



# **The Effect Of Leadership, Organization Culture And Motivation To The Performance Of Employees At Office Of Cooperatives, Small And Medium Enterprises And Trade Kabupaten Dhamasraya**

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## **ABSTRACT**

**This research aimed to analyze the effect of Leadership, Organization Culture and Motivation to the performance of employees at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya. This research used primary data which were obtained by distributing questionnaires to the employees at Office Of Cooperatives, Small And Medium Enterprises And Trade. The Technique of sampling used in this research was convenience sampling. There are 37 samples in this research. Technique of data analysis was multiple regression. The result of the research shows that leadership, motivation, work disciplines, competency and organization culture have significant effects to the performance of the employees.**

**Key words:** Leadership, Organization Culture, Motivation.

## **INTRODUCTION**

An institution is built because it has a purpose to be achieved. In achieving the purpose, every institution is affected by behaviors and attitudes of every member in the institution. Therefore, a success to gain the purpose depends on capability and skills of employees in operating work units of the institution, because the purpose of the organization can be achieved due to the efforts of every member in every institution. A human being as one of controlling element, is the most essential and primary in every shape of organization. The primary factor means that it is very complex so it needs a bigger attention, control and particular treatment among other factors. The effect of interaction with distinctive characteristics and many other interests that shape life styles, behavior patterns, and work ethics and all aspect will distinct an organization from others.

An organization which is successful in achieving its purpose and also being able to fulfill its social responsibilities will be very dependent to its leader. If the leader is able to lead well, it is highly possible for the organization to achieve its aim. The organization needs an effective leader who has persuasive skills to persuade his members or his subordinates. Thus, the leader or the head of organization will be claimed as an actual leader if he is persuasive and able to direct his subordinates to gain the purpose of the organization. A decision taken by the leader gives a large effect to the continuity and development of the organization. The role of the leader is that essential so an issue about leadership becomes an interactive factor for the researchers in organization behavior discipline. This matter will hold a consistency that every leader is obligated to put actual attention to foster, to guide and to direct all employee's

potency in his environment so volume and work weights, directed to the purpose, are implemented.

In the environment of governmental institution, there is one term known as State Apparatus work culture. Based on ministerial decree of state apparatus utilization Number: 25/KEP/M.PAN/04/2002 on April 25<sup>th</sup> 2002, as it is revised to ministerial regulation of state apparatus utilization and bureaucratic reform Number 39 in 2012 about work culture development guidelines. As the work culture, it can be recognized in the implementation of values which it contains, institution or work system, also attitudes and behaviors of executing apparatus human resources. Hence forth, State Apparatus work culture in that decree can be manifested as attitudes and behaviors possessed by an individual or a group.

State Apparatus who are based on believed values have become the nature and habits in doing tasks and daily jobs. This culture is expected to be useful for a State Apparatus or even his/her working units, where it gives opportunities to contribute, for achievement and self-actualization personally, while jointly it is expected to increase the quality of group performance. The organization commonly believes that to achieve an excellence, it has to strive its performance as best as possible because individual performance basically affects team performance or group performance and at the end it affects the performance of the organization as a whole. Performance assessment to the employees is commonly based on *job description* which has been arranged by the organization. Therefore, good or bad the performance of the employees can be seen from their abilities in accomplishing the tasks based on the job which has become their responsibilities. Performance assessment is an activity to measure/assess in order to establish a success of an employee in doing his job by using job standard as the benchmark.

Besides organization culture and leadership factors, motivation factor also needs to be concerned in order to achieve the purpose of the organization. expected behaviours to be shown by the employees in an institution are surely the behaviours which will shape the best performance for the institution and certainly not vice versa. In order to find the way to improve employees' performance, many institutions focus on motivation in a job. An institution does not simplify the job but it expands the job to give meanings and satisfaction from the accomplished job. Motivation factor has direct relation with employee individual performance. Meanwhile, individual skill and work environment have indirect relation with the performance. These two factors will affect employee work motivation. Because of these position and relation, it is very strategic if an employee individual performance development is initiated from work motivation improvement. The employees hold the primary role in running an institution. If an employee has high productivity and work motivation, the progress of the institution will also go fast which will shape a good performance and achievement for the institution at the end.

In the other hand, how the company progression can run well if the employees are not productive, it means that the employees do not have high passion in working, are not resilient in working and have low moral level. Understanding about kinds or level of employee individual needs by the company become a fundamental aspect to increase the motivation. By achieving employee work satisfaction, productivity will also rise. Work motivation is human primary needs and as an expected incentive to fulfil primary needs. Thus, if those needs are available, they will affect the accomplishment of an activity. An employee with high-rate of motivation will strive to finish his job as best as he can. The motivation has an essential role in

working so highly motivated person will accomplish his tasks very hard so his job will be successful based on his skills and it eases him to achieve his success.

In a public organization, subordinates always work depend on their leader. If the leader does not have leadership skills, so highly complex tasks will not be able to be done well. This matter is based on an argument that a leader has authority to plan, direct, coordinate and supervise the subordinates' behaviour. It is a leader of an organization who is compatible with the needs, whether it is individual needs, joint needs or even organization needs. The organization commonly believe that in order to achieve excellence, it has to strive for the highest individual performance for individual performance basically affects team performance or group performance and at the end it affects organization performance as a whole.

There are some hypothesis which were proposed in this research: 1) Leadership has significant effect to employees' performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya; 2) Organization culture has significant effect on the employees' performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya; 3) Motivation has significant effect on employees' performance improvement at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya; 4) Leadership, Organization culture and Motivation simultaneously have significant effects on the employees' performance improvement at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya.

## THEORITICAL FRAMEWORK

### Employee Performance

Performance or performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and mission of an organization as outlined through the strategic planning of an organization. Moehariono in his book M. Abdullah, (2014: 3). The levels can be various terms, employee performance can be grouped into high, middle or low levels of performance, can also be grouped through targets, according to the target or below the target. So departing from these things performance is interpreted as the overall performance of an employee.

Performance is a condition that must be known and informed to certain parties to find out the level of achievement of the results of an agency associated with the vision carried out by an organization and knowing the positive and negative impacts of an operational policy taken.

### Leadership

An organization that is successful in achieving its goals and is able to fulfill its social responsibilities will be very dependent on its managers (leaders). If the manager is able to carry out his functions properly, it is very possible that the organization will be able to achieve its goals.

Leadership as a management concept in the life of an organization that has a strategic position and is a social phenomenon that is always needed in group life. Leadership has a strategic position because leadership is the central point and dynamic of the entire process of organizational activities. So leadership has a central role in determining policies in organizations according to existing sources. Leadership includes the process of influencing in determining organizational goals, motivating followers' behavior to achieve goals, influencing to improve the group and culture. Besides that it also influences the interpretation of the events of its followers, organizing, and activities to achieve the goal of maintaining cooperative

and group work relations, obtaining support, and cooperation from people outside the group or organization (Veithzal Rivai and Dedy Mulyadi , 2012: 2).

### **Organizational culture**

Organizational culture is the most critical factor in the organization. Organizational effectiveness can be improved by creating a strong culture that can be used to achieve organizational goals. Organizations with strong culture will have certain characteristics so that they can attract individuals to join. Organizational culture is a concept that is widely discussed in this decade as part of management science. However, every organization must have a basic framework that applies as a place to accommodate the most vital components, namely humans who have values and norms. Implicitly means that there is an acknowledgment of the existence of human values from within a company.

Views according to organizational culture generally stem from the view of Edgar Schein who argues that organizational culture is a philosophy that underlies organizational policy, rules of play for socializing, and feelings or climate brought about by physical preparation of organizations (Wibowo, 2010: 16).

Impact of Organizational Culture on Performance According to Victor Tan in Wibowo (2006: 353), organizational culture has an impact on the organization's long-term performance, perhaps even an important factor in determining organizational success or failure. Although it is not easy to change, organizational culture can improve performance so that organizational productivity increases. Organizations with a strong and positive culture will enable people to feel motivated to develop, learn and improve themselves.

### **Motivation**

The success of managing the organization is very much determined by the utilization of Human Resources activities. One of them is to provide motivation to employees (subordinates), so that they can carry out tasks according to the job description and direction given by the leader. Motivation is an impulse or turmoil that arises from within human beings to fulfill various needs in accordance with their respective desires (Afin Murtie, 2012: 63).

Pamela & Oloko (2015) Motivation is the key to successful organizations to maintain the continuity of work in the organization by means and strong assistance to survive. Motivation is to provide the right guidance or direction, resources and rewards so that they are inspired and interested in working the way you want.

Motivation is one of the most important factors that influence human behavior and performance. Motivation Theory has been discussed and conceptualized by various researchers. The level of motivation of an individual or team is given in their assignments or work which can affect all aspects of organizational performance. Based on several opinions expressed by experts it can be concluded that work motivation is a process where the need to encourage someone to carry out a series of activities that lead to the achievement of certain goals and objectives of the organization and to meet some needs. The weak working motivation of a workforce determines the size of the achievement.

## **RESEARCH METHOD**

Based on the purpose of this research is explaining the influence of variables that have been determined, the type of research is quantitative explanatory research which explains causal relationships and testing hypotheses with the aim to find the relationships or influences

between exogenous variables (X) and an endogenous variable (Y). The finding of this research is to see the influence of Leadership, Organizational Culture and Motivation on improving the performance of employees of the Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya.

In this study, data collection techniques carried out to measure the variables studied are: 1) Observation; 2) Interviewee; 3) Questionnaire. Data analysis techniques in this study are: 1) Descriptive data analysis; 2) Respondent Achievement Analysis 3) Classical assumption test which consists of: Normality test, linearity test, multicollinearity test, heteroscedasticity test. 4) Statistical Analysis which consists of: Multiple Linear Regression, T Test (partial), and F Test (simultaneous).

### RESEARCH FINDINGS

According to the results of Simple Linear Regression analysis using data analysis technique in SPSS, the results of 37 respondents which is influence of the three independent variables (leadership, organizational culture and motivation) on the performance of Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya, the multiple regression equation can be written as follows:

$$Y = 1,063 + 0,410X_1 + 0,264 X_2 + 0,496 X_3$$

The equation shows that the independent variable effects to the dependent variable, with the following explanation:

1. The constant value of 1.063 indicates the value of the dependent variable before or without being influenced by the independent variable. If the leadership variable, organizational culture and motivation are zero then the performance variable is worth 1.063.
2. The regression coefficient of the leadership variable is 0.410 which positively affects the compensation of the performance. If leadership variables increase by one unit it will increase performance about 0.410 in each unit or (41.0%), assuming other variables are constant.
3. The coefficient value of the organizational culture variable of 0.264 positively affects the organizational culture of the performance. If the organizational culture variable increases by one unit it will increase the performance by 0.264 in each unit or (26.4%), assuming other variables are constant.
4. The coefficient value of the motivation variable is 0.496 which positively indicating effect of motivation on performance. If the motivation variable increases by one unit it will increase 0.469 in each unit or (46.9.1%) assuming other variables are constant.

### DISCUSSION

#### **The Effect of Leadership to Performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya**

An organization that is successful in achieving its goals and is able to fulfill its social responsibilities will be very dependent on its managers (leaders). If the manager is able to carry out his functions properly, it is very possible that the organization will be able to achieve its goals. Therefore, organizations need effective leaders, able to influence the behavior of their members or subordinates. So, a leader will be recognized if can influence and be able to direct his subordinates towards achieving organizational goals.

Leadership as a management concept in the organization which is has a strategic position and a social phenomenon that is always needed in group life. Leadership has a strategic position

because it is the central point and dynamic of the entire process of organizational activities. As of leadership has a central role in determining policies in organizations according to existing sources. Leadership is the influencing process in determining organizational goals, motivating members' behavior to achieve goals also influencing to improve the group and culture. It also influences the interpretation of the events of its members, organizing, and activities to achieve the goal of maintaining cooperative and group work relations, obtaining support, and cooperation from people around organization (Veithzal Rivai and Dedy Mulyadi , 2012: 2).

A leader has magnitude meaning in the organization, as the leader must be able to act his role, the leader must be able to explore the potential that he has and use it in the organizational unit. According to Rivai, there is a main role played by each leader, these roles include: human relations, decision making, and control.

Based on what was stated above, the indicators used in this study are:

1. Giving Influence
2. Giving Motivation
3. Giving Information
4. Implementation and Decision Making

From the indicators above, Leadership is a comprehensive pattern of an action from a leader whether it appears or not seen by employees or subordinates and also a leader describes a consistent combination of philosophy, skills, character and attitudes that underlie a person's behavior.

### **The Effect of Organization Culture to Performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya**

Organization culture is the most critical factor in the organization. Organization effectiveness can be improved by creating a strong culture that can be used to achieve organization goals. Organization cultural-based will have certain characteristics that can attract individuals to join. A strong culture is a very useful tool for directing behavior; because it helps employees to do their jobs better, so every employee needs to understand the culture and how to implement it. Organization culture (corporate culter) is often interpreted as values, symbols that are understood and obeyed together, which is owned by an organization so that members of the organization feel one family and create a condition that is different from other organizations. Organization culture is a concept that is widely discussed in this decade as part of management science. However, every organization must have a basic framework that applies as a place to accommodate the most vital components, namely humans who have values and norms. Implicitly it means there is an acknowledgment of the existence of human values from within a company.

Husein, U. (2010: 207) said that the organization culture is a system values and beliefs from habitual patterns and foundational philosophies which interact become norms, that norm is used as a guide to ways of thinking and acting in an effort to achieve goals together. Meanwhile, Suharsono. (2012: 190), stated the organization culture is the people conventional behavior and influences the behavior of its members even they don't realize the most.

The impact of Organization Culture on Performance according to Victor Tan in Wibowo (2006: 353), organization culture impacts on the long-term organization's performance, even an important factor in determining organization success or failure. Although it is not easy to change, organization culture can improve performance so organization productivity increases.

Organizations with a strong and positive culture will enable people to feel motivated to develop, learn and improve themselves.

### **The Effect of Motivation to Performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya**

Motivation is a process which is initiated with the needs in human-self that create an emptiness in an individual's life (Chukwuma & Obiefuna, 2014). Motivation is a process in which the needs urge someone to do a sequence of activities which leads to the achievement of the purpose, the purpose which will satisfy or fulfil the needs (Munandar, 2001).

The success of organizational management is established by utilization activities of human resource. One of the activities is giving motivation to the subordinates so they are able to do their tasks based on task sequence and guidance from the leader. Motivation is a complex issue in an organization because needs and expectations of each member is different. This matter is different for every member of the organization is unique biologically and psychologically and they were developed based on different process of learning, too. Company organizational manager is essential to know what has become the motivation for the employees or subordinates, for this factor will determine the path of organization in achieving the aim.

Pamela & Oloko (2015) stated that motivation is the key of a successful organization to maintain the sequence of jobs in it with strong manners and assistances to survive. The motivation is giving a proper guidance or direction, resources and reward so they feel inspired and interested to work with the way you expect. Chukwuma & Obiefuna (2014) argued that motivation is a process to generate behaviour, to maintain progression of the behaviour, and to distribute specific motoric behaviour. Therefore, motivation (needs, expectation) encourage an employee to act.

Motivation because a booster for an individual to do an activity in order to gain the best results. Highly motivated employee will have high rate of performance. Motivation is a potential power inside a human-being which is able to be developed independently or within outer power moving between material and non-material. One thing which is essential to be remembered is that employees' motivation will be different one to another depend on level of education, characteristics and economic condition. Well-educated person and highly independent economically will have different motivation sources. It is not only established by traditional motivational means, such as formal authority and incentive, but also is affected by other need factors.

## **CONCLUSION AND SUGGESTION**

### **Conclusion**

Based on the data analysis and discussion above, conclusion can be drawn as follows:

1. Leadership has significant effect on performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya.
2. Organization Culture has significant effect on performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya.
3. Motivation has significant effect on performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya.
4. Leadership, Organization Culture and Motivation have significant effect on performance at Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya.

## **Suggestion**

It is expected from Office Of Cooperatives, Small And Medium Enterprises And Trade Regency Of Dharmasraya to put their attention on what have become the needs and expectation of the employees in order to support a better work result achievement. For example, a leader who concerns with his subordinates' difficulties and gives solutions to solve the problem; giving motivation periodically or continuously as an encouragement in doing the jobs; informing established rules so issues related with work discipline can be avoided; competency improvement to make it better along with the modern world and organization culture which is based on values and high cultures and always creating a harmonic work atmosphere. All of it aims to improve the performance to be better than before.

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