Analysis of Leadership, Organizational Culture, and Training Influence on Employee Performance at PT Yodya Karya Persero in Makassar, Indonesia

Idayanti Nursyamsi1) Nurjannah Hamid2)
Management Department, Faculty of Economics
Universitas Hasanuddin
Makassar, Indonesia
Email: idayanti_uh@yahoo.com1) hamidnurjannah@yahoo.com2)

Abstract— Improvement of the quality of HRM performance could be regarded as one of the important activities within the company. This paper aims to analyze the relationship between leadership, organizational culture and employee training with employee performance based on the theoretical framework. This paper then tests hypotheses about the effects of leadership, organizational culture and training on employee performance. Thus for the purpose of this hypothesis testing, data collected from using the survey method by distributing questionnaires at one of the leading contractors (PT Yodya Karya Persero) in Makassar who have worked more than five years at the Bureau of Production Control, Marketing & Development; Bureau of Finance and Accounting; Bureau of Human Resources Development & General Development; Construction Services Division-I; Construction Services Division-II, as well as Non-Construction Services Division and earn as much as 80 respondents. Multiple regression analysis was then used to test the effects between the study variables. The results showed a strong effect among variables of leadership, organizational culture and training on employee performance so that all the hypothesis can be accepted.

Keywords: employee performance, leadership, organizational culture, training

I. INTRODUCTION

The study of leadership is a complex matter and should be considered as a multi-dimensional phenomenon because it is on the point of view between organizational research and psychological research. This makes leadership became an important venue to be researched and observed as it has the potential to better understand various phenomena that occurred within a company environment [1]. This made research on leadership become a focus since the 1700s [2] and later intensified into the 2000s [3].

Increasingly complex business environment makes the study of leadership is also experiencing rapid and fast development and has generated a lot of theory and empirical review. This is in accordance with the evolution of leadership theories that have evolved over time beginning from the era of personality, influences, behavior, situation, contingency, transactional, anti-leadership, culture to transformational leadership that usually summarized in a taxonomy called “The Evolution Stages Of Leadership Theory”. This taxonomy gives suggestion that the optimization of organizational performance could be determined from the expertise of their leaders in managing the organization she/he leads and give a common understanding that leadership is important to improve the professionalism of the company in general, and in particular the contracting company.

Study of organizational culture itself has begun since the early 1980s. Organizational culture became one of the important study in management science as it aims to study how the organizational culture itself have any impact on improving organization's performance. In the Asian region, organizational culture has become a concern for the Government of China and can be viewed bring rapid development in China's economic growth in the past few decades and bring forth the development of construction consultants in China. This is consistent with previous empirical study that found organizational culture has increased the effectiveness of the construction companies in China [4]. And also consistent with the view that cultural differences is one of important thing that need to handle by an international construction company [5] as organizational culture has an immediate impact to improve the performance of the company within that sector [6].

Speaking on the topic of organizational culture, then we can refer to the conceptual framework that contains the things that lead to the assumption that is built as well as the espoused values, and when seen from the aspect of anthropology, it can be observed that organizational culture is closely related to historical, behavioral, normative, functional, mental, structural, symbolic aspects [7].

Research on organizational culture has been a concern of Geert Hofstede who managed to write a book with the title "Culture's Consequences" in 2001. Hofstede identified five dimensions that can affect the culture of a country which include power distance, uncertainty avoidance, individualism, masculinity-femininity, longer-term/short-term orientation. Dimensions of organizational culture itself essentially indicates the organization's ability to innovate, which is adaptability, pioneering behavior, pragmatism, futuristic orientation, employee nature, collegial relationships, and group work [8].

However this organizational culture brings forward difficulty in dealing with various problems in the work field as experienced by the contractor and caused the need for training in improving the performance of human resources at the company. Changes in organizational dynamics and rapid
technological development, as well as the enigmatic influence of globalization and work climate lead to companies trying to develop appropriate training methods and techniques as well as using a unique approach in order to maximize employee performance to become more competitive and proactive in adapting to environmental changes.

Training then could be regarded as one of the key success factors in improving the skills of employees. And in implementing the training, the organization needs to realize that improvement of their human resources should be accompanied by evaluation to ensure that the employee’s capability became more responsive and put them in the position to be able to contribute to the company's profit. This is in line with previous empirical research that states training evaluation is directly related to the quality of the organization as evaluation could ensure that training would improve the employee’s overall analysis and optimism [8,9].

Previous empirical research also implicitly states that training could also then considered to address the needs of the organization and have long-term impact on profitability. This is due, because after the training, employee’s ability to detect and analyze organizational problems from a specific perspective would in turn contribute to organizational performance and increase the ROI of HRM investment that has been made by organization [9,10].

The above description is also reinforced by findings from previous research that suggest implementation of training in an organization is a part of the overall planning process step and have mutual influence in which each element gives effect in the planning process. This makes the evaluation of the training must be honest and integrated into the planning process so that it becomes an integrated process [11]. In this regard, the experts in this field have suggested that the training model could be elaborated into four training stages, namely reaction, learning, behavior and result, where in each of these stages, the specific training model should be created by an organization to address a number of weaknesses that the employee had while performing their task [10].

The success of the employee in performing the various tasks assigned to him then became a must and are usually referred to as employee performance or HR performance. Various experts have issued their argument about HR performance, however in most cases they came to the same view in the enigmatic role an employee had in achieving organizational goal [12].

In addition, an expert has also stated that performance is the result of both the quality and quantity of work achieved by the employee in carrying out duties in accordance with the responsibilities given to them [13]. This is consistent with the generally accepted view of the employee’s strategic role in affecting the success of an organization [14] that made organization always working to improve employee performance. This is also confirmed by the statement from other experts that the effectiveness of any organization is influenced by the performance of their HR or employees [15].

II. LITERATURE REVIEW

A. Leadership

The success of an organization is generally achieved through their leaders. This made leaders’ ability could lead to the success (or failure) of any organization. Leadership became one of the theories in the field of management science and became a focus of an in-depth review of many researchers in recent decades. Based on the theory of Bass [16], the six elements of leadership have evolved into eight elements and they are: laissez-faire, passive management by exception, active management by exception, contingent reward, individualized consideration, idealized influence, inspirational motivation and intellectual stimulation.

Further empirical research then classifies the type of leadership in general into transformational and transactional leadership styles [17]. Transformational leadership can happen when a group of people has a connection with others in the form of the leader and followers in a mutual relationship that could improve morale and motivation within an organization. Whereas, transactional leadership can occur when a group of people has a connection with other people to exchange something they view as valuable [18].

B. Organizational Culture

In general, in every organization, every activity aimed at accommodating the interests of several parties related to the organization so that activities being implemented do not conflict with a variety of attitudes and behavior of individuals within the organization. Definition of organizational culture can be quoted from the opinion of some experts. First, organizational culture could be defined as a shared meaning, beliefs, symbols, rituals and myths that evolve over time and serve to unify the organization into one [19]. In addition, organizational culture can also be interpreted in the form of values, beliefs, basic principles, management practices and behavior [20].

Both of the above definition are then further developed to interpret the definition of organizational culture as a pattern of basic assumptions, values and ways of seeing, thinking and feeling, and artifacts [21]. Related to this last definition, it is suggested that in order to improve organizational innovations arising from technological impetus, the globalization of markets, the change of consumers’ needs, and accelerated product life cycles, this organizational culture should be accompanied by the desire to survive. Thus to develop organizational culture, organization should try to focus on their adaptability, organizational dominance, pioneering behavior, pragmatism, futurism, employee nature, collegial relationships, and group work [22].

C. Training

Through the implementation of the training, the employee actually is expected to acquire the skills and knowledge to carry out their work. This brings the understanding that training is basically teaching activities to improve employee skills, knowledge and attitude in order so that they can be more responsible in accordance with established standards [23]. This understanding also implicitly
means that organization should not only provide skills training and knowledge, but also strive to provide help to their employee in the form of assistance, guidance, facilities, delivery of information, organization of the learning environment because the trainee has the potential to bring what they have experience in the training while performing their task.

The purpose of training itself include (1) improve the performance of the employees who do not meet the standards that have been set before because they lack the capabilities to do it, (2) update the employee's skills on an ongoing basis, (3) avoid managerial obsolescence in adjusting to their managerial role, (4) solve organizational problems (5) prepare for promotion and managerial succession, and (6) satisfy personal growth needs [24]. For the record, the organization may only conduct training activities only if the training is to be the decision of the leader (manager) [24].

D. Employee Performance

Various theories that can be used as a reference in defining the performance of human resources or employee performance that comes from the realm of research related to job performance or actual performance. First, employee's performance could be defined as how an employees could contribute to the organization [25]. This leads us to the understanding that improvements to the performance of individuals and groups to be important in improving organizational performance.

Furthermore it can also be argued that employee performance is affected by employee’s work ability, motivation, support received, the existence of the work they do, and their relationship with the organization. This leads us to the understanding that the employee's performance can be seen on such aspects as quantity of work, quality of work, job knowledge, creativeness, cooperation, dependability, initiative, and personal qualities [25].

Employee performance is also widely believed could only be realized through performance appraisal. Performance appraisal therefore become imperative for organizations to achieve organizational goals and develop their employees. Benefits of employee performance evaluation, namely (1) as a basis for decision-making that is used for performance, dismissal and remuneration amount, (2) to measure the extent to which an employee can complete its work, (3) as a basis for evaluating the effectiveness of all activities within the company; (4) as a basis for evaluating the effectiveness of training programs and work schedules, work methods, organizational structure, style of supervision, working conditions and supervision, and (5) as an indicator to determine the need for training for employees within the organization [24].

E. Research Framework

The objective of this study is to analyzes the relationship between the independent variable on the dependent variable. The independent variables consist of leadership, organizational culture, and training, while the dependent variable performance of employees, which in turn could be depicted in the following picture:

F. Research Hypothesis

Referring to previous theoretical study, hypotheses in this study are given as follows:

- Hypothesis 1: There is a positive and significant relationship between leadership to employee performance
- Hypothesis 2: There is a positive and significant relationship between organizational culture on employee performance
- Hypothesis 3: There is a positive and significant relationship between training on employee performance
- Hypothesis 4: There is a positive and significant relationship between leadership, organizational culture and training on employee performance

III. METHODOLOGY

Variables used in this study consisted of three independent variables and one dependent variable. The independent variable is first, the leadership variable (X1) with inspirational motivation, intellectual stimulation and individualized consideration as their indicators [3]. Second, the organizational culture variable (X2) with mission, consistency, adaptability, and involvement as their indicators [20]. And finally, the training variable (X3), with employee knowledge, employee's ability, employee skills, and employee attitudes as their indicators [23]. Whereas for the dependent variable, we used employee performance (Y), with the indicators being used by are the concepts such as quality and quantity, timeliness, efficiency, and knowledge [26].

Furthermore, the population in this study was all employees at PT. Yodya Karya (Persero) in Makassar. The sampling technique used is the purposive sampling, in which samples are taken based on certain criterion [27]. First, the samples were selected based on criteria tenure of more than five years and a minimum education level of high school at the Bureau of Production Control, Marketing and Development (BPCMD); Bureau of Finance and Accounting (BFA); Bureau of Human Resources Development and the General (BHRDG); Division of Construction Services – 1

\[ \text{Employee Performance (Y)} \]

\[ \text{Leadership (X1)} \]

\[ \text{Organizational Culture (X2)} \]

\[ \text{Training (X3)} \]
(DCS-I); Division of Construction Services – II (DCS-II); and Division of Non-Construction Services (DNCS). The qualified sample that meets this selection criterion is 80 employees at the time we did the research.

Then, the determination of the questionnaire scoring is referring to the standard Likert scale, where we given a weight of 1 to 5 for each questionnaire item using the lowest and highest values for each questionnaire variables. And lastly, the data processing performed with SPSS 20.0.

IV. RESULTS AND DISCUSSION

Based on the descriptive characteristics of the respondents, it can be concluded that the number of male respondents is more dominant at 88.75%. Then, respondents aged 26 years or older made up the highest percentage of respondents (60%). With regard to their education level, the respondents that have achieved a bachelor degree to be the largest population of which is 77.5%. And finally, BHRDG work unit has greater representation in this study (26.25%) as could be seen in Table 1 below:

<table>
<thead>
<tr>
<th>No</th>
<th>Description</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>71</td>
<td>88.75</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>9</td>
<td>11.25</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>≤ 25 years</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>≥ 26 years</td>
<td>48</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Highest Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High School</td>
<td>14</td>
<td>17.5</td>
</tr>
<tr>
<td></td>
<td>Bachelor</td>
<td>62</td>
<td>77.5</td>
</tr>
<tr>
<td></td>
<td>Master</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>Work Unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BPCMD</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>BFA</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>BHRDG</td>
<td>21</td>
<td>26.25</td>
</tr>
<tr>
<td></td>
<td>DCS-I</td>
<td>11</td>
<td>13.75</td>
</tr>
<tr>
<td></td>
<td>DCS-II</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>DNCS</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

The study then tested against 15 respondents to evaluate the level of validity before entering the next research stage. Validity level is tested by comparing the calculated value of r_table with degrees of freedom (df) = nk [43], whereas the SPSS output results show the value of 14, so df=14-2 or df=12, with α=0.05 for 0.532. Therefore, we could confirm based on this value that the questionnaire could be viewed to have met the validity criterion as the coefficients obtained from the r_calc is greater than the coefficient of r_table.

In terms of reliability test, we could assume that the closer the reliability coefficient to α=1.0, then we could consider that the questionnaire is more reliable. On the contrary, if it is less than α=0.6 considered poor [43]. Therefore, based on these assumptions, this study has also been deemed to meet reliability test because SPSS results shows that the respective Cronbach Alpha value for each research variable are greater than α=0.6 (leadership=0.718, organizational culture=0.713, training=0.745, employee performance=0.770) as could be observed in the following table:

<table>
<thead>
<tr>
<th>Variable</th>
<th>I. REGRESSION COEFFICIENT (β)</th>
<th>II. E</th>
<th>III. t-test</th>
<th>IV. ROB.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.133</td>
<td>0.368</td>
<td>3.080</td>
<td>0.003</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.252</td>
<td>0.105</td>
<td>2.403</td>
<td>0.019</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.208</td>
<td>0.102</td>
<td>2.037</td>
<td>0.045</td>
</tr>
<tr>
<td>Training</td>
<td>0.196</td>
<td>0.095</td>
<td>2.069</td>
<td>0.042</td>
</tr>
</tbody>
</table>

The positive and significant relationship between leadership to employee performance that we expect through Hypothesis 1 is accepted by reviewing the results of the multiple regression analysis and especially through the leadership variables’ t critically=2.403 : p-value=0.019. These results are in line with the results of previous empirical studies [28, 29], in which drive us to believe that the relationship between superiors and subordinates in the context of transformational leadership is more than just an exchange of economic benefits, as it has also touched their value system [30]. This is because in a mutualistic relationship that occurred within transactional leadership, contributions of both parties will gain reward [31, 30, 32, 33].

Furthermore, the existence of a positive and significant relationship between organizational culture on employee performance can also be confirmed by the results of t_critical=2.037 with p-value of 0.045. These results are consistent with previous empirical studies [34,35,36], which basically agreed that organizational culture represents a common perception of the members within an organization such as PT Yodya Karya Persero. Or in other words, culture is a shared system of meanings among various members of the organization in the hope that individuals who have different backgrounds or are not the same level in the organization will understand the culture of the organization because they have the same shared system of meanings within their [37].

Next, positive and significant relationship between training on HR performance is also demonstrated through the results of multiple regression analysis, in which the t_critical indicates that the hypothesis is accepted based on the value of the t_critical=2.069; p-value=0.042. This result is also in line with previous empirical research studies [38, 39, 40] that gives an understanding that training is of a personal nature and related to the approach used by managers to help a person or a group of people through on-the-job training and off-the-job training. Therefore, improvement of employee
performance requires a systematic and comprehensive change in the workplace so that employee skills could become organizational main capital to ensure that organizational development and performance improvement could be sustained in the long-run.

Finally, the results of multiple regression analysis testing through the $F_{test}$ (variance test) showed that Hypothesis 4 is acceptable. This is based on the value of $F_{test}=16.884$; df=84-2 or df=82 that have shown this $F_{test}$ value is greater than the $F_{table}= 3.957$. Therefore, we could conclude that the leadership, organizational culture and training have proven to have a positive and significant impact on employee performance.

V. CONCLUSION AND RECOMMENDATION

There are several conclusions that can be drawn from the preceding analysis based on the results of multiple regression. First, it could be said that the leadership variable has a strong and positive effect on employee performance. This suggests a direct relationship between leadership that intertwined with employee performance, in which there is an increase in quality and quantity on aspects of leadership, then this will have an impact on increasing the quality and quantity on employee performance. Second, organizational culture variables in this study proved to have a positive and significant impact on employee performance. This is in accordance with the results of empirical and theoretical studies on the relationship between organizational culture and performance variables that have proven the hypothesis tested in this study. Third, training is one aspect of employee development that is empirically explained by a positive and significant relationship based on the results from multiple regression analysis. This implicitly suggests that organization needs to seriously develop the necessary training to increase employee performance in accordance with the objectives set by the organization.

As for the suggestions that we could provide based from the results of previous studies, we could suggest that it is essential to leaders/managers to seriously prioritize inspirational motivation, intellectual stimulation and individual consideration in order to better translate the leadership role he/she has. Furthermore, in order to improve organizational culture, leader/manager in PT Yodya Karya Persero should strive to increase employee performance by the means of improving their mission, consistency, adaptability, and employee empowerment. And last, in order to increase the impact of training on employee performance, then the leader / managers are advised to pay attention to the knowledge of the employee, the employee's ability, employee skills, and employee attitudes.

REFERENCES


