



The Effect of Leadership and Employee Motivation on Business Success and Organizational Performance (Study at Aeroporto Presidente Nicolau Lobato, Dili and Timor Leste)

Celestina Conceicao Araujo¹; Endang Eviline Giri²; Augusto Da Conceicao Soares³

¹ Master's Program, Institute of Business (IOB), Timor-Leste

² Faculty of Communication. UNDANA University, Kupang, Indonesia

³ Master's Program, Institute of Business (IOB), Timor-Leste

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Abstract

This research was conducted at ANATL, E.P. Dili, Timor-Timor. The problems examined are; 1) whether leadership influences business success; 2) whether employee motivation influences business success; 3) whether leadership influences organizational performance; 4) whether employee motivation affects organizational performance. The population in this study were all employees at ANATL, E.P. Dili, Timor-Leste totaling 130 employees and the sample in this study was 130 employees (saturated sample). Methods of data collection using questionnaires and interviews. Data collected were analyzed using the Statistical Product and Service Solution Software (SPSS 18.00) with multiple linear regression data analysis techniques.

The results showed that: 1) leadership had a positive and significant effect on business success; 2) leadership has a positive and significant effect on organizational performance; 3) employee motivation has a positive and significant effect on business success; and 4) employee motivation has a positive and significant effect on organizational performance.

Keywords: *Leadership; Employee Motivation; Business Success; Organizational Performance*

Introduction

Organizational performance is basically the responsibility of every individual who works in the organization. If in an organization each individual works well, achieves, is passionate and gives his best contribution, the overall organizational performance will improve. To realize organizational performance as desired, there are many factors that influence, among others, leadership in the organization, organizational culture, compensation, employee motivation, work environment and so forth. In this regard, this study will discuss two factors that have been identified as affecting business success and organizational performance, namely, leadership and employee motivation.

The first factor identified to affect business success and organizational performance is leadership. Yukl (2009: 4) says that leadership is the ability of individuals to influence, motivate and make others able to contribute to the effectiveness and success of the organization. So it can be said that leadership is a way of influencing and motivating other employees so that employees want to contribute to the success of the organization. The ability of this leader can give influence to employees to do work in accordance with work standards that have been set and desired by business owners in an effort to achieve the planned goals.

In achieving business success and good organizational performance, the second factor identified influences business success and organizational performance is employee motivation. Motivation is an impulse, desire, desire and driving force that comes from human beings to do or to do something (Wursanto, 2005: 301). Motivation is a conscious effort to influence one's behavior so that it leads to the achievement of predetermined organizational goals. Motivation is very important in achieving business success and organizational performance. Motivation affects a person or individual to involve themselves in activities and work that lead to goals as satisfaction. Employees have a strong desire that arises due to the encouragement from within themselves to engage and participate in the organization by doing all the tasks and work that is charged and on an ongoing basis employees will continue to dedicate themselves through all tasks and work voluntarily because of comfort and pleasure based on motivation the strong one.

Administração de Aeroportos e Navegação Aérea de Timor-Leste, Empresa Pública (ANATL, E.P.) formed with *Decreto Governo RDTL No. 8/2005* is a State-owned business entity in Timor-Leste engaged in services to manage all airports in the territory of Timor-Leste. Many challenges faced by ANATL, E.P. are that the recruitment and review system by the CFP is very contrary to the legal basis for the establishment and establishment of SOEs. Preliminary information through interviews with the ANATL, E.P. Ranks, a very difficult stage for ANATL, E.P. is how to transform human resources formed by the character of civil servants (PNS) to employees of state companies with the character of an employment contract or known as *contracto termo certo*. This really requires leadership skills to be able to overcome and realize these goals.

A further challenge for the ANATL leadership, E.P. how to motivate employees to be able to work with the character of the contract system and improve technical skills according to the field of work in various departments in ANATL, E.P. Therefore, the leadership of ANATL, E.P. set payroll standards (salary table) that aims to motivate employees to focus more on achieving the objectives of the State-owned enterprises.

The problem that is quite risky is how to prepare human resources (HR) who do not have the expertise or educational background in accordance with airport engineering to be able to carry out functions according to international civil aviation rules. This certainly requires extraordinary motivation in order to achieve the objectives desired by State-owned enterprises. The problem of human resource capabilities in airport engineering requires special handling, how to program and organize specific education and training according to expertise in various departments needed to carry out airport functions.

In any organization, the leader plays a very strategic and important role. The success or failure of an institution is largely determined by the quality of its leaders. Therefore, the position of leader dominates all activities carried out in the institution. According to Phillips and Gully (2012), leadership means guiding and influencing others to work voluntarily towards the goals of the leader. Leaders set team goals, train team members, provide feedback, manage resources, provide support to the team, and perform various other roles. Leadership will determine the direction and activities of the organization.

In terms of leadership at ANATL, E.P. the leader has done his job and function well so that he can bring ANATL.E.P. to a better condition. The average revenue from Airport Tax, Lending Fees, Rental Charges, Check-in Counters, Parking Fees and Access Passes from 2016-2019 reached 96%. Even

in 2016 and 2018 ANATL, E.P. revenues exceeded the specified target of 101%. This shows that performance can be achieved through good collaboration between leaders and employees. However, in 2017 and 2019 the targets that have been set are not realized well indicated by data in 2017 unrealized income of 215,364.26 US \$ with a percentage decrease of 8%, while in 2019 unrealized income of 261,223.29 US \$ with percentage reduction of 9% (Data source: ANATL, E.P.)

In addition to the target and revenue, data achieved by ANATL, E.P. There is also data on budget implementation. Realization of the 2016-2019 budget is only 87% on average. In 2016, the realization of budget was 99%, in 2017 it was 97%, but starting in 2018 and 2019 there was a significant decline in realization, respectively 85% and 76% (data sources: ANATL, E.P.). This shows a decrease in the realization of the use of the budget from year to year due to weaknesses in budget planning. In addition, several things that become obstacles include changes in macroeconomic assumptions, delays in the delivery of budget execution documents to work units, irrelevance of unit costs used in budgeting, overlapping regulations between agencies or ministries, constraints on the implementation of procurement of goods and services, sanctions for delays issuance of requests for funds due to the indiscipline of work units carrying out reconciliation, planned absorption of expenditure budgets has not been well projected, and no planned projects are implemented.

Leader at ANATL, E.P. have tried to change the mentality of company employees into Empresa Publica. ANATL Chairperson, E.P. has made various efforts to encourage and support the creativity of employees and organizations to be more accepting and ready to change to be able to bring the ANATL organization, E.P. more effective. This is not easy to do because it relates to morals, attitudes and work behavior of employees. Leadership of ANATL, E.P. always providing motivation to generate the enthusiasm and passion for change from everyone in the organization to adjust more quickly, as well as to work hard to get change results that are better than the existing plan.

The problems in this study are formulated as follows: 1) Does leadership have a partial effect on the success of the ANATL, E.P.? Effort; 2) Does employee motivation partially influence the success of ANATL, E.P.? Business; 3) Does leadership influence partially on ANATL, E.P.? Organizational performance; and 4) Does employee motivation have a partial effect on organizational performance of ANATL, E.P.?

Literature Review

Organizational performance is an indicator of the level of achievement that can be achieved and reflects the success of an organization, as well as the results achieved from the behavior of organizational members. Performance can also be said as a result (output) of a particular process carried out by all components of the organization against certain sources used (input). Furthermore, performance is also the result of a series of process activities carried out to achieve certain organizational goals. Organizational performance according to Daft (2010) is the ability to achieve organizational tasks by using resources effectively and efficiently. The intended resources include human resources, all wealth, capabilities, organizational processes, company attributes, information and knowledge controlled by the company.

Performance of the organization needs to be measured, this performance measurement is a method or tool used to record and assess the achievement of the implementation of activities based on goals, objectives and strategies so that organizational progress can be known and improve the quality of decision making and accountability. Performance measurement is not an end in itself but is a tool for more efficient management and improved performance. The results from performance measurements will tell us what happened, not why it happened or what needs to be done.

Assessment of organizational performance must be carried out with good and correct principles. According to Mahsun, (2006: 26) there are four elements of measuring organizational performance, namely: 1) setting organizational goals, objectives and strategies; 2) formulating indicators and

performance measures; 3) measure the level of achievement of organizational goals and objectives; 4) performance evaluation (feedback, assessment of organizational progress, improving the quality of decision making and accountability).

From the description above it can be concluded that performance measurement is a way to find out or assess the extent to which the goals, objectives and programs of an organization can be achieved. Performance measurement can also be used as consideration in making decisions for future performance improvement. To measure organizational performance, there are several aspects proposed by Mahsun (2006: 31-32), namely: 1) input group; 2) process groups; 3) output groups; 4) outcome groups; 5) benefit group; and 6) impact groups.

Business Success

The determinants of business success are basically a reflection of business capability (knowledge, attitudes and skills), relevant experience, work motivation and the entrepreneur's educational level. Noor (2007: 397) states that the success of a business is essentially the success of a business in achieving its stated goals. To measure business success, several indicators used by Noor (2007: 397) are used, namely: 1) Profit or profit; 2) Productivity and efficiency; 3) Competitiveness; 4) Competence and business ethics; and 5) The building of a company's good image due to the assessment or public response to various activities, empathy, achievements and reputation of the company during its various activities.

Leadership

Leadership is the ability to influence a group towards the achievement of goals. The source of this influence can be formal, such as that provided by ownership of managerial rank in an organization. Because management positions appear together with a formally designated level of authority, one can carry out a role. Luthans (2006) states that leadership as a group of personality processes, the fulfillment of certain behaviors, persuasive, authority, achievement of goals, interactions, differences in roles, initiation of structure, and a combination of two or more of these things. Effective leaders relate to the amount and type of power a leader has and the way that power is used. The leadership process takes place effectively when the leader has a good personality and supports the progress of the organization. To measure leadership can be done by measuring the indicators proposed by Siagian (2003: 97) argues, seven indicators that must be possessed by leaders, namely: 1) climate of mutual trust; 2) appreciation of employee ideas from a leader; 3) take into account the feelings of the employees; 4) relationships between individuals and groups; 5) attention to the welfare of subordinates; 6) take into account the factor of job satisfaction of subordinates in completing the tasks entrusted to him; and 7) recognition of the status of subordinates appropriately and professionally.

Employee Motivation

Motivation is a conscious effort to influence one's behavior so as to lead to the achievement of organizational goals. Motivation is driven by the state of the soul and mental attitude of humans that provide energy, encourage to carry out activities and towards achieving needs that provide satisfaction. Mangkunegara (2015) states that motivation is defined as a tendency to move, starting from an impulse (drive) and ending with adjustment. Adjustment is said to satisfy motivation. Many motivational theories from various experts such as: Mc Clelland's Motivation Theory are classified into two groups namely content theory and process theory. The theory of content or also called the theory of needs is a theory that involves matters relating to the needs that underlie someone to behave, or focus on what causes the behavior. Included in the content theory include: 1) the hierarchy of needs theory from Abraham H. Maslow. 2) two-factor motivation theory from Frederick Herzberg. 3) achievement motivation theory from McClelland, and 4) ERG theory from Alderfer.

Whereas process theory focuses on how behavior begins and is carried out or explains the process by which a person's desire to behave begins. Included in the theory of this process include: 1) the theory of appreciation from Victor, and 2) the theory of justice from Adam Smith. To measure employee motivation can be done using McLelland's opinion, namely: 1) Need for achievement (Need of achievement); 2) Needs of affiliation (Need of affiliation); 3) The need to master something (Need of power).

Conceptual Framework and Research Hypothesis

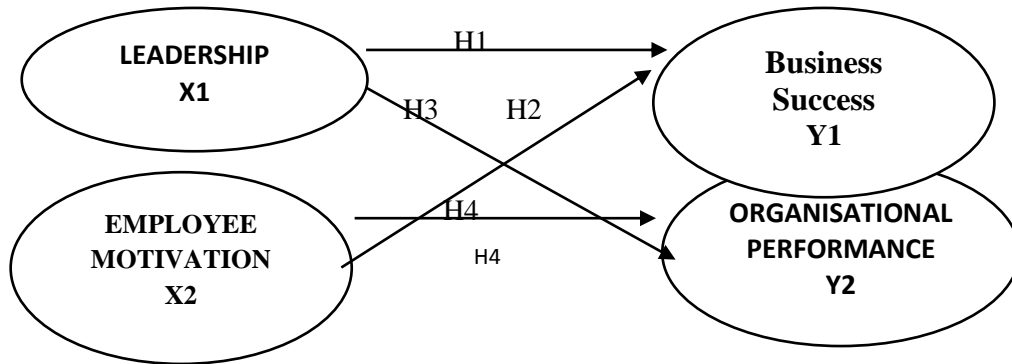


Figure: Conceptual Framework and Hypothesis

Hypothesis

1. Research by Syaputra (2010) suggests that there is a positive and significant influence between leadership and business success. Thus the hypothesis formulation in this study is as follows: H1: leadership has a positive and significant effect on business success ANATL, E.P.
2. Research by Syaputra (2010) states that there is a positive and significant influence of leadership on organizational performance. Based on the description can be formulated hypothesis H2: leadership has a positive and significant effect on organizational performance of ANATL, E.P.
3. Research by Hasendi (2013) states that the higher the motivation, the more successful the business will be. Based on the description, it can be formulated hypothesis H3: motivation has a positive and significant effect on the success of ANATL, E.P.
4. Research by Purnama and Suyanto's research (2010) states that business capability is more dominant in influencing organizational performance than business motivation. Hasendi's research (2013) states that the higher the motivation, the better the organizational performance of entrepreneurs. Based on the description, it can be formulated hypothesis H4: motivation has a positive and significant effect on organizational performance of ANATL, E.P.

Methodology

This study was included in a survey research that took samples from a population and used questionnaires as a primary data collection tool. The study was conducted at ANATL, E.P, Aeroporto Presidente Nicolau Lobato, Dili, Timor-Leste with the object of research being ANATL, E.P employees, Aeroporto Presidente Nicolau Lobato. The population is all employees of ANATL, E.P. Aeroporto Presidente Nicolau Lobato, Dili, Timor-Leste totaling 130 employees spread over several parts of the

organization. While the sample is 130 employees (saturated sample) of all employees. Primary and secondary data were collected using questionnaires and interviews. After the data are collected and tabulated then analyzed using multiple linear regression analysis and hypothesis testing.

Results

To find out the effect of variables X1 and X2 on Y1 and X1 and X2 variables on Y2 can be determined by using multiple linear regression analysis, using SPSS 21 and the calculation of the results of multiple linear regression is shown in the following table:

**Table 1: Results of Multiple Linear Regression Analysis
(X1 and X2 to Y1)**

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	22.733	7.091		3.206	.002
Leadership	.185	.087	.189	2.133	.002
Employee Motivation	.254	.120	.188	2.121	.000
a. Dependent Variable: Business success					

The regression equation has the following meanings:

1. Constant = 22,733: If the leadership variable and employee motivation are constant = 0 (unchanged), then the magnitude of the change in business success variable is 22,733.
2. Variable coefficient X1 = 0.185: If the leadership variable increases by one point (unit), while the motivation of permanent employees, it will cause an increase in business success of 0.185.
3. Variable coefficient X2 = 0.245: If the employee motivation variable increases by one point (unit), while permanent leadership, it will cause an increase in business success of 0.245.

**Table 2. Results of Multiple Linear Regression Analysis
(X1 and X2 to Y2)**

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	14.980	2.933		5.108	.000
Leadership	.034	.036	.052	2.937	.001
Employee Motivation	.712	.050	.789	14.343	.000
a. Dependent Variable: Organizational performance					

The regression equation has the following meanings:

1. Constant = 14,980: If the leadership variable and employee motivation are constant = 0 (unchanged), then the magnitude of change in organizational performance variable is 14,980.
2. Variable coefficient $X_1 = 0.034$: If the leadership variable increases by one point (unit), while the motivation of permanent employees, it will cause an increase in organizational performance by 0.034.
3. Variable coefficient $X_2 = 0.712$: If the employee motivation variable increases by one point (unit), while leadership remains, it will cause an increase in organizational performance by 0.712.

Hypothesis Testing

1. Effect of leadership on business success - Hypothesis 1

The leadership X_1 variable was obtained by t count of 2.133 with a significant level of 0.002 while the value of t table was 1.97867 ($df = 130 - 2 = 128$). Because the significant value of 0.002 is smaller than alpha 0.05 ($p < \alpha$) and the t count is greater than the table ($2.133 > 1.97867$), this means that the leadership variable has a positive and partially significant effect on business success.

2. Effect of employee motivation on business success - Hypothesis 2

Employee motivation X_2 variable was obtained by t count of 2.121 with a significant level of 0,000 while the value of t table was 1.97867 ($df = 130 - 2 = 128$). Because the significant value of 0,000 is smaller than alpha 0.05 ($p < \alpha$) and t count is greater than t table ($2.121 > 1.97867$), this means that the employee motivation variable has a positive and partially significant effect on business success.

3. Effect of leadership on organizational performance - Hypothesis 3

The leadership X_1 variable was obtained by t count of 2,937 with a significant level of 0.001 while the value of t table was 1.97867 ($df = 130 - 2 = 128$). Because the significant value of 0.001 is smaller than alpha 0.05 ($p < \alpha$) and t count is greater than t table ($2.937 > 1.97867$), this means that the leadership variable has a positive and partially significant effect on organizational performance.

4. Effect of employee motivation on organizational performance - Hypothesis 4

Employee motivation X_2 variable obtained t count of 14,343 with a significant level of 0,000 while the value of t table is 1,97867 ($df = 130 - 2 = 128$). Because the significant value of 0,000 is smaller than alpha 0.05 ($p < \alpha$) and the t count is greater than the table ($14,343 > 1.97867$), this means that the employee motivation variable has a positive and partially significant effect on organizational performance.

Conclusion

Based on the results of the analysis conducted, the conclusions of this study are as follows:

1. Leadership has a positive and significant effect on business success. The quality of leadership found in an organization plays a very dominant role in business success. The success of an organization, both as a whole and various groups within a particular organization, is very dependent on the effectiveness of leadership contained in the organization concerned.
2. Employee motivation has a positive and significant effect on business success. Motivation moves employees to display behavior toward the achievement of a particular goal, one of which is business success.

3. Leadership has a positive and significant effect on organizational performance. An organization will run well, when the leadership role in an organization is carried out as well as possible and full of responsibility.
4. Employee motivation has a positive and significant effect on organizational performance. Motivation serves to stimulate the ability of employees so as to create maximum performance results from employees who support organizational performance improvement.

Research Implications

The results of this study have implications for the ANATL, E.P. Aeroporto Presidente Nicolau Lobato, Dili, Timor-Leste in the following cases:

1. Providing opportunities for leaders to develop leadership abilities by increasing the desire to achieve achievement in terms of leadership or personal development that can exceed the achievements of other people's work. Thus to achieve business success and increasing organizational performance with the assistance and facilitation of ANATL, EP
2. Increasing motivation in employees by providing the facilities needed by employees so that employees can feel at home to carry out their work in ANATL, E.P. so that business success can be achieved and organizational performance is also increasing

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