

# Analysis Effect of Leadership Style and Work Stress on Employee Productivity with Moderating Variable Compensation

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**Keywords:** Leadership Style, Work Stress, Compensation, Employee Productivity.

**Abstract:** Business competition in the era of globalization is very competitive, providers of products and services must have the advantage to win the competition with competitors. To support the excellence of service providers, a service provider company is required to have employees who have a good level of performance in achieving the goals of the company. The purpose of this study is to determine the effect of leadership style and work stress on employee productivity with compensation as a moderating variable. A questionnaire was used to collect primary data related to the variables of leadership style, work stress, compensation, and employee productivity given to the entire population of field employees from the study, amounting to 34 people. The analysis method used is descriptive analysis method and analysis method based on Partial Least Square. The result show that leadership style has a significant positive effect on employee productivity with original sample equal 0.333, work stress has a significant negative effect on employee productivity with original sample equal -0.457, compensation moderates (strengthens) the influence of leadership style on employee productivity with original sample equal 0.453 and compensation moderates (weakens) the effect of work stress on employee productivity with original sample equal 0.379.

## 1 INTRODUCTION

In this era of globalization, business competition for service and product providers is very competitive. Globalization has a significant impact on the business continuity of a company and requires business people to adapt to be able to compete with new competitors and to be able to retain existing consumers.

The success of a company in doing business is very dependent on human resources. Human Resources is one very important factor in a company in addition to other factors such as capital. One of the competitive business companies in Medan City, PT Kencana Optima Indonesia, is working on improving all the deficiencies, both in terms of human resources, technology and services.

One of the competitive business companies in the city of Medan, namely PT Kencana Optima Indonesia, is working on improving all the shortcomings, both in terms of human resources, technology and services. PT Kencana Optima Indonesia is a company that operates as a provider of transportation services. In this era of globalization, PT Kencana Optima Indonesia is in the process of developing technology to be able to compete

competitively in improving digital services to keep up with the development of industry 4.0, PT Kencana Optima Indonesia is also trying to increase the company's productivity.

Table 1: Average Employee Achievement.

| Description                    | Period   |          |          |
|--------------------------------|----------|----------|----------|
|                                | 2017 - 2 | 2018 - 1 | 2018 - 2 |
| Number of Field Employees      | 32       | 35       | 36       |
| Activities per semester (Trip) | 99.75    | 103.44   | 103.39   |
| Average Activity per Employee  | 3.12     | 2.96     | 2.87     |

In this case, the productivity phenomenon studied is by looking at the employee achievement data in Table 1. Table 1 shows the data on the number of field employees, activities per semester (trip), namely the average of all activities in 1 semester and the average activity per employee, namely activities per semester. divided by the number of existing employees. It can be seen that there is an increase in the number of

employees of 3 people from 2017 semester 2 to 2018 semester 1 and 1 person from 2018 semester 1 to 2018 semester 2. Carried out in order to increase the number of activities that can be carried out per day. Based on Table 1, it can be seen that there is an increase in the number of activities per semester, which is 3.69 trips or 3.7% in 2018 semester 1 and there is a decrease of 0.05 trips or 0.05% in 2018 semester 2. The average activity per employee also decreased by 0.16 trips in 2018 semester 1 and 0.09 trips in 2018 semester 2.

The decrease in productivity at PT Kencana Optima Indonesia is inversely proportional to the increase in the number of field employees being carried out.

The internal factor that will be discussed first is leadership style. The need for a leader who can motivate and guide employees is very necessary to be able to compete in the current era of globalization.

The next factor that will be discussed in this study is compensation, which is the obligation of the company to support contributions to employees in order to achieve company goals.

The third factor is work stress, which is working conditions that make employees feel uncomfortable or depressed in doing their jobs. The negative influence that occurs is in fact an indication that affects employee productivity.

From the background that has been written, the identification of problems that will be used as research material is as follows:

1. There is a decrease in company productivity which is inversely proportional to the increase in the number of employees.
2. The expected increase in company productivity did not materialize.

In this study, it is necessary to limit the problem so that the problem under study does not spread, the researcher limits the problem only to the analysis of the influence of leadership style and work stress on the productivity of field employees with compensation as a moderating variable at PT Kencana Optima Indonesia.

Based on the above background, it can be seen that there is a decrease in productivity at PT Kencana Optima Indonesia. The aim of this research is:

1. To test and analyze the influence of Leadership Style on Employee Productivity.
2. To test and analyze the effect of Work Stress on Employee Productivity.
3. To test and analyze whether Compensation moderates the influence of Leadership Style on Employee Productivity.

4. To test and analyze whether Compensation moderates the effect of Work Stress on Employee Productivity.

5. To analyze how much the variable leadership style, work stress and compensation can explain employee productivity.

Leadership style is a behavioral norm that is used by someone when that person tries to influence the behavior of others or subordinates (Miftah Thoha, 2010). Leadership is a process of influencing or giving an example to followers through a process of communication in an effort to achieve goals (Rivai, 2009). Leadership is the ability to direct followers to work together with trust and diligence to do the tasks given by the leader (Terry, 2012).

Stress is a condition of tension that affects one's emotions, thoughts and physical conditions (Sondang P. Siagian, 2014). Stress is a feeling of pressure experienced by employees in facing work (A.A Anwar Mangkunegara, 2011). Work stress is a condition that results from the subjective appreciation of individuals, which can be in the form of interactions between individuals and the work environment that can threaten and exert psychological, physiological, and individual attitudes (Wijono, 2010).

Compensation is everything that employees receive in return for their work (Sedarmayanti, 2011). Compensation is something that employees receive as a substitute for their service contribution to the company (Rivai, 2010). Compensation is all income in the form of money, direct or indirect goods received by employees in return for services provided to the company (Hasibuan, 2017).

Productivity is the ratio between output (output) and input (input). This formulation applies to companies, industries and the economy as a whole. More simply, productivity is a computational comparison between the amount produced and the amount of each resource used during the process (Budiono, 2003). Productivity is the ability to get the maximum benefit from the facilities and infrastructure available by producing optimal output even maximum possible (Siagian, 2002). In addition, productivity is also defined as a way to make good use of resources in producing goods. Productivity implies a mental attitude which always has the view that "the quality of life today must be better than yesterday and tomorrow is better than today" (Sedarmayanti, 2001).

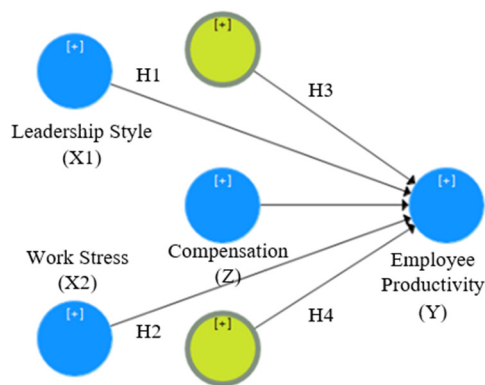


Figure 1: Conceptual framework.

The conceptual framework in Figure 1 shows H1 which represents the hypothesis between the constructs of Leadership Style and Employee Productivity, H2 which represents the hypothesis between the constructs of Work Stress and Employee Productivity, H3 which represents the hypothesis between Compensation interactions on the relationship between Leadership Style and Employee Productivity and H4 which represents the hypothesis. Between Compensation interactions and the relationship between Work Stress and Employee Productivity.

## 2 METHOD

The research location will be conducted at PT Kencana Optima Indonesia, which is located at Jl. KL Yos Sudarso Km 16,5 No. 16, Medan.

The population in this study were 34 employees who worked at PT Kencana Optima Indonesia. The sample technique used in this study is saturated sample, which is using all members of the population as the sample. The number of samples used by researchers was 34 employees of PT Kencana Optima Indonesia.

Characteristics of respondents based on gender, all male respondents were 34 people. Respondents aged < 20 years are 3 people, 20-29 years 16 people, 30-39 years 12 people and 50-59 years 3 people. Based on the latest education, there were 5 respondents who completed elementary school, 9 completed junior high school, 17 people completed high school and 3 undergraduate students. Based on the length of work, there were 13 people who worked < 1 year, 4 people who worked 1 - 2 years and 17 people who worked > 4 years.

In this study the authors used a quantitative approach. This study uses a descriptive approach with

the aim of describing the object of research or research results. This study uses a questionnaire as a research instrument. The questionnaire in this study used closed questions and used a scale of 5. The questions in the questionnaire were made using a scale of 1-5 (Likert scale developed) to obtain data that is interval and given a score or value.

Validity according to (Sugiyono, 2016) shows the degree of accuracy between the data that actually occurs on the object and the data collected by researchers to find the validity of an item, we correlate the item score with the total of these items. If the coefficient between items and total items is equal to or above 0.3 then the item is declared valid, but if the correlation value is below 0.3 then the item is declared invalid.

Reliability test is the extent to which the results of measurements using the same object will produce the same data (Sugiyono, 2012). The questionnaire reliability test in this study used the split half item method. The item is divided into two groups, namely the odd item group and the even item group. Then each group's score for each item is added up to produce a total score. If the correlation is 0.7, it is said that the item provides a sufficient level of reliability, on the contrary, if the correlation value is below 0.7, it is said that the item is less reliable.

In accordance with the hypothesis that has been formulated, in this study the data analysis used is the Partial Least Square (PLS). Table 2 are the assessment criteria for the PLS model proposed by Chin 1998 in (Ghozali, 2006):

Table 2: PLS Assessment Criteria.

| Criteria                                       | Description                                                                                                                                                                |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Structural Model Evaluation                    |                                                                                                                                                                            |
| R <sup>2</sup> for endogenous variables        | R <sup>2</sup> results of 0.67, 0.33 and 0.19 for endogenous latent variables in the structural model indicate that the model is "good", "moderate" and "weak"             |
| Estimated path coefficients                    | The estimated values for the path relationships in the structural model must be significant. This significant value can be obtained by bootstrapping procedures            |
| f <sup>2</sup> for the effect size             | F <sup>2</sup> values of 0.2, 0.15 and 0.35 can be interpreted whether the predictors of latent variables have a weak, moderate or large influence at the structural level |
| Evaluation of the Reflective Measurement Model |                                                                                                                                                                            |

|                            |                                                                                                      |
|----------------------------|------------------------------------------------------------------------------------------------------|
| Loading factor             | The loading factor value must be above 0.70                                                          |
| Composite Reliability      | Composite Reliability measures internal consistency and the value must be above 0.60                 |
| Average Variance Extracted | Average Variance Extracted (AVE) value must be above 0.50                                            |
| Discriminant Validity      | The square root value of the AVE must be greater than the correlation value between latent variables |

### 3 RESULTS AND DISCUSSIONS

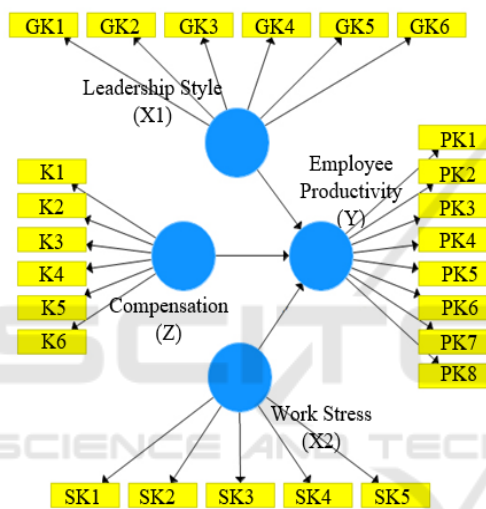


Figure 2: Structural Equation Analysis Model.

The structural equation analysis model can be observed in Figure 2 with an explanation in Table 3.

Table 3: Construct and Indicator.

| Construct                 | Indicator                              |
|---------------------------|----------------------------------------|
| Leadership Style (X1)     | GK1, GK2, GK3, GK4, GK5, GK6           |
| Work Stress (X2)          | SK1, SK2, SK3, SK4, SK5                |
| Compensation (Z)          | K1, K2, K3, K4, K5, K6                 |
| Employee Productivity (Y) | PK1, PK2, PK3, PK4, PK5, PK6, PK7, PK8 |
| Interaction Z * X1        | GK1 K1...GK1 K5                        |
| Interaction Z * X2        | SK1 K1...SK1 K5                        |

Processed Data, 2019

From Table 3 it can be seen that there is a Leadership Style construct (X1) consisting of 6

indicators, namely GK1, GK2, GK3, GK4, GK5 and GK6. The Work Stress (X2) construct consists of 5 indicators, namely K1, K2, K3, K4 and K5. The Compensation Construct (Z) consists of 6 indicators, namely SK1, SK2, SK3, SK4, SK5 and SK6. The Employee Productivity (Y) construct consists of 8 indicators, namely PK1, PK2, PK3, PK4, PK5, PK6, PK7 and PK8. Leadership Style Interaction Construct \* Compensation as a moderating variable of compensation to the relationship between leadership style and employee productivity. Work Stress Interaction Construct \* Compensation as a moderating variable of compensation to the relationship between Work Stress and employee productivity. Validity and reliability tests were carried out for questionnaires to a sample of companies engaged in the same field as the results in Table 4 and Table 5.

Table 4: Validity Test Result.

| Indicator | R     | Status |
|-----------|-------|--------|
| GK1       | 0.656 | Valid  |
| GK2       | 0.640 | Valid  |
| GK3       | 0.758 | Valid  |
| GK4       | 0.832 | Valid  |
| GK5       | 0.774 | Valid  |
| GK6       | 0.811 | Valid  |
| SK1       | 0.830 | Valid  |
| SK2       | 0.760 | Valid  |
| SK3       | 0.868 | Valid  |
| SK4       | 0.869 | Valid  |
| SK5       | 0.785 | Valid  |
| K1        | 0.816 | Valid  |
| K2        | 0.760 | Valid  |
| K3        | 0.894 | Valid  |
| K4        | 0.787 | Valid  |
| K5        | 0.799 | Valid  |
| K6        | 0.672 | Valid  |
| PK1       | 0.767 | Valid  |
| PK2       | 0.697 | Valid  |
| PK3       | 0.706 | Valid  |
| PK4       | 0.743 | Valid  |
| PK5       | 0.737 | Valid  |
| PK6       | 0.848 | Valid  |
| PK7       | 0.613 | Valid  |
| PK8       | 0.673 | Valid  |

Processed Data, 2019

Table 4 shows that each question item has an R value greater than 0.3, it can be concluded that all the questions for all variable are declared valid.

Table 5: Validity Test Result.

| Construct                 | Cronbach's Alpha | N of Items |
|---------------------------|------------------|------------|
| Leadership Style (X1)     | .834             | 6          |
| Work Stress (X2)          | .875             | 5          |
| Compensation (Z)          | .878             | 6          |
| Employee Productivity (Y) | .847             | 8          |

Processed Data, 2019

In Table 5 above, it can be seen that all Cronbach's Alpha values are greater when compared to the value of 0.7, so it can be concluded that all the questions for each variable are declared reliable.

Table 6: Descriptive Statistics.

| Descriptive Statistics |    |     |     |       |          |
|------------------------|----|-----|-----|-------|----------|
|                        | N  | Min | Max | Mean  | Std. Dev |
| Leadership Style       | 34 | 14  | 30  | 23.35 | 3.52379  |
| Work Stress            | 34 | 7   | 16  | 11.03 | 2.24938  |
| Compensation           | 34 | 18  | 29  | 23.35 | 2.08722  |
| Employee Productivity  | 34 | 23  | 38  | 30.65 | 3.11285  |
| Valid N (listwise)     | 34 |     |     |       |          |

Processed Data, 2019

Based on the results of the descriptive analysis in Table 6, it can be seen that the variable leadership style (X1) with a sample of 34 respondents has an average of 23.3529 units with a leadership style of at least 14 units and a maximum of 30 units and a standard deviation of 3.52379. The work stress variable (X2) with a sample of 34 respondents has an average of 11.0294 units with a minimum work stress of 7 units and a maximum of 16 units and a standard deviation of 2.24938. The compensation variable (Z) with a sample of 34 respondents has an average of 23.3529 units with a minimum work stress of 18 units and a maximum of 29 units and a standard deviation of 2.08722. Employee Productivity Variable (Y) with a sample of 34 respondents has an average 30.6471 units with a minimum work stress of 23 units and a maximum of 38 units and a standard deviation of 3.11285.

Table 7: First Model Loading Factor Test Results.

|     | X1     | Z      | Y      | X2    |
|-----|--------|--------|--------|-------|
| GK1 | 0.864  |        |        |       |
| GK2 | 0.841  |        |        |       |
| GK3 | 0.742  |        |        |       |
| GK4 | 0.847  |        |        |       |
| GK5 | 0.858  |        |        |       |
| GK6 | -0.049 |        |        |       |
| K1  |        | -0.091 |        |       |
| K2  |        | 0.422  |        |       |
| K3  |        | 0.142  |        |       |
| K4  |        | 0.900  |        |       |
| K5  |        | 0.898  |        |       |
| K6  |        | -0.325 |        |       |
| PK1 |        |        | 0.838  |       |
| PK2 |        |        | 0.880  |       |
| PK3 |        |        | 0.925  |       |
| PK4 |        |        | 0.740  |       |
| PK5 |        |        | -0.125 |       |
| PK6 |        |        | 0.824  |       |
| PK7 |        |        | -0.583 |       |
| PK8 |        |        | 0.201  |       |
| SK1 |        |        |        | 0.828 |
| SK2 |        |        |        | 0.359 |
| SK3 |        |        |        | 0.795 |
| SK4 |        |        |        | 0.790 |
| SK5 |        |        |        | 0.166 |

Processed Data, 2019.

From the Results of the First Loading Factor Model, the Loading Factor value is obtained as shown in Table 7. There are indicators that have outer loadings value  $<0.6$ , so these indicators must be removed from the structural model and re-algorithmized. The indicators removed were GK6, SK2, SK5, K1, K2, K3, K6, PK5, PK7 and PK8.

Table 8: Second Model Loading Factor Test Results.

|     | X1    | Z     | Y     | X2    |
|-----|-------|-------|-------|-------|
| GK1 | 0.872 |       |       |       |
| GK2 | 0.839 |       |       |       |
| GK3 | 0.743 |       |       |       |
| GK4 | 0.849 |       |       |       |
| GK5 | 0.860 |       |       |       |
| K4  |       | 0.934 |       |       |
| K5  |       | 0.946 |       |       |
| PK1 |       |       | 0.837 |       |
| PK2 |       |       | 0.892 |       |
| PK3 |       |       | 0.925 |       |
| PK4 |       |       | 0.764 |       |
| PK6 |       |       | 0.818 |       |
| SK1 |       |       |       | 0.852 |
| SK3 |       |       |       | 0.793 |
| SK4 |       |       |       | 0.776 |

Processed Data, 2019

From the results of the Second Loading Factor Model, table 8 show the loading factor values are above 0.6. It can be concluded that the construct has good convergent validity.

Table 9: Test Results of Construct Reliability and Validity.

|                           | Cronbach's Alpha | rho A |
|---------------------------|------------------|-------|
| Leadership Style (X1)     | 0.889            | 0.895 |
| Interaction X1 * Z        | 1.000            | 1.000 |
| Interaction X2 * Z        | 1.000            | 1.000 |
| Compensation (Z)          | 0.868            | 0.873 |
| Employee Productivity (Y) | 0.902            | 0.910 |
| Work Stress (X2)          | 0.735            | 0.746 |

|                           | Composite Reliability | Average Variance Extracted (AVE) |
|---------------------------|-----------------------|----------------------------------|
| Leadership Style (X1)     | 0.919                 | 0.695                            |
| Interaction X1 * Z        | 1.000                 | 1.000                            |
| Interaction X2 * Z        | 1.000                 | 1.000                            |
| Compensation (Z)          | 0.938                 | 0.883                            |
| Employee Productivity (Y) | 0.928                 | 0.721                            |
| Work Stress (X2)          | 0.849                 | 0.652                            |

Processed Data, 2019.

Table 9 show that the construct has good reliability, namely the composite reliability value, Cronbach alpha above 0.7 and the AVE value above 0.5.

Table 10: Test Results of Discriminant Validity.

|                           | Leadership Style (X1) | IX1 * Z | X2 * Z |
|---------------------------|-----------------------|---------|--------|
| Leadership Style (X1)     | 0.834                 |         |        |
| Interaction X1 * Z        | 0.082                 | 1.000   |        |
| Interaction X2 * Z        | -0.059                | -0.838  | 1.000  |
| Compensation (Z)          | 0.596                 | -0.269  | 0.282  |
| Employee Productivity (Y) | 0.861                 | 0.112   | -0.020 |
| Work Stress               | -0.757                | -0.064  | 0.244  |

|                           | Compensation (Z) | Employee Productivity (Y) | Work Stress (X2) |
|---------------------------|------------------|---------------------------|------------------|
| Leadership Style (X1)     |                  |                           |                  |
| Interaction X1 * Z        |                  |                           |                  |
| Interaction X2 * Z        |                  |                           |                  |
| Compensation (Z)          | 0.940            |                           |                  |
| Employee Productivity (Y) | 0.713            | 0.849                     |                  |
| Work Stress (X2)          | -0.531           | -0.775                    | 0.808            |

Processed Data, 2019.

Table 10 show the AVE root value is higher than the correlation value between other constructs and this means that the construct has high discriminant validity.

Table 11: Test Results of R Square.

|                           | R Square | R Square Adjusted |
|---------------------------|----------|-------------------|
| Employee Productivity (Y) | 0.890    | 0.871             |

Processed Data, 2019.

The R Square value of 0.871 in Table 11 means that the variability of the Employee Productivity construct can be explained by the constructs of leadership style, work stress, compensation and interaction of 87.1%. Meanwhile, 12.9% is explained by other variables not included in this study.

Table 12: Test Results of f Square.

|                           | Employee Productivity (Y) |
|---------------------------|---------------------------|
| Leadership Style (X1)     | 0.316                     |
| Interaction X1 * Z        | 0.581                     |
| Interaction X2 * Z        | 0.398                     |
| Compensation (Z)          | 0.349                     |
| Employee Productivity (Y) |                           |
| Work Stress (X2)          | 0.519                     |

Processed Data, 2019.

f Square assesses the effect size of the model. The effect size value in Table 12 shows the f value of Leadership Style Square (X1), Work Stress (X2), Interaction of Compensation and Leadership Style and Interaction of Compensation and Work Stress on

Employee Productivity (Y) respectively 0.316, 0.519, 0.581 and 0.398 means that it has a high effect size value.

Table 13: Test Results of Path Coefficients.

|                      | Original Sample (O) | T Statistics ( O/STDEV ) | P Values |
|----------------------|---------------------|--------------------------|----------|
| X1 → Y               | 0.333               | 2.231                    | 0.026    |
| Interaction X1*Z → Y | 0.453               | 2.546                    | 0.011    |
| Interaction X2*Z → Y | 0.379               | 2.352                    | 0.019    |
| Z → Y                | 0.279               | 2.649                    | 0.008    |
| X2 → Y               | -0.457              | 3.559                    | 0.000    |

Processed Data, 2019.

Based on Table 13, it can be seen that the Leadership Style construct affects employee productivity with T Statistics > 1.96 and P values < 0.05, namely with T Statistics of 2.231 and P values of 0.026. Leadership Style has an Original Sample (O) value of 0.333 which means that Leadership Style has a positive effect on Employee Productivity.

The results of this study are in line with research by Paula Goren which states that there is positive significant relationship between democratic leadership style and employee productivity (Paula Goren, 2018).

Democratic and transformational leadership have a significant positive relationship with the performance of employees (Sugandha Agarwal, 2020). The leadership style positive and significant impact on employee productivity (Retna and Handriyono, 2019).

The work stress construct affects employee productivity with T Statistics > 1.96 and P values < 0.05, namely with T Statistics of 3.559 and P values of 0.000. Work stress has an Original Sample (O) value of -0.457 which means that Work Stress has a negative effect on Productivity.

The results of this study are in line with research by Muhammad and Kishwar which state that there is significant relationship between work stress and employee's productivity in banking sector (Muhammad and Kishwar, 2019). Productivity gets affected due to stress in organization. (Abhijeet and Sneha, 2018).

However, the result are not in line with research by Suharno and Dini which state that job stress did not affect employee productivity (Suharno and Dini, 2018).

In addition, in this study, the compensation construct moderates the relationship between

leadership style and employee productivity with T Statistics > 1.96 and P values < 0.05, namely with T Statistics of 2.546 and P values of 0.011. The Compensation Interaction has an Original Sample (O) value of 0.453 which means that compensation moderates (strengthens) the relationship between leadership style and productivity.

Compensation construct also moderates the relationship between work stress and employee productivity with T Statistics > 1.96 and P values < 0.05, namely with T Statistics of 2.352 and P values of 0.019. The Compensation Interaction has an Original Sample (O) value of 0.379 which means that compensation moderates (weakens) the relationship of work stress to productivity.

The results of this study are in line with research by Suharno and Dini which states that compensation affects employee productivity (Suharno and Dini, 2018). Compensation positive and significant impact on employee productivity (Retna and Handriyono, 2019).

Occupational stress is considered a stigma among employees who are facing stress at the workplace. We can conclude that if employees are happy and healthy, they can be their most productive (Samma et al., 2020). Good compensation plan enhances teachers' productivity (Uwannah et al., 2019).

## 4 CONCLUSIONS

Based on the previous explanations, this research draws the following conclusions:

- Leadership style has a significant positive effect on employee productivity.
- Work stress has a significant negative effect on employee productivity.
- Compensation moderates (strengthens) the influence of leadership style on employee productivity.
- Compensation moderates (weakens) the effect of work stress on employee productivity.
- The variable ability of leadership style, work stress and compensation can explain the employees productivity, which is 87.1%, while the remaining 12.9% is explained by other variables not included in this research model.

Based on the conclusion, the researchers provide the following suggestions:

- For company to be able to increase the leadership style factor by fostering better communication and being able to receive ideas and suggestions from employees in terms of

running operational activities and increasing the company's compensation to be able to support a good leadership style and reduce the impact of stress work experienced on employee productivity.

- For company to be able to reduce the work stress of employees by resolving conflicts that arise as a result of assigning divergent tasks from superiors in operational activities by means of deliberation to prevent miscommunication and increase employee productivity.

The factors that are considered in order to increase employee productivity are leadership style, work stress and compensation, however there are still many factors that affect the productivity. Researchers provide suggestions in order to develop other factors that can affect the productivity of the employees. Further research is suggested to conduct research in other companies and add other independent variables to get a broader picture of employee productivity.

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