

# The Influence of Leadership Style and Organizational Culture on Employee Performance Mediated by Job Satisfaction

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## ABSTRACT

This research discusses the role of job satisfaction in mediating leadership style and organizational culture of performance employees at PT. X. This research was conducted by using the probability sampling method with the type of simple random sampling. Researchers distributed questionnaires to 41 employees of PT. X. Data analysis using Smart PLS analysis. The results of the analysis conclude that Leadership style has a positive influence on performance of employees, organizational culture has a positive influence on performance of employees and job satisfaction have a direct and positive influence on the performance of employees of PT. X. Job satisfaction proven that has a role in mediating leadership style and organizational culture on employees' performance.

Keywords: Leadership Style, Organizational Culture, Job Satisfaction, Performance Employee

## INTRODUCTION

Performance becomes an important element for realize vision and mission from organization or company. Resources owned such as capital, method and machine couldn't give the optimum result if there is not supported by source power humans who have optimum performance. In other words, company need employee which have high *job* performance. A leader must know the factors that influence performance of an employee. One factor that is important determine employee performance and ability organization adapt with change environment is

leadership (leadership) as Harahap (2017) which states that leadership be one drive organization for affect and move employees. This thing will bring consistency that every leader obliged give earnest attention for build, move, direct all potency employees in the environment so that it can be realized vision and mission that lead to the desired goals achieved by the company. A leader too must could explore ability employees below with good.

Apart from being required style effective leadership in something organization, for could increase performance employee in reach goals that have been determined, the leader will also shape organization culture. A. Hakim (2015, Schein 2009) stated that leader shape culture and in turn shaped by the resulting culture. A. Hakim (2015, Schein 2009) observes that organization culture and leadership each other relate. He illustrates interconnect this with see connection among leadership and organization culture in context cycle life organization. Organization culture will determine how employee complete task and mutual interact in organization (Narayana, 2017). Cultural pattern this consist from various values, beliefs, rituals, and symbols that govern style operation public in something company. Culture good organization could create harmonization connection between supportive employees' emergence something convenience in atmosphere work, job satisfaction is one Thing what else to do Becomes attention company. Job satisfaction reflect feeling somebody to her job. It looks from attitude positive employee to work and everything something encountered in the environment work

(Handoko, 2014). Working employees in discomfort, less appreciated, no can develop all the potential they have, then by automatic employee no could focus and concentrate by full to her job and will influence work *output* (performance).

Purposes of study are :

1. To find out whether organization culture influence performance employees .
2. To find out whether leadership style influence performance employees .
3. To find out whether organization culture influence job satisfaction employees .
4. To find out whether leadership style influence job satisfaction employees .
5. To find out whether job satisfaction influence performance employees .
6. To find out whether job satisfaction could mediate influence organization culture to performance employees .
7. To find out whether job satisfaction could mediate influence leadership style to performance employees .

## THEORETICAL REVIEW

### Leadership Style

Leadership style is one the method used by a leader in influencing, directing and controlling other people's behavior for reach something goal. Involvement leadership style in spur performance employee is very valuable value in operate organization linkages. Among leadership style and performance subordinate is law that is tolerance must embraced by every desire Leader exceeded the target, time nor thing you want achieved in organization work so that performance every participating individuals responsible answer in organization , mandatory the law get construction from the stated boss in a system leadership that he adheres to (Siagian, 2013). Thoha (2013) says that leadership style divided into 2 (two) categories extreme style namely:

1. Leadership style autocratic, viewed as style based on strength position and use authority.
2. Leadership style democratic, linked with personal power and follower engagement in the process of solving problem and take decision.

Leadership style have dimensions and indicators according to Busro (2018), among others

- 1) Structure initiative consist from a number of indicator :
  - a) Composing parts work
  - b) Connection work
  - c) Destination
- 2) Consideration consist from a number of indicator :
  - a) Trust
  - b) Taking idea
  - c) Level of concern

### Organization culture

Organization culture basically is tool in institution for could unite the individuals in it do activity together. Organization culture built through agreement with existing members in organization the for could make it easy birth more deal wide for interest individual or each individual. Priority organization culture is for controlling and guiding, good attitude nor behavior participating individuals in existing activities in organization.

Organization culture originated from philosophy its founder. Culture this then implanted to whole member organization. according to Sunyoto & Burhanudin in Sudaryono (2017) organization culture implanted through various form among others:

- 1) Storytelling story about the founders organization, success organization, reduction power work, reaction organization to past errors and handling organization.
- 2) rituals,
- 3) Material symbols
- 4) Language as for identify member from a culture. With learn language here, members organization pathetic reception they to organization culture , so that help preserve it .

There are six characteristics the main whole is the truths organization culture, according to Robbins and Judge in Wibowo (2013) as follow:

- 1) Innovation and courage take risk, the extent to which employees pushed for behave innovative and bold take risk.
- 2) Attention to things detail, to what extent employees expected operate precision, analysis and attention to detail,
- 3) Orientation results work, the extent of management focus more on results rather than on the techniques and processes used for reach results that,

- 4) Member orientation organization, the extent to which decisions management consider effect from results the on existing human in organization rather than individuals,
- 5) Orientation team , to what extent are the activities work organized in teams rather than individuals,
- 6) Aggressiveness, the extent to which people behave aggressive and competitive rather than relax and just be quiet.

Characteristics main culture above organization Writer make dimensions and indicators as reference making questionnaire research.

### **Job Satisfaction**

Luthans (2010) suggests that job satisfaction is expression satisfaction employee about how profession they could give benefit for organization. That is, what has got it in work already fulfilled with good. Sutrisno (2014) conveyed job satisfaction is state nice emotional or no pleasant for employee in looking at profession them. In other words, job satisfaction is reflection feeling somebody to work and everything something encountered in the environment it works.

Colquitt, et.al (2012) which states that there is a number of indicator job satisfaction, namely:

- 1) Salary, which is factor multidimensional in job satisfaction, that is big wages or money received and rate where Thing this can looked at as things considered proper compared to with other people in organization.
- 2) Promotion, which is chance member organization for move forward and generally given based on seniority or performance and increase salary.
- 3) Supervision (supervision), which is ability supervisor for give help technical and support behavior.
- 4) Cooperative co workers is source satisfaction the simplest work on employees by individual. Group work, especially 'strong' team in action as source support, comfort, advice, and assistance to members individual in complete job. Condition like that effective make profession becomes more fun, so bring effect high positive on job satisfaction.
- 5) Profession that alone, where profession the could give employee good job opportunity learn, opportunity for responsible responsibility and progress.
- 6) Altruism, which is action voluntarily done by someone or group of people for help others without expect reward.

- 7) Status, which can be distinguished in a number of way, like skills and expertise, time training, responsibility answer social or attitude work could affect job satisfaction individual.
- 8) Environment social, consists of from environment work physical and psychological. If the surrounding conditions clean, adequate lighting, space that is not narrow and not noisy so in complete her job employees also become easy. It is also possible employee for easy work and finish her job in harmonious atmosphere and conditions.

The indicators presented above of course could affect performance employees. Role from indicators the no free from each employee's personal the in feel feeling satisfied to her job. Reflected attitude in work by employees is also influence from job satisfaction owned employee that. With happy employees more possible is productive employees. Employee could with like heart in work work, no again feel burdened with her job that, so that resulting performance can be optimized against organization/company/institution.

### **Employee Performance**

Performance word is abbreviation from kinetics Energy Work in English called with *performance*. Employee performance is aspect urgent in management source power human. Performance in something organization is size on success or failure achievement destination organization.

Performance (*performance*) can be interpreted as results work done by individuals or group (organization) in period of certain time. According to Afandi (2018), the performance of is results work accomplished by individuals or group of people inside organization in accordance with authority and responsibility each answer for reach destination organization in accordance with provisions that have been set, no oppose legal and contrary with morals or ethics. Furthermore, Gomes (2013) stated that: definition performance employee as *output*, efficiency as well as frequent effectiveness linked with productivity. According to Robbins (2012) performance defined as function from interaction ability and motivation . Based on a number of opinion above, then could concluded that performance is results work in form qualitative nor quantitative conducted by employees for doing Duty in accordance with not quite enough responsibility given by the organization, consistent with results expected and appropriate work with standards set by the

organization or standard performance employees.

For knowing performance a employees, then leader or management need give evaluation to performance in question. Evaluation performance said urgent because could known how much appropriate that employee has operate function so that could known is resulting performance in accordance with standard that has been determined in line with the above statement, Pasolong (2011) states that evaluation performance is effort compare achievement actual employee with achievement work as expected from him. What's lacking more same presented by Wilson (2012) who explains that evaluation performance is a process carried out organization for evaluate or evaluate success employee in doing task, so party management could get information about performance a employees and can used by for repair the performance in question, for more motivate employee the wish for develop self, as well as base planning and taking decision.

### Conceptual Framework

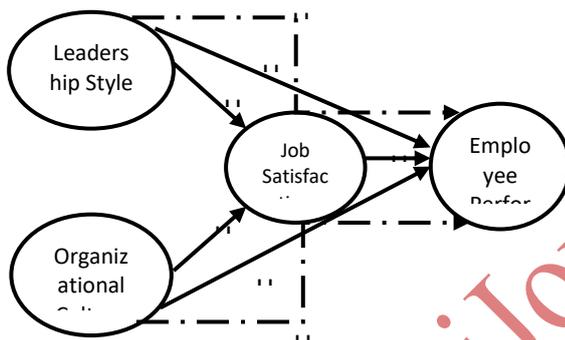


Figure 1. Conceptual Chart of Research Model

### Hypothesis

Hypothesis in study as following :

- H1: Leadership style take effect positive to performance employee  
 H2 : Culture Organization take effect positive to performance employee  
 H3: Leadership style take effect positive to satisfaction work  
 H4: Culture organization take effect positive to satisfaction work employee  
 H5: Satisfaction work take effect positive to performance employee  
 H6: Satisfaction work mediate leadership style to performance employee

H7: Satisfaction work mediate culture organization to performance employee

### Methods

The subjects in this study came from distributing questionnaires directly to employees of PT X, where the results of the data were collected and processed by the researchers themselves. In this study, the number of samples was 41 employees. The data analysis technique in this study used Partial Least Square (PLS). There are three stages of analysis that can be used in PLS-SEM, namely: (1) The first stage, by analyzing the measurement model (outer model), namely the measurement model that connects the manifest (indicator) with its latent variables (Ghozali & Latan, 2015). The measurement model with reflective indicators uses a validity and reliability test approach. (2) The second stage, by analyzing the structural model (inner model), namely the structural model that connects the latent variables, using two measurements, namely: R-Square (coefficient of determination), Q-Square (prediction relevance), f-Square (effect size) and Goodness of Fit Index (GoF). (3) The third stage, by testing the hypothesis.

### RESULTS AND DISCUSSION

#### Description Respondents who filled in Questionnaire

- By Gender  
Male as much 34 people (83%) and Female as many as 7 people (17%).
- According to Age  
according to age the most is 26 – 35 years old as many as 28 people (68.3%), followed by age < 25 years old as much 9 people (21.9%) and 36-45 years old as much 4 people (9,8%). From this composition, it can be seen that the respondents are of productive age.
- Based on Working Period  
most working period is 6 – 10 year as many as 21 people (51.2%), less than 1 year as many as 8 people (19.5%), 1-5 years as many as 7 people (17.1%), and > 10 years as many as 5 people (12.2 %).
- From the Last Education Level  
21 people (51.2%) respondents educated high school, 16 respondents educated final Diploma (39.0%) and 4 people (9.2%) are educated final middle school .

**Analysis Descriptive Variable Study**

Analysis descriptive used for knowing response/answer respondent on every statement of each variable under study. Average value measured start from score lowest 1 (Strongly not agree ) to score highest 5 (strongly agree ). The interval as following :

$$\text{Interval} = (\text{Maximum Value} - \text{Minimum Value}) / \text{Amount Class}$$

$$= (5 - 1) / 5$$

$$= 0.8$$

From the above calculation , the scale distribution criteria opinion as following :

- Very low = 1.00 – 1.80
- Low = 1.81 – 2.61
- Medium = 2.62 – 3.42
- Height = 3.43 – 4.34
- Very high = 4.24 – 5.00

**Results and Discussion**

Result summary descriptive analysis of respondents' answers to variable Research on Leadership Style (X<sub>1</sub>), Organizational Culture (X<sub>2</sub>), Job Satisfaction (Z), and Employee Performance (Y) are shown in the table following :

Table 2. Recapitulation of Analysis Results Descriptive Variable Study

No.	Variable Study	mean	Criteria
1	Leadership Style (X <sub>1</sub> )	4.9 1	Very high
2	Organizational Culture (X <sub>2</sub> )	4.70	Very high
3	Motivation Work (Z)	4.78	Very high
4	Employee Performance (Y)	4.85	Very high

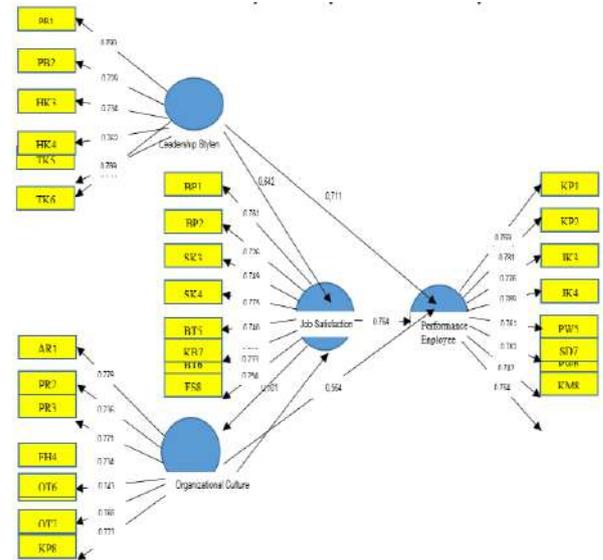
Source : Primary Data Processed , 2022

From the table above it can be seen that the answer of respondents to whole item statement in questionnaire for each variable study enter in very high criteria.

**Evaluation Outer Model**

Evaluation *outer model* to test the validity and

reliability of the indicators.



**Construct Model**

Data source : SmartPLS data processing results, 2022

From the results above show that 30 items from whole variable, has value *loading factor* bigger than 0.7, then with thereby whole indicator declared valid for used and analyzed more continued.

**Hypothesis Test**

Test hypothesis is a process carried out or used for evaluate strength from sample and provide framework work for make related determination with population, that is give method how much reliable researcher for extrapolate observed findings in the sample under study. For perform this test, the P value must bigger than 0 with a significant level of 95% or 0.05. In the P value test for test hypothesis often using  $P < 0.05$  (Kock, 2009). For do measurement significance hypothesis seen from ratio from t-table and t-statistic value. If the t-statistic is bigger than t-table value of the decision taken hypothesis accepted. The t-table value is obtained with use formula  $n(\text{number of samples}) - k(\text{number of variable}) - 1$ .

Test hypothesis conducted with the value *t-statistics* and *P-Values*. Hypothesis study could accepted if *P-Values* less from 0.05. *T- table* value for alpha 5% is 1,683. So in reception criteria hypothesis if *t-statistics* bigger than *t- table* could said significant , while if value *t-statistics* is smaller than *t- table* so no influential .

Test results hypothesis could explained as following :

H1: Influential Leadership Style on employee performance.

The value result *t-statistic* 6.586 > 1.681 and *P-Values* 0.001 < 0.05, H1 is accepted . It means leadership style take effect positive to performance employees.

H2: Organizational Culture is influential positive on Employee Performance .

The Value of *t-statistic* 2,489 > 1.681 and value *P-Values* 0.020 < 0.05, H2 is accepted. It means that organizational culture has positive impact to performance employees.

H3: Job Satisfaction take effect positive on Employee Performance .

The value result *t-statistics* 7,302 > 1.681 and *P-Values* 0.002 < 0.05, H3 is accepted. It means Job satisfaction has positive impact to performance employees.

H4: Influential Leadership Style positive to Job Satisfaction.

The value result *t-statistic* 2,499 > 1.681 and *P-Values* 0.012 < 0.05, H4 is accepted. It means that leadership style has positive impact to job satisfaction.

H5: Organizational Culture is influential positive to Satisfaction Work

Value result *t-statistic* 3,335 > 1.681 and *P-Values* 0.002 < 0.05, H5 is accepted. It means influential organizational culture positive to satisfaction work.

H6: Job Satisfaction mediated Effect of Leadership Style on Performance Employees.

Value result *t-statistics* 2,964 > 1.681 and *P-Values* 0.004 < 0.05. H6 is accepted. It means satisfaction work could mediate influence leadership style towards performance employees .

H7: Job Satisfaction mediated influence Organizational Culture on Performance Employee

Value result *t-statistic* 3,855 > 1.681 and *P-Values* 0.002 < 0.05, H7 is accepted. It means job satisfaction could mediate influence organizational culture towards performance employees .

## CONCLUSIONS

From the results of testing and data processing as well as analysis results research that has done by researcher to performance employees of PT. X in Jakarta with variables independent variables that affect employee performance are leadership style, organizational culture and job satisfaction as moderating variables, then could concluded

Influential Leadership Style positive to Performance, Influential Organizational Culture positive to employee performance , Satisfaction work take effect positive on employee Performance, Leadership Style has an effect positive to Employee Job Satisfaction, Influential Organizational Culture positive to Job Satisfaction, Job Satisfaction mediate influence Leadership Style towards Performance, Job Satisfaction mediate influence Organizational Culture on Performance.

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