

# INFLUENCE OF ORGANIZATIONAL CULTURE AND LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE

By

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#### ABSTRACT

The purpose of this study is to find out whether Organizational Culture and Leadership Style together (simultaneously) or partially have a significant effect on Employee Performance at PT. Nusantara Plantation IV Medan. The approach used by this study is the Associative approach. The sample in this study was 76 respondents. The data analysis technique used is multiple linear regression. The results showed that Organizational Culture and Leadership Style simultaneously had a significant effect on Employee Performance at PT Perkebunan Nusantara IV Medan, Oranization Culture partially had a significant effect on employee performance at PT Perkebunan Nusantara IV Medan, and Leadership Style partially had a significant effect on the performance of PT Perkebunan Nusantara IV Medan.

Keywords: Organizational Culture, Leadership Style and Performance

#### A. Introduction

Every company or government organization has human resources that are required to be able to optimize and also make maximum use of human resources. Human resources are managed with the aim that employees can excel and company goals can also be achieved easily. The company's most valuable asset is employees, because apart from being human resources, employees are also the main spearheads in order to achieve organizational goals. In an organization, there are often problems with employee performance that cannot be separated in the internal environment of the organization, because good performance will affect the progress and success of the organization. According to Suntoro (in Nawawi, 1999, Page 12) Performance is the result of work achieved by a person or group of people in an organization in accordance with their respective authorities and responsibilities in order to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals and ethics. Organizational culture is a factor that affects the performance of employees, especially in the internal environment of the company. According to schein (In Edison et al, 2018, p. 117) Positing that," culture is a pattern



of tacit sharing assumptions learned by groups such as solving problems of external adaptation and integration internally, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to see, think and feel in relation to the problem."

For the organization, the existence of a leadership style will ensure the maintenance of discipline and smoothness of the implementation of tasks so that good results will be obtained from every job given. As for employees, they will get a comfortable and pleasant working atmosphere that will increase the morale of employees in carrying out the duties assigned by the company to employees. Thus employees can carry out their duties with awareness from the heart and can develop their performance and thinking as well as possible for the realization of company goals. Leadership style also greatly affects employee performance, if every company has a good leadership style and cares for its employees, it is not impossible that the level of employee performance will continuously improve and provide all the abilities they have for the realization of company goals. Regularity is the main characteristic of the organization leadership style is a method of maintaining the regularity that exists in the company. According to Rivai (In Sudaryono, 2017, p. 173) Leadership style is an overarching pattern of the actions of a leader, both visible and invisible to his mind. Leadership style describes the combination of philosophies, skills, traits, and attitudes that underlie a person's behavior. Leadership style shows directly or indirectly, about the confidence of a leader in the abilities of his subordinates. That is, the leadership style is behavior and strategy, as a result of a combination of philosophies, skills, traits, attitudes, which a leader often applies when he tries to influence the performance of his subordinates.

Based on the author's observations during the internship activities within PT. Perkebunan Nusantara IV can be said that PT. Perkebunan Nusantara IV already has a good working environment. The habit of entering at the right time, carrying out work well, cooperating with each other, reprimanding each other greetings all employees, the leader gives encouragement to employees in carrying out work, a good approach among leaders and employees that makes harmony within the company.

However, during the observation, the author found that there were employees who had entered an unproductive age anymore so that the work given could not be completed effectively and efficiently, then the employees also did not carry out the work system provided by the company that applies to PT. Nusantara IV plantation. With an age that is classified as unproductive anymore, it causes these employees to be reluctant to follow the work system imposed in the company, while there are also some employees who often leave the room without a clear purpose and it is also often seen that some employees still do not enter the room when the rest period has run out. This should be of particular concern to PT. Nusantara Plantation IV.

## **B.** Method

## **Research Approach**

The research approach used in this study is an associative approach. The population in this study was all employees of the office of the board of directors of PT. Nusantara IV Medan plantations totaling 310. The samples in this study with



*random sampling* techniques totaled 76 people. The data collection technique of this study uses questionnaire techniques, validity tests and reliability. The data analysis techniques used in this study are data analysis techniques in this study using Multiple Linear Regression Analysis, Classical Assumption Test, Hypothesis Test, and Coefficient of Determination.

## C. Research Finding Test of Classical Assumptions Normality Test

Data normality testing is carried out to see whether in the regressi model, the dependent and independent variables have a normal distribution or not, if the data spreads around the diagonal line and follows the direction of the diagonal line then the regressi model meets the assumption of normality.



**Figure 1 Normal** *P-Plot* Chart Source: SPSS Data Processing Results

The figure above shows that the regression model has met the assumptions previously stated, so the data in this regression model is close to normal.

# Multicolinierity

The multicollinearity test is used to test whether in the linear regression model a high degree of correlation is found between free variables. To detect the presence or absence of multicollinearity can be done by looking at the variance inflation factor (VIF) value < 5 which means that there is no multicollinearity.

Collinearity Statistics				
Tolerance	VIF			
,440	2,271			
,440	2,271			

## Source : SPSS processed data

Based on the table above, it can be seen that the *Variance Inflation Factor* (VIF) value for the leadership style variable  $(X_1)$  is 2.271 and the work motivation variable  $(X_2)$  is 2.271. Of each of the independent variables has an indigoi that is smaller than the value of 5. Likewise, the *Tolerence* value in the leadership style variable  $(X_1)$  is 0.440 and the work motivation variable  $(X_2)$  is 0.440. From each variable *the tolerance value is* greater than 0.1 so it can be concluded that there are



no symptoms of multicholinearity between the independent variables indicated from the tolerance value of each independent variable greater than 0.1 and the VIF value smaller than 5.

#### Heteroskedasticity Test

Heterochedaedasticity is used to test whether in regression models, there is an inequality of variants and residuals of one observation to another. If the residual variant of one security of the other remains, then a good regression is that heterochedasticity does not occur. If there is no clear pattern, as well as dots spreading above and below the number 0 on the Y axis, then heterochedasticity does not occur.



## **Heterochedasticity Test**

The image above shows dots spreading randomly. Does not form a clear/ regular pattern, spread both above and below the number 0 on the Y axis. Thus "no heterochedasticity occurs" in regression models.

## Multiple Linear Regression

Multiple linear regression analysis aims to find out how much the relationship or influence between free variables is on bound variables. The following are the results of data processing with multiple linear regression analysis.

	Туре			Standardized Coefficients		
		В	Std. Error	Beta	t	Sig.
1	(Constant)	1,796	1,750		1,026	,308
	rganizational Culture	,615	,068	,599	9,081	,000
	Leadership Style	,341	,057	,394	5,977	,000

**Table 2. Multiple Linear Regression Test Results** 

#### $\mathbf{Y} = -1.796 + 0.615_{1} + 0.341_{2}$

A constant of 1.796 indicates that if the value of the independent variable is considered constant then job satisfaction at PT. Perkebunan Nusantara IV Medan will



increase. $\beta_1$ by 0.615 with a positive relationship direction pointing out that if the leadership style increases, it will be followed by an increase in work satisfaction of 0.615 assuming other independent variables are considered constant. $\beta_2$  of 0.341 with a positive relationship direction indicates that if work motivation increases, it will be followed by an increase in work satisfaction of 0.341 assuming that other independent variables are considered constant.

#### **Hypothesis Test**

#### Partial Test (T test)

The t test is used to test the regression coefficient individually, this test is performed to find out whether or not each free variable has a significant influence on the bound variable.

Туре	Standardized Instandardized Coefficients				
	Instantan arzea	Coefficients	coefficients		
	В	Std. Error	Beta	t	Sig.
(Constant)	1,796	1,750		1,026	,308
rganizational Culture	,615	,068	,599	9,081	,000
Leadership Style	,341	,057	,394	5,977	,000

 Table 3. Statistical Test Results t (Partial Test)

#### The Influence of Organizational Culture on Performance

Based on the table above, it was obtained t count for the leadership style variable of 9,081 for error 5% test 2 parties and dk = n-2 (72 -2= 70), in obtained t table 1,667. If t count > t of the table then a significant influence is obtained between X1 and Y, and vice versa if t counts < t of the table then there is no significant influence between X1 and Y, in this case t-count = 9.081> t of the table = 1.667. This means that there is adifference between organizational culture and performancein universities. Nusantara Plantation IV Medan. Furthermore, it can also be seen that the probability value of t, namely sig is 0.00 0 while the significant level of  $\alpha$  previously set is 0.05, then the sig value is 0.000  $\leq$  0.05, so that H0 is rejected this means that there is a significant influence between organizational culture and performance at PT. Perkebunan Nusantara IV Medan.

## The Influence of Leadership Style on Performance

Based on the table above, t counts for leadership style variables of 5,997 fork errors 5% test 2 parties and dk = n-2 (72 -2= 70), obtained t table 1,667. If t counts > t of the table then a significant influence is obtained between X2 and Y, and vice versa if t counts < t of the table then there is no significant influence between X2 and Y, in this case t-count = 5.997 > t-table = 1.667. This means that there is adifference between Leadership Style and performance in PT. Perkebunan Nusantara IV Medan. Furthermore, it can also be seen that the value of the probability t, namely sig is 0.000 while the significant level of  $\alpha$  previously set is 0.05, then the sig value is 0.000 < 0.05, so that H0 is rejected this means that there is a significant influence between oganization culture and kineja in PT. Perkebunan Nusantara IV Medan.



Туре		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1141,990	2	570,995	226,435	,000 <sup>a</sup>
	Residual	173,996	69	2,522		
	Total	1315,986	71			

Table 4. Test F Results (simultaneous)

Based on table IV.11 above, the f count for the variables of organizational culture and leadership style is 226,435 for errors 5% test 2 parties and dk = n-k-1 (72-2-1=69), in gain f table 3.11. If f calculates > f of the table then a significant influence is obtained between X1 and X2 on Y, and vice versa if f counts < f of the table then there is no significant influence between X1 and X2 on Y, in this case f count = 226.435> f table = 3.13. This means a positive influence between organizational culture and leadership style on employee performance at PT. Perkebunan Nusantara IV Medan.

Furthermore, it can also be seen that the probability value of f, namely sig, is 0.000 while the significant level of  $\alpha$  previously set is 0.05, then the sig value is 0.000 <a 0.05, so that H0 is rejected this means that there is a significant positive influence between the culture of organization and the leadership style on performance in PT. Perkebunan Nusantara IV Medan.

#### **Coefficient of Determination**

The coefficient of determination is used to determine the percentage of the magnitude of the influence of bound variables, namely by squaring the coefficients found. In its users this coefficient of determination is expressed in percentage (%). To find out the extent of the contribution or percentage of influence of Organizational Culture and Leadership Style on Performance, it can be known through a determination test.

Туре			Adjusted R	Std. Error of the
		R Square	Square	Estimate
	,932 <sup>a</sup>	,868	,864	1,588

Table 5. Coefficient of Determination Results

The *AdjustedR-Square* (R2) value or coefficient of determination in this study was 0.864 which means 86.4% of PT Performance. Perkebunan Nusantara IV Medan can be explained by Organizational Culture and Leadership Style. While 13.6% can be explained by other factors that were not studied in this study.

## **D.** Discussion

## The Influence of Organizational Culture on Performance

Based on the results of the research above between Organizational Culture and employee performance at PT. Perkebunan Nusantara IV Medan is  $t_{count}$  of 9.081 while  $t_{table}$  is 1.667 and has a significant figure of  $0.000 \le 0.05$  means  $H_0$  is rejected and Ha



is accepted which indicates that partially there is a significant influence between Organizational Culture on Employee Performance in PT. Nusantara Plantation IV Medan. This means that when an effective organizational culture influences employees to have greater optimism, self-confidence, and commitment to the goals and mission of the organization. This means that organizational culture is one of the important factors that dapat affect the work process.

According to ndraha (In Nawawi, 2013, p. 5) that organizational culture is the application of organizational culture to business entities. According to Susanto (In Edison et al, 2018, p.118) suggests that organizational culture is a pattern of beliefs, behaviors, assumptions, and values that are shared. Organizational culture shapes the way in which members of the organization behave and interact and influence the way they work. The results of this study are in line with the results of research conducted by Arianty (2014) and Muis and jufrizen (2018) in their research concluded that Organizational Culture has a positive and significant effect on kinerja.

## The Influence of Leadership Style on Performance

Based on the results of the research above between leadership style and employee performance at PT. Perkebunan Nusantara IV Medan obtained  $t_{count}$  of 5,997 while  $t_{table}$  was 1.667 and had a significant figure of 0.00  $0 \le 0.05$  means  $H_0$  was rejected and Ha was accepted. Based on these results, it was concluded that  $H_0$  was rejected and Ha was accepted which shows that there is a partial influence between leadership style on employee performance at PT. Nusantara Plantation IV Medan. This means that any improvement In leadership style in karyawa nwill provide a very meaningful improvement for the improvement of employee performance in carrying out their work.

According to Agus dharma in Sudaryono (2017, p. 173) defining leadership style is the pattern of behavior that a person shows when he tries to influence others. The results of this study are in line with the results of research conducted by Riyadi (2011) and Dewi (2012) in their research concluded that Leadership Style has a positive and positive effect on performance.

## The Influence of Organizational Culture and Leadership Style Together Affects Employee Performance

Based on the research obtained regarding the influence of Organizational Culture and Leadership Style on Employee Performance at PT. Nusantara Plantation IV Medan. From the ANOVA (*Analysis Of Variance*) test in the table above, it was obtained that  $F_{counted}$  226.435 while  $F_{table}$  is known to be 3.13. Based on these results, it can be seen that a significant level of  $0.000 \le 0.05$  so that  $H_0$  is rejected and Ha is accepted. So it can be concluded that the variables of Organizational Culture and Leadership Style together affect Employee Performance at PT. Nusantara Plantation IV Medan.

Organizational culture is very important for the company, because with a good oganization culture, it has a direct effect on employees in achieving performance. In addition to the organizational culture, the existence of leadership style is also very important, if you get good leadership, the enthusiasm of employees in working will



also be good, because good leadership can directly affect employees in increasing morale and improving work well as a form of performance.

The results of this study are in line with the results of research conducted by sasingkelo et al (2017) and Trang (2013) in their research concluded that Organizational Culture and Leadership Style have a positive and significant effect on performance.

#### **E.** Conclusion

Based on the results of research and discussions that have been previously stated, conclusions can be drawn from research on the Influence of Organizational Culture and Leadership Style on Employee Performance at PT. Nusantara Plantation IV Medan. There is a partial known that Organizational Culture has a positive and significant influence on performance in universities. Nusantara Plantation IV Medan. It is partially known that leadership style has a positive and significant influence on K work on PT. Nusantara Plantation IV Medan. Simultaneously, it is known that Organizational Culture and Leadership Style have a positive and significant influence on K work in PT. Nusantara Plantation IV Medan.

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