

## Research Article

## Organizational Culture and Leadership Influences Organizational Performance through Motivation: Case on Pt. Bank Pembangunan Daerah of West Java and Banten Tbk Branch of Rawamangun Jakarta

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**Abstract:** This study aimed to determine the effect of organizational culture and leadership to organizational performance simultaneously, determine the influence of organizational culture on organizational performance partially, determine the effect of leadership on organizational performance partially, determine the effect of motivation on organizational performance partially, determine the influence of organizational culture on organizational performance through motivation and determine the effect of leadership on organizational performance through motivation variable. The study was conducted at the organization PT. Bank Pembangunan Daerah of West Java and Banten area. Sampling using saturated samples involving 90 employees in all parts of the organization. Analysis of data using path analysis. Based on data analysis known that variable of organizational culture and leadership influence on organizational performance simultaneously. Organizational culture variables affect the performance of an organization partially. Leadership variables affect the performance of an organization partially. Motivation variable influence on organizational performance partially. The influence of organizational culture and leadership to organizational performance is smaller than through work motivation.

**Keywords:** organizational culture, leadership, motivation, organizational performance.

### INTRODUCTION

All the business environment will certainly be dynamic because all would change. Changes caused by the state of the dynamic and competitive environment will have an impact on larger changes again. In the absence of an organizational culture that is supported by reliable human resources, then the organization will find it difficult to compete with other organizations.

Human resources are the most important asset to the organization because of its role as the subject of implementing the policy and operational activities of the organization. For an organization to exist it must have the courage to face the challenges and implications is to win every competition. The resources owned by organizations such as the capital, methods, and machines could not provide optimum results if not supported by human resources that have optimum performance. So expect the presence of qualified human resources and have adequate leadership and

organizational culture will affect the performance of the organization to be increasing, as well as the objectives set organization reached.

Leadership is one of the issues in the management that is still quite interesting to be discussed until today. Because leadership is a process of how a leader influence and provides direction to subordinates to achieve optimal employee performance (Locke, 1997). The leadership style is a method used by a leader in influencing the behavior of others. The leadership style is the norm of behavior that is used by a person at the time the person is trying to influence the behavior of others. Each style has advantages and disadvantages. A leader will use the appropriate leadership style and personality capabilities (Marzuki, 2001).

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In achieving organizational objectives in addition to the support from the leadership style and organizational culture, motivation is also an important variable in improving organizational performance. Motivation is the encouragement given by the employer to achieve the best performance. Low performance in the organization is a series of 1) decreasing the implementation of tasks, 2) increasing attendance, and 3) the organization's moral decline. (Yukl, 1998).

The development of performance improvement organization to maintain the quality of the services rendered, the PT. Bank Pembangunan Daerah of West Java and Banten Tbk Branch Rawamangun must have effective leadership styles to direct their subordinates to achieve organizational performance improvement. Employee absentee rate is quite high and is a phenomenal business in the company which would interfere with services provided.

Organizational performance should not be measured only in terms of financial concepts but also of non-financial. Performance can be measured by productivity, quality, consistency and so on. On the other hand measure organizational performance outcomes, behavioral and normative level, education and concepts generated including management development (Richard, 2002). James (2012) states that the effectiveness of the organization can be measured by the following criteria, namely the market, in this aspect means that if the consumer will feel satisfied with the service from the company. second, the products/services produced must be considered in order to develop the organization, resources must be developed both for the company to compete with other companies, the operating system must be produced to support the achievement of organizational goals, management systems must be managed properly so that the purpose of organization as well, the organizational culture also plays a role in achieving better organizational performance, and the financial impact on the market presence of the savings to the organization.

## Literature Review

### *Organizational Performance*

The terms of raw performance can be interpreted as a vote to determine the final goal to be achieved by individuals, groups, and organizations. In this sense performance is a tool that can be used to measure the level of achievement or group and individual policies. Some opinions about the performance were also expressed by some experts as follows:

According to Keban (2004) performance is the translation of performance that is often interpreted as "appearance", "protest" or "achievement". It also agreed with the said Mangkunegara (2009: 67) that the term is derived from the performance of job performance or the

actual performance of the job performance or achievements to be achieved.

**According to Keban (2004: 183), the achievement of results (performance) can be judged by the actors, namely:**

- Individual performance that illustrates how far a person has been carrying out a duty that can give results that have been set by the group or agency.
- Performance groups, which describe how far a person has been carrying out a duty that can give results that have been set by the group or agency.
- Performance of the organization, which illustrates how far the group has carried out all the basic activities to achieve the vision and mission of the institution.
- Program performance, namely concerning how far the activities in the program that has been implemented to achieve the objectives of the program.

Performance is an overview of the level of achievement of the implementation of an activity/program/policy in achieving the goals, objectives, mission, and vision of the organization as stated in the strategic planning of an organization (Mahsun, 2006: 25). Performance is a set of outputs produced by the execution of a particular function for a certain period (Tangkilisan, 2003: 109). Based on some opinions, it can be said that the concept of performance is an overview of the accomplishments of the employees or groups within an organization in the implementation of activities, programs, policies to realize the vision, mission, and goals of the organization that has been designated.

### *Organizational Culture*

Robbins (2010) states that organizational culture is a system of shared meaning in an organization that determines the higher level of how employees act. Organizational culture is a value system that is believed by all members of the organization and learned and applied and developed on an ongoing basis which serves as the overall system. Robbins (2010) stated organizational culture refers to a system of shared meaning held by members that distinguish the organization from other organizations. This system of shared meaning is, on closer analysis, a set of key characteristics that the organization values.

Further Robbins (2010) argues that: "The culture of the organization as the dominant values are disseminated within the organization that made the philosophy of employee who became a guide for the organization's policy in managing employees.

Organizational culture as a series of values and norms that control the organization's members to interact with each other and with suppliers, customers, and others outside the organization. Organizational

culture consists of the final state that the organization seeks to achieve (terminal value) and model drives organizational behavior (instrumental values). Ideally, the instrumental value to help organizations achieve terminal objectives. Different organizations have different cultures because they process setting terminal and instrumental values are different.

According to Dessler (2008), organizational culture is characteristic of values, traditions, and behavior of employees in the company. According to Luthans (2000) is the organizational culture norms and values that guide the behavior of members of the organization. Each member will behave following the prevailing culture to be accepted by the environment.

Schein in Luthan (2000) defines organizational culture as a pattern of basic assumptions that are found, created or developed by a certain group with the intention that the organization learns to overcome or cope with his problems arising from external adaptation and internal integration that is already running pretty good, so it needs to be taught to new members as the correct way to perceive, think and feel pleased with these problems.

### **Leadership**

Fiedler in Hanafi (2002) explains that leadership is the ability to provide direction and coordination to subordinates in achieving organizational goals, and a willingness to be the primary responsibility of the activities of the group he leads.

According Rivai (2008: 2) states that the definition of leadership broadly, is covering the process of influence in determining the organization's goals, motivating the behavior of followers to achieve the objective, affect the interpretation of the events of his followers, organizing and activities to achieve the goals, nurture relationships cooperation and teamwork, gain support and cooperation from people outside the group or organization. According to Hasibuan (2007: 170) "Leadership is a way of influencing the behavior of subordinate leaders to cooperate and work effectively and efficiently to achieve the goals of the organization".

Disagreement about the definition of leadership is based on the fact that leadership involves a complex interaction between leaders, followers, and situation. Most definitions of leadership reflect the assumption that leadership involves a process of social influence that is deliberately executed by a person against another

person for structuring activities and relationships within a group or organization (Yukl; 2; 1998).

Leadership as the ability to influence a group toward the achievement of targets. The source of this influence is formal, ie resented by ownership managerial rank in the organization for a management position coincided designed several levels of authority formally, one can run a leadership role simply because of the position within the organization.

### **Motivation**

Motivation interpreted also as a force that drives the power source and controls human behavior. Motivation as an effort to encourage a person to take the desired action, while the motif as a propulsive force someone to do. The term motivation comes from the Latin is more which means moving or moving. Because a person's behavior tends to be goal-oriented and driven by the desire to achieve a particular goal.

Motivation is the willingness of individuals to issue a high effort to achieve organizational goals (Robbins, 2010). In a work context, motivation is one important factor in encouraging an employee to work. There are three key elements in the motivation that effort, the organization's goals, and needs. Therefore, it takes the intensity and quality of those efforts and focused on organizational goals.

Motivated employees are in a state of tension and seek to reduce tensions by issuing effort. This raises the impetus search behavior to find a purpose, certain. If it turns out to occur fulfillment, there will be a reduction in the voltage. With the proper motivation of the employees will be encouraged to do as much as possible in carrying out their duties because they believed that the organization's success in achieving goals and targets, the personal interests of the members of the organization will be covered as well. High motivation will create a commitment to what they are responsible for completing each job (McNeese-Smith *et al.*, 1993).

## **RESEARCH METHODS**

### **Research design**

This research uses an explanatory analysis approach. This means that each of the variables presented in the hypothesis will be observed by testing the causal relationship of independent variables on the dependent variable.

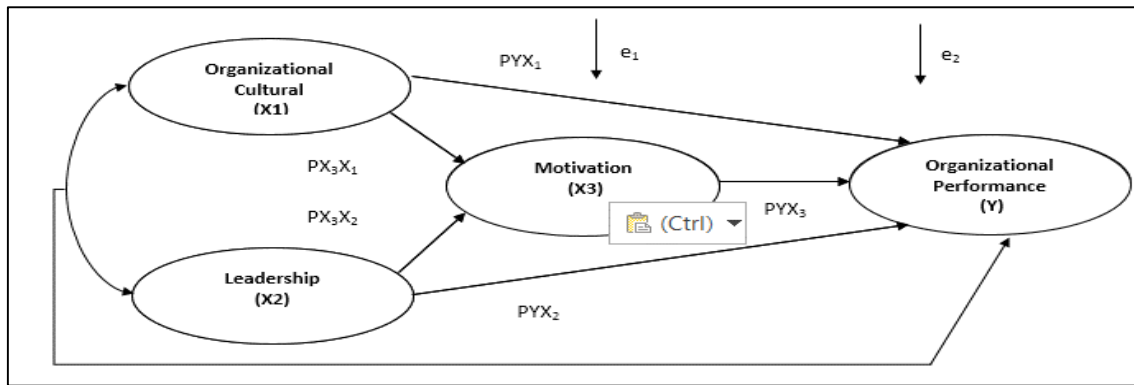


Figure 1. Overall Path Analysis

**Object of Research**

The study was conducted on employees of PT. Bank Pembangunan Daerah of West Java and Banten Tbk Branch Rawangun.

**Population and Sample Research**

The population is a generalization region consisting of the objects that have a certain quantity and characteristics defined by the researchers to learn and

then drawn conclusions (Sugiyono, 2014). Samples were towing the majority of the population to represent the entire population, (Surakhmad, 2001). The sample used by the author in this study were employees of PT. Bank Pembangunan Daerah of West Java and Banten Tbk Branch Rawamangun. The sampling technique is also called the sampling method saturated by involving all employees 90 people.

**Research Result**

**1. Influence of Organizational Culture and Leadership on Organizational Performance**

The linear analysis model can be based on calculations using the SPSS program as follows.

Table 1. Results of Analysis First Equation

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	18.223	2,425		7.514	,000
	CULTURE	,661	,110	,423	6.020	,000
	LEADERSHIP	,534	,065	,575	8.177	,000

a. Dependent Variable: PERFORMANCE

Based on the tables above, the simultaneous structural equations can be described as follows

$Y = 0.423 X1 + 0.575 X2$ . F count can be obtained from the following table

Table 2. Calculate the F value Simultaneous equations

ANOVA						
Model		Sum of Squares	df	mean Square	F	Sig.
1	Regression	1572.963	2	786.481	59.861	,000b
	Residual	1143.037	87	13.138		
	Total	2716.000	89			

a. Dependent Variable: PERFORMANCE

b. Predictors: (Constant), LEADERSHIP, CULTURE

Based on the above table it is known that the value f calculated at 59.861 and significance of 0.00. This value is less than 0.05. This means that the variable of organizational culture and leadership

influence on organizational performance simultaneously. The magnitude of the effect of the independent variable on the dependent variable can be seen from the following values of r squared.

Table 3. Rated R Squares Regression Model First

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,761a	,579	,569	3.62469	1,229

a. Predictors: (Constant), LEADERSHIP, CULTURE

b. Dependent Variable: PERFORMANCE

Based on the above table it is known that the value of r squared of 57.9% means that variable of organizational culture and leadership influence on organizational performance by 57.9% while the rest influenced by other variables that are not incorporated into the model equations.

**2. Influence Analysis of Organizational Culture on Organizational Performance**

Results of the analysis of the influence of organizational culture on performance can be partially seen in the following table.

**Table 4. Results of regression equation analysis Second**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	27.185	2.861		9.503	,000
	CULTURE	,790	,144	,506	5,498	,000

a. Dependent Variable: PERFORMANCE

Structural equation of the above data  $Y = 0.506 X1$

Based on the chart above analysis it is known that the coefficient of 0.506 organizational culture. T value of 5,498. The significant value of 0.00. The significance value smaller than 0.05. This means that the organizational culture variables affect the

performance of an organization partially. The magnitude of the influence of organizational culture on organizational performance can be seen in the following table.

**Table 5. The value of r Quadratic Equations Second**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,506a	,256	,247	4.79296

a. Predictors: (Constant), CULTURE

Based on the above table it can be seen r squared value of 0.256. This means that the influence of organizational culture on organizational performance

variables by 25.6% and the rest influenced by other variables not included in the model equations.

**3. Analysis of Effect of Leadership to Organizational Performance**

The analysis results in leadership on the performance can be seen in the following table.

**Table 6. Analysis of Third Regression Equations**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	29.960	1,707		17.555	,000
	LEADERSHIP	,591	,077	,635	7.721	,000

a. Dependent Variable: PERFORMANCE

Structural equation of the above data  $Y = 0.635 X2$

Based on the chart above analysis it is known that the leadership coefficient of 0.635. T value of 7.721. The significant value of 0.00. The significance value smaller than 0.05. This means that the leadership

variables affect the performance of an organization partially. The magnitude of the effect of leadership on organizational performance can be seen in the following table.

**Table 7. Value Quadratic Equations r Third**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,635a	,404	,397	4.28942

a. Predictors: (Constant), LEADERSHIP

Based on the above table it can be seen r squared value of 0.404. This means that the effect of the variable of leadership on organizational performance of 40.4% and the rest influenced by other variables not included in the model equations.

**4. Analysis of Effect of Motivation on Organizational Performance**

The analysis results on the performance of work motivation can be partially seen in the following table.

**Table 8. Results of regression equation analysis Fourth**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	11,652	2,099		5.550	,000
	MOTIVATION	,739	,049	,847	14.938	,000

a. Dependent Variable: PERFORMANCE

Structural equation of the above data  $Y = 0.847 X_3$

Based on the chart above analysis it is known that the motivation coefficient of 0.847. T value of 14.938. The significant value of 0.00. The significance value smaller than 0.05. This means that the motivation

variable influence on organizational performance partially. The magnitude of the effect of motivation on the performance of the organization can be seen in the following table.

**Table 9. Value Quadratic Equations r Fourth**

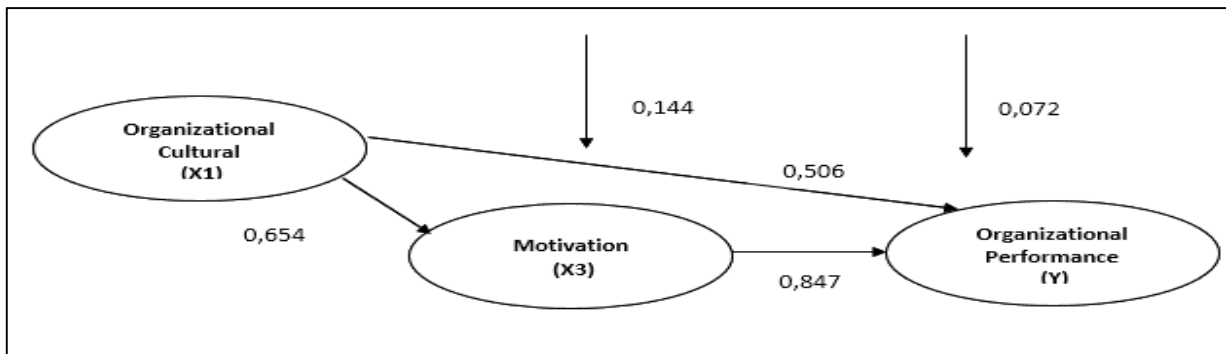
Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,847a	,717	,714	2.95445

a. Predictors: (Constant), MOTIVATION

Based on the above table it can be seen r squared value of 0.717. This means that the motivation variable influence on organizational performance by 71.7% and the rest influenced by other variables not included in the model equations.

**1. Influence Analysis of Organizational Culture on Organizational Performance through Motivation**

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis in line with the structure of this sub-image.



**Figure 2. Analysis of the influence lines X1 to Y via X3**

The coefficient of influence of organizational culture on motivation can be seen in the following table

**Table 10. Influence of Organizational Culture Work Motivation**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	19.023	2.874		6.619	,000
	CULTURE	1,170	,144	,654	8.103	,000

a. Dependent Variable: MOTIVATION

Based on the picture above can be seen that the influence of organizational culture on organizational performance is 0.506. The influence of organizational culture on performance through motivation is  $0.654 \times 0.847 = 0.554$ . In this case, the indirect effect is greater than the direct effect so that it can be said that the work motivation as an intervening variable.

**6. Analysis of Effect on Leadership on Organizational Performance through Motivation**

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis in line with the structure of this sub-image.

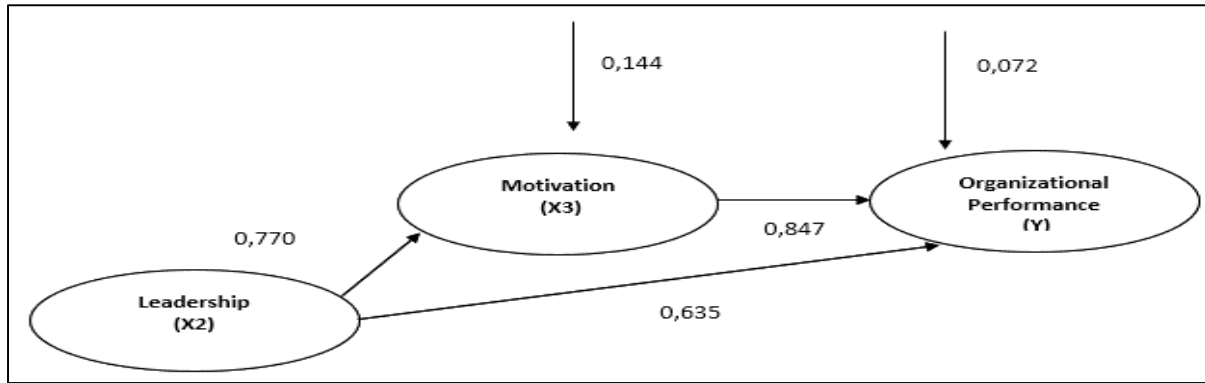


Figure 3. Analysis of the influence lines X2 to Y via X3

The coefficient of leadership to the work motivation can be seen in the following table.

Table 11. Coefficient Values Leadership Influence of Motivation

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	24.312	1,615		15.051	,000
	LEADERSHIP	,820	,072	,770	11.320	,000

a. Dependent Variable: MOTIVATION

Based on the picture above it can be seen that the direct effect of leadership on organizational performance is 0.635. While the influence of leadership on organizational performance through motivation is  $0.770 \times 0.847 = 0.652$ . In this case smaller than the direct influence indirect influence so that it can be said that the work motivation as an intervening variable.

**CONCLUSIONS AND SUGGESTIONS**

**Conclusion**

Organizational culture and leadership variables affect the performance of the organization simultaneously. F value calculated at 59.861 and the significance of 0.00. This value is less than 0.05. R squared value of 57.9% means that variables of organizational culture and leadership influence organizational performance by 57.9% while the rest influenced by other variables that are not incorporated into the model equations.

Organizational culture variables affect the performance of an organization partially. T value of 5,498. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.256. This means that the influence of organizational culture on performance variables by 25.6% and the rest influenced by other variables not included in the model equations.

Leadership variables affect the performance of an organization partially. T value of 7.721. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.404. This means that the effect of the variable of leadership on organizational performance of 40.4% and the rest influenced by other variables not included in the model equations.

Motivation variable influence on organizational performance partially. T value of 14.938. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.717. This means that the motivation variable influence on organizational performance by 71.7% and the rest influenced by other variables not included in the model equations.

The influence of organizational culture on organizational performance is 0.506. The influence of organizational culture on performance through motivation is  $0.654 \times 0.847 = 0.554$ . In this case, the indirect effect is greater than the direct effect so that it can be said that the work motivation as an intervening variable.

The direct effect of leadership on organizational performance is 0.635. While the influence of leadership on organizational performance through motivation is  $0.770 \times 0.847 = 0.652$ . In this case smaller than the direct influence indirect influence so that it can be said that the work motivation as an intervening variable.

**Suggestion**

In improving organizational performance, an organization needs to consider organizational culture, leadership, and motivation. As a common meaning in an organization that determines the higher level of how employees act, organizational culture must be applied to understand the identity of members of the organization, increase joint activities, pay attention to the quality of decisions made and able to conduct surveillance.

Leaders should also be able to provide direction and coordination to subordinates in achieving the objectives organization and willing to be responsible for the organization. Leadership must be improved by improving the ability of a leader to direct subordinates and able to be responsible in the organization.

Motivation should also improvement in a way like responsibility, have a clear goal, have a thorough work plan, and the importance of real feedback to the organization.

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