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THE INFLUENCE OF ORGANIZATIONAL CULTURE AND LEADERSHIP STYLE TO EMPLOYEE PERFORMANCE THROUGH THE JOB SATISFACTION AT PT. PEB BATAM

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ABSTRACT

Environments and technology changes rapidly, they are can increase to the complexity of the challenges faced by the organization, so it brought the organization needs to the leader, who can lead and develop subordinates efforts, with the power possessed to achieve organizational goals, to build organizations with high employee performance. Achievement of performance at PT. PEB Batam are still looks not optimal. Leadership is a key element in determining of the effectiveness and productivity of an organization's level. They are still not running as expected, that are looking from coordination among fellow employees in the execution of the work is still going on the gap.

Data in this study were obtained from distributing questionnaires to 108 respondents. Object in this study were employees of PT. PEB Batam, and hypothesis testing using path analysis.

The results show that the structural model of the first, direct organizational culture and leadership style have a significant effect on job satisfaction. In the second structural model, direct organizational culture, leadership style and job satisfaction have a significant effect on performance and indirectly through job satisfaction organizational culture and the leadership style significantly influence performance.

Keywords: Organizational Culture, Leadership Style, Job Satisfaction, Performance

INTRODUCTION

Organizational culture is a system of values that is acquired and developed by the organization and behavioral patterns, as well as the basic philosophy of its founder, which is formed into a rule that is used as a guide in thinking and acting in achieving organizational goals. Cultures were grown to be strong, able to spur the organization towards better development (Robbins, 2004). This means, that any repair work culture towards a more conducive, it will provide significant contribution, for improving employee performance. To manage and control the various functions of subsystems within the organization, and may be consistent with the goals of the organization, it needs a leader. This is because, as the leader of an important part in improving the performance of the workers (Bass, 1994 in Cahyono 2005). In addition, the ability of a leader in the moving and empowering employees, will affect the performance of employees.

The behavior of the leader, has a significant impact on attitudes, behavior, and performance of employees. The effectiveness of leaders, influenced by the characteristics of subordinates and associated with the communication process that occurs between leaders and subordinates. Failure leader, because the leader is not able to move and satisfy employees in a particular job and environment. The task of leadership is to encourage subordinates, in order to have the opportunity to develop competence and, in anticipation of any challenges and opportunities in working (Lodge and Crane, 2006).

Based on observations of performance achievement in PT. PEB Batam looks good enough, but in some ways it still looks not optimal achievement of such performance. Leadership is a key element in determining the effectiveness and productivity of an organization's level is still not running as expected. Coordination among fellow employees in the execution of the work is still going on the gap.

THEORY

Organizational Culture

Organizational culture is a form of beliefs, values, ways you can learn to cope and live within an organization, the organizational culture tends to be realized by the members of the organization (Brown, 2004: 34). Robbins, (2004: 525) explains that the organizational culture is a system of values held and performed by members of the organization, thus it can differentiate the organization with other organizations. The value system built by 7 characteristics as the essence of the culture of the organization, seven characteristics are:

1. Innovation and risk taking. The degree to which employees are encouraged to innovate and take risks.
2. Detailed attention. The degree to which employees are expected to demonstrate accuracy, analysis and attention to details.
3. Orientation results. The degree to which management focuses on results rather than on the techniques and processes used to achieve the results.
4. Orientation in humans. The degree to which management decisions take into account the effect of the results - the results of those members of the organization.
5. Orientation team. The degree to which work activities are organized around teams - teams, rather than individuals - individuals.
6. Aggressiveness. The degree to which members of an organization that has an aggressive and competitive nature rather than relaxed - relaxed.
7. Stability. The degree to which organizational activities emphasize growth in pertahankannya status quo.

Leadership Style

Sengupta and Sunita (2003) in Mas'ood (2004), said that the style of leadership, consisting of four dimensions of leadership styles, namely:

1. Style Authoritarian, the leadership style that does not require pokok main ideas of subordinates and give priority to power, and prestige, so a leader has high confidence in the decision (Sengupta and Sunita in Mas'ud 2004).
2. Style Caregivers, the style of leadership in which leaders pay attention to subordinates in career advancement, provide guidance, direction, support and well being, as well as the respect of subordinates who work in a timely manner (Sengupta and Sunita in Mas'ud, 2004).
3. On the task-oriented style, the style of leadership, where the leader of the subordinate, for discipline in terms of jobs or tasks (Sengupta and Sunita, 2003, in Mas'ud, 2004).
4. Participatory style, which style of leadership in which leaders expect the suggestions and ideas of subordinates, before taking a decision (House and Mitchell, 1974 in Yulk, 2004). Vroom and Arthur Jago (2006) in Yulk (2004), said that in a participative leadership style, decision-making, is also influenced by the participation of subordinates

Job Satisfaction

Lawler in Robbins (2004), said the measure of satisfaction, it is based on the reality faced and accepted, as businesses and workers compensation given. Job satisfaction, depending on the suitability or balance, between the expected with reality. Indication of job satisfaction, in general, is associated with absenteeism, labor turnover, labor discipline, loyalty and conflict in the workplace.

Performance

Samsudin (2005: 159) defines job performance is the level of implementation of the tasks that can be accomplished by a person, unit, or division by using the existing capabilities and limitations which have been set to achieve the goals of the organization or company. Daft (2006: 13) defines the performance is the ability of an organization to sustain its goal by using resources effectively and efficiently. This ability is a feat that has been achieved by these employees are accumulated into a performance. Then the performance will be the level of effectiveness of an organization or performance. The higher effectiveness of its work, the higher the performance.

Understanding performance according Mangkunagara (2009: 67) is the result of the quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities assigned to him.

Gibson *et al* in Waridin and Masrukhin (2006) stated performance is a record of the results and the production of a particular job or activity within a certain time period. Several factors play a role in performance among others, the effectiveness of a balance between the environment and the workers who are nearby which includes individuals, resources, clarity of work and feedback.

THINKING FRAMEWORK

Influence of Organizational Culture With Job Satisfaction

Wallace (2004), states that a person's job satisfaction and their work, depending on the fit between the characteristics of the person, with the organizational culture. Wallace's statement is supported by Hood (2004), states that there is a positive relationship between organizational culture and job satisfaction.

Influence Leadership Style With Job Satisfaction

Handoko (2005), states that leadership style is how a leader can be properly directed individual goals and objectives of the organization, while job satisfaction is an individual's general attitude toward his job. The more aspects in accordance with the wishes of the individual, the higher the work satisfaction (Wexley and Yulk, in Waridin and Masrukhin, 2006). Of the two senses, about leadership style and job satisfaction, can be drawn a conclusion that if the leadership style is applied, can be appropriately directing the organization's goals, with aspects of the individual or the expected goals for their work, the higher the work satisfaction.

Effect of Job Satisfaction With Employee Performance

Ostroff (2005), suggests that job satisfaction has a significant relationship with the performance, then employees feel satisfied on the job, in general, work harder and better, than employees who experience stress and unsatisfied to his job. Satisfaction and employee attitudes are important, in determining the behavior and the response to his work, so that through this, the organization can effectively be achieved.

Influence of Organizational Culture With Performance

Kottler and Heskett in Waridin and Masrukhin (2006) said the culture of the company can provide a significant impact on long-term economic performance. Corporate culture will become even more important factor in determining the success of the organization again. Denison (2007) concluded that organizational culture turned out to be an important strategy for the management effective in boosting the performance of employees.

Influence Leadership Style With Performance

The ability of a leader in the moving and empowering employees will affect the performance. Lodge and Derek (2006), said the leader's behavior has a significant impact on the attitudes, behavior and performance of employees. The effectiveness of leaders and subordinates influenced characteristics associated with the communication process that occurs between leaders and subordinates. Said to be successful if the leader can not motivate, move, and satisfactory employee in a work environment and leadership tertentu. Tugas is encouraging subordinates in order to have the opportunity to develop competencies and to anticipate any challenges and opportunities in the work to be tested. The flow chart developed in this study is presented in Figure 1 below:

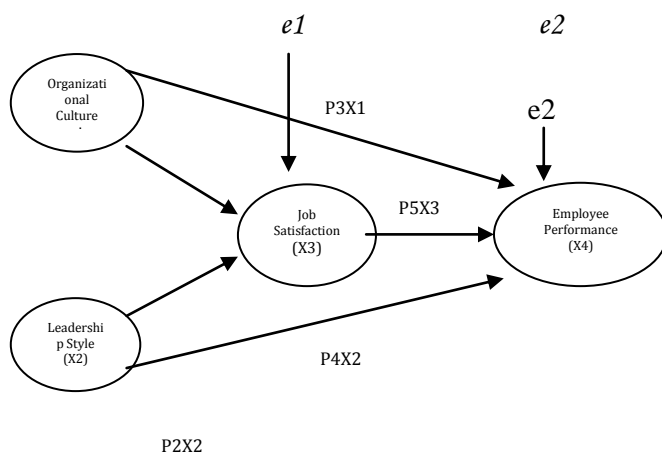


Figure 1 Structural Causal Relation X1, X2 Against X3 X4 With Intermediaries

Structural equation formulation is:

Structural Equation I: $X3 = P1X1 + P2X2 + e1$

Structural Equation II: $X4 = P3X1 + P4X2 + P5X3 + e2$

METHODS

Population

The population is the total of the elements or members of a study place. In this study, the population is all permanent employees of PT. PEB Batam, amounting to as many as 2070 people

Samples

The sample is representative of the population. The sampling technique which is representative of the population is using Slovin formula (Rumengan, 2010) as follows:

$$n = \frac{N}{1 + (N \times E)}$$

where :

n = number of elements or members of the sample,

N = number of elements or members of the population

e = error level (error rate) (note: generally used 1 % or 0.01 , 0.05 and 5 % or 10 % or 0.1 (note: can be chosen by the researcher).

Data Collection Techniques

To obtain the data and information needed , data collection techniques are used questionnaires or questionnaire is to make a list of questions in the form of a questionnaire addressed to the employees of PT. PEB Batam in the form of a check list, where each question or statement mempunyai 5 options based on the Likert scale.

Validity Test

Validity is the degree of reliability and validity of the measuring instruments used. Said to be valid when the instrument measuring instrument used to obtain the data is valid or can be used to measure what should be measured (Sugiyono, 2004: 137). Thus, a valid instrument is an instrument that is really appropriate for measuring what is to be measured.

Reliability Test

Reliability test is useful for determining whether an instrument is in this questionnaire can be used more than once , at least not by the same respondent will produce consistent data . In other words, the reliability of the instrument to characterize the level of consistency. Reliability testing is done by calculating the coefficient of reliability by using Cronbach's Alpha formulations.

Data Analysis Techniques

Path analysis

In this step the researcher illustrates a flowchart (Path Analysis) which can facilitate in seeing causality relationships to be tested.

Path Diagram Testing

Testing In Overall

Overall hypothesis proposed in this study is as follows: "There is a significant relationship between organizational culture and leadership style on job satisfaction and employee performance".

Testing In Individual

If the major hypothesis in research is significant, then further testing can be done for minor hypothesis, namely:

1. Variable organizational culture significantly influence motivation and performance of employees
2. Variable significant effect on job satisfaction and work motivation employee performance

RESULTS

Description of Respondents

In analyzing the demographics of the respondents based on the number of samples that had been previously set at. PEB Batam totaling 108 respondents. This analysis process through data collected from a questionnaire given to the respondents. The results of the analysis of data from respondents on age, gender, and class rank, position, years of education last, and marital status can be expressed as follows:

Age of Respondents

Of the respondents through a questionnaire distributed can be concluded that the respondents were aged > 30 years amounted to 94 (87%) of people, aged 31-40 year amounted to 13 (12%) of people, aged 41-50 year amounted to 1 (1%) of people, whereas > 50 Years numbered 0 (0%) of people, thus the majority of respondents aged <30 years.

Respondents' Gender

Of the respondents through a questionnaire distributed can be concluded that the respondents were male sex totaled 17 (16%) of people, it is much less than the respondents female sex that is numbered 91 (84%) of people, thus the majority of respondents Woman sex.

Position Employee

Of the respondents through a questionnaire distributed can be concluded that the respondents who have positions as operators totaled 57 (53%) of people, as a leader or a clerk totaled 7 (6%) of people, as a supervisor or officer amounted to 44 (41%) of people, thus the majority of respondents have a position as operator.

Work Period

Of the respondents through a questionnaire distributed can be concluded that the respondents who worked less than 5 years amounted to 92 (85%) of people, between 6-10 years amounted to 12 (11%) of people, among 16-20 year amounted to 4 (4%) of people, whereas > 20 years amounted to 0 (0%) of people, thus the majority of respondents worked less than 5 years.

Latest Education

Of the respondents through a questionnaire distributed can be concluded that the respondents who had education past high school numbered 61 (57%) of people, educational D1 / D3 total of 11 (10%) of people, S1 total of 36 (33%) of people, while the S2 education totaled 0 (0%) of people, thus the majority of respondents had a high school education.

Marital Status

Of the respondents through a questionnaire distributed can be concluded that the respondents who had married status amounted to 25 (23%) of people, unmarried status accounted for 83 (77%) of people. Thus, the majority of respondents have not yet married status.

Answer Description A moderate level

Description of the data is a general description of the results of the study which includes the presentation of a frequency distribution table, on average, mode, median and variance. The description of the data from each of the research variables are as follows:

Descriptive Variables Organizational Culture

From the results of the deployment of Organizational Culture kuesnioner obtained the following data; mode value = 43; median = 45; variance = 8.24; standard deviation = 2.87; maximum score = 50 and the minimum score = 37 and the average value of 44.67; this is that the average value lies in the class interval 45-46 which means there is 28.7% of respondents were in the average score of the class, 42.6% were below the average score of the class, and 28.7% are above average score of the class.

Descriptive Variables Leadership Style

From the results of kuesnioner on Leadership Styles of data obtained as follows; mode value = 42; median = 43; variance = 7.63; standard deviation = 2.76; maximum score = 49 and the minimum score = 38 and the average value of 42.89; this is that the average value lies in the interval class 42 which means there is at 16.7% of respondents were in the average score of the class, 31.3% were below the average score of the class and 52% were above the mean score The average grade.

Descriptive Variable Job Satisfaction

From the results of a questionnaire on Job Satisfaction of data obtained as follows; mode value = 42; median = 44; variance = 7.40; standard deviation = 2.72; maximum score = 49 and the minimum score = 38 and the average value of 43.84; this is that the average value lies in the interval class 43 which means there is 11.0% of respondents were in the average score of the class, 37% are below the average score of the class and 52% is above the average score of the class .

Descriptive Variable Performance

From the results of questionnaires on employee performance data obtained as follows; mode value = 40; median = 43; variance = 9.38; standard deviation = 3.06; maximum score = 50 and the minimum score = 36 and the average value of 43.06; this is that the average value lies in the class interval 42-43 which means there is 24.1% of respondents were in the average score of the class, 35.1% were below the average score of the class, and 40.8% are in above the average score of the class.

Validity Test To Variable Organizational Culture Tabel 1 Uji Validitas Item

Organizational Culture

Item No.	Correlation Coeficient (r)	Value Limit/Limit Critically	Conclusion
X1.p1	0,586	0,3	Valid
X1.p2	0,588		Valid
X1.p3	0,452		Valid
X1.p4	0,497		Valid
X1.p5	0,361		Valid
X1.p6	0,397		Valid
X1.p7	0,563		Valid
X1.p8	0,677		Valid
X1.p9	0,397		Valid
X1.p10	0,330		Valid

From Table 1 it can be seen that the significant level of 5% the number of 108 respondents, the 10 items of organizational culture question is valid because the value of the correlation coefficient of the questions above the limit value of 0.3.

Validity Test For Leadership Style Variable

Table 2 Validity Test Item Leadership Style

Item No	Correlation Coefficient (r)	Value Limit / Limit Critically	Conclusion
X2.p1	0,599		Valid
X2.p2	0,680		Valid
X2.p3	0,526		Valid
X2.p4	0,429	0,3	Valid
X2.p5	0,394		Valid
X2.p6	0,571		Valid
X2.p7	0,561		Valid
X2.p8	0,521		Valid
X2.p9	0,352		Valid
X2.p10	0,413		Valid

From Table 2 above it can be seen that the significant level of 5% the number of 108 respondents, the 10 item questionnaire leadership style is valid because the value of the correlation coefficient of each question exceeds the limit value of 0.3.

Validity Test For Job Satisfaction Variables

Table 3 Validity Test Item Job Satisfaction

Item No	Correlation Coefficient (r)	Value Limit / Limit Critically	Conclusion
X3.p1	0,503		Valid
X3.p2	0,403		Valid
X3.p3	0,441		Valid
X3.p4	0,354		Valid
X3.p5	0,411		Valid
X3.p6	0,524	0,3	Valid
X3.p7	0,567		Valid
X3.p8	0,435		Valid
X3.p9	0,475		Valid
X3.p10	0,475		Valid

From Table 3 above it can be seen that the significant level of 5% the number of 108 respondents, the 10 items of job satisfaction question is valid because korekasi coefficient (r) all of the questions exceed the limit value of 0.3.

Test Validity For Performance Variables

Table 4 Validity Test Item Performance

Item No	Correlation Coefficient (r)	Value Limit / Limit Critically	Conclusion
X4.p1	0,460		Valid
X4.p2	0,334		Valid
X4.p3	0,406		Valid
X4.p4	0,510		Valid
X4.p5	0,507		Valid
X4.p6	0,582	0,3	Valid
X4.p7	0,372		Valid
X4.p8	0,590		Valid
X4.p9	0,308		Valid
X4.p10	0,543		Valid

From Table 4 above it can be seen that the significant level of 5% the number of 108 respondents, the 10 items of the performance question is valid because the value of the correlation coefficient (r) all the above limit value of 0.3.

Tabel 5 Uji Reliabilitas Item Budaya Organisasi

Reliability Statistics	
Cronbach's Alpha	N of Items
.732	10

From Table 5 above the value obtained coefficient (Cronbach's Alpha) of 0.732 is greater than the value of 0.60, the instrument has good reliability (Nunnally in Widodo, 2005), therefore it can be concluded that the organizational culture questionnaire items is reliable.

For Reliability Test Variables Leadership Style

Table 6 Reliability Test Item Styles of Leadership

Reliability Statistics	
Cronbach's Alpha	N of Items
.737	10

From Table 6 above obtained coefficient (Cronbach's Alpha) 0.737 is greater than 0.60 then the instrument has good reliability (Nunnally in Widodo, 2005) or in other words, the instrument is reliable or trustworthy. It can be concluded that the leadership style questionnaire items is reliable.

Reliability Test For Job Satisfaction Variables

Tabel 7 Uji Reliabilitas Item Kepuasan Kerja

Reliability Statistics	
Cronbach's Alpha	N of Items
.726	10

From Table 7 above obtained coefficient (Cronbach's Alpha) of 0.726 is greater than 0.60, then the instrument has good reliability (Nunnally in Widodo, 2005) or in other words, the instrument is reliable. Therefore it can be concluded that job satisfaction questionnaire items is reliable.

Uji Validitas Untuk Variabel Kinerja

Tabel 8 Uji Reliabilitas Item Kinerja

Reliability Statistics	
Cronbach's Alpha	N of Items
.728	11

From Table 8 above obtained coefficient (Cronbach's Alpha) of 0.728 is greater than 0.60, then instrument used to have good reliability (Nunnally in Widodo, 2005), it can be concluded that the performance is reliable questionnaire items

Test Validity For Performance Variables

Hypothesis Testing

1. Analysis of Organizational Culture Direct Influence Job Satisfaction
Obtained from the analysis of organizational culture that significant value is 0.000 < 0.05. This gives the conclusion reject Ho and accept H1 which means that organizational culture is directly significant effect on job satisfaction.

2. Analysis of Direct Impact Job Satisfaction Leadership Style
Obtained from the analysis of leadership styles that significant value is $0.00 < 0.05$. This gives the conclusion reject H_0 and accept H_1 which means that the leadership style directly significant effect on job satisfaction.
3. Analysis of Organizational Culture Direct Impact on Performance
Obtained from the analysis of organizational culture that significant value is $0.029 < 0.05$. This gives the conclusion reject H_0 and accept H_1 which means that organizational culture is directly significant effect on performance.
4. Analysis of Direct Impact of Leadership Style on Performance
Obtained from the analysis of leadership styles that significant value is $0.038 < 0.05$. This gives the conclusion reject H_0 and accept H_1 which means that the leadership style directly significant effect on performance.
5. Direct Impact Analysis of Job Satisfaction on Performance
From the analysis found that job satisfaction is significant value $0.000 < 0.05$. This gives the conclusion reject H_0 and accept H_1 which means that job satisfaction is directly significant effect on performance.
6. Analysis of the Indirect Effects of Organizational Culture on Performance Through Job Satisfaction.

The coefficient of the direct effect, indirect and total:

1. The direct effect of organizational culture on the performance seen from the regression coefficient value of organizational culture on the performance that is equal to 0.172.
2. The indirect effect of organizational culture on performance through job satisfaction is a product of the organizational culture on job satisfaction and job satisfaction on performance ($P_1 \times P_5$) are: $0.512 \times 0.580 = 0.296$.
3. The net effect (total effect) of organizational culture on performance is a direct effect + indirect effect ($P_1 + (P_1 \times P_5)$), namely: $0.172 + 0.296 = 0.468$.
From the calculation, that the indirect effect coefficient > direct influence ($P_1 \times P_5 > P_3$) ie $0.296 > 0.172$, it can be concluded that H_0 is rejected and accept H_1 which means that bona fide organizational culture significantly influence the performance indirectly through job satisfaction. this suggests that the actual effect of the organizational culture on performance is indirect influence.
4. Analysis of the Indirect Effects of Leadership Style on Performance Through Job Satisfaction
5. The coefficient of the direct effect, indirect and total:
The direct effect (direct effect) leadership style on the performance seen from the regression coefficient value of leadership style on the performance that is equal to 0.161.
The indirect effect (indirect effect) leadership style to performance through job satisfaction is the multiplication of leadership style on job satisfaction and job satisfaction on performance, namely: ($P_2 \times P_5$) = $0.494 \times 0.580 = 0.286$.
The net effect (total effect) leadership style is a direct influence on the performance of the indirect effect + ($P_2 + (P_2 \times P_5)$), namely: $0.161 + 0.286 = 0.447$.
From the calculation, that the indirect effect coefficient > direct influence ($P_2 \times P_5 > P_3$) ie $0.286 > 0.161$, it can be concluded that H_0 is rejected and accept H_1 which means that the leadership style of a bona fide significant influence on the performance indirectly through job satisfaction. This suggests that the actual effect between leadership style on performance is indirect influence.

CONCLUSION

From the discussion in the previous chapter, it can be summarized several conclusions, namely:
1 In the Structural Model I obtained:

1. Directly there is significant influence of organizational culture on job satisfaction. The coefficient of 0.512 meant that if the organizational culture is increased by 1% then it will increase job satisfaction by 0.512%

2. Directly there is significant influence of leadership style on job satisfaction. The coefficient of 0.494 meant that if the organizational culture is increased by 1% then it will increase job satisfaction by 0.494%
3. Conclusions of Structural Model I that organizational culture variables more meaningfully than the leadership style variables in improving job satisfaction.

2 In the Structural Model II is obtained:

1. Directly there is significant influence of organizational culture on performance. The coefficient of 0.172 meant that if the organizational culture is increased by 1% then it will improve the performance by 0.172%
2. Direct a significant influence on the performance style of leadership. The coefficient of 0.161 meant that if the leadership style is increased by 1% then it will increase job satisfaction by 0.161%
3. Direct a significant influence on the performance of job satisfaction. The coefficient of 0.580 meant that if job satisfaction is increased by 1% then it will improve the performance by 0.580%
4. Indirectly there is significant influence of organizational culture on performance through job satisfaction. The magnitude of the effect was given by 29.6%.
5. Indirectly there is a significant effect of leadership style on performance through job satisfaction. The magnitude of the effect was given by 28.6%.
6. The conclusion of the Structural Model II that job satisfaction is more meaningful variable than the variable of organizational culture and leadership style to improve performance.

ADVICE

1. The PT. PEB Batam expected to further improve the attitude of responsibility for subordinates.
2. Governing Batam PT.PEB expected to improve working relationships with subordinates through good attitude friendly relations, mutual trust, mutual respect and always warm with subordinates.
3. Researchers need to be followed up further problems in the environmental performance of Flextronics Technology karyawab Indonesia Batam, especially other variables outside of the study variables that also contribute to the increased performance of employees

IMPLICATIONS

The implications of this research can be stated as follows:

Theoretical implications

From the results of research conducted menunjukkan bahwa increase organizational culture, leadership style and job satisfaction is a concept in the development of performance improvement as the study of substance. Another theoretical model of research that can be developed from other aspects of personality such as self-esteem, self-confidence and others associated with the development of performance assessments substance.

Practice implications

Practical implications in this research study involving several variables: organizational culture, leadership style in a study to improve employee performance. Theoretically this is because both of these variables will increase job satisfaction, while job satisfaction will directly influence the performance of employees.

Methodological implications

Causal research studies can be developed on the basis of theoretical studies in which the results can be supported by the data or not supported by the data. However, research on performance should be verified by future studies in order to obtain research results more credible and accountable.

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