

# The Influence of Leadership Style, Organization Culture, Work Motivation and Work Satisfaction Towards Staff Performance in Bank X in Jakarta

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**Abstract**—The bad staff performance of the company caused poor company performance. In this research, Bank X experienced a decrease in its net income in 2012 which was caused by the increase of its operational load towards the operational income. Bank X noted a 24% less net income compared to that of 2011. This was caused by the increase to the workload of the employees in order to fulfil the performance standard expected by Bank X's management. Employees are crucial for the company's vision and mission in the aspect of performance. The factors that determine the staff performance are leadership style, organization culture, work motivation and work satisfaction. The purpose of this research is to measure the influence of leadership style, organization culture, work motivation and work satisfaction towards staff performance. This research was conducted in the Credit Services Division of Bank X in Jakarta. The respondents of the research were 45 employees. The data analysis technique was the multiple regressions. Based on the results, it was ascertained that the influence of leadership style, organization culture, work motivation and work satisfaction was present in the Credit Services Division of Bank X in Jakarta.

**Keywords:** *Leadership Style, Organizational Culture, Work Motivation, Work Satisfaction and Staff Performance.*

## I. INTRODUCTION

Companies and employees have a significant and mutually beneficial relationship. The company requires employees to support the achievement of the performance goals of the organization. And conversely, employees require the company to earn income and develop a career path. "Performance is the result of someone's work achieved in carrying out the tasks assigned to him based on skills, experiences, sincerity and time. If the performance of each employee is good, then the performance of the company will be better" [1].

Bank as a company of the banking industry sector, has a lot of employees.

According to the Banking Act No. 10 of 1998, bank is a business entity which collects funds from the public in the form of savings and distributes them to the public in the form of loans and/or other forms in order to improve the living

standard of the people" [2]. Mc Neese-Smith [3] stated that, "In an era of increased competition and a scarcity of resources, maximizing the productivity of employees, work satisfaction, and commitment to the organization is a critical issue for the management of the company".

Becker and Gerhart [4] stated that, "Every business organization is required to improve its performance in order to win the competition". This can be done by reducing expenditures, innovating processes and products, as well as improving quality and productivity. All of which can be met with the support of human resource performance.

The object of this research was Bank X which had a decreased revenue in 2012 compared to the revenue in 2011. In percentage terms, the bank experienced a revenue decrease of 24%. In 2011, the number of recorded profit was IDR 326.8 billion, whereas in 2012, the amount of profit was IDR 246.9 billion. According to the bank's finance director, the decrease in the revenue was due to the increase in the operational expenses towards the operational income (ROA). In the management analysis and discussion held by the bank, it was informed that the operational expenses during the year was IDR 886 billion, 28.03% more than the previous year, which was only IDR 692 billion. This was due to an increase in personnel expenses and expenses associated with the implementation of new information technology. The bank reports that "the operational expenses towards operational income (ROA) were recorded to be 90.02% in the current year, which means an 81% increase compared to the previous year.

Staff performance is influenced by several factors. They are leadership styles, organizational culture, work motivation, and work satisfaction. If there is a discrepancy between the staff and these factors, it will affect the performance of the staff that will have an impact on the company's goals.

### A. Research Questions

According to the background explained above, the research problems are as follows: how do the factors: leadership style, organizational culture, work motivation, and

work satisfaction influence the staff performance? How does each of these factors influence the staff performance?

### B. Research Objectives

The purpose of this research is to examine the factors that influence the staff performance, which are leadership style, organizational culture, work motivation and work satisfaction, both simultaneously and individually.

## II. THEORETICAL FRAMEWORK

### A. Leadership style

Leadership style is defined as "the behavior or the way that leaders choose and use to influence his subjects' thoughts, feelings, attitudes, and organizational behavior" [5].

### B. Types of leadership style

Ronald Lippitt and Ralph K. White stated that, "there are three types of leadership style" [6].

#### 1) Authoritarian Leadership Style

This leadership style covers a number of behaviors or leadership styles that are centered on the leader (centralistic) as the sole determinant, ruler and controlling member of an organization and its activities in order to achieve organizational goals.

#### 2) Democratic Leadership Style

Democratic leadership style puts human beings as the most important factor of leadership that is based and emphasizes on the orientation of relationships between the members of an organization.

#### 3) Free Leadership Style (Laissez Faire or Free-Rein)

This leadership style essentially views the members of an organization as independent in making decisions or taking care of themselves, with minimal guidance or instructions in the realization of the individual main tasks as parts of the main tasks of the organization.

### C. Organizational culture

Robbins [7] defines that "organizational culture refers to a system of beliefs held by the members of an organization that distinguishes the organization from others".

The four major functions of organizational culture, i.e.:

1) *Adaptability*: explains that culture consists of collective responses that are proved to be adaptive in the past for an organization. When confronted with a new situation, at first, the organization will try to use known collective responses. These responses are beneficial to the members of the organization because they represent the success strategy in adapting the organization continuously.

2) *Involvement*: describes the level of involvement and participation of the members of an organization that creates a sense of belonging and responsibility. This sense of belonging will increase the members' commitment towards the organization, and the capacity to operate in ambiguous and low-need conditions in low control systems.

3) *Mission*: describes the collective limits of function and purpose of an organization.

4) *Consistency*: explains that in a strong culture, communication is a process that is reliable in exchanging information as it explains the meanings of the words, actions and other symbols. In addition, general perspectives, belief systems, and values that are widely understood and internalized by the members will improve internal coordination and facilitate the organization better in achieving consensus.

### D. Work Motivation

Stoner and Freeman [8] states that "motivation is a factor that causes, distributes, and supports human behavior". Motivation means giving a motive, arousing a motive or a circumstance that lead to the arousal of a motive.

### E. Motivation Affecting Factors

Stoner and Freeman [8] describe three factors affecting the motivation of an organization, i.e.:

1) *Individual characteristics* is that such as interests, attitudes and needs that are brought by someone into a work situation.

2) *Work characteristics*, which cover the nature of the employee's duties, including kinds of responsibility, kinds of task, and the levels of satisfaction the employee obtains from the work itself.

3) *Characteristics of the employment situation*, which serves as a factor in the working environment and organizational measures.

### F. Work Satisfaction

Milton [9] describes work satisfaction as "a worker's positive emotional state or the feeling of pleasure towards the work resulting from the worker's assessment on the work based on his experience".

#### 1) Work Satisfaction Affecting Factors

Davis and Newstrom [10] describe two affecting factors to work satisfaction, which are organizational factor and personal factor.

- Organizational factor: exists in the organizational or corporate environment.
- Personal factor: exists in the staff's personalities.

#### 2) Staff Performance

Bernardin and Russell [11] define performance as "a result of the work achieved by an employee based on the functions of his job in a certain period".

#### 3) Performance Affecting Factors

Flippo describes four standard measurements of performance [12],

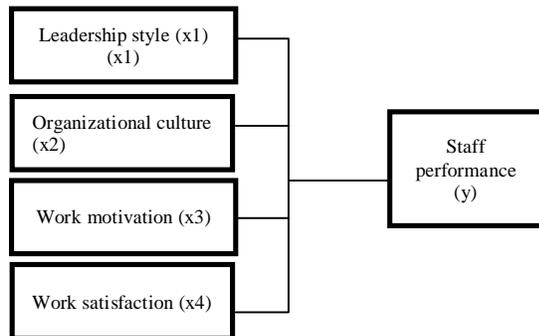
- Work quality, involving punctuality, attentiveness, and tidiness.
- Work quantity, involving completed amount of regular and additional work.
- Work resilience, involving the ability to follow instructions, to perform standard safety

procedures, being initiative, punctual, and having a good record of attendance.

- Attitude, involving the responsibility in executing tasks, and the proper level of cooperation with co-workers.

### G. Research Framework

Fig. 1. Research Framework



### Hypothesis

- H1.** There is an influence of leadership style to staff performance.
- H2.** There is an influence of organizational culture to staff performance.
- H3.** There is an influence of work motivation to staff performance.
- H4.** There is an influence of work satisfaction to staff performance.
- H5.** There is an influence of leadership style, organizational culture, work motivation, and work satisfaction to staff performance.

### III. METHODOLOGY

The population of this research was the staff of Credit Services Division in Bank X in Jakarta. The sample or population component as respondents of this research was all staff of Credit Services Division in Bank X in Jakarta, due to the population number which was less than 100. The data collection technique used was questionnaire method. This method consists of a list of questions submitted to the respondents to obtain answers in the form of writings [13], and using likert scale models. The data analysis technique of this research was the multiple regression analysis.

This research examined the independent variables (Leadership style, Organizational Culture, Work Motivation, Work Satisfaction) and dependent variables (Staff Performance).

### IV. ANALYSIS OF FINDING

The data used in this research was primary, which means the data that were obtained directly from the research subjects. The data were obtained by the distribution of questionnaires

(according to the construct items in the Operational Variables) to all staff of Credit Services Division in Bank X in Jakarta. The data processed were 45 copies out of 47 respondents, because the two copies were considered incomplete.

The following is the result of each variable in this research, which is the influence of leadership style, organizational culture, work motivation, and work satisfaction to staff performance.

TABLE I. THE RESULTS

Variable	R Square	Sig
Leadership style	.733	.000
Organizational culture	.292	.000
Work motivation	.274	.000
Work satisfaction	.169	.005

According to the research results, it can be derived that each of the factors influences the staff performance, and has a value of relation/combination of variable x that can be explained in the variable y with the value of each R Square obtained by the signification level of  $\alpha$  (very influential), except for the work satisfaction variable that has the signification level of  $\alpha$  tends to be influential due to  $p = 0.005$  ( $p < 0.005$ ).

Simultaneously, the variables tested have a value of R Square .760 with sig = .000. So, it can be derived that there is a relation/combination value of variable x which can be explained in the variable y by 76% with a signification level of  $\alpha$  (very influential). Therefore, the hypothesis proposed in this research can be considered as valid.

The validity of items is shown by the magnitude of the calculated F compared to the Ftable. Results of further calculations is then consulted with the Ftable at the significant level of 0.05. If the result of the calculated F is greater than the Ftable, the instrument is considered to be valid. However, if the calculated F is smaller than the Ftable, the instrument is considered to be invalid. The reliability test will show the consistency of the respondents' answers towards the statements and questions in the questionnaire. The SPSS facilitates the reliability measurement with the statistical test of Cronbach Alpha ( ). A variable is considered reliable if the value of  $\alpha$  is greater than 0.60. Otherwise, it is not reliable.

### V. CONCLUSION AND RECOMMENDATIONS

According to the overall research results, leadership style, organizational culture, work motivation, and work satisfaction have a connection to and influence staff performance in the Credit Services Division of Bank X. Some specific examples that will answer the research question above are as follows:

1. The most influencing factor is leadership style. So, it is recommended to have a good, competent, and contributing leadership style in order to improve the staff performance.
2. The second factor of influence is organizational culture. It is recommended that the management of Bank X possesses clear values, policies, and rules to be able to

- contribute to the staff in both terms of rights and obligations.
3. The third factor of influence is work motivation. It is recommended for the management and staff of Bank X to develop a positive synergy.
  4. Staff performance assessment can be conducted through the work quality approach.

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