

## **The Influence Of Leadership And Work Quality On Employee Performance With Employee Retention As An Intervening At ASN TK III Army Hospital dr. Reksodiwiryo Padang**

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### **Abstract**

This study was conducted to see the influence of leadership and work quality on employee performance with employee retention as an intervention at Asn Hospital Tentara Tk III Dr. Reksodiwiryo Padang with this study researchers conducted this research on Jl. dr. Wahidin No.1, Ganting Parak Gadang, District Padang Timur Kota Padang, West Sumatra 25132. This study uses a type of quantitative research, and uses primary data sources, the population of this study is 75 employees and the sample used is all population so that it uses saturated sample techniques for research, data collection using questionnaire distribution methods and using path analysis models as research models and using Smart PLS version 3 devices to calculate research results. The results of this study are as follows: Leadership has a positive and insignificant effect on employee performance with an original sample value of 0.059 and p values of 0.725. Work Quality has a positive and insignificant effect on Employee Retention with an original sample value of 0.123 with a p value of 0.538. Work Quality has a positive and insignificant effect on employee performance with an original sample value of 0.126 and p values of 0.289. Employee retention has a positive and significant effect on Employee Performance with a value of 0.783 and p values of 0.000. Leadership has a positive and significant effect on Employee Retention with an original sample value of 0.841 and a p value of 0.000. Leadership influences Employee Performance through Employee Retention positively and significantly with original sample values of 0.658 and p values of 0.000. Work Quality has an indirect effect on Employee Performance through Employee Retention in a positive insignificant manner with an original sample value of 0.096 and p values of 0.540.

### **Keywords:**

Leadership, Work Quality, Employee Retention, Employee Performance

## **1. Background**

Human Resources (HR) is the most important asset in developing and maintaining the survival of an organization. One of the keys to successful achievement of organizational goals is employee performance. An organization must be able to display the best performance in order to compete in

the business world. Human resources are the key to the success of a hospital, because a hospital is a form of organization that functions as an institution engaged in health services to serve the community. Therefore it is very important to create an atmosphere that supports human resource activities while working so that the level of errors in nurses (medical error) can be kept as small as possible.

A hospital is a place to provide health services to the community. According to the Decree of the Minister of Health of the Republic of Indonesia Number 340 / MENKES / PER / III / 2010 said that a hospital is a health service institution that provides plenary individual health services that provide inpatient, outpatient and emergency services. One of the functions of the hospital is to provide nursing services and care aimed at maintaining public health as optimally as possible. In the face of today's fierce competition, hospitals must have qualified human resources. Human resources in organizations are aspects that greatly determine the effectiveness of an organization.

Leadership is a new interdisciplinary field, although since the 1960s Douglas McGregor's theory has emerged in his book *"The human side of Enterprise"* who writes about behavioral theory in HR management. Over the past century, few leadership-related articles have been published and few have focused on the goals and benefits of leadership development. Leadership development programs (*Leadership Development Programs*) became something much discussed in the last two decades in response to the urgent need to prepare leaders, both in the public and business sectors who are competent to face challenges and conditions of uncertainty. However, it turns out that only a few focus on evaluating the program ((Ely, K., Boyce, L. A., Nelson, J. K., Zaccaro, S. J., Hernez-Broome, G., & Whyman 2010).

Work quality is a result that can be measured by the effectiveness and efficiency of a job carried out by human resources or other resources in achieving company goals or objectives properly and efficiently. This is what causes one company with another company to compete in terms of improving quality, both the quality of improving human resources and product quality. Increasing human resources is an activity carried out together with employees and managers with the aim of finding added value so that the company can face competitive challenges. Employee retention serves to retain the best employees that every company has, when employees decide to stay in a company the main reason they have is to feel happy in the company. Efforts that must be made to maintain the retention level in the company are support from superiors, in addition to superiors who provide support, colleagues also have a good impact when in a company between colleagues support each other, the development of creativity of each employee and empower employee psychology (Malik, F., Akhtar, S., & Ghafoor 2018)

In facing competition in the global era, companies are required to work more efficiently and effectively. Increasingly fierce competition causes companies to be required to be able to increase competitiveness in order to maintain the survival of the company. The company is one of the organizations that gathers people commonly referred to as employees or employees to carry out the company's production household activities. Almost all companies have the goal of maximizing profits and value for the company, and also to improve the welfare of owners and employees. Employees or employees are the most important element in determining the back and forth of a company. To achieve company goals, employees who are in accordance with the requirements in the company are needed, and must also be able to carry out the tasks that have been determined by the company. Every

company will always strive to improve the performance of its employees, with the hope that what is the company's goal will be achieved.

The phenomenon that occurs at the Tk III dr Reksodiwiryo Padang Army Hospital is the lack of decisiveness of the leader in managing employees so that employees behave less well in the organization, and the performance of employees is also still not good in doing their work so that the community complains about the services provided by the organization but the organization cannot just dismiss without a procedure so that the organization must report on work Employees who are not good can only fire, if there are employees who make fatal mistakes then they can fire, but there are still some employees who are retained even though they have done wrong, usually there are still family relationships and there are still many reasons that can make the employee retained.

To strengthen that the problems that occur according to the title of the study and the phenomenon of this pre-survey which will be evidence of the title of the study, the following are answers from respondents with pre-survey questionnaires on Leadership, Work Quality, Employee Retention and Employee Performance at ASN Army Hospital Tk III Dr. Reksodiwiryo Padang. Of the 75 respondents, 30 respondents will be used for pre-survey to strengthen the phenomenon

**Table 1 Pre-Survey Related to Employee Performance (Y)**

No	Related Statements Performance	Yes	Percentage	Not	Percentage
1	The number of employees is very sufficient for the organization	30	100%	0	0%
2	The quality of work of employees is very good.	13	43,3%	17	56,7%
3	Employees are very efficient at work.	10	33,3%	20	66,7%

From the results of the respondents' answers above, it shows that the number of employees in the organization is sufficient but the quality of work is still not good and not efficient at work.

**Table 2 Pre-Survey Related to Employee Retention (Z)**

No	Related Statements Performance	Yes	Percentage	Not	Percentage
1	Good values and culture in the organization	30	100%	0	0%
2	Always conduct training for employees on an ongoing basis.	0	0%	30	100%
3	Awards for employees vary with different work results.	15	50%	15	50%

From the results of the respondents' answers above, it shows the value of work and culture in the organization is still good for employees, training is not done every day but only occasionally, the awards given are different in each job done if successful.

**Table 3 Pre-Survey Related to Leadership (X1)**

No	Related Statements Performance	Yes	Percentage	Not	Percentage
1	Ability to respect the rights and obligations of each employee.	12	40%	18	60%
2	Warm communication between leaders and employees.	10	33,3%	20	66,7%
3	The simplicity of the socializable work plan.	15	50%	15	50%

The results of respondents' answers in the pre-survey did not have many employees who respected between employees, thus disrupting communication at work and there were still many who did not agree with the plan given.

**Table 4 Pre-Survey Related to Leadership (X1)**

No	Related Statements Performance	Yes	Percentage	Not	Percentage
1	Employees have good potential at work.	15	50%	15	50%
2	The work of employees is very optimal and good.	14	46,7%	16	53,3%
3	The work process carried out is very good and structured.	17	56,7%	13	43,3%

The results of respondents' answers show the potential of employees to have equal abilities but there are still work results that are not optimal so that the work process is disrupted and unstructured.

### **Identify the Problem**

1. The quality of Human Resources partially decreases and works poorly so that it hampers some work and is less competent.
2. Some health workers, both nurses and doctors, are still enthusiastic about working and some are not excited, this is because there are employees forcing themselves to work even though they are still sick, some are before work, taking care of the house and their husbands.
3. Promotion is a sure thing in the organization, but there are still many employees who buy positions with money and not with selection and skills that they have, this happens in a small part, most of

the promotions are carried out because of the length of time employees work and there are also relatives, friends.

## **Problem Statement**

The problem statement is a short writing that contains questions about the topic raised by the author. So, the problem statement contains questions that the author wants to answer through his scientific papers. The formulation of the problem that occurred in this study is as follows:

1. Does Leadership affect Employee Retention at Tk III dr Reksodiwiryo Padang Army Hospital?
2. Does Work Quality affect Employee Retention at Tk III dr Reksodiwiryo Padang Army Hospital?
3. Does Leadership affect Employee Performance at Tk III dr Reksodiwiryo Padang Army Hospital?
4. Does Work Quality affect Employee Performance at Tk III dr Reksodiwiryo Padang Army Hospital?
5. Does Employee Retention affect Employee Performance at Tk III dr Reksodiwiryo Padang Army Hospital?
6. Does Leadership affect Employee Performance through Retention at Tk III dr Reksodiwiryo Padang Army Hospital?
7. Does Work Quality affect Employee Performance through Employee Retention at Tk III dr Reksodiwiryo Padang Army Hospital?

## **Employee Performance**

### **Understanding Employee Performance**

According to (Nurjaya 2021) states that performance is the degree of achievement of results on the performance of a particular task. Company performance is the level of achievement of results in order to realize company goals. (Princess 2020) states that performance is the results of a person's or group's job function in an organization over a period of time that reflects how well that person or group meets the requirements of a job in an effort to achieve organizational goals.

### **Employee Performance Indicators**

According to Nurjaya (2021) stated that the indicators that can measure employee performance are as follows:

1. The quantity of work, namely all kinds of forms of the number of workers carried out can be seen from the results of employee performance within a certain time in completing their duties and responsibilities within the specified time.
2. Quality of work, namely all kinds of units of measure related to the quality or quality of work that can be expressed in number sizes or other numerical equivalents.
3. Efficiency, that is, in carrying out the tasks of various resources wisely and in a cost-effective manner.
4. Work discipline, namely obedience to applicable laws and regulations.
5. Initiative, which is the ability to decide and do something right without having to be told, being able to find what should be done with something around, trying to keep moving to do some things even though things get more difficult.
6. Accuracy, namely the level of suitability of the results of work measurements whether the work has achieved its objectives or not.

7. Leadership, which is the process of influencing or setting an example by the leader to his followers in an effort to achieve organizational goals.
8. Honesty, which is one of the human traits that is quite difficult to apply.
9. Creativity, which is a mental process that involves the generation of ideas or that involves the generation of ideas.

## **Employee Retention**

### **Definition of Employee Retention**

Employee Retention according to (Mathis, R. L. Jackson 2016) is the ability that the company has to retain potential employees that the company has to remain loyal to the company. According to (Ragupathi. 2013) Understanding employee retention is one of the techniques used by management to make employees stay in an organization for a long period of time.

### **Employee Retention Indicators**

According to Mathis & Jackson (2016) said there are 5 indicators of employee retention, including:

- a. Organizational Component
  1. Values and Culture
  2. Strategies and Opportunities
  3. Well managed and results-oriented.
  4. Work continuity and security
- b. Organizational Career Opportunities
  1. Training continuity
  2. Development and guidance
  3. Career Planning
- c. Awards
  1. Competitive salary and benefits
  2. Performance award differences
  3. Acknowledgment
  4. Special perks and bonuses
- d. Design of Tasks and Work
  1. Work responsibility and autonomy
  2. Work flexibility
  3. Working conditions
  4. Work/life balance
- e. Employee Relations
  1. Fair/non-discriminatory treatment
  2. Support from supervisors/management
  3. Relationship of colleagues

## **Leadership**

### **Definition of Leadership**

According to (Busro 2018) states that: "Leadership is the ability of a person to influence others to work together according to a plan for the achievement of a predetermined goal. Effective leaders can influence their followers to have greater optimism, confidence, and commitment to the goals of the organization." (Cepi Priatna 2015) argues: "Leadership is the piecemeal increase of influence over mechanical adherence to routine organizational directives"

### **Leadership Indicators**

The three dimensions and indicators of leadership according to Busro (2018) are as follows:

1. The relationship between leaders and subordinates
  - a. Ability to respect the rights and obligations of each employee.
  - b. Warm communication between leaders and employees.
  - c. Help solve employee problems.
  - d. Appreciate the work of subordinates.
  - e. Be objective to subordinates.
2. Task structure
  - a. The simplicity of the socializable work plan.
  - b. Realization of the work plan.
  - c. Clarity of responsibility for work.
3. Power
  - a. The ability to command subordinates.
  - b. Decisiveness in making decisions.
  - c. Develop the quality of subordinates.

### **Quality of Work**

#### **Understanding Work Quality**

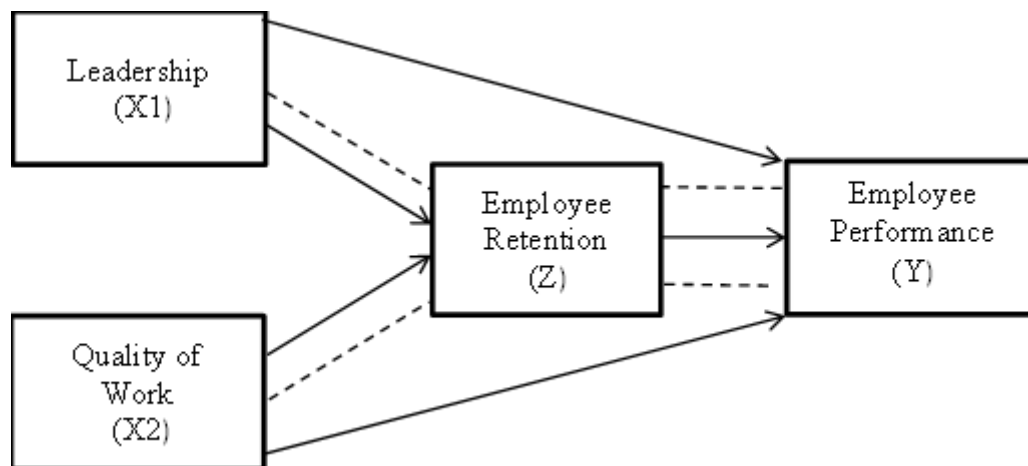
According to (Hasibuan 2019) that work quality is a physical standard that is measured because of the results of work performed or carried out by employees against their duties. While according to Marcana in (Rao 2013) Mention that quality work is a form of behavior or activities that are carried out in accordance with expectations and needs or goals that are achieved effectively and efficiently.

### **Work Quality Indicators**

According to Hasibuan (2019) indicators of work quality as beikut:

1. Self-potential, related to aspects of abilities, strengths, both unrealized and realized that a person has, but has not been fully seen to the maximum.
2. Optimal Work Results, are the results that an employee is required to have, must be able to provide the best work results that can be seen from the productivity of the organization, quality and quantity of work.
3. Work Process, which is the most important stage where employees carry out their duties and roles through this work process

### **Conceptual Framework**



**Figure.1 Conceptual Framework**

## Hypothesis

The hypothesis of this study is as follows:

1. Leadership has a positive and significant effect on Employee Retention at the Tk III dr Reksodiwiryono Padang Army Hospital.
2. Work Quality has a positive and significant effect on Employee Retention at Tk III dr Reksodiwiryono Padang Army Hospital.
3. Leadership has a positive and significant effect on Employee Performance at the Tk III dr Reksodiwiryono Padang Army Hospital.
4. Work Quality has a positive and significant effect on Employee Performance at the Tk III dr Reksodiwiryono Padang Army Hospital.
5. Retention has a positive and significant effect on Employee Performance at the Tk III dr Reksodiwiryono Padang Army Hospital.
6. Leadership has a positive and significant effect on Employee Performance through Employee Retention at the Tk III dr Reksodiwiryono Padang Army Hospital.
7. Work Quality has a positive and significant effect on Employee Performance through Employee Retention at the Tk III dr Reksodiwiryono Padang Army Hospital.

## 2. Research Methods

### Research Approach

The type of research to be used is quantitative associative, which is research that aims to determine the relationship between two or more variables ((Sugiyono 2013) In this study, the exogenous variables are Leadership (X1) and Work Quality (X2). While the endogenous variables are Employee Performance (Y), Intervening Variables are Work Retention (Z), and the dotted line is Intervening.

This research was carried out at dr. Reksodiwiryono Padang Jl. dr. Wahidin No.1, Ganting Parak Gadang, East Padang District, Padang City, West Sumatra 25132.

The time of this research is carried out from December 2023 to February 2024 with details of the implementation of the research can be seen in the table below:

Population

According to Sugiyono (2018), population is a generalized area consisting of objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study was people who worked at dr. Reksodiwiryo Padang with 75 employees with the following details:

**Table 6 Number of Employees in Hospital dr. Reksodiwiryo**

No	Position	Number of employees
1	PPPK	25
2	ASN	50

The sample technique carried out is a saturated sampling technique. According to Sugiyono (2018). The saturated sampling technique is a sampling technique when all members of a population are used as samples. Therefore, the author chose a sample using a saturated sampling technique because the population is relatively small. The researcher will sample all populations.

### **Data Collection Techniques**

Based on the data source, the data used in this study is primary data, namely data sources that directly provide data to data collectors (Sugiyono, 2018). Meanwhile, in conducting data collection in this study using questionnaires / questionnaires, which are data collection techniques carried out by providing forms containing several questions in writing to respondents to get answers, responses and necessary information.

### **Data Analysis Techniques**

The data analysis technique used in this study is a quantitative data analysis method. Data analysis in this study used Structural Equation Modeling (SEM) based on Partial Least Square (PLS) using SmartPLS 3.3.3 software which was run with computer media. PLS is one of the methods of solving Structural Equation Modeling (SEM) that has advantages compared to other SEM techniques. SEM has a higher degree of flexibility in research that connects theory and data, and is able to perform path analysis with latent variables so it is often used by researchers who focus on social sciences. PLS is a structural persamaan (SEM) model based on components or variants.

According to (Gozali, 2014) Partial Least Square (PLS) is a fairly powerful analysis method because it is not based on many assumptions. The data also do not have to be normally multivariate distributed (indicators with scales of categories, ordinals, intervals to ratios can be used in the same model), the sample does not have to be large. Partial Least Square (PLS) can not only confirm the theory, but also to explain the presence or absence of relationships between latent variables. In prediction-based research, PLS is better suited for analyzing data. While according to (Ghozali, I. Latan 2012), PLS is an alternative approach that shifts from a covariance-based SEM approach to a variant-based one. Covariance-based SEMs generally test causality or theory, whereas PLS is more predictive models. However, the difference between SEM-based covariance based and component-based PLS is in the use of structural equation models to test theories or theory development for prediction purposes.

### **Measurement Model (Outer Model)**

The procedure in measurement model testing consists of validity tests and reliability tests.

#### **1. Test Validity**

The validity test is used to assess the validity or absence of a questionnaire. A questionnaire is said to be valid if the questionnaire questions are able to reveal something measured by the questionnaire. Validity testing is applied to all question items in each variable. There are several stages of testing that will be carried out, namely through convergent validity and discriminant validity tests.

##### **a. Convergent Validity**

At this stage, it will be seen how much correlation between the indicator and its latent construct. So that it produces the loading factor value. The loading factor value is said to be high if the component or indicator correlates more than 0.70 with the construct to be measured. However, for early stage research of development, a loading factor of 0.5 to 0.6 is considered sufficient (Ghozali 2014). In addition, at this stage it is seen how much value each variable has. So as to produce the value of AVE (Average Variance Extracted). The AVE value is said to be high if it has a value of more than 0.5. If there is an AVE value of less than 0.5, then there is still an invalid indication. (Ghozali, 2014).

##### **b. Discriminant Validity**

This validity test describes whether two variables are sufficiently different from each other. The discriminant validity test can be fulfilled if the correlation value of the variable to the variable itself is greater when compared to the correlation value of all other variables. This value is called Fornell Lacker. In addition, another way to meet the diskiriminan validity test can be seen in the cross loading value (how much the correlation value between indicators that measure variables). The cross loading value can be accepted if the cross loading value of each variable statement item to the variable itself is greater than the correlation value of the statement item to another variable (Ghozali, 2014).

#### **2. Reliability Test**

In general, reliability is defined as a series of tests to assess the reliability of statement items. Reliability tests are used to measure the consistency of measuring instruments in measuring a concept or measure the consistency of respondents in answering statement items in questionnaires or research instruments. To measure the level of reliability of research variables in PLS, you can use the value of alpha coefficient or Cronbach's alpha and composite reliability). Cronbach's alpha value is recommended greater than 0.7 and composite reliability is also recommended greater than 0.7. ((Now 2014).

### **Structural Model (Inner Model)**

This test was conducted to determine the relationship between exogenous and endogenous constructs that have been hypothesized in this study (Hair et al 2017). To generate inner model testing values, steps in SmartPLS are performed by bootstrapping method. The structural model was evaluated using R-square for the dependent variable, Stone-Geisser Q-square test for predictive elevation and t test as well as the significance of the structural path parameter coefficients with the following explanation:

#### **1. Coefficient of Determination / R Square (R<sup>2</sup>)**

In assessing a model with PLS begins by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation on regression. Changes in R-square values can be used to assess the effect of certain independent latent variables on whether dependent latent variables have a substantive influence (Ghozali, 2012). R<sup>2</sup> values are generally between 0 and 1.

#### 2. Predictive Relevance (Q<sup>2</sup>)

This test is used to measure how well the observation value is produced by the model and also the estimation of its parameters. If the Q<sup>2</sup> value is greater than 0 indicates the model has predictive relevance which means it has a good observation value, while if the value is less than 0 it indicates the model does not have predictive relevance (Ghozali, 2014).

#### 3. t-Statistic

At this stage, it is used for hypothesis testing, namely to determine the significance of the relationship between variables in research using the bootstrapping method. In the full model of Structural Equation Modeling in addition to confirming the theory, it also explains the presence or absence of relationships between latent variables (Ghozali, 2012). The hypothesis is said to be accepted when the value of statistical t is greater than the table t. According to (Latan and Ghozali, 2014) the t-value criterion table 1.96 with a significance level of 5%

#### 4. Path Coefficient

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is expressed positive. Whereas if the value is 0 to -1, then the direction of the relationship between variables is declared negative.

#### 5. Model Fit

This test is used to determine the level of suitability (fit) of the research model with the ideal model for this study, by looking at the NFI value in the program. If the value is closer to 1, then the better (good fit).

### 3. RESULTS AND DISCUSSION

#### Outer Model Analysis

Details of the relationship between latent variables and manifest variables can be ascertained by using measurement model testing, also known as outer model testing. These tests have reliability, discriminant validity, and convergent validity.

##### 1. Convergent Validity

The loading factor indicates this test, the limit value. Average Variance.. Extracted, and the limit value is 0.7. (AVE) is set at 0.5; Values above this indicate validity. This indicates that if the indicator value > 0.7 is able to explain the construct variable, then the indicator value is considered valid. The structural model of the study is depicted in the following figure:

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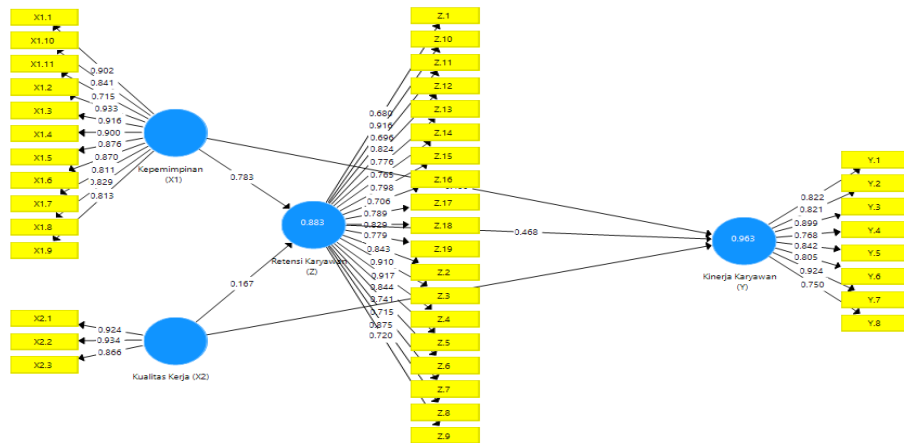


Figure 2 : Outer Model

Source: Smart PLS 3.3.3

The Smart PLS output for loading factor gives the following table results: Outer Loadings In this study there is an equation and the equation consists of two substructures for substructure 1

$$Z = b_1X_1 + b_2X_2 + e_1$$

$$Z = 0.783X_1 + 0.167X_2 + e_1$$

For substructure 2

$$Y = b_3X_1 + b_4X_2 + b_5Z + e_2$$

$$Y = 0.499X_1 + 0.033X_2 + 0.468Z + e_2$$

Table 7: Outer Loadings Stage 1

	Leadership (X1)	Employee Performance (Y)	Quality of Work (X2)	Employee Retention (Z)
X1.1	0,902			
X1.10	0,933			
X1.11	0,917			
X1.2	0,900			
X1.3	0,876			
X1.4	0,870			
X1.5	0,811			
X1.6	0,829			
X1.7	0,813			
X1.8	0,841			
X1.9	0,713			
X2.1			0,925	
X2.2			0,934	
X2.3			0,864	
Y.1		0,694		
Y.2		0,854		
Y.3		0,936		

Y.4		0,949		
Y.5		0,817		
Y.6		0,763		
Y.7		0,757		
Y.8		0,887		
Z.1				0,738
Z.10				0,887
Z.11				0,736
Z.12				0,827
Z.13				0,767
Z.14				0,772
Z.15				0,799
Z.16				0,707
Z.17				0,791
Z.18				0,831
Z.19				0,773
Z.2				0,816
Z.3				0,791
Z.4				0,884
Z.5				0,776
Z.6				0,829
Z.7				0,797
Z.8				0,913
Z.9				0,727

Source: Smart PLS 3.3.3

In the table above there is a value of each variable stated that the indicator in each variable is higher than 0.7 which means that each indicator item has a value higher than 0.7 so that the data is declared valid and can continue further research, but in the table above there are indicator items whose value is less than 0.7, namely the indicator in variable Y, namely Y.1, therefore it will recalculate without the Y.1 indicator.

**Table 8: Outer Loadings Stage 2**

	Leadership (X1)	Employee Performance (Y)	Quality of Work (X2)	Employee Retention (Z)
X1.1	0,902			
X1.10	0,933			
X1.11	0,917			
X1.2	0,900			
X1.3	0,876			
X1.4	0,871			
X1.5	0,811			

X1.6	0,829			
X1.7	0,813			
X1.8	0,840			
X1.9	0,713			
X2.1			0,925	
X2.2			0,934	
X2.3			0,865	
Y.2		0,863		
Y.3		0,939		
Y.4		0,949		
Y.5		0,804		
Y.6		0,771		
Y.7		0,772		
Y.8		0,892		
Z.1				0,738
Z.10				0,887
Z.11				0,736
Z.12				0,826
Z.13				0,767
Z.14				0,772
Z.15				0,798
Z.16				0,707
Z.17				0,791
Z.18				0,830
Z.19				0,774
Z.2				0,816
Z.3				0,792
Z.4				0,884
Z.5				0,776
Z.6				0,829
Z.7				0,797
Z.8				0,913
Z.9				0,727

After recalculating without the Y.1 indicator, it can be seen that all the values of loading factor items have values greater than 0.7 so that it can be interpreted that this study is valid so that further research will be carried out.

## **2.Discriminating Validity**

To ensure the results of indicators are strongly related to constructs, further research will use discriminatory validity to produce valid data. Specifically, the goal is to ascertain whether the cross

loading value is greater than other latent variables. The cross loading findings of the validity test are shown in the following table:

**Table 9: Discriminant Validity**

	Leadership (X1)	Employee Performance (Y)	Quality of Work (X2)	Employee Retention (Z)
X1.1	0,902	0,836	0,783	0,844
X1.10	<b>0,933</b>	0,892	0,832	0,869
X1.11	0,917	0,896	0,864	0,906
X1.2	0,900	0,788	0,863	0,825
X1.3	0,876	0,778	0,848	0,789
X1.4	0,871	0,774	0,855	0,797
X1.5	0,811	0,796	0,793	0,847
X1.6	0,829	0,817	0,779	0,842
X1.7	0,813	0,740	0,721	0,767
X1.8	0,840	0,738	0,746	0,801
X1.9	0,713	0,603	0,621	0,685
X2.1	0,864	0,876	0,925	0,849
X2.2	0,860	0,803	<b>0,934</b>	0,834
X2.3	0,798	0,730	0,865	0,771
Y.2	0,795	0,863	0,742	0,842
Y.3	0,850	0,939	0,846	0,877
Y.4	0,878	<b>0,949</b>	0,856	0,881
Y.5	0,764	0,804	0,692	0,832
Y.6	0,721	0,771	0,690	0,733
Y.7	0,684	0,772	0,705	0,695
Y.8	0,837	0,892	0,784	0,845
Z.1	0,762	0,679	0,698	0,738
Z.10	0,873	0,927	0,833	0,887
Z.11	0,710	0,661	0,710	0,736
Z.12	0,736	0,763	0,644	0,826
Z.13	0,736	0,758	0,786	0,767
Z.14	0,691	0,732	0,677	0,772
Z.15	0,685	0,708	0,626	0,798
Z.16	0,646	0,623	0,600	0,707
Z.17	0,713	0,715	0,635	0,791
Z.18	0,732	0,745	0,655	0,830
Z.19	0,744	0,792	0,729	0,774
Z.2	0,781	0,734	0,773	0,816

<b>Z.3</b>	0,848	0,781	0,842	0,792
<b>Z.4</b>	0,898	0,838	0,828	0,884
<b>Z.5</b>	0,703	0,714	0,635	0,776
<b>Z.6</b>	0,780	0,862	0,744	0,829
<b>Z.7</b>	0,754	0,796	0,735	0,797
<b>Z.8</b>	0,929	0,914	0,813	<b>0,913</b>
<b>Z.9</b>	0,706	0,643	0,672	0,727

In the table above there is a cross loading factor for leadership variables there is a cross loading factor value that is greater than other cross loading variables, Cross loading factor employee performance variables show a value whose loading factor results are greater than other cross loading factor values, cross loading factor values for work quality variables there are results greater than the value of cross loading factor against cross loading factor values on other variables, For cross loading factor employee retention there is a value greater than the value of cross loading factor in other variables. This means that this study is discriminantly valid.

### **3. Composite reliability**

Each variable in the composite reliability study is compared to its reliability value; if the value of the variable is higher than 0.60 then the study is considered reliable; If it is between 0.60 and 0.7, then it is not. The table below shows some of the blocks used to assess the validity and reliability of the study, including AVE, Composite Reliability, and Coranbach alpha values:

**Table 10: Construct Reliability and Validity**

	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>	<b>Average Extracted Variance (AVE)</b>
<b>Leadership (X1)</b>	<b>0,963</b>	<b>0,968</b>	<b>0,735</b>
<b>Employee Performance (Y)</b>	<b>0,939</b>	<b>0,951</b>	<b>0,737</b>
<b>Quality of Work (X2)</b>	<b>0,893</b>	<b>0,934</b>	<b>0,825</b>
<b>Employee Retention (Z)</b>	<b>0,968</b>	<b>0,971</b>	<b>0,640</b>

Each variable in the table above has a value better than 0.7 in the Cronbach alpha column which indicates that the variable's reliability data is consistent. Because the data is more than 0.6, it can be explained that each variable is considered reliable in the Composite Reliability column whose value is greater than 0.6. Each variable in the AVE column has a value greater than 0.7, indicating that the data is valid according to the AVE standard. Because all variables in the reliability, AVE, and Cronbach alpha columns have values greater than 0.7 and 0.6, respectively, they are considered valid and reliable.

### **Inner Model Analysis**

Evaluation of the structural model (inner model) is carried out to ensure that the basic model made is strong and appropriate. The stages of examination carried out in the primary model assessment are seen from several markers, namely:

### 1.Coefficient of Determination (R<sup>2</sup>)

By using the SmartPLS 3.0 application to process the data, here's how to determine the value of R Square:

**Table 11 : R Square Results**

	R Square	Adjusted R Square
<b>Employee Performance (Y)</b>	0,912	0,909
<b>Employee Retention (Z)</b>	0,914	0,911

In the table above, there is an R square value of employee performance of 0.912 with a percentage of 91.2%, meaning that the influence of Leadership, Work Quality, and Employee Retention is 91.2%, the rest is on other variables. The R square value of the employee retention variable with an r square value of 0.914 and if it is at a percentage of 91.4%, it means that the influence of Leadership and Work Quality is 91.4%, the rest is on other variables.

### 3.Hypothesis Testing

After assessing the inner model, then here is to assess the connection between idle builds as alleged in this review. Speculative testing in this review was done by looking at T-Statistics and P-Values. Speculation was announced acknowledging whether the T-Insights value > 1.96 and the P-Values <0.05. Next are the consequences of the Road Coefficient of direct impact:

**Table 12: Path Coefficients (Direct Influence)**

	Original Sample (O)	T Statistics ( O/STDEV )	P Values
<b>Leadership (X1) -&gt; Employee Performance (Y)</b>	0,059	0,351	<b>0,725</b>
<b>Leadership (X1) -&gt; Employee Retention (Z)</b>	0,841	4,322	<b>0,000</b>
<b>Quality of Work (X2) -&gt; Employee Performance (Y)</b>	0,126	1,061	<b>0,289</b>
<b>Quality of Work (X2) -&gt; Employee Retention (Z)</b>	0,123	0,617	<b>0,538</b>
<b>Employee Retention (Z) -&gt; Employee Performance (Y)</b>	0,783	5,918	<b>0,000</b>

1. Leadership has a positive and insignificant effect on employee performance with an original sample value of 0.059 and p values of 0.725. Which means leadership does not really affect employee performance but in this study the hypothesis is not accepted so that it can be interpreted that this research can be of significant value in other studies, this study does not agree with the research of Muizu et al. (2017) shows that leadership has a positive and significant effect on employee performance where employee performance is influenced by leadership higher than other variables.

2. Leadership has a positive and significant effect on Employee Retention with an original sample value of 0.841 and p values of 0.000, meaning that in this study good leadership will increase employee retention of the organization if good leadership increases then employee retention will increase and if leadership decreases then employee retention decreases. This research is comparable to Oktavianti's (2019) research which shows that leadership style affects employee retention partially.
3. Work Quality has a positive and insignificant effect on employee performance with an original sample value of 0.126 and p values of 0.289 which means that this research is rejected, it can be interpreted in this study that work quality does not guarantee employee performance will be good and not necessarily employees whose work quality is not good do not have good performance there must be hardworking employees even though the quality of work is still not good. This research is not in line with the research presented by Siagian (2012) suggesting that work quality is a systematic effort in organizational life through a way where employees are given the opportunity to play a role in determining the way they work and the contributions they make to the organization in order to achieve its goals and various objectives.
4. Work Quality has a positive and insignificant effect on Employee Retention with an original sample value of 0.123 with a p value of 0.538 meaning that this study is rejected. If discussed in this study, it means that work quality is still able to increase employee work retention of the organization, but it is not significant so that it will be able to change, change the situation of work quality on employee retention, but this research is the first thing to do to determine the effect of work quality on employee retention, it turns out that the quality of employee retention will not affect if in Pair, but if other studies get significant results then this study can be rejected completely and make the other research a good study.
5. Employee retention has a positive and significant effect on Employee Performance with a value of 0.783 and p values of 0.000, meaning that if retention increases, employee performance will increase and vice versa, if employee retention decreases, employee performance also decreases. These results are in line with the results of research conducted by Al Kurdi et al., (2020) showing that talent management will result in consistent employee retention and consistent employee retention will result in optimal employee performance.

**Table 13: Path Coefficients (Indirect Influences)**

	<b>Original Sample (O)</b>	<b>T Statistics (  O/STDEV  )</b>	<b>P Values</b>
<b>Leadership (X1) -&gt; Employee Retention (Z) -&gt; Employee Performance (Y)</b>	0,658	3,642	<b>0,000</b>
<b>Quality of Work (X2) -&gt; Employee Retention (Z) -&gt; Employee Performance (Y)</b>	0,096	0,614	<b>0,540</b>

1. Leadership affects Employee Performance through Employee Retention positively and significantly with an original sample value of 0.658 and p values of 0.000, meaning that retention

is an intervening variable because it can affect leadership indirectly on employee performance, meaning that with good leadership, it indirectly makes employee retention increase and employee performance also increases significantly.

2. Work Quality has an indirect effect on Employee Performance through Employee Retention positively insignificant with an original sample value of 0.096 and p values of 0.540, meaning that this study shows that employee retention is not an intervening variable because it cannot affect work quality and employee performance.

#### **4. Conclusion**

The conclusions of this study are as follows:

1. Leadership has a positive and insignificant effect on employee performance with original sample values of 0.059 and p values of 0.725.
2. Work Quality has a positive and insignificant effect on Employee Retention with an original sample value of 0.123 with a p value of 0.538.
3. Work Quality has a positive and insignificant effect on employee performance with an original sample value of 0.126 and p values of 0.289.
4. Employee retention has a positive and significant effect on Employee Performance with a value of 0.783 and p values of 0.000.
5. Leadership has a positive and significant effect on Employee Retention with an original sample value of 0.841 and a p value of 0.000.
6. Leadership influences Employee Performance through Employee Retention positively and significantly with original sample values of 0.658 and p values of 0.000.
7. Work Quality has an indirect effect on Employee Performance through Employee Retention in a positive insignificant manner with an original sample value of 0.096 and p values of 0.540.

#### **5. Suggestion**

The suggestions from this study are as follows:

1. Theoretical Advice
  - a. Researchers realize that in this study both directly and added from references that support the research used by this researcher is still lacking. Therefore, for further researchers to multiply sources that support and are accurate in the study to develop further research.
  - b. For researchers to develop this research well and focus more on the title that is used as research material.
2. Practical Advice
  - a. For organizations, it can be a good leader for employees to create good work retention for employees and create work quality that increases to be better than before so that employee performance also increases.
  - b. For employees to be able to follow the leader's direction if the direction is correct and be able to argue and give opinions if the direction is not correct and improve performance and quality of work for the better so that employee retention will increase for employees.

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