



ISSN 2810-0182 (Online)

ACITYA WISESA: Journal of Multidisciplinary Research

<https://journal.jfpublisher.com/index.php/jmr>

Vol. 1, Issue. 1 (2022)

doi.org/10.56943/jmr.v1i1.28

The Influence of Leadership Style, Organizational Culture and Work Motivation on Employee Performance Study on PMA South Korea PT. Hilon Surabaya

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ABSTRACT

The purpose of this study is to find out how much influence leadership style, organizational culture and work motivation have on employee performance, especially employees in the production division at PMA PT. Hilon Surabaya. Simultaneously and partially leadership style, organizational culture and work motivation have a significant effect on employee performance. Leadership style has a dominant influence on employee performance of 0.382 while work motivation of 0.156 is the smallest coefficient value in this study, however employee motivation is still needed to improve employee performance. The results of this study are expected to be a source of information to review human resource management policies, especially in relation to leadership style, organizational culture, work motivation and employee performance.

Keywords: *Leadership Style, Organizational Culture, Performance, Work Motivation*

INTRODUCTION

Organization is a consciously coordinated social unit, with a relatively identifiable boundary, working continuously to achieve goals (Robbins, 2001b). The definition emphasizes the need to coordinate patterns of human interaction. These interactions, shaped by various interests and characteristics, influence lifestyles, behavior patterns, and work ethics, ultimately defining an organization's condition. Each individual in the organization brings their cultural values, which synergize with the organization's systems, technology, strategies, and leadership styles. Therefore, the interaction patterns of human resources within the organization must be balanced and aligned to ensure the organization remains sustainable.

Organizations that are successful in achieving their goals and being able to fulfill their social responsibilities will be highly dependent on their leaders. If the leader is able to carry out well, it is very likely that the organization will achieve its goals. An organization needs an effective leader, who has the ability to influence the behavior of its members or subordinates. Thus, a leader or head of an organization will be recognized as a leader if he can have influence and be able to direct his subordinates towards achieving organizational goals. In this company the existence of a leader is needed to bring the organization to the goals that have been set.

Every company, both private and government, has a goal to be achieved. Basically, the main goal of the company is to make a profit. Companies that are ready to compete must have effective management because with Management Company goals will be easier to achieve. Management is a science and art that regulates the process of utilizing human resources and other resources effectively and efficiently to achieve a certain goal. This management consists of six elements (6M), namely: man, money, method, machine, material and market (Hasibuan, 2003).

PT. Hilon Surabaya is a South Korean PMA that produces non-woven textile, with products such as padding, carded fibres, quilting and bedding goods. At PT. Hilon Surabaya leadership style and work culture applied in this company is very strict, where the demands for production targets in this company require production employees to work 12 hours and sometimes on Sundays or red dates they have to work. And if employees who cannot follow the work culture in this company will automatically leave.

This is a challenge for employees with the applied leadership style and organizational culture. Robbins (2001) suggests that the success of an organization in achieving goals through efforts to move other people in the organization or agency cannot be separated from the capacity, role, behavior and characteristics of a leader. Characteristics of a leader include leadership traits,

leadership functions, leadership limiting factors, decision-making actions, and participation in decision-making.

The leadership style applied to an organization influences the formation of an organizational culture related to shared values and assumptions that are guided by the personal beliefs of organizational leaders. A strong culture is a very useful tool for directing behavior, because it helps employees to do their jobs better, therefore every employee needs to understand the culture and how it is implemented. In the research conducted by Tampubolon (2007), it was concluded that the leadership style factor contributed relatively large and very significantly to increasing employee performance.

Organizational culture is an adhesive tool and produces closeness, so as to minimize differences within an organization. Organizational culture also provides shared meaning as a basis for communication and provides a sense of mutual understanding. If this function of culture is not carried out properly, then culture can significantly reduce organizational efficiency. Culture is the norms and values that direct the behavior of organizational members (Luthans, 2006). Everyone will behave according to the prevailing culture to be accepted in their environment.

Performance according to Mangkunegara (2005) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance in this case shows the work achieved by a person after carrying out the work tasks assigned by the organization. While the measure of whether or not the work results can be seen from the quality or quality achieved by employees in accordance with the demands of the organization. Performance can be achieved properly if employees are able to work in accordance with the assessment standards set by the organization.

Based on the description above, the researcher sees the importance of the role of leadership style, organizational culture and work motivation in improving employee performance. Therefore, the researcher conducted this research with the title "The Influence of Leadership Style, Organizational Culture and Work Motivation on Employee Performance at PT. Hilon Surabaya". By identifying and researching various factors of leadership style, organizational culture and work motivation, it is hoped that an overview of matters related to improving employee performance will be obtained.

RESEARCH METHODOLOGY

This study employs a quantitative approach supplemented by qualitative data. The quantitative approach involves the survey method, which entails sampling from a population and using a questionnaire as the primary data collection tool (Singarimbun and Efendi, 1989). The qualitative data was gathered

through interviews with respondents and informants to provide additional context and related information.

The study adopts a causal explanatory framework in the form of a survey, aiming to identify causal relationships between variables such as leadership style, organizational culture, work motivation, and employee performance at PT. Hilon Surabaya. A causal relationship refers to a connection where one variable influences another (Sugiono, 2012).

Primary data in this research consists of information collected directly from original sources and tailored specifically to answer the research questions posed by the researcher (Fuad Mas'ud, 2004). This primary data includes the social profiles and characteristics of respondents, covering aspects such as age, gender, education level, and years of service. It also includes data related to leadership style, organizational culture, work motivation, and employee performance.

Secondary data, on the other hand, refers to research data obtained indirectly through intermediaries, often recorded or compiled by other parties (Fuad Mas'ud, 2004). Secondary data typically includes documentation, historical records, and reports, whether published or unpublished. In this study, secondary data includes employee biodata and records of the total number of employees at PT. Hilon Surabaya.

To achieve the research objectives, the variables used to test the hypotheses must be clearly defined. Theoretically, variables are attributes of individuals or objects that exhibit variations between one entity and another (Sugiono, 2012). Based on their relationship, the variables in this study are categorized into independent variables (causal variables) and dependent variables (effect variables).

RESULT AND DISCUSSION

Classical Assumption

Autocorrelation

The autocorrelation test is used to determine whether there is a correlation in a linear regression model between the error term at time t and the error term at time $t-1$ (the previous period). If such a correlation exists, it indicates an autocorrelation problem. This issue typically arises when consecutive observations over time are interconnected.

Table 1. Regression Calculation Results using SPSS 20.0

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832 ^a	.768	.759	1.470	1.221

a. Predictors: (Constant), X₃ Work Motivation, X₂ Org Culture, X₁ Leadership Style

b. Dependent Variable: Y Work Performance

To detect the presence or absence of this correlation can be done using the Durbin Watson test. Detection of autocorrelation can be done using the statistical method of Durbin-Watson (DW Test) with the following conditions (Algifari, 1997; 79):

- DW < 1,10; there is autocorrelation
- DW between 1,10 to 1.54; no conclusion
- DW between 1.55 to 2,46; no autocorrelation
- DW between 2,47 to 2,90; no conclusion
- DW > 2,91; there is autocorrelation

From the SPSS test results table 5.12 it is known that the DW value is 1.221. This value is in the DW value between 1.10 s.d. 1.54 means without conclusion.

Correlation Coefficient (R) and Simultaneous Determination (R²)

To determine the degree of closeness in the relationship between the independent variables—namely leadership style (X₁), organizational culture (X₂), and work motivation (X₃)—and employee performance (Y), the researcher examines the correlation coefficient. The correlation coefficient ranges from -1 to +1. A value closer to +1 indicates a very strong positive relationship between two variables, while a value closer to 0 suggests a very weak relationship. The positive or negative sign of the coefficient reflects the direction of the relationship between the variables.

Based on the analysis, the correlation coefficient between leadership style (X₁), organizational culture (X₂), and work motivation (X₃) and employee performance (Y) at PT. Hilon Surabaya is 0.832. This value, being close to +1, indicates a strong positive relationship between the independent variables (X₁, X₂, X₃) and employee performance (Y). In other words, changes in the independent variables are accompanied by changes in the dependent variable.

By squaring the correlation coefficient, we determine the percentage of influence or contribution of the independent variables to the dependent variable. According to SPSS calculations shown in Table 5.12, the coefficient of determination (R^2) is 75.9%. This means that 75.9% of the variation in employee performance (Y) can be explained by leadership style, organizational culture, and work motivation. The remaining 24.1% is attributed to factors outside the scope of this study.

The adjusted R^2 value accounts for corrections to the R^2 value, providing a more accurate estimate. Meanwhile, the standard error of the estimate indicates the deviation of predictions within the multiple linear regression model used in this study. For this model, the standard error of estimate is 1.470.

Multicollinearity

The multicollinearity test aims to determine whether there is a high correlation among the independent variables in a multiple linear regression model. High correlation between independent variables can disrupt the relationship between these variables and the dependent variable. For example, consider a regression model where the independent variables are leadership style, organizational culture, and work motivation, and the dependent variable is performance. The presence or absence of multicollinearity can be statistically identified by calculating the Variance Inflation Factor (VIF).

Table 2. Multicollinearity Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	3.367	0.019		7.162	0.000					
X1	0.382	0.026	0.083	1.455	0.015	0.039	0.082	0.08	0.918	1.09
X2	0.200	0.027	0.108	1.479	0.023	0.128	0.109	0.11	0.986	1.014
X3	0.156	0.009	0.183	2.223	0.007	0.169	0.176	0.18	0.914	1.095

a. Dependent Variable: Y Employee Performance

Based on the table above, the tolerance values are less than 1, and the VIF values for each independent variable range between 1 and 2, indicating no signs of multicollinearity.

Heterokedastisites

The heteroscedasticity test is to see whether there is an inequality of variance from one residual to another observation. The regression model that meets the requirements is where there is a similarity in variance from the residuals of one observation to another, which is fixed or is called homoscedasticity.

In linear regression, the residual value should not have a relationship with the variable X. This can be identified by calculating the Spearman rank correlation between the residuals and all independent variables. The calculation results are as follows:

Table 3. Heteroscedasticity Test Table

			Correlations			
			X ₁	X ₂	X ₃	Y
Spearman's rho	X ₁	Correlation	1.00	.082	.204	.030
		Coefficient	0			
		Sig. (2-tailed)	.092	.797	.095	.806
		N	68	68	68	68
	X ₂	Correlation	.082	1.00	.048	.139
		Coefficient		0		
		Sig. (2-tailed)	.797	0.92	.697	.257
		N	68	68	68	68
	X ₃	Correlation	.204	.048	1.00	.179
		Coefficient			0	
		Sig. (2-tailed)	.095	.697	.092	.145
		N	68	68	68	68
	Y	Correlation	.030	.139	.179	1.00
		Coefficient				0
		Sig. (2-tailed)	.806	.257	.145	.092
		N	68	68	68	68

Based on Table 3, it is known that the significance value for the leadership style variable is 0.092 leadership style, organizational culture is 0.797 and work motivation is 0.095, which is greater than 5% (0.05). This means that there is no relationship between the independent variables and their residual values, so this study does not have symptoms of heteroscedasticity.

Multiple Linear Regression

Multiple linear regression analysis was used to examine the effects of leadership style (X₁), organizational culture (X₂), and work motivation (X₃) on employee performance (Y). This method allows for determining the influence of

each independent variable on the dependent variable, both simultaneously and partially, through the beta regression coefficients. The results of the analysis, performed using SPSS 20.0, are presented in Table 4.

Table 4. The Results of Multiple Linear Regression Calculations Using SPSS 20.0

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.367	.019		7.162	.000
	X ₁	.382	.026	.283	1.455	.015
	X ₂	.200	.027	.108	1.479	.023
	X ₃	.156	.009	.081	2.223	.007

a. Dependent Variable: Y Work Performance

Based on the results of SPSS processing which are presented in table 5.16, the multiple linear regression equation can be presented as follows:

$$Y = 3,367 + 0,382.X_1 + 0,200.X_2 + 0,156.X_3$$

The explanation of the above equation is as following below:

1. The constant value is 3.367, meaning that without the independent variables, namely Leadership Style (X₁), Organizational Culture (X₂) and Work Motivation (X₃) on the Employee Performance variable (Y) is 3.367.
2. The regression coefficient value of the Leadership Style variable (X₁) is 0.382. This means that if the Leadership Style variable (X₁) is increased by one unit or 100 percent, it will cause an increase in the value of the dependent variable, namely Employee Performance (Y) by 0.382 units or 38.2 percent. Assuming that the value of the other independent variables, namely Organizational Culture (X₂) and Work Motivation (X₃) is constant or zero.
3. The regression coefficient value of the Organizational Culture variable (X₂) is 0.200. This means that if the value of the Organizational Culture variable (X₂) is increased by one unit or 100 percent, it will cause an increase in the value of the dependent variable, namely Employee Performance (Y) by 0.200 units or 20 percent. Assuming that the value of the other independent variables, namely the leadership style variable (X₁), work motivation (X₃) is constant or 0.
4. The regression coefficient value of the Work Motivation variable (X₃) is 0.156. This means that if the value of the Work Motivation variable (X₃) is increased by one unit or 100 percent, it will cause an increase in the value

of the dependent variable, namely Employee Performance (Y) by 0.156 units or 12.6 percent. Assuming that the value of the other independent variables, namely the leadership style variable (X_1), Organizational Culture (X_2) is constant or zero.

Beta Coefficients

To determine the magnitude of the effect of each variable can be explained by knowing the beta coefficient (Ghozali, 2001: 49). In this study the beta coefficient can be seen from Table 2 Multicollinearity Test, namely:

1. $b_1 = 0.283$ means that the influence of leadership style on employee performance is 28.3%.
2. $b_2 = 0.108$ means that the influence of organizational culture on employee performance is 10.8%.
3. $b_3 = 0.083$ means that the effect of work motivation on employee performance is 8.3%.

Research Discussion

Partial Influence of Leadership Style, Organizational Culture and Work Motivation on Employee Performance

The regression coefficient value of the leadership style variable (X_1) is 0.382 while for testing the leadership style variable (X_1), the t-count value is 1.455 and the significance value is 0.015, which is smaller than the 0.05 significant level, this explains that leadership has a close or significant influence. partially on employee performance. The influence between leadership style variables and employee performance is positive and unidirectional. The regression coefficient of the Leadership Style variable (X_1) is 0.382. This means that if the Leadership Style variable (X_1) is increased by one unit or 100 percent, it will cause an increase in the value of the dependent variable, namely Employee Performance (Y) of 0.382 units. Assuming that the value of the other independent variables, namely Organizational Culture (X_2) and Work Motivation (X_3) is constant or zero.

These results are in accordance with Siagian's (2003) theory which states that leadership style is a way or pattern of action, the behavior of the leader as a whole in influencing others to be willing to work together to achieve the goals that have been set. And supports research that has been done by Tabubolon (2007), Kristanti and Harahap (2010) and Octaviana and Ariefiantoro (2012) which states that leadership style has a very significant effect on increasing employee performance.

The regression coefficient value of the organizational culture variable (X_2) is 0.200, while for testing the organizational culture variable (X_2), the t-count

value is 1.479 and the significance value is 0.023, which is smaller than the 0.05 significant level, indicating that organizational culture has a close or significant effect on partial to employee performance. The influence between organizational culture variables and employee performance is positive and unidirectional. The regression coefficient of the Organizational Culture variable (X_2) is 0.200. This means that if the value of the Organizational Culture variable (X_2) is increased by one unit or 100 percent, it will cause an increase in the value of the dependent variable, namely Employee Performance (Y) of 0.200 units. Assuming that the value of the other independent variables, namely the leadership style variable (X_1), work motivation (X_3) is constant or zero.

This is in accordance with the theory put forward by Stoner (Stoner et al., 1996) that culture has a strong and greater impact on organizational work performance. Meanwhile, in previous research, Indriyani and Christologus (2012), in their research concluded that the influence of organizational culture on performance is smaller than the total effect of job satisfaction on performance.

The regression coefficient value of the work motivation variable (X_3) is 0.156 while for testing the work motivation variable (X_3), the t-count value is 2.223 and the significance value is 0.007 which is smaller than the 0.05 significant level, indicating that work motivation has a close or significant influence on employee performance. The influence between work motivation variables and employee performance is positive and unidirectional. The regression coefficient of the Work Motivation variable (X_3) is 0.156. This means that if the value of the Work Motivation variable (X_3) is increased by one unit or 100 percent, it will cause an increase in the value of the dependent variable, namely Employee Performance (Y) of 0.156 units. Assuming that the value of the other independent variables, namely the leadership style variable (X_1), Organizational Culture (X_2) is constant or zero.

This is in accordance with the theory presented by Hasibuan (2003) which states that motivation is important because with this motivation it is expected that each individual employee will work hard and be enthusiastic to achieve high work productivity. Motivation must be given by the leader to his subordinates because of the dimensions of the division of work to be done as well as possible. And supports the research that has been done by Ariawan (2008), Kristanti and Harahap (2010), and Octaviana and Ariefiantoro (2012) who concluded in their research that work motivation has a positive and significant influence on employee performance.

Simultaneous Influence of Leadership Style, Organizational Culture and Work Motivation on Employee Performance

From the results of the F test, the calculated F value is 11.075 with an error probability of $0.006 < 0.05$, it can be said that there is a simultaneous influence, leadership style (X_1), organizational culture (X_2) and work motivation (X_3) on employee performance (Y). Therefore, the first hypothesis states that leadership style, organizational culture and work motivation simultaneously have a significant effect on the performance of employees in the production division of PT. Hilon Surabaya is acceptable.

This is in accordance with the theory presented by Rivai (2002) that leadership style in an organization is a factor that determines the success or failure of an organization or company. Leadership implies activities to influence the behavior of others, both individually and in groups. Leadership does not have to be limited by bureaucratic rules or etiquette because leadership does not have to be tied up in an organization and can happen anywhere, as long as someone demonstrates his ability to influence the behavior of others towards the achievement of a particular goal. According to Hasibuan (2003) motivation must be given by the leader to his subordinates because of the dimensions of the division of work to be done as well as possible. And this research also supports the opinion of Stoner et. al, (Stoner et al., 2009) indicated that culture has a strong, and increasingly large, impact on organizational work performance.

Variables with Dominant Influence on Employee Performance

After doing the partial test (t test) it turns out that all existing variables, namely leadership style (X_1), organizational culture (X_2) and work motivation (X_3) have a significant influence on the variable performance of employees of PT. Hilon Surabaya. Among the independent variables in this study, the leadership style variable has a dominant influence among other variables.

In the leadership style variable, the regression coefficient value is 0.382 which is higher than the regression coefficient value for the organizational culture variable, which is 0.200 and the regression coefficient value for the work motivation variable is 0.156. This indicates that employees perceive that the company's leadership style is more important than organizational culture and motivation. work, although each variable has an influence on increasing employee productivity.

The results of this study indicate that the third hypothesis is accepted or proven true, that leadership style is a variable that has a dominant influence on the performance of employees of PT. Hilon Surabaya. This shows that the leaders/managers at PT. Hilon Surabaya must always provide a leadership attitude that can be accepted by all employees, be able to create a good work culture and provide work motivation to employees so that company goals can be achieved.

The results of this study support the theory put forward by Wahjosumidjo (Wahjosumidjo, 1993) explaining that leadership is a relationship of power and power. Leadership is a form of relationship between a group of people, the relationship between those who lead and those who are led, where the relationship reflects a person or group of people who behave because of the authority/power that exists in the person who leads. In this case, the person who leads affects more than is influenced. Siagian (2003) explains that leadership in the context of an organization is the ability and skill of a person who occupies a position as a work unit leader to influence the behavior of others, especially his subordinates, to think and act in such a way, so that through positive behavior, he makes a real contribution. in achieving organizational goals.

The results of this study prove that leadership style is a variable that has a dominant influence on company performance, meaning that leadership style is an effort to influence many people through the communication process to achieve organizational goals. implemented in accordance with the corridors that have been determined by both parties in accordance with the positions held.

CONCLUSION

Based on the results of the analysis and discussion, the conclusions of this study are as follows. First, the F-test results show a calculated F value of 11.075 with an error probability of 0.006, which is less than 0.05. This indicates that leadership style (X_1), organizational culture (X_2), and work motivation (X_3) together have a significant simultaneous effect on employee performance at PT. Hilon Surabaya. Second, the t-test results, which assess the partial effects of each variable, reveal t-values of 1.455 for leadership style (X_1), 1.479 for organizational culture (X_2), and 2.223 for work motivation (X_3). The significance values for each of these variables are all smaller than the 0.05 threshold, indicating that each of these factors has a partial influence on employee performance at PT. Hilon Surabaya. Third, the regression coefficient for leadership style (X_1) is 0.382, the highest among the independent variables, suggesting that leadership style has the dominant influence on employee performance. Finally, the regression coefficient for work motivation (X_3) is 0.156, the smallest in this study, indicating that while work motivation plays a role, it still needs to be enhanced to improve employee performance at PT. Hilon Surabaya.

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