

# The Influence of Motivation, Transactional Leadership, Organizational Culture on Performance

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**Abstract**—The purpose of this study is to find out the effect of motivation, transactional leadership style, and organizational culture toward employee performance at public service office in South Sumatera Province. Respondents of this study are 150 employees taken from 4 public service offices. The analytical method used is linear regression analysis. The results showed that the independent variables together affect the dependent variable of around 0.607 can be seen from the value of R Square and F test score which is 75.231 higher than f value table (2.66) in the level of significant 0.000b. Partially, the organizational culture variable dominantly influence on the performance that can be seen from the value of t count which is 3.688 at the level of significance 0.000b. This finding will be an input for office management related to public service providers in order to improve their performance in the future.

**Keywords**—local economic development; local economic independence

## I. INTRODUCTION

The performance of public services in Palembang city still often get complaints from the public, where the public service is concerned with the five main points needed by the community, such as; easiness of getting proper education, good health service, easiness in resident administration affair, neat, clean, and beautiful environment, and the creation of security in society [1].

Simamora states that performance is a measure of organizational success in achieving its mission [2], while other Shadily states that performance is powerless achievement or results [3]. Kumorotomo et al. provides limits in the concept of performance of public organizations at least closely related to efficiency, effectiveness, fairness and responsiveness [4].

Factors which influence the individual workforce performance are: Their ability, motivation, support received, the existence of the work they do, and their relationship with the organization [5].

The researchers felt that it was necessary to analyze the influence of Motivation, Transactional Leadership, Organizational Culture on the performance of employees of public service offices in Palembang City, which is also in line with the findings of the study on the performance of employees

influenced by the style of leadership, job satisfaction, organizational culture, and motivation [6-9].

Transactional leadership is centered on leader-follower exchanges [10]. Followers do according to the will and direction of leaders and leaders who positively value effort. Transactional leadership focuses more on organizational stability than change. The basic assumption is that subordinates work to receive compensation [11]. The four core aspects of transactional leadership are contingent awards, active management with exceptions, passive management with exceptions and laissez-faire [12].

Organizational culture and transformational leadership are theoretically and empirically related to organizational effectiveness [13]. The main argument of organizational-performance cultural relations is the belief that certain organizational cultures lead to superior organizational performance [14]. Scholz argues that the claim that organizational culture is related to performance is based on the perceived role that culture can play in generating competitive advantage [15]. This is done by culture defining organizational boundaries in ways that facilitate individual interaction and / or by limiting the scope of information processing to the appropriate level [16]. Avolio et al. note that organizational culture holds the key to increasing commitment, productivity, and profitability [17]. Ogbonna argues that shared and strong values allow management to predict employee reactions to certain strategic options so as to minimize the scope for unwanted consequences [18]. Bass and Avoli also argue that leadership and culture are closely related so that it is possible to describe organizational culture characterized by transformational quality [19].

In a study of the relationship between leadership and organizational culture, it was found that employees who valued their direct superiors high in transformational leadership were more likely to see their organizational culture as adaptive, involving, integrating, and having clear mission [20]. Ogbonna and Haris also found that the relationship between leadership style and performance was mediated by the presence of organizational culture [14]. The role of mediation is also supported by Xenikou and Simosi [13]. Shahin and Wright found that although the transactional and transformational leadership models have universal potential [19,21]. Such a

model would require some changes to fit various cultures, especially non-western cultures.

The objective of research is to analyze the effect of simultaneous or partial: Motivation, Transactional Leadership, and Organizational Culture on Performance at Public Services office in Palembang.

**II. METHOD**

To measure the influence of Motivation, Transactional Leadership, and Organizational Culture on Performance at Public Services office in Palembang, the research took a sample size of 150 community of service users. Descriptive and inferential statistics such as mean, F-values and t-values, were used to test the hypothesis. The data were analyzed by using Microsoft Excel and the Statistical Package for Social Sciences (SPSS). In order to conduct the study, a structured questionnaire was used. It was divided into three parts as described below.

**III. RESULT**

**A. Hypothesis Result (F Test)**

TABLE I. RESULT OF MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	0.779 <sup>a</sup>	0.607	0.599	0.20888

Sources: Primary data is processed, 2018

<sup>a</sup> Predictors: (constant), X3, X1, X2

TABLE II. RESULT OF F TEST (ANOVA<sup>a</sup>)

Model	Sum of Squares	df	Mean Square	F	Sign
1. Regression	9.847	3	3.282	75.23	0.000 <sup>b</sup>
Residual	6.370	146	0.044	1	
Total	16.217	149			

Sources: Primary data is processed, 2018

<sup>a</sup> Dependent Variable: Y

<sup>b</sup> Predictors: (constant), X3, X1, X2

Based on table 1 and table 2, it can be explained that the independent variables (Motivation, Transactional Leadership, Organizational Culture) together give a strong enough effect on the dependent variable that is on performance. It can be seen from the value of R Square 0.607 and value of F count which is 75.231 higher than F value table (2.66) at the level of significance 0.000<sup>b</sup> where  $0.000 \leq 0.05$  so it can be concluded the hypothesis is proven that jointly independent variables (Motivation, Transactional Leadership, Organizational Culture) influence dependent variable (performance).

**B. Hypothesis Result (t Test)**

The results of multiple linear analyses in this study are presented in table 3.

TABLE III. RESULT OF LINEAR REGRESSION ANALYSIS (COEFFICIENTS<sup>a</sup>)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sign
	B	Std. Error	Beta		
1. Regression	0.948	0.218		4.339	0.000
Residual	1.117	0.150	1.116	7.423	0.000
	-0.696	0.173	-0.712	-4.024	0.000
Total	0.359	0,074	0.414	4.822	0.000

Sources: Primary data is processed, 2018

<sup>a</sup> dependent Variable: Y

From table 3, it can be concluded that partial variable of motivation gives a significant effect on performance. It can be seen from t value of 7.423 > from t value table (1.65508) at the level of significance 0.000, where  $0.000 \leq 0.05$ . Transactional Leadership variable partially does not effect on performance. It can be seen from the value of t arithmetic -4.024 > from the value of t table (1.65508) at the level of significance 0.000, where  $0.000 \leq 0.05$ . Organizational Culture Variable partially give significant effect on performance. It can be seen from t value 4.822 > of value t table (1.65508) at the level of significance 0.000, where  $0.000 \leq 0.05$ .

**IV. DISCUSSION**

The results of this study indicate that the independent variables of motivation, transactional leadership and organizational culture together significantly influence on performance of employees of public service offices in Palembang city. This is in line with the findings of studies on the performance of employees influenced by the style of leadership, job satisfaction, organizational culture, and motivation [6-9].

Partially, the variable of motivation has significantly and dominantly influenced on the performance of employees of public service offices in Palembang city. This explains the importance of motivating employees in both intrinsic and extrinsic motivations. This study is in line with other studies which conclude that performance is influenced by motivation [22,23].

Bateman and Snell argued that motivation is the power that invigorates, and directs the work of a person towards the accomplishment of an objective [24]. As a result, motivation is one of the most important issues and an effective factor on job performance and a necessity for leading the employees towards major objectives. Moreover, the main challenge facing the organization is the implementation of suitable motivational factors for enhancing job performance to achieve the main objectives of the organizations [25]. The expectations of each approach are different from one organization to another. For classifying and addressing these expectations, the comprehension of motivating employees is required. Therefore, the idea of motivation has become a common driving power for the most successful businesses. Motivation is essential for employee's performance. It plays a significant function in job performance and other behaviors [26].

This research found that partially transactional leadership has no effect on performance. This shows that the type of transactional leadership is not too favored by employees. This

result is in line with findings from other who conducted research on leadership styles, organizational culture and performance at companies in United Kingdom [14]. From the results of their research, it was found that leadership style is not directly related to performance. However, in the relationship between competitive and innovative culture with organizational performance, it was found that there is a positive and strong relationship with an understanding of the tasks carried.

Organizational culture significantly influences on performance of public service offices' employees in Palembang city. The analysis shows that culture organizational has a positive and significant impact on employee performance. It means the hypothesis which states that the stronger the culture organization, the higher the performance of employees accepted the truth. This result is supported by the votes of the employees of the culture organizational in general have enough votes to agree and disagree. It can mean that employees have a pretty good perception of organizational culture applied in public service offices in Palembang city. These results are in line with other studies which conclude that employee performance is influenced by organizational culture [9,27]. Organizational culture and leadership have been independently associated with firm performance [19]. Researchers have examined the relationship between leadership style and performance and also between corporate culture and performance [19,28]. The results of this study are consistent with the research that culture organizational affects employee performance. Types of abilities, skills and fulfillment of tasks will be able to positively affect the performance [29].

Another important factor which determines employees' performance and organizational capability adapt to environmental changes [30-32]. Leadership describes the relationship between the leader and the follower and how a leader directs the follower will determine the extent to which the follower achieves the leader's goals or expectations [31,32]. Leaders develop and direct the potential and ability of subordinates to achieve and even exceed organizational goals [33].

## V. CONCLUSION AND RECOMMENDATION

### A. Conclusion

The results of this research concluded that the independent variables together influence significantly on performance dependent variables. Partially, only variable of motivation and organizational culture which have significant effect on performance while transactional leadership variable does not affect the improvement of employees' performance.

### B. Recommendation

Researchers hope that this results will be an input for decision makers in public servants in the city of Palembang to be able to pay attention to things that can improve the performance of employees, especially the provision of motivation on an ongoing basis and create a conducive organizational culture. In relation to leadership styles, it could be necessary to try to apply another style of leadership which is

more suited to the characteristics of employees in the public servant office in Palembang.

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