

**INFLUENCE OF LEADERSHIP AND EMPLOYEE BENEFITS
TO THE QUALITY OF EMPLOYEES IN PRODUCTION**

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APPROVAL

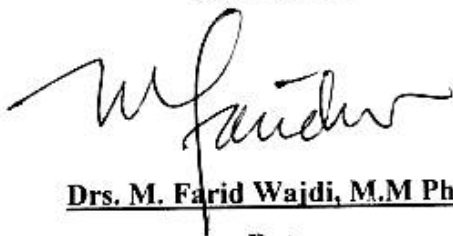
**INFLUENCE OF LEADERSHIP AND EMPLOYEE BENEFITS
TO THE QUALITY OF EMPLOYEES IN PRODUCTION IN PDAM
SURAKARTA**

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PRONOUNCEMENT

This is to certify that i myself write this thesis, entitled “Influence of leadership and employee benefits to the quality of employees in production in pdam surakarta”. It is not plagiarism or made by others. Anything related to others work is written in quotation, the source of which is listed on the bigraphy.

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INFLUENCE OF LEADERSHIP AND EMPLOYEE BENEFITS TO THE QUALITY OF EMPLOYEES IN PRODUCTION

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Abstract

The purpose of this study is analysing leadership has positive effect to the quality of employee in production at PDAM of Surakarta, employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta, and leadership and employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta.

The results obtained showed that: Leadership has positive effect to the quality of employee in production at PDAM of Surakarta, employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta, and leadership and employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta.

This research is quantitative, by taking samples at PDAM of Surakarta, Central Java, Indonesia. The study population and sample as many as 400 employees were taken by 40 employees. The technique of collecting data using questionnaires. The data analysis technique used is multiple linear regression analysis.

Keywords: *Leadership, Employee Benefit and Quality of Employee.*

Introduction

The work of a leader and the employee is affecting the quality of a company's employees. This is very helpful employees in the production process if their leaders to encourage employees to be more active and more cooperatif with their colleagues so that realization of a bond quality work.

There is a leader who acts as a boss or as a real leader. This is what can differentiate how a quality leader that produces quality employees as well. Leader

is more bossy, regulate or even to act as they pleased without asking the opinion of the employees, this is called leader. So, boss cannot be said of a leader who is able to positively influence yield in the production of a qualified employee within the company.

Depend on Northouse's (in Goffee and Jones, 2007: 1) leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Stephen, Andrea and Michelle (2001: 452) argue that leadership processes influence team effectiveness by their effects on four sets of team processes: cognitive, motivational, affective, and coordination.

According to Robert (2009: 4-8), to become leaders or improve their performance as leaders need to understand the issues in the debate and use their own judgment to select best practices they can incorporate into their personal leadership style, they are: 1) Good leaders have good character; 2) There's no best way to lead; 3) Leaders must collaborate; 4) Adaptability is the key to longevity; and 5) Leaders are self-made.

According to Madison (2003) employee benefits are the extras or perks a person receives from his employer. These perks are in addition to the basic pay an employee receives in exchange for his work.

Many companies place, inside the corporate managers who are required to provide certain employee benefits for employees. For example, homeowners' productions in some places are required to pay certain salaries and incentives for employees. In addition, employers are also required by law to carry some type of insurance for their employees. A leader will need insurance that provides everything, for example, if an employee is injured at work or illness.

After the company provides benefits that come from outside the company, and required by law, the leadership must also often do a good control, to help attract employees who have not worked in his company. For example, a person may receive the same job offer from two different companies. If you have a similar salary offer, prospective employees can choose the company that provides the best benefit package of insurance and benefits for employees.

According to Janet (1988: 4-6), there are some measurement of employee benefits, they are: 1) Greater Benefit Plan Flexibility; 2) Cost Control; and 3) New and Emerging Benefits.

According to Susan (2014) quality is the outcome of the sum of all of the features and characteristics of a program, process, or service that impact their ability to meet or surpass the needs and requirements of a customer. Quality is a measure of excellence; quality defines desirable characteristics of a product, a process, or a service.

The quality of an employee self refer also to the character traits of a leader. One benchmark the quality of a leader is the ability to share the mission and vision in such a way that people want to follow and achieve the desired goals.

According to Deming (in Case, 2010) five steps to improve the way of doing business, are as follows: 1) Make a commitment; 2) Track mistakes; 3) Invest in training; 4) Organize quality circles; and 5) Have the right attitude.

In this study the authors propose the following hypothesis: 1) Leadership has positive effect to the quality of employee in production at PDAM of Surakarta; 2) Employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta; and 3) Leadership and employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta.

The purposes of this study are: 1) To analyze influence for employees to work in the leadership in the production at PDAM of Surakarta; 2) To analyze the benefit for the employees to work in leadership in the production at PDAM of Surakarta; dan 3) To analyze influence and benefit for the employees to work in leadership in the production at PDAM of Surakarta.

Research Methods

Research conducted a quantitative research, on the grounds that this is proposed for this study. Following the reseracher tries to solve the problem on the performance of a leader on employee performance and its impact on the quality of production at PDAM of Surakarta. Then investigated by describing an object of

research is by concluding, constructing, analyzing and collecting the data. Design research is explanatory research, which highlights the research roomates or effect relationship between the variables researchers with previous hypotheses that have been formulated.

This study will be carried out by taking location in PDAM of Surakarta. This study is a population that made all employees of PDAM of Surakarta. In sampling based on the opinions Sugiyono (2012: 120) The sample is part of the number and characteristics possessed by the population. Furthermore, if a large number of the subject can be taken between 10-15 % or 20-25 % or more depending at least on the ability of researchers in terms of time and place. To obtain the data subject already determined the sampling technique used in this study is random sampling with purposive sampling technique.

The testing process is done before the instrument was given or distributed to the research sample. To test the instruments researchers use a portion of the population but outside the study sample, ie as many as 20 employees. According Riduwan, Rusyana and Enas (2011: 194) Validity is a measure of the degree of validity or the validity of an instrument. All statements is valid, it can be seen as all the items have value $r_{xy} > r_{tabel}$ and with a significance level of less than 0.05 significant. In other words, all the items will be used as further data collection instruments. According Riduwan, Rusyana and Enas (2011: 194) reliability is also reliable trustworthy. With the assessment criteria, significant test using $\alpha = 0.05$ level. Instrument can be said to be reliable if the value is greater than r_{table} Alpha (Product Moment). Based on test validity and reliability of the company concluded, that the above three questionnaires covering leadership, employee benefit and quality of employee deserves to be used as a research instrument of employees.

Before performing data analysis techniques of multiple linear regression, first have to test the assumptions of classical, classical assumption test is a requirement before multiple linear regression analysis to determine the contribution of each variable.

Multiple regression analysis is a tool for analyzing more than two variables. According Sugiyono (2012) used multiple regression to determine the effect of the dependent variable with the independent variables. The test measures the multiple regression analysis as follows: 1) Multiple linear regression equation; 2) Test F or testing simultaneously (an analysis that is used to determine whether the independent variable is the communication and leadership have a significant effect on the dependent variable is the performance); 3) T test analysis was used to calculate individually, whether the effect of independent variables on the dependent variable significantly or not [(X1 to Y), (X2 to Y)]; 4) Coefficient of determination; 5) Relative Contribution and Contribution Effective X_1 , X_2 Against Y; and 6) Summarize and conclude.

Findings and Discussion

Based on data analysis, which will be discussed and then compared with previous studies. Generate some decision is that leadership and employee benefits, or contribute positively and significantly to the quality of employees in production in PDAM of Surakarta. Another decision shows that leadership and significant positive impact on the quality of employees in production in PDAM of Surakarta and employee benefits are also positive and significant effect on the quality of employees in production in PDAM of Surakarta. To be more clear in the conclusions of the analysis, the following results more clearly from the above study:

Table Summary of Linear Regression Test

Variable	Regression Coefficients	t	Sig
Constant	11.616		
Leadership	0.453	3.179	0.003
Employee Benefit	0.367	2.841	0.007
$F_{count} = 23.109$			
$R^2 = 0.555$			

The results of the first tests of the hypothesis that the leadership has a positive and significant impact on the quality of employees in production in PDAM of Surakarta, proven. This can be evidenced by the regression coefficients of the variables positive leadership, which is the value of 0.453, so it can be said that there is a positive effect on the quality of leadership variable employee. Under the leadership of the t test for variables obtained $t_{\text{count}} > t_{\text{table}}$, ie $3.179 > 2.026$ and a significance value of < 0.05 , which is 0.003. This indicates that a significant difference, between leadership and employees in the production quality of the local water Surakarta. Based on this conclusion it can be said that the higher leadership, the better the quality of employees in production and conversely, the lower the value of leadership will also degrade the quality of employees in production.

Based on previous research, the first hypothesis has similarities with the research Pan Jing-zhou, Zhou Xiaou-xue-qing Xia and Zhou (1999), which states that the relationship between leaders and employees has a positive impact on employees' affective commitment towards organizations. Leader - member exchange theory believes that when leader have established close relations with some subordinates, these subordinates become "in-group". The leaders will give more trust and care to the "in-group".

The results of the second test of the hypothesis that employee benefits and significant positive effect on the quality of employees in production in PDAM of Surakarta, proven. This can be evidenced by the regression coefficient of the variable employee benefits are positive that with the value of 0.367, so it can be said that the positive effect on employee benefits of variable quality employees. Based on t test for variable employee benefits gained $t_{\text{count}} > t_{\text{table}}$, ie $2.841 > 2.026$ and a significance value of < 0.05 , which is 0.007. This means indicates that there is an influence on the quality of employee benefits employees in production in PDAM of Surakarta. Based on this conclusion it can be said that higher employee benefits, the better the quality of employees, and conversely, the lower the level of employee benefits will also degrade the quality of employees in production.

Results of testing the third hypothesis, that leadership and employee benefits have a positive and significant effect on the quality of employees in production in PDAM of Surakarta, proven. In accordance with the multiple linear regression, in this test using a test called a simultaneous test or F test, it is known that the value $F_{count} > F_{table}$, ie $23.109 > 3.252$ and significance value of < 0.05 , which is 0.000. This means, there is the contribution of leadership and employee benefits to employees in production quality. Based on this conclusion it can be said if a variable combination of leadership and employee benefits increased it will be followed by an increase in the quality of employees, otherwise if there is a declining trend variable combination of leadership and employee benefits will be followed by a decline in the quality of employees.

Based on the above analysis of the study can be compared with previous studies Pan Jing-zhou, Zhou Xiaou-xue-qing Xia and Zhou (1999) and Shakeel Abbasi Aamna, Muslim Bin Aqeel Ali and Ali Naseer Awan (2012), which attempts to examine the relationship or effect between leadership and employee benefits that contribute to the quality of employees in the performance. So of the two researchers over a little more give the notion that improving leadership and employee benefits will be followed by an increase in the quality of employees at both institutions. So also with the results obtained by this research, leadership and employee benefits are positive and significant effect on the quality of employees in PDAM of Surakarta.

Conclusion

From the analysis and discussion that has been described, can be summed up as follows: 1) Leadership has positive effect to the quality of employee in production at PDAM of Surakarta; 2) Employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta; and 3) Leadership and employee benefit has positive effect to the quality of employee in production at PDAM of Surakarta.

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