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The Influence of Leadership Style and Compensation on Employee Performance at CV Synergi Tuban

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ABSTRACT

This study aims to determine and analyze the influence of leadership style and compensation on employee performance at CV Synergi Tuban, both partially and simultaneously. This study uses a quantitative approach based on the philosophy of positivism. The study population was 37 CV Synergi employees, and the entire population was sampled through a saturated sampling technique (census). Primary data were collected through a 1–5 Likert Scale questionnaire distributed in the form of Google Forms, structured interviews with the Director of CV Synergi, and observations. Data analysis used multiple linear regression analysis with the help of SPSS software version 26, including validity tests, reliability tests, classical assumption tests (normality, multicollinearity, heteroscedasticity), F tests, t tests, and coefficient of determination tests. The results of the study indicate that (1) leadership style (X1) has a positive and significant effect on employee performance (Y) with a calculated t value of 3.939> t table 2.032 and a significance of 0.000; (2) compensation (X2) has a positive but insignificant effect on employee performance with a calculated t value of 1.051 < t table 2.032 and a significance of 0.301; (3) simultaneously, leadership style and compensation have a significant effect on employee performance with a calculated F value of 11.020 > F table 3.276 and a significance of 0.000. The coefficient of determination (Adjusted R^2) of 0.358 indicates that 35.8% of employee performance variation can be explained by leadership style and compensation. Leadership style is the dominant factor that influences employee performance at CV Synergi, while financial compensation alone is not enough to provide a significant effect partially.

1. Introduction

The success of a company is inseparable from the role of employees as human resources who perform their duties and responsibilities according to their respective positions (Agung Widarman et al., 2020). Organizations require high-quality human resources with adequate skills and competencies to support organizational sustainability and achieve future objectives (Umar et al., 2025). Quality human resources are expected to contribute actively as planners, implementers, and supervisors of organizational activities (Wibowo et al, 2026). Therefore, companies need to continuously improve human resource management to maintain competitiveness and ensure that employee needs are adequately addressed. Effective human resource management is expected to encourage employees to perform their duties optimally and contribute to organizational objectives (Andriani et al., 2024). In this context, employee performance is an important organizational outcome that requires attention to both leadership practices and compensation systems.

CV Synergi, a contractor company headquartered in Perum Karang Indah BE, RT 002/RW 05, Karang Village, Semanding District, Tuban Regency, operates in the construction and energy industry. Founded in 2005 by Agung Kintoko, the company provides Medium Voltage Power Distribution Network Construction Services and Low Voltage Power Distribution Network Installation Construction Services. In pursuing its vision and mission, CV Synergi prioritizes customer satisfaction to maintain sustainable business relationships. Its business activities require

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employees to respond to work orders and delivery demands while maintaining work quality, discipline, punctuality, and loyalty. According to Zendrato et al. (2025), employee performance is an important consideration in achieving organizational objectives. Performance can be understood as the work outcomes achieved by individuals in relation to predetermined targets, applicable standards, and procedures over a specific period (Nugroho, A., & Wibowo, 2024). Accordingly, employee performance can be evaluated through the extent to which employees achieve the targets established by the organization (Romi et al., 2022).

Preliminary research involving 10 employee respondents at CV Synergi revealed that employees generally agreed to improve work quality and carry out their assigned duties, but remained uncertain about their ability to achieve work targets and maintain punctuality. These findings indicate a potential gap between employees' willingness to fulfill their responsibilities and their confidence in achieving the expected performance standards. One factor that may explain this condition is leadership style. Leadership is relevant because leaders establish work expectations, provide direction, supervise task implementation, and influence employees' responses to organizational demands. The preliminary observations indicated that most employees viewed their leader's attitude positively and felt comfortable receiving work instructions. An initial interview with the Director, Mr. Agung Kintoko, on January 7, 2024, confirmed that the leadership style applied at CV Synergi reflected the company's existing policies. Nevertheless, employees' complaints about sudden delivery orders and assignments outside regular working hours suggest that positive perceptions of leadership do not necessarily eliminate concerns regarding work arrangements and performance expectations.

In addition to leadership style, compensation is another factor that may influence employee performance. Compensation encompasses income received by employees in the form of money or goods, directly or indirectly, in return for services provided to the company. It includes financial rewards, such as salaries, incentives, and bonuses, as well as other benefits and non-financial rewards (Icha et al., 2026). Compensation is important because it can function as a source of motivation in carrying out work responsibilities (Santyka et al., 2026). Previous research by Zendrato et al. (2025) found that compensation has a positive and significant effect on employee performance, suggesting that appropriate rewards can encourage employees to contribute to organizational objectives. However, preliminary findings at CV Synergi indicated that employees remained uncertain about whether their salaries adequately reflected the risks and responsibilities associated with their jobs. Insufficient attention to compensation may lead employees to feel that their contributions are undervalued (Muadin, 2022). This situation raises questions about whether the existing compensation system adequately supports employee motivation and performance within the company.

Although leadership style and compensation are both relevant to employee performance, their effects may vary according to organizational circumstances and employees' perceptions of workplace practices. The existing evidence cited in this study supports the potential importance of compensation, while the preliminary observations at CV Synergi reveal concerns involving performance targets, punctuality, salary adequacy, and assignments outside regular working hours. These conditions provide a contextual basis for examining leadership style and compensation together rather than assuming that either factor independently explains employee performance. However, the available preliminary information does not establish the relative influence of the two variables or determine whether their combined contribution is statistically significant at CV Synergi. This unresolved issue constitutes the empirical problem addressed by the present study. Accordingly, the research examines leadership style and compensation as explanatory variables of employee performance in a contractor company whose operational demands require employees to maintain performance while responding to changing work requirements.

Based on these considerations, this study aims to analyze the partial influence of leadership style on employee performance at CV Synergi, examine the partial influence of compensation on employee performance, and determine the simultaneous influence of leadership style and compensation on employee performance. These objectives are formulated into three research questions: (1) Does leadership style influence employee performance at CV Synergi? (2) Does compensation influence employee performance at CV Synergi? (3) Do

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leadership style and compensation simultaneously influence employee performance at CV Synergi?

Theoretically, this study contributes to the literature on human resource management by examining the individual and combined relationships between leadership style, compensation, and employee performance within a specific organizational context. By evaluating these relationships empirically, the study provides contextual evidence that can complement previous findings and help clarify whether the importance of leadership style and compensation is consistent with the conditions observed at CV Synergi. Practically, the findings are expected to provide management with evidence to evaluate leadership practices, supervision, compensation adequacy, and the management of work assignments, including those outside regular working hours. The findings may also help identify areas requiring further attention to improve employee performance and strengthen the company's ability to maintain sustainable customer relationships. The novelty of this study lies in its integrated examination of leadership style and compensation, both individually and simultaneously, in the context of CV Synergi, with particular attention to preliminary performance concerns and employees' perceptions of leadership practices and compensation adequacy. This context-specific analysis is intended to provide empirical evidence for more informed human resource management decisions.

2. Literature Review

2.1. Conceptual and Theoretical Foundations

2.1.1. Human Resource Management (HRM)

HR as planning, organizing, coordinating, implementing, and supervising the procurement, development, remuneration, integration, maintenance, and separation of labor in order to achieve organizational goals (Rosma et al., 2025). HR is a series of activities carried out related to employees starting from planning, recruitment-selection, training-development, assessment, compensation to layoffs (Wibowo et al., 2026). HR as a strategic approach to skills, motivation, development, and organization of HR (Wibowo et al, 2026).

2.1.2. Employee performance

Performance as a result of work in terms of quality and quantity achieved by an employee in carrying out tasks according to the responsibilities given (Khristian et al, 2025). Performance as a result of work achieved based on targets during a certain period (Wibowo et al, 2026). Performance as an organizational process evaluates employee work performance as feedback. Performance on the quality-quantity dimension of work results for the responsibilities given. Education influences performance because it provides broader insight (Ramadhani & Hermana, 2023).

Mangkunegara proposed four performance indicators: (1) work quality; (2) work quantity; (3) task execution; (4) responsibility. Responsibility is an employee's awareness of their obligation to carry out assigned work. Wirawan grouped three dimensions of performance: work results, work behavior, and personal characteristics related to work.

2.1.3. Leadership Style

Leadership style as a set of characteristics used by a leader to influence subordinates so that organizational goals are achieved (Gusmery & Susanti, 2023). Muadin (2022) views leadership style as a consistent combination of philosophy, skills, traits, and attitudes that underlie a person's behavior. Siagian in Ibrohim and Anshori (2025) identified a typology of leadership styles, including: (a) autocratic views the organization as private property, rejects criticism, coerces; (b) militaristic depends on rank/position, rigid discipline, excessive formality; (c) paternalistic views subordinates as children, overprotects, rarely gives opportunities; (d) charismatic is difficult to analyze in the literature; (e) democratic accepts suggestions, prioritizes cooperation, views humans as noble creatures; (f) laissez faire leaders are only symbolic, lack authority.

2.1.4. Compensation

Compensation is all income in the form of money/goods, directly or indirectly, received by employees in return for services provided to the company Icha et al. (2026). Compensation includes financial (salary, incentives, bonuses) and non-financial (allowances, recognition) components. Compensation serves as employee motivation in carrying out their work. IWBagia (2021) found that compensation has a significant effect on performance: the higher the compensation, the higher the performance. Gusmery and Susanti (2023)

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supports the finding that compensation has a positive effect on employee performance.

2.2. Empirical Study Review

Several empirical studies have examined the relationship between leadership style, compensation, and employee performance in various organizational contexts. Wibowo et al. (2026) examined the effect of compensation, motivation, and employee competence on employee performance at the Directorate of Business, Directorate General of Aquaculture, Ministry of Maritime Affairs and Fisheries, and found that compensation had a significant effect on performance. Wibowo and Kumalasari (2025) tested the effect of compensation at PT Pos Indonesia (Persero) Bangkalan Branch Office with an F-test result of 6.851 ($p < 0.05$), indicating that direct, indirect, and non-financial financial compensation simultaneously had a significant effect on employee performance.

Dewi, et al. (2026) examined the influence of leadership style, work motivation, and organizational commitment on employee performance at the Malang Regency Maritime Affairs and Fisheries Service, and found that leadership style had a significant effect on employee performance. Latifaturrohmah et al. (2026) at PT Iskandar Indah Printing Textile Surakarta concluded that leadership style and compensation had a positive and significant effect on employee performance, both partially and simultaneously.

In general, this empirical review shows a consistent direction of the influence of leadership style and compensation on performance across various organizations, including ministries, state-owned enterprises, textile companies, automotive companies, and multi-finance companies. However, most of these studies were conducted in medium- to large-scale organizations and in sectors relatively different from the energy construction sector.

2.3. Identifying Research Gaps

Based on the conceptual synthesis and empirical review above, there are several research gaps that form the basis of this study. *First*, in terms of context, the majority of previous studies have focused on government agencies, state-owned enterprises (BUMN), textile companies, automotive companies, and multi-finance companies, while the energy construction sector, especially CV-scale contractors handling electricity distribution network projects, has been very rarely studied. This is despite the fact that energy construction companies such as CV Sinergy Tuban have unique organizational characteristics, with field work patterns, high mobility demands, irregular working hours, and different responsibilities than the service or manufacturing sectors. These unique characteristics have the potential to give rise to patterns of influence of leadership styles and compensation that differ from previous findings.

Second, in terms of the direction and significance of compensation's influence, previous findings Elisa et al. (2026) consistently show a significant influence of compensation on performance. However, in the context of a CV-scale construction company with a limited number of employees, the potential mismatch between the compensation system and employee work orientation (for example, employees who work primarily to meet daily living needs) can give rise to different patterns of influence. This gap in understanding needs to be verified empirically.

Third, in terms of integrating variables and indicators, few studies have explicitly integrated Siagian's five leadership styles framework with Simamora's compensation indicators into a single analytical framework for energy construction companies in the district. Most studies use general indicators without adjusting for the characteristics of the construction industry.

Fourth, in terms of organizational size, previous studies generally used samples from medium-to-large companies with employee populations ranging from hundreds to thousands. Studies of small companies with fewer than 50 employees using saturated (census) sampling techniques are still limited, even though this allows for more accurate mapping because the entire population is represented.

Thus, the research gap identified is the lack of empirical evidence regarding the influence of leadership style and compensation on employee performance in CV-scale energy contractors in the district, particularly CV Sinergy Tuban. This study is designed to address this gap.

2.4. Conceptual Framework Development

Based on the theoretical review and hypothesis development above, the conceptual

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framework of this study can be described as follows. The independent variables (X1: Leadership Style and X2: Compensation) are predicted to have a partial (H1 and H2) or simultaneous (H3) effect on the dependent variable (Y: Employee Performance).

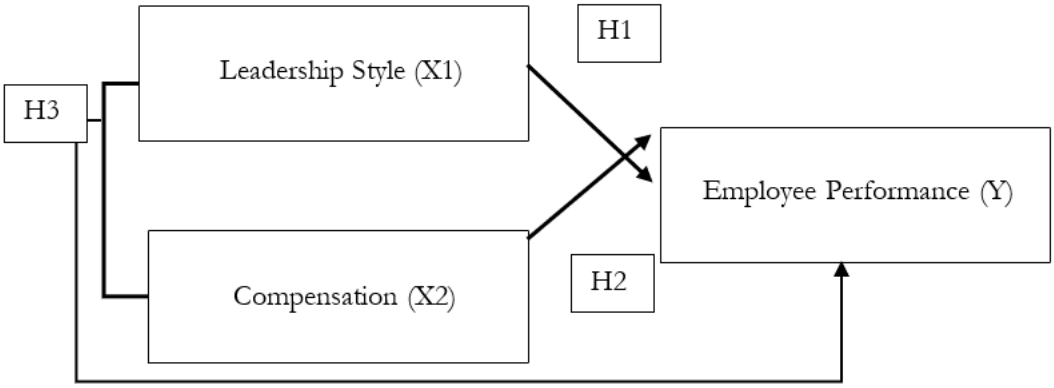


Fig. 1. Conceptual Framework

2.5. Hypothesis or Research Proposal

Based on the conceptual framework, the research hypothesis is formulated:

H_1: There is a significant partial influence of the leadership style variable (X_1) on employee performance (Y).

H_2: There is a significant partial influence of the compensation variable (X_2) on employee performance (Y).

H_3: There is a significant influence of leadership style (X_1) and compensation (X_2) simultaneously on employee performance (Y).

3. Research Methods

3.1. Research Design

This research uses a quantitative approach based on statistical information. According to Sugiyono, (2021) a quantitative method is a research method based on the philosophy of positivism, used to study specific populations/samples. The sampling technique is generally random, data collection uses research instruments, and data analysis is quantitative/statistical in nature with the aim of testing predetermined hypotheses.

3.2. Research Context and Setting

Employees frequently complain about sudden delivery orders and those received outside of working hours. This situation necessitates an empirical study to systematically measure the influence of leadership style and compensation on employee performance at CV Synergi.

3.3. Population and Sample / Research Participants

The research population was all 37 employees of CV Synergi Tuban. The sampling technique used was saturated sampling (census), meaning all members of the population were used as samples, resulting in a total sample size of 37 respondents.

3.4. Data Sources and Data Collection

Primary data was collected directly from respondents through a Google Forms questionnaire, structured interviews with the Director (Mr. Agung Kintoko), and field observations. Secondary data was obtained through a library study of relevant scientific literature.

3.5. Measurement of Research Variables and Instruments

Before conducting the regression analysis, an instrument quality test was first conducted, including a validity test (with *Pearson Correlation*) and a reliability test (with *Cronbach's Alpha*, minimum limit 0.70). Next, a classical assumption test was conducted, including a normality test (with a histogram graph, *normal PP plot*, and *Kolmogorov-Smirnov*), a multicollinearity test (with a *tolerance value* > 0.1 and VIF < 10), and a heteroscedasticity test (with a *scatterplot graph*). After passing the classical assumption test, a hypothesis test was conducted through a partial test (t test), a simultaneous test (F test), and a coefficient of determination test (R^2). The measurement instrument used a Likert Scale of 1–5 (1 = Strongly Disagree, 5 = Strongly Agree).

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3.6. Data Analysis Techniques

Data analysis using IBM SPSS version 26 program which includes: Descriptive statistical analysis, Data quality test (validity test by comparing r count and r table = 0.325 at $\alpha = 0.05$; reliability test with Cronbach's Alpha > 0.60), Classical assumption test: normality with Kolmogorov-Smirnov, multicollinearity with Tolerance and VIF, heteroscedasticity with scatterplot, Multiple linear regression analysis with equation $Y = a + \beta_1 X_1 + \beta_2 X_2$, Hypothesis test with F test (simultaneous) and t test (partial) at 5% significance level, determination coefficient test (Adjusted R^2).

3.7. Validity, Reliability, and Trustworthiness

To ensure the quality of the research instruments and data, several testing procedures were carried out using SPSS version 26 software. Validity testing used item validity testing by comparing the calculated r value and the table r value. Reliability testing was carried out using *Cronbach's Alpha* test. A construct or variable is declared reliable if *the Cronbach's Alpha value* is > 0.60.

In addition to the instrument test, the reliability of the research results is strengthened through classical assumption tests, which include the normality test using *Kolmogorov–Smirnov* (Asymp. Sig. value > 0.05), multicollinearity test with *tolerance indicators* > 0.10 and VIF < 10, and heteroscedasticity test using the Glejser test and *scatterplot graph. This series of tests ensures that the regression model meets the BLUE (Best Linear Unbiased Estimator)* requirements so that the resulting findings can be statistically accounted for.

3.8. Ethical Considerations

This research involved human subjects, thus applying the principles of research ethics throughout the implementation phase. *First*, the principle of *informed consent* was applied by providing an explanation of the research objectives, the questionnaire completion procedure, and the respondent's right to refuse or withdraw without any consequences. Participation by CV Sinergy Tuban employees was voluntary.

Second, the principles of confidentiality and anonymity are maintained by not including respondents' personal identities in the data reporting. The data presented consist only of aggregate demographic characteristics (gender, age, highest education, and length of service) that cannot be traced back to specific individuals.

Third, official permission was obtained from CV Sinergy management prior to data collection, including a direct interview with the company's Director. The collected data will be used solely for academic purposes and will not be disseminated to unauthorized parties.

Fourth, the principle of academic integrity is upheld through objective data processing, reporting of results truthfully, including findings that contradict the initial hypothesis (e.g., the finding that partial compensation has no significant effect on employee performance), and citing reference sources in accordance with scientific principles to avoid plagiarism. The results of interviews with the Director and employees are presented in a balanced and contextual manner without manipulating the narrative.

3.9. Research Procedures

This research was conducted through several systematically arranged stages. *The first stage* is the planning stage, which includes problem identification based on initial observations and a pre-research questionnaire at CV Sinergy, a literature review, the determination of research variables (leadership style as X1, compensation as X2, and employee performance as Y), and the preparation of a conceptual framework and research hypotheses.

The second stage was the development of a research instrument in the form of a questionnaire with a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). *The third stage* was data collection. The research population was all employees of CV Sinergy. Tuban, totaling 37 people. Due to the relatively small population, the sampling technique used was *saturated sampling* (census), meaning all members of the population were sampled. The questionnaire was distributed digitally via Google Forms. Data collection was supplemented with structured interviews with the Director of CV Sinergy (Mr. Agung Kintoko) as a source of complementary qualitative information, and a literature review as a secondary data source.

The fourth stage is data processing and analysis using SPSS version 26. The analysis includes descriptive statistics of respondent characteristics, data quality tests (validity and reliability), classical assumption tests (normality, multicollinearity,

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heteroscedasticity), multiple linear regression analysis, partial hypothesis tests (t-test), simultaneous tests (F-test), and coefficient of determination tests (R^2).

The fifth stage is the interpretation of the results, discussion, drawing conclusions, and formulating theoretical and practical implications for CV Sinergy's management. All stages are documented to ensure methodological transparency and allow for replication by other researchers.

3.10. Methodological Limitations

This study acknowledges several methodological limitations that need to be openly acknowledged. *First*, the sample size was limited to 37 employees, representing the entire population of CV Sinergy Tuban. *Second*, this study was *cross-sectional*, with data collected at a single point in time.

4. Results and Discussion

4.1. Research Results

4.1.1. Sample Description and Descriptive Statistics

a. General Description of Research Object

CV Synergi was founded in 2005 in Tuban, East Java, by Agung Kintoko. Initially focused on general construction projects and local-scale building renovations, the company expanded into the energy sector in 2010, working on solar power plant construction and power grid installations for industrial areas. In 2015, the company introduced digital-based project management services. The company envisions becoming a leading contractor providing sustainable energy solutions.

The organizational structure of CV Synergi consists of a Director (Agung Kintoko), General Manager, Finance Manager, HR Manager, Production Manager, Marketing Manager, Logistics Manager, R&D Manager, and IT Manager.

b. Results of Descriptive Statistical Analysis

Table 2. Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Standard Deviation
Leadership Style (X_1)	37	13.00	20.00	16,2973	1,853
Compensation (X_2)	37	18.00	25.00	20,3514	1,844
Performance (Y)	37	9.00	14.00	11,4054	1,091
Valid N (listwise)	37				

Source: SPSS version 26

Table 2 shows that the Leadership Style variable had an average respondent response of 16.29 with a standard deviation of 1.853; Compensation had an average of 20.35 (SD = 1.844); and Performance had an average of 11.40 (SD = 1.091). The averages for all variables tended towards the maximum value, indicating that employee perceptions tended to be positive towards all three variables.

4.1.2. Data Quality and Preliminary Analysis

a. Data Quality Test Results

Table 3. Validity and Reliability Test Results

Variables	Item	r count	r table	Validity Note	Cronbach's Alpha	Reliability Note
Leadership Style (X_1)	X1.1	0.812	0.325	Valid	0.769	Reliable
	X1.2	0.793	0.325	Valid		
	X1.3	0.787	0.325	Valid		
	X1.4	0.686	0.325	Valid		
Compensation (X_2)	X2.1	0.551	0.325	Valid	0.698	Reliable
	X2.2	0.569	0.325	Valid		
	X2.3	0.443	0.325	Valid		
	X2.4	0.531	0.325	Valid		
	X2.5	0.644	0.325	Valid		
Performance (Y)	Y.1	0.671	0.325	Valid	0.664	Reliable
	Y.2	0.826	0.325	Valid		

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Y.3	0.778	0.325	Valid

Source: SPSS version 26

All statement items have a calculated r > r table (0.325) and a significance < 0.05, so they are declared valid. All variables also have a Cronbach's Alpha > 0.60, so they are declared reliable.

b. Results of the Classical Assumption Test

The Kolmogorov-Smirnov test results obtained an Asymp. Sig. (2-tailed) value of 0.132, far above 0.05, so the data was normally distributed.

Multicollinearity Test.

Table 4. Multicollinearity Test Results

Variables	Tolerance	VIF	Conclusion
Leadership Style (X_1)	0.883	1,133	Free from multicollinearity
Compensation (X_2)	0.883	1,133	Free from multicollinearity

Source: SPSS version 26

The tolerance value of both variables is > 0.10 and VIF < 10.00 so there is no multicollinearity problem.

Heteroscedasticity Test. The scatterplot graph shows data spread above and below the number 0 on the Y-axis without any particular pattern, indicating no heteroscedasticity.

4.1.1 Main Analytical Results

Table 5. Results of Multiple Linear Regression Analysis

Model	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
(Constant)	4,229	1,794		2,358	0.024
Leadership Style (X_1)	0.330	0.084	0.560	3,939	0,000
Compensation (X_2)	0.088	0.084	0.149	1,051	0.301

Dependent Variable: Performance.

Source: SPSS version 26

Based on Table 5, the multiple linear regression equation formed is:

$$Y=4.229+0.330X1 + 0.088X2$$

Equation (1) shows a constant of 4.229, meaning that if X_1 and X_2 do not exist, performance is valued at 4.229. The coefficient of 0.330 for X_1 indicates that every one-unit increase in leadership style will increase performance by 0.330, assuming other variables are constant. The coefficient of 0.088 for X_2 indicates that every one-unit increase in compensation will increase performance by 0.088.

4.1.2 Hypothesis Testing Results / Key Findings

a. F Test (Simultaneous).

Table 6. F Test Results (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	16,880	2	8,440	11,020	0,000
Residual	26,039	34	0.766		
Total	42,919	36			

Source: SPSS version 26

The calculated F value is 11.020 > F table 3.276 with a significance of 0.000 < 0.05, so **H_3 is accepted**. Leadership style and compensation simultaneously have a significant effect on employee

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performance.

t-Test (Partial). Based on Table 5:

1. Hypothesis 1 ($X_1 \rightarrow Y$): t count 3.939 > t table 2.032 with Sig. 0.000 < 0.05, then H_1 is accepted. Leadership style has a positive and significant effect on employee performance.
2. Hypothesis 2 ($X_2 \rightarrow Y$): t count 1.051 < t table 2.032 with Sig. 0.301 > 0.05, then H_2 is rejected. Compensation does not have a significant effect on employee performance.

b. Coefficient of Determination Test.

Table 7. Model Summary Coefficient of Determination

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.627	0.393	0.358	0.87513

Source: SPSS version 26

The Adjusted R Square value of 0.358 means that 35.8% of the variation in employee performance can be explained by leadership style and compensation. The remaining 64.2% is explained by other variables not examined in this study.

4.2. Research Discussion

4.2.1 Interpretation of Key Findings

a. The Influence of Leadership Style on Employee Performance.

The t-test results show that leadership style has a positive and significant influence on employee performance (t = 3.939; Sig. = 0.000). This finding is consistent with Nurmeisya and Prayekti (2023) and (Aritonang & Hutauruk, 2024). The results of interviews with Director Mr. Agung Kintoko confirmed that direct supervision during working hours is a leadership character applied. This practice creates work discipline as a concept Dewi Nuning and Wibowo (2020) that work discipline is a medium for leaders to communicate with employees to change behavioral patterns and increase awareness of complying with rules.

The standardization coefficient value of Beta leadership style of 0.560 is also greater than Beta compensation (0.149), which confirms that leadership style is a more dominant variable in explaining employee performance at CV Synergi than financial compensation.

b. The Effect of Compensation on Employee Performance.

The t-test results show that compensation does not have a significant partial effect on employee performance (t = 1.051; Sig. = 0.301). This finding contrasts with Hillberg Jarl (2024) who found compensation to have a significant effect. However, this finding can be explained through interviews with several CV Synergi employees who admitted to working more to meet their daily needs, so that financial compensation alone is not the main motivator for improving their performance. Employees perceive salaries as sufficient to survive, but performance motivation is more influenced by leadership direction and supervision (Wibowo et al., 2025). This phenomenon also indicates the potential role of non-financial compensation (recognition, career development opportunities, work environment) that has not been measured in this study.

c. The Simultaneous Influence of Leadership Style and Compensation.

The F-test shows that both independent variables jointly have a significant effect on performance (F = 11.020; Sig. = 0.000). This finding is in line with on employees of PT Iskandar Indah Printing Textile Surakarta. This means that companies cannot ignore either of the two variables: leadership style and compensation must be managed in an integrated manner. Although compensation is not partially significant, its presence still contributes together with leadership style (Arina et al., 2023).

The coefficient of determination, Adjusted R^2 = 0.358 (35.8%), indicates that there are still 64.2% of other factors that influence the performance of CV Synergi employees, such as motivation, organizational culture, job satisfaction, and personal factors which are opportunities for further research.

4.2.2. Comparison with Previous Studies

The findings regarding leadership style are consistent with previous studies by Nurmeisya and Prayekti (2023) and Aritonang and Hutauruk (2024), which support the importance of leadership in influencing employee performance. The present

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study reinforces this evidence by demonstrating that direct supervision and leadership direction are relevant practices in the context of CV Synergi. The interview findings provide contextual insight into how leadership style can be translated into employee discipline and compliance with organizational rules, complementing the statistical evidence.

In contrast, the finding that compensation does not have a significant partial effect differs from the results reported by Hillberg Jarl (2024), who found a significant effect of compensation on employee performance. This difference suggests that the relationship between compensation and performance may depend on the organizational context and employees' perceptions of their financial rewards. At CV Synergi, employee interviews indicate that salaries are primarily perceived as a means of meeting daily needs, while leadership direction and supervision appear to play a more prominent motivational role. This interpretation is consistent with Wibowo et al. (2025), which supports the relevance of leadership-related factors in understanding employee motivation and performance.

Regarding the simultaneous influence of leadership style and compensation, the findings are in line with employees of PT Iskandar Indah Printing Textile Surakarta. The results also support the perspective of (Arina et al., 2023) that factors influencing employee performance should be considered collectively rather than exclusively in isolation. By presenting evidence from CV Synergi, this study contributes additional contextual understanding of the relative importance of leadership style and compensation in explaining employee performance.

4.2.3. Theoretical Contributions

This study contributes to the understanding of employee performance by demonstrating the importance of leadership style relative to financial compensation in the organizational context of CV Synergi. The significant positive effect of leadership style supports the view that leadership practices, particularly direct supervision and clear direction, can encourage work discipline and improve employee performance. This finding is consistent with the concept of Dewi Nuning and Wibowo (2020), which positions work discipline as a mechanism through which leaders influence employee behavior and compliance with organizational rules.

The insignificant partial effect of compensation provides a complementary theoretical insight by indicating that financial rewards may not consistently function as an independent predictor of employee performance across different organizational contexts. The interview findings suggest that employees' perceptions of compensation adequacy and their responses to leadership practices may be relevant to understanding this relationship. However, because non-financial compensation was not measured, its potential contribution should be considered an avenue for further investigation rather than an established explanation.

Furthermore, the significant simultaneous effect of leadership style and compensation suggests that employee performance is better understood by considering multiple organizational factors together. Nevertheless, the Adjusted R^2 value of 0.358 indicates that the explanatory contribution of the model is limited to 35.8% of the observed variation in performance. Consequently, the findings support the relevance of leadership style and compensation while also highlighting the need to consider additional theoretical determinants of employee performance.

4.2.4. Practical and Policy Implications

The findings have several practical implications for CV Synergi's management. First, because leadership style has a positive and significant effect on employee performance and a greater standardized Beta coefficient than compensation, management should prioritize effective leadership practices. These practices may include consistent supervision during working hours, clear communication of work expectations, constructive feedback, and fair enforcement of organizational rules. Such measures are consistent with the interview findings concerning direct supervision and the importance of work discipline.

Second, although compensation does not have a significant partial effect, management should continue to maintain a fair and transparent compensation system. The results do not imply that compensation is unimportant; rather, they indicate that compensation alone was not a statistically significant predictor of employee performance in this study. Management could complement financial

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rewards with appropriate recognition, opportunities for career development, and improvements in the work environment. These initiatives should be evaluated to determine whether they address employee needs and support performance improvement.

Third, the significant simultaneous effect of leadership style and compensation indicates that management should consider both factors in an integrated human resource management strategy. Leadership development should be accompanied by periodic evaluations of compensation policies and employee perceptions. Finally, because the model explains 35.8% of the variation in employee performance, management should also consider other potential determinants, including employee motivation, organizational culture, job satisfaction, and personal factors, when designing performance improvement initiatives.

4.2.5. Integration with the Research Gap

This study addresses the need to understand how leadership style and compensation relate to employee performance within the specific organizational context of CV Synergi. By examining both variables individually and simultaneously, the research provides evidence of their respective and combined contributions to employee performance. The findings demonstrate that leadership style has a positive and significant partial effect, whereas compensation does not have a significant partial effect. Nevertheless, both variables jointly have a significant effect on performance.

The comparison between these findings and previous research, particularly the differences from Hillberg Jarl (2024) regarding compensation, highlights the importance of examining organizational context when interpreting the relationship between compensation and employee performance. The interview findings further enrich the statistical results by illustrating the role of direct supervision and employees' perceptions of financial compensation. In this way, the study provides contextual evidence that complements the findings of Nurmeisya and Prayekti (2023), (Aritonang & Hutauruk, 2024), Yudhi Bayu Aji (2017), and (Arina et al., 2023). Its contribution lies in clarifying the relative importance of leadership style and compensation at CV Synergi while identifying additional factors that warrant further empirical investigation.

4.2.6. Acknowledgement of Study Limitations

Several limitations should be considered when interpreting the findings. First, the research focuses on CV Synergi, meaning that the results may reflect the company's particular organizational conditions and may not be directly generalizable to other organizations with different workforce characteristics, leadership practices, or compensation systems. Second, the Adjusted R^2 value of 0.358 indicates that leadership style and compensation explain only 35.8% of the variation in employee performance. Other potential determinants, such as motivation, organizational culture, job satisfaction, and personal factors, remain outside the explanatory scope of the model.

Third, the insignificant partial effect of compensation should be interpreted within the boundaries of the variables examined in this study. Because non-financial compensation, including recognition, career development opportunities, and work environment, was not measured, the findings cannot establish whether these factors influence employee performance. Finally, the interview findings provide contextual explanations of employees' experiences and perceptions, but they do not independently establish causal relationships. Future research could examine additional performance determinants, distinguish between financial and non-financial compensation, and investigate other organizational contexts to determine whether the relationships identified in this study remain consistent across different settings.

5. Conclusion

5.1. Summary of Key Findings

Based on the results of the analysis and discussion, three conclusions can be drawn according to the problem formulation. First, leadership style (X_1) has a positive and significant effect on employee performance at CV Synergi, with a calculated t value of 3.939 > t table 2.032 and Sig. 0.000 < 0.05. The first hypothesis is accepted. Second, compensation (X_2) has a positive but insignificant effect on employee performance, with a calculated t value of 1.051 < t table 2.032 and Sig. 0.301 > 0.05. The second hypothesis is rejected. Third, simultaneously, leadership style and compensation have a significant effect on employee

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performance with a calculated F value of 11.020 > F table 3.276 and Sig. 0.000 < 0.05, with a coefficient of determination of 35.8%. The third hypothesis is accepted. The main conclusion of this study is that leadership style is the dominant variable that influences the performance of CV Synergi Tuban employees, while financial compensation alone is not sufficient to provide a significant partial influence.

5.2. Theoretical Contributions

The results of this study have several important practical implications for human resource management, particularly at CV Sinergy. These implications are expected to help the company improve employee performance through improvements in leadership styles and compensation policies. The results show that leadership style has a significant impact on employee performance. Managers at CV Sinergy can improve their supervision during working hours, as has been done by Mr. Agung Kintoko, Director of CV Sinergy. This creates a more disciplined and productive work environment.

5.3. Practical and Policy Implications

Although research shows that compensation doesn't significantly impact employee performance, this doesn't mean it's unimportant. Management should evaluate the existing compensation system to ensure that employees feel adequately rewarded financially.

5.4. Future Research Directions

Based on the results and limitations, several suggestions are proposed. For CV Synergi: (a) Management needs to strengthen leadership style through supervision, communication, and motivation training programs; (b) Adopt a more participatory leadership style by involving employees in decision-making; (c) Although financial compensation is not significantly, the compensation system still needs to be evaluated so that employees feel fairly valued; (d) Develop non-financial compensation in the form of recognition, awards, and career development opportunities; (e) Implement a performance-based incentive program to strengthen employee motivation; (f) Conduct periodic performance appraisals with constructive feedback.

For further research: (a) Expand the sample by involving several similar contractor companies to increase generalizability; (b) Add other independent variables such as motivation, organizational culture, job satisfaction, and work environment; (c) Combine questionnaires with in-depth interviews and actual performance observations to reduce bias; (d) Use a longitudinal approach to capture the dynamics of change; (e) Apply more complex analysis methods such as SEM-PLS to test indirect relationships and mediation/moderation effects.

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