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THE INFLUENCE OF LEADERSHIP STYLE AND ORGANIZATION CULTURE ON EMPLOYEE PERFORMANCE AT PT. SURI TANI PEMUKA, SIMALUNGUN REGENCY

Elda Triana Widya^{1*}, Posma Lumban Raja², Nicholas Marpaung³

Business Administration Study Program, Faculty of Social and Political Sciences,
Universitas Sumatera Utara

E-mail: 1) eldatrianawidya02@gmail.com, 2) nicholasmp@usu.ac.id

Abstract

This study aims to analyze the influence of leadership style and organizational culture on the performance of PT. Suri Tani Pemuka Simalungun Regency. This research uses associative research methods with a quantitative approach. The study population consisted of 752 people, and 88 people were taken as a sample by using purposive sampling techniques. In this study, the data used was primary data obtained from the distribution of questionnaires through Google Form, and secondary data obtained through books, journals, and articles related to this study. The data analysis methods used are validity test, reliability, classical assumption test, multiple linear analysis test, simultaneous test, and determination coefficient test. The findings revealed that leadership style partially has a significant effect on the performance of PT. Suri Tani Pemuka of Simalungun Regency. Meanwhile, organizational culture does not affect the performance of PT. Suri Tani Pemuka organizational culture have a significant effect on the performance of PT. Suri Tani Pemuka Simalungun Regency 92.7%, while 7.3% was influenced by other factors beyond the study.

Keywords: Employee Performance, Leadership Style, Organizational Culture

1. INTRODUCTION

Today, the progress of globalization affects all changes in all aspects throughout the world, especially in an organization. The increasingly complicated competition requires every company to improve and change everything related to improving the quality of the company so that it can survive and develop to maximize profits and achieve success. Hence, improvements must be made in all areas, especially in the growth of the company's human resources. No matter how good the ability of an HR, there must be support and encouragement from the company itself. Therefore, there should be positive interactions between employees and the organization. Thus, the company may maximize its operations and utilize its employees to maintain a competitive position.

The relationship between leaders and employees was also a major factor in producing a sense of ease or discomfort for people working in the organization, which can affect employee performance (Sani et al., 2021). Not only does the organization's culture affect employee performance, but so does the leadership style that drives the organization's activities to run smoothly and in accordance with established standards.

Soelaiman (2012) in his book entitled "Performance Management" was defined Performance as the ability of a person or group to produce goods or services over a given period of time through the development of their skills, abilities, knowledge, and

experience. High-performing employees were supported by their skills and expertise. Performance can be intended as an activity carried out to provide results and contribute in an effort to achieve goals in an organization.

According to Wirawan & Rahardja (2015), leadership style was a behavior and concept that results from a combination of theory, skills, personality, and behavior that leaders always practice when they want to influence the performance of subordinates. The leadership style applied by the leader really needs to be considered to support the performance of its employees. Skills in being a leader are needed to improve quality in achieving organizational goals. A leader should be able to change the minds of his subordinates and foster cooperation by creating positive encouragement and directing his employees to maximize performance

Kreitner & Kinicki (2014) argue that organizational culture was a set of opinions shared and accepted and held by a group to determine how to think and behave in different environments. However, organizational culture was not only a tradition and daily habit in doing work but is considered as a bridge between the company and employees in achieving the vision, mission and goals of the organization. Besides, organizational culture also affect the way members of the organization behave, how to work, how to deal with colleagues and so on.

In this work, researchers carried out a research at PT. Suri Tani Pemuka Simalungun Regency where this company has a problem with the high number of employees who resign within 4 months. Based on the information obtained, the leadership style applied by the leaders of PT. Suri Tani Pemuka Simalungun Regency was an authoritarian leadership style where sometimes the leader still brings personal problems at work so it was considered a lack of professional leadership at work. Furthermore, the applied organizational culture was still not performing properly. This was demonstrated by a lack of employee awareness of the importance of cultivating work discipline and the difficulties of pursuing a career path, both of which were entrenched in this organization.

As a result, employees does not always provide their best effort since they do not believe that they will have the chance to advance in the organization. This makes employees felt a lack of appreciation from the company for their work and the targets they have achieved. This condition made the company's environment not conducive so that many employees prefer to leave looking for other companies that could give them the opportunity to develop more and more, not only work in the same position and companies that could respect their employees. Consequently, employee turnover activities were unavoidable, as indicated by the fact that every month employees decided to resign. Based on the issue above, this research was aimed to analyze the impact of leadership style and organizational culture on employee performance at PT. Suri Tani Pemuka Simalungun Regency.

2. LITERATURE REVIEW

2.1. Leadership Style

Hasibuan (2008) reveals that leadership style was a model of a leader in influencing the actions of his subordinates which aims to encourage desire and enthusiasm for work and high creativity, to be able to achieve organizational success. Leadership style has a a contribution in improving the performance of its employees. As a fact, the success of the leader in directing and influencing his employees was influenced by the leadership style

that the leaders apllied. The right leadership style could support maximizing employee performance improvement.

According to Hersey and Blanchard quoted by Rivai & Mulyadi (2012) there were four phases in the relationship between a leader and his subordinates that a leader needs to change his leadership style, namely: The first phase, in the initial preparation phase, the leader is very focused on the task and members are given clear instructions familiar with work rules, structures and procedures. The second phase was indicated when members were able to handle their responsibilities, it was very important to pay attention to their responsibilities because subordinates cannot work without structure. The leader's trust in his subordinates was increasing. In the third phase, member competencies and encouragement began to emerge, members actively seek greater tasks, and the leader still needs support and encouragement, but not to provide direction. In the fourth phase was when members start to believe in themselves, could direct themselves and experience, and the leader could reduce focus and direction.

2.2. Organizational Culture

According to Amanda et al. (2017), stating The term "organizational culture" refers to the shared set of beliefs and practices that governs how employees in a given group or company act and how issues was resolved. Organizational culture begans with habits that has been carried out since the past as well as current habits that as been carried out repeatedly and continuously in doing work in an organization so that it becames an ingrained culture for members of the organization. Organizational culture was usually used as a guide for organizational members to behave and how to react in carrying out work in the organizational environment.

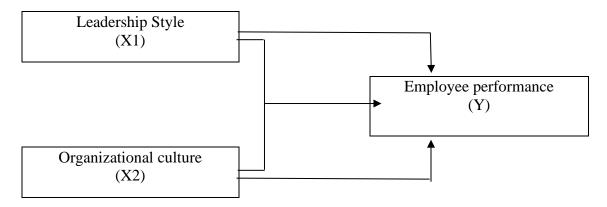
Riani (2011) in Bukhori & Suharnomo (2014) explains that the process of forming organizational culture begins with the idea formation stage, followed by the emergence of the organization.

2.3. Employee performance

Maarif & Kartika (2021) argue that performance was an activity to compare the results and level of success of someone who does a job he carries out in the overall period of time against various opportunities, such as job results criteria, goals or objectives, and criteria that have been agreed together. Performance could be in the form of tangible results given by someone to an organization in the form of contributions in the form of ability, energy, motivation, in a work result.

Bangun (2019) stated that performance appraisal was a process of activities carried out by companies to evaluate or see the success of employees in carrying out their duties. Assessment could also be done by comparing the work results that have been achieved by employees with predetermined work standards. A performance evaluation could be based on the quantity and quality of work completed within a given time frame. Good performance was attributed to employees who were able to complete their tasks at a rate that exceeds the norm. In contrast, if an employee's work results do not meet the standard of work, they were categorized as poor performance or low performance.

2.4. Framework of Thinking



Source: Researcher (2022) **Figure 1. Framework of Thinking**

Based on the formulation of the problem and the theory that has been described above, the authors draw temporary conclusions, namely:

- H1: Leadership style has a positive effect on the performance of employees of PT. Suri Tani Pemuka Simalungun Regency.
- H2: Organizational culture has a positive effect on the performance of employees of PT. Suri Tani Pemuka Simalungun Regency.
- H3: Leadership style and organizational culture simultaneously have a positive effect on the performance of PT. Suri Tani Pemuka Simalungun Regency.

3. RESEARCH METHODS

This study employed a quantitative method of associative research. Sahir (2021), said that the objective of quantitative associative research was to determine the existence of a relationship between two or more variables. The study population consisted of 752 individuals, and 88 samples were selected using the technique of purposive sampling, with the specific criteria (respondents should has a minimum service period of 2 years, permanent employees, and has a minimum educational background of D1 (Diploma) and S1 (Bachelor)). In this study, primary data were obtained by distributing questionnaires through Google Form, and secondary data were obtained from relevant books, journals, and articles. Meanwhile, the data analysis was carried out by validity, reliability, classical assumption test, multiple linear analysis test, simultaneous test, and coefficient of determination tests.

4. RESULTS AND DISCUSSION

4.1. Analysis Results

This research was conducted at PT. Suri Tani Pemuka Simalungun, which was a subsidiary of Japfa Group Companya which located on Jalan Janggir Leto, Kec. Panei, Simalungun Regency, North Sumatra, 21165. Since 1992, PT. Suri Tani Pemuka has produced various feeds for freshwater fish, brackish water fish, marine fish and shrimp. PT. Suri Tani Pemuka also operates fish and shrimp hatcheries as value-added products for feed customers who need good quality seeds. In 2012, PT. Suri Tani Pemuka opened processing production facilities in Cirebon and Medan to process tilapia and eel for the export market and produce packaged food processed from seafood to meet the needs of the consumer food division.

Table 1. Respondents Characteristic

Tuble 1. Respondents Characteristic					
Indicator	Amount	Percentage			
Gender					
Man	54	61.4%			
Woman	34	38.6%			
Length of work					
2-3 years	55	63.4%			
3-5 years	27	30.4%			
>5 years	6	6.2%			
Level of education					
IN	2	2.3%			
D-II	-	-			
D-III	21	25%			
S-1	65	72.7%			

Source: Data Processing Results (2022)

Based on table 1, it could be seen that from a total of 88 respondents, employees of PT. Suri Tani Pemuka Simalungun Regency, the number of respondents based on gender was 54 men (61,4%) and 34 women (38,6%). From the research questionnaire table, it can be concluded that the number of respondents, namely employees of PT. Suri Tani Pemuka Simalungun Regency who filled out the questionnaire in this study, men were more dominant.

From a total of 88 respondents, employees of PT. Suri Tani Pemuka Simalungun Regency, the number of respondents based on length of work amounted to 55 people (63,4%) had worked for 2-3 years, 27 people (30,4%) had worked for 3-5 years, and 6 people (6,2%) have worked for more than 5 years. From the table it can be concluded that the average employee of PT. Suri Tani Pemuka Simalungun Regency does not have long work experience. From a total of 88 respondents, employees of PT. Suri Tani Pemuka Simalungun Regency, the number of respondents based on the last education DI was 2 people (2,3%), D-III was 21 people (25%), S-1 was 65 people (72,7%). From the table it can be concluded that the last educational background of PT. Suri Tani Pemuka Simalungun Regency employees most come from S-1 graduates.

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4.1.1. Validity Test

A statement could be said to be valid if $r_{statistic} > r_{table}$ and a statement said to be invalid if $r_{statistic} < r_{table}$. Based on the results, the $r_{statistic}$ value of all leadership style variable statements (X1) was greater than the r_{table} value, which was 0.2096. In other words, all statements of the leadership style variable were said to be valid. The result of the $r_{statistic}$ value of all statements of organizational culture variable (X2) was greater than the r_{table} value which was 0.2096. Hence, all statements of organizational culture variables were said to be valid. The result of the $r_{statistic}$ value of all employee performance variable statements (Y) was greater than the r_{table} value which was 0.2096. Likewise, all statements of employee performance variables were also said to be valid.

4.1.3. Reliability Test

If the value of the reliability coefficient ≥ 0.6 , then the instrument was considered as a reliable instrument. Based on the value of the reliability test results on the leadership style variable (X1) amounted to 0,844 with 15 statement items, the organizational culture variable (X2) amounted to 0,820 with 15 statement items and the employee performance variable (Y) amounted to 0,848 with 11 statement items. Therefore, the Cronbach's Alpha value in each variable statement was greater than 0,6 and considered as reliable.

4.1.4. Classic Assumption Test

1) Normality Test

Table 2. Normality Test Results

Table 2. Normanty Test Results				
One-Sample Kolmogorov-Smirnov Test Unstandardized Residual				
Normal Parameters, ^b	Mean	,0000000,		
	Std. Deviation	1.75339624		
Most Extreme Differences Absolute		,062		
	Positive	,037		
	Negative	-,062		
Test Statistics		,062		
asymp. Sig. (2-tailed)		,200 ^{c,d}		

Source: Data Processing Results (2022)

According to table 2, the significance value of Asymp. Sig. (2-tailed), which totaled 0.200 was greater than 0.05. In conclusion, the residual data in this study has a normal distribution.

2) Multicollinearity Test

If the amount of tolerance > 0.01 and the number of VIF < 10 then there was no multicollinearity and vice versa if the amount of tolerance was < 0.01 and the number of VIF > 10 then there was multicollinearity.

Table 3. Multicollinearity Test Results

Model			Coefficien	Collinearity Statistics		
		Unstandardized Coefficients				Standardized Coefficients
		В	Std. Error	Beta	Tolerance	VIF
	(Constant)	1,944	1,521			
1	Leadership Style	0,787	0,067	1,053	0,104	9,584
	Organizational culture	-0,087	0,082	-0,095	0,104	9,584

Source: Data Processing Results (2022)

According to the results of the multicollinearity test data processing in table 3, the independent variable Tolerance has a value of 0.104 > 0.01 and the VIF value was 9.584 < 10. Therefore, it can be stated that this study's data lack multicollinearity.

3) Heteroscedasticity Test

If the randomly distributed points do not clearly form a pattern, spread at the top and bottom, it could be seen that there was no heteroscedastic regression.

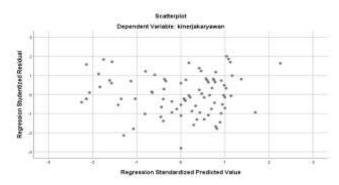


Figure 2. Heteroscedasticity Test Results

Source: Data Processing Results (2022)

The results of the heteroscedasticity test, as depicted in Figure 2, indicated that the points were randomly dispersed, lack a discernible pattern, and were dispersed at the top and bottom. Because there was no heteroscedasticity, the regression model used in this study was a perfect regression.

4) Partial Significance Test (t-test)

If t $_{statistic}$ > t $_{table}$ then H0 was rejected and Ha was accepted, which means there was a significant effect. Likewise, if t $_{statistic}$ < t $_{table}$, then H0 was accepted and Ha was rejected, meaning that there was no significant effect.

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Table 4. Partial Significant Test Results (t-test)

Model			Coefficie			
		Unstandardized Coefficients		Standardized Coefficients	t	sig,
		В	Std. Error	Beta		
	(Constant)	1,944	1.521		1,278	0.205
1	Leadership Style	0.787	0.067	1.053	11.75	0
	Organizational culture	-0.087	0.082	-0.095	-1.058	0.293

Source: Data Processing Results (2022)

Partial significant test (t-test) results showed that PT. Suri Tani Pemuka Simalungun Regency, has an effect on the performance of his or her staff due in part to the leadership style of its CEO. Meanwhile, employees' productivity was only moderately influenced by the company's culture.

5) Simultaneous Significant Test (f-Test)

If $F_{statistic} < F_{table}$, or Sig, t > a (0,05), then there was no significant effect. If $F_{statistic} > F_{table}$, or Sig, t < a (0,05), then there was a significant effect.

Table 5. Simultaneous Significant Test Results (f-test)

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	sig,
1	Regression	3488,118	2	1744,059	554,244	,000 ^b
	Residual	267,473	85	3,147		
	Total	3755,591	87			

Source: Data Processing Results (2022)

Based on table 5, the results of the simultaneous significant test (f-test) it can be seen that the $f_{statistic}$ value is 554,244 with a significance level of 0,000. $F_{statistic} > F_{table}$ (554,244 > 3,10) and the significance level is 0,000 < 0,05. This shows that leadership style and organizational culture simultaneously have a significant effect on the performance of employees of PT. Suri Tani Pemuka Simalungun Regency.

6) Coefficient of Determination Test

Table 6. Results of the Coefficient of Determination

Model Summary ^b						
Model R R Square Adjusted R Square Std. Error of the Estimate						
1	0,964ª	0,929	0,927	1,77390		

Source: Data Processing Results (2022)

According to Table 6, the coefficient of determination R has a value of 0.964%. In other words, the correlation between X1 (leadership style) and X2 (organizational culture) and Y (employee performance) was 0.964. This indicated that there was a close relationship between variables X1 and X2 and variable Y, given that the value was close to 1. It was known that the value of Adjusted R Square was 0.927%. This value indicated that (X1) leadership style and (X2) organizational culture has a significant effect on (Y)

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Employee Performance of PT. Suri Tana Pemuka Simalungun Regency, which was equal to 92.7%, while 7.3% was influenced by factors not examined in this research.

4.2. Discussion

4.2.1. The Influence of Leadership Style on Employee Performance

The leadership style variable has a coefficient value of 0,067, which is considered to be a positive value. Therefore, the leadership style has an effect on the performance of the employees. Since it is known that the tstatistic value of the leadership style is 11,750 higher than ttable 1,98 with a significance value of 0,000 < 0,05, then the null hypothesis H0 is rejected in favor of the alternative hypothesis Ha, and it is possible to draw the conclusion that the leadership style has a positive and significant impact on employee performance. Therefore, if the leadership style at PT. Suri Tani Pemuka Simalungun Regency is improved, then the performance of the employees will also improve. This demonstrates that the leadership style of the PT. Suri Tani Pemuka employees in the Simalungun Regency has a positive effect on the performance of those employees.

This shows that the leadership style presented at PT. Suri Tani Pemuka Simalungun Regency always leads to motivating its employees to work optimally by mobilizing their expertise and skills to achieve company goals. That way, the leader can provide direction and supervise the work done by employees. Then the leadership style presented at PT. Suri Tani Pemuka Simalungun Regency, always refers to his subordinates.

4.2.2. The Influence of Organizational Culture on Employee Performance

The value of the organizational culture variable's coefficient is -0,087, which indicates that it has a negative value. This indicates that the culture of the organization has no bearing on the performance of its employees. Since it is known that the tstatistic value of organizational culture is -1,058 ttable 1.98 and that its significance value is 0,293 > 0,05, then H0 is accepted and Ha is rejected, and it is possible to draw the conclusion that organizational culture does not have a positive and significant effect on employee performance. This indicates that if there is an improvement made to the culture of the organization, there will be a decrease in the performance of the employees. This demonstrates that the organizational culture at PT Suri Tani Pemuka Simalungun Regency either has a negative effect on the performance of its employees or has no effect at all.

One of the organizational culture at PT. Suri Tani Pemmuka Simalungun Regency is the absence of a career path. This shows that there is no opportunity given to employees who want to upgrade their positions. This has become a culture in the organization so that it makes employees uncomfortable and employees are lazy to work optimally because they feel there is a lack of appreciation from the organization for their work and the targets they have achieved. This condition makes the organizational environment unfavorable.

The results of this study are not supported by previous research used in this study, namely those conducted by Gozal et al. (2021); Hia (2020); Mappaware & Syarifuddin (2021); Santosa & Syarifuddin (2021).

4.2.3. The Influence of Leadership Style and Organizational Culture on Employee Performance

After simultaneously testing the hypothesis, the results of the f test indicate that the leadership style (X1) and organizational culture (X2) variables have a value of 0.000, which is less than the significance threshold of 0.05. The $F_{\text{statistic}}$ value is currently 554.244 and the F_{table} value is 3.10. The fact that $F_{\text{statistic}} > F_{\text{table}}$ (554,244 > 3,10) indicates that leadership style and organizational culture have a significant impact on the employee performance of PT. Suri Tani Pemuka Simalungun Regency.

According to table 6, the value of the coefficient of determination R is 0.964. This indicates a 0,964 correlation between the variables X1 (leadership style) and X2 (organizational culture) and Y (employee performance). This indicates a close relationship between variables X1 and X2 and variable Y, as the value is close to 1. The value of the Adjusted R Square is 0.927. This indicates that (X1) leadership style and (X2) organizational culture have a significant influence on (Y) Employee Performance of PT. Suri Tani Pemuka Simalungun Regency, which is equal to 92.7%. The remaining 7.3% is affected by factors that are not investigated in this study.

The results of this study are supported by research conducted by Akbar (2021); Gozal et al. (2021); Hia (2020); Mappaware & Syarifuddin (2021); Santosa & Syarifuddin (2021) where the results of the research conducted by them obtained the same results and in line with this study, namely employee performance has a significant positive effect on leadership style and organizational culture.

5. CONCLUSION

On the basis of the data analysis, it can be concluded that the leadership style applied by the leader of PT. Suri Tani Pemuka has more than one leadership style, namely democratic leadership style and authoritarian leadership style. Meanwhile, leadership style partially affects employee performance. On the other hand, organizational culture has no significant effect on employee performance. Further, based on the results of the simultaneous significant test (f-test) obtained f statistic of 554.244 with a significance level of 0.000. In other words, Fstatistic > Ftable (554.244 > 3.10) and the significance level is 0.000 < 0.05. This shows that leadership style and organizational culture simultaneously have a significant effect on the performance of employees by 92.7%, while 7.3% was influenced by other factors beyond the study.

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