

THE INFLUENCE OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE AND WORK MOREST THROUGH WORK MOTIVATION INTERVENING VARIABLES AT CV. PRIMA PRICE

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Abstract. This research aims to analyze the influence of leadership style and work enthusiasm on employee performance, with work motivation as an intervening variable. The study employs a quantitative research approach, utilizing Structural Equation Modeling Partial Least Squares (SEM-PLS) for data analysis. The research was conducted at CV. Harsa Prima, a company engaged in multimedia technology, with a total sample of 42 employees. The findings indicate that leadership style positively affects work motivation, with a coefficient value of 0.609, and also positively impacts employee performance, with a coefficient value of 0.375. Additionally, work motivation has a positive effect on employee performance, with a coefficient value of 0.442. Furthermore, leadership style positively influences work morale, with a coefficient value of 0.44, while work motivation also significantly impacts work morale, with a coefficient value of 0.51. The study further reveals that work motivation significantly mediates the relationship between leadership style and work morale, as indicated by a T-statistic of 1.862 (>1.647) and a P-value of 0.032 (<0.05). Similarly, work motivation also significantly mediates the relationship between leadership style and employee performance, with a T-statistic of 1.806 (>1.647) and a P-value of 0.036 (<0.05). These findings highlight the crucial role of leadership style in enhancing employee motivation, work morale, and overall performance. Organizations can benefit from adopting effective leadership strategies to boost employee motivation, thereby fostering a more productive and engaged workforce.

Keywords: leadership style, work motivation, work enthusiasm, employee performance

I. INTRODUCTION

In the current era of developing technology and increasingly advanced civilization, it is very necessary to have humans who have high competence in running an organization. Every organization expects maximum results from the work done by these humans. In implementing this, good performance from a human being is needed, so that human resources become one of the important factors that can achieve the company's goals Yosepa et al., (2020).

Employee performance and work motivation are two crucial elements in supporting the success of an organization. Employee performance reflects the ability of individuals in an organization to carry out tasks and achieve predetermined goals, while work enthusiasm is related to the level of involvement, commitment, and internal motivation of employees to work optimally. These two aspects are greatly influenced by various factors, one of which is leadership style.

Leadership style refers to the method used by a leader to lead and direct his members. Various leadership theories, including autocratic, democratic, transformational, and transactional theories, show that leadership has a significant impact on employee performance. On the other hand, an inappropriate leadership style can result in dissatisfaction,

confusion, and decreased motivation, which can ultimately harm employee performance.

Employee work enthusiasm can be influenced by interpersonal relationships built by leaders. Leadership based on good communication, appreciation for achievement, and employee empowerment can increase their enthusiasm and involvement in work. Conversely, leadership that tends to be authoritarian or does not support employee development can reduce work enthusiasm.

Work motivation functions as an essential element that links leadership style to employee performance and dedication. According to motivational theories such as Maslow's Hierarchy of Needs or Herzberg's Two Factor Theory, work motivation is influenced by the fulfillment of basic needs and factors that encourage satisfaction and development in the work environment. Leaders who can motivate employees through recognition, challenge, and career development tend to increase their work motivation.

Work motivation acts as an intervening variable that links leadership style to employee performance and work enthusiasm. A leadership style that can inspire and empower employees will increase their motivation, which in turn can encourage increased performance and work enthusiasm.

CV. Harsa Prima is one of the companies engaged in multimedia technology. Along with the development of the era, many new companies have become competitors of CV. Harsa Prima, so CV. Harsa Prima is required to work more effectively and efficiently in facing this competition. After conducting an interview with one of the employees CV. Harsa Prima named Mr. Yono during break time at the office CV. Harsa Prima, one of the problems currently faced is the work deadline target that is often not achieved and many employees are not enthusiastic about working because many work demands do not match their abilities in completing their tasks. Mr. Yono said that there are still many employees who do not complete their work by the deadline requested by customers. Mr. Yono said that the failure to achieve the work completion target is influenced by several factors, including the performance of each employee which is less than optimal where employee performance is influenced by work enthusiasm and work motivation from the suitability of each manager's style in leading. Several studies that link leadership with employee work motivation include research by Lesmana et al. (2019), Daminik (2019), and Larasati and Martono (2020), which concluded that leadership has a positive influence on employee work motivation.

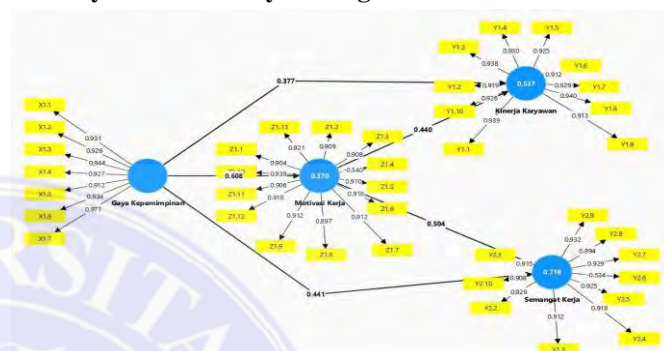
II. RESEARCH METHOD

The research was conducted at CV. Harsa Prima, located on Jl. Ring Road Blok B6, Kec. Medan Selayang, Kota Medan, Sumatera Utara 20133, from January to July 2024. This study employs a quantitative research method, which is a systematic scientific approach to analyzing various phenomena and relationships (Karimuddin, 2021). The research population consists of all employees at CV. Harsa Prima, including managers and staff, totaling 42 respondents. The sampling method used is total sampling, as the population is below 100 (Sugiyono, 2017). Data collection is conducted through questionnaires distributed to all employees. Validity and reliability tests ensure that the questionnaire accurately measures the research variables, using Convergent Validity, Discriminant Validity, and Composite Reliability (Abdillah & Hartono, 2015). The research analyzes several key variables. Leadership style (X1), as defined by Busro (2018), refers to a leader's ability to influence others to achieve shared goals. Its indicators include initiating structure (work organization, work relationships, and goal setting) and consideration (trust, appreciation for subordinates' ideas, concern for employees, and high level of care). Employee performance (Y1), as described by Robbins (2016), is assessed through work quality, quantity, timeliness, effectiveness, and independence. Work enthusiasm (Y2), according to Darmawan (2013), is measured by attendance, cooperation, discipline, and job satisfaction. Work motivation (Z), based on Hafidzi et al. (2019), is the driving force that creates enthusiasm for work, with indicators such as physical needs, safety, social needs, esteem, and achievement. Data analysis follows the Structural Equation Model – Partial Least Square (SEM-PLS) approach, involving data classification, organization, presentation, and

calculation to answer research questions (Sugiyono, 2019). This method enables a comprehensive evaluation of how leadership style and work enthusiasm impact employee performance, mediated by work motivation.

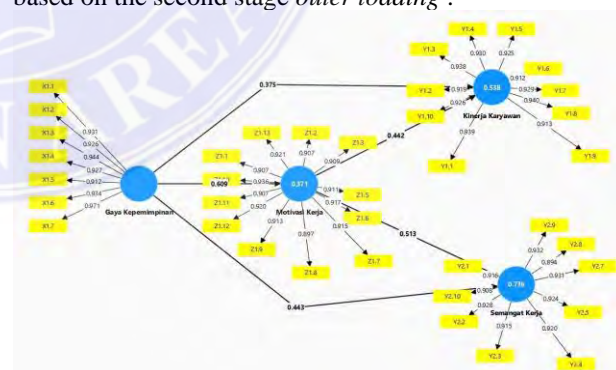
III. RESULT AND DISCUSSION

Evaluation Outer Model (Measurement Model) Validity and Reliability Testing



Picture 1 Testing Validity based on Outer Loading

Based on the validity test of *outer loading* on Table 5.1 and Figure 5.1, known Items on Y2.6 And Z1.4 No valid, by Because mark *outer loading* respectively -0.534 and -0.540, smaller than 0.7. So that invalid items are eliminated from the analysis process. Then the validity test is carried out again based on the second stage *outer loading*.



Picture 2 Testing Validity based on Outer Loading (Stage 2: After Elimination of Invalid Items)

According to the outer loading validity test listed in Table 5.2 and Figure 5.2, all outer loading values exceed 0.7, which indicates that the validity requirements based on the outer loading value have been met. Furthermore, validity testing is carried out based on the average variance extracted (AVE) value.

Table 5.3 Testing Validity based on Average Variance Extracted (AVE)

	Average variance extracted (AVE)
Style Leadership	0.874
Employee performance	0.860
Work motivation	0.834
Spirit Work	0.844

The recommended AVE value is above 0.5 . It is known that all AVE values are > 0.5, which means that they have met the validity requirements based on AVE. Furthermore, reliability testing is carried out based on the *composite value*. *reliability* (CR).

Table 2 Testing Reliability based on Composite Reliability (CR)

	Composite reliability (rho_c)
Style Leadership	0.980
Employee performance	0.984
Work motivation	0.984
Spirit Work	0.980

The recommended CR value is above 0.7 . It is known that all CR values are > 0.7, which means that they have met the reliability requirements based on CR. Furthermore, reliability testing is carried out based on the *Cronbach's alpha* (CA) value.

Table 3 Testing Reliability based on Cronbach's Alpha (CA)

	Cronbach's alpha
Style Leadership	0.976
Employee performance	0.982
Work motivation	0.982
Spirit Work	0.977

The recommended CA value is above 0.7 . It is known that all CA values > 0.7, meaning that they have met the reliability requirements based on Cronbach's alpha. Furthermore, discriminant validity testing with the approach Fornell Larcker

Table 4 Testing Validity Discriminant: Fornell & Larcker

	Style Leadership	Employee performance	Work motivation	Spirit Work
Style Leadership	(0.935)			
Employee performance	0.645	(0.927)		
Work motivation	0.609	0.670	(0.913)	
Spirit Work	0.755	0.836	0.783	(0.919)

Information: Mark in between "()" is root square AVE

In discriminant validity testing, the square root value of the Average Variance Extracted (AVE) of a latent variable is compared with the correlation value between that latent variable and other latent variables. The square root value of the Average Variance Extracted (AVE) for each latent variable is greater than high compared to the correlation value between the latent variable and other latent variables. Therefore, it is concluded that the discriminant validity requirements have been met .

Table 5 Testing Validity Discriminant: HTMT

	Leadership Style	Employee performance	Work motivation
Performance Employee	0.652		
Work motivation	0.617	0.678	
Spirit Work	0.771	0.851	0.797

Based on the results of the discriminant validity test using the HTMT approach, it is known that all values are <0.9, which means that it is concluded that the discriminant validity requirements based on the HTMT approach have been met.

Test Hypothesis (Inner Model)

Table 6 served test results significance of influence.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P Values	R-Squares	Q-Squares	SRMR
Style Leadership - > Motivation Work	0.609	0.617	0.127	4,781	0.000	0.371	0.306	0.055
Style Leadership -> Performance Employee	0.375	0.381	0.209	1,799	0.036			
Motivation Work -> Performance Employee	0.442	0.435	0.203	2.179	0.015	0.538	0.450	
Style Leadership -> Spirit Work	0.443	0.442	0.214	2,069	0.020	0.736	0.606	
Motivation Work -> Spirit Work	0.513	0.514	0.218	2.354	0.009			
Style Leadership - > Motivation Work -> Spirit Work	0.312	0.318	0.168	1,862	0.032			
Style Leadership - > Motivation Work -> Performance Employee	0.269	0.267	0.149	1,806	0.036			

Based on results in the table 6 obtained results:

1. Leadership Style has a positive effect on Work Motivation, with a coefficient value (Original Sample column) = 0.609,

and is significant, with T-Statistics = 4.781 > 1.647 and P-Values = 0.000 < 0.05 (Hypothesis Accepted).

2. Style Leadership influential positive to Performance Employees, with a coefficient value (Original Sample column) = 0.375, and significant, with T-Statistics = 1.799 > 1.647 and P-Values = 0.036 < 0.05 (Hypothesis Accepted).
3. Motivation Work influential positive to Performance Employee, with a coefficient value (Original Sample column) = 0.442, and significant, with T-Statistics = 2.179 > 1.647 And P-Values = 0.015 < 0.05 (Hypothesis Accepted).
4. Style Leadership influential positive to Spirit Work, with coefficient value (Original Sample column) = 0.443, and significant, with T-Statistics = 2.069 > 1.647 And P-Values = 0.020 < 0.05 (Hypothesis Accepted).
5. Motivation Influential work positive to Spirit at work, with coefficient value (column Original Sample) = 0.513, And significant, with T-Statistics = 2.354 > 1.647 and P-Values = 0.009 < 0.05 (Accepted).
6. Motivation Work significant mediate connection between Leadership Style and Work Spirit, with T-Statistics = 1.862 > 1.647 and P-Values = 0.032 < 0.05 (Mediation Hypothesis Accepted).
7. Work Motivation significantly mediates the relationship between Leadership Style and Employee Performance, with T-Statistics = 1.806 > 1.647 and P-Values = 0.036 < 0.05 (Mediation Hypothesis Accepted).

1. The Influence of Leadership Style on Work Motivation

A study conducted at CV Harsa Prima showed that leadership style has a significant positive effect on employee work motivation. The results of this study are consistent with the findings of Syukur S. Mendrofa (2021), which showed that leadership style (X) has an effect on employee work motivation at the Food Security Service of South Nias Regency.

Robbins and Judge (2019), who stated that transformational leadership motivates employees by fostering a sense of belonging to the organization's vision. In addition, Herzberg's theory of work motivation explains that leader support that provides recognition and development opportunities can meet the needs of motivators, thereby increasing overall motivation.

The study at CV Harsa Prima also showed that transactional leadership style can provide positive results, but its influence is more limited to reward-based motivation and rule compliance. Leaders who rely solely on providing incentives and punishments may be successful in motivating employees in the short term, but are less effective in building sustainable long-term motivation. Therefore, these results reinforce the importance of using an adaptive leadership style, which can combine transformational elements to increase employee emotional engagement and job satisfaction. Robbins and Judge (2019) explain that leaders who have a strong vision, provide positive examples, and show personal attention to employees can increase work commitment and encourage more optimal performance. An effective leadership

style influences employee behavior in terms of discipline, initiative, and creativity, which are key components of individual performance. The results at PT Harsa Prima reinforce this concept, where leaders who are able to create good communication and build harmonious working relationships can increase motivation, which ultimately has a positive impact on work results. Although having a more limited effect, transactional leadership style still contributes to performance by providing appropriate rewards and ensuring compliance with procedures. However, to achieve sustainable and innovative performance, a transformational approach is superior because it encourages the development of employees' full potential.

2. The Influence of Work Motivation on Employee Performance

A study conducted at PT Harsa Prima showed that work motivation has a positive and significant effect on employee performance. The findings of this study contradict Yuliana's (2020) research, which shows that partially, motivation does not have a significant effect on employee performance at the Population and Civil Registration Service of North Labuhanbatu.

Furthermore, Latham (2012) in *Work Motivation: History, Theory, Research, and Practice* emphasized that work motivation influenced by specific goal setting and relevant feedback has a direct impact on performance. Research at CV Harsa Prima revealed that employees who were given challenging goals and constructive feedback showed higher performance improvements than those who were not given clear directions. Deci and Ryan (2017) in *Self-Determination Theory* emphasized the importance of intrinsic motivation—triggered by a sense of autonomy, competence, and social connectedness—in driving good performance.

Therefore, the findings of the study at CV Harsa Prima are consistent with modern perspectives on work motivation, which show that effective motivational strategies significantly improve employee performance. Companies can optimize human resource potential by creating an environment that supports intrinsic motivation through recognition, clear goal setting, and opportunities for self-development.

3. The Influence of Leadership Style on Work Morale

The results of this study indicate that leadership style has a significant positive effect on employee work morale. The findings of this study are in line with Winda (2022), which shows that partially there is a positive and significant influence between Leadership Style and Employee Work Morale at Prima Freshmart Tangerang City Branch.

According to Yukl (2013), leaders who are able to motivate through clear communication, support, and inspiration contribute greatly to the creation of high work morale. Leaders who motivate employees by providing emotional rewards and a high sense of responsibility for their work have been shown to be able to increase work morale. In a study at CV Harsa Prima, this style was seen to be effective in increasing enthusiasm and a sense of responsibility among employees.

A study by Avolio and Yammarino (2013) showed that a leadership style that is responsive to employee needs results in emotional involvement that positively increases work enthusiasm. Conversely, a leadership style that is too authoritarian or uncommunicative tends to decrease work enthusiasm because it eliminates a sense of autonomy and satisfaction in work. The results of this study strengthen the finding that leaders who encourage personal development and provide recognition for employee performance can increase the level of work enthusiasm.

4. The Influence of Work Motivation on Work Morale

Research at CV Harsa Prima shows that work motivation has a significant positive influence on employee work enthusiasm. High motivation encourages employees to work enthusiastically, with dedication, and oriented towards optimal results. At CV Harsa Prima, employees who receive recognition for their performance and feel personal achievement show higher work enthusiasm. The results of this study are also in line with Winda's research (2022) where partially there is a positive and significant influence between Work Motivation on Employee Work Morale at Prima Freshmart, Tangerang City Branch.

Luthans (2011) emphasized that work motivation affects work enthusiasm by encouraging perseverance and intensity of effort in facing work challenges. In this study, employees who feel their goals are appreciated by the organization have a better level of work enthusiasm. In addition, the expectancy theory introduced by Vroom (1964) and further developed by Porter and Lawler (2008) states that motivation that comes from the belief that effort will produce recognized performance significantly affects work enthusiasm. Employees who believe that their efforts bring recognized results will be more enthusiastic in carrying out their tasks. Research at CV Harsa Prima shows that employees with high motivation have consistent work enthusiasm, which can be seen from their enthusiasm in collaborating and facing work challenges. The results of the study confirm that work motivation is the main driver of work enthusiasm. Companies that are able to increase employee motivation through the right approach—both intrinsic and extrinsic motivation—will create an enthusiastic and productive work environment, which ultimately has a positive impact on achieving organizational goals.

5. Work Motivation Mediates the Relationship between Leadership Style and Work Morale

Research at CV Harsa Prima indicates that work motivation functions as a significant mediator between leadership style and employee work enthusiasm. This finding confirms that effective leadership style not only directly affects employee morale, but also through increasing their motivation. The findings of this study are in line with Bass and Riggio (2012), who stated that transformational leaders who can provide inspiration, clear vision, and attention to employee needs can increase employee motivation. A leadership model that focuses on individual development and collective achievement has a positive impact on employee motivation.

This result also supports the findings of Luthans and Youssef-Morgan (2017), who explained that high work motivation strengthens the relationship between effective leadership and work morale. In the context of CV Harsa Prima, a leader who can provide clear instructions, recognize achievements, and pay attention to individual employee development can increase work motivation, leading to higher work morale. Thus, work motivation functions as a crucial element that links leadership style to work morale, which in turn improves individual and organizational performance as a whole.

Furthermore, the Self-Determination theory proposed by Deci and Ryan (2017) is also relevant in this context. They explained that leaders who provide support for employee autonomy, competence, and social relationships can strengthen intrinsic motivation, which has a direct impact on work morale. The results of the study at CV Harsa Prima showed that employees who felt appreciated and given space to develop showed higher work morale, thanks to a leadership style that facilitated their psychological needs.

6. Work Motivation Mediates the Relationship between Leadership Style and Employee Performance

The results of the study conducted at CV Harsa Prima showed that work motivation mediates a significant relationship between leadership style and employee performance. This finding indicates that a good leadership style not only affects employee performance directly, but also through increasing their work motivation. An effective leadership style can strengthen employee work motivation, which then encourages them to achieve better performance.

This study is in line with the results of Fachru's research (2023) which shows that leadership style has a significant effect on employee performance and employee work enthusiasm through motivation as a mediating variable.

In line with the theory put forward by Bass and Riggio (2012), transformational leaders who are able to provide inspiration, a clear vision, and attention to individual needs can increase employee intrinsic motivation. Leaders who support employee self-development and create clear and challenging goals can direct them to work harder and more productively, which ultimately has an impact on improving performance.

Luthans and Youssef-Morgan (2017) also emphasized that employees who feel appreciated and given space to develop show better performance, thanks to a leadership style that facilitates an increase in their work motivation. An effective leadership style creates an environment that supports the growth of motivation, which in turn leads to increased productivity and work quality. Thus, the results of this study indicate that work motivation plays a significant mediator in the relationship between leadership style and employee performance.

IV. CONCLUSIONS

Based on the research findings, it can be concluded that leadership style has a positive influence on work motivation, employee performance, and work enthusiasm. Additionally,

work motivation positively affects both employee performance and work enthusiasm. Furthermore, work motivation significantly mediates the relationship between leadership style and work enthusiasm, as well as the relationship between leadership style and employee performance. These findings highlight the crucial role of leadership in fostering a motivated and productive workforce. Given the significance of these results, they can serve as valuable insights for both academic and practical applications. Organizations can utilize these findings to enhance leadership strategies, improve employee motivation, and ultimately boost overall performance. However, despite efforts to conduct this research as effectively as possible, certain limitations remain. Future research should aim to address these limitations by expanding the study's scope, considering additional variables, and incorporating a broader sample to achieve more in-depth and comprehensive results.

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