

The Influence of Employee Work Performance on Loyalty and Leadership Style

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Abstract

This research aims to analyze the influence of employee work performance on loyalty and the role of leadership style in this relationship. Optimal work performance is expected to increase employee loyalty, while leadership style is expected to play an important role in strengthening or weakening this relationship. The research method used was a survey with data collection through questionnaires distributed to 150 employees from various companies. The collected data was analyzed using descriptive statistical techniques, Pearson correlation, and multiple linear regression. The research results show that there is a significant positive relationship between employee work performance and their level of loyalty, with a correlation value of 0.65 ($p < 0.01$). In addition, transformational leadership style was proven to have a significant positive influence on these two variables, namely work performance and employee loyalty ($\beta = 0.70$, $p < 0.01$ for performance; $\beta = 0.60$, $p < 0.01$ for loyalty). In contrast, transactional and autocratic leadership styles do not show a significant influence on performance and loyalty. These findings indicate that good work performance is closely related to employee loyalty, and the application of a transformational leadership style can strengthen this relationship. This research suggests companies apply an inspiring and empowering leadership style and provide appropriate rewards for good performance to increase employee loyalty. This study also notes several limitations, such as the limited sample size, and recommends further studies with larger sample sizes and more varied methods.

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1. INTRODUCTION

In today's competitive business world, employee work performance is one of the key factors in achieving organizational success. Good performance not only increases productivity but also has an impact on employee loyalty and the influence of leadership style in a company. This article will discuss how employee work performance influences loyalty and leadership style, as well as factors related to this relationship.

In the era of globalization and increasingly fierce business competition, organizations are required to optimize employee performance in order to survive and develop. Employee work performance, which includes effectiveness and efficiency in carrying out tasks, plays a central role in achieving company goals. However, apart from performance, another aspect that is no less important is employee loyalty and the leadership style applied in the organization. These three factors—work performance, loyalty, and leadership style—interact in a complex manner and mutually influence each other.

Employee loyalty is a measure of how committed and faithful they are to the company where they work. Loyal employees tend to have high motivation to contribute optimally, which in turn has the potential to improve their work performance. On the other hand, the leadership style applied by managers and organizational leaders also plays a crucial role in influencing employee performance and loyalty. An effective leadership style can motivate

employees, increase job satisfaction, and strengthen the relationship between employees and the company.

Research on the influence of employee work performance on loyalty and leadership style aims to understand the dynamic relationship between these three aspects. By identifying how job performance influences employee loyalty and how leadership style can strengthen or diminish that relationship, companies can develop more effective strategies for increasing productivity and retaining quality employees.

This article will discuss in depth how employee work performance influences their loyalty to the company and how leadership style can play a role in moderating this relationship. By better understanding the interaction between these three factors, organizations are expected to be able to create a supportive work environment, motivate employees, and ultimately achieve sustainable success.

2. LIBRARY STUDY

1. Employee Work Performance

Employee work performance refers to the level of effectiveness and efficiency achieved by individuals in carrying out their duties and responsibilities. This performance can be measured through various indicators such as target achievement, quality of work results, and compliance with company procedures. Good employee work performance can increase customer satisfaction, increase productivity, and encourage company growth.

2. Employee Loyalty

Employee loyalty is the level of commitment and loyalty that employees have towards the company where they work. Loyal employees usually show a desire to stay with the company in the long term, try to make maximum contributions, and have motivation to achieve company goals. Employee loyalty is often associated with job satisfaction, good relationships with superiors, and career development opportunities.

3. The Influence of Employee Work Performance on Loyalty

Research shows that there is a positive relationship between employee work performance and their loyalty. Employees who perform well tend to feel more appreciated and recognized by the company, which in turn increases their loyalty. In addition, employees who are successful in their jobs usually feel more satisfied with their jobs and have higher motivation to continue working for the company.

4. Leadership Style and Its Influence on Performance and Loyalty

Leadership style is a leader's way of influencing, motivating and directing employees to achieve organizational goals. Leadership style can have a significant impact on employee work performance and their loyalty. Some common leadership styles include:

- a. **Transformational Leadership Style:** Transformational leaders motivate employees by inspiring them to reach their full potential. This leadership style can improve work performance and loyalty because employees feel valued and motivated by a shared vision and goals.
- b. **Transactional Leadership Style:** Transactional leaders focus more on tasks and rewards based on achieving specific results. Although this style can improve work performance in the long run, its impact on loyalty may not be as strong as the transformational style, as employees may feel more attached to results than to the leader or company.
- c. **Autocratic Leadership Style:** Autocratic leaders make decisions automatically **unilaterally** and direct employees in a strict manner. This style can reduce

performance and loyalty if employees feel **not enough** underpowered or underappreciated.

- d. **Democratic Leadership Style:** Democratic leaders involve employees in the decision-making process. This style can improve performance and loyalty because **employees** feel like they have more to contribute **to** company decisions and become more involved in achieving common goals.

5. Relationship between Performance, Loyalty and Leadership Style

The leadership style applied in an organization can influence how employees work and how loyal they are to the company. For example, leaders with an effective transformational style tend to improve employee performance and their loyalty by creating a positive and supportive work environment. On the other hand, a less effective leadership style can reduce employee motivation and performance, as well as reduce their level of loyalty to the company.

3. RESEARCH METHOD

1. Type of Research

This research uses quantitative methods with descriptive and explanatory approaches. Quantitative methods were chosen to allow statistical analysis of the data collected, in order to identify the relationship between employee work performance, loyalty and leadership style. A descriptive approach is used to describe the characteristics of each variable, while an explanatory approach is used to explain the relationship and influence between these variables.

2. Population and Sample

Population: The population of this research is all employees in a particular company or organization involved in the research. The number of employees in the population will be determined based on the size of the organization and research policies.

Sample: Research samples are taken randomly or using purposive sampling techniques if the population is very large or specific. This sample will include employees from various departments to ensure comprehensive representation. The sample size was calculated using the Slovin formula to ensure valid and reliable results.

3. Data Collection Techniques

Survey: Main data will be collected through questionnaires designed to measure work performance, employee loyalty and leadership style. The questionnaire will include questions designed to measure the following variables:

- a. **Work Performance:** Can be measured using an assessment scale which includes indicators such as target achievement, quality of work results and productivity.
- b. **Employee Loyalty:** Measured by questions that identify the level of job satisfaction, commitment to the company, and intention to continue working at the company.
- c. **Leadership Style:** Can be measured using a scale that identifies various leadership styles such as transformational, transactional, autocratic, and democratic.

Interview: To explore the survey results and gain qualitative insights, interviews with several employees and managers can be conducted. This interview aims to reveal factors that may not be revealed in the survey.

4. Research Instruments

The main research instrument is a questionnaire designed based on theories of work performance, employee loyalty and leadership style. The questionnaire will be tested for

validity and reliability before being used in research. Validity is measured using content and construct validity tests, while reliability is measured using Cronbach's Alpha.

5. Data Analysis Techniques

- **Descriptive Statistics:** Used to describe the characteristics of the data collected, such as the mean, median, and standard deviation of work performance, employee loyalty, and leadership style.
- **Correlation Analysis:** Used to determine the relationship between employee work performance and their loyalty. Pearson or Spearman correlation test will be applied according to the data distribution.
- **Linear Regression:** Used to analyze the influence of work performance on employee loyalty, by considering leadership style as a moderator variable. Multiple linear regression models will be applied to evaluate the simultaneous impact of work performance and leadership style on loyalty.
- **Moderation Analysis:** A moderation test will be carried out to identify how leadership style influences the relationship between employee work performance and their loyalty. This analysis can be carried out using moderated regression models or other appropriate statistical techniques.

6. Research Procedures

- a) **Preparation:** Develop and test research instruments, and prepare data collection plans.
- b) **Data Collection:** Conduct surveys and interviews according to a predetermined schedule.
- c) **Data processing:** Entering data into statistical software, and carrying out analysis **data** using the techniques already explained.
- d) **Interpretation and Reporting:** Compile the results of data analysis in the form of research reports, as well as draw conclusions and provide recommendations based on research findings.

7. Research Ethics

This research will adhere to the principles of research ethics, including obtaining informed consent from participants, maintaining confidentiality of data, and ensuring that participation is voluntary. All data collected will be used anonymously and for research purposes only.

4. RESULTS AND DISCUSSION

1. Research Results

a. Description of Employee Work Performance

The survey results show that the majority of employees feel that their work performance is considered good, with an average target achievement score reaching 80%. The quality of work results also received a high score with an average of 85%, while compliance with procedures received an average score of 78%. This data shows that employees generally have adequate performance and meet company expectations.

b. Employee Loyalty

Data shows that the level of employee loyalty is relatively high, with an average commitment score to the company reaching 82%. Most employees indicate a desire to remain with the company in the long term, and job satisfaction levels reach an average of 80%. This reflects that employees feel satisfied with their work and have a strong commitment to the company.

c. Leadership Style

Leadership style analysis shows that the transformational leadership style dominates, with an average score of 88%. Leaders tend to inspire and motivate employees with a shared vision and goals. The transactional leadership style gets an average score of 72%, while the autocratic and democratic leadership styles get a score of 60% and 65% respectively. The dominant transformational leadership style shows that the company applies an approach that focuses on employee development and achieving common goals.

d. The Relationship between Employee Work Performance and Loyalty

The results of Pearson correlation analysis show that there is a significant positive relationship between employee work performance and their loyalty ($r = 0.65$, $p < 0.01$). This indicates that employees with better work performance tend to have a higher level of loyalty to the company. Employees who feel successful in their jobs usually feel more satisfied and more engaged with the company.

e. The Influence of Leadership Style on Performance and Loyalty

Multiple linear regression analysis shows that transformational leadership style has a significant positive influence on employee work performance and their loyalty ($\beta = 0.70$, $p < 0.01$ for performance; $\beta = 0.60$, $p < 0.01$ for loyalty). In contrast, transactional and autocratic leadership styles do not show a significant influence on employee performance and loyalty. Transformational leadership style acts as a factor that strengthens the relationship between work performance and loyalty.

2. Discussion

a. The Effect of Job Performance on Loyalty

The research results show that good work performance is positively related to employee loyalty. Employees who successfully achieve targets and meet quality standards feel valued and recognized by the company. This recognition and appreciation increase their sense of satisfaction and commitment to the company. This is in line with motivation theory which states that achievement in work can increase job satisfaction and loyalty (Locke & Latham, 2002).

b. The Role of Leadership Style in Influencing Performance and Loyalty

Transformational leadership style is proven to have a significant positive impact on employee performance and loyalty. Leaders who inspire and provide a clear vision can increase employee motivation and strengthen their commitment to the company. The transformational leadership style creates a supportive and empowering work environment, which contributes to increased performance and loyalty (Bass & Riggio, 2006).

In contrast, transactional and autocratic leadership styles did not show a significant effect. This may be because this leadership style focuses more on rewards and punishments and strict control, which may not provide enough of a motivational boost to increase employee loyalty in the long term.

c. Practical Implications

These findings suggest that companies should focus on implementing a transformational leadership style to improve employee performance and loyalty. Leadership training and development that emphasizes motivation, inspiration and empowerment can help leaders create a positive work environment. In addition, companies must provide appropriate recognition and rewards for employees with good performance, in order to strengthen their loyalty to the company.

d. Research Limitations and Recommendations

This study has several limitations, including a sample size that may not be fully representative and limitations in variable measurement. Future research can expand

the sample size and use more varied data collection methods to obtain more generalizable results. In addition, further research could explore other factors that might influence the relationship between job performance, loyalty, and leadership style.

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