Predicting Employee Performance by Leadership, Job Promotion, and Job Environmental in Banking Industry

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ABSTRACT
This study aimed to analyze the effect of leadership, job promotion and job environmental simultaneously or partially had the effect on employee performance in Bank UMKM East Java Malang Branch to analyze the variable that dominant influenced from leadership, job promotion and job environmental on employee performance. The population of this research was all 32 employees Bank UMKM branch Malang. The technique of sampling by saturated sampling, the technique through determined all population members as a sample, so the numbers of sample in this research were 32 employees. Data collection by questioners, than the data was analyzed by SPSS programs through multiple linier regessions analyzed. The result of research indicated that leadership variable, job promotion and job environmental simultaneously had significant effect on bank employee performance. Leadership variable, job promotion and job environmental partially had had significant effect on bank employee performance and job promotion had dominant effect on bank employee performance.

Keywords:
Employee Performance; Job Environmental; Job Promotion; Leadership

JEL Classification:
G21, J54, Q51

ABSTRAK
The growth of banking is very fast from time to time and the condition of the banking industry in Indonesia has undergone many changes. In addition to external factors, the banking world is inseparable from the influence of internal bank developments such as the development of facilities and services. Quick development should be followed by good human resource management. Human resources are still a major factor and become the foundation for the company to survive in the globalization era, although supported by modern facilities and infrastructure but the activities of the company will not be resolved properly. This is shows that human resources are the key points to be noticed with all their needs. The company’s demands of acquiring and sustaining quality human resources are increasingly urgent in keeping with the ever-changing environmental dynamics.

The quality of human resources will be strength for management and support the company’s performance (Risambessy et al., 2012). To improve employee performance, the main factor that should be done by the company is trying to improve human resource capability. Human resources are the most important component (Yuniari, 2009). Increased employee performance will bring progress for the company to survive in an unstable business environment competition. Therefore, the efforts to improve employee performance are the most important management challenges because the success to achieve company goals and viability depends on the quality of human resource performance, high employee performance is highly expected by the company. Many employees who have high performance, the overall productivity of the company will increase so that companies will be able to survive in global competition. There are several factors that can improve employee performance, including leadership factors, promotion, and job environmental. Resources that have been available if not properly managed will not get the planned goals, so the leader role is very important and can use the authority, leadership to achieve a goal. Research conducted by Ben (2016) and Suryadharma, Riana, & Sintaasih (2016), showed that good leadership had a significant positive effect on employee performance.

In addition to leadership, promotion factors also affect employee performance fluctuations. The job promotion will make employees motivated to work harder, passionate, discipline, and improve work performance, so as to achieve the company’s goals optimally. Job promotion by company will improve the employee performance to provide recognition, job, and rewards for outstanding employees. So that effective employees make greater organizational efficiency and high levels of employee morale. Promotion positively affects to employee performance (Alia, Yunus, & Mahdani, 2015) and according to Simanjuntak & Kasmiruddin (2015), promotion affects employee motivation and job satisfaction that impact to employee’s performance directly.

Efforts to improve employee performance, in addition to leadership and promotion also pay notice to the job environmental. Comfortable working environment conditions will affect employees to work harder and concentrate on completing tasks on schedule. According to Dewi & Frianto (2013) and Moulana, Sunuharyo, & Utami (2017), the job environmental has a positive and significant effect on employee performance. Institution that have a good working environment and comfortable, will provide motivation for employees to improve its performance (Moekijat, 2002). The increasing competition in the banking industry in Malang, the Bank UMKM East Java Malang branch is required to manage a reliable human resources, which has employees who are able to work harder in order to achieve targets set by the bank. This study aims to predict employee performance with leadership, job promotion, and job environmental.
HYPOTHESES DEVELOPMENT

Leadership is an activity to influence people to be directed toward organizational goals (Thoha, 2010). In general, the leader as a driver of human resources and facilities prepared by a group of people which organized (Supriyanto, 1997). Research conducted by Susanty & Baskoro (2012), Noermijati (2015), and Suryadharma, Riana, & Sintaasih (2016), showed good leadership gave a significant positive effect on employee performance.

Job promotion by company will improve the employee performance to provide recognition, job, and rewards for outstanding employees, so that effective employees make greater organizational efficiency and high levels of employee morale. According to Jayusman & Khotimah (2012) and Alia, Yunus, & Mahdani (2015), promotion jobs significantly affect employee performance. In addition to leadership and promotion of jobs, the job environmental has a positive and significant impact on employee performance (Utami & Hartanto, 2010; Simanjuntak & Kasmiruddin, 2015). Institution that have a good working environment and comfortable, will provide motivation for employees to improve its performance (Moekijat, 2002). According to Susana (2009), work environment has a very strong relationship to bank employee performance. From several studies of the concept and empirical, it can be drawn hypothesis as follows:

H1: leadership, job promotion, and job environmental simultaneously effect on employee performance

Job promotion gives an important role to the employee and becomes one of the important factors that are always expected by all employees. With the job promotion, there is trust and recognition of the ability and skills of employees to occupy a higher job. Thereby promoting office will give social status, authority, responsibilities, and increasing income for employees. Therefore promotion will give social status, authority, responsibility and increasing income for employee. Job promotion affect on employee performance. This is supported based on the results of Jayusman & Khotimah (2012) and Alia, Yunus, & Mahdani

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership (X1)</td>
<td>Leadership is an activity to influence people to be directed toward organizational goals (Thoha, 2010).</td>
<td>Directing, collaboration, and communication (Robbins, 2002).</td>
</tr>
<tr>
<td>Job Promotion (X2)</td>
<td>The transfer from one job to another has higher status and responsibility and is usually accompanied by an increase in salary/ other wages (Hasibuan, 2005).</td>
<td>Experience, loyalty, honesty, and responsibility (Fathoni, 2006).</td>
</tr>
<tr>
<td>Job Environmental (X3)</td>
<td>Everything that exists around the workers that can influence him in carrying out the tasks that are charged (Nitisemito, 2000).</td>
<td>Lighting, air temperature, sound, color usage, required space, job security, and employee relations (Sedarmayanti, 2007).</td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td>The work that can be achieved by a person or group of people within an organization in accordance with their respective powers and responsibilities in an effort to achieve the legally relevant organizations objectives not violating the law and in accordance with morals and ethics (Simamora, 2003).</td>
<td>Work quality, discipline, and work quantity (Mathis &amp; Jackson, 2006).</td>
</tr>
</tbody>
</table>
(2015). From several concept studies and empirical, it can be drawn hypothesis as follows:

\[ H_2: \text{job promotions dominant affect on employee performance} \]

METHOD

The populations of this research are all 32 employees of Bank UMKM East Java Malang branch. The technique of sampling by saturated sampling, the technique through determined all population members as a sample, so the numbers of sample in this research were 32 employees. Using quantitative data types and primary data sources (questionnaires) as well as secondary data (number of employees). The definition of variable operational this research shown in Table 1.

Data collection techniques used questionnaire and documentation. Data analysis technique use parametric statistic model, in computer program SPSS (Statistical Product and Service Solutions) by using multiple linear regression analysis. Multiple linear regression formula as follows:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \]

\( Y \): performance variable
\( X_1 \): leadership variable
\( X_2 \): job promotion variable
\( X_3 \): job environmental variable
\( a \): constant
\( b_1, b_2, b_3 \): coefficient regression
\( X_1, X_2, X_3, e \): error

RESULTS

Validity Test and Reliability

Leadership variable \((X_1)\) has more significant correlation= 0.05 and Cronbach Alpha 0.970 > 0.60, it means leadership variable statement item valid and reliable, so it can be used for further testing. The job promotion variable \((X_2)\) has significant correlation= 0.05 and Cronbach Alpha 0.979 > 0.60, it means job promotion variable statement item valid and reliable, so it can be used for further testing. Job environmental variable \((X_3)\) has significant correlation= 0.05 and Cronbach Alpha 0.970 > 0.60, it means job environmental variable statement item valid and reliable, so it can be used for further testing. Performance variable has a correlation > significant = 0.05 and Cronbach Alpha of 0.981 > 0.60, it means performance variable statement item valid and reliable, so it can be used for further testing.

Multicollinearity test

Based on Table 2, result of VIF calculation of leadership variables (3.044), promotion (3.027), and job environmental (3.038). VIF calculation re-
sults were less than 10, the value indicated no multicollinearity between independent variables in the regression model.

**Heteroscedasticity test**

Based on Table 3, the leadership variable residual result \( (X_1) \) is 0.974, the promotion variable \( (X_2) \) is 0.973, and the job environmental variable \( (X_3) \) is 0.973, and because each independent variable has significant effect on absolute residual (more than the significance level of research \( \alpha = 0.05 \)) so it can be concluded that data is not classified as heteroscedasticity.

**Autocorrelation test**

Based on Durbin-Watson, the critical value \( d_L = 1.244 \) and \( d_U = 1.651 \). From Table 4 the \( d \) value is 1.728, because \( du < d < 4-du \); ie \( 1.651 < 1.728 < 4-1.651 \), or \( 1.651 < 1.728 < 2.349 \) so it is concluded there were no autocorrelation, and then the data can be analyzed next stage.

**Multiple Linear Regression Analysis**

Based on multiple linear regression analysis using SPSS program, as in the Table 5.

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**Table 3. Residual Correlation Results**

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Leadership</th>
<th>Job Promotion</th>
<th>Job Environmental</th>
<th>Performance</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Pearson</td>
<td>1</td>
<td>0.987&quot;</td>
<td>0.984&quot;</td>
<td>0.989&quot;</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Job Promotion</td>
<td>Pearson</td>
<td>0.987&quot;</td>
<td>1</td>
<td>0.997&quot;</td>
<td>0.998&quot;</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Job Environmental</td>
<td>Pearson</td>
<td>0.984&quot;</td>
<td>0.997&quot;</td>
<td>1</td>
<td>0.997&quot;</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Performance</td>
<td>Pearson</td>
<td>0.989&quot;</td>
<td>0.998&quot;</td>
<td>0.997&quot;</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>RESIDUAL</td>
<td>Pearson</td>
<td>0.006</td>
<td>0.006</td>
<td>0.006</td>
<td>0.058</td>
</tr>
<tr>
<td></td>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig.(2-tailed)</td>
<td></td>
<td>0.974</td>
<td>0.973</td>
<td>0.973</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed)**

**Table 4. Results of Simultaneous Correlation Test, Coefficient of Determination, and Durbin Watson**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.999*</td>
<td>0.997</td>
<td>0.997</td>
<td>0.05258</td>
<td>1.728</td>
</tr>
</tbody>
</table>

Predictors: (Constant), Leadership, Job Promotion, Job Environmental
Dependent Variable: Performance
The regression equation as follows:

\[ Y = -0.61 + 0.153 X_1 + 0.502 X_2 + 0.363 X_3 \]

From the regression equation can be seen how the effect of leadership variables, job promotion, and job environmental on employee performance. Positive effect indicates that the change of independent variable will be in line with the change of employee performance. The multiple linear regression equation shows that the leadership variables, job promotion, and job environmental have positive effect. It means that any change in leadership variables, promotion, and job environmental will give a direct effect on employee performance.

Based on Table 5, the correlation that occurs between independent variables to the dependent variable is \( R = 0.999 \), this indicated that the independent variable of leadership, job promotion, and job environmental have a very close relationship to the dependent variable of employee performance. While the relationship that occurs is positive and same direction the level of relationship because close to +1, it means if the independent variable \( X \) is increased it will be followed by an increase in the dependent variable \( Y \). If the independent variable \( X \) is decreased, it will be followed by the decrease in the dependent variable \( Y \) as well. The determination coefficient denoted by adjusted \( R^2 \) is 0.997. It means employee performance variable can be explained by leadership variable, job promotion, and job environmental is 99.7 percent, or in other words the effective contribution of independent variables to the variation (change) employee performance of 99.7 percent. Thus, the remaining 3 percent of employee performance is explained by other variables not included in this research model.

Based on Table 6, F test result is \( F_{\text{test}} = 3525.972 \) and \( F_{\text{table}} \) on \( df_1 = 2 \) and \( df_2 = 29 \) obtained \( F_{\text{table}} = 3.33 \). Thus if compared between \( F_{\text{test}} \) with \( F_{\text{table}} \) it will be known that \( F_{\text{test}} \) is more than \( F_{\text{table}} \) (3525.972 > 3.33) and the level of significance at \( \alpha = 0.000 < 0.05 \) (5 percent). It means that there was significant effect between leadership variable, job promotion, and

### Table 5. Recapitulation of Regression Analysis Result

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>B</th>
<th>( \beta )</th>
<th>t</th>
<th>Sig.</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership (X1)</td>
<td>0.153</td>
<td>0.149</td>
<td>2.452</td>
<td>0.021</td>
<td>Significant</td>
</tr>
<tr>
<td>Job Promotion (X2)</td>
<td>0.502</td>
<td>0.491</td>
<td>3.384</td>
<td>0.002</td>
<td>Significant</td>
</tr>
<tr>
<td>Job Environmental (X3)</td>
<td>0.363</td>
<td>0.362</td>
<td>2.767</td>
<td>0.010</td>
<td>Significant</td>
</tr>
</tbody>
</table>

\( \text{Constant} \) -0.61

\( R \) 0.999

\( R \) Square 0.997

Adjusted \( R \) Square 0.997

F test 3525.972

Sign. F 0.000

\( \alpha \) 0.05

### Table 6. F Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>29.240</td>
<td>3</td>
<td>9.747</td>
<td>3525.972</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>0.077</td>
<td>28</td>
<td>0.003</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>29.318</td>
<td>31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), Leadership, Job Promotion, Job Environmental

Dependent Variable: Performance
job environmental simultaneously on the employee performance.

Based on Table 5, the \( t_{test} \) value indicated by each independent variable is leadership variable \((X_1)\) has a \( t_{test} \) value of 2.452 with a probability of 0.021. Because \( t_{test} \) is more than \( t_{table} \) (2.452 > 2.048) and significance level \( \alpha < 5 \) percent (0.021 < 0.05), partially leadership variable \((X_1)\) has significant effect to employee performance variable \((Y)\). Job promotion variable \((X_2)\) has a \( t_{test} \) of 3.384 with probability of 0.002. Because \( t_{test} \) is more than \( t_{table} \) (3.384 > 2.048) and significance level \( \alpha < 5 \) percent (0.002 < 0.05), partially position promotion variable \((X_2)\) has significant effect to employee performance variable \((Y)\). Job environmental variable \((X_3)\) has a \( t_{test} \) of 2.767 with probability is 0.010. Because \( t_{test} \) is more than \( t_{table} \) (2.767 > 2.048) and significance level \( \alpha < 5 \) percent (0.010 < 0.05), partially job environmental variable \((X_3)\) has significant effect to employee performance variable \((Y)\). From the \( t\)-test for the leadership variable \((X_1)\), job promotion \((X_2)\), and job environmental \((X_3)\) partially effect on employee performance \((Y)\), show that all each \( t\)-test value is bigger of the \( t\)-table with a significance level smaller than \( \alpha = 0.05 \).

Based on the analysis as shown in the table above, each variable shows the standardized beta coefficient \((\beta)\) with the result of coefficient \( \beta \). Job promotion \((X_2)\) as standardized beta coefficient \((\beta_2= 0.491)\) greatest followed by standardized beta coefficient job environmental variable \((X_3)\) \((\beta_3= 0.362)\) or \( \beta_2 > \beta_3 \), and standardized beta coefficient leadership variable \((X_1)\) \((\beta_1= 0.149)\) or \( \beta_3 > \beta_1 \), so the variable that has a dominant and significant effect on employee performance is job promotion variable \((X_2)\). It means to improve and established the dominant employee performance is job position.

**DISCUSSION**

The leaderships positive and significant effect on employee performance, the leadership consisting of: (1) directing (give example, determine task priority should be done, delegated task, and cooperation in unified direction); (2) cooperation (team work and feedback); and (3) communication (able to public communicate, accurate information, always do the discussion, and good communication intensity with colleagues can improve employee performance). It means, if the higher leadership owned will effect on employee performance. This result supported research conducted by Locander et al. (2002), Bass et al. (2003), Susanty & Baskoro (2012), Noermijati (2015), Ben (2016), and Suryadharma, Riana, & Sintaasih (2016), thus, this research did not support research conducted by Mulyanto & Sutrisno (2007), stated that leadership did not significant effect on the employee performance.

Job promotion positively and significant effect on the employee performance, job promotion consisting of: (1) experience (experience in work and problem solving); (2) loyalty (the desire to work in a bank, work background, and work provisions); (3) honesty (providing correct job report and information); and (4) responsibility (able to complete the job properly and able to solve the problem for example customers complain). It means that the job promotion in the workplace will make employees trying to improve its performance in order to get promotions offered by the bank. The results of this study support the research of Jayusman & Khotimah (2012), Simanjuntak & Kasmiruddin (2015), and Alia, Yunus, & Mahdani (2017), job promotion positively and significantly affect the employee performance.

The job environmental has a positive and significant effect on employee performance, job environmental consisting of powerful workplace lights so that the whole room is bright, air-conditioning room, no sounds are heard inside or outside the office, bright walls color and attractive room decoration, spacious working space, employees feel safe, and good relationships among employees can affect employee performance. It means
that a comfort job environmental/comfortable can improve employee performance. The results of this study support the research of Susana (2009), Utami & Hartanto (2010), Dhermawan, Sudibya, & Utama (2012), Dewi & Frianto (2013), and Moulana, Sunuharyo, & Utami (2017), job environmental positively significant to employee performance.

Leadership, job promotion, and job environmental have a positive and significant effect on employee performance. The capable leader (directing, cooperating, and communicating well with staff/employees), job promotion (experience, loyalty, honesty, and responsibility), and job environmental (lighting, air temperature, voice, color use, space required, job security, and employee relations) can improve employee performance so as to become qualified employees, discipline, and work according to the specified target by bank.

The important findings in this research is promotion is the most dominant variable to predict employee performance, especially in improving employee performance, employees will always responsible, it means they try to solve the problems as soon as possible.

CONCLUSION AND SUGGESTIONS

Conclusion

Based on the results of the analysis and discussion can be concluded, leadership, job promotion, and job environmental have a positive and significant effect on employee performance simultaneously in bank. So the employees’ performance determined by leadership factors, job environmental, and job promotion. These factors support each other in creating better employee performance. Job promotion was the dominant variable affecting employee performance. It means the employee’s performance achievement at this time determined by job promotion offered by company to employees in bank. Job promotion is always followed by increased compensation, while increased compensation followed by an increase in experience in problems solving, loyalty, honesty, and responsibility in work. Indicators to obtain the job promotion are not a serious problem and special for employees, because the situation and conditions to get job promotion has been done by the bank.

Suggestions

For companies should have good leadership skills, but there are still many employees who are less in public communication. It can be overcome by involving training or public speaking courses, so that employees do the public speaking practice and can bring themselves in public. For the development of science can be used to develop the science especially the problem of leadership, job promotion, and job environmental in order to improve employee performance. For researchers research should be used as a reference in research both for similar variables or others in the future.

REFERENCES


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