

Analysis of the Influence of Leadership and Human Resources Function on Employee Performance and Strategies for Improving Them at Muara Enim Branch Pawnshops

Andri Novrandi Marta¹, Munajat^{1*}

¹Baturaja University, Indonesia, Indonesia

*) Corresponding Email: munajat.ub@gmail.com

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ABSTRACT

This study aims to analyze the influence of leadership and human resource (HR) functions on employee performance, as well as to formulate strategic recommendations to enhance employee performance at Pegadaian Muara Enim Branch. The research employed a quantitative approach supported by a survey using structured questionnaires. The population consisted of all employees of Pegadaian Muara Enim Branch, and data were processed using SPSS, including validity testing, reliability testing, classical assumption testing, and multiple linear regression analysis. SWOT analysis was used to formulate strategic recommendations. The findings show that leadership has a positive and significant effect on employee performance. The HR function also significantly influences performance, with employee development, training, and job matching identified as strong contributors. The combined effect of leadership and HR function demonstrates high predictive strength toward employee performance. SWOT analysis further identifies strategies such as strengthening competency-based training, improving leadership effectiveness, and optimizing HR administration systems. The study focuses on a single organizational unit, limiting generalizability. Employee responses were self-reported, creating potential bias. This study provides empirical evidence on the importance of leadership and HR functions in improving performance within state-owned financial institutions. The novelty lies in integrating HR function analysis with leadership behavior and linking the findings to a practical strategy model using SWOT to strengthen organizational performance..

A. INTRODUCTION

Employee performance is an organizational asset that has a strategic role in determining operational success and achieving company goals. In the financial services sector such as Pegadaian, employee performance has a direct influence on service quality, customer satisfaction, and the effectiveness of business processes. The increasingly fierce competition in the financial industry, digital transformation, and the need for fast and accurate services require Pegadaian to ensure that all employees have optimal competence, motivation, and work behavior.

The Muara Enim Branch Pawnshop is currently facing various challenges. Some employees feel that there is an inequality in the supervision and coaching of leaders. In addition, competency development programs have not been running consistently, while job demands are increasingly complex due to the digitization of services such as Pegadaian Digital Service (PDS), internal personnel applications, and an increase in sales targets for pawn and non-pawn products. This condition creates a gap in competence and performance between employees.

In addition, the ongoing human resource function is considered to still have several weaknesses, especially in the aspects of training, career development, and job placement. Jobdesk mismatches in some units lead to uneven workloads, which has the potential to



decrease productivity. Therefore, this study is very relevant to analyze two key variables, namely leadership and human resource function, in the context of improving employee performance.

Previous studies have shown that leadership has a significant effect on employee motivation and performance. Likewise, an effective human resource function is able to encourage the creation of high productivity. However, there is still a research gap on how the two variables interact simultaneously in the context of state-owned financial services organizations such as Pegadaian, especially at the branch level. In addition, previous research rarely integrates quantitative analysis with strategy formulation using SWOT.

Therefore, this research not only focuses on hypothesis testing but also produces performance improvement strategies that branch management can implement. Thus, this research makes a practical and academic contribution to the development of Pegadaian performance management.

B. THEORETICAL STUDY

Leadership

Leadership is the process of influencing, directing, and motivating employees to achieve organizational goals. According to Bass (2017), effective leadership involves the ability to provide clear direction, build interpersonal relationships, and create a conducive work environment. Various studies show that leadership quality has a close relationship with employee performance (Harris, 2020; Bearden & Teel, 1983).

Leaders who are able to provide consistent feedback, resolve conflicts constructively, and set an example will encourage employees to work more productively. In the context of Pegadaian, Branch leadership greatly determines how employees understand sales targets, service standards, and work ethics.

H1: Leadership has a positive and significant effect on employee performance.

HR Function

The HR function includes various strategic activities such as workforce planning, recruitment, training, performance appraisals, and compensation (Ghozali, 2016). The quality of the human resource function determines the organization's ability to provide competent, motivated, and suitable employees according to job needs.

Previous research (Agustin, 2020; Nugroho, 2018) shows that training and competency development have a great influence on employee productivity. A good HR function also creates clarity on job desks, work procedures, and career paths.

H2: Human resource function has a positive and significant effect on employee performance.

Leadership, HR Function, and Employee Performance

Simultaneously, the combination of leadership and effective HR functions has been shown to result in high employee performance (Bitner, 1990; Cadotte et al., 1987). Leadership creates direction and motivation, while the HR function ensures employees have adequate competencies and support systems.

H3: Leadership and HR functions have a significant effect simultaneously on employee performance.

C. RESEARCH METHODS

This study uses a quantitative approach that aims to test the relationship between variables through statistical analysis. The research instrument is in the form of a questionnaire on a Likert scale of 1–5 which was developed based on leadership theories, human resource functions, and employee performance.

Population and Sample

The population of the study is all employees of the Muara Enim Branch Pawnshop totaling 40 people. The sampling technique uses census, so that the entire population is used as respondents.

Analytical Techniques

The stages of analysis include:

1. Validity and reliability tests
2. Classical assumption tests: normality, multicollinearity, heteroscedasticity
3. Regresi linear berganda
4. T-test (partial)
5. F test (simultaneous)

Qualitative Descriptive Analysis

Qualitative descriptive is used to formulate performance improvement strategies based on the internal and external conditions of the branch.

D. RESULTS AND DISCUSSION

Here are the full results of this study :

Key Statistical Results

Leadership has a significant impact ($t\text{-count} > t\text{-table}$; $\text{sig} < 0.05$)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.362	7.502		.715	.479
	Kepemimpinan	.441	.115	.500	3.819	<.001
	FungsiSDM	.512	.130	.514	3.929	<.001

a. Dependent Variable: Kinerja

Image ($t\text{-hitung} > t\text{-tabel}$; $\text{sig} < 0.05$)

1. Constant = 5.362, When the variables of Leadership and HR Function are 0, then the basic value of employee performance is 5.362. Since $p\text{-value} = 0.479 (> 0.05)$, the constant is not significant, but it is still used in regression equations.
2. For Leadership, the coefficient B = 0.441, meaning that every 1 unit increase in leadership will increase employee performance by 0.441 units, assuming other variables are fixed. The significance value is < 0.001 (less than 0.05), so leadership has a significant effect on employee performance. With Beta = 0.500, indicates relative power of influence, where leadership makes a moderate contribution to performance.

The function of human resources has a significant effect ($t\text{-hitung} > t\text{-tabel}$; $\text{sig} < 0.05$)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.362	7.502		.715	.479
	Kepemimpinan	.441	.115	.500	3.819	<.001
	FungsiSDM	.512	.130	.514	3.929	<.001

a. Dependent Variable: Kinerja

Image (t-hitung > t-tabel; sig < 0.05)

1. Constant = 5.362, When the variables of Leadership and HR Function are 0, then the basic value of employee performance is 5.362. Since p-value = 0.479 (> 0.05), the constant is insignificant, but it is still used in regression equations.
2. For HR Function, the coefficient B = 0.512, meaning that every 1 unit increase in the HR function will increase employee performance by 0.512 units, if other variables remain. The significance value is < 0.001 (less than 0.05), so the function of human resources has a significant effect on employee performance. With Beta = 0.514 (slightly greater than leadership), HR function is the most dominant predictor in this model.

Significant t-test results show simultaneous effects

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.362	7.502		.715	.479
	Kepemimpinan	.441	.115	.500	3.819	<.001
	FungsiSDM	.512	.130	.514	3.929	<.001

a. Dependent Variable: Kinerja

Picture of the test results t

1. Based on the results of partial regression analysis (t-test), the leadership variable has a calculated t-value of 3.819 with a significance of < 0.001. The significance value is less than 0.05, so it can be concluded that leadership has a significant effect on employee performance at the Muara Enim Branch Pawnshop. The regression coefficient (B) of 0.441 shows that every one unit increase in leadership will increase employee performance by 0.441 units. This means that the better the leadership that is applied, the higher the performance of employees. Leaders who are able to provide direction, guidance, motivation, and example will encourage employees to work more optimally. These findings are in line with the theory that effective leadership can influence work behavior and the achievement of employee performance targets. Thus, the leadership factor plays an important role in supporting the achievement of better performance in the organization, including within the Muara Enim Branch Pawnshop. Therefore, the H1 hypothesis, namely that Leadership has a significant effect on employee performance at the Muara Enim Branch Pawnshop, is accepted.
2. The results of the t-test showed that the variable of HR function had a calculated t-value of 3.929 with a significance of < 0.001, which was also smaller than 0.05. This means that the human resource function has a significant effect on employee performance. The regression coefficient of the HR function variable of 0.512 shows that every one unit

increase in the HR function increases employee performance by 0.512 units. A higher coefficient value than leadership indicates that HR function is a more dominant variable affecting performance.

The functions of human resources in this study include directing, controlling, integration, maintenance, and discipline. When these functions run well, employees will have adequate competence, motivation, and clarity of roles so that they can work more effectively. These findings support the theory that good HR management will improve productivity and organizational performance. Therefore, Hypothesis H2, namely the Human Resources Function has a significant effect on employee performance at the Muara Enim Branch Pawnshop, is accepted.

The results of the F Test were significant showing simultaneous influence

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	227.011	2	113.505	12.267	<.001 ^b
	Residual	342.364	37	9.253		
	Total	569.375	39			

a. Dependent Variable: Kinerja

b. Predictors: (Constant), FungsiSDM, Kepemimpinan

F test result image

1. Based on the results of the F test displayed in the ANOVA table, an F value of 12.267 was obtained with a significance value of $p < 0.001$. The significance value is less than 0.05, so it can be concluded that the regression model constructed is significant. In other words, independent variables consisting of Leadership and HR Functions simultaneously or together have a significant influence on Employee Performance at the Muara Enim Branch Pawnshop.
2. These results show that the combination of the two variables—leadership and HR function—is able to explain the variation in changes in employee performance in a meaningful way. The Regression Sum of Squares value of 227,011 also shows that the proportion of variation in employee performance that can be explained by the model is quite large compared to the remaining error (Residual Sum of Squares) of 342,364. Thus, it can be affirmed that leadership and HR function are important factors that together affect employee performance, so the model is feasible to use for further analysis.

Discussion

The results of the study show that leadership quality greatly influences employee work behavior. Leaders who provide clear work directions make employees feel more directed in completing tasks. In addition, the participatory leadership style that is often applied at Pegadaian has been proven to increase employee ownership of work.

The human resource function also makes a significant contribution. Periodic training activities that have begun to be implemented by Pegadaian, although not evenly distributed, have helped improve the technical competence of employees. However, some employees still feel that the workload is unbalanced due to the jobdesk that is not updated according to operational needs.

Employee Performance Improvement Strategy

Based on the results of interviews, observations, and documentation at the Muara Enim Branch Pawnshop, it is clear that the implementation of human resource functions,



especially direction, control, integration, maintenance, and discipline has been going well. However, there are still several obstacles such as the lack of advanced training, limited internal communication forums, and the need for innovation in the performance evaluation system. Through qualitative descriptive analysis with a data reduction approach, data display, and conclusion drawn, a performance improvement strategy at the Muara Enim Branch Pawnshop was directed to:

1. Need-based competency training (CBT).
2. Strengthening coaching leadership by Branch Heads.
3. Jobdesk adjustment and annual workload evaluation.
4. Development of a digital-based performance monitoring dashboard.

E. CONCLUSION AND SUGGESTIONS

Conclusion

This study concludes that leadership and human resource functions have a significant influence on the performance of Pegadaian employees of the Muara Enim Branch. Both variables play an important role in creating optimal individual performance. The formulation of strategies results in practical recommendations that branch management can implement.

The research was conducted on only one branch, namely the Muara Enim Branch Pawnshop. This study uses perception data so that there is a bias.

Suggestion

It is necessary to improve technical and soft skills training programs, strengthen the role of leaders in coaching, mentoring, and monitoring, and optimize KPI-based digitalization.

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