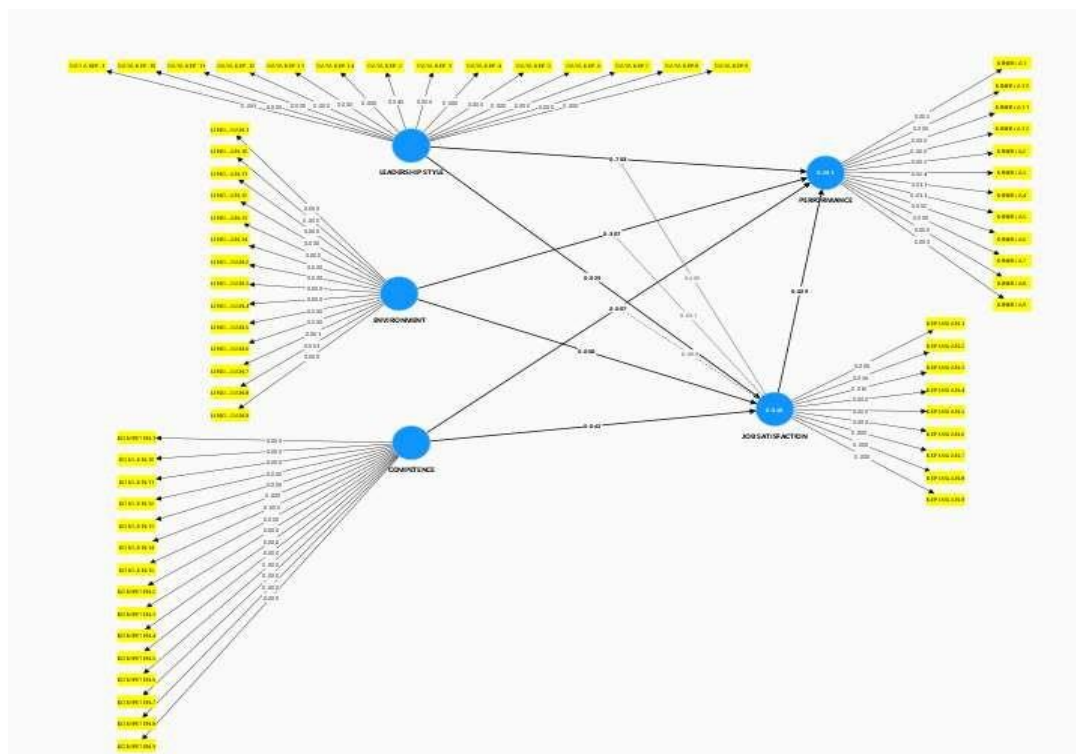


Figure 2. Research Model

4.3 Direct Effect Hypothesis Testing

The direct influence hypothesis test aims to prove the hypotheses of the influence of a variable on other

variables directly (without intermediaries). If the path coefficient value is positive, it indicates that an increase in the value of a variable is followed by an increase in the value of another variable. If the path coefficient value is negative, it indicates that an increase in a variable is followed by a decrease in the value of another variable.

If the probability value (P-Value) < Alpha (0.05) then Ho is rejected (the influence of a variable on another variable is significant). If the probability value (P-Value) > Alpha (0.05) then Ho is accepted (the influence of a variable on another variable is not significant).

Table 8. Direct Effect Hypothesis

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1 -> Y	0.039	0.039	0.128	0.302	0,763
X2 -> Y	0.158	0.156	0.155	1.022	0,307
X3 -> Y	0.339	0.345	0.126	2.695	0,007
Z -> Y	0.289	0.296	0.133	2.178	0,029
X1 -> Z	0.196	0.222	0.087	2.245	0,025
X2 -> Z	0.379	0.402	0.090	4.222	0,000
X3 -> Z	0.209	0.201	0.103	2.034	0,042

Source: Processed Primary Data (SmartPLS 2024)

1. The direct effect of the Leadership Style variable (X1) on the Employee Performance variable (Y) has an original sample value of 0.039 with a T Statistic of 0.302 < 1.659 (positive), so an increase in the value of the Leadership Style variable (X1) will be followed by an increase in the Employee Performance variable (Y). The effect of the Leadership Style variable (X1) on Employee Performance (Y) has a P-value of 0.763 > 0.05; therefore, it can be stated that the effect of Leadership Style (X1) on Employee Performance (Y) is positive and not significant.
2. The direct effect of the Work Environment variable (X2) on the Employee Performance variable (Y) has an original sample value of 0.158 with a T Statistic of 1.022 (positive), so an increase in the value of the work environment variable (X2) will be followed by an increase in the Employee Performance variable (Y). The influence of the Work Environment variable (X2) on Employee Performance (Y) has a P-value of 0.307 > 0.05; therefore, it can be stated that the influence of the Work Environment (X2) on Employee Performance (Y) is positive and not significant.
3. The direct influence of the Competence variable (X3) on the Employee Performance variable (Y) has an original sample value of 0.339 with a T Statistic of 2.695 > 1.659 (positive), so an increase in the value of the competence variable (X3) will be followed by an increase in the Employee Performance variable (Y). The influence of the competence variable (X3) on Employee Performance (Y) has a P-Value of 0.007 < 0.05, so it can be stated that the influence of Competence on Employee Performance is positive and significant.
4. The direct effect of the Job Satisfaction variable (Z) on the Employee Performance variable (Y) has an original sample value of 0.289 with a T Statistic of 2.178 > 1.659 (positive), so an increase in the value of the Job Satisfaction variable (Z) will be followed by an increase in the Employee Performance variable (Y). The effect of the Job Satisfaction variable (Z) on Employee Performance (Y) has a p-value of 0.029 < 0.05; therefore, it can be stated that the effect of Job Satisfaction (Z) on Employee Performance (Y) is positive and significant.
5. The direct effect of the Leadership Style variable (X1) on the Job Satisfaction variable (Z) has an original sample of 0.196 with a path T Statistic of 2.245 > 1.659 (positive), so an increase in the value of the Leadership Style variable (X1) will be followed by an increase in the Job Satisfaction variable (Z). The influence of the Leadership Style variable (X1) on Job Satisfaction (Z) has a p-value of 0.025 < 0.05; therefore, it can be stated that the influence of Leadership Style (X1) on Job Satisfaction (Z) is positive and significant.
6. The direct influence of the Work Environment variable (X2) on the Job Satisfaction variable (Z) has

an original sample value of 0.379 with a T Statistic of $4.222 > 1.659$ (positive); therefore, an increase in the value of the Work Environment variable (X2) will be followed by an increase in the Job Satisfaction variable (Z). The influence of the Work Environment variable (X2) on Job Satisfaction (Z) has a p-value of $0.000 < 0.05$; therefore, it can be stated that the influence of the Work Environment (X2) on Job Satisfaction (Z) is positive and significant.

7. The direct influence of the Competence variable (X3) on the Job Satisfaction variable (Z) has an original sample value of 0.209 with a T Statistic of $2.034 > 1.659$ (positive), so an increase in the value of the Competence variable (X3) will be followed by an increase in the Job Satisfaction variable (Z). The influence of the competence variable (X3) on Job Satisfaction (Z) has a P-value of $0.042 < 0.05$, so it can be stated that the influence of competence (X3) on Job Satisfaction (Z) is positive and significant.

4.4 Testing the Indirect Effect Hypothesis

Indirect influence hypothesis testing aims to prove the hypotheses of the influence of a variable on other variables indirectly (through an intermediary). If the value of the indirect influence coefficient $>$ direct influence coefficient, then the intervening variable mediates the relationship between one variable and another. Conversely, if the value of the indirect influence coefficient $<$ direct influence coefficient, then the intervening variable does not mediate the relationship between one variable and another.

Table 9. Indirect Effect Hypothesis

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1 -> Z -> Y	0.057	0.065	0.039	1.449	0,147
X2 -> Z -> Y	0.412	0.404	0.191	2.153	0,031
X3 -> Z -> Y	0.183	-0.186	0.080	2.279	0,023

Source: Processed Primary Data (SmartPLS 2024)

1. The indirect effect of the Leadership Style variable (X1) on the Employee Performance variable (Y) with Job Satisfaction (Y) as an intervening variable has an original sample value of 0.057 with a T Statistic of $1.449 < 1.659$ (positive). The effect of the Leadership Style variable (X1) on Employee Performance (Y) mediated by Job Satisfaction (Z) had a P-value of $0.147 < 0.05$. The type of mediation produced is partial mediation. So it can be stated that the effect between Leadership Style (X1) on Employee Performance (Y) with Job Satisfaction (Z) as an intervening variable is positive and not significant.
2. The indirect effect of the Work Environment variable (X2) on the Employee Performance variable (Y) with Job Satisfaction (Z) as an intervening variable has an original sample value of 0.412 with a T Statistic of $2.153 > 1.659$ (positive). The influence of the Work Environment variable (X2) on Employee Performance (Y) mediated by Job Satisfaction (Z) had a p-value of $0.031 < 0.05$. The type of mediation produced is partial mediation. Thus, it can be stated that the influence of the Work Environment (X2) on Employee Performance (Y) with Job Satisfaction (Z) as an intervening variable is positive and significant.
3. The indirect influence of the competence variable (X3) on the Employee Performance variable (Y) with Job Satisfaction (Z) as an intervening variable has an original sample value of 0.183 with a T Statistic of $2.279 > 1.659$ (positive). The influence of the competence variable (X3) on Employee Performance (Y) mediated by Job Satisfaction (Z) had a P-value of $0.023 < 0.05$. The type of mediation produced is partial mediation. So it can be stated that the influence between Competence (X3) on Employee Performance (Y) with Job Satisfaction (Z) as an intervening variable is positive and significant.

4.5 Coefficient of Determination (R Square)

The determination coefficient (R Square) aims to evaluate the accuracy of a variable's prediction. In other words, to evaluate how the variation in the value of the dependent variable is influenced by the variation in the value of the independent variable in a path model.

Table 10. Coefficient of Determination (R Square)

	R-square	R-square adjusted
Y	0.281	0.227
Z	0.346	0.325

Source: Processed Primary Data (SmartPLS 2024)

In the table above, the results of the influence of Leadership Style (X1), Work Environment (X2), and competence (X3) on Employee Performance (Y) are 22.7%, and the remaining 77.3% are influenced by other variables outside those studied in this study. Meanwhile, in the table above, the results of the influence of Leadership Style (X1), Work Environment (X2), and competence (X3) on Job Satisfaction (Z) are 32.5%, and the remaining 67.5% is influenced by other variables outside those studied in this study.

5. Conclusion

5.1 Conclusion

The results of the data analysis findings in the discussion and hypothesis testing can be concluded as follows:

1. The direct influence of the Leadership Style variable (X1) on the Employee Performance variable (Y) indicated that the influence of Leadership Style (X1) on Employee Performance (Y) was positive and insignificant.
2. The direct influence of the Work Environment variable (X2) on the Employee Performance variable (Y) indicates that the influence of the Work Environment (X2) on Employee Performance (Y) is positive and insignificant.
3. The direct influence of the competence variable (X3) on the Employee Performance variable (Y) indicated that the influence of Competence on Employee Performance was positive and significant.
4. The direct influence of the Job Satisfaction variable (Z) on the Employee Performance variable (Y) indicated that the influence of Job Satisfaction (Z) on Employee Performance (Y) was positive and significant.
5. The direct influence of the Leadership Style variable (X1) on the Job Satisfaction variable (Z) indicated that the influence of Leadership Style (X1) on Job Satisfaction (Z) was positive and significant.
6. The direct influence of the Work Environment variable (X2) on the Job Satisfaction variable (Z) indicates that the influence of Work Environment (X2) on Job Satisfaction (Z) is positive and significant.
7. The direct influence of the competence variable (X3) on the Job Satisfaction variable (Z) indicated that the influence of competence (X3) on Job Satisfaction (Z) was positive and significant.
8. The indirect influence of the Leadership Style variable (X1) on the Employee Performance variable (Y) with Job Satisfaction (Y) as an intervening variable can be stated as the influence of Leadership Style (X1) on Employee Performance (Y), and Job Satisfaction (Z) as an intervening variable is positive and insignificant.
9. The indirect influence of the Work Environment variable (X2) on the Employee Performance variable (Y) with Job Satisfaction (Z) as an intervening variable can be stated as the influence of the Work Environment (X2) on Employee Performance (Y) with Job Satisfaction (Z) as an intervening variable is positive and significant.
10. The indirect effect of the competence variable (X3) on the Employee Performance variable (Y) with Job Satisfaction (Z) as an intervening variable can be stated as the effect of competence (X3) on Employee Performance (Y) with Job Satisfaction (Z) as an intervening variable is positive and

significant.

11. The R Square result of the effect of Leadership Style (X1), Work Environment (X2), and competence (X3) on Employee Performance (Y) is 22.7%, and the remaining 77.3% is influenced by other variables outside those studied in this study. The table above shows that the results of the effect of Leadership Style (X1), Work Environment (X2), and competence (X3) on Job Satisfaction (Z) is 32.5%, and the remaining 67.5% is influenced by other variables outside those studied in this study.

5.2 Suggestions

Based on the results of the discussion and conclusions above, the suggestions in this study are as follows:

1. For companies and employees
 - a. Leaders should pay special attention to their employees and be more responsible. The success of employee performance is one of the elements in improving organizational performance. It is expected that by achieving a good and appropriate leadership style, the performance of employees of the Manpower and Transmigration Service of the Riau Islands Provincial Government will improve. In this case, the leadership style should be democratic or transformational.
 - b. The agency where employees work needs to pay attention to and create a work environment that makes employees feel at home and comfortable completing their work. An agency can provide complete facilities and work tools to support employees. The agency needs to pay attention to lighting in the work room so that employees can work optimally and minimize working errors. A good work environment encourages employees to be enthusiastic and comfortable at work and can increase their sense of responsibility to improve employee performance.
 - c. It is recommended that agencies retain employees who have extensive knowledge of the field of work, and that companies pay attention to employees who do not understand how to complete their tasks and responsibilities. The solution that can be done to improve employee performance through competence is to provide intensive education and training for the tasks that are the responsibility of employees. To improve employee performance to be better, related agencies should pay more attention to and maximize the competencies possessed by employees to be able to maintain employee consistency in working. Providing training and opportunities to continue education can be a way for employee knowledge, skills and abilities to be utilized according to their field of work, so that the performance of each employee will be better.
 - d. To improve employee performance, leaders can do this by motivating employees to be more enthusiastic about and creative in working. It is also necessary to be sensitive to immediately help co-workers' work after their own work is finished, so that, in addition to doing office work, employees also interact with each other so that good relationships are established between co-workers.
 - e. Satisfaction is an important factor in the entry and exit of an employee; therefore, agencies should pay more attention to what employees want to carry out their work, both in terms of providing compensation and supporting facilities in carrying out responsibilities. Agencies must also increase employees' work motivation by improving organizational culture. A good organizational culture implemented by employees motivates work so that job satisfaction is achieved.
2. Further researchers can develop the research model by including other variables that are not included in the model, such as organizational commitment, self-efficacy, and work motivation.

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