



# **The influence of leadership style, job promotion, and communication on employee performance at PT. Indonesia Asahan Aluminium (INALUM), Kuala Tanjung, North Sumatra**

**Doni Hamdani<sup>1</sup>, Andre Fitriano<sup>1</sup>, Ledi Agustin Hutagalung<sup>1</sup>, M. Nelson Pinem<sup>2</sup>**

<sup>1</sup>Prima Indonesia University

<sup>2</sup>Sumatera Utara Islamic University

Corresponding Author: [andrefitriano@unprimdn.ac.id](mailto:andrefitriano@unprimdn.ac.id)

**Received:** 11 April 2023

**Accepted:** 15 June 2023

**DOI:** <https://doi.org/10.55942/jeb1.v3i3.210>

## **ABSTRACT**

The aim of this study was to assess the influence of Leadership on the performance of employees at PT Inalum Kuala Tanjung, to understand the effect of Job Promotion on employee performance, and to examine the impact of Communication on employee performance. It also sought to simultaneously determine the effects of Leadership, Job Promotion, and Communication on the performance of the PT Inalum Kuala Tanjung staff. The study was conducted at PT Inalum Kuala Tanjung, with a population of 100 people who all participated as the research sample. This quantitative descriptive research utilized a questionnaire instrument, data analysis techniques for validity and reliability testing, classic assumption tests, and multiple linear regression. The t-test (partial), F-test (simultaneous), and coefficient of determination were also employed. The result of the multiple linear regression equation revealed significant impacts of Leadership, Job Promotion, and Communication on employee performance, which was confirmed through individual (t-tests) and simultaneous (F-tests) statistical significance. The Leadership, Job Promotion, and Communication variables all showed higher t-test values than the tabulated t-values, and lower significance values than the benchmark 0.05. The F-test value for the combined effect of Leadership, Job Promotion, and Communication was also found to be higher than the tabulated F-value, and its significance value was lower than 0.05. In conclusion, Leadership significantly influences performance, Job Promotion significantly affects employee performance, and Communication significantly impacts employee performance. Simultaneously, Leadership, Job Promotion, and Communication have a significant influence on employee performance at PT Inalum Kuala Tanjung.

**Keywords:** Leadership, Job Promotion, Communication, Performance

## **1. INTRODUCTION**

A company is an organization made up of a group of people, working together in carrying out various activities to achieve the company's objectives (Fahlevi, 2021). Human Resources are a crucial factor in an organization or company for management activities to run well (Kasbuntoro et al., 2020). The company must have knowledgeable and highly skilled employees and strive to manage the company as optimally as possible to enhance employees' performance. Human resources are a primary asset in an organization, contributing immeasurably to the strategy to achieve the organization's objectives (Abbas et al., 2022a). The significance of human resources' contribution to a company can be seen from the company's productivity, production process, and distribution process. When a company has strong finances, sufficient raw materials, and the latest

technology but lacks good human resources, the production process will not run smoothly (Meiryani et al., 2023; Sutia et al., 2020). Therefore, a company must always pay attention to employee performance, as, to some extent, inadequate employee performance will reduce the company's production factors.

Appropriate leadership style will stimulate employees' enthusiasm and passion for work, thereby enhancing their performance (Fahlevi, Aljuaid, et al., 2022). Research on the influence of leadership style on employee performance has shown that leadership style has a significant effect on employee performance (Fahlevi, Jermisittiparsert, Wongsuwan, Aljuaid, Chankoson, et al., 2022). Besides leadership style, motivation is another variable (Roscahyo and Prijati 2013). According to Irfham Fahmi (2016), promotion is an elevation of an employee's position from a previous role to a higher one.

Whereas according to Siagian (2015), promotion is when an employee moves from one job to a higher one, which comes with greater responsibilities and income (Fahlevi, Jermisittiparsert, Wongsuwan, Aljuaid, & Chankoson, 2022). Every employee undoubtedly wants an opportunity for promotion as it is seen as a reward for someone's success in achieving good performance and as recognition for work accomplishments, entitling the employee to occupy a higher position (Abbas et al., 2022b; Ekowati et al., 2023).

Communication comes from the Latin word *communis* or 'common' in English. Communicating means we are trying to achieve common meaning, 'commonness'. In line with a quote from Saefullah (2013), in the theory of Holland, Janis, and Kelly, communication is the process where an individual (communicator) conveys stimuli (usually in the form of words) to alter other people's behavior (communicate). As one of the companies engaged in the aluminum smelting industry, PT. INALUM is a company with a vision and mission to become a leading global company based on integrated, environmentally friendly aluminum. PT. INALUM has common problems like its employees' performance. In solving this problem, the company has tried various methods like motivating employees, providing training, and increasing compensation, but these haven't succeeded in improving the employees' performance (Asiri et al., 2023). In the initial observation that the author conducted at PT. INALUM, the author found various problems, both positive and negative, that will become the object of study. These included the overall poor performance of employees, underpinned by social disparities where communication among employees and leaders was inadequate, the absence of a career ladder or job promotion, poor organizational culture, inadequate work environment, and suboptimal leadership style in the company.

Optimizing leadership style in an organization by implementing the concept of Islamic leadership style, promoting employees based on their capacity and ability professionally and proportionally, and communicating well and transparently both among employees and between subordinates and leaders will certainly impact the improvement of employee performance. In other words, the implementation of leadership style, job promotion, and communication together will influence employee performance. This aligns with the research conducted (Jayusman and Khotimah, 2012).

## 2. LITERATURE REVIEW

### Employee Performance

According to Prof. Dr. Moeheriono, M.Si. in his book titled "Competency-based performance measurement", employee performance is the result that can be achieved by an individual or a group of people in an organization, both qualitatively and quantitatively, in accordance with their authority, tasks, and responsibilities in an effort to achieve the goals of the organization in a legal way, without breaking the law, and in accordance with morals or ethics.

### Leadership Styles

Leadership is the activity of influencing others' behavior so that they are willing to be directed to achieve a certain goal.

Numerous theories have been developed from research, including trait theory, group theory or exchange theory, situational theory, and contingency models. Leadership can be defined as a set of abilities and personality traits inherent in the leader himself. This includes authority, skills, knowledge, vision, and competence to be used as a means of leadership in order to convince the people he leads so that they are willing and able to carry out the tasks assigned to them willingly, enthusiastically, with inner joy, and without feeling forced (Sagala, 2018, pp. 51-52).

### Job Promotion

In companies with a strong organizational culture, they act as examples regarded as an ongoing training program that has the strongest influence compared to other programs. In line with Pascale's steps in socialization, S.P. Robbin argues that implanting a culture into an organization requires a learning process. Therefore, the organization teaches each other about values, beliefs, hopes, and behaviors chosen by the organization.

### Communication

Communication is the process of transmitting information, be it messages, ideas, and thoughts from one party to another. Meanwhile, business communication is the exchange of ideas or thoughts between one, two, or more people to obtain and achieve the same goal. According to the Indonesian Dictionary (KBBI), communication is the sending and receiving of messages or news from two or more people so that the message conveyed can be understood by the interlocutor. Broadly speaking, etymologically, the term communication comes from the Latin word *communication*, which means to share meaning about one thing. Terminologically, communication means the process of delivering a statement by someone to another person. Paradigmatically, communication is the process of conveying a message by someone to another person to inform or change attitudes, opinions, or behavior, either directly verbally or indirectly through media (Raihana and Hazmanan, 2016, p.145).

### Conceptual Framework

Based on previous research, it can be concluded that all variables (X1) Leadership Style, (X2) Job Promotion, and (X3) Communication, have an influence on (Y) Employee Performance as illustrated below:

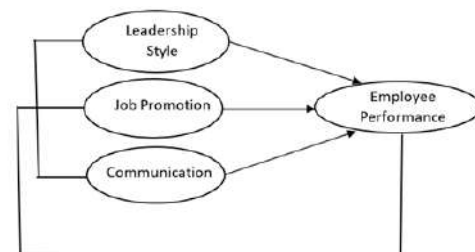


Figure 1. Conceptual Framework

- H1: There is an influence of leadership style on employee performance at PT. Inalum
- H2: There is an influence of job promotion on employee performance at PT. Inalum
- H3: There is an influence of communication on employee performance at PT. Inalum
- H4: There is an influence of leadership style, promotion, and communication on employee performance at PT. Inalum

### 3. METHODOLOGY

Data collection was carried out by the method of documentation, which is the use of data originating from existing documents. The data is in the form of a questionnaire. According to (Saunders et al., 2009; Sekaran & Bougie, 2016), a research instrument with this questionnaire method should be arranged based on indicators that have been described in the operationalization table of variables, so that each question that will be proposed to each respondent is clearer and can be structured. The data that has been described in the operationalization table of qualitative variables will be changed into a quantitative form with a statistical analysis approach.

Population is a collection of individuals or research objects that have predetermined qualities and characteristics. The population of this study is all employees in PT Inalum, totaling 1,845 employees. A sample is a portion of the number and characteristics possessed by the population, or a small part of the population members taken according to certain procedures so that it can represent its population. The sample selection method/sample collection used in this research is the Proportional Random Sampling technique (Lind et al., 2018), according to Sugiyono, Proportional Random Sampling is a way of taking samples from population members using random methods without considering the strata in the population. This study uses the Slovin formula because in drawing samples, the number must be representative so that the research results can be generalized and the calculation does not require a sample quantity table (Aprilani et al., 2023; Fahlevi et al., 2022, 2023), but can be done with a simple formula and calculation. The determination of samples for PT Inalum employees is done using the Slovin formula, with a 10% margin of error explained as follows:

$$n = N / (1 + Ne^2)$$

Information:  $n$  = Sample Size;  $N$  = Population Size;  $e$  = Margin of Error, which is the maximum sampling error that can still be tolerated or desired. Based on this formula, the number of samples to be taken in the study is:  $n = 1845 / (1 + 1845 (0.1)^2) = 99.94$  employees. From these calculations, the result is 99, so it is rounded to 100 respondents.

#### Data Analysis Technique

Data analysis techniques in this study were carried out using the assistance of the SPSS computer program (Statistical Product and Service Solution) version 17.0. The analysis method used in this study is multiple linear regression analysis.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots$$

$Y$  = Productivity;  $\alpha$  = Constant  $\beta_1 \beta_2$  = Regression coefficient;  $X_1$  = Compensation;  $X_2$  = Discipline;  $X_3$  = Work Motivation;  $e$  = Error (disturbance error)

#### Descriptive Statistics

Descriptive statistics provide a description or overview of data viewed from the mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness (distribution skewness) (Ghazali, 2013:19).

#### Hypothesis Testing

Hypothesis testing is carried out after the regression model used is free from classic assumption violations. The aim is to correctly interpret the calculation results.

#### Research Instrument Testing

##### Validity Test

According to Sugiyono (2018:182), "the validity test or authenticity test is the similarity between the collected data and the data that actually occurred in the object under study". The validity test is used to measure whether a questionnaire is valid or not. The criteria for using questionnaire validation are as follows:

- if  $r_{\text{count}} > r_{\text{table}}$ , then the question is declared valid
- if  $r_{\text{count}} < r_{\text{table}}$ , then the question is declared invalid.

##### Reliability Test

According to Sugiyono (2018:109), "the reliability test or reliability test is the level of reliability of a research instrument". A reliable instrument is an instrument that if used repeatedly to measure the same object will produce the same data. The testing criteria are as follows:

- If  $r_{\text{alpha}} > r_{\text{table}}$ , the question is reliable
- If  $r_{\text{alpha}} < r_{\text{table}}$ , the question is not reliable

The reliability test is done to show how far a measuring tool can be trusted or relied on. A variable is declared reliable if it gives a Cronbach alpha value  $> 0.60$ .

#### Classic Assumption Test

The use of regression analysis in statistics must be free from classic assumptions. The classic assumption tests performed are normality tests, multicollinearity tests, and heteroskedasticity tests.

- Normality Test
- Multicollinearity Test
- Heteroskedasticity Test

This is to test the regression relationship separately or to test the minor hypothesis. The test is conducted to see the significance of each variable separately on the free variable and the bound variable. The null hypothesis ( $H_0$ ) states that there is no influence of the free variable on the bound variable, while the alternative hypothesis ( $H_1$ ) is a hypothesis that states that there is an influence of the free variable.

## 4. RESULT AND DISCUSSION

#### Descriptive Statistics

The description statistics was conducted to illustrate the data in this analysis model, the dependent variable being Employee Performance while the independent variables are Leadership Style, Job Promotion, and Communication. The analysis is based on 100 respondent answers, with results as follows:

Table 1. Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Leadership Style	100	30.00	50.00	37.4400	4.22192
Job Promotion	100	24.00	50.00	36.7200	4.02537
Communication	100	20.00	50.00	41.6900	6.30167
Performance	100	36.00	50.00	45.0200	3.82173

Based on the statistical data in Table III.1, the Leadership Style variable (X1) has a mean value of 37.4400 with a standard deviation value of 4.22191. This mean value is lower than the maximum value of 50.00 and higher than the minimum value of 30.00. The Job Promotion variable (X2) has a mean value of 36.7200 with a standard deviation of 4.02537. This mean value is lower than the maximum value of 50.00 and higher than the minimum value of 24.00. The Communication variable (X3) has a mean value of 41.6900 with a standard deviation of 6.30167. This mean value is lower than the maximum value of 50.00 and higher than the minimum value of 20.00. The Performance variable (Y) has a mean value of 45.08200 with a standard deviation of 3.82173. This mean value is lower than the maximum value of 50.00 and higher than the minimum value of 36.00.

### Classic Assumption Test

The classic assumption test is intended to ascertain the fulfilment of a linear regression model that is BLUE (Best Linear Unbiased Estimator). This classic assumption test consists of normality tests, multicollinearity tests, and heteroskedasticity tests. A linear regression model will meet the BLUE assumption if the model has data free of multicollinearity and heteroskedasticity.

#### Normality

The normality test can be performed through histogram graph analysis. It is as follows:

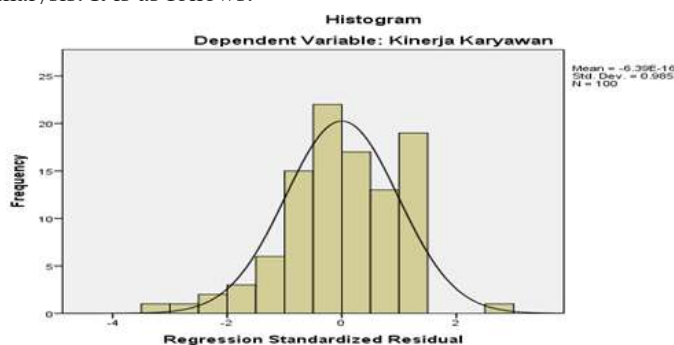


Figure 2. Histogram

Based on the image data, the diagonal line of the graph does not lean to the left or the right, and there is no data outside the curve, so the data in the category is normally distributed.

#### Multicollinearity

Multicollinearity symptoms can be seen from the magnitude of the Tolerance value and VIF (Variance Inflation Factor) with the stipulation that Tolerance > 0.10 and VIF < 10.0, then multicollinearity does not occur. Based on data from Table III.3, all independent variable values have a Tolerance < 0.10 and VIF > 10.0 where the Tolerance value of Leadership Style (0.582 > 0.10), the Tolerance value of Job Promotion (0.531 > 0.10) and the Tolerance value of Communication each (0.868 > 0.10) while the VIF value from Leadership Style (1.718 < 10.0), Job Promotion is (1.882 < 10.0) and Communication is (1.152 < 10.0), which means that multicollinearity or collinearity does not occur.

#### Heteroscedasticity

The heteroscedasticity test can be done with graphs and statistical analysis of the scatterplot as seen in the following Figure

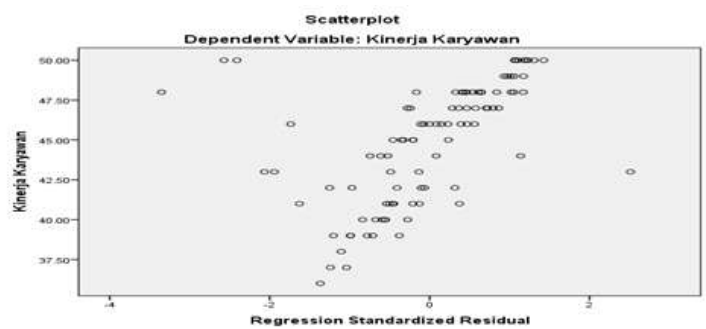


Figure 3. Scatterplot

Based on the graph data, the points spread randomly and do not form a specific clear pattern. They are dispersed both above and below the zero point on the Y-axis.

### Multiple Linear Regression Analysis

Table 2. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	11.767	2.241		5.251	.000		
Leadership Style	.359	.066	.396	5.467	.000	.582	1.718
Job Promotion	.444	.072	.468	6.171	.000	.531	1.882
Communication	.084	.036	.139	2.338	.021	.868	1.152

Based on the data in Table 2, the following multiple linear regression equation is derived:  $Y = 11.767 + 0.359(\text{Leadership Style}) + 0.444(\text{Job Promotion}) + 0.084(\text{Communication})$ . The interpretation of the multiple linear regression equation is as follows: Constant value The constant value is 11.767, indicating that if the values of the independent variables (X), namely Leadership Style, Job Promotion, and Communication, are 0, or not present, then the value of Employee Performance (Y) at PT Inalum is 11.767. Regression Coefficient for the Leadership Style Variable (X1) The regression coefficient for Leadership Style is 0.359, which means if there is a unit increase in variable X1 while variables X2 and X3 remain constant, the value of variable Y will increase by 0.359, and vice versa. Regression Coefficient for the Job Promotion Variable (X2) The regression coefficient for Job Promotion is 0.444, which means if there is a unit increase in variable X2 while variables X1 and X3 remain constant, the value of variable Y will increase by 0.444, and vice versa. Regression Coefficient for the Communication Variable (X3) The regression coefficient for Communication is 0.084, which means if there is a unit increase in variable X3 while variables X1 and X2 remain constant, the value of variable Y will increase by 0.084, and vice versa.

Based on the data in Table III.6, the explanation is as follows: The t-value for Leadership Style is 5.467 and the t-table value is 1.984 (Excel =TINV(0.05,96),  $5.467 > 1.984$  and  $0.000 < 0.05$ ). This means Leadership Style partially significantly influences Employee Performance at PT Inalum. The t-value for Job Promotion is 6.171 and the t-table value is 1.984 (Excel =TINV(0.05,96), so  $6.171 > 1.984$  and  $0.000 < 0.05$ ). This means Job Promotion partially significantly influences Employee Performance at PT Inalum. The t-value for Communication is 2.338 and the t-table value is 1.984 (Excel =TINV(0.05,96),  $2.338 > 1.984$  and  $0.021 < 0.05$ ). This means Communication partially significantly influences Employee



Performance at PT Inalum. The t-value for Leadership Style is 5.467, Job Promotion is 6.171, and Communication is 2.338, with a t-table value of 1.984, therefore the t-value  $X_1 < t\text{-value}$   $X_2$  and  $X_3$  ( $6.171 > 5.467$  and  $2.338$ ). This means, Job Promotion is the dominant variable partially significantly influencing Employee Performance (Y) at PT Inalum.

Based on the result, the F-value for Leadership Style, Job Promotion, and Communication is 77.032 and the F-table value is 2.699 (Excel =FINV(0.05,4,96) so  $77.032 > 2.699$  and  $0.000 < 0.05$ . This means Leadership Style, Job Promotion, and Communication simultaneously have a significant impact on Employee Performance (Y) at PT Inalum. Based on the result, the adjusted R-Square value is 0.697 or  $R^2 \times 100\% = 69.70\%$ , meaning the independent variables contribute to explaining about 69.70% of Employee Performance and the remaining 30.30% is influenced by other factors not examined.

## 5. CONCLUSION

Based on the results of the research, the following conclusions can be drawn: Leadership Style significantly influences employee performance, with a significance value ( $\text{sig}$ )  $< 0.05$ . Job Promotion significantly affects the performance of employees at PT Inalum and is the dominant variable influencing employee performance at PT Inalum with a significance value ( $\text{sig}$ )  $< 0.05$ . Communication significantly affects the performance of employees at PT Inalum, with a significance value ( $\text{sig}$ )  $< 0.05$ . Leadership Style, Job Promotion, and Communication simultaneously have a significant effect on employee performance at PT Inalum, with a significance value ( $\text{sig}$ )  $< 0.05$ . Recommendations Based on the discussion, the research recommendations that can be given are: In general, the Leadership Style is appropriate and well-accepted by employees, but it is hoped that leaders can continue to improve their leadership style by building communication, making approaches, being open, and building a familial atmosphere within work divisions and between work divisions to achieve improved employee performance. In general, Job Promotion for employees is already good, but it is expected to be enhanced by providing promotion opportunities for employees, especially those who are high-achieving, highly skilled, and have proven loyalty to fill positions in the organizational structure. In general, Communication is already good, but it is expected to improve by building personal communication with employees when supervising, so that employees remain focused on work to increase performance. For future researchers, it is hoped to add other research variables that represent the problem in order to obtain significant influence results on Leadership Style aside from the current research variables.

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