

Conference Paper

The Effect of Leadership, Motivation, and Organizational Culture on the Performance of Employees of PT X

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Abstract

Employee performance is the work of an employee, a management process or an organization as a whole, where the results of the work must be demonstrated concretely and measurably (compared to predetermined standards). Factors suspected of affecting employee performance are leadership, motivation and organizational culture. This study aimed to explain the relationship between leadership, motivation and organizational culture on employee performance. A quantitative method was used with data collection in the form of a questionnaire and supported by secondary data in the form of interviews. Subjects in this study were permanent employees at PT X. Research subjects totaling 119 employees were sampled in this study. The analysis technique used was multiple regression path analysis. Leadership did not have a significant effect on employee performance while motivation and organizational culture did. Based on the results of this study, PT X is expected to maintain the condition of employees who already have high work motivation and good organizational culture, so that it will improve employee performance. The company is also expected to pay attention to providing training, especially leadership training, to improve employee leadership abilities or competencies, and rewards to each employee as a means of increasing employee performance.

Keywords: leadership, motivation, organizational culture, employee performance

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1. Introduction

PT X is a company engaged in the property sector for more than 20 years. Products offered by PT X are in the form of housing complexes, shop houses and apartments. This business is growing rapidly, this can be proven by the total sales in the range of one thousand units for one year. PT X, currently, is doing a lot of business expansion in hotels and shopping centers. PT X is a property company that is recognized by the public. PT X was originally present in Surabaya in 1993 in the West Surabaya area which

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sold vacant land and became the first project in the Surabaya area. In a relatively short period of time, this project has become a residential property project, hotel, mall, and education. The existence of PT X is also overshadowed by many competitors, where in the West Surabaya area it is growing, including small properties that continue to mushroom. However, PT X has shown its existence until now.

There are quite a lot of competitors in the West Surabaya area who are competitors to PT X. Starting from the entrance after the Mayjend Sungkono roundabout, large developers have grown, for example Graha Famili, Dian Istana, Pakuwon which continues to exist, including the development movement in the

Pakuwon Group. In addition, the Wiyung area is also growing rapidly with the presence of small developers who have sprung up, even new developer owners who have sprung up are not from real estate backgrounds, but in other industrial fields. This is shown from the competitor map that is increasingly emerging with attractive promos, both on social media and in print media. In addition, many new brokerage offices have grown.

PT X is quite dynamic in dealing with the sales competition, where it is shown that PT X continues to develop and increasingly penetrate various cities in Indonesia and overseas expansion of 36 cities and there are more than 100 projects that have been developed. For example, one of the projects from PT X has always exceeded the target

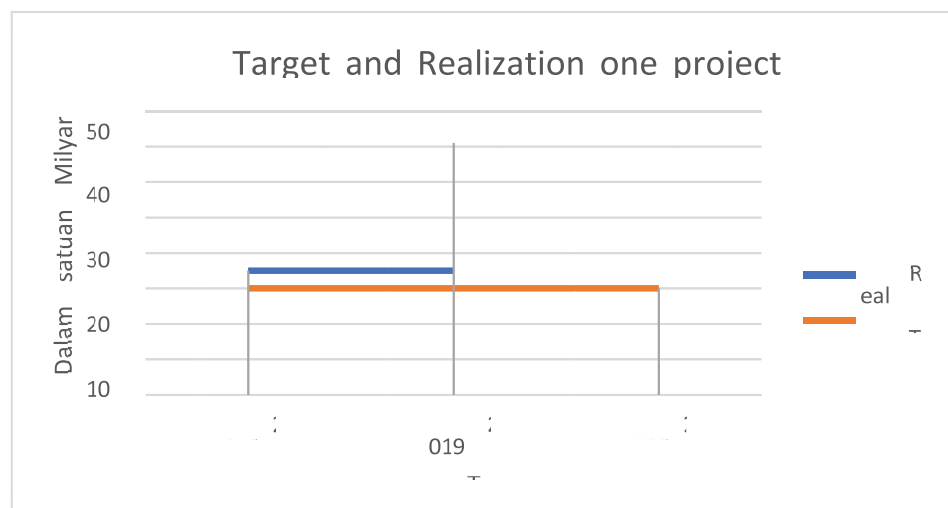


Figure 1: Target and Realisation Source: data proceed

The data shows that the sales performance of the PT X project is always good and is able to exceed the target. One of the success factors of PT X is being able to expand, driven by competent leaders. Relationships with customers and partnerships are maintained so that this encourages PT X employees to work with more high motivation. PT X also has an ideology which is the values that are upheld on a daily

basis for all projects and their teams. The data was obtained from internal sources of PT X.

The success of a company is not an easy thing to obtain and maintain consistently. Good company management is the foundation of a company's success. Some of the factors in achieving success are the efficiency and effectiveness of human resources, solid teamwork, focus on company targets, and quality human resources. Human resources in the company contribute to the quality of employee performance. The quality of employee performance is also influenced by several things, such as leadership, organizational culture, motivation, employee work ability, work environment, competence, and self-development.

[1, 2]. It can be concluded that resources have an important role in the success of a company.

Leadership is the first factor that is thought to affect employee performance. A person's leadership is shown by the leadership's authority in the eyes of employees, the leadership's power to decide a decision, involving subordinates in the decision-making process, the attitude of the leadership's responsibility towards all employees, and the leader can be used as a role model for subordinates, so that employee performance will increase. This condition occurs because the role of the leader as the highest level as the owner of the company, which functions in mobilizing and empowering employees. Good leadership will make employees feel happy at work and make employees feel calm at work, so that it can improve employee performance.

The application of leadership that is in accordance with the characteristics of employees, jobs, and existing conditions can make a major contribution to improving employee performance. [3] states that leadership is a force that runs simultaneously so that inadvertently it will encourage employees regularly to achieve a common target point.

The relationship between leadership and employee performance is supported by research conducted by [4], which states that leadership has a positive effect on employee performance. This result is also supported by research conducted by [5], which states that there is a significant influence between leadership and employee performance, with a significance value of 0.000.

Hypothesis 1: Leadership affects employee performance

Motivation is the second factor that is thought to have an influence on employee performance. [6], research shows that the relationship between motivation and employee performance can be provided in many ways, such as providing performance appraisals, performance compensation, training, and performance security. The increase in employee performance is very influential and the motivation obtained by employees in

the workplace. [7], state that the most controlled form of extrinsic motivation, external regulation, is a behavioral engagement based on outside pressure and demands or trying to achieve contingent reward.

Research that supports the relationship between these variables is research conducted by [1], Research shows that the higher the level of employee motivation, the higher the employee's performance. This shows that motivation has a positive correlation with employee performance. Other studies that also support the relationship between these variables are research conducted by [4, 5, 8]. From all of the above studies, motivation has a significant effect on employee performance.

Hypothesis 2: Motivation affects employee performance

Organizational culture is the second factor that is thought to have an influence on employee performance. Research [9], shows that organizational culture can affect employee performance. This is evidenced by the positive correlation value between organizational culture and employee performance, the value of $t (2.726) > t \text{ table } (1.697)$ or $0011 t \text{ sig } < 0.05$. Employee performance can also be determined from the organizational culture that exists within the company as stated [10], that innovation and risk taking in the company is determined by the extent to which employees are encouraged to take innovative risks. [11], employee performance is strongly influenced by organizational culture.

Research conducted [5], regarding the influence of organizational culture on employee performance results that there is a significant influence between organizational culture on employee performance. Organizational culture makes a separate identity for an organization. From this identity, it becomes the difference between one organization and another. In acting or behaving, employees are of course influenced by the organizational culture adopted. A strong organizational culture is a component or tool that is useful as a reference or guide to direct behavior. Therefore, organizational culture is very influential on employee performance.

Hypothesis 3: Organizational Culture has an effect on Employee Performance

2. Methods

The population of this study were 518 employees of PT X. based on the calculation of Slovin formula, so the sample in this study was 84 persons. The non probabilistic sampling technique used was purposive sampling, and the sample criteria were employees with minimum work period of 3 years under 50 years of age and in 4 divisions (marketing, Finance, Engineering and Estate). The data of this study were

collected using a questionnaire, which contain statement with a Likert scale that will be selected by the respondent to show the suitability of the statement with leadership, work motivation, organizational culture and employee performance of PT X.

3. Discussion

The following are the results of testing the research hypothesis with multiple regression models

TABLE 1: Multiple Linear Regression Test Result for Each Variable

Independent variable	Dependent variable	Standardized Coefficients	t-Value	Sig
Constant		1,601	1,800	0,740
X1	Y	0,025	0,298	0,766
X2		0,199	2,066	0,041
X3		0,576	5,846	0,000

Source: data proceed

Based on the results of the analysis shown in Table 1. The multiple linear regression mathematical model can be determined as follows:

$$Y = 1,601 + 0,025X1 + 0,199X2 + 0,576X3$$

The t test can aim to see whether or not the leadership, motivation and organizational culture variables influence employee performance variables. The condition of the test is that significant value must be less than the 5% significant level. Based on Table 1, it shows that the leadership variable has no influence on employee performance because the sig value does not meet the requirements, namely 0,766. In the condition that occur PT X, it can be interpreted that employees no longer see leadership as a reference for work. The results of this study are supported by research concluded by [12], which states that leadership has no direct effect on employee performance.

Motivation variable is known to have a positive and significant effect on employee performance. Motivation is known to also meet the linearity assumption of employee performance. This means that the higher the motivation of PT X. employees, the higher performance. The results of this study are in line with research conducted by [6], which shows that the relationship between motivation and employee performance can be provided in many ways such as providing performance appraisals, performance compensation, training, and performance security. The increase in employee performance is very influential and the motivation obtained by employees in the workplace. Another study that supports the relationship between these variables is research conducted

[1]. Research shows that the higher the level of employee motivation, the higher the employee's performance. This shows that motivation has a positive correlation with employee performance.

The results of this study also support the two previous studies that discuss the influence of motivation variables on employee performance. Previous research conducted by [13], with the title "Entrepreneurial Motivation as a Key Salesperson Competence: Trait Antecedents and Performance Consequences". This type of research is quantitative. The population of the study is sales in Poland who sell to consumers and companies. The result of this research is that motivation has a positive influence on sales efforts that affect performance. As well as research conducted by [5], entitled "The Influence of Leadership, Organizational Culture, Work Motivation, and Job Satisfaction on Employee Performance at the Sorong SAR Office." The results showed that work motivation had a significant effect on employee performance.

These results indicate that employees of PT X's employee performance are influenced by companies that provide employees with opportunities for careers, a work environment that has good relationships among employees, and employees who have good performance are rewarded so that these three conditions meet the sense of motivation of PT X employees to provide performance. These results indicate that PT X provides a platform for its employees to carry out self-development and create a family-like work environment, so that relationships between employees can be well established. This will directly affect the performance of its employees. PT. X. employees who have high motivation will produce high performance as well.

Organization culture is also known to have a positive and significant effect on employee performance. This result of this study support previous studies that have been conducted by [13], shows that organizational culture can affect employee performance. Employee performance can also determined from the organizational culture that exist within the company as stated that innovation and risk taking in the company is determined by the extend to which employees are encouraged to take innovative risk [9], say that employee performance is strongly influenced by organizational culture. PT X has a mature and well- realized organizational culture so that employees stick to the three pillars of PT X's organizational culture and run them well. PT X's work atmosphere also supports employees to have good work achievements so that organizational culture has a very significant influence on employee performance at PT X.

4. Conclusion

Based on the research results, it can be concluded that Leadership does not have a significant effect on employee performance, while motivation and organizational culture have a significant effect on employee performance.

For this reason, the company can hold training to improve leadership competence at PT.X. for example including leaders in Dale Carnegie's Leadership training and also holding gathering for employees to discuss internal work relationships so that relation between employees become more intimate and increase employee motivation.

For further research, observation can be made to respondents when filling out the questionnaire to minimize the possibility of limited information possessed by respondents and by providing definition of each variable in the questionnaire.

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Conflict of Interest

The authors have no conflict of interest to declare

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