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COMPANY ANALYSIS: LEADERSHIP STYLES AND REWARDS THAT IMPACT ON FINANCIAL PERFORMANCE

Abstract

The purpose of this research is to examine how top management applies leadership and provides appropriate rewards to employee styles during the COVID-19 pandemic and endemic, as well as the impact on the company's financial performance. The research method used is descriptive quantitative, which is based on the philosophy of positivism. The population in this study were all employees of the Asep Stroberi Restaurant from its 11 branches, namely 396 employees. The research sample was all employees at Asep Stroberi Restaurant Ciawi Tasikmalaya, with a total of 36 employees. The results of the study found that financial leadership style has a positive impact on performance, while rewards on financial performance have a negative impact, which means that if there are too many rewards, financial performance will be disrupted or not good enough. This research can be taken into consideration by top management before giving rewards to employees, as a record of financial conditions before giving rewards.

Keywords: leadership style, reward, financial performance, company analysis.

INTRODUCTION

The company's primary goal is to increase shareholder value, and it can achieve this in two ways. The first way is by increasing revenue. Achieving the first goal involves developing new markets, offering new products, and attracting new customers. The second way is improving productivity, which includes improving cost structures or utilizing existing assets to reduce the capital required to support a certain level of entrepreneurship (Miloloža, 2018). It is crucial to note that the company must actively and simultaneously implement both drivers of shareholder value growth to eliminate risks that may hinder its growth.

Currently, with the increasing competition among companies, businesses must be prepared to face challenges in order to sustain their operations. The success of financial management determines a company's survival and progress based on capital strength and the ability to manage human resources. Human resource management means that a company must be able to integrate the perspectives of company managers with their subordinates to achieve company goals, establish a good work mindset, and foster high work loyalty. Company leaders must be able to lead, direct, and coordinate their subordinates effectively (Sari, 2019).

One supportive factor for the success or failure of a company is leadership style. Leadership style refers to creating a clear vision that instills confidence in subordinates, achieved through explicit coordination and communication (Djafri, 2017; Sari, 2019; Wardono & Ekawati, 2014). Leadership is a reciprocal process where leaders and subordinates collaborate to achieve organizational goals (Kusmiyati, 2021; Wardono & Ekawati, 2014; Widyani, 2021). Leadership is beneficial in motivating employees to adopt new behaviors, strategies, and values (Sari, 2019).

Leadership and leading are two different terms that individuals cannot interchangeably use. One can define leadership based on personal characteristics or as a process. Leading represents one of the five management functions. It emphasizes working with individuals, aligning their relationships, and motivating them to enhance their effectiveness and efficiency in task accomplishment. Management comprises processes that direct employees toward achieving goals effectively and efficiently (Miloloža, 2018).

Successful leadership significantly influences business success, and stakeholders can define it differently. Leadership is the process of motivating employees to achieve company goals. Additionally, leadership is a process and a trait. As a process, leadership represents a focus on a leader's actions, while as a trait, leadership represents leader characteristics. Leadership can also be interpreted as the ability to motivate employees to voluntarily participate in implementing company goals (Rožman et al., 2017).

Asep Stroberi Restaurant is a culinary food and beverage company. The management of this restaurant must always pay attention to the performance of its employees to maintain the best service quality and provide satisfactory service to customers. This restaurant has a distinctive feature in terms of its building appearance or architecture, an iconic strawberry theme. The signature product of this restaurant is "nasi liwet" (rice cooked in coconut milk) served in a "Castrol" (earthen pot) and accompanied by a choice of side dishes. The restaurant initially started in Nagreg, Bandung Regency, and now Asep Stroberi Restaurant has branches in Garut (Kadungora, Cimaragas, Tarogong), Bandung (Cicalengka, Nagreg, Lembang), and Tasikmalaya (Cibeureum, Cihideung, Singaparna, Ciawi). Asep Stroberi Restaurant in Ciawi, Tasikmalaya, is the location used for research purposes. The restaurant is at Jalan Raya Malangbong KM. 5, Pamoyanan, Kadipaten District, Tasikmalaya Regency, West Java.

Based on the author's initial observations, this research location has 36 employees, which leads to diverse reward distribution. From the information obtained during interviews with the supervisor, it was found that the COVID-19 pandemic has

become a barrier and problem that resulted in a drastic decrease in sales, impacting the company's performance with a decline in revenue compared to the pre-pandemic period of 2019. In managing human resources, the company adjusts and makes decisions by creating policies based on internal and external factors. Therefore, this study analyzes how top management applies appropriate leadership styles and rewards to employees during the COVID-19 pandemic and its impact on the company's financial performance.

LITERATUR REVIEW

Leadership Style

Leadership is a mutual process where superiors and subordinates collaborate to achieve organizational goals (Sari, 2019). Leadership can inspire people to embrace new behaviors, tactics, and aspirations. This condition can be achieved by instilling values (Sari, 2019). Various Leadership Approaches In carrying out their leadership responsibilities, each leader has unique approaches and ways. They possess different qualities, routines, temperaments, characters, and personalities contributing to their behaviors and actions, distinguishing them from others. A leader namely practices several styles:

1) Authoritarian leadership style is characterized by the leader's total control over all aspects of decision-making and policy-making within the organization. The authoritarian leader is responsible for all aspects of task allocation and responsibilities, while subordinates are expected only to complete the tasks assigned to them (Darsono, 2020).

2) Democratic leadership style is a type of leadership that involves delegating a significant amount of authority to subordinates. When there is a problem, subordinates are always involved as a group to solve it. When following the democratic leadership model, the leader shares much information with subordinates about their expected roles and responsibilities (Veithzal Rivai et al., 2013). The democratic leadership type recognizes individuals as any group or organization's primary and most significant components. Dominance behavior that acts as a defender and savior, as well as behavior that tends to advance and develop the organization or group, embodies a democratic leadership style. Furthermore, it can also be seen in how a leader acts as an executor (Basori, 2021).

3) The laissez-faire leadership model. Leaders of this kind are only involved in a limited capacity, and the subordinates are responsible for actively determining goals and seeking solutions to difficulties (Darsono, 2020). The leadership style known as independent leadership is in stark contrast to the authoritarian leadership type, also known as autocratic leadership. Leaders tend to characterize this leadership style by compromising and deviating behavior. In the course of procedures, leaders need to implement leadership in the traditional sense by carrying out a series of actions to motivate and inspire members of the group or organization in any way.

The leader represents the symbol of the group. It is possible to carry out leadership by allowing the led individuals to have complete autonomy in making decisions and taking actions (acting) according to their unique preferences and areas of interest, individually or in the context of smaller groups (Sari, 2019). It is not the leader's influence that determines the level of organizational success with free leadership; on the contrary, the level of success is determined by the knowledge and dedication of several group members (Sari, 2019).

4) Participative leadership is a leadership behavior where the leader involves subordinates in the decision-making process, seeks advice from subordinates, considers those suggestions before making decisions, and sometimes even let subordinates make decisions on their own.

Reward Financial atau Compensation Financial

Simply put, individuals operate with their life goals in mind. Employees will devote their time and show commitment to the company; as a result, the company will recognize and appreciate their efforts by providing incentives (Sari, 2019). One method that management can use to inspire employees and improve their performance is by providing them with financial benefits or salaries. This condition is also a way for management to boost job performance. For example, employees can receive allowances and rewards in the form of money or monetary benefits such as salaries, bonuses, and other allowances. These are examples of financial rewards (Priyatono, 2021). Incentives, salary increases, bonuses, and allowances are some indicators used to measure financial rewards.

Financial Performance

A company's ability to generate profits is one of the factors considered when evaluating its financial performance (Setiyowati & Sari, 2017). A company's financial performance is one of the critical components that should be considered when evaluating the organization's status.

RESEARCH METHOD

The researchers used a descriptive research method to study the problem by examining current facts about the population and evaluating attitudes or opinions towards individuals, organizations, conditions, or procedures. This approach utilized a quantitative methodology based on the positivism philosophy. It involved studying a specific population or sample, collecting data using research instruments, and analyzing it using quantitative statistics to test established hypotheses.

⁹ The population in this study is all employees of Asep Stroberi Restaurant from 11 branches. The sampling technique used is purposive sampling, involving all employees in Asep Stroberi Restaurant Ciawi Tasikmalaya, one of the branches of

Asep Stroberi Restaurant, with 36 employees. This research utilizes two independent variables, namely leadership style (X1) and rewards (X2), and one dependent variable, which is financial performance (Y). Therefore, the regression equation formula for two independent variables uses:

$$\hat{Y} = a + b_1x_1 + b_2x_2$$

The equation above explains the relationship between the rise and fall of the dependent variable caused by the independent variables, in this case, the leadership style and rewards.

RESULT AND DISCUSSION

Research result

Based on the research conducted on 36 respondents who are employees at Asep Stroberi Restaurant in Ciawi Tasikmalaya, data on characteristic outcomes were obtained, including gender, age, length of employment, highest education level, and income level. The characteristics of the respondents can be seen in Table 1.

Table 1. Characteristics of Respondents by Gender

No.	Gender	Responden	Persen
1	Man	28	78%
2	Woman	8	22%
Amount		36	100%

Source: Primary data after processing, 2022

Table 1 shows that most respondents at Asep Stroberi Restaurant Ciawi Tasikmalaya are male, with a percentage of 78%. This result indicates that Asep Stroberi Restaurant Ciawi Tasikmalaya employees are predominantly male because the restaurant requires more male employees for tasks that involve high mobility, such as night shifts and overtime work. Additionally, specific departments or divisions, such as security, primarily require male employees.

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Table 2. Characteristics of Respondents by Age

No.	Age	Responden	Persen
1	< 20 age	2	6%
2	21-30 age	17	47%
3	31-40 age	14	39%
4	> 41 age	3	23%
Amount		36	100%

Source: Primary data after processing, 2022

In Table 2, it can be observed that out of the 36 respondents, the majority fall within the age range of 21-30 years, with a total of 17 individuals representing 47%. This is because the company requires a workforce with skills and individuals of an age group that possess sufficient cognitive and emotional maturity to make good decisions, thereby expected to exhibit good performance. Furthermore, they can support the company's development and enhance its performance by improving customer service quality.

Table 3. Characteristics of Respondents Based on Working Period

No.	Years of service	Responden	Persen
1	< 1 age	4	11%
2	1-3 age	9	25%
3	3-5 age	10	28%
4	> 5 age	13	36%
Amount		36	100%

Source: Primary data after processing, 2022

Table 3 indicates that out of the 36 respondents, the majority fall within the classification range of more than five years of tenure, representing 36% of the total. This group has long-term work experience. This is because the company desires employees who have been with the organization for a significant period, allowing them to gain experience, exhibit professional attitudes, and work more effectively and efficiently. Moreover, it demonstrates the employees' loyalty to the company, supporting the service process and contributing to the company's development.

Table 4. Characteristics of Respondents Based on Last Education

No.	Education	Responden	Persen
1	S1/graduate	0	0%
2	D3/diploma	3	8%
3	SMA/SMK/ equal	31	86%
4	Other	2	6%
Amount		36	100%

Source: Primary data after processing, 2022

Table 4 reveals that out of the 36 respondents, most have completed their education up to high school/vocational school or equivalent, accounting for 86% of the total. The other option regarding educational background is completing education up to junior high school. Respondents with a high school/vocational school education level are more dominant, as this criterion is considered sufficient for employment as long as they can complete the tasks assigned by the company and possess good communication skills in serving customers.

Table 5. Characteristics of Respondents Based on Monthly Income

No.	Income per month	Responden	Persen
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1	< Rp. 500.000	0	0%
2	Rp. 500.000-Rp. 1.000.000	24	67%
3	Rp. 1.000.000-Rp. 2.000.000	7	19%
4	> Rp. 2. 000.000	5	14%
Jumlah		36	100%

Source: Primary data after processing, 2022

Table 5 shows that out of the 36 respondents, the majority have a monthly income in the range of Rp. 500,000 to Rp. 1,000,000, with a total of 24 people accounting for 67%. Other sources of income in Rumah Makan Asep Stroberi Ciawi Tasikmalaya include basic salary, transportation allowance, overtime pay, and bonuses when sales increase. Based on the results, it can be observed that employees with lower incomes hold lower positions and have lighter workloads, as well as relatively shorter tenures. On the other hand, higher salaries indicate higher positions and education levels, heavier workloads, and demonstrated loyalty to the company.

Discussion

Multiple regression

Analysis measures the influence of compensation and work discipline on employee performance, assuming that the eligibility requirements have been met. Therefore, we obtained the multiple regression analysis testing results, which yielded a constant value of 16.762, a leadership style coefficient of 0.299, and a reward coefficient of -0.330. Thus, we can derive the regression equation using the following formula:

$$Y = a + b_1X_1 - b_2X_2$$

When:

$$Y = 16,762 + 0,299X_1 - 0,330X_2$$

Information:

Y = financial performance

a= Constant Y if X=0

b1= Leadership Style variable regression coefficient (X1)

b2 = Reward variable regression coefficient (X2)

X1 = Leadership Style

X2 = Rewards

The regression equation illustrates that the leadership style variable (X1) and reward (X2) exert a positive influence. Hence, each increase of one unit in the leadership style variable (X1) corresponds to a 0.299 increase in financial performance (Y). Similarly, each increase of one unit in the reward variable (X2) leads to a -0.330 decrease in financial performance (Y). The leadership style variable (X1) has a significance of 0.028 < 0.05, while the reward variable (X2) has

a significance of $0.036 < 0.05$. This result suggests that multiple regression can be utilized to predict financial performance (Y).

The multiple correlation coefficient assesses the combined impact of the independent variables, namely leadership style, and reward, on the dependent variable, financial performance (Y). A significance value below 0.05 indicates a correlation, while a significance above 0.05 indicates no correlation. The correlation coefficient test yielded a significance value 0.010 for the F change. Thus, with $0.010 < 0.05$, there exists a significant correlation between the leadership style variable (X1) and reward (X2) with the financial performance (Y) variable. These findings should be taken into account for decision-making in management functions. The study reveals a significant relationship between leadership style, reward, and financial performance, providing valuable insights for the researched company and other relevant parties.

To summarize, leadership entails a cooperative undertaking between those in positions of authority and those under their supervision to attain the organization's objectives. Effective leadership can motivate individuals to embrace novel behaviors, strategies, and goals by inculcating values. Every leader possesses distinct approaches and qualities that influence their behaviors and actions, setting them apart from their peers. Employees give their time and dedication to the company out of personal aspirations, and as a result, the company values and appreciates their contributions by providing incentives and financial benefits.

Management uses monetary incentives, such as salary packages, performance-based bonuses, and additional compensation, to inspire employees and boost productivity. The previous rewards serve as metrics for evaluating the efficacy of monetary motivators. Moreover, a corporation's financial performance, encompassing its capacity to generate earnings, is a pivotal aspect in assessing its complete standing and achievement.

Through comprehending the significance of proficient leadership, monetary incentives, and fiscal outcomes, corporations can endeavor towards eminence in accomplishing their institutional objectives and upholding a favorable workplace environment.

CONCLUSION

Based on our analysis and discussion of how top management applies leadership styles and provides appropriate rewards to employees during the COVID-19 pandemic and its impact on the company's financial performance, financial performance plays a crucial role in its survival. Numerous factors can influence financial performance, but this study specifically examines the impact of leadership styles and rewards on financial performance. Our research findings indicate that leadership style positively influences financial performance, whereas rewards correlate negatively. This implies that excessive reward-giving can disrupt or inadequately affect financial performance, necessitating careful consideration by

management before distributing rewards to employees, considering the financial condition. At Asep Stroberi Restaurant, implementing a situational leadership style is deemed relevant, and a thorough assessment is required when distributing rewards due to their potential negative impact on financial performance.

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