

## The Effect of Leadership Style and Competence on Employee Performance at UPTD BBIS Aikmel

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### ABSTRACT

Leadership style is the pattern of behavior of a leader in influencing their followers. Competence is the basic characteristic of a person (individual) that influences the way they think and act. Performance is the result of work in terms of quality and quantity achieved by an employee in carrying out their duties in accordance with their responsibilities. This study aims to analyze the influence of leadership style and competence on the performance of employees at UPTD BBIS Aikmel. This study uses a quantitative approach with data collection techniques through direct interviews and the distribution of online questionnaires to 30 respondents who are employees of UPTD BBIS Aikmel. The data was analyzed using Structural Equation Modeling with Partial Least Square (PLS). The results of this study indicate that employee performance at UPTD BBIS Aikmel is significantly influenced by leadership style and competence. These findings can serve as a reference and provide insights for future similar research in decision-making.

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### 1. Introduction

According to Hasibuan (2019), human resource management is the science and art of managing relationships and roles of the workforce to be effective and efficient in helping achieve the goals of the company, employees, and society. Human resource management is a field of management science that specifically discusses the management of human resources within an organization. This field is crucial and also presents many challenges because humans are not like machines or other resources that can be managed arbitrarily (Gunawan, 2020).

Aswin et al. (2019) state that performance is the outcome, in terms of quality and quantity, achieved by an employee in carrying out their tasks in accordance with the responsibilities assigned to them. According to Asaloei et al. (2023), employee performance or performance is defined as the results that can be achieved by an individual or a group within an organization, both qualitatively and quantitatively, in accordance with their authority, tasks, and responsibilities, in an effort to achieve the organization's goals legally, without violating laws, and in accordance with moral and ethical standards. Wibowo (2017) also mentions that there are other factors that can influence employee performance, such as leadership style, competencies, environmental factors, systems, and situational factors. Therefore, employee performance becomes the central focus of human resource management implementation.

Nikmat (2022:42) states that leadership style is the pattern of behavior a leader uses to influence their followers. The concept of leadership style is dynamic, as it can change depending on the followers and the situation. Zaharuddin (2021:50) defines leadership style as the behavior or approach chosen and used by a leader to influence the thoughts, attitudes, and behaviors of the organization's subordinates. Leadership style involves behavior and strategies, which result from a combination of philosophy, skills, traits, and attitudes, often applied by a leader when attempting to influence the performance of their subordinates (Pratama, 2022). Leadership style includes behavior and strategies influenced by factors such as the leader's philosophy, skills, traits, and attitudes, used to influence the performance of employees (Pratama, 2022).

Competence is defined as the fundamental characteristics of an individual that affect how they think and act, make generalizations about the situations they face, and endure over time (Wicaksono, 2019:2). Sutrisno (2016) defines competence as an ability based on skills and knowledge, supported by a work attitude, and its application in performing tasks and jobs at the workplace, which refers to the job requirements set forth.

## **2. Literature Review**

According to Herawati and Ranteallo (2020), leadership style is behavior and strategy, resulting from a combination of philosophy, skills, traits, and attitudes, which is often applied by a leader when trying to influence the performance of their subordinates. Based on previous studies conducted by Zainudin and Prasilowati (2023), Biongan (2022), and Sepiana (2024), it is stated that leadership style has a positive and significant effect on performance.

Gunawan (2023) explains that employee competence not only affects work results but also the ability of employees to innovate and adapt to changes. Good competence enables employees to face new challenges and continuously improve the quality of their work, which directly impacts the overall improvement of organizational performance.

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Based on previous studies conducted by Juanda (2022), Faisal (2023), and Nofirda (2024), it is stated that competence has a positive and significant effect on performance.

### 3. Data and Research Methods

This study uses a quantitative approach aimed at understanding phenomena that do not require quantification. According to Sugiyono (2019:08), quantitative research is based on the philosophy of positivism and is used to study a population of a specific sample, with sampling techniques generally being random. Data is collected using research instruments, and data analysis is quantitative or statistical, with the goal of testing established hypotheses. The aim of this research is to understand the influence of leadership style and competence on performance at UPTD BBIS Aikmel. The study was conducted at UPTD Balai Benih Ikan Sentral Aikmel, located in Lenek Village, Aikmel District, East Lombok Regency, West Nusa Tenggara. The population of this study consists of 30 employees at UPTD BBIS Aikmel, including staff at various fish seed centers under the supervision of the head of UPTD BBIS Aikmel, Lalu Mashudi, S.Pi., MM. The data collection method used is the census method, where the entire population is sampled (Sugiyono, 2018). The data collection techniques include surveys and interviews (Sugiyono, 2020:104-105).

For data analysis, this study uses SEM-PLS (Structural Equation Modeling-Partial Least Squares), a multivariate statistical approach combining factor analysis and regression to test causal relationships between latent variables through their measurement indicators. This method involves two evaluation stages: the measurement model (outer model) to test convergent validity (through loading factor  $\geq 0.7$ ) and discriminant validity, as well as reliability (using Cronbach's alpha and composite reliability); and the structural model (inner model) to test the path coefficients and the significance of the influence between latent variables using bootstrapping (T-statistics  $\geq 1.96$ ).

### 4. Finding and Discussion

Outer loading indicates the extent to which an indicator contributes to explaining the latent construct (variable). A high outer loading value suggests that the indicator represents the construct well. According to Hair et al. (2019), the criteria and range for outer loading values are as follows:  $\geq 0.70$  is excellent;  $0.60 - 0.70$  is acceptable if the construct reliability is adequate;  $< 0.60$  should be eliminated, unless it is theoretically very important. In this study, all indicators for each construct, namely leadership style (X1), competence (X2), and performance (Y), were proven to significantly contribute to their respective constructs, as indicated by a p-value  $< 0.05$  and T-statistics  $> 1.96$ . This shows that each indicator is capable of representing the latent variable validly and reliably.

Therefore, the measurement model (outer model) has met the criteria for indicator validity, meaning that the data used in this study is suitable and appropriate for testing the structural relationships between variables in the SEM-PLS model.

**Table 1: Outer Loadings (Matriks)**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
X1.1 <- Leadership Style(X1)	0.777	0.745	0.132	5.897	0.000
X1.2 <- Leadership Style(X1)	0.827	0.832	0.060	13.804	0.000
X1.3 <- Leadership Style(X1)	0.842	0.847	0.056	14.962	0.000
X1.4 <- Leadership Style(X1)	0.861	0.865	0.052	16.481	0.000
X1.5 <- Leadership Style(X1)	0.853	0.834	0.090	9.430	0.000
X1.6 <- Leadership Style(X1)	0.767	0.734	0.137	5.610	0.000
X2.1 <-Competence(X2)	0.772	0.755	0.108	7.151	0.000
X2.2 <-Competence(X2)	0.855	0.854	0.048	18.000	0.000
X2.3 <-Competence(X2)	0.788	0.778	0.090	8.711	0.000
X2.4 <-Competence(X2)	0.847	0.839	0.067	12.634	0.000
X2.5 <-Competence(X2)	0.770	0.760	0.110	6.998	0.000
X2.6 <-Competence(X2)	0.795	0.790	0.080	9.934	0.000
Y.2 <-Performance(Y)	0.952	0.950	0.020	47.389	0.000
Y.3 <-Performance(Y)	0.726	0.711	0.105	6.898	0.000
Y.4 <-Performance(Y)	0.809	0.801	0.068	11.851	0.000
Y.5 <-Performance(Y)	0.913	0.913	0.033	27.915	0.000
Y.6 <-Performance(Y)	0.726	0.725	0.088	8.232	0.000
Y.1 <-Performance(Y)	0.952	0.950	0.020	47.389	0.000

Source: SEM-PLS 4, 2025

**Table 2: Construct Validity and Reability**

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Leadership Style(X1)	0.905	0.920	0.926	0.676
Performance (Y)	0.921	0.923	0.940	0.726
Competence (X2)	0.891	0.897	0.917	0.649

Source: SEM-PLS 4, 2025

In this study, the validity test was conducted through Convergent Validity testing, evaluated based on Outer Loadings or Loading Factor and Average Variance Extracted (AVE). An indicator can be considered to meet convergent validity and have a high level of validity when the outer loadings value is  $> 0.7$  and the AVE value is  $> 0.5$  (Hair et al., 2019).

Based on Tables 1 and 2 below, it can be seen that the loading factor values for each statement are  $> 0.7$ , and the AVE value for each variable is  $> 0.5$ . This confirms that all variables in this study meet the convergent validity test. Furthermore, Tables 1 and 2 also show that each variable has a composite reliability value and Cronbach's alpha value of 0.7. This indicates that the indicators of the model are relevant and sufficiently strong to measure the related constructs. Therefore, it can be concluded that the variables in this study are reliable.

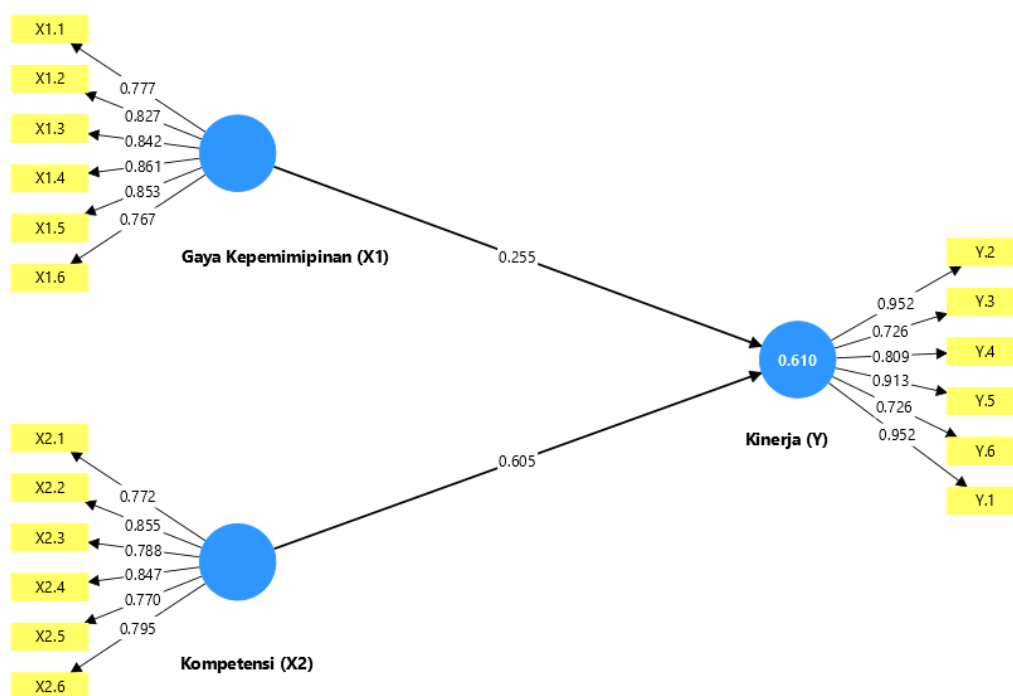


Figure 1: Inner Structural Model

Table 3: HTMT

	Heterotrait-monotrait ratio (HTMT)
Performance (Y) <-> Leadership Style(X1)	0.642
Competence (X2) <-> Leadership Style(X1)	0.627
Competence (X2) <-> Performance(Y)	0.821

Source: SEM-PLS 4, 2025

According to Henseler et al. (2015), HTMT below 0.85 (or 0.90 in a social context) indicates that the constructs are empirically different. If HTMT  $> 0.90$ , there is an indication that the constructs are not different and are measuring the same thing. In this study, all HTMT values are  $< 0.90$ , thus discriminant validity is considered good.

**Table 4: Fornell-Lacker**

	Leadership Style(X1)	Performance (Y)	Competence (X2)
Leadership Style(X1)	0.822		
Performance (Y)	0.604	0.852	
Competence (X2)	0.577	0.753	0.805

Source: SEM-PLS 4, 2025

Discriminant validity can be considered fulfilled if the square root of the AVE of a construct is greater than the correlation between that construct and other constructs. According to Hair et al. (2019), if the square root of the AVE is greater than the correlation between constructs, then the construct measures a different concept and does not have discriminant validity issues. Since all diagonal values are greater than the correlations with other constructs, discriminant validity is fulfilled, meaning that the constructs being measured do not overlap with each other statistically.

**Table 5: R Square**

	R-square	R-square adjusted
Performance (Y)	0.610	0.581

Source: SEM-PLS 4, 2025

According to Hair et al. (2019), the  $R^2$  value can be classified as follows: 0.75 substantial/strong; 0.50 moderate; 0.25 weak. Therefore, an  $R^2$  value of 0.610 falls into the moderate to strong category. It can be concluded that the Leadership Style and Competence variables are able to explain 61% of the variation in Performance.

**Table 6: Path Coefficient Bootstrapping (Mean, STDEV, T values, p values)**

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Leadership Style(X1) - >Performance(Y)	0.255	0.276	0.119	2.140	0.032
Competence (X2) - >Performance(Y)	0.605	0.592	0.127	4.782	0.000

Source: SEM-PLS 4, 2025

### The Effect of Leadership Style (X1) on Performance (Y)

Leadership style has a direct, positive, and significant effect on performance, as indicated by the path coefficient value of 0.255 and a p-value of 0.032 ( $p < 0.05$ ). This indicates that each unit increase in leadership style will improve employee performance by 0.255 units. Although the contribution is statistically significant, the effect of leadership style is relatively lower compared to competence.

### **The Effect of Competence (X2) on Performance (Y)**

Competence shows a more dominant and strongly significant effect on performance compared to leadership style, with a coefficient of 0.605 and a p-value of 0.000, indicating a highly significant relationship. This means that each unit increase in competence can improve employee performance by 0.605 units, which is a substantial contribution. This value reinforces the position of competence as a key factor in shaping organizational performance.

### **5. Conclusion**

This study shows that leadership style and competence have a positive and significant effect on the performance of employees at UPTD BBIS Aikmel. Among the two variables, competence has the most dominant impact, where each increase in employee competence significantly affects performance improvement. Therefore, both variables together explain 61% of the variation in employee performance. This means that the higher the competence of the employees, the better their performance. Leadership style also contributes significantly, although to a lesser extent compared to competence. Overall, both factors are able to explain the majority of the variation in employee performance, indicating that good leadership and adequate competence are crucial in supporting work productivity in the UPTD BBIS Aikmel environment.

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