The Influence of Transformational Leadership Style and Culture Organization with Work Motivation as a Variable Intervening on The Performance of Employees of PT. Bank X

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Abstract: This study aims to determine and analyze the influence of transformational leadership style and organizational culture with work motivation as an intervening variable on the performance of employees of PT. Bank X. The research method used in this research is a field study and a questionnaire. The population in this study were all permanent employees of PT. Bank X amounted to 148 people, the sample in this study used the Proportional Random Sampling technique by way of lottery with the number of 100 respondents. The analysis technique used is Path Analysis. Based on the analysis and discussion that has been done, it can be concluded that the transformational leadership style has no significant effect on work motivation. Organizational culture has a positive and significant effect on employee performance. Organizational culture has a positive and significant effect on employee performance. Work motivation has a positive and significant effect on employee performance. Based on the results of the study, the leadership of the Bank should further increase the application of transformational leadership styles to have high loyalty to the bank and encourage employees to work better.

Keywords: transformational leadership style, organizational culture, work motivation, employee performance.

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I. Introduction

Banking is one of the sectors that supports the Indonesian economy in the banking sector non-oil and gas. The banking industry is a strategic and attractive industry for various parties, therefore the banking industry is experiencing very fast and rapid development, especially in Indonesia. Based on data from the Indonesian Banking Statistics (SPI) for the November 2018 period, the number of commercial banks in Indonesia was recorded at 115 banks, but with the Covid-19 outbreak which caused an economic recession that tends to have the potential to become an economic depression, there was a reduction in the number of national banks which were deemed to exceed the provisions. According to OJK data as of March 2020, the number of banks has decreased, which is recorded at 96 banks. This means that banking is a competitive industry so it must be able to adapt and continue to make changes.

PT. Bank X is one of the State-Owned Enterprises (BUMN) which is engaged in providing financial services in Indonesia. PT. Bank X was founded in Purwokerto, Central Java by Raden Bei Aria Wirjaatmadja on December 16, 1895. Vision of PT. Bank X is to be "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion." In the midst of the current global banking competition, PT. Bank X is one of the state-owned banks with the largest assets in Indonesia, of course, it is still very necessary to improve good management of human resources (HR). PT. Bank X is a state-owned enterprise located in Bondowoso Regency in the East Java region.

Organizations need a reformist leader who is able to become a driving force for change (transformation) so as to create good cooperation between leaders and subordinates. One leadership style that emphasizes the importance of a leader creating a vision and an environment that motivates subordinates to excel beyond their expectations is the transformational leadership style (Burns, 2012). Based on the phenomenon that occurred at PT. Bank X is PT. Currently, Bank X has implemented a transformational leadership style that is able to transform its employees to be more active in achieving the targets set by the organization which is then implemented by guiding employees to be more agile in carrying out their work.

Organizational culture is also one of the factors that play an important role in helping employee performance, organizational culture can create a level of motivation for employees to give their best ability to

take advantage of the opportunities provided by the organization. According to Akuei et al. (2016), organizational culture is a collection of beliefs, expectations, and values that are learned and shared by company members and transmitted from one generation of employees to another. PT. Bank X carries out a cultural transformation by reformulating cultural values to become employee guidelines for behavior, namely Integrity, Professionalism, Customer Satisfaction, Exemplary, and Appreciation to HR. Motivation is also important in an effort to improve employee performance in addition to transformational leadership styles. Mangkunegara (2009) explains that the motive is an encouragement of needs in employees whoneeds to be met so that the employee can adapt to his environment. The motivation applied at PT. Bank X to increase employees is to reward and punishment. The work motivation applied at Bank X is actually sufficient but it just needs to be improved, things that need to be improved regarding the lack of opportunities for employees to do promotions, in addition to the old-age benefits received by employees when retiring, the amount of pension funds received by the employee is still not in line with the employee's expectations.

Employee performance is the main problem that exists in an organization or company because it has a very close relationship with productivity problems and is an indicator in determining how to achieve a high level of productivity in an organization (Widyowati, 2010). The phenomenon that occurs at Bank X is the decline in employee performance at Bank X, especially in several ways including: lack of employee morale, decreased employee performance, employee performance problems that must be improved. Based on the description above, to achieve the performance of employees of PT. Bank X, the researchers included work motivation as a mediating variable.

Based on this, the authors are interested in researching the influence of transformational leadership style, and organizational culture, employing work motivation as an intervening variable on the work of PT. Bank X. This is because researchers want to know what if the transformational leadership style is used at PT. Bank X so that it will be known the results of the leadership of a branch leader, the organizational culture applied, and its influence on motivation and its impact on employee performance.

II. Theory Review

2.1 Transformational Leadership Style

According to Northouse (2014:5), leadership is a process in which individuals influencing a group of individuals to achieve a common goal. Leadership is a person's ability to influence and direct subordinates or others to achieve a certain goal. According to Pawirosumarto et al., (2017) leadership style is a behavioral norm that a person uses when that person tries to influence the behavior of others, and it is known that every leader has a different pattern to stimulate, nurture, and direct the potential of his followers.

The leadership style that will be studied in this study is the style of ransformational leadership, because this kind of leadership takes place not only as an exchange or reward for employee performance but also based on trust (Jung and Avolio, 1999). Transformational leaders also pay attention to matters related to the development of followers, help solve problems faced by followers in new ways, make followers more aware of the importance and value of work so that followers do not prioritize personal interests over the interests of the organization. Transformational leadership style is a leader who stimulates and inspires (transforms) followers for extraordinary things (Edisonet al, 2018:98). According to Kharis (2015), transformational leadership style is a type of leadership that inspires followers to put aside personal interests and has extraordinary influencing abilities. From the understanding of the experts above, it can be concluded that the transformational leadership style is a style that a leader has to change employees for the better and change the mindset of employees that the interests of the organization must take precedence over personal interests.

Four indicators of transformational leadership style according to Yulk (2010:305):

- a. Charismatic described as a combination of personal charm and attractiveness that contributes to the ability to make followers support the vision and mission, generate a sense of pride, earn respect, admire, respect, and trust them.
- b. Inspirational motivation shows a leader who is passionate and eager to communicate high expectations, uses symbols to focus efforts, expresses important goals in simple ways and deals with the idealistic future of the organization. The leader motivates his subordinates about the importance of the organization's vision and mission so that all subordinates are encouraged to have the same vision. In addition, the common vision also spurs subordinates to work together to achieve long-term goals automatically, so that leaders not only raise individual enthusiasm but also increase team spirit.
- c. Intellectual stimulation shows the leader's ability to grow new, more creative ideas, the leader is also able to encourage subordinates to be able to solve old problems using new ways rationally and carefully. A leader seeks to encourage attention and abcsubordinates' awareness of the problems at hand. Then, the leader seeks to develop the ability of subordinates to solve problems with new approaches or perspectives.

d. Individualized attention shows that a leader who is willing to listen and pay attention to his subordinates, treats individual employees well, trains, and advises. Leaders pay special attention to their subordinates for career development, such as giving rewards when subordinates do well.

2.2 Organizational Culture

Organizational culture is a symbol and value that is shared by all organization member. Organizational culture is known to bind employees together and provide direction for company growth (Pawirosumarto et al., 2017). Robbins and Judge (2013) assert that organizational culture is the perception of members of the same organization. Therefore, it is expected that individuals who have different backgrounds or different levels in a different organization describe their culture in the same terms.

The indicators of organizational culture according to Sudarmanto (2014:171) are as follows: following:

- a. Innovation and risk taking, shows the extent to which employees are supported to be innovative and brave in taking risks for the decisions that have been taken.
- b. Attention to detail, showing the extent to which employees are careful, analytical, and attention to details/details.
- c. Results orientation, shows the extent to which the organization's management focuses on results compared to the processes and techniques used to achieve those results.
- d. People orientation, showing the extent to which the decisions taken by management whether the organization takes into account the impact or risk of the results on employees.
- e. Team orientation, showing the extent to which group or team work activities are more prioritized and organized over individual or individual work activities.
- f. Aggressiveness, shows the extent to which employees are more innovative, aggressive, and competitive in the organization than relaxed.
- g. Stability or stability, shows the extent to which activities in the organization are more concerned with stability (status quo) which will place more emphasis on effort or efgactivities to maintain the organizational status quo. compared to growth.

2.3 Work Motivation

Mangkunegara (2014:61) defines, "motivation is a condition or energy that moving employees who are directed or focused on achieving the company's organizational goals. Motivation is formed from the attitude of employees in dealing with work situations in the company. Based on the understanding of motivation from some of the opinions above, motivation can be interpreted as giving encouragement so that other parties move / carry out certain activities. Hasibuan (2014: 95) states that motivation is the provision of a driving force that creates one's work enthusiasm, so that they can work together, work effectively, and be integrated with all their efforts to achieve satisfaction.

According to Suhardi (2013) motivation is divided into two types, namely intrinsic and extrinsic motivation, which are as follows:

- 1) Intrinsic motivation is defined as behavior that is carried out out of interest, and a person does not require any replacement other than the experience of interest and the accompanying pleasure. Intrinsic motivation cannot be influenced directly but can be triggered through indirect ways such as ensuring that employees feel valued and respected at work.
- 2) Extrinsic motivation refers to behavior that is triggered by external rewards or consequences derived from performance. This motivation has a trigger to make someone motivated. These triggers can be in the form of awards, monetary remuneration, incentives, bonuses, and recognition in the form of promotions, acceptance, status or a good work environment can be used as triggers for external motivation.

Mangkunegara (2009:98) suggests motivation indicators, which are as follows:

- a. Existence Needs: these needs are related to the physical existence of employees, such as eating, drinking, clothing, breathing, salary, and security in working conditions.
- b. Relatedness Needs: these needs for interpersonal needs, namely satisfaction in interacting in the work environment.
- c. Growth Needs: the need for personal development and improvement. This relates to the abilities and skills of employees.

2.4 Employee Performance

Performance is the result of work achieved by a person or groups within an organization in accordance with their respective authorities and responsibilities to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals and ethics (Afandi, 2018). Hasibuan (2013), suggests that

the performance of employee is a result of work achieved employee in doing the work given, based on skills, experience and sincerity and time.

The indicators used to measure employee performance according to Setyawan (2014), are as follows:

- a. Quality of work is the final result achieved by employees in accordance with company regulations. The quality of work is measured by the employee's perception of the quality of the work produced and the perfection of the task on the skills and abilities of employees. This indicator is measured from the respondent's perception of an employee who works according to company procedures.
- b. Work quantity is a number of work units in accordance with the target. The number of work units means the number produced and is expressed in terms such as the number of units, the number of cycles, and the activities completed. This indicator is measured from the respondent's perception of an employee whose work results are in accordance with the company's targets.
- c. Punctuality is the completion of tasks in a timely manner. Punctuality is the level of activity completed at the beginning of the stated time, seen from the point of coordination with the output results and maximizing the time available for other activities. This indicator is measured from the respondent's perception of an employee who is on time in carrying out his duties.
- d. Effectiveness is the result of work in accordance with the objectives that have been given by the company. This indicator is measured from the respondent's perception of an employee who works in accordance with company goals.
- e. Attendance level indicates that every job must meet employee attendance or attendance at work and also comply with the regulations set by the company. The type of work that requires employees to work 8 hours a day for five working days Monday-Friday, depends on company regulations.
- f. Cooperation between employees to work together with other colleagues in completing the specified work so as to achieve efficiency and resultsmake the most of it. Because there are some jobs that require employees to work in teams, not individually.

2.5 Conceptual Framework

In the conceptual framework section, a comprehensive picture will be obtained of research carried out. This conceptual framework as a whole describes the direct influence between the variables of transformational leadership style (X1), organizational culture (X2), performance (Y), and work motivation (Z). Indirect influence between transformational leadership style (X1), organizational culture (X2), performance (Y), and work motivation (Z). These variables are measurable variables so that the measurement is done through research instruments (research questionnaire items). Based on this description, the relationship between the variables in this study as a whole can be seen as follows:

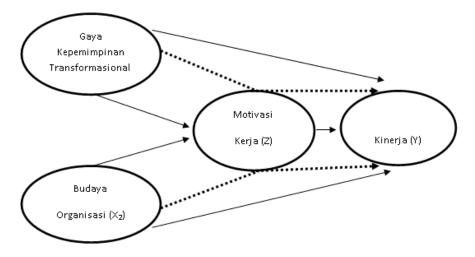


Figure 1 : Conceptual Framework

Explanation:

- 1) The independent variable (independent) is the transformational leadership style (X_1) and organizational culture (X_2) .
- 2) The dependent variable (dependent) is performance (Y).
- 3) The mediating variable (intervening) is work motivation (Z).

Description:

: Effect of variable X to variable Y

: The effect of variable X to variable Y with variable Z as mediating (intervening).

2.6 Research Hypothesis

- a. The effect of transformational leadership style on work motivation.
- b. The influence of organizational culture on work motivation.
- c. The effect of transformational leadership style on employee performance.
- d. The influence of organizational culture on employee performance.
- e. The effect of work motivation on employee performance.

III. Research Method

This research can be classified as explanatory research, because of this research intends to explain the causal relationship between variables through hypothesis testing that has been formulated, (Umar, 2008). This study uses a quantitative approach. The research was conducted on some permanent employees at PT. Bank X. Research implementation time was 01 August 2021 to 05 October 2021.

The population in this study were all permanent employees of PT. Bank X, totaling 148 people. The research sample taken amounted to 100 respondents. The sampling technique in this study used the Proportional Random Sampling by lottery.

The data collection method used in this research is a field study and questionnaire. The data analysis method used in this study relates to the instrument test through validity and reliability tests, and data analysis tests in the form of classical assumption tests. The data analysis technique used in this study is the path analysis model with the help of software SPSS 23. Sarwono (2006:147) states that path analysis is part of regression analysis which is used to analyze causal relationships between variables where the independent variables affect the dependent variable, either directly or indirectly through one or more intermediaries.

IV. Research Results

4. 1 Test Instrument

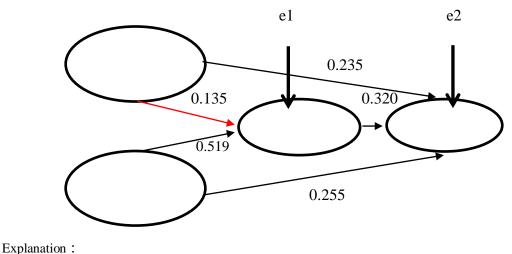
- a. Based on the calculation results indicate that the research instrument is valid. Based on rount rtable indicates that the statement items in this study are valid. The results of the validity test on the statement items in this study all have r valuescount 0.1946, so that all statement items in the questionnaire are declared valid.
- b. Based on the results of the study, it is known that the reliability of the statement items on the variable X1 is 0.752, so because the reliability is >0.6, thenthe instrument is declared reliable or reliable. This is in line with the reliability results on the statement items of the variable X2 that is equal to 0.806. Because the reliability is >0.6, then the instrument is also declared reliable or reliable. The reliability results on the statement items of the Z variable are 0.630, so because the reliability is >0.6, the instrument is declared reliable or reliable. The results of the reliability of the statement items on the Y variable are 0.772. Because the reliability is >0.6, then the instrument is said to be reliable or reliable. Based on the results of these studies indicate that the value of alpha (α) > rtable so that the instrument in this study is declared reliable or reliable.

4. 2 Hypothesis Test

- a. The Effect of Transformational Leadership Style Variables (X1) on Work Motivation (Z). The results of data analysis show tount = 1.228 with a significance of 0.223 > 0.05, and df (nk) = 97 the value of t . is obtainedtable = 1.98472 so tount < ttable so that the hypothesis H0 is accepted and Ha is rejected, which means that the Transformational Leadership Style (X1) does not have a significant effect on Work Motivation (Z) PT. X Bank.
- b. The Influence of Organizational Culture Variables (X2) on Work Motivation (Z). The results of data analysis show tcount = 4.737 with a significance of 0.000 < 0.05, and df (nk) = 97 the t value is obtained table = 1.98472 so tcount > ttable so that the hypothesis H0 is rejected and Ha is accepted, which means that the Organizational Culture (X2) has a significant effect on work motivation (Z).
- c. The Effect of Transformational Leadership Style Variables (X1) on Employee Performance (Y). The results of data analysis show tcount = 2.299 with a significance of 0.024 < 0.05, and df (nk) = 96, the t value is obtained table = 1,98498 so tcount > ttable so that the hypothesis H0 is rejected and Ha is accepted. This means that the Transformational Leadership Style (X1) has a significant effect on Employee Performance (Y).
- d. The Influence of Organizational Culture Variables (X2) on Employee Performance (Y). The results of data analysis show tount = 2.271 with a significance of 0.025 < 0.05, and df (nk) = 96 obtained the value of ttable = 1.98498 so tount > ttable so that the hypothesis H0 is rejected and Ha is accepted. It means that Organizational Culture (X2) has a significant effect on Employee Performance (Y).

e. The Effect of Work Motivation Variable (Z) on Employee Performance (Y). The results of data analysis show tcount = 3.409 with a significance of 0.001 < 0.05, and df (nk) = 96, the t value is obtained table = 1.98498 so tcount > ttable so that the hypothesis H0 is rejected and Ha is accepted. This means that work motivation (Z) has a significant effect on employee performance (Y).

4. 3 Path Analysis



: Significant : Not Significant

V. Discussion

- a. The Influence of Transformational Leadership Style on Work Motivation. The results showed that there was no influence of transformational leadership style on work motivation at PT. Bank X with a coefficient of 0.135 with a significance value of t of 0.223, so that H0 is accepted and Ha is rejected, meaning that transformational leadership style does not significantly affect work motivation. The total direct effect of the variable transformational leadership style (X_1) on work motivation (Z) is 13.5% so that the first hypothesis is not proven true or cannot be accepted.
- b. The Influence of Organizational Culture on Work Motivation. The results showed that there was an influence of organizational culture on work motivation at PT. Bank X with a coefficient of 0.519 with a significance value of t of 0.000, so that H0 is rejected and Ha is accepted, meaning that organizational culture has a significant effect on work motivation. The total direct effect of transformational leadership style variables (X_1) on work motivation (Z) is 51.9% so that the second hypothesis is proven true or can be accepted.
- c. The Influence of Transformational Leadership Style on Employee Performance. The results showed that there was an influence of transformational leadership style on employee performance at PT. Bank X with a coefficient of 0.235 with a significance value of t of 0.024, so that H0 is rejected and Ha is accepted, meaning that transformational leadership style significantly influences employee performance. The total direct effect of the variable transformational leadership style (X_1) on employee performance (Y) is 25.5% so that the third hypothesis is proven true or can be accepted.
- d. The Influence of Organizational Culture on Employee Performance. The results showed that there was an influence of Organizational Culture on employee performance at PT. Bank X with a coefficient of 0.255 with a significance value of t of 0.025, so that H0 is rejected and Ha is accepted, meaning that organizational culture has a significant effect on employee performance. The total direct influence of organizational culture variables (X₂) on employee performance (Y) is 25.5% so that the fourth hypothesis is proven true or can be accepted. The higher the organizational culture is built, it will have a real impact on improving employee performance.
- e. The Effect of Work Motivation on Employee Performance. The results showed that there was an effect of work motivation on employee performance at PT. Bank X with a coefficient of 0.320 with a significance value of t of 0.001, so H0 is rejected and Ha is accepted, meaning that work motivation has a significant effect on employee performance. The total direct effect of work motivation variable (Z) on employee performance (Y) is 32% so that the fifth hypothesis is proven true or can be accepted.

VI. Conclusions And Limitations

a. CONCLUSION

The conclusion of the hypothesis is as follows:

- 1) Transformational leadership style has a negative or insignificant effect on employee work motivation at PT. Bank X. The results of this study indicate that although the transformational leadership style is well perceived by employees of PT. Bank X, such as ideal influence, intellectual stimulation, inspirational motivation, and individual considerations, but in fact these do not have a real impact on work motivation.
- 2) Organizational culture has a positive and significant effect on employee motivation at PT. Bank X. This shows that organizational culture is very important in an organization because it is the controller and direction in shaping human attitudes and behavior so that it can lead to work motivation in activities within the organization. This means that the better the organizational culture provided by the company, the higher the work motivation of employees.
- Transformational leadership style has a positive and significant effect on employee performance at PT. Bank X. Based on the research results, it is stated that the hypothesis which states that there is an influence of transformational leadership style on employee performance at PT. Bank X is proven correct or H_3 accepted. The results showed the influence of leaders to change employee behavior into someone who is capable and highly motivated will give birth to high work performance and quality to achieve organizational goals.
- 4) Organizational Culture has a positive and significant effect on employee performance at PT. Bank X. Organizational culture on employee performance in this case the second hypothesis is proven true or can be accepted. This means that the higher the organizational culture is built, it will have a real impact on improving employee performance.
- Work motivation has a positive and significant effect on employee performance at PT. Bank X. Based on the results of the study, it was stated that the hypothesis which states that there is an influence of work motivation on employee performance at PT. Bank X is proven correct or H_5 accepted. This means that the higher the employee's work motivation, the better and the resulting performance will increase.

b. LIMITATIONS

- 1) The limitation in this study is that the questionnaire data took a relatively long time due to conducting research during the Covid-19 pandemic, in addition to the existence of a leadership order for WFH (work from home) also made an obstacle in this study, during the PPKM period, employees were divided into two, namely some(Work From Home) and some of the work is done in the office.
- 2) The alternative that is done by the researcher is to make two forms of questionnaires, namely filling out the questionnaire through google forms and also in the form hardcopyThis is done to make it easier for employees to fill out questionnaires anytime and anywhere.

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