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The Effect of Leadership Style and Work Ethic on Employee Performance at PT Victory Chingluh Indonesia

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ABSTRACT

The purpose of this study was to determine the effect of leadership style and work ethic on employee performance at PT Victory Chingluh Indonesia, Tangerang Regency. The method used is quantitative. The sampling technique used saturated sampling, namely 100 respondents. Data analysis used validity tests, reliability tests, classical assumption tests, regression analysis, correlation coefficients, determination coefficients and hypothesis tests. The results of this study are that leadership style has a significant effect on employee performance with a determination coefficient value of 39.3% and the hypothesis test obtained t count> t table or (7.959> 1.984). Work ethic has a significant effect on employee performance with a determination coefficient value of 47.0% and the hypothesis test obtained t count> t table or (9.316> 1.984). Leadership style and work ethic simultaneously have a significant effect on employee performance with a regression equation Y = 5.608 + 0.377X1 + 0.473X2. The coefficient of determination is 58.7%, while the remaining 41.3% is influenced by other variables. The hypothesis test obtained a calculated F value > F table or (68.820 > 2.700).

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INTRODUCTION

Human resources (HR) are the most important asset for an organization because the success of achieving its vision, mission, and goals depends heavily on the quality and performance of the individuals within it. Facing the challenges of globalization and increasingly fierce industrial competition, companies are required not only to have strong capital, technology, and strategies, but also HR capable of working effectively and efficiently. According to Moeheriono (Nurmeisyah et al., 2023), performance reflects the level of achievement of program, activity, or policy implementation aimed at realizing the organization's goals and vision, as reflected in the developed strategic planning. Similarly, Mangkunegara (Fachrezi, 2020) defines performance as the quality and quantity of work results achieved by an employee in carrying out tasks according to assigned responsibilities.

PT Victory Chingluh Indonesia is a footwear manufacturing company that produces world-renowned brands. Fierce competition in this industry demands continuous productivity and quality improvements. However, Employee performance data for the 2020–2024 period shows a fluctuating and declining trend in several key indicators, such as work quality, quantity of achievements, job-related knowledge, task performance, and responsibility. This trend indicates that organizations are experiencing inconsistent workforce outcomes over time, which can undermine long-term

productivity and competitiveness. The fluctuating nature of the data suggests external and internal factors may be simultaneously influencing employees' ability to perform at optimal levels.

The decline in work quality over this period is a particularly concerning signal. High-quality outputs are essential for maintaining customer satisfaction, operational efficiency, and organizational reputation. When quality decreases, it often reflects underlying issues such as lack of motivation, insufficient training, or changes in operational processes. This erosion can have ripple effects across departments, reducing the overall reliability and consistency of services or products delivered to stakeholders. The quantity of achievements recorded by employees has shown a notable downturn. In an organizational context, fewer achievements can mean slower project completion, reduced innovation, or weaker contributions to strategic goals. These declines may also point to inadequate performance management systems, unclear expectations, or a mismatch between employee skills and assigned tasks. Over time, these factors can hinder organizational growth and limit opportunities for advancement. Job related knowledge is another area that has been affected during this period. Declines in knowledge acquisition and application can arise from insufficient professional development opportunities, limited exposure to industry best practices, or reduced engagement with learning platforms. When employees are not up-to-date with current knowledge, their ability to solve problems, innovate, and adapt to market changes diminishes. This creates a skill gap that can erode an organization's competitive edge.

Task performance, which reflects the direct execution of assigned duties, has also demonstrated a downward trend. Reduced performance in this area often signals fatigue, burnout, or misalignment between job roles and individual competencies. If task execution falters, it can disrupt workflows, lower team morale, and increase the burden on high-performing employees. Addressing this requires a holistic understanding of workload management, employee well-being, and organizational culture. Responsibility, both in terms of accountability and initiative, appears to have weakened during this time frame. Employees taking fewer responsibilities or showing less ownership of their work may result from declining morale, insufficient recognition, or unclear role definitions. Responsibility is a critical soft skill that underpins trust, reliability, and leadership potential within an organization. Without it, the organizational structure may become less resilient and less capable of navigating challenges.

External factors during the 2020–2024 period, such as global economic uncertainty, public health crises, and rapid technological changes, likely influenced these downward trends. These factors disrupted work environments, necessitating sudden adjustments like remote work, hybrid models, or cost-cutting measures. Such abrupt shifts can create uncertainty, decrease employee engagement, and make performance management more complex for supervisors and HR departments. At the same time, internal organizational factors may also be contributing to the fluctuations. Changes in leadership, restructuring, limited communication, or inadequate support systems can destabilize employee morale and performance. The combination of external pressures and internal shifts may explain why multiple indicators quality, quantity, knowledge, performance, and responsibility have been negatively affected over the observed period.

The declining and fluctuating trends underscore the importance of strategic interventions. Organizations must invest in employee development, foster supportive work cultures, and implement transparent performance evaluation systems. Targeted training programs, career progression opportunities, and robust feedback mechanisms can help employees regain confidence, improve competencies, and stabilize their performance outcomes over time. Ultimately, the employee performance data from 2020–2024 serves as both a warning and an opportunity. While the downward trends reveal areas of concern, they also provide clear direction for organizational improvement. By addressing root causes, aligning resources, and adopting proactive leadership approaches, organizations can reverse these declines, restore employee engagement, and build a more resilient workforce prepared to meet future challenges.

Initial observations indicate two main factors influencing this situation: leadership style and work ethic. Leadership style is a leader's behavioral pattern in influencing, directing, and motivating subordinates. Leadership style as a combination of traits, habits, character, and personality that distinguish a leader in interacting with others (Mangkunegara,2017). Effective leaders are able to guide, motivate, and involve employees in decision-making, establish clear communication, and provide initiative and direction that encourages improved performance. However, the phenomenon

at PT Victory Chingluh Indonesia shows that some leaders rarely provide direct guidance or direction to subordinates, lack motivation, do not involve employees in decision-making, and the communication they build is ineffective. The lack of initiative from leaders to provide creative ideas also hinders work completion.

In addition to leadership style, work ethic also plays a crucial role in shaping organizational outcomes. While leadership style provides the direction, vision, and motivation for employees, work ethic determines how individuals internalize and execute those directives. Together, these two factors form the backbone of employee behavior and performance, making them indispensable for any organization seeking long-term sustainability and growth (Robbins, 2020). Work ethic reflects positive attitudes, values, and habits that support productivity at both individual and collective levels. It encompasses an employee's intrinsic motivation to do the right thing, to complete tasks on time, and to maintain high-quality standards without constant supervision. When employees uphold strong ethical standards, the workplace culture becomes more disciplined, reliable, and conducive to achieving shared goals (Brown & Treviño, 2021).

Employees with a strong work ethic demonstrate sincerity in their approach to work. This sincerity is evident in their willingness to put forth honest effort, maintain transparency, and uphold integrity in all aspects of their job. Such behavior fosters trust among colleagues and supervisors, reduces conflicts, and creates a healthy work environment where collaboration can thrive (Ng & Burke, 2020). Thoroughness is another key element of a solid work ethic. Employees who are thorough pay attention to detail, double-check their work, and strive for accuracy in every task. This reduces costly mistakes and enhances organizational efficiency. A culture of thoroughness encourages continuous improvement and instills confidence in clients, partners, and stakeholders (Locke & Latham, 2020).

Responsibility, as part of work ethic, reflects an employee's readiness to take ownership of tasks, decisions, and outcomes. Responsible employees follow through on commitments, meet deadlines, and proactively address issues before they escalate. This sense of accountability strengthens team cohesion and ensures that organizational processes run smoothly even under pressure (Kiazad et al., 2020). Dedication also plays a crucial role within work ethic. Employees who are dedicated invest extra time and effort to achieve goals, often going beyond minimum requirements. Their commitment can inspire others, increase overall productivity, and contribute to a culture of excellence. Dedication transforms ordinary tasks into opportunities for innovation and continuous growth (Grant, 2021).

The cumulative effect of sincerity, thoroughness, responsibility, and dedication directly impacts organizational performance. When employees embody these traits, they not only improve their individual output but also elevate the collective capacity of their teams. Over time, this creates a ripple effect that strengthens the organization's reputation, competitiveness, and ability to adapt to changing market demands (Podsakoff et al., 2020). Furthermore, a strong work ethic complements and amplifies the benefits of effective leadership. Leaders may set expectations and provide motivation, but it is the employees' internalized discipline and commitment that bring strategies to life. This synergy between leadership style and work ethic drives higher engagement, reduces turnover, and improves organizational resilience (Yukl & Gardner, 2020).

Organizations that actively cultivate work ethic through recruitment practices, training programs, and recognition systems are better positioned to achieve sustainable success. By reinforcing ethical standards and rewarding consistent performance, companies create an environment where employees feel valued and motivated to excel. Such initiatives also strengthen the psychological contract between employer and employee, leading to higher levels of loyalty and satisfaction (Allen & Meyer, 2021). Ultimately, work ethic serves as a cornerstone of organizational success. Alongside leadership style, it defines how tasks are approached, how challenges are overcome, and how goals are achieved. Employees who embody a strong work ethic become catalysts for innovation, collaboration, and excellence, ensuring that the organization not only survives but thrives in a competitive and dynamic environment (Kreitner & Kinicki, 2020). Based on this phenomenon, it is important to examine the extent to which leadership style and work ethic influence employee performance. The results of this study are expected to serve as a reference for improving managerial policies and human resource development at PT Victory Chingluh Indonesia.

METHOD

Sugiyono (2020:35) states that using a quantitative research approach can be interpreted as a research method based on the philosophy of positivism, used to research a specific population or sample, sampling techniques are generally carried out randomly, data collection uses research instruments, and data analysis is quantitative or statistical in nature with the aim of testing predetermined hypotheses. Furthermore, according toSujarweni in (Mentari, 2021:107) quantitative research is a type of research that produces findings that can be achieved (obtained) byusing statistical procedures or other means of quantification (measurement).Thus, this research method uses a quantitative method which is this research with an empirical study that aims to test the influence of leadership style and work ethic variables on employee performance.

The research population was all 100 employees of PT Victory Chingluh Indonesia. The sampling technique used saturated sampling (census), so that the entire population was used as respondents. The research instrument was a closed questionnaire with a 5-point Likert scale, which measured three variables: leadership style (X1), work ethic (X2), and employee performance (Y). The leadership style variable was measured by five indicators: leadership traits, motivation, decision-making ability, communication skills, and initiative. The work ethic variable was measured by five indicators: employee attitudes, feelings towards work, willingness to carry out tasks, accuracy, and sincerity in work. The performance variable was measured by five indicators: work quality, work quantity, job knowledge, task implementation, and responsibility.

The validity test used Pearson correlation with the criteria of r count > r table (0.197) at a significance level of 5%, while the reliability test used Cronbach's Alpha with a minimum limit of 0.600. All items were declared valid and reliable. Data analysis was carried out through multiple linear regression analysis to test the partial and simultaneous effects between independent variables on the dependent variable. The classical assumption tests used included the normality test (Kolmogorov-Smirnov), multicollinearity test (Tolerance & VIF), autocorrelation test (Durbin-Watson), and heteroscedasticity test (scatterplot). The significance level used was 5% ($\alpha = 0.05$).

RESULTS AND DISCUSSION

Sharia Capital Market is a Financial System

The Influence of Leadership Style (X1) on Employee Performance (Y). Based on the results of the analysis, the regression equation value Y = 14.807 + 0.607X1 was obtained, the correlation coefficient value was obtained at 0.627, meaning that the two variables have a strong level of relationship. The determination value or contribution of its influence was 0.393 or 39.3% while the remaining 60.7% was influenced by other factors. The hypothesis test obtained a calculated t value > t table or (7.959 > 1.984). Thus, Ho1 was rejected and Ha1 was accepted, meaning that there was a significant influence of leadership style on the performance of employees of PT Victory Chingluh Indonesia, Tangerang Regency.

The results of this study support the results of research conducted by Farida Agustin (2021). The Influence of Leadership Style on Employee Performance at PT. Gama Panca Makmur in Tangerang. In her study, she concluded that leadership style had a significant effect on employee performance with a contribution of 60.8% and a hypothesis test obtained a significance of 0.000 <0.05. The results of this study are also in accordance with research conducted by Andriyani (2020). The Influence of Leadership Style on Employee Performance at PT. Tunas Sakti in Daan Mogot, West Jakarta. Where in her study, she concluded that leadership style had a positive and significant effect on employee performance of 53.0% and a hypothesis test obtained a significance of 0.000 <0.05.

The Influence of Work Ethic (X2) on Employee Performance (Y). Based on the test results, the regression equation value Y = 13.060 + 0.648X2 was obtained, the correlation coefficient value was 0.685, meaning that the two variables have a strong relationship. The determination value or contribution of the influence was 0.470 or 47.0% while the remaining 53.0% was influenced by other factors. The hypothesis test obtained a calculated t value > t table or (9.316 > 1.984). Thus,

Ho2 was rejected and Ha2 was accepted, meaning that there was a significant influence of work ethic on the performance of employees of PT Victory Chingluh Indonesia, Tangerang Regency.

The results of this study support the results of research conducted by Rahma Fatria, et al. (2023) on the Influence of Work Ethic on the Performance of Employees at the Beringin Raya Village Office. In their study, they concluded that work ethic has a significant effect on employee performance, as evidenced by a hypothesis test obtained a sig. 0.000 <0.05. The results of this study are also in accordance with research conducted by Marisi Butarbutar (2021) on the Influence of Work Ethic on Employee Performance at the Nusantara Pematangsiantar Foundation. Where in her study, she concluded that work ethic has a significant effect on employee performance with a contribution of 72.4% and a hypothesis test obtained a sig. 0.000 <0.05.

The Influence of Leadership Style (X1) and Work Ethic (X2) on Employee Performance (Y). Based on the results of the study, it shows that leadership style (X1) and work ethic (X2) have a significant effect on employee performance with the regression equation Y = 5.608 + 0.377X1 + 0.473X2. The correlation coefficient value or the level of relationship between the independent variable and the dependent variable is obtained at 0.766, meaning it has a strong relationship. The coefficient of determination or contribution of its influence simultaneously is 58.7% while the remaining 41.3% is influenced by other factors. The hypothesis test obtained a calculated F value > F table or (68.820 > 2.700). Thus, Ho3 is rejected and Ha3 is accepted. This means that there is a significant simultaneous influence of leadership style and work ethic on employee performance at PT Victory Chingluh Indonesia, Tangerang Regency.

The results of this research support the results of research conducted by Khoirul Khobir, Aldi Gunawan, Amirudin Syarif (2023) The Influence of Leadership Style and Work Ethic on ASN Performance at the Archives Service of South Sumatra Province. In their research, they concluded that leadership style and work ethic simultaneously have a significant effect on ASN performance as evidenced by the hypothesis test obtained sig. 0.000 <0.05. The results of this study are also in accordance with research conducted by Catur Sasi Kirono (2022) The Influence of Leadership Style and Employee Work Ethic on Employee Performance in District Government Organizations. Where in their research, they concluded that leadership style and work ethic simultaneously have a significant effect on ASN performance as evidenced by the hypothesis test obtained sig. 0.000 <0.05.

CONCLUSION

Leadership style has a significant effect on employee performance with the regression equation Y = 14.807 + 0.607X1, the correlation value is 0.627, meaning that the two variables have a strong relationship. The coefficient of determination value is 39.3% and the hypothesis test obtained t count > t table or (7.959 > 1.984). Thus, Ho1 is rejected and Ha1 is accepted, meaning that there is a significant influence between leadership style on employee performance at PT Victory Chingluh Indonesia, Tangerang Regency.

Work ethic has a significant effect on employee performance with the regression equation Y = 13.060 + 0.648X2 obtained a correlation value of 0.685 meaning that the two variables have a strong level of relationship. The coefficient of determination value is 47.0% and the hypothesis test obtained t count > t table or (9.316 > 1.984). Thus Ho2 is rejected and Ha2 is accepted meaning that there is a significant influence between work ethic on employee performance of PT Victory Chingluh Indonesia, Tangerang Regency.

Leadership style and work ethic simultaneously have a significant effect on employee performance with the regression equation Y = 5.608 + 0.377X1 + 0.473X2. The correlation value of 0.766 means that the independent variable with the dependent variable has a strong level of relationship. The coefficient of determination value is 58.7% while the remaining 41.3% is influenced by other variables. The hypothesis test obtained the calculated F value > F table or (68.820 > 2.700). Thus, Ho3 is rejected and Ha3 is accepted. This means that there is a simultaneous significant influence between leadership style and work ethic on employee performance at PT Victory Chingluh Indonesia, Tangerang Regency.

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