The Influence of Leadership Style, Work Motivation, and Compensation on the Performance of MSME Center Employees in Semarang City

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Abstract

This study aims to test and analyze the influence of leadership style, work motivation, and compensation on employee performance at the Semarang City MSME Center. This research was motivated by the emergence of employee dissatisfaction during the reorganization. Many factors trigger employee dissatisfaction in carrying out work, including those related to leadership qualities that have not been in line with expectations. In addition, the turmoil that arises comes from leadership that is less capable. The purpose of this study is to analyze the influence of leadership, work motivation and compensation on job satisfaction of MSME Center employees in Semarang City. The population determined in this study is UMKM Center Semarang. This study involved 75 respondents using census / saturated sample techniques. The instrument used in this study was in the form of a questionnaire and in its measurement in the form of a Likert scale, by testing it using the help of SPSS. Data testing techniques used in this study include validity test with factor analysis, reliability test with Alpha Cronbach. Test classical assumptions and multiple linear regression analysis, to test and prove research hypotheses. The results of this study show that leadership has a positive and insignificant effect on employee performance. Meanwhile, work motivation and compensation have a positive and significant effect on the performance of MSME Center employees in Semarang City.

Keywords
leadership style; work motivation; compensation; employee performance

INTRODUCTION

The era of globalization always makes competition more and more intense in seizing the market. Companies must compete with competitors to meet market needs and desires. In particular, companies engaged in garments develop dynamically every period. The development of technologies makes it more developed can be used as a strategy to compete with competitors.

HR is a translation of "human resources", but many experts call it "manpower" labor. Human resources are activities for planning, procurement, development, maintenance, and use of human resources to achieve goals both individually and organizationally (Sutrisno, 2017). Therefore, human resources can be categorized as one of the important factors in the success of the company. Human resources can be the only resources that have

knowledge, drive, power, reason, feelings, and desires. So, the company must be precise in carrying out the human resource management process. Especially in the production process must place labor according to the expertise possessed in order to run effectively and efficiently.

Based on the data and problems in table 1, employee absenteeism is high. The highest absenteeism occurred in June 2021 at 5.84 percent and for the lowest absenteeism in May 2021 at 1.85 percent.

Performance is a benchmark of organizational success in achieving organizational missions related to efficiency, effectiveness, fairness and responsiveness of audience performance plans (Yulianita, 2017). While performance is a concept about the stage of achieving the

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Table 1. MSME Employee Attendance Center 2020-2022

No	Month	2020			2021			2022		
		AJK	ATH	%	AJK	ATH	%	AJK	ATH	%
1	January	2051	67	3,27%	1871	66	3,53%	1831	74	4,04%
2	February	2045	61	2,98%	1875	106	5,65%	1839	62	3,37%
3	March	2042	71	3,48%	1869	100	5,35%	1832	48	2,62%
4	April	2047	67	3,27%	1880	105	5,59%	1852	42	2,27%
5	May	2030	42	2,07%	1897	35	1,85%	1842	73	3,96%
6	June	2036	77	3,78%	1868	109	5,84%	1852	85	4,59%
7	July	2039	47	2,31%	1878	67	3,57%	1824	62	3,40%
8	August	2013	67	3,33%	1877	66	3,52%	1832	103	5,62%
9	September	1989	66	3,32%	1848	78	4,22%	1834	94	5,13%
10	October	1946	64	3,29%	1824	67	3,67%	1832	88	4,80%
11	November	1889	67	3,55%	1843	83	4,50%	1828	72	3,94%
12	December	1881	60	3,19%	1836	63	3,43%	1822	63	3,46%

Source: Semarang City MSME Center Employee Attendance (2023)

implementation or design of activities or policies in finding the vision and mission, objectives, goals, associations as outlined through the strategic approach of an organization (Harahap &; Tirtayasa, 2020). Optimal performance for employees is essential to achieve goals so that employees can meet needs and careers. While in terms of organization, optimal employee performance to achieve organizational goals, management must provide a form of expectations and aspirations for employees.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Leadership Style

Leadership is the process of influencing others to understand and agree on what is needed in carrying out a task and how to perform that task, as well as the process of facilitating individual and collective efforts to achieve a common goal (Yukl, 2015). Leadership is the ability of a person to influence and motivate others to do something according to a common goal. Leadership includes the process of influencing in determining organizational goals, motivating follower behavior to achieve goals, influencing to improve the group and its culture (Widakdo et al., 2022). A good leadership style is that leaders must be able to influence their employees to be motivated in carrying out tasks related to achieving company goals. Every leader has a different mindset, behavior and leadership style including autocratic leadership style, democratic and so on (Aji, 2017).

Work Motivation

According to (Rofikho, 2022) work motivation is a driver or encouragement in a person to want to behave and work diligently and in accordance with the duties and obligations given to him. (Juliningrum and Sudiro, 2013), define work motivation as the drive, effort, and desire within humans that activates, empowers and directs their behavior to carry out duties and responsibilities in the work environment. Motivation is a drive that arises from an employee consciously and able to complete the tasks and responsibilities given to achieve optimal work results. Meanwhile, (Sasongko, 2022) motivation is a potential force that exists in a human being, which can be developed alone or developed by a number of outside forces which essentially revolve around monetary rewards and non-monetary rewards, which can affect the results of their performance positively or negatively. So, it can be concluded that motivation is a drive that can make someone to do the desired job willingly without having a sense of force.

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Compensation

Compensation is a reward or remuneration for work received by employees (Bagaskara, 2017). Compensation is the amount of packages that an organization offers to workers in return or use of its labor (Wibowo, 2016). So, compensation can be interpreted as something financial or non-financial that is used for the deputies of an employee. Hasibuan (2017) Compensation is all income in the form of money, direct or indirect goods received by employees in return for services provided to the company. Compensation can be established from an agreement between the employer and the employee, such as a system of wages, salaries, incentives that link compensation with the performance of employees in a particular case.

Employee Performance

Employee performance is the achievement of results that employees provide for the company while working. Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2017). According to Afandi, (2016) performance is the extent to which someone has played for him in carrying out organizational strategies, either in achieving specific goals related to individual roles or by showing competencies that are otherwise relevant to the organization.

Performance is a benchmark of organizational success in achieving organizational missions related to efficiency, effectiveness, fairness and responsiveness of audience performance plans (Yulianita, 2017). While performance is a concept about the stage of achieving the implementation or design of activities or policies in finding the vision and mission, objectives, goals, associations as outlined through the strategic approach of an organization (Harahap &; Tirtayasa, 2020).

RELATIONSHIPS BETWEEN VARIABLES
The Relationship Between Leadership Style and Employee Performance

Leadership style is one of the factors that can affect employee performance. Leadership attitudes will always be observed by employees that can influence employees at work. Therefore, a good leadership style can improve employee performance, vice versa a bad leadership style will reduce employee performance. This is supported by research by Yusuf, et al. (2021) which obtained the results of leadership style having a positive and significant effect on employee performance.

This is evidenced by research conducted by the results of research (Rahayu, 2022) stating that leadership style has a positive but not significant effect on employee performance. Another study according to (Izaaki, 2019) said that leadership has a positive but not significant effect on improving employee performance at PT. Garuda Indonesia Sultan Hasanuddin Airport Makassar. This means that leaders do not provide opportunities for employees to be active in decision making, have the lowest index, and lack of approach between leaders and employees. Based on the illustration above, the following hypothesis is formulated:

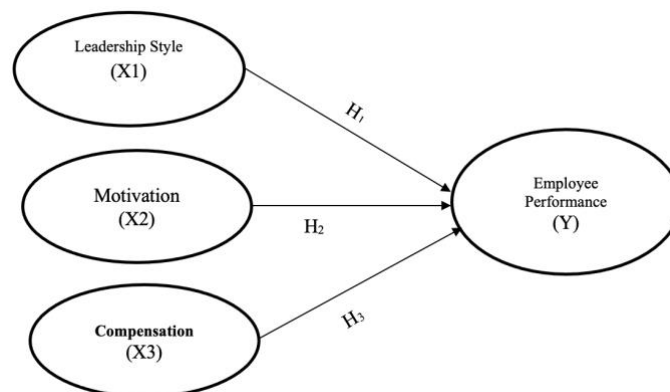H1: Leadership style has a positive and insignificant effect on employee performance.

Figure 1. Theoretical framework of thought

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Table 2. Operational Definition

No	Variable Name	Operational Definition	Indicator	Source
1	Leadership Style	Leadership is the process of influencing others to understand and agree on what is needed in carrying out a task and how to perform that task, as well as the process of facilitating individual and collective efforts to achieve a common goal.	Make decisions, motivate, communication, control subordinate, responsibility, emotional control	Hadad & Ramly (2008)
2	Work Motivation	Motivation is factors that encourage a person to carry out a certain activity, therefore motivation is often interpreted as a motivating factor behavior of a person.	Physiological needs, the need for a sense of security, the need to be liked, self-esteem needs, and self-development needs	Edison, (2018)
3	Compensation	Compensation is the amount of the package that the organization offers to workers in return or use its workforce	Salary, incentives, benefits, facilities	Simamora(2017)
4	Employee Performance	Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.	Target, quality, be punctual, and obey principles	Edison, (2018)

Source: Authors own (2023)

The Relationship Between Work Motivation and Employee Performance

According to (Afandi, 2018) said that work motivation is a desire that arises from within a person or individual because they are inspired, encouraged, so that they can be encouraged to carry out activities with sincerity, pleasure and earnestness so that the results of the activities carried out obtain satisfactory and quality results. This is supported by research conducted by (Arindri &; Winarningsih, 2020) stating that work motivation affects employee performance variables. This means that the form of encouragement given is very influential on a job, and employees will feel aware and full of enthusiasm for the achievement of company goals.

Work motivation is one of the factors that employees can become satisfied at work. Every employee must have work motivation to increase satisfaction at work. The better the work motivation, the better job satisfaction. And vice versa, if work motivation decreases, employee job satisfaction will also decrease. This is supported by research (Anwar &;

Ahmadi, 2021) which found that work motivation has a positive and significant effect on job satisfaction. Thus, this study uses the hypothesis presented below

H2: Work motivation has a positive and significant effect on employee performance.

The Relationship Between Compensation and Employee Performance

Compensation is an important factor to pay attention to. Because, the right compensation can improve employee performance. Basically, employees want to get compensation in accordance with the responsibilities of the tasks given by the company, therefore, the better the compensation given will improve employee performance and vice versa, if the compensation given decreases will reduce employee performance.

Research presented by (Kusumah et al., 2018) shows that compensation has a significant positive effect on employee

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Table 3. Validity Test

Variable	Indicator	r calculation	Condition	r table	Information
Leadership Style	X1.1	0,914	>	0,2072	Valid
	X1.2	0,913	>	0,2072	Valid
	X1.3	0,916	>	0,2072	Valid
	X1.4	0,911	>	0,2072	Valid
Work Motivation	X2.1	0,842	>	0,2072	Valid
	X2.2	0,844	>	0,2072	Valid
	X2.3	0,871	>	0,2072	Valid
	X2.4	0,856	>	0,2072	Valid
Compensation	X3.1	0,860	>	0,2072	Valid
	X3.2	0,881	>	0,2072	Valid
	X3.3	0,777	>	0,2072	Valid
	X3.4	0,829	>	0,2072	Valid
Employee Performance	Y1	0,772	>	0,2072	Valid
	Y2	0,883	>	0,2072	Valid
	Y3	0,876	>	0,2072	Valid
	Y4	0,869	>	0,2072	Valid

Source: Authors own (2023)

Table 4. Reliability Test

Variable	Alpha	Standard	Information
Leadership Style	0,828	0,60	Reliabel
Work Motivation	0,817	0,60	Reliabel
Compensation	0,811	0,60	Reliabel
Employee Performance	0,817	0,60	Reliabel

Source: Authors own (2023)

Table 5. Normality Test (Kolmogorov Smirnov)

		Unstandardized Residual
N		75
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.35973760
Most Extreme Differences	Absolute	.108
	Positive	.069
	Negative	-.108
Test Statistic		.108
Asymp. Sig. (2-tailed)		.011[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Source: Data processed, 2023

Source: Authors own (2023)

performance. Another study presented by (Sitompul &; Ratnasari, 2019) shows that compensation has a significant positive effect on employee performance. This is supported by Pratama's research (2020) which obtained results from his research, namely compensation has a positive and significant influence on employee performance. Thus, this study uses the hypothesis presented below:

H3: Compensation has a positive and significant effect on employee performance.

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RESEARCH METHODS

The sampling technique used in this study is a non-probability sampling method using saturated samples which is a sampling technique when all members of the population are used as samples. So the sample in this study amounted to 75 respondents

Operational Definition

The operational definition of research variables is an explanation of each variable to the indicators that are used as the basis for research. The operational definition in this study is presented in the following table:

ANALYSIS METHODS

Descriptive Analysis

Descriptive data analysis is a statistic used to analyze data by describing or describing the collected data as it is without the intention of making generalized conclusions or generalizations.

Validity Test

The validity test is used to measure the validity or validity of a questionnaire. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire (Ghozali, 2016: 52-53).

Reliability Test

A reliability test is a tool for measuring a questionnaire that is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if a person's answers to questions are consistent or stable over time (Ghozali, 2016: 47-48). A construct or variable can be said to be reliable if it gives a Cronbach Alpha value of > 0.6.

Normality Test

The normality test is used to test whether in the regression model, the two variables (free or bound) have a normal distribution or at least close to normal (Ghozali, 2016) in this study the method used is the probability plot used to compare the cumulative distribution from the normal distribution.

Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model should not have correlation among independent variables (Ghozali, 2016: 103-104). To detect the presence or absence of multicollinearity in regression, it can be seen from the tolerance value and inflation variant (VIF). If the tolerance value > 0.1 and VIF <10, then it can be concluded that there is no multicolonicity between independent variables in the regression model. If the tolerance value < 0.1 and VIF > 10, then there can be multicolonicity between independent variables in the regression model.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another. If the variance from residual one observation to another observation is fixed, then it is called homoscedasticity and if different it is called heteroscedasticity. Detection of heteroscedasticity can be done by looking at the presence or absence of certain patterns on the scatterplot graph between SRESID and ZPRED where the Y axis is the predicted Y, and the X axis is the residual (Y prediction - Y really) that has been studentized.

Multiple Linear Regression Analysis Test

Multiple linear regression analysis is used to determine the magnitude of the independent variable, namely the influence of leadership, work motivation, and compensation on the dependent variable of employee performance. This analysis technique is used to determine whether there is a functional relationship between variables X1 (Leadership style), X2 (Work Motivation), X3 (Compensation) and Y (Employee Performance). The multiple regression equation can be formulated as follows:

$$Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + e$$

Information:
Y = Employee Performance
X1 = Leadership Style
X2 = Work Motivation
X3 = Compensation
b1 = Leadership Style Coefficient

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Table 6. Multicolinearity Test

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	7.004	.616		11.367	.000		
	Leadership Style (X1)	.131	.038	.200	3.438	.001	.432	2.315
	Work Motivation (X2)	.174	.058	.269	3.004	.003	.182	5.482
	Compensation (X3)	.148	.065	.214	2.272	.025	.165	6.076

Dependent Variable: EMPLOYEE PERFORMANCE (Y)
Source: Data processed, 2023

Table 7. Glejser Test

		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	T	Sig.
1	(Constant)	2.094	.795		2.633	.010
	Leadership Style	.051	.054	.172	.946	.347
	Work Motivation	-.045	.060	-.139	-.752	.454
	Compensation	-.057	.060	-.173	-.955	.342

Dependent Variable: EMPLOYEE PERFORMANCE (Y)
Source: Data processed, 2023

Table 8. Multiple Linear Regression Analysis Test

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	3.601	1.216		2.962	.004		
	Leadership Style	.033	.083	.038	.394	.694	.339	2.950
	Work Motivation	.695	.092	.730	7.543	.000	.331	3.020
	Compensation	.117	.091	.121	1.278	.205	.343	2.913

Dependent Variable: EMPLOYEE PERFORMANCE (Y)
Source: Data processed, 2023

b2 = Work Motivation Coefficient
b3 = Compensation Coefficient
a = Constant

Hypotheses Test (Test t)

The t test is used to prove the hypothesis of whether or not each independent variable has an individual effect on the dependent variable. The statistical test t basically shows how far the influence of one explanatory / independent variable individually in explaining the variation of the dependent variable (Ghozali, 2016: 97) then a statistical t test will be carried out with a significance level of 0.05. The basis for decision making is as follows: 1) If sig < 0.05 then H0 is rejected and Ha is accepted there is a significant influence of the independent variable individually on the dependent variable; and 2) If sig > 0.05 then H0 is accepted and Ha is rejected meaning there is no significant influence of the independent variable individually on the dependent variable.

Model Accuracy Test (F Test)

In this study, the F test was used to determine the significant level of influence of independent variables together (simultaneously) on the dependent variable (Ghozali, 2016: 96). The basis for decision

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Table 9. T-Test

	Model	Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.205	.134		23.962	.000
	Leadership Style	.029	.009	.044	3.190	.002
	Work Motivation	.618	.010	.850	61.032	.000
	Compensation	.104	.010	.141	10.344	.000

Dependent Variable: EMPLOYEE PERFORMANCE (Y)
Source: Data processed, 2023

Table 10. F-Test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	453.005	3	151.002	78.919	.000[b]
	Residual	164.551	86	1.913		
	Total	617.556	89			

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Leadership Style, Motivation, Compensation
c. Source: Data processed, 2023

Table 11. R^2 Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.856[a]	.734	.724	1.383

a. Predictors: (Constant), Leadership Style, Motivation, Compensation
b. Dependent Variable: Employee Performance
c. Source: Data processed, 2023

making (Ghozali, 2016: 96) is to use the probability number of significance, namely: 1) If the probability of significance > 0.05, then Ho is accepted and Ha is rejected; and 2) If the probability of significance < 0.05, then Ho is rejected and Ha is accepted.

Test Coefficient of Determination (R^2)

The coefficient of determination (R^2) is essentially to measure how far the model is able to explain the variation of the dependent (non-free) variable. In this study, the coefficient of determination was used to determine the percentage change in the non-free variable (Y) caused by the independent variable (X). If the R^2 obtained from the calculation results shows greater (close to one), then it can be said that the contribution of the results of the independent variable to the dependent variable is greater to explain the dependent variable (Ghozali, 2011).

Based on the table above, it can be seen that the value of r calculated by the entire indicator tested is positive and greater than the r value of the table. So it can be concluded that all indicator items used in this study passed the validity test and were declared valid.

The results of the reliability test show that all indicators in the variable have a large enough Alpha coefficient, which is above 0.60 so that it can be said that all measuring concepts of each variable from the questionnaire are reliable so that henceforth the items in each variable concept are suitable to be used as a measuring tool.

Based on the results of the Kolmogorov-Smirnov test, it was found that all variables in this study were normally distributed, because the Singnificance Asymp Sig was 0.011 greater than 0.05.

Multicolinearity Test

From the table above, the test results can be explained as follows that: 1) Leadership style (X1) based on tolerance results of 0.432> 0.10 and based on VIF values of 2.351 < 10. This

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shows that the leadership style is stated not to occur symptoms of multicollinearity; 2) Work motivation (X2) based on tolerance results of 0.182 > 0.10 and based on VIF values of 5.482 < 10. This shows that work motivation is stated not to occur symptoms of multicollinearity; and 3) Compensation (X3) based on tolerance results of 0.162 > 0.10 and based on VIF values of 6.076 < 10. This indicates that compensation is otherwise no symptom of multicollinearity.

Heteroscedasticity Test

Based on the test results above, it is known that the significant values for the variables Leadership Style (X1), Work Motivation (X2), and Compensation (X3) are greater than 0.05. This means that there is no heteroscedasticity in the variables Leadership Style (X1), Work Motivation (X2), and Compensation (X3).

Multiple Linear Regression Test

From the multiple linear regression equation above, it can be explained as follows: 1) The value of the leadership style regression coefficient (X1) of 0.038 is positive which means that the better the leadership, the more employee performance will increase; 2) The value of the work motivation regression coefficient (X2) of 0.730 is positive which means that the better the work environment, the more employee performance will increase; and 3) The value of the compensation coefficient (X3) of 0.121 is positive which means that the better the work motivation, the more employee performance will increase.

Hypotheses Testing

Based on the results of the calculations that have been done, a calculated t value of 3.190 is obtained with a significance result of 0.002 less than a significant level of 5% or 0.05. Since t count is greater than t table i.e. (3.190) > (1.66) (table t value for n = 90 and significance 0.002 < 0.05 then H0 is accepted and H1 is rejected. This shows that leadership has a positive, but not significant effect on employee performance.

Furthermore, based on the results of the calculations that have been done, a calculated t value of 61.032 is obtained with a positive value with a significance result of 0.000 less than 0.05. Since the calculated t value is greater than the table t which is

(61.032) > (1.66) (the table t value for n = 90 and the significance is 0.000 < 0.05 then H0 is rejected and H1 is accepted. This shows that work motivation has a positive and significant effect on employee performance.

Lastly, based on the results of the calculations that have been done, a calculated t value of 10.344 is obtained with a positive value with significant results of 0.000 < 0.05. Because the calculated t value is greater than the table t which is (10.344) > (1.66) (the table t value for n = 90 and the significance is 0.000 < 0.05, H0 is rejected and H1 is accepted. This shows that compensation has a positive and significant effect on employee performance.

Model Accuracy Test (F Test)

Based on the table above, it shows that the results of the model feasibility test obtained an F-count value of 78,919 with a significance level of 0.000 < 0.05. That result means that the model used is feasible or appropriate. This means that simultaneously the variables Leadership Style (X1), Work Motivation (X2), and Compensation (X3) affect employee performance (Y).

Coefficient of Determinance (R^2)

Based on the table above, it shows that the results of the coefficient of determination test obtained an Adjusted R Square value obtained of 0.724 which means 72.4% of employee performance at Perumda Tirta Moedal Semarang Drinking Water is influenced by variables of leadership style, work motivation, and compensation while the remaining 27.6% is influenced by other variables outside the model studied.

DISCUSSION

The Influence of Leadership Style on Employee Performance

Through regression analysis, it can be obtained that the t value of the leadership style variable count of 3.190 is greater than t table 1.66 with a significance value of 0.002. This significance value is smaller than the significance value, which is 0.05. In addition, by looking at the value of the coefficient that is positive, the hypothesis that states that the leadership style variable has a positive and insignificant effect on employee performance is accepted. The results of this test are in line

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with research conducted by research that has been conducted by (Rahayu, 2022) stating that leadership style has no effect on employee performance.

The Effect of Work Motivation on Employee Performance

Through regression analysis, it can be seen that work motivation has a positive influence on employee performance with a coefficient of 61.032 greater than t table 1.66, the magnitude of the work motivation coefficient is highest when compared to the coefficient of leadership style and compensation. Thus, work motivation has a higher influence on employee performance when compared to other independent variables. The results of hypothesis testing resulted in a calculated t value of 61.032 with a significance of 0.000. This indicates that the results of testing hypothesis 2 proposed in this study are accepted, Which means that the better the work motivation in employees, the more it will improve employee performance. The results of this test are in line with research conducted according to (Bentar et al., 2017) showing that motivation has a significant effect on employee performance, because a motivation arises from within a person and becomes a driving force to complete a job.

The Effect of Compensation on Employee Performance

Through regression analysis, it can be seen that compensation has a positive influence on employee performance with a coefficient of 0.121. The magnitude of the compensation coefficient is lower than the work motivation coefficient, but higher than the leadership style coefficient. So that good compensation then employee performance will increase. The results of hypothesis testing resulted in a calculated t value of 1.278 with a significance of 0.205. This indicates that the results of hypothesis 3 testing proposed in this study are accepted, which means that the better the role of compensation received, the more it will improve employee performance. The results of this test are in line with research conducted according to (Wijaya et al., 2018) shows that compensation has a positive and significant effect on employee performance, because employees feel that the compensation provided by the company both financial and non-financial compensation is in accordance with their performance.

CONCLUSION

Based on the results of research analysis that has been conducted regarding the influence of leadership style, motivation, and compensation on the performance of Semarang City MSME Center employees, the following conclusions can be drawn: 1) leadership style has a positive and insignificant effect on improving the performance of MSME Center Semarang City employees. These results show that if there is an improvement in leadership style by increasing the capability in moving employees in achieving organizational goals, it will improve the performance of MSME Center Semarang City employees.The variable of work motivation has a positive and significant effect on employee performance which means that if work motivation is increased it will be able to improve employee performance; 2) motivation significantly has a positive effect on improving the performance of MSME Center Semarang City employees. These results show that if employees have motivation from both internal and external factors, it will improve the performance of the Semarang City MSME Center; and 3) compensation significantly has a positive effect on improving the performance of MSME Center Semarang City employees. These results show that if the compensation given by the company to employees is met, it will encourage respondents to improve their performance.

Based on the conclusions above, several suggestions can be given that are expected to be useful for improving employee performance, including: 1) the results of a descriptive analysis of respondents regarding leadership variables, it is known that the indicator "Superiors have the ability to make decisions correctly" has the lowest index value. Therefore, it is recommended for the leaders of the Semarang City MSME Center to improve these abilities, and be able to solve problems faced at work, so that it is expected to improve the performance of Semarang City MSME Center employees; 2) the results of a descriptive analysis of respondents regarding work motivation variables, it is known that the indicator "With praise from superiors, I am motivated to work even more diligently" has the lowest index value. Therefore, superiors are advised to always provide motivation to employees, by providing opportunities to develop themselves to be more advanced, and employee needs can be met when working at the Semarang City MSME Center, so that the goals targeted by the company can be achieved; and 3) the results of a descriptive analysis of respondents regarding compensation variables, it is known that the indicator "Salary received in accordance with expectations" has the lowest index value. Therefore, it is recommended that companies are able to provide salaries that are in accordance with their expectations and performance, so that they are expected to be able to improve employee performance at the Semarang City MSME Center.

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