# THE INFLUENCE OF LEADERSHIP STYLE AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE MODERATED BY JOB SATISFACTION

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#### **ABSTRACT**

This research aims to determine the influence of leadership style and organizational culture on employee performance moderated by job satisfaction at PT Astra Internasional Tbk TSO Auto 2000 Plaju Palembang branch. This research uses a quantitative approach with the aim of explaining the position of the variables studied and the relationship between one variable and another. This research is intended to test hypotheses that have been previously formulated. The results of this research will explain the causal relationship between variables through hypothesis testing. In this research, the analysis method used is path analysis with path analysis using the SmartPLS program. The results of this research found that 1) There is an influence of leadership style on employee performance 2) There is an influence of organizational culture on employee performance 3) There is an influence of job satisfaction on employee performance 4) The moderating role of job satisfaction influences leadership style on employee performance 5) The moderating role Job satisfaction influences organizational culture on employee performance.

Keywords: Leadership Style, Organizational Culture, Employee Performance

## **INTRODUCTION**

Leadership is the process of influencing the behavior of other people in an effort to achieve a goal. This process can occur anywhere without being limited by who the perpetrators are. In general, this influencing process is carried out by a leader towards his subordinates. Leaders have a very important role in human life because they are not only giving orders but can also be organizers and guides for those who follow them so that they remain on the straight and correct path.(Padauleng, 2019). According to(Hartatik, 2018)Leadership is the process of influencing or giving an example to followers through the communication process in an effort to achieve organizational goals. According to(Padauleng, 2019) What is meant by leadership is the process of directing, guiding and influencing the thoughts, feelings, actions and behavior of other people to be moved towards certain goals. Effective leadership can help organizations survive in situations of uncertainty in the future,(Zainal, 2018) An effective leader must be responsive to change, able to analyze the strengths and weaknesses of his human resources so that he is able to maximize organizational performance and solve problems appropriately. Effective leaders are able to influence their followers to have greater optimism, self-confidence, and commitment to the goals and mission of the organization.

According to(Andi Padauleng, 2019)dIn an organization, a leader is needed with a leadership style that can advance the organization. Leadership style influences the organization and organizational survival. Leadership style is one of the factors in improving employee performance, because basically leaders are the backbone of organizational development to encourage and influence good work morale for employees. In a cooperative, a leadership role is needed as a determinant of success in achieving the vision and mission of an organization. The leadership function in an organization is a very important element in human resource management. Apart from

providing direction, it also provides motivation in efforts to improve employee performance (Heny, 2020).

Organizational culture is essentially a supporting element in improving employee performance (M. Agung Baiquni, 2017). Organizations that pay attention to these elements of organizational culture will improve the quality of the organization (Novi Permatasari, 2019). Organizational culture is one of the work guidelines for increasing employee performance to be more optimal. According to (Veit Ismail, 2016) h There is almost no suspicion that organizational culture has a significant influence on employee attitudes. Organizational culture is an example of basic assumptions that are acquired, created, or generated by a particular group with the intention that the organization learns to overcome or overcome its problems that arise as a result of external adjustments and integration. internal system which has been going on quite well, so it must be taught to new members as the correct way to master, deal with and deal with these problems Schein (Erni R, 2015).

Job satisfaction is an affective or emotional response to various aspects or aspects of a person's work so that job satisfaction is not a single concept(FE Ardianti et al., 2018). A person can be relatively satisfied with one aspect of a job and dissatisfied with one or more other aspects(A. Hermingsih & D. Purwanti, 2020). Job satisfaction is the (positive) attitude of workers towards their work, which arises based on an assessment of the work situation(Tambunan, 2018). This assessment can be carried out on one's work, the assessment is carried out as a sense of appreciation for achieving one of the important values in the work. Satisfied employees like their work situation more than they dislike it(Ranayudha, 2020). Feelings related to job satisfaction and dissatisfaction tend to reflect employees' assessments of current and past work experiences rather than expectations for the future. So it can be concluded that there are two important elements in job satisfaction, namely work values and basic needs. Work values are the goals to be achieved in carrying out work tasks. What we want to achieve are work values that are considered important by the individual(R. Wahyuni & H. Irfani, 2019).

The success of an organization cannot be separated from the good performance of an employee. Where the goals of an organization will be achieved well if it has quality employees or human resources(Burhannudin et al., 2019). Resources are sources of energy, power, strength (power) needed to create power, movement, activity, activities and actions(Panggabean et al., 2023). So creating good performance in an organization depends on the performance of employees who are engaged in carrying out the organization's goals(Vallennia et al., 2022). Employees are not only objects in achieving success for an organization but also as actors in the success of that organization(Prasetyo & Marlina, 2019).

In assessing someone's performance, we must first know what good performance is. (Nitisemito, 2019) states that in general performance is influenced by three factors, namely: 1) Individual factors consisting of ability and expertise, background, demographics; 2) Psychological factors consisting of perception, attitude, personality; 3) Organizational factors consisting of resources, compensation, rewards, structure, job design.

### **RESULTS AND DISCUSSION**

## **Outer model testing**

Research data quality testing is divided into 2 parts, namely data validity and reliability. Data quality testing is a stage that a research model must go through before arriving at an influence test or correlation test. In general, data validity describes the suitability of each indicator to the variable. The analysis results from this test will show several influences of factor loading, Average Variance Extracted (AVE), Discriminant Validity and Composite Reability. According to (Hair,

2022) The indicator loading factor must have a value of > 0.6, if there is a variable whose factor loading is less than 0.7 then it is removed from the existing model. The following are the results of testing the outer model of this research:

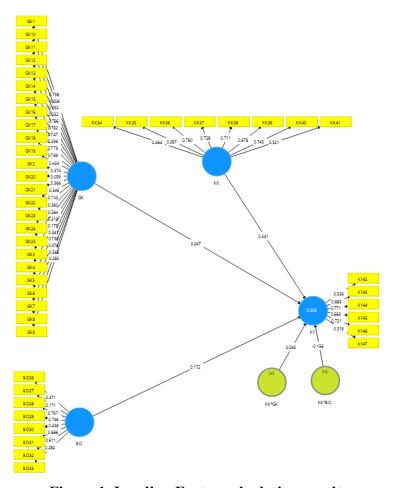


Figure 1. Loading Factor calculation results

After tabulating the loading factors, several indicators in each variable were deleted because the value was <0.6. In the leadership style variable, the indicators that were deleted were GK4, GK9, GK10, GK11, GK12, GK16 and GK20. For the organizational culture variable, the indicators that were deleted were BO26, BO27, BO30 and BO33. In the job satisfaction variable, the indicator that was deleted was KK39. For employee performance variables, the indicators that were deleted were KY42 and K47. The total number of indicators removed was 14 indicators, so the new model image is as follows:

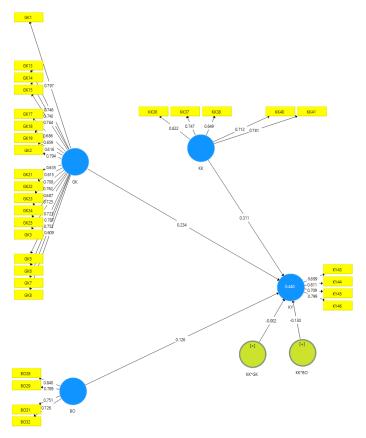


Figure 2. Results of Loading Factor calculations with the new model

Next, to test the validity, the Average Variance Extracted (AVE) value must be >0.5. Based on the table below, all AVE values in the latent variables are >0.5:

**Table 1. Average Variance Extracted (AVE)** 

Variable	Average Variance Extracted(AVE)
Organizational culture	0.542
Leadership style	0.671
Job satisfaction	0.501
Employee performance	0.572
Job satisfaction * Organizational culture	1,000
Job satisfaction * Leadership style	1,000

Source: data processed with Smart PLS 3.0

Next, the validity of each latent variable was tested. This test is also referred to as a way to test the unidimensionality of the model that has been developed. This test can be seen from the Cronbach Alpha and Composite Reliability values which are >0.7(Muhson, 2022)

Table 2. Cronbach Alpha and Composite Reliability

Variable	Cronbach Alpha	CompositeRealibility
Organizational culture	0.713	0.822
Leadership style	0.728	0.766
Job satisfaction	0.762	0.831
Employee performance	0.749	0.842
Job satisfaction *	1,000	1,000
Organizational culture		
Job satisfaction *	1,000	1,000
Leadership style		

Source: data processed with Smart PLS 3.0

From the table above, all construct variables have Cronbach Alpha and Composite Reliability values >0.7 so that no unidimensionality problems were found in each latent variable studied.

## **Data description**

Based on the results of distributing questionnaires to 100 samples with a total of 47 indicator questions with answer choices using a Likert scale from 1 to 5, the highest total number was obtained, namely the KY47 indicator with the question 'Employees have a commitment to the company and employee responsibilities towards the office'. The total number obtained was 564 so it can be averaged that respondents answered with a value of 5.64. This value can interpret that employees at PT Astra Internasional Tbk TSO Auto 2000 Plaju Palembang branch have a strong work commitment to the company so that employees can be said to be loyal to the company. Meanwhile, the indicator that has the smallest total is the GK10 indicator with the question 'Leaders treat their subordinates like their own younger siblings. The total number obtained was 378 so it can be averaged that respondents answered with a value of 3.78. This value proves that the leader at PT Astra Internasional Tbk TSO Auto 2000 Palaju Palembang branch has carried out a fair and firm leadership attitude towards employees so that the leader does not approach employees emotionally.

#### Statistical coefficients

In PLS SEM 3.0, hypothesis testing calculations are carried out using and paying attention to the calculated t value (T) obtained from the results of the data with the t table value (t) from the SPSS table. The t-table value with a significance of 5% and the degree of freedom (DF) – number of data (n) -2, namely 100 -2 =98 is 1.984 (t table)

**Table 3. Statistical Test Values** 

	t-	P values
	statistics	
Organizational culture→Employee performance	1,998	0.031
Leadership style→Employee performance	2,091	0.037
Job satisfaction→Employee performance	2,680	0.008
Job satisfaction * Organizational culture → Employee performance	1,989	0.020
Job satisfaction * Leadership style→Employee performance	1,999	0.016

Source: data processed with Smart PLS 3.0

Based on the table data above, the t-statistical value of organizational culture on employee performance is 1.998 > t table 1.984 and the p value is 0.031 < 0.050, thus indicating that organizational culture has a significant effect on employee performance. Then in the table data above, the t-statistic value of leadership style on employee performance is 2.091 > t table 1.984 and the p value is 0.037 < 0.050, thus showing that leadership style has a significant effect on employee performance. For the table data above, the t-statistic value of job satisfaction on employee performance is 2.680 > t table 1.984 and the p value is 0.008 < 0.050, thus showing that job satisfaction has a significant effect on employee performance. Based on the data in the table above, the t-statistical value of organizational culture which is moderated by job satisfaction on employee performance is 1.989 > t table 1.984 and the p value is 0.020 < 0.050, thus showing that organizational culture has a significant effect on employee performance, moderated by employee performance. Based on the table data above, the t-statistical value of leadership style moderated by job satisfaction on employee performance is 1.999 > t table 1.984 and p value 0.016 < 0.050, thus showing leadership style has a significant effect on employee performance moderated by job satisfaction.

#### **CONCLUSION**

Based on the research results, it can be concluded that there is a significant relationship between organizational culture and employee performance. This shows that one of the factors that determines employee performance is organizational culture. Organizational culture is an invisible social force that can move people in a organization to carry out work activities. Organizational culture that is truly managed as a management tool will have an influence and become a driving force for employees to behave positively, dedicatedly and productively. Where a strong or positive organizational culture will influence the performance of the organization so that it supports the company's goals, conversely a weak or negative one will have a negative impact on the achievement of an organization's goals. The results of this research show that there is a significant relationship between organizational culture and employee performance. This means that the better the organizational culture, the better the employee performance will decrease. So both variables must be equally improved so that they become good and as expected. This is also reinforced by the job satisfaction of each employee. Job satisfaction will also strengthen the relationship between organizational culture and employee performance.

From the results of research at PT Astra Internasional Tbk TSO Auto 2000 Palaju Palembang branch, it can be concluded that there is a positive and significant influence between leadership style on employee performance. This is also supported by the results of data from the questionnaire. Leadership at PT Astra Internasional Tbk TSO Auto 2000 Palaju Palembang branch has a positive and directly proportional effect on employee performance, where the leader always tries to align the interests and goals of the organization with the personal interests and goals of his subordinates, happy to receive criticism and suggestions from his subordinates, the leader Those who are sincere in carrying out their duties will work hard selflessly. He will not abuse his authority for personal gain, is always honest, and is responsible for everything he is obliged to do. Job satisfaction also strengthens the relationship between leadership style and employee performance.

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