The Influence of Leadership and the Implementation of Occupational Safety and Health (OSH) on the Performance of Construction Employees

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ABSTRACT

The intensifying nature of business competition compels organizations to enhance employee performance through effective leadership and the systematic implementation of occupational safety and health (OSH) practices. This research aims to examine the impact of leadership and OSH implementation on the performance of field construction employees at CV. XYZ. A quantitative research design was adopted, with data collected using a five-point Likert-scale questionnaire. The study involved a population and sample comprising all 42 field construction employees of CV. XYZ, selected through a saturated sampling technique. Data were analyzed using (PLS-SEM) technique, supported by the SmartPLS software. The study reveal that both leadership and OSH implementation exert a positive and significant influence on employee performance. These results underscore that effective leadership and consistent adherence to OSH practices are crucial in enhancing the performance of field construction employees.

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INTRODUCTION

Business competition in the current era of globalization is becoming increasingly fierce, forcing companies to push their employees to perform better. Human resources are an important part of the success of an organization or company in implementing various measures to improve employee performance, because people are a living asset whose skills must be nurtured and developed. No matter how good a company's goals and plans are, they will be in vain if human resources are not considered important and valued (Samahati, 2020). As the most valuable asset employees should be given special attention to ensure that human resources contribute optimally to the achievement of organizational objectives. Human resource management requires management that is capable of organizing resources in a planned, systematic, and efficient manner to achieve optimal results.

Employee performance absolutely needs to be maintained and even improved, so a manager must know the various factors contributing to employee performance (Wardoyo & Suwasono, 2022). One of the common problems faced by many companies is the management of human resource development, particularly in terms of improving employee performance. Performance refers to the attainment of work outcomes, encompassing both qualitative and quantitative aspects performed by employees in executing their designated tasks in accordance with their roles and responsibilities. Enhancements in employee performance can be evaluated by examining the degree to which individuals successfully and efficiently complete their designated tasks. An employee is regarded as demonstrating optimal performance when they successfully complete their responsibilities and exhibit positive work behavior, including consistent attendance.

ISSN: 2828-4216 CV. XYZ is a private company engaged in construction, specifically general contracting, steel structures, and mechanical electrical plumbing. The company has collaborated with various government and private agencies in various regions in Indonesia. Based on the initial interview results, it was found that this company has issues regarding declining employee performance that need to be addressed by the company, related to leadership and workplace accidents that have caused project implementation to fall short of the company's targets. The data on the realization of project targets at CV. XYZ from 2022 to 2024 is presented in the following table:

Table 1 Project Target Realization Data for CV. XYZ

| Year | Target | Realization | Precentage | Delay |
|------|--------|-------------|------------|-------|
| 2022 | 6 | 5 | 83% | 1 |
| 2023 | 6 | 6 | 100% | 2 |
| 2024 | 6 | 4 | 67% | 2 |

Source: Secondary data processed by researchers, 2024

Table 1 shows that the company has experienced fluctuations over the past three years in realizing its project targets, reflecting problems in the execution of its tasks. In 2022, out of six project targets, only five were successfully realized, with one delay. In 2023, performance improved as all six project targets were achieved, although there were still two delays. However, in 2024, there was a significant decline, with only four projects being realized and two delays reoccurring. This suggests that the majority of field employees were unable to fulfill the performance standards established by the company. This is hampered by supervision and direction from management and the high number of workplace accidents, which has led to a decline in employee performance, especially in terms of the timeliness of completing the company's predetermined projects. The fact that there are still projects experiencing delays indicates that employee performance is not yet optimal.

Leadership is an effort by a superior to effect the behavior of their subordinates, motivate them to follow directions, and work to the best of their ability to achieve common goals (Intan et al., 2022). The extent to which a company succeeds or fails in achieving its objectives is largely influenced by the quality of leadership demonstrated by its leaders.. Thus, the management of various resources by leaders can encourage improved employee performance, which ultimately helps achieve organizational goals (Cortés-Denia et al., 2023). The leadership style applied is not firm enough in directing and enforcing rules on subordinates. As a result, there are employees who complete their tasks and responsibilities based on the absence of demands from their superiors in accordance with the specified time. Ultimately, employees work casually, without pressure, and even lack interest in their work. When there are irresponsible employees, leaders also do not show firmness or courage to reprimand them firmly. In fact, communication skills are very important for a leader to give directions, warnings, and advice. However, foremen at CV XYZ lack communication skills, so they fail to convey that work employees contribute directly to the success of an organization. This situation reflects poor management quality and quantity, where leaders are unable to instill discipline and a sense of responsibility in the workplace. In other words, leaders have not succeeded in influencing the mindset and work attitude of employees to be oriented towards productivity, punctuality, and professionalism.

Occupational safety and health is closely linked employee performance, both of which play a crucial role in determining an organization's overall success, because optimal work conditions can affect employee performance (Wibowo & Widiyanto, 2019). The implementation of Occupational Safety and Health (OSH) is an crucial measure in establishing a safe and health-oriented workplace environment, in order to prevent work accidents and ultimately increase the efficiency, performance, and productivity of employees. The provision of OSH guarantees to employees also provides a sense of security at work, so that every employee will feel comfortable at work, without worry and able to focus on their work, thereby increasing their performance and productivity. The existence of OSH guarantees provided to employees also provides a sense of security at work so that every employee will feel comfortable at work, not anxious and focused at work so that work performance and productivity will increase. The workplace accidents that occurred at CV. XZY were caused by employee negligence in not complying with company rules and low employee awareness, resulting in a lack of discipline, such as ignoring the use of protective equipment like gloves, shoes, eye protection, and helmets. This situation indicates the need for the company to reevaluate the implementation of occupational safety and health (OSH) programs by employee to reduce the risk of workplace accidents, both minor and major, that can result in workplace accidents.

This study was prompted by differing findings regarding the effect of leadership on employee performance. The findings of a study by (Azijah et al., 2024) state that leadership has a positive and significant influential on employee performance. Furthermore, a study by (Aprilia & Prihatini, 2020) also shows a positive and significant influence of leadership on employee performance. However, study by (Rahmawati, 2022) states that leadership has a negative and insignificant influential on employee performance. Different results are also seen in studies on the influence of occupational safety and health (OSH) implementation on employee performance. The findings of studies by (Fajri, 2023) and (Sambul et al, 2021) show that Occupational Safety and Health (OSH) has a positive and significant influential on employee performance. Meanwhile, other studies found different findings. (Nur et al., 2023) stated that Occupational Safety and Health (OSH) has no positive and insignificant influential on employee performance.

Therefore, this study aims to analyze the influence of leadership and the implementation of occupational safety and health (OSH) on employee performance. The results this study is expected to provide practical contributions to companies in improving leadership and the optimal implementation of OSH, as well as enriching theoretical studies on factors that influence performance in the context of human resource management.

LITERATURE REVIEW

Leadership

Leadership is a person's mindset in influencing their subordinates, because every action taken by a leader will greatly affect the extent of the organization's development and exert a direct influence on employee performance (Rini et al., 2022). Employee performance itself is crucial in determining the achievement of targets and the execution of work. If leadership within an organization is unable to exert influence, and employees continue to disregard existing rules, it will be difficult for employees and leaders to work in harmony. Indicators that can be used to assess the success of leadership in an organization are (1) analytical skills (2) communication skills (3) assertiveness (Delti, 2015).

Occupational Safety and Health

Occupational Safety and Health (OSH) is an effort to improve and maintain the physical and mental all workers in various types of companies, prevent health problems caused by work, protect workers from risks that can endanger their health, place employees within the organizational setting that suits their physical and mental conditions, and adjust the type of work to the abilities and duties of each individual (Hasibuan, 2017). There are four indicators of occupational safety and health (OSH): (1) creating safe working conditions, (2) creating a healthy work environment, and (3) health services (Dewi & Sundari, 2021).

Employee Performance

Employee performance represents the outcomes produced by individuals within an organization and reflects the extent of their contribution to the attainment of organizational objectives and is evaluated by comparing the results achieved with predetermined targets (Siagian, 2023). The indicators utilized to evaluate employee performance include the following. (1) work quality (2) work quantity (3) ability to work together (Mathis & Jackson, 2006).

RESEARCH FRAMEWORK

This framework illustrates the influence of leadership and the implementation of occupational safety and health (OSH) practices on employee performance. The conceptual framework outlining the interrelationships among the variables in this research is presented below:

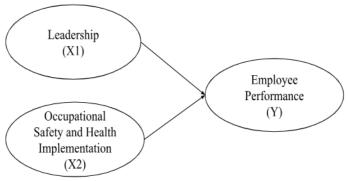


Figure 1 Conceptual Framework

HYPOTHESIS

- H1: Leadership has a positive and significant effect on the performance of construction employees at CV. XYZ.
- H2: The implementation of Occupational Safety and Health (OSH) has a positive and significant effect on the performance of construction employees at CV. XYZ.

RESEARCH METHOD

This research adopts a quantitative research design. The population consists of 42 field construction employees at CV. XYZ, selected using a saturated sampling technique. Data were gathered through a Likert-scale questionnaire that had undergone validity and reliability testing. The analysis was performed using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) approach, facilitated by the SmartPLS software.

RESULTS AND DISCUSSIONS

Characteristics of Respondents

The characteristics of respondents based on gender were dominated by males (100%) because field construction workers prioritize physical strength. In terms of age, most of the respondents were classified as 20-30 years (67%) because they were considered to have strong physiques, high adaptability, and readiness to learn new skills. Based on their highest level of education, the majority are vocational school graduates (64%), indicating that vocational school graduates are better prepared to enter the construction industry because they already have practical skills, are efficient in training, and can be immediately placed in the field. Meanwhile, in terms of length of employment, the majority of respondents have worked for a period of 2-5 years (79%), indicating that most employees already demonstrate a clear comprehension of their roles and obligations but are still in the process of professional developmnt.

Outer Model Convergent Validity

Table 2 Outer Loadings

| | Leadership (X1) | Occupational Safety and Health Implementation (X2) | Employee Performance (Y) |
|------|--------------------|--|--------------------------------|
| X1.1 | 0.905 | (X2) | (1) |
| X1.2 | 0.908 | | |
| X1.3 | 0.880 | | |
| X2.1 | | 0.871 | |
| X2.2 | | 0.732 | |
| X2.3 | | 0.849 | |
| Y.1 | | | 0.852 |
| Y.2 | | | 0.840 |
| Y.3 | | | 0.874 |

Source: Results SmartPLS Output, 2025

Referring to the findings shown in the table, all indicators in this research show outer loading values of more than 0.7, indicating that each indicator demonstrates strong measurement validity has

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met the validity requirements and accurately represents the variables studied, namely leadership, K3 implementation, and employee performance. Therefore, all indicators are declared valid.

Discriminant Validity

Table 3 Cross Loading

| | Leadership (X1) | Occupational Safety and Health Implementation (X2) | Employee Performance (Y) | |
|------|--------------------|--|--------------------------------|--|
| X1.1 | 0.905 | 0.516 | 0.592 | |
| X1.2 | 0.908 | 0.524 | 0.668 | |
| X1.3 | 0.880 | 0.503 | 0.622 | |
| X2.1 | 0.480 | 0.871 | 0.647 | |
| X2.2 | 0.414 | 0.732 | 0.374 | |
| X2.3 | 0.508 | 0.849 | 0.674 | |
| Y.1 | 0.619 | 0.534 | 0.852 | |
| Y.2 | 0.508 | 0.633 | 0.840 | |
| Y.3 | 0.663 | 0.671 | 0.874 | |

Source: Results SmartPLS Output, 2025

Based on the cross loading values listed in the table, all factor loading values of each indicator in the variables of leadership, occupational safety and health (OSH), and employee performance have a stronger correlations with their respective constructs than with other variables. This indicates that the assessment of each indicator has met the criteria for discriminant validity well.

Table 4 Average Variance Extracted (AVE)

| | Average Variance Extracted (AVE) |
|--|----------------------------------|
| Leadership (X1) | 0.806 |
| Occupational Safety and Health Implementation (X2) | 0.732 |
| Employee Performance (Y) | 0.671 |

Source: Data Processing Results SmartPLS Output, 2025

Based on the Average Variance Extracted (AVE) values presented in the table above, all variables in this research satisfy the criteria for convergent validity., with AVE values exceeding 0.5. These findings indicate that each indicator has a good ability to explain the construct it represents, so that convergent validity is declared to have been achieved comprehensively.

Reliability Test

Table 5 Composite Reliability dan Cronbach's Alpha

| Composite Reliability | Cronbach's Alpha |
|--------------------------|--------------------------------|
| 0.879 | 0.926 |
| 0.817 | 0.891 |
| 0.762 | 0.859 |
| | Reliability 0.879 0.817 |

Source: Results SmartPLS Output, 2025

Based on the results presented in the table above, all variables in this study show composite reliability and cronbach's alpha values exceeding 0.70. These findings that all variables in the study have met the criteria for good reliability and are declared reliable for producing valid and trustworthy data.

MSR Journal, Vol 4 issue-4 2025 Inner Model

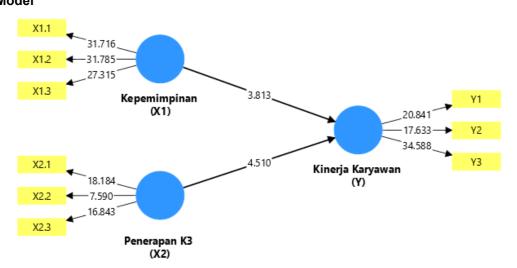


Figure 2 Path Coeficient (Bootstapping)

R-Square Analysis

Table 6 R-Square

R-Square

Employee Performance (Y) 0.641

Source: Results SmartPLS Output, 2025

Referring to the results in the table, the employee performance variable (Y) has an R- Square value of 0.641. This figure shows that leadership (X1) and the implementation of occupational safety and health (K3) (X2) together affect employee performance (Y) by 64.1%. The R-Square value of this study is in the strong category in explaining the dependent variable. Meanwhile, the remaining 35.9% is the contribution of other variables outside this study.

Hypothesis Testing

Table 7 Estimate for Path Coefficients

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P values |
|---|---------------------------|-----------------------|----------------------------------|-----------------------------|----------|
| Leadership (X1) -> Employee Performance (Y) | 0.430 | 0.424 | 0.113 | 3.813 | 0.000 |
| Occupational Safety and Health Implementation (X2) - > Employee Performance (Y) | 0.473 | 0.484 | 0.105 | 4.510 | 0.000 |

Source: Data Processing Results SmartPLS Output, 2025

Based on the data processing results, several findings were obtained as follows.

- 1. Leadership (X1) has a positive effect on Employee Performance (Y), which is acceptable. This is indicated by a Path Coefficient value of 0.430 and a T-Statistic value of 3.813 > 1.96 or a P-Value of 0.000 < 0.05 with significant (positive) results, so H1 is accepted.
- 2. The application of K3 (X2) has a positive effect on Employee Performance (Y) and is acceptable. This is indicated by a Path Coefficient value of 0.473 and a T- Statistic value of 4.510 > 1.96 or a P-Value of 0.000 < 0.05 with significant (positive) results, thus accepting H2.

Discussion

The Influence of Leadership on Employee Performance

The findings of the research indicate that leadership contributes to improving the performance of CV. XYZ employees. This shows that the better the leadership of the foreman, the better the performance of the employees. The research results on leadership can be represented by communication skills because they have the highest factor loading value. Communication skills are the

ISSN: 2828-4216 ability of leaders to convey messages effectively to employees to foster healthy working relationships within the company. These results are consistent with the study by (Luvitasari et al., 2021) that leadership contributes to influencing employee performance.

The Influence of K3 Implementation on Employee Performance

The findings of the research indicate that the implementation of occupational safety and health (OSH) contributes to improving the performance of CV. XYZ employees. This shows that the better the implementation of occupational safety and health (OSH) for employees, the better their performance their results also increased. The results of research on the implementation of K3 can be represented by creating safe working conditions because it has the highest factor loading value. Creating safe working conditions means creating a safe working environment through the use of personal protective equipment, standard equipment, safety signs, and clear work procedures to prevent potential hazards. These findings align with a study by (Fajri, 2023) that the implementation of occupational safety and health (OSH) contributes to influencing employee performance.

CONCLUSION

Based on the results of the study, it can be concluded that leadership and the implementation of occupational safety and health (OSH) have a positive and significant effect on the performance of field construction employees at CV. XYZ. Suboptimal leadership and OSH implementation can affect employee performance in terms of productivity, timeliness, and professionalism. In this regard, management should consider the factors influencing leadership and occupational safety and health (OSH) to foster a work environment that is safer, more conducive, and more productive. One suggestion is for the company to conduct evaluations by periodically assessing the performance of foremen, which is carried out by the project manager. Leaders can prepare a list of rules or SOPs that are posted in the work area so that foremen can more easily reprimand employees who violate them. Sanctions can also be made in stages, starting from verbal warnings, warning notes, to reduction of overtime rights if violations are repeated. Conducting stricter supervision at the beginning and middle of working hours to ensure the implementation and compliance with safety procedures and the complete use of personal protective equipment so that employees do not violate company rules, thereby minimizing the risk of workplace accidents and creating a disciplined and safe work culture.

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