

THE EFFECTS OF ORGANIZATIONAL CULTURE AND LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE.

(Case study: Sekolah Advent Cimindi and Naripan, Bandung)

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Abstract. *The aim of this study was to find out the influence of the organizational culture and leadership style on employee performance at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung, West Java, Indonesia. This study used quantitative approach, and the questionnaire was specifically designed. Path analysis was used to determine whether there were direct effects and indirect effects of intervening variables. The population of this study was the employees of the Sekolah Advent Cimindi and Sekolah Advent Naripan with total 35 samples. The data was collected through questionnaire using Likert scale measurement. The research instrument used in this study was validity and reliability test. The results showed that the organizational culture and the dimensions of leadership style had a positive and significant influence, both directly and indirectly on the performance of the employees. The study findings prove that organizational culture and leadership style is an important element that greatly affect employee performance. Based on the result, it is recommending that the leaders at Sekolah Advent Cimindi and Sekolah Advent Naripan need to find out the suitable and most encouraging organizational culture and leadership style so the employees are able to perform their best.*

Keywords: *organizational culture, leadership style, employee performance*

INTRODUCTION

Background

In today's business environment, the performance of employees in a workplace is strongly influenced by the leadership style and organizational culture that is implemented in the organization. The style of a manager in leading their subordinates has a big influence on the attitudes and performance of the employees. For the employees to work optimally, the role of a leader is very important. Therefore, the ability of a leader to improve employee performance is the main thing that needs attention.

Organisasi Perangkat Daerah (OPD) or the Regional Apparatus Organization stated that the performance of employees in the District Government of Manggarai was low in 2017. During the year the percentage of employee attendance was very high and very satisfying at 99.85%. However, the average value of employee work journals was very lacking because their presentations were only 48.50%. From this fact it can be seen

that although the percentage of employee attendance has reached a very satisfying number, there are problems with employee performance, namely the lack of their daily work journals. As a result, the administration government is still not effective and free from KKN (Corruption, Collusion and Nepotism), and its public services still need to be improved.

Wibowo (2014) explained that the right performance measurement can be done by: (1) ensuring that the requirements desired by customers have been met; (2) working on performance standards to create comparisons; (3) working for distance for people to monitor performance levels; (4) determine the importance of quality and what needs major attention; (5) avoiding the consequences of poor quality; (6) considering the use of resources; and (7) seeking feedback to encourage improvement efforts.

The leadership style has evolved and shifted. In the old era, leadership style was defined as an ability and readiness possessed by someone to influence others, by motivating, moving, directing, inviting, guiding and if necessary forcing them to do or not do something. A leader is someone who can influence others and who has managerial authority. While leadership is what leaders do, the process of leading and influencing a group of people to achieve a goal (Robbins and Coulter, 2012).

Every organization has a culture that has been carried out in accordance with its standards. An organization consists of employees with various backgrounds. Therefore, every employee will adjust their habits with the organizational culture. According to Colquitt (2009), organizational culture shapes and strengthens employees' attitudes and certain behaviors by creating control systems over them.

Based on the descriptions above, the author is interested in conducting research on: "The Effects of Leadership Style and Organizational Culture on Employee Performance"

THEORETICAL BASIS

Leadership Style

DuBrin (2005) argues that leadership is an attempt to influence many people through communication to achieve goals, how to influence people with instructions or orders, actions that cause others to act or respond and cause positive change, important dynamic forces that motivate and coordinate organizations in order achieve goals, the ability to create confidence and support among subordinates so that organizational goals can be achieved.

According to Rivai (2009), leadership is the process of influencing or setting an example to followers through a process of communication in an effort to achieve

organizational goals. Another opinion states that the leadership style is the pattern of behavior (words and actions) of a leader that is felt by others (Hersey, 2004).

A leader is someone who can influence others and who has managerial authority. While leadership is what leaders do, the process of leading a group and influencing the group to achieve a goal (Robbins and Coulter, 2012). Leadership style according to Rorimpandey (2013) is behavior and strategy, as a result of a combination of philosophy, skills, traits, attitudes, which are often applied by a leader when he/she tries to influence the performance of their subordinates.

Other leadership styles are defined as leadership techniques in influencing subordinates to carry out their duties based on authority and power to carry out management functions (Suyanto, 2008).

Organizational Culture

Organizational culture is A pattern of basic assumptions--invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration--that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (Schein in Tika, 2006).

According to Hutapea and Thoha (2008: 71) organizational culture is a value that is owned by an organization that is felt and understood by all members of the organization. This value is reflected in beliefs, symbols, rituals, myths and practices that occur in organizations. These values become a guideline for members of the organization in how to behave. A strong organizational culture can control the mind, soul and body of its organizational members. Schodt in West and Turner (2008: 317) says that organizational culture includes the climate or emotional and psychological aspects of organizational members. This means that organizational culture includes employees' morale, attitudes and levels of productivity.

Wirawan (2007) argues that organizational culture is the norms, values, assumptions, beliefs, philosophies, organizational habits, and so on (the contents of organizational culture) developed over a long time by the founders, leaders, and members of an organization that are socialized and taught to new members and applied in organizational activities so that it affects the mindset, attitudes, and behavior of organizational members in creating products, serving the consumers, and achieving organizational goals.

Employee Performance

According to Munandar (2008: 287), performance appraisal is the process of evaluating personality traits, work behavior, and the work output of a workforce or

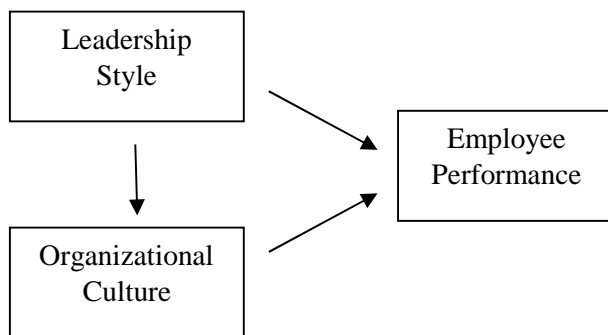
employee (workers and managers), which is considered to support their performance and used as a material for decision making about measures of employment.

Whereas Mathis & Jackson (2006) stated that performance is basically what employees do or don't do. Performance management is the overall activities carried out to improve the performance of a company or organization, including the performance of each individual and work group in the company.

Mangkunegara (2004) argued that performance or work performance is the result of quality work and the quality achieved by an employee in carrying out his/her duties in accordance with the responsibilities given to them. Whereas Wirawan (2009) said that performance is the output produced by the functions or indicators of a job or a profession within a certain time. There are 4 (four) elements contained in performance: the results of job functions, the factors that influence employee performance, achievement of organizational goals, and a certain period of time (Tika, 2006).

The definition of performance (work performance) is the quality and quantity of work achieved by an employee in carrying out his/her functions in accordance with the responsibilities given to them. According to the behavioral approach in management, performance is the quantity or quality of something produced or services provided by someone who does the work (Luthans, 2005).

Framework



RESEARCH METHODS

This study used a quantitative method with a questionnaire as the instrument to collect the data. The questionnaire was distributed directly to the teachers and staff. This research was conducted in April 2018 at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung.

The population used in this study were the teachers and staff at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung. The sampling technique used was the saturation sampling technique, where all members of the population were used as samples, because the population was relatively small. The sample in this study included

male and female teachers and staff. The number of samples taken from Sekolah Advent Cimindi was 19 respondents and from Sekolah Advent Naripan was 16 respondents. So, the total number of samples taken from this study was 35 people.

In this study, the variables used can be classified into independent variables (leadership style and organizational culture) and dependent variables (employee performance). The variables used in this study are as follows:

- a. Leadership style is defined as a process of influencing or setting an example to followers through the communication process in an effort to achieve organizational goals.
- b. Organizational Culture is the value held by an organization that is felt and understood by all members of the organization. This value is reflected in beliefs, symbols, rituals, myths and practices that occur in organizations.
- c. Employee performance can be seen from the quality and quantity of work results achieved by an employee in carrying out their functions in accordance with the responsibilities given to them.

A valid instrument means that the measuring instrument used to get the data (measuring) is valid. Valid means that the instrument can be used to measure what should be measured. The validity of the instrument can be measured using Pearson correlation guidelines. If the value of each question item has a positive Pearson Correlation value and is greater than the value of the R table, it can be concluded that the instrument items are valid.

Reliable instruments are instruments which, when used several times to measure the same object, will produce the same data. Reliable instruments are not necessarily valid. Instrument reliability is a mandatory requirement for testing instrument validity. Therefore, although valid instruments are generally definitely reliable, instrument reliability testing still needs to be done. All instruments are declared reliable if the reliability coefficient is at least 0.6. To determine the closeness of the relationship between leadership style and organizational culture variables and employee performance, a correlation and determination test should be performed.

RESEARCH RESULTS AND DISCUSSION

Research Results

The validity test results through the IBM SPSS Statistics 21 program by comparing the Pearson Correlation value (product moment correlation with R-table value using 95% confidence level, $\alpha = 5\%$ and $n = 35$)

Table 1. Validity Test Results

Variable	R_{x,y}	R_{table}	Result	Variable	R_{x,y}	R_{table}	Result
X1.1	0.552	0.3338	Valid	X2.7	0.548	0.3338	Valid
X1.2	0.471	0.3338	Valid	X2.8	0.491	0.3338	Valid
X1.3	0.325	0.3338	Valid	X2.9	0.601	0.3338	Valid
X1.4	0.232	0.3338	Valid	X2.10	0.629	0.3338	Valid
X1.5	0.701	0.3338	Valid	X2.11	0.460	0.3338	Valid
X1.6	0.599	0.3338	Valid	Y1	0.622	0.3338	Valid
X1.7	0.612	0.3338	Valid	Y2	0.358	0.3338	Valid
X1.8	0.533	0.3338	Valid	Y3	0.689	0.3338	Valid
X1.9	0.517	0.3338	Valid	Y4	0.549	0.3338	Valid
X1.10	0.460	0.3338	Valid	Y5	0.725	0.3338	Valid
X1.11	0.514	0.3338	Valid	Y6	0.500	0.3338	Valid
X2.1	0.646	0.3338	Valid	Y7	0.622	0.3338	Valid
X2.2	0.497	0.3338	Valid	Y8	0.504	0.3338	Valid
X2.3	0.477	0.3338	Valid	Y9	0.560	0.3338	Valid
X2.4	0.433	0.3338	Valid	Y10	0.525	0.3338	Valid
X2.5	0.567	0.3338	Valid	Y11	0.672	0.3338	Valid
X2.6	0.649	0.3338	Valid	Y12	0.566	0.3338	Valid

Based on Table 1 above, it can be seen that all items used to measure the variables of Leadership Style (X1), Organizational Culture (X2) and Employee Performance (Y) have been valid, because the significance of the Pearson correlation of all indicators is greater than R-table. Thus it can be concluded that all statements used are able to measure each variable used in this study.

Table 2. Reliability Test Results

Variable	Reliability Coefficient	Result
Leadership Style (X ₁)	0.831	Reliable
Organizational Culture (X ₂)	0.838	Reliable
Employee Performance (Y)	0.864	Reliable

Based on Table 2 above, it can be seen that all research variables, namely Leadership Style (X₁), Organizational Culture (X₂) and Employee Performance (Y), have

a Cronbach alpha value of more than 0.6. Thus, all statements that exist on each variable are reliable and can be used for further analysis.

Significance Test Results of Research Model Variables

Table 3. t -Test Results

Model	T	Sig
Leadership Style	3.540	.001
Organizational Culture	2.368	.024
Employee Performance	4.499	

The significance test is used to determine whether the independent variable influences the dependent variable through a significant t test. Based on Table 3, it can be seen that each variable has a significance t of $0.00 < 0.05$ so it can be concluded that each independent variable, namely Leadership Style (X_1) and Organizational Culture (X_2), has a significant effect on the dependent variable Employee Performance (Y). The effect of the independent variable on the dependent variable can also be done by looking at the path analysis coefficient, which is as follows:

Table 4. Path Test Results of Research Model Variables

Model	Path Coefficient
Leadership Style (X_1) → Organizational Culture (X_2)	0.525
Leadership Style (X_1) → Employee Performance (Y)	0.305
Organizational Culture (X_2) → Employee Performance (Y)	0.580

Based on Table 3 above, it is known that the direct effect of Leadership Style variable (X_1) on the Organizational Culture variable (X_2) is 52.5%, the direct effect of the

Leadership Style variable (X_1) on the Employee Performance variable (Y) is 30.5%, while the direct effect of the Organizational Culture variable (X_2) on the Employee Performance variable (Y) is 58%. Furthermore, the indirect effect of the Leadership Style variable (X_1) on the Employee Performance variable (Y) through the intervention of the Organizational Culture variable (X_2) is as follows:

$$\begin{aligned} \text{Indirect Effect} &= 0.525 (X_1) \times 0.580 (Y) \\ &= 0.3045 \end{aligned}$$

From the above calculation, the indirect effect of Leadership Style variable (X_1) on the Employee Performance variable (Y) through the intervention of Organizational Culture variable (X_2) is 30.45%. Thus, it can be concluded that organizational culture has an effect on improving employee performance. Therefore, the leadership style must also be supported by a good organizational culture in order to improve employee performance.

Test Results of Coefficient of determination (R^2)

Table 5. Test Results of Coefficient of determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.748	.615	.591	3.242

The coefficient of determination (R^2) is used to measure the effect of the dependent variable on the independent variable. Based on Table 5, because we only use 2 independent variables (leadership style and organizational culture), then what is used is R Square 0.615 or 61.5% while the rest (38.5%) is influenced by other variables outside the study.

DISCUSSION

The Effect of Leadership Style on Employee Performance

Based on the results of the path analysis calculation, it is known that the Leadership Style variable (X_1) produces a coefficient of 0.525, a t-count of 3,540 and a significance value of 0.001, which means that the leadership style variable will improve employee performance at Sekolah Advent Cimindi and Sekolah Advent Naripan in

Bandung by 0.525. In other words, employee performance will improve in line with improvements in leadership style at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung. Leadership means the ability to influence, mobilize, and direct an action on a person or group of people for a particular purpose. In an effort to influence, a leader applies a different style of leadership in each situation.

The Effect of Organizational Culture on Employee Performance

Based on the results of the path analysis calculation, it is found that the Organizational Culture variable (X_2) produces a coefficient of 0.305, t-count of 2.368 and a significance value of 0.024, which means that if the Organizational Culture variable (X_2) increases, it will improve the performance of employees at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung. Organizational culture is the value of shared beliefs that underlies corporate identity and an agreement among members in the organization. Organizational culture influences productivity, performance, commitment, self-confidence, and ethical behavior.

The Effects of Leadership Style and Organizational Culture on Employee Performance

The results of the analysis calculations above show that the variables of Leadership Style (X_1), Organizational Culture (X_2) and Employee Performance (Y) have a significance of 0.00 which means that the variables of Leadership Style (X_1) and Organizational Culture (X_2) affect the Performance of Employees variable (Y) at the Cimindi Adventist School and Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung.

CONCLUSION AND RECOMMENDATION

Conclusions

Based on the results of research and discussion, the following conclusions can be drawn:

- a. There is a significant and positive influence between leadership style and employee performance at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung.
- b. There is a significant and positive influence between organizational culture and employee performance at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung.
- c. There is a significant and positive influence between leadership style and organizational culture and employee performance at Sekolah Advent Cimindi and Sekolah Advent Naripan in Bandung.

It can be concluded that the factor that most influences employee performance is organizational culture. Organizational culture encourages employees to work better and get more leverage. With better organizational culture, employee performance will improve. Leadership style also has a positive effect on employee performance, meaning that if the leadership style in an organization or company is good, then employee performance will also be good. Leadership style and organizational culture simultaneously have a positive effect on employee performance.

Recommendation

Based on the results of the research, the suggestions we offer are:

- a. For the leaders of Sekolah Advent Cimindi and Sekolah Advent Naripan to pay more attention to the factors that influence the leadership style and also the culture of the organization, because when the leadership style and organizational culture run well, then the employee performance will continue to improve.
- b. For future researchers to examine other variables that affect employee performance such as commitment, motivation, communication, morale, etc.

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