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# How Work Motivation Mediates the Relationship Between Leadership and Employee Morale

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#### **ABSTRACT**

A good leader is a leader who understands the needs and desires of his subordinates, because the survival of the industry depends on employees who act as the driving force and carry out industrial activities. The purpose of this research is to confirm and re-examine the impact of leadership on employee morale, using work motivation as a mediating variable. This study used a non-probability sampling method with a saturation sampling technique (census), in which the total population is sampled as many as 32 people. Path analysis is used in the research to test hypotheses, and SmartPLS version 3.2.9 is used to test the data obtained in this study. The results showed that leadership is a determining factor in increasing work motivation and employee morale. In contrast to work motivation, which is not able to have an effect on employee morale and has not been able to mediate the impact of leadership on employee morale.

Keywords: Work Motivation, Leadership, Employee Morale.

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#### INTRODUCTION

Human resources in an industry, whether as executives or employees, play a critical role in enhancing industrial productivity. As a leader in an organization or industry, you must be able to combine and handle current production components in order for the business to survive. According to Kartini Kartono (Thoha, 2010: 81), the leadership job is to guide, build, motivate work, lead the organization, establish a good communication network, give efficient supervision, and bring followers to the intended aim in accordance with conditions and plans. A good leader is a leader who understands the needs and desires of his subordinates, because the survival of the industry depends on employees who act as the driving force and carry out industrial activities. Employees really want a leader who can give them motivation and enthusiasm for work. Leaders need to provide encouragement to employees so that they are always enthusiastic to carry out work according to their duties.

The office of PT. Sadhana Adiwidya Buana is led by a director who supervises 32 employees. It takes strong leadership to ensure that the consulting services business can give the best possible service to potential and existing clients. If the level of performance is not maximized because in practice in the field or in the office, it does not provide harmonious communication between leaders and subordinates, and the lack of motivation provided causes low employee morale and has an impact on decreasing employee performance, this matter can be seen in PT. Sadhana Adiwidya Buana. Many previous studies have been conducted on leadership and work motivation, both of which might affect employee morale, but the findings are inconsistent. The research that links leadership with employee morale is research conducted by Ngambi (2011), Fiona, et. al. (2015), Noor and Ampornstira (2019), Lesmana, et al (2019), Daminik (2019), Larasati and Martono (2020) who concluded that leadership has a positive effect on employee morale. While research conducted by Zakani, et al (2021) stated the results that leadership partially had no significant effect on employee morale. In this regard, the purpose of this research is to confirm and re-examine the impact of leadership on employee morale, including work motivation as a mediating variable.

# LITERATURE REVIEW

# **Employee Morale**

Spirit or morale (moral) is a term that is widely used without a careful formulation. Zainudin (2007: 56) states that morale is doing work more actively by minimizing mistakes in work, strengthening the sense of responsibility, and being able to complete tasks on time according to the established plan.

#### **Work Motivation**

According to Veithzal Rivai (2011: 839), motivation is a condition that impacts producing, coordinating and keeping up with conduct connected with the workplace. Meanwhile, according to Sadili Samsudin (2006:81), motivation is a state or energy that drives people to work together to achieve the organization's hierarchical goals. Work motivation and employee morale have been linked in research by Afrina (2020), Syafrina and Manik (2020), Sari (2020), and Pratiwi and Firgiyani (2021), who conclude that work motivation has a significant effect on employee morale. Meanwhile, research led by Zakani, et al (2021) reasoned that work motivation to some extent significantly affects representative morale.

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# Leadership

As indicated by Ivancevich (2007: 194) authority is the most common way of affecting others to help the accomplishment of important hierarchical objectives. In the interim, Robbins (2008:49) states that authority is the capacity to impact a gathering to accomplish a dream or put forth of objectives. Research conducted by Rawung (2013), Rego, et al (2017), Iman and Lestari (2019), Pramuditha and Meirisa (2019) which concludes that leadership has a significant positive effect on work motivation, however research conducted by Amalia, et al (2016) concludes that transformational leadership has no significant effect on work motivation.

#### RESEARCH METHOD

This study took the object of research at PT. Sadhana Adiwidya Buana in Badung Regency. The population analyzed in this study consisted of 32 people who were all workers of PT. Sadhana Adiwidya Buana. This study used a non-probability sampling method with a saturation sampling technique (census), in which the total population is sampled as many as 32 people.

The hypothesis in this study is tested using path analysis. To use the SmartPLS software version 3.2.9 to test the data collected in this study. After evaluating the data, interpreting the outcomes of the analysis based on theoretical and empirical studies, summarizing conclusions, and offering some ideas that can be considered in the future, as well as suggestions for additional research.

#### **RESULTS**

# Goodness of Fit Test Results (R2)

Work motivation and employee morale are the two constructs studied in this study. R2 values of 0.75, 0.50, and 0.20 denote strong, moderate, and weak relationships, respectively (Hair, et al., 2011; Henseler, et al., 2009). The R2 value for the variable construct is shown in Table 1.

Table 1. Value of R Square (R2) Construct Variable

Variable	R <sup>2</sup>	Criteria
Work motivation	0.191	Weak
Employee morale	0.604	Moderate

Source: Data Processed, 2022

The R<sup>2</sup> value of the work motivation variable construct is 0.191 so that the leadership influence model is classified as weak. The value of the construct variable of morale is 0.604 so that the model of the influence of leadership and work motivation is moderate.

#### Predictive Relevance Test Results (Q2)

Furthermore, the predictive relevance test (Q2) is carried out, namely to test the value of the coefficient of total determination with the Q Square Test (Q2). The criterion of q-square predictive relevance value is classified as relevant predictive if the q-square value is > 0; otherwise, a q-square value of < 0 indicates that the predictive model is less relevant. The calculation of Q2 is as follows:

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$$Q^2 = 1 - \{(1 - R_1^2) (1 - R_2^2)\}\$$
  
 $Q^2 = 1 - \{(1 - 0.191) (1 - 0.604)\}\$   
 $Q^2 = 1 - 0.3203 = 0.6797$ 

Based on the calculation above the Q<sup>2</sup> value, the results obtained are 0.6797 or 67.97 percent, this indicates that the path analysis model produced is suitable for predicting. The value of 67.97 percent indicates that the model can explain the information in the data, while 32.03 percent is explained by errors and other variables not included in this study.

#### **Direct Effect Test**

The next step is to determine whether the variables analyzed have a direct influence on one another. The results of the tests are shown in Table 2 below.

Table 2. Direct Effect Test Results

Relationship Between Variables	Original Sample	Standard Deviation	T Statistic	P Values	Information
Leadership → Work motivation	0.437	0.166	2.622	0.009	Significant
Leadership → Employee morale	0.776	0.052	14.950	0.000	Significant
Work motivation → Employee morale	0.054	0.166	0.326	0.745	Not significant

Source: Data Processed, 2022

Table 2 shows that the leadership variable has a p value of 0.009, indicating that it has a significant impact on work motivation. With a p-value of 0.000, leadership has an impact on employee morale. However, the work motivation variable showed no effect on employee morale with a p-value of 0.745.

#### **Indirect Effect Test**

The indirect effect between construct variables is the next test that is conducted. This test was carried out to see what function work motivation has in mediating the impact of leadership on morale. Table 3 indicates that the work motivation variable is not able to mediate the influence of leadership on employee morale, with a significance value of more than five percent and a p value of 0.779, indicating that it is not classified as a mediating variable.

Table 3. Indirect Effect Test Results

Relationship Between Variables	Original Sample	Standard Deviation	T Statistic	P Values	Information
Leadership → Work motivation → Employee morale	0.024	0.084	0.281	0.779	Not significant

Source: Data Processed, 2022

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#### DISCUSSION

# The Relationship between Leadership and Work Motivation

The results of the direct influence test show that leadership has a significant positive effect on work motivation where the T Statistic of 2.622 and p-value is 0.009. The test results obtained indicate that the hypotheses that have been developed are acceptable and support the findings of Rawung (2013), Rego, et al (2017), Iman and Lestari (2019), Pramuditha and Meirisa (2019) which conclude that leadership influences significant positive on work motivation. The stronger the leadership possessed by a superior, the work motivation of his subordinates increases.

## The Relationship between Leadership and Employee Morale

The results of the direct influence test show that leadership has a significant positive effect on employee morale where the T Statistic of 14.950 and p-value is 0.000. The test results obtained indicate that the hypothesis that has been developed is acceptable and supports the findings made by Ngambi (2011), Fiona, et. al. (2015), Noor and Ampornstira (2019), Lesmana, et al (2019), Daminik (2019), Larasati and Martono (2020) who concluded that leadership has a positive effect on employee morale. The better a superior is in leading and directing his subordinates, the morale of his subordinates will increase.

## The Relationship between Work Motivation and Employee Morale

The results of the test of the direct influence of the work motivation variable on employee morale showed that the results did not have a significant effect where the T Statistic of 0.326 and p-value was 0.745. The test results obtained indicate that the hypothesis that has been developed is rejected. This result is in line with the findings by Zakani, et al (2021) concluding the results that work motivation has no significant effect on employee morale. Work motivation carried out by superiors in fact does not have a significant impact in increasing morale for employees.

#### **Work Motivation Mediation Effect**

The results of the analysis state that work motivation does not have a mediating effect on the influence of leadership on employee morale where the T Statistic of 0.281 and p-value is 0.779. These results indicate that the hypothesis that has been developed is rejected. In fact, based on statistical results, the role of work motivation is classified as not mediating.

#### CONCLUSION

Based on the discussion of research results as well as theoretical and empirical studies, the conclusions that can be drawn are as follows:

- Leadership has a significant positive effect on work motivation. This indicates that the stronger the leadership possessed by a superior, the work motivation of his subordinates increases.
- Leadership has a significant positive effect on employee morale. This indicates that the better a superior is in leading and directing his subordinates, the morale of his subordinates will increase.
- 3) Work motivation has no significant effect on employee morale. This indicates that the better or the lower the work motivation, it will not affect employee morale.
- 4) Work motivation does not have a mediating effect on the influence of leadership on employee morale.

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#### **DECLARATION OF CONFLICTING INTERESTS**

We declare that we have no conflict of interest with the Brawijaya Economics and Finance International Concerence (BEFIC) 2022 committee or staff from AIBPM or any conflict regarding this article.

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