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Analysis of The Effect of Appreciation From Leadership on Employee Motivation and Performance At PT Petirindo Jaya Abadi

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Abstract: Staff encouragement and performance serve a pivotal function in the success of one organization, especially in facing increasingly fierce business competition. Leadership appreciation is one of the key factors that can enhance work motivation and impact employee productivity and job satisfaction. This research seeks to examine how leadership impacts appreciation regarding employee motivation and work output at PT Petirindo Jaya Abadi. The study applies a numerical method through a survey technique through questionnaire distribution to employees. Data analysis is conducted using multiple linear regression to determine how much leadership appreciation influences staff drive and productivity. The findings suggest that leadership appreciation notably influences personnel motivation and performance. Employees who consistently receive appreciation demonstrate higher engagement, job contentment, and productivity. This paper also emphasizes the importance of implementing structured appreciation policies as a strategic tool to enhance work motivation and organizational effectiveness. Based on these findings, it is recommended that PT Petirindo Jaya Abadi strengthen leadership appreciation policies to create a more positive and performance-oriented work environment.

Keyword: Leadership Appreciation, Work Motivation, Employee Performance

INTRODUCTION

In today's competitive business landscape, particularly within organizational and work environments, understanding human behavior is essential for achieving operational effectiveness and efficiency. Globalization has intensified market competition, compelling companies to enhance their operations continuously. A crucial instrument in achieving this goal is the establishment of work standards, which provide clear guidelines for employees to perform their tasks consistently (Kartini et al., 2024). However, the successful implementation of these standards depends significantly on the human element especially employee motivation and performance.

Work motivation plays a critical role in driving employees to meet organizational targets. When employees feel appreciated and supported, they exhibit higher enthusiasm and greater commitment to their work (Esthi et al., 2021). Appreciation from leaders fosters a sense of belonging and emotional attachment to the organization (Heriyanti et al., 2024). Moreover, recognition can spur innovation, initiative, and enhance team performance (Irawan et al., 2023).

Several motivational theories provide insight into how motivation influences employee behavior. Abraham Maslow's Hierarchy of Needs Theory (1943) posits that human needs are

arranged in a hierarchical order, from basic physiological needs to the desire for self-actualization (Bagas, 2020). Frederick Herzberg's Two-Factor Theory (1959) distinguishes between factors that lead to job satisfaction (motivators) and those that prevent dissatisfaction (hygiene factors) (de Oliveira et al., 2023). Vroom's Expectancy Theory (1964) further elaborates that motivation is shaped by the individual's belief that their efforts will lead to rewards that are valuable to them (Dahrani & Sohiron, 2024). These theories collectively offer a comprehensive understanding of the complex nature of motivation, indicating that it is influenced by both internal and external factors within the workplace.

Motivation is a key determinant of individual performance in the work environment. The theories discussed show that motivation is influenced not only by the fulfillment of basic needs but also by recognition and rewards for one's contributions. Effective organizational management must consider these diverse motivational factors to foster a work atmosphere that drives productivity and job satisfaction. As seen in PT Petirindo Jaya Abadi, a company involved in engineering and procurement, there are challenges arising from declining employee motivation and performance. A significant issue is the lack of appreciation from leadership, leading to decreased work enthusiasm, tardiness, and reduced productivity. Furthermore, an unsupportive work environment, characterized by minimal feedback and unclear career paths, exacerbates this situation. Research indicates that not all forms of appreciation have a substantial effect on motivation or performance, with material or formal rewards often being more effective than verbal praise (Esthi et al., 2022). Additionally, improper or excessive appreciation can lead to unhealthy competition, negatively impacting team performance (Triyani et al., 2024).

This study aims to examine the impact of leadership recognition on employee motivation and productivity at PT Petirindo Jaya Abadi. By analyzing how appreciation influences motivation and performance, this research will provide valuable insights and policy recommendations for organizations to implement a more effective appreciation framework. The findings of this study are expected to contribute to the development of organizational theory and leadership practices that support long-term employee productivity and well-being.

METHOD

This research adopts an empirical methodology to assess the impact of leadership appreciation on employee motivation and performance at PT Petirindo Jaya Abadi. The study uses a quantitative approach, with data primarily gathered through survey forms distributed to employees. The main data source for this research comes from the employees of PT Petirindo Jaya Abadi, while secondary data is obtained from academic references related to the research topic to provide contextual insights and support.

The sample group consists of all staff members at PT Petirindo Jaya Abadi, totaling 80 individuals. The selection of this company as the research site is based on its relevance to the variables being examined: leadership appreciation, work motivation, and employee performance. By focusing on this company, the study aims to investigate how leadership recognition influences employee engagement and output within a real organizational context.

The leadership appreciation variable is defined as the leader's actions in providing recognition or appreciation to employees. This is measured using indicators such as praise, awards, and formal recognition. Work motivation is assessed through indicators related to the need for achievement, responsibility, and work incentives, while employee performance is evaluated based on productivity, punctuality, and the quality of work produced by employees.

Data analysis is carried out using statistical methods, specifically with the help of SmartPLS (Partial Least Squares) software version 4.0. Prior to the analysis, validity and reliability tests are conducted to ensure the accuracy and dependability of the research instruments. To evaluate the relationship between leadership appreciation and employee motivation and performance, the study applies multiple linear regression analysis.

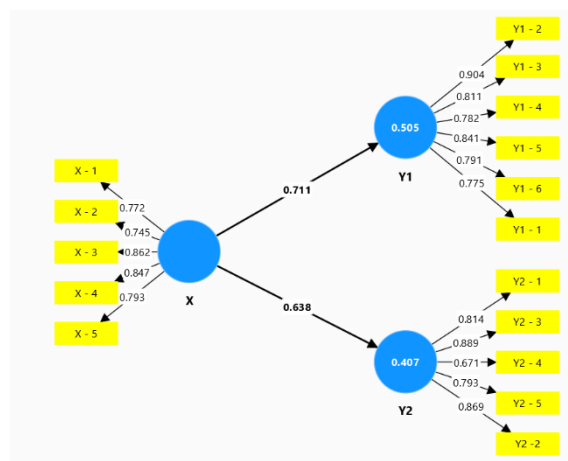
The findings of this study will provide valuable insights into how leadership appreciation influences employee motivation and productivity at PT Petirindo Jaya Abadi. Additionally, the research aims to offer practical recommendations for the company to improve its human resource management practices, thereby fostering a more productive and engaging work environment.

RESULT AND DISCUSSION

Validity Test

The questionnaire's credibility is evaluated through validity testing. A survey instrument is deemed valid when its items can reveal what it measures. Instrument validation is used for each item under every construct. Testing phases include convergent validity and AVE analysis validity, and divergent validity (Musyaffi et al., 2022). A survey is regarded as valid solely when the items can reveal the metrics to be quantified. Latent constructs with formative or reflective indicators can be used for research models. The indicators must be examined for trustworthiness and accuracy. The test applies reflective indicators through SmartPLS.

Content Validity



Picture 1. Outer Loading

Source: Author's data processing results, SmartPLS

As seen in Figure 1, it is evident that explained that each instrument item from each variable is valid. The financial literacy variable has 5 instrument items where each instrument has a factor loading above 0.5 is considered valid. The ease of use variable has 9 instrument items where each instrument shows a factor loading of > 0.5 can be said to be valid. The lifestyle variable has 8 instrument items where each instrument has a loading factor value > 0.5 can be said to be valid.

Convergent Validity

According to research (Azhar et al., 2024) (Yaacob et al., 2021) states that a correlation can be considered to pass convergent validity when the load exceeds greater than 0.5. The output shows that the factor load provides an amount greater than recommended value of 0.5. So the indicators used within this research fulfill convergence standards.

Table 1. Oater loadings

	X	Y1	Y2
X - 1	0.772		
X - 2	0.745		
X - 3	0.862		
X - 4	0.847		
X - 5	0.793		
Y1 - 1		0.775	
Y1 - 2		0.904	
Y1 - 3		0.811	
Y1 - 4		0.782	
Y1 - 5		0.841	
Y1 - 6		0.791	
Y2 - 1			0.814
Y2 - 2			0.889
Y2 - 3			0.671
Y2 - 4			0.793
Y2 - 5			0.869

Source: Author's data processing results, SmartPLS

Average Variance Extrated (AVE)

AVE measurement can also be used to measure the reliability of latent variable component scores and the results are more conservative in relation to CR (composite reliability). This measurement is intended to assess the degree of variance of a construct component collected based on its indicators and modifying its margin of error. Every indicators can be said to be valid if the average AVE exceeds 0.5 as shown in (Gio et al., 2024).

Table 2. Construct Reliability and Validity

Cronbach's Alpa	Composite Reliability (rho a)	Composite Realibility (rho c)	Average Variance Extracted (AVE)
0.864	0.873	0.902	0.648
0.901	0.911	0.924	0.67
0.866	0.872	0.905	0.657

Based on Table 2, the Construct Reliability and Validity show that the overall AVE value is > 0.5 , indicating a good convergent validity. This means that the latent variables can explain more than half of the variance of their indicators on average. All the indicators of the construct can be considered valid, as all items have an Average Variance Extracted (AVE) value > 0.5 .

Discriminant Validity

Reflective constructs require discriminant validity assessment through cross-loading comparisons. A variable is deemed valid when its loading factor is the strongest on the related construct as opposed to other loadings factor value on other constructs (Musyaffi et al., 2022). Table 4.6 shows the Cross Loading output with the Loading Factor value on each intended variable being greater than the loading factor on the other variables, so one may infer that theindicator in the findings is valid.

Table 3. Cross Loadings

	X	Y1	Y2
X - 1	0.772	0.639	0.443
X - 2	0.745	0.440	0.510
X - 3	0.862	0.698	0.501
X - 4	0.847	0.574	0.648
X - 5	0.793	0.474	0.450
Y1 - 1	0.507	0.775	0.536
Y1 - 2	0.624	0.904	0.627
Y1 - 3	0.449	0.811	0.507
Y1 - 4	0.532	0.782	0.520
Y1 - 5	0.713	0.841	0.477
Y1 - 6	0.566	0.791	0.656
Y2 - 1	0.470	0.472	0.814
Y2 - 2	0.526	0.600	0.869
Y2 - 3	0.578	0.546	0.889
Y2 - 4	0.493	0.448	0.671
Y2 - 5	0.793	0.600	0.793

Source: Author's data processing results, SmartPLS

Reliability Test

(Musyaffi et al., 2022) stated that a latent construct is considered reliable when CR exceeds 0.7 and Cronbach's α exceeds 0.7. Table 4 below shows the composite reliability value and Alpha reliability index above 0.7 for each variable.

Table 4. Construct reliability and validity

	<i>Cronbach's alpha</i>	<i>Composite reliability (rho a)</i>	<i>Composite reliability (rho c)</i>
X	0.864	0.873	0.902
Y1	0.901	0.911	0.924
Y2	0.866	0.872	0.905

Source: Author's data processing results, SmartPLS

Structural Model or Internal Model

R-Square

R^2 indicates the proportion influence predictor variable (exogenous) has on response variable (endogenous). R square ranges numerically between 0 and 1, representing shows the strength of the combined contribution of the combined predictors to the outcome variable. According to (Permata, 2023) a 0.75 R^2 denotes high explanatory power, while 0.50 is included average classification, and 0.25 is included in the low classification. In the findings of the analysis shown according to Table 4.7, the adjusted coefficient of determination for work motivation (Y1) is 0.499, suggesting that leadership has an effect appreciation on work the position of motivation lies within moderate category. Meanwhile, the modified coefficient of determination for staff productivity (Y2) equals 0.399, indicating indicates that leadership's effect appreciation and job-related factors motivation affecting staff output is in the weak category.

Table 5. R-Square

	R - square	R – square adjusment
Y1	0.502	0.499
Y2	0.407	0.399

Hypothesis Test (t-Test)

Hypothesis testing of this research was conducted are) 4.0 software. The t-statistic method procedure applied to test hypotheses in research with PLS analysis through

bootstrapping. Bootstrapping is a resampling testing process carried out by a computational platform for measure precision in sampling estimates. The bootstrap method is applied to examine significant links among variables. If the bootstrap T-score is at least 1.96, the hypothesis is supported; otherwise, it is not upheld (Setiabudhi et al., 2025).

Table 6. Bootstrapping Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistic (O/STDEV)	P Values
X -> Y1	0.711	0.718	0.072	9.885	0.000
X -> Y2	0.638	0.638	0.101	6.321	0.000

Source: Author's data processing results, SmartPLS

From the hypothesis summary table test results (t-test) above, several conclusions can be drawn, namely: T-statistic of leader appreciation (X) on work motivation (Y1) is $9.885 \geq 1.96$, so it can be said that the hypothesis is confirmed, or leader appreciation positively influences work motivation. Thus, an increase in leader's appreciation, a staff member's work motivation will increase. T-statistic of leader appreciation (X) on employee performance (Y2) is $6.321 \geq 1.96$, so it can be said that the hypothesis remains approved or leader appreciation positively impacts staff output. Therefore, as leader's appreciation, staff productivity will also increase.

The Influence of Leadership Appreciation on Employee Work Motivation

Referring to findings from data analysis obtained through quantitative methods, it was found that appreciation from leaders contributes significantly and positively to motivation at PT Petirindo Jaya Abadi. The regression coefficient value shows a figure of $\beta = 0.65$ which indicates that every increase in leadership appreciation will significantly increase employee work motivation. Hypothesis testing with a p value < 0.05 confirms that the connection between recognition by leaders and motivation at work is statistically significant.

Findings from this research align with those of (Kalogiannidis, 2021) which states that appreciation from leaders plays a major role in increasing employee work motivation. In addition, research (Pincus, 2023) also supports this finding, where appreciation given by leaders is able to create a sense of belonging and higher involvement in the organization, thereby increasing employee work motivation. The study results lead to the conclusion that leadership appreciation plays a very important contribution toward enhancing work motivation. Staff who feel valued tend to be more enthusiastic about working, have a higher level of involvement, and strive to achieve company targets better. Therefore, companies need to develop a more systematic and fair reward strategy so that employee motivation can continue to increase.

The Effect of Leadership Awards on Employee Performance

This research demonstrates that recognition improves employee outcomes at PT Petirindo Jaya Abadi. The regression analysis produced a coefficient value of $\beta = 0.58$, which means that awards given by leaders can boost organizational productivity. In addition, the results of the hypothesis test showed $p < 0.05$, so the link between managerial rewards and job results can be said to be statistically significant. The result supports prior work by (Goni et al., 2021), who discovered awards and recognition from leaders contribute positively to improving employee performance. Another study by Pfister et al. (2020) also supports these results by showing that awards from leaders that are given specifically and fairly can increase employee productivity and overall work quality. From the results of this analysis, one may infer that leadership appreciation meaningfully contributes to employee outcome improvement. Employees who receive appreciation tend to have higher work enthusiasm, are more focused

in carrying out their duties, and are more productive in completing their work. Therefore, companies need to implement a more transparent and structured appreciation system to encourage employees to achieve optimal performance and increase the company's overall competitiveness.

CONCLUSION

The research conducted on the impact of leadership appreciation on employee motivation and performance at PT Petirindo Jaya Abadi reveals several important conclusions. First, it was found that appreciation provided by leaders has a positive and significant effect on employee work motivation. Employees who feel valued and acknowledged tend to exhibit higher levels of motivation, greater engagement in their tasks, and a stronger commitment to achieving organizational goals. Second, the study highlights that recognition from leaders also has a meaningful and constructive impact on employee performance. Workers who receive acknowledgment for their contributions demonstrate improvements in productivity, the quality of their work, and their overall discipline in fulfilling their responsibilities.

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