

The Impact of Leadership Style and Compensation on Teacher Performance: A Quantitative Analysis

Hanif Syaifur Rabbani* & Rifki Suwaji

Information Management, Sekolah Tinggi Ilmu Ekonomi Yapan Surabaya, Indonesia

Abstract

This study examines the influence of leadership style and compensation on teacher performance at SMA Tahfidz Al Amien. The study employs a quantitative approach with a causal explanatory design. Data were collected using a structured questionnaire distributed to all 32 teachers at the school, selected through saturated sampling. Each variable was measured using multiple indicators assessed on a Likert scale. The research instrument was validated and tested for reliability, confirming that all items were valid and reliable. Data analysis was conducted using multiple linear regression with SPSS software version 16. The results show that leadership style and compensation simultaneously influence teacher performance, with a coefficient of determination (R^2) of 0.507. This indicates that the two independent variables together explain 50.7% of the variance in teacher performance. The regression results also reveal that leadership style has a significant but negative effect on teacher performance, while compensation has a significant and stronger positive effect. The findings of this study suggest that compensation contributes more significantly to improving teacher performance than leadership style. These results highlight the importance of compensation as a motivational factor and point to the need for leadership approaches that better align with teacher expectations and performance goals.

Keywords: Leadership Style; Compensation; Teacher Performance

Received: 14 April 2025

Revised: 15 April 2023

Accepted: 20 April 2025

1. Introduction

In educational institutions, teachers play a vital and strategic role as the primary agents of learning. They are not only responsible for the transfer of knowledge but also for the development of students' character, skills, and values. Therefore, teacher performance is one of the key indicators determining the quality of education in a school (Mulyasa, 2013). Optimal teacher performance reflects the ability to carry out duties effectively, efficiently, and professionally in accordance with established standards.

According to Suprihanto (as cited in Rivai, 2014), performance is the result of one's work over a specific period, measured against predetermined standards, targets, or objectives. In the educational context, teacher performance reflects how well they fulfill their responsibilities in teaching, administration, professional development, and student services. At SMA Tahfidz Al Amien, teacher performance is a crucial issue as it directly impacts institutional initiatives such as repositioning, school development, and enhancing academic productivity.

One of the key factors influencing teacher performance is leadership style. Leadership style refers to the patterns of behavior a leader uses to influence subordinates to achieve organizational goals. Transformational leadership, for example, has been shown to improve teacher performance through intrinsic motivation and empowerment (Bass & Riggio, 2006). Recent studies have also indicated that participative and supportive leadership styles significantly enhance teacher commitment and productivity (Sari et al., 2022; Nuryadin & Sunaryo, 2021). At SMA Tahfidz Al Amien, the principal implements a "strict discipline" approach, which is evident in mandatory morning assemblies, strict adherence to rules, and enforcement of professional conduct among staff and students. This leadership style has shaped teachers' behavior in managing classrooms and maintaining student discipline.

* Corresponding author.

E-mail address: hanifrobbani17@gmail.com

In addition to leadership, compensation is another significant factor affecting teacher performance. Compensation includes all forms of financial and non-financial rewards provided to employees in return for their work (Milkovich & Newman, 2021). Fair and proportional compensation not only supports teachers' financial well-being but also enhances their work motivation and job satisfaction (Nurzaman, 2014). A study by Azwar (2013) found that compensation has a positive and significant influence on employee performance. This finding is supported by recent research by Prasetyo et al. (2022), which concluded that adequate compensation improves teachers' morale, loyalty, and performance in private schools.

Understanding the impact of leadership style and compensation on teacher performance is therefore essential for effective decision-making by school management, particularly in faith-based institutions with high discipline standards like SMA Tahfidz Al Amien. This study aims to analyze the relationship between principal leadership style and compensation with teacher performance and to provide strategic recommendations to enhance human resource quality in educational institutions. Structure.

2. Literature Review

2.1. Human Resource Management (HRM)

Human Resource Management (HRM) is defined as a strategic approach to managing people effectively for performance improvement. Bohlander and Snell (2010) describe HRM as the science that focuses on empowering employees, organizing job structures, developing employee capabilities, and providing appropriate rewards for their contributions. Handoko (2011) emphasizes that HRM encompasses recruitment, selection, development, maintenance, and utilization of human resources to achieve organizational and individual goals. Thus, HRM is essentially the process of optimizing human potential to achieve institutional success.

Hasibuan (2013) outlines eleven key HRM functions: planning, organizing, directing, controlling, staffing, developing, compensating, integrating, maintaining, disciplining, and terminating. These functions serve as the foundation for managing human capital in a way that aligns personal goals with organizational objectives.

2.2. Leadership Style

Leadership style refers to behavioral patterns used by leaders to influence subordinates toward organizational goals. Thoha (2013) describes leadership style as behavioral norms exhibited during efforts to influence others. Rivai (2014) adds that leadership style reflects a leader's belief in subordinates' capabilities, and combines philosophy, skill, traits, and attitude in daily interactions.

According to Siagian (2002), leadership styles can be categorized into autocratic, militaristic, paternalistic, charismatic, and democratic types. In modern organizational contexts, democratic leadership is often preferred as it encourages participation, feedback, and continuous development. Additionally, House's Path-Goal Theory (in Robbins & Coulter, 2011) identifies four leadership orientations: directive, supportive, participative, and achievement-oriented, each with distinct behaviors and indicators relevant to employee motivation and performance.

2.3. Compensation

Compensation is a key driver of employee motivation and performance. Ardana (2012) defines it as any reward received by employees in return for their contributions. Sastrohadiwiryo (2011) views compensation as a mechanism through which organizations appreciate and recognize employee efforts. Compensation includes both direct financial rewards (e.g., salary, bonuses) and indirect benefits (e.g., insurance, holiday allowances) (Hasibuan, 2013).

The primary goals of compensation, as identified by Hasibuan (2013), include fostering cooperation, ensuring job satisfaction, supporting effective recruitment, enhancing motivation, improving employee retention, encouraging discipline, and minimizing labor disputes. Therefore, appropriate compensation strategies are vital for maintaining employee engagement and organizational stability.

2.4. Teacher Performance

Performance is generally defined as measurable outcomes of an individual's work over a specific period, aligned with predetermined standards (Sedarmayanti, 2011; Supardi, 2014). In the context of education, teacher performance involves planning and delivering learning activities, managing student development, and fulfilling administrative responsibilities (Edison, 2016).

According to Indonesian Law No. 14/2005 on Teachers and Lecturers, teachers are professional educators responsible for planning, implementing, and evaluating learning. Teacher performance can be measured through four dimensions: quality of work, quantity of work, responsibility, and teamwork (Mangkunegara, 2011).

Ahmad (2017) categorizes factors affecting teacher performance into internal and external domains. Internal factors include intelligence, skills, motivation, and career goals. External factors comprise the work environment, family conditions, school facilities, and communication with school leadership. Understanding these factors is crucial for improving educational outcomes through performance-based interventions.

3. Research Method and Materials

This study adopted an explanatory research design with a causal approach, aiming to determine the influence of independent variables on the dependent variable. As Creswell (2014) explains, explanatory research is commonly conducted using a quantitative method to test hypotheses and explore causal relationships between variables. The scope of this research is to examine the effects of leadership style and compensation on teacher performance at SMA Tahfidz Al Amien. The study involves three variables: leadership style (X_1) and compensation (X_2) as independent variables, and teacher performance (Y) as the dependent variable. The suitability of the model was assessed using the coefficient of determination (R^2) and F-test significance value (Sig. F), while the influence of each independent variable was determined through the regression coefficients b_1 and b_2 .

The population in this study consisted of all 32 teachers at SMA Tahfidz Al Amien. Given the relatively small population size, a saturated sampling technique was employed, meaning the entire population was used as the sample. Consequently, all 32 teachers were surveyed.

To ensure clarity in measurement, the variables were conceptually defined and operationalized based on established theories. The table 1 summarizes the variables, indicators, and measurement scales used in this study.

Table 1. Variable Indicators and Measurement Scales

Variable	Indicators	Scale
Leadership Style (X_1)	Directive, Supportive, Participative, Achievement-Oriented (Thoha, 2013)	2
Compensation (X_2)	Salary, Bonus, Incentives, Allowances, Facilities (Sastrohadiwiryono, 2011)	4
Teacher Performance (Y)	Quality, Quantity, Responsibility, Teamwork (Supardi, 2014)	6

Data collection was conducted through two primary techniques. First, a literature review was undertaken to establish the theoretical foundation for the study. Second, a questionnaire using a Likert scale was distributed to all teacher respondents. The data gathered comprised both primary data, obtained directly from the questionnaire, and secondary data, collected from institutional documents such as school profiles, organizational structures, and relevant reports.

Prior to testing the hypotheses, instrument validation was performed. Validity testing used Pearson's correlation to assess each item's accuracy in measuring the intended construct, where items were considered valid if r -calculated exceeded r -table. Reliability testing applied Cronbach's Alpha, with a minimum acceptable threshold of 0.60 (Sugiyono, 2011), to evaluate internal consistency.

The data analysis included both descriptive and inferential statistics. Descriptive analysis was used to summarize respondents' characteristics and responses. Inferential analysis employed multiple linear regression to determine the simultaneous and partial effects of leadership style and compensation on teacher performance. Classical assumption tests were performed to ensure that the regression model met the econometric criteria of Best Linear Unbiased Estimator (BLUE). These included: the normality test using the Normal P-P Plot; the multicollinearity test, verified by ensuring tolerance values > 0.2 and VIF < 10 ; and the autocorrelation test, examined through the Durbin-Watson statistic.

The multiple regression equation used was:

$$Y = a + b_1X_1 + b_2X_2,$$

Where Y represents teacher performance, X_1 is leadership style, X_2 is compensation, a is the constant, and b_1 , b_2 are the respective regression coefficients.

Model feasibility was evaluated using the F-test, with the decision criteria being: if $\text{Sig. } F < 0.05$, the model is statistically significant and fit for hypothesis testing. Hypothesis testing was conducted using the t-test to determine the individual influence of X_1 and X_2 on Y . If the significance value of t ($\text{Sig. } t$) was less than 0.05, it indicated a significant influence of the respective independent variable on the dependent variable.

4. Results and Discussion

4.1. Result

The findings of this study were obtained through multiple linear regression analysis to determine the effect of leadership style and compensation on teacher performance at SMA Tahfidz Al Amien. The analysis of the coefficient of determination can be seen in the table 2.

Table 2. Determination Analysis Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 ^a	.507	.473	2.424

Source: Processed research data, 2025

The model summary results show that the coefficient of determination (R Square) is 0.507. This means that the independent variables, namely leadership style and compensation, together can explain 50.7% of the variation in teacher performance, while the remaining 49.3% may be influenced by other variables not examined in this study.

Tabel 3. ANOVA Result

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	175.328	2	87.664		
	Residual	170.391	29	5.876	14.920	.000 ^a
	Total	345.719	31			

Furthermore, the ANOVA test was conducted to assess the feasibility of the regression model. Based on the ANOVA output, the F-value obtained is 14.920 with a significance level ($\text{Sig. } F$) of 0.000. Since the significance value is less than 0.05, it can be concluded that the regression model is statistically significant. Therefore, the independent variables leadership style and compensation jointly have a significant effect on teacher performance.

Table 4. Regression Model

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	26.643	6.149		4.333	.000
	Leadership Style (X_1)	-.419	.145	-.429	-2.896	.007
	Compensation (X_2)	.770	.141	.807	5.451	.000

To further examine the individual contribution of each independent variable, the regression coefficients were analyzed. The unstandardized regression equation derived from the coefficients table is as follows:

$$Y = 26.643 - 0.419X_1 + 0.770X_2$$

This regression model indicates that if both leadership style (X_1) and compensation (X_2) are held constant (i.e., equal to zero), the predicted value of teacher performance (Y) is 26.643. The regression coefficient for leadership style is 0.419, which suggests that for every one-unit increase in leadership style (assuming the direction of the scale is consistent), teacher performance decreases by 0.419 units, holding other variables constant. This negative relationship, although significant, may reflect contextual interpretations of leadership implementation in the institution. On the other hand, the regression coefficient for compensation is 0.770, indicating that for every one-unit increase in compensation, teacher performance increases by 0.770 units, assuming other variables remain constant.

The hypothesis testing was conducted using both F-test and t-test. The F-test confirmed that the model was fit (Sig. $F = 0.000 < 0.05$), meaning that leadership style and compensation simultaneously have a significant effect on teacher performance. For the t-test, the significance value for leadership style (X_1) is 0.007, which is less than 0.05. This confirms that leadership style has a significant partial effect on teacher performance. Meanwhile, the significance value for compensation (X_2) is 0.000, which also falls below the 0.05 threshold, indicating that compensation has a strong and significant positive effect on teacher performance. The following presents the regression analysis model in this study. In summary, the research findings demonstrate that both leadership style and compensation are critical determinants of teacher performance, with compensation exerting a stronger influence based on the standardized beta coefficient values. These results suggest that enhancing compensation schemes may offer a more impactful approach to improving teacher performance, while leadership strategies may need to be refined to better align with teacher needs and institutional goals.

4.2. Discussion

This study aims to analyze the influence of leadership style and compensation on teacher performance at SMA Tahfidz Al Amien. The measurement of each research variable was conducted using a questionnaire based on validated indicators. The results of the validity and reliability tests confirmed that all questionnaire items for each variable were both valid and reliable. Therefore, the instrument used in this study is considered a trustworthy tool for measuring the constructs under investigation.

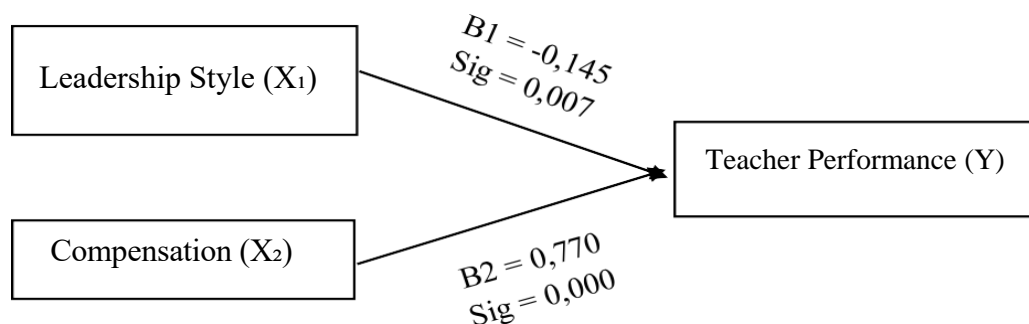


Figure 1. Regression analysis model

The coefficient of determination (R^2) obtained from the regression analysis was 0.507, indicating that leadership style and compensation together explain 50.7% of the variance in teacher performance. The remaining 49.3% may be explained by other variables not included in the model, such as organizational culture, motivation, or work environment.

4.2.1. The Influence of Leadership Style on Teacher Performance

The findings indicate that leadership style has a significant negative effect on teacher performance, as shown by a regression coefficient of -0.419 and a significance value of 0.007. This result implies that the implementation of leadership at SMA Tahfidz Al Amien possibly characterized by rigid discipline may not be fully aligned with teachers' needs or expectations, hence leading to reduced performance levels. Although leadership is generally assumed to enhance performance, the negative direction of the coefficient might reflect the overly authoritative or top-down approach in this institution.

This finding supports previous research by Rohma Nurlia (2021), which found that leadership style significantly affects teacher performance, particularly when the leader demonstrates interpersonal trust and empowerment. Further corroborating this, Susanto & Fitria (2022) found that transformational leadership positively influenced teachers' job satisfaction and performance, whereas transactional or autocratic leadership styles tended to suppress creativity and engagement.

4.2.2. The Influence of Compensation on Teacher Performance

Compensation was found to have a positive and highly significant effect on teacher performance, with a regression coefficient of 0.770 and a significance value of 0.000. This result indicates that improvements in compensation whether financial (salary, bonuses) or non-financial (benefits, recognition) can lead to better teacher performance

outcomes. The strong influence of compensation in this study highlights the importance of adequate rewards in motivating teachers to perform their duties effectively and consistently.

This is in line with the findings of Alisyah Fitri (2020), who reported that compensation has a significant positive effect on teacher performance in private schools. Moreover, recent studies by Putra & Isnaini (2023) and Gunawan et al. (2022) reinforce the idea that fair and motivating compensation systems are crucial for boosting work productivity, increasing job satisfaction, and reducing turnover intentions among teachers in educational institutions.

4.2.3. *Implications and Reflections*

The results suggest that while compensation plays a dominant and positive role, the way leadership is exercised may need to be evaluated to ensure it contributes positively to teacher motivation and performance. At SMA Tahfidz Al Amien, where high discipline is emphasized, school leaders may need to consider adopting a more supportive or participative leadership style to balance firmness with empathy. A more inclusive leadership approach may enhance teacher engagement, reduce resistance, and encourage higher job satisfaction.

Therefore, this study implies that school management should prioritize not only competitive compensation schemes but also leadership training that promotes effective communication, trust-building, and collaborative decision-making. These dual strategies could help create a more conducive work environment that empowers teachers and improves educational outcomes.

5. Conclusion

Based on the results of data analysis and discussion regarding the influence of leadership style and compensation on teacher performance at SMA Tahfidz Al Amien, several conclusions can be drawn. First, leadership style has a significant influence on teacher performance. The manner in which leadership is exercised whether through directive, supportive, or participative approaches plays a role in shaping teacher engagement and effectiveness. Second, compensation also significantly influences teacher performance. Both financial and non-financial rewards serve as important motivators for teachers in carrying out their responsibilities. The regression analysis shows that among the two independent variables, compensation exerts a stronger positive effect on teacher performance, suggesting that appropriate and fair compensation systems are crucial in maintaining teacher productivity and commitment. These findings imply that both leadership and compensation strategies must be carefully managed by school leadership in order to foster a more conducive teaching environment. Improving these factors is essential not only for enhancing teacher performance but also for achieving broader institutional goals.

References

- Adinata, Arlan. 2011. *Pengaruh Kompensasi Terhadap Kinerja Pegawai Dinas Pendapatan Daerah kota Bogor*. Bogor: ITB
- Ahmad, Ismail, La Ode. 2017. *Konsep Penilaian Guru dan Faktor yang Mempengaruhinya*. Makassar: Universitas Negeri Alauddin.
- Al Faruq, MU, & Suwaji, R. (2024). Pengaruh Motivasi Kerja, Kepemimpinan, Dan Disiplin Kerja Terhadap Kinerja Karyawan Pada PT Petronika di Gresik. *Jurnal Informasi dan Teknologi*
- Andriyani, Eka, Emelia. 2016. *Pengaruh Kepemimpinan terhadap Kinerja Karyawan*. Yogyakarta: Universitas Sanata Dharma
- Aprilia, Puja. 2018. *Pengaruh kompensasi terhadap kinerja pegawai negeri sipil pada kantor dinas kebersihan dan pertamanan kota medan*. Medan: Universitas Sumatera Utara.
- Aprilita, Bina. 2012. *Dimensi-dimensi gaya kepemimpinan bass dan avolio menurut presepsi karyawan dalam membangun gaya kepemimpinan yang efektif*. Semarang: Fakultas Ekonomi Universitas Diponegoro.
- Ardana. 2012. *Manajemen Sumber Daya Manusia*. Yogyakarta: Graha Ilmu. Azwar, Budi. 2013. "Kajian pengaruh kompensasi terhadap kinerja guru SLTA di Kecamatan Bangkinang." *Jurnal Manajemen*.
- Ferdinand, Augusty. 2011. *Metode Penelitian Manajemen*. Semarang: Indoprint Handoko, T. Hani. 2011. *Manajemen Personalialia dan Sumber Daya Manusia*. Yogyakarta: Penerbit BPFE.

- Fitri, A. (2020). Pengaruh Kompensasi terhadap Kinerja Guru. *Jurnal Administrasi dan Kependidikan*, 5(1), 87–95.
- Gunawan, H., Purnomo, M., & Sari, L. (2022). Compensation System and Its Impact on Employee Performance in Education Institutions. *International Journal of Social and Management Studies*, 3(2), 112–120.
- Haris, Triyanto. 2012. Pengaruh Kompensasi Terhadap Prestasi Kerja Karyawan Pada Perum Perumnas Regional VII Makasar. Makassar: Universitas Hasanudin
- Hasibuan, Malayu. 2013. *Manajemen Sumber Daya Manusia (Edisi Revisi)*. Jakarta: Bumi Aksara
- Hidayah, Nurul. 2016. Pengaruh Kompensasi Terhadap Kinerja Karyawan Melalui Kepuasan Kerja Sebagai Variabel Intervening. Yogyakarta: Universitas Negeri Yogyakarta.
- Kartono, Kartini. 2002. *Pemimpin dan Kepemimpinan*. Jakarta: Rajawali Press
- Lestari, Epo. 2013. *Jurnal Lentera Bisnis, Pengaruh Kompensasi terhadap kinerja karyawan pada PT. Lane Archive Management*. Jakarta: Politeknik LP3I Jakarta
- Mulyanto, Wulandari. 2010. *Penelitian: Metode Analisis*. Semarang: CV Agung Semarang.
- Nurlia, R. (2021). Pengaruh Gaya Kepemimpinan terhadap Kinerja Guru. *Jurnal Manajemen Pendidikan*, 9(2), 134–142.
- Oktawati, Desy. 2016. Pengaruh Kompensasi dan Motivasi Terhadap Kinerja Pegawai pada Dinas Pendapatan Pengelolaan Keuangan dan Asset Daerah Kabupaten Salorangun. Jakarta: Universitas Terbuka
- Pitri, Alisyah. 2017. *Jurnal Manajemen, Kepemimpinan, dan Supervisi Pendidikan*. Batusangkar: Peneliti Independen IAIN.
- Putra, D. H., & Isnaini, R. (2023). Compensation and Teacher Productivity: Evidence from Indonesian Private Schools. *Jurnal Pendidikan Ekonomi*, 16(1), 73–81.
- Rivai, Veithzal dan Sagala. 2014. *Manajemen Sumber Daya Manusia untuk Perusahaan*. Jakarta: Rajawali Press.
- Rohma, Nurlia. 2017. Pengaruh Gaya Kepemimpinan Terhadap Kinerja Karyawan pada PT. Al-ijarah Indonesia Finance Lampung. Lampung: Universitas Islam Negeri Raden Intan
- Siswanto, Dio Rendyco. 2017. *Jurnal Administrasi Bisnis, Pengaruh Gaya Kepemimpinan Terhadap Kinerja Karyawan (Studi pada divisi HRD) PT. Preefort Indonesia*. Malang. Universitas Brawijaya.
- Susanto, A., & Fitria, H. (2022). The Effect of Transformational Leadership on Teacher Performance through Job Satisfaction. *Journal of Educational Research and Practice*, 12(4), 55–66.
- Sutikno, Sobry M. 2014. *Pemimpin dan Gaya Kepemimpinan, Edisi pertama*. Lombok: Holistica.
- Thoha, Miftah. 2010. *Kepemimpinan dalam Manajemen*. Jakarta: Rajawali Press
- V.W, Sujarweni. 2015. *SPSS Untuk Penelitian*. Yogyakarta: Pustaka Baru Press
- Yensi, Astuty. 2010. *Jurnal Kependidikan Triadik, Pengaruh Kompensasi terhadap Kinerja Guru di SMA Negeri 2 Argamakmur Bengkulu Utara*. Bengkulu: Universitas Bengkulu
- Zain, Rinduan. 2017. *Jurnal Manajemen Pendidikan Islam, Pengaruh Kompensasi Kerja terhadap kinerja dosen fakultas ilmu Tabiyah dan Keguruan UIN Sunan Kalijaga*. Yogyakarta.