

# The Effects of Leadership, Motivation, and Organizational Culture Toward Employees and Lecturers' Performance in the University of Bina Darma Palembang

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**Abstract**—This study aims to investigate the effects of leadership, motivation, and organizational culture toward employees and lecturers' performance in the University of Bina Darma Palembang. The population of the study is all the employees and lecturers of the University of Bina Darma Palembang with the total of 80 respondents selected through simple random sampling from 267 employees and lecturers. Data is analyzed with multiple linear regression. The results indicate that leadership and motivation have significant effects on employees and lecturers' performance in the University of Bina Darma Palembang meanwhile organizational culture does not.

**Keywords**—*Leadership; Motivation; Organizational Culture; Performance*

## I. INTRODUCTION

University of Bina Darma Palembang has a vision to become "An International Standard University Based on Information Technology in 2025." Thus, the university has a commitment to produce quality graduates to compete in global labor markets. In order to achieve this, it requires outstanding performances from its employees and lecturers. These performances are determined by several factors and need further investigation.

To begin with, proficient leadership can improve employees' performance (Lok & Crawford, 2004). This is because competent leaders can show and direct their employees on what and how to do their jobs in the most effective and efficient methods. These leaders also can create an environment where employees feel respected and appreciated. This eventually will lead to job satisfaction and

excellent performance. Apart from leadership, work motivation also contributes to employees' performance. An organization that is capable of providing rewards that complement its employees' needs (e.g., monetary rewards, respect, achievement, and personal development) has a possibility to encourage its employees to produce better performance (Asim, 2013). Lastly, organizational culture has the ability to shape employees' mindset and work practices. When these meet an organization's mission and vision, they will ameliorate employees' productivity and performance (Deal & Kennedy, 1982; Peters and Waterman, 1982).

Based on the aforementioned explanation, this re-search aims to empirically investigate the effects of leadership, motivation, and organizational culture on employees and lecturers' performance in the University of Bina Darma Palembang. It focuses on three research questions. First, does leadership affect employees and lecturers' performance in the University of Bina Darma Palembang? Second, does motivation affect employees and lecturers' performance in the University of Bina Darma Palembang? Third, does organizational culture affect employees and lecturers' performance in the University of Bina Darma Palembang? The findings of this study can benefit researchers and practitioners. Specifically, this re-search will extend the current literature on the effects of leadership, motivation, and organizational culture on employees' performance in the education industry. For the practitioners (e.g., decision makers of higher education institutions), the findings can help them to develop proper strategy to enhance their employees and lecturers' performance.

Every tertiary education institution, in an effort to achieve its goals in producing distinguished human resources, needs to apply the principles of good governance. The quality of a university graduate is a major consideration for consumers (public) in today's competitive labor markets. If most of the graduates can secure jobs after study, the university is deemed exceptional and hence their brand image is positive. Vice versa, if the graduates are mostly unemployed after study, the university's survivability deteriorates. Improving the quality of higher education is related to the performance of lecturers in the fields of education, research and publications, as well as community service. The failure and success of higher education institutions in performing their functions are determined by the quality of the teaching and non-educational staff working in them (i.e., human resources). According to Mangkuprawira (2007), human resources are substantial aspects for organizational survival. If there are organizational goals that are fail to be achieved, the human resource management approach is considered a failure. The performance of employees and lecturers is crucial in the success of a university in achieving its vision and mission.

That performance of employees mentioned above is strongly influenced by their competence and job satisfaction (Sahlan, 2002; Brahmasari & Supray-etno; 2008; Al Khalifah & Ali, 2002; Haskas, 2013). Motivation is the willingness to offer more efforts to achieve organizational goals that is caused by the willingness to satisfy individual needs (Robbins, 1996). Apart from monetary rewards, there are other aspects that motivate work such as appreciation for achievement, working environment, and personal development (Sara, 2004; Whitley, 2002). According to McClelland & Boyatzis (1982), there are three types of needs that each individual possesses, namely: the need for achievement (achievement motivation), the need for power (power motivation), and the need for affiliation (affiliation motivation). High level of motivation will encourage employees to fulfill their responsibility and accomplish their jobs. In regard with this, studies have discussed the influences of leadership and motivation on employees' performance. Hussain & Ali (2012), Harwiki (2013), and Koesmono (2014) found that leadership is significantly influential on performance. Also, Al Khalifah & Ali (2002) evidenced that motivation affects employees' performance.

In addition to leadership and work motivation, organizational culture also contributes in shaping employees' mindset and work practices. Inheritance of exceptional organizational values and culture will stimulate employees' awareness and productivity. According to Robbins in Moehariono (2012), organizational culture is a system of shared meanings of primary values practiced and valued by organizations, that serves to create a clear distinction between one organization to another, creating a sense of identity for members of the organization, facilitating the emergence of collective commitments towards the organization, enhancing the stability of social system, as well as creating meaning-making and control mechanisms that guide shaping the attitudes and behaviour of the members of the organization.

The success of an organization depends on the ability of the leaders to optimize their human resources. Competent leaders

understand the significance of employees and motivating them to accomplish the goals and objectives of the organization. One study found that effective organizations require effective leadership and the negligence of it will affect the performance of the companies negatively (Fidler & House, 1988). Further studies also concluded that the effectiveness of a group relied on the quality of leadership. In this case, effective leadership can facilitate the needs of employees and this will enhance performance (Fiedler & House, 1988; Maritz, 1995; Ristow et al., 1999). Specifically, leadership style is considered as a combination of various characteristics, traits, and behaviours utilized by leaders to interact with their employees (Mitonga-Monga et al., 2012). Mitonga-Monga et al. (2012) also indicated that leadership is a pattern related to managerial behaviour designed to integrate organizational and personal interests that is substantial in achieving certain goals. Harris et al. (2007) also formulated leadership style as a relationship used by an individual to encourage others to collaborate in achieving particular objectives.

Klein et al. (2013) using the theory of four leadership factors examined 2,662 employees working in 311 organizations. They found that organizational culture and performance are closely related to leadership style. On the other hand, Storey (2004) formulated leadership in several dimensions that can influence, inspire, stimulate intellectually, as well as possess considerations personally. Storey's opinion is also supported by Hoy & Miskel (2006). In their research, they concluded that leadership based on these four dimensions can positively influence employees satisfaction and organizational performance.

In order to improve employees' willingness to achieve organizational goals, motivating them is necessary. Highly motivated employees always strive to improve their work performance and this will help organizations to reach optimum performance (Omol-lo, 2015). The results obtained from highly motivated employees are high productivity as well as low employees absence and turnover.

Another factor that affects employees' performance is organizational culture. Organizational culture consists of unwritten habits, behavior, and beliefs that determine decision making, structure, and strength in an organization. Hofferberth & Urich (2011) in their study argued that organizational culture determines the business processes and survival strategies of an organization that will assimilate organizational success. By having a robust organizational culture, employees will act based on their belief that the culture is conscientious and if they accomplish their job properly according to the culture they will receive a reward.

Conceptually, organizational culture that is often implemented in studies is Schein's organizational culture model (2004). The Schein model has three dimensional variables. The first dimension is the dimension of external adaptation (external adaptation task), the dimension of internal integration (internal adaptation task), and the dimensions of basic assumptions (basic underlying assumptions). In Schein's theory, the scope of the external dimensions of adaptation variables is mission, goals, basic means, success measurement, and reserve strategies. Second, the dimensions of internal

integration include indistinguishable language, boundaries within groups, placement of status/power, relationships within groups, respect and how to manage those that are difficult to manage. Furthermore, the indicators to determine the variable dimensions of basic assumptions include the relationship with the environment, the nature of human activity, the nature of reality and truth, the nature of time, the nature of human truth, the nature of human relations, and homogeneity versus heterogeneity.

Based on previous conceptual descriptions, it can be concluded that there are several factors that affect the performance of employees who also have a contribution in organizational culture. These factors include leadership, motivation, and the culture of the organization itself.

## II. METHODOLOGY

This explanatory research is conducted in the University of Bina Darma Palembang with a two-month research period from March to April 2019. This study collected data from 80 respondents selected randomly from 267 employees (79 non-academic staffs and 188 lecturers). The types of data in this study are qualitative and quantitative. The sources are primary and secondary where the former collected from respondents by distributing questionnaires and the latter from literature studies and related government and private institutions.

Regression analysis of the model used is multiple regression analysis. The multiple regression equation model according to Sugiyono (2008) for three independent variables are:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e \quad (1)$$

Y = Employee & Lecturers' Performance;  
 X1 = Leadership;  
 X2 = Work Motivation;  
 X3 = Organizational Culture;  
 b0 = Constant;  
 b1, b2, b3 = Regression Coefficient;  
 e = Error Term.

To test the research hypothesis of the influence of leadership, motivation, and work stress variables collectively on employees and lecturers' performance, the F-test is implemented. To test the significance of the influence of leadership, motivation, and organizational culture partially on employees and lecturers' performance, this study uses t-test.

## III. RESULTS AND DISCUSSION

The results of the study shows the Leadership variable has an average value of 3.56 in the category of Good. This suggests that the University of Bina Darma Palembang has good leadership. Description of Motivation variable has an average value of 3.85 falling within the category of Very Good. It indicates that the employees and lecturers in the University of Bina Darma Palembang are highly motivated. The Organizational Culture variable has an average value of 2.51 in the category of Good Enough. Therefore employees and lecturers in the University of Bina Darma Palembang have a fairly good level of organizational culture. Further, the

description of Employees and Lecturers' Performance variables has an average value of 3.43 in the category of Good. This proves that employees and lecturers in the University of Bina Darma Palembang have satisfactory performance. The results of the questionnaires demonstrate that in terms of quality, employees and lecturers are able to work thoroughly in carrying out the work provided and their competency is in accordance with the established quality standards. This condition is also supported by the employees' and lecturers' performance reports from the HRD stating that the level of service complaints below the minimum threshold. In short, the employees and lecturers in the University of Bina Darma Palembang have contributed high level of performance.

In addition to the findings, the respondents evidence to possess clear, focus, and creative minds. These qualities relate to the other results. First, the respondents have sufficient work competency as evidenced by moderate level of accuracy. Second, they are able to accomplish their jobs in accordance with the established quality standards. Specifically, focus minds can avoid error and creative talents can promote growth and success. These measures enhance the employees and lecturers' performance which in the end support the University of Bina Darma Palembang in achieving its vision and mission.

The findings further prove that the employees and lecturers strive to fulfil their responsibilities in the best possible manner. This occurs as they try to avoid accomplishing certain jobs twice. As a result, it improves effectivity and efficiency. The employees and lecturers are also highly independent shown by their commitment and capability to finish their jobs with or without partners. Lastly, although other aspects are favourable, the employees and lecturers are evidenced to have low level of loyalty. Once better opportunities arrive they are willing to leave the university.

Furthermore, based on the multiple linear regression analysis, the equation model for this study is:  $Y = 3,924 + 0,318 X_1 + 0,150 X_2 + 0,239 X_3$ , where Y (Performance), X1 (Leadership), X2 (Motivation) and X3 (Organizational Culture). Based on the F-test, the calculated F value = 21.81 with the value of R-Squared = 0.452. The calculated F value is greater than the F table value with a probability of 0,000. This indicates that the multiple regression equation model is fit to be used in analyzing the influence of leadership, motivation, and organizational culture on the performance of employees and lecturers in the University of Bina Darma Palembang.

These results demonstrated that leadership, motivation, and organizational culture simultaneously affect the performance of employees and lecturers in the University of Bina Darma Palembang. R-Squared value of 0.452 showed 45.2% of the variation of employee and lecturer performance variables in the University of Bina Darma Palembang is influenced by leadership, motivation, and organizational culture.

To test the effects of the independent variables partially on the dependent variable, t-test was conducted. The test compared t-count and t-table (t-count can be seen in the Coefficients table). For the effects of leadership variable on the performance variable, the calculated t-value obtained was 3.394 with a coefficient value of 0.318, and a significance value (sig) = 0.001 < 0.05. This shows the leadership variable

has a positive effect on the performance of employees and lecturers in the University of Bina Darma University Palembang. Coefficient value of 0.318 means for every 1% increase in leadership, performance will increase 31.8%. These indicate good leadership can improve employees' performance. These findings concur with Syamsuddin (2006) and Brahmasari & Suprayetno (2008).

The significant impact of leadership on performance is justifiable. DuBrin (2015) and Brahmasari & Suprayetno (2008) all agreed that leadership is a process of influencing and inspiring people to accomplish certain tasks based on instructions and orders to achieve common goals. This suggests that the better the leadership style the higher the employees' performance.

Then, the next t-test is for the effect of the Motivation variable on the performance of employees and lecturers variable. The t-count value is 2.165, the coefficient is 0.150, and the significance value (sig) =  $0.001 < 0.05$ . This shows that the Motivation variable influences the performance of employees and lecturers in the University of Bina Darma Palembang. The coefficient value of 0.150 proving that for every 1% increase in work motivation, the employees and lecturers' performance will increase by 15%. These evidence that motivation has a significant positive impact on performance. These findings are in line with previous studies (Sirajuddin 2008; Shahzadi et al., 2014).

Motivation is about giving employees the correct mixture of guidance, direction, resources, and rewards so that they are inspired and keen to work in the way that any leaders aspire them to (Luthans, 2002). Highly motivated employees have their goals aligned with those of the organization and direct their efforts in that direction (Khan et al., 2010). Based on these, to promote success and achieve its vision and mission, the University of Bina Darma must take into consideration on how to motivate its employees and lecturers.

Lastly, the t-test aims to measure the effect of the organizational culture variable on the variable of employees and lecturers' performance. The results show that the t-count value is 1.102, the coefficient is -0.239, and the significance value is (sig) =  $0.070 > 0.05$ . This indicates that the organizational culture has no significant effect on the employees and lecturers' performance in the University of Bina Darma Palembang. These findings agree with the previous study of Arifin (2015) but contradict with Brahmasari and Suprayetno (2008).

In relation to the findings of Arifin (2015), the insignificant effect of organizational culture on employees' performance occurs due to the ineffectiveness of the culture and the absence of strict application of the culture. Thus, in regard with the University of Bina Darma, in order to grow its employees and lecturers' performance, its management and leader should focus more on formulating positive and impactful culture. Further, they also should enforce its employees and lecturers to apply the culture

#### IV. CONCLUSION

This study proves that leadership, motivation, and organizational culture simultaneously affect employees and

lecturers' performance in the University of Bina Darma Palembang. Partially, leadership and motivation have significant impacts while organizational culture has no significant effect on employees and lecturers' performance in the University of Bina Darma Palembang. For the university itself, these findings offers two suggestions. First, the University of Bina Darma Palembang should focus more on implementing competent leadership and improve work motivation for their employees and lecturers to enhance their performance. Second, the university should construct relevant and impactful organizational culture and enforce its employees and lecturers to implement it.

In general, this study contributes to and extend the current literature on the effects of leadership, motivation, and organizational culture on the performance of employees in the education industry. As the findings of this study are still inconclusive relative to previous studies, especially the organizational culture, future studies should investigate such variables further. This study also implements multiple regression analysis. Future studies should analyze more complex relationships among all the variables that affect performance (e.g., job satisfaction, leadership style, age, gender, religion) using SEM (Structural Equation Modelling).

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