# THE ANALYSIS OF LEADERSHIP EFFECT AND ORGANIZATIONAL CULTURE ON EMPLOYEES PERFORMANCE OF PANIN BANK

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#### **ABSTRACT**

The cause of employee performance up and down, due to many factors. including bad leadership and organizational culture. Therefore, this research was conducted to see the extent of phenomenon and how to solve it. The research approach used quantitative. The method of analysis uses descriptive and inferential. The number of samples in this study were 52 respondents, using the census sample method. The analysis method is multiple linear regression. The results show that leadership has a significant effect on performance with a regression coefficient of 0.484. Organizational culture has a significant effect on performance with a regression coefficient of 0.572. Leadership and organizational culture simultaneously have a significant effect on performance with a contribution value of 30.2 percent. This research confirms that leadership and organizational culture directly influence performance. But at the same time, leadership is perceived to be still low and the organizational culture is still conservative.

## Keywords: Leadership, Organizational Culture, Performance

#### **PROEM**

The phenomenon that occurs, that the leader is too focused on the duties and obligations. But he did not realize, if all of that was mostly done by employees. It is not uncommon for leaders to be surly and high-pitched when employees do not reach the target. The leadership forgets, if all this time, the employees have raised the company, the leadership has forgotten the dedication of employees so far to the organization, leaders have lost their common sense to give advice, direction and support so that employee motivation is born, with confidence and trying to rise from adversity. so that organizational goals are achieved.

The practice above still leaves hope for employees. Hope to get leaders who teach science when they don't know, leaders who train when they are less skilled, leaders who give creative ideas so that they inspire subordinates, leaders who understand the situation in the field, leaders who understand limitations, and from all those leaders wise, firm and focused on inviting all employees to work together.

Another thing, which is also an employee complaint is the organizational culture. Employees realize that cultural domination is a cause of discrimination. Whether we realize it or not, separation due to taste, ethnicity, graduates, dislike is attached to the ranks of the leadership. It is very difficult for certain employees, who have served for decades, but have never seen performance as an achievement. The company prefers to appoint an external leader. The climax of the employees will only work according to minimum standards, namely following the tok procedure, no creativity and no innovation.

Both of the above phenomena have a significant impact on employee performance. The thing that was clearly seen was that the target was not consistently achieved and many employees resigned. The implication of this problem is business stagnation, by sticking to standard performance, few customers, and few investors.

## **THEORETIC**

#### Leadership

According to Wahyudi (2018) leadership is a characteristic of leadership in covering, managerial attitudes and social attitudes. The results of research conducted by Mathodah (2018) suggest that leadership in organizations has a dominant influence on employee performance. This is because, leaders are people who directly, relate to employees every day. In addition, the leader is the person responsible for his subordinates. Good and bad employee performance explain hils leadership.

Strengthening the results of the above research, Utomo (2018) and arguing that the role of leadership is very clearly seen when performing managerial functions, namely supervision, control, evaluation and assessment. By optimizing the leadership role, it significantly impacts on employee performance. While the results of the study of Nugroho, (2014) and Sumarno (2005) suggest, there is a significant influence of

leadership on employee performance. Even though in the partial influence the work environment becomes the dominant factor.

Based on the theory and previous research above, it can be argued, that the existence of leaders actually has an impact on the rise and fall of employee performance. Therefore, leaders must be qualified in science, skilled in managerial, have a good personality, and social spirit.

## **Organization Culture**

In many senses, culture is the habit of a society which becomes a rule or guideline for a community member to behave and be social. According to Wahyudi (2018) culture is a habit of working and working behavior. The results of research conducted by Krisyanto (2018) suggest that organizational culture has a significant effect on performance. The cultural domain of its influence on performance is through psychology or emotional.

The results of research conducted by Mukrodi (2018) suggested that organizational culture has a significant effect on performance, and is the variable with the greatest influence. Whereas according to Mariam (2009) suggested that organizational culture both partially and simultaneously had a significant effect on performance.

The findings above confirm that culture is an external factor that has a huge influence on the pattern of attitudes and work behavior of an employee. If the culture that is built tends to be bad, it will become a snowball to the next generation, which is to behave badly.

#### **Performance**

According to Wahyudi (2018) performance is good in work and work, both of them are one entity. In this sense performance is seen from two main elements, namely both in the process of work and good work results, and the fact in the second field is often a parameter in evaluating an employee with achievement.

Many performance studies have been carried out, for example Trihandini (2005), Aisyah and Savitri (2014) which suggest that performance is strongly influenced by external and internal factors, including leadership and organizational culture.

Understanding and previous research is sufficient evidence that performance is the main reason for the company to survive. Therefore, the company will give awards to any of its employees who excel, either financially (salary, bonuses, etc.) or non-financially (promotions, prizes, etc.).

## **METHOD**

This research is included in the scope of Human Resource Management and the type of deductive research. The approach method used is a quantitative approach, so the research method is a causal associative method. According to Sugiyono (2012) causal associative research method, is research that aims to determine the effect of two or more variables, while the quantitative approach, is used because the data in this study are expressed in numbers.

The quantitative approach according to Umar (2008), is an approach based on calculated data to produce a robust interpretation. Associative problems according to Sugiyono (2012), is a causal study, namely research on causal relationships. The analytical method used is multiple linear regression, using SPSS software. The aim is to explain aspects that are appropriate or relevant to the observed phenomena, while explaining the characteristics of the phenomena or problems that exist. The sampling technique used is the census. Methods of data collection by distributing questionnaires to 52 respondents directly and the measurement scale is a Likert scale. Then, the collected data is tabulated and tested through an analysis of validity, reliability, classical assumptions, partial, simultaneous and determinant tests.

#### **RESULT**

**Table 1. Linear Regression Test** 

Tuble 1: Emedi Regression Test								
Coefficients <sup>a</sup>								
Model		Unstandardized		Standardized	t	Sig.		
		Coefficients		Coefficients				
		В	Std. Error	Beta				
1	(Constant)	33.835	3.389		9.983	.000		
	Leadership	.286	.090	.484	3.175	.003		
Model		Unstandardized		Standardized	t	Sig.		
		Coefficients		Coefficients				
		В	Std. Error	Beta				
1	(Constant)	35.615	3.135		11.359	.000		
	Organization	.334	.083	.572	4.004	.000		
	culture							
a. Dependent Variable: Performance								

Source: Research Data, 2017

**Table 2. Determination Coefficient Test** 

Model Summary								
Model R		R Square	Adjusted R Square	Std. Error of the				
				Estimate				
1	.586ª	.343	.302	2.107				
a. Predictors: (Constant), Organization culture, Leadership								

Source: Research Data, 2017

**Table 3. Simultaneous Test** 

ANOVA <sup>b</sup>								
Model		Sum of	df	Mean Square	F	Sig.		
		Squares						
1	Regression	74.174	2	37.087	8.351	.001 <sup>a</sup>		
	Residual	142.111	32	4.441				
	Total	216.286	34					
a. Predictors: (Constant), Organization culture, Leadership								
b. Dependent Variable: Performance								

Source: Research Data, 2017

Based on the results of the analysis above, an explanation and discussion can be put forward as follows:

#### 1. The Effect of leadership on performance

Leadership has a positive and significant effect on performance with a regression coefficient of 0.484, a tount of 3.175 and a significance value of 0.003, so it can be concluded Ha is accepted and H0 is rejected. That is, if leadership increases by 1 unit then performance will increase by 0.484.

The results of the analysis above can be elaborated, if the leader has a friendly attitude (good and likes to greet employees), polite attitude in speaking (words using good narrative and diction), firm attitude (correct in managing the organization), empathy (always involves self in work and problem solving), caring (leaders understand the situation), and wise attitude (having an interesting and easy to understand way of delivery, can provide appropriate direction, can provide ideas or solutions to problem solving, act cautiously, meticulous and meticulous, and become an inspiration in behaving and working behavior) it will be able to increase the morale and work skills of employees that have an impact on the implementation of work and good work results.

Therefore, it is important for organizations to choose leaders who have good competence and personality, namely through:

- a. In the selection process, an intellectual competency test, an emotional competency test and a spiritual competency test are conducted. This is done, to ensure that a person is prepared competently and mentally in carrying out big responsibilities.
- b. Training on leadership is held regularly. The training contains leading ways that focus on good governance and management implementation by carrying out a humanist approach.
- c. Evaluation and evaluation of performance and leadership are carried out. Organizations carry out regular supervision, regarding the progress of organizational performance by looking at aspects of their leadership (how to lead).
- d. Reports and feedback are given on their performance and leadership. The organization submits assessments and records during the lead, so it is known what must be improved and what needs to be improved.
- e. Employees are asked for their opinions and judgments about their leadership. Employees are involved in the leadership's assessment, but of course with measurable instruments, so that aspects of objectivity are not overlooked.

## 2. The effect of organization culture on performance

Organization culture has a positive and significant effect on performance with a regression coefficient of 0.572, a tount of 4.004 and a significance value of 0.000, it can be concluded Ha is accepted and H0 is rejected. That is, if the organization culture increases by 1 unit then the performance will increase by 0.572.

The results of the analysis above have interpretations, in fact the attitudes and work behavior of all members can give influence to fellow employees. Therefore, when one person or group of people has good attitude and work behavior, it will spread to other employees. The work attitude in question is, work attitude of mutual respect, mutual help and mutual support between employees. Whereas work behavior in question is workplace responsibility and discipline. With the attachment of these two values, a conducive work environment will be built which will have an impact on achieving joint performance.

Therefore, it is important for organizations, to strive organizational values to their employees, namely through:

- a. Submission of organizational values regularly. Organizations in every work meeting and employee gathering always remind their employees to practice organizational values.
- b. Strengthening values through supervision of leaders. Leaders in every job opportunity, always explain and convey the importance of implementing organizational values.
- c. Strengthening values through rewarding employees or departments that carry out them well.
- d. Strengthening values through discussion of small teams.
- e. Strengthening value through training.
- f. Strengthening values through lectures. The organization invites a character or expert in the cognitive, emotional and spiritual fields.

## 3. The effect of leadership and organization culture on performance

Leadership and organization culture together have a positive and significant effect on performance with a determination coefficient of 0.302, a count of 8,351 and a significance value of 0.001, so it can be concluded Ha is accepted and H0 is rejected.

The interpretation of the above findings is, it is true that the attitudes and behavior of the leader are directly felt by the employee. The way to delegate, how to explain, how to talk, how to get along, how to govern, how to coordinate and so on, has an impact on psychological and pedagogical employees. If the leader is able to position himself correctly then a solid working team will be built and the achievement of superior performance will be achieved, but on the contrary if the leader misbehaves it will have a negative impact on the future of the organization.

In addition, the practice of organizational values such as friendliness, respect for each other, teaching each other, reminding each other and so on, proved to be able to create a warm working atmosphere. Employees feel comfortable working, employees think the organization is home, and colleagues are family. So that everyone motivates each other to work in total and responsibly, thus achieving organizational goals.

Based on the analysis and discussion above, the research findings can be presented as follows:

- 1. Competent and character leaders are able to encourage employees to work well (performance).
- Indeed, the implementation of organizational values by all employees is able to create a conducive work environment and have an impact on morale and improve performance.
- 3. Organization culture has a dominant influence on performance. This confirms that environmental influences, especially coworkers, have a large impact on the rise and fall of employee performance. This is because, the work environment has a closer distance compared to other organizational factors, so that the intensity in influencing emotional employees is very high. Therefore, it is recommended for organizations to truly strengthen family values.
- 4. Value of contribution below 50%. This confirms that the role of leaders and the implementation of cultural values still need to be improved.
- 5. It is expected that the company will be more careful in choosing leaders, but the spirit in grounding organizational values. Organizations make various efforts and involve employees, even though they must do doctrine better.
- 6. It is expected that the organization conducts internal research, in order to obtain true and up-to-date information. so in the future, right to make a policy.

## **CONCLUTION**

Based on the results of the analysis and discussion above, the research conclusions can be stated as follows:

- 1. Leadership has a positive and significant effect on performance with a regression coefficient of 0.484, a tcount of 3.175 and a significance value of 0.003, so it can be concluded Ha is accepted and H0 is rejected. That is, if a leader is able to carry out organizational functions properly and how to lead wisely, it can increase employee morale and have an impact on good performance.
- 2. Organization culture has a positive and significant effect on performance with a regression coefficient of 0.572, a tount of 4.004 and a significance value of 0.000, it can be concluded Ha is accepted and H0 is rejected. That is, if every

- employee practices the values of the organization well, a conducive work environment will be created and good work habits are created, so that employee performance increases.
- 3. Leadership and organization culture together have a positive and significant effect on performance with a determination coefficient of 0.302, a count of 8.351 and a significance value of 0.001, so it can be concluded Ha is accepted and H0 is rejected. That is, the existence of leaders and the implementation of organizational values by all employees directly influence the workforce and the quality of work.

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