The Influence of Leadership and Organizational Climate of Employee Performance through Motivation as a Mediation Variable

(Case study at PT Bank Pembangunan Daerah Bali Branch Office Negara)

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Abstract:
This study aims to examine and analyze the influence of leadership and organizational climate on employee performance through motivation as a mediation variable. This research was conducted at PT Bank Pembangunan Daerah Bali Branch Office Negara with population and sample of research all employees working at PT Bank Pembangunan Daerah Bali Branch Office Negara, which is 61 people. All data obtained from the questionnair distribution is feasible to be used, then analyzed using a variance-based structural equation model known as Partial Least Square (PLS) analysis.

The results showed that

(1) Leadership had positive and significant effect on motivation,
(2) Organizational climate had positive and significant effect on motivation,
(3) Leadership had positive and significant effect to employee performance,
(4) Organizational climate had positive and significant effect on performance employees,
(5) Motivation has a positive and significant effect on employee performance.

The implication of this research is that leadership can be improved by paying attention to information sharing so that employees' performance is increasing, organization climate can be improved by paying attention to commitment among employees to increase employee Performance. Motivation can be improved by taking into account the need for groups to improve employee performance last employee performance can be improved by taking into account the quantity of work.

Keywords: leadership, organizational climate, motivation, and employee performance
I. Introduction:

Source Human resources is the only asset of a company that breathes or lives on. The uniqueness of these HR assets requires different management with other assets because these assets have thoughts, feelings and behaviors so that if managed properly will be able to contribute well to the performance of the company. The general purpose of the company is seen from earnings growth that is expected to increase every period. To achieve that many ways done by companies one of them is to maximize the performance of the company's own employees (Sudja & Yuesti, 2017. Vipraprastha, Sudja, & Yuesti, 2018; Utama, Sapta & Yuesti, 2018).

PT. Bali Regional Development Bank is one of the institutions providing financial services in Bali, of course it can not be separated from the role of human resources owned by PT. Bali Regional Development Bank especially Branch Office Negara.

A decline in performance was reflected in the achievement of the 2015 credit target in 2016 where in 2015 the BPD Bali Branch Office Negara was able to achieve the target set by management, while in 2016 the BPD Bali Branch Office Negara was only able to reach 95.7% of the target credit position and shortage of Rp. 38.455 billion. This is certainly a consideration for the company because the company expects growth in the sectors of credit and funds continuously.

In addition there is also a research gap of previous researchers between the relationship of leadership variables, organizational climate, employee motivation and performance as follows:


This study was conducted based on two reasons, namely: (1) the existence of a research gap that has been disclosed in the previous paragraph. (2) there is a research problem found in the field. Thus this research takes the title of "influence of leadership and organizational climate on employee performance through motivation as a mediation variable (study at PT Bank Pembangunan Daerah Bali Branch Office Negara)".

II. Literature:

Employee Performance:

According Hasibuan (2007: 160) performance is a result of work achieved by a person in carrying out his duties on business skills and opportunities. Meanwhile Mangkunegara (2007: 9) states that performance or performance is the work that can be achieved by an employee in performing their duties in accordance with the responsibilities given to him. According to Robbins (2006: 260) indicators to measure the performance of individual employees there are six indicators, namely: work quality, quantity of work, punctuality, work effectiveness, independence and work commitment.

2.1 Organizational Climate:

According to Lussier (2005: 486) said that the organizational climate is the employee's perception of the quality of the internal environment of the organization that is relatively felt by members of the organization which will then influence their subsequent behavior. Stringer as explained by Ruliana (2014: 152) that organizational climate as a collection and pattern of the environment that determines the emergence of motivation and focuses on principles that make sense or can be assessed, so that it directly affects the performance of the organization. According to Robert Stringer in Wirawan (2007: 131) organizational climate dimensions include: structure, standards, responsibility, reward, support and commitment.

Leadership:

According to Anoraga (2003: 2) leadership is the ability of a person to be able to influence others, through communication both directly and indirectly with the intention to move those people to be
understanding, conscientious and willing to follow the will of the leader. According to Ivancevich (2009: 194) leadership is the process of influencing others to support the achievement of relevant organizational goals. Meanwhile Robbins (2006: 49) states that leadership is the ability to influence a group to achieve a vision or set of goals set.

The four indicators of leadership according to Pamudji (1993: 47) include: influence, information, decision-making and motivating.

**Motivation:**

Communication According to Robbins (2006: 156), motivation is a process that causes individual intensity, in an attempt to direct continuously to achieve goals. Rivai and Sagala (2009), several motivational theories known as the Hierarchical of Needs Theory. The theory of motivation is very famous is the theory of needs proposed by Abrahan Maslow (2009).

According to McClelland in Robbins (2011: 174) indicators of work motivation are: the need for power, the need for achievement, and the need for affiliation.

In accordance with the study of literature and empirical, it can be developed hypothesis in this study with the exposure as follows:

1. **Effect of Leadership To Motivation:**

Leadership is the ability to influence others to achieve goals. Good leadership will be able to provide direction to employees so that employees can understand well the intent of the commands given, so that employee motivation will be increased, which is shown by a positive attitude towards the work and everything that is assigned to him.

Research conducted by Dorien, et al (2012) and Amalia, et al (2016) concluded that leadership has a positive and significant effect on motivation. Based on this explanation, hypotheses can be proposed:

**H1:** Leadership has a positive effect on motivation.

2. **Effect of Organizational Climate on Motivation**

Organizational climate as a collection and environmental pattern that determines the emergence of motivation and focuses on perceptions that are reasonable or judgmental, so have a direct influence on the performance of members of the organization.

Research conducted by Gok (2009) and Yunita (2013) concluded that organizational climate has positive and significant effect on motivation. Based on this explanation, hypotheses can be proposed:

**H2:** Organizational climate has a positive effect on motivation

3. **Effect of Leadership on Employee Performance**

Leadership is the backbone of organizational development because without good leadership it will be difficult to achieve organizational goals, even to adapt to the changes that are happening inside and outside the organization. Each leader can influence his subordinates, for example on job satisfaction and employee performance. It is realized that none of the best leadership is universally applicable to all situations and environments, the situational or contingency approach in choosing an effective leadership model becomes the best alternative answer (Handoko, 2000: 134; Sudja & Yuesti, 2017. Vipraprastha, Sudja, & Yuesti, 2018; Utama, Sapta & Yuesti, 2018)

Research conducted by Abbas and Yaqoob, (2011), Riyadi (2011) Srijani (2013), Indryani and Budiarti (2016) and Darsyah, et al (2016) concluded that leadership results have a positive and significant effect on employee performance, but different results concluded by research conducted by Arifin and Komaruddin (2009), Munparidi (2012) and Widiartana (2016) which concluded the result that leadership has no effect on employee performance. Based on this explanation, hypotheses can be proposed:
H3: Leadership positively affects employee performance.

4. The Effect Of Job Satisfaction

Organizational Commitment:

Organizational climate is the employee’s perception of the quality of the organization's internal environment that is relatively felt by members of the organization which will then influence their subsequent behavior. Internal environment of an organization perceived and perceived by employees who have relationships with the organization about what is happening within the environment of an organization on a regular basis that can motivate employees who will affect the attitude and behavior and performance of members who will determine the company's performance.

Research conducted by West (2004), Wijayanto (2017), Purnama (2017) and Pasaribu & Indrawati (2016) concluded that organizational climate had positive and significant effect on employee performance, but different result was concluded by research conducted by Rahmadewi & Fauzan (2013) which concludes the result that the organizational climate has no effect on employee performance. Based on this explanation, hypotheses can be proposed:

H4: Organizational climate has a positive effect on Employee Performance.

5. Effect of Motivation on Employee Performance:

Motivation is the willingness to expend high levels of effort for organizational goals conditioned by the ability of the effort to meet certain individual needs. Without the motivation of the employees to work together for the interests of the company, the objectives that have been set will not be achieved, which will indirectly impact on the lower employee performance. Vice versa, if there is high motivation of the employees, then this is a guarantee for the success of the company in achieving its objectives to improve the performance of the work for the success of the organization concerned.

Research conducted by Dony Indrayana (2016), Juniantara (2015), Mambea and Obwogi (2015), Murgianto, et al (2016) and Mensah et al (2015) concluded the result that job satisfaction had a positive and significant effect on employee performance, different concluded by the research conducted by Munparidi (2012) and Runtuwene (2016) which concluded the result that motivation has no effect on employee performance. Based on this explanation, hypotheses can be proposed:

H5: Motivation has a positive effect on employee performance.

III Research Methods:

This Research conducted take location in PT. Bank Pembangunan Daerah Bali Branch Office Negara having address at Jalan Gatot Subroto, No. 24, Jembrana. The object of this research is leadership, organizational climate, and motivation and employee performance.

Overall the total number of employees of PT. Bank Pembangunan Daerah Bali Branch Office Negara which made the population in this studies as many as 76 people.

Sampling method used in this research is non-probability sampling which in this case is purposive sampling method that is sampling technique based on certain criterion (Sugiyono, 2013: 62). The sample selection criteria in this study are:

a. Employees who have had 2 years working experience
b. Employees with minimum education background diploma

Based on these criteria, the sample in this study were 61 employees.

In this research using 4 (four) variables consisting of leadership (X1), Climate organization (X2) as independent variable (eksogen), motivation (Y1) and employee performance (Y2) as dependent variable (endogen).

To obtain the necessary data in this study, it can be submitted data collection techniques used, among others: questionnaire, interview and documentation.
1. Leadership (X1) is an effort to influence many people through communication to achieve goals, ways to influence people with instructions or commands, actions that cause others to act or respond and lead to positive change, important dynamic forces that motivate and coordinate the organization in order to achieve goals, the ability to create self-confidence and support among subordinates for organizational objectives to be achieved (Dubrin, 2005: 3).

2. Organizational climate (X2) is the employee's perception of the internal organizational quality of the organization that is relatively perceived by the members of the organization which will subsequently influence their next behavior (Lussier 2005: 486).

3. Motivation (Y1) is a process that causes the intensity of the individual, in an effort to direct continuously to achieve goals (Robbins, 2006: 156).

4. Employee Performance (Y2) is the work that can be achieved by an employee in performing its duties in accordance with the responsibilities given to him (Mangkunegara, 2007: 9).

In this variable respondents are asked to respond to each item in the questionnaire that guides how strong the employee's performance. Each item is rated on a Likert scale with a score of 1 (strongly disagree-STS) to score 5 (strongly agree-SS).

Inferential analysis method used in this research is to test the measurement model and structural model simultaneously with the available data analysis of 61 questionnaires. In accordance with this, adequate analytical techniques used are the structural equation modeling (SEM) based on variance or component based best known as Partial Least Square (PLS).

**IV Result and Discussion:**

In this study the four variables of leadership (X1), communication (X2), job satisfaction (Y1) and employee performance (Y2) is a measurement model with reflective indicators, so that in the evaluation of measurement model is done check the convergent and discriminant validity of indicators to measure indicator validity, and composite reliability that aims to evaluate the reliability value between the indicator blocks of the constructs that make up it. Based on the results of the analysis carried out, it can be presented the drawings of the research model in accordance with the PLS analysis as follows:

*Picture 1 Full Model (PLS Bootstrapping)*

Based on figure 1 above the relationship of leadership variables, organizational climate, employee motivation and performance can be described as follows:
1. Hypothesis 1 states that leadership has a positive and significant impact on motivation. The test results on the parameter coefficient between leadership to motivation showed a positive relationship with coefficient value of 0.680 with t-statistics of 6.326. The t-statistic value is above the critical value of 1.96, so (H1): the influence of leadership on motivation is acceptable. This means that the stronger leadership owned by a boss then the motivation owned by his subordinates is increasing.

2. Hypothesis 2 states that the organizational climate has a positive and significant impact on motivation. The test results on the parameter coefficient between organizational climate and motivation shows a positive relationship with a coefficient of 0.265 with a t-statistic value of 2.392. The t-statistic value is above the critical value of 1.96, so that (H2): the organization's climate effect on motivation is acceptable. This means that the better organization climate created within the company, the work motivation is felt by employees increasingly.

3. Hypothesis 3 states that leadership has a positive and significant impact on employee performance. The test results on the parameter coefficients between leadership and employee performance indicate a positive relationship with a coefficient of 0.590 with a t-statistic value of 15.372. The t-statistic value is above the critical value of 1.96, so (H3): the influence of leadership on employee performance is acceptable. This means the better a superior in leading and directing subordinates then the performance of subordinates is increasing.

4. Hypothesis 4 states that the organizational climate has a positive and significant impact on employee performance. The test results on the parameter coefficients between organizational climate and employee performance indicate a positive relationship with a coefficient of 0.176 with a t-statistic value of 4.289. The t-statistic value is above the critical value of 1.96, so (H4): the influence of the organization's climate on the employee's performance is acceptable. This means that the better the organizational climate is created within the company, the employee's performance will increase.

5. Hypothesis 5 states that motivation has a positive and significant effect on employee performance. The test results on the parameter coefficient between motivation and employee performance showed a positive relationship with the value of coefficient of 0.262 with t-statistics of 6,760. The t-statistic value is above the critical value 1.96, so (H5): the influence of motivation on employee performance is acceptable. This means that the more employees feel motivated in working and achieving the targets set, then the employee's performance will increase.

### Table 1 Calculation Of Direct, Indirect And Total Effects

<table>
<thead>
<tr>
<th>No</th>
<th>Relationship Variable</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leadership (X₁) → Motivation (Y₁)</td>
<td>0.680</td>
<td>-</td>
<td>0.680</td>
</tr>
<tr>
<td>2</td>
<td>Organizational Climate (X₂) → Motivation (Y₁)</td>
<td>0.265</td>
<td>-</td>
<td>0.265</td>
</tr>
<tr>
<td>3</td>
<td>Leadership (X₁) → Motivation (Y₁) → Employee Performance (Y₂)</td>
<td>0.590</td>
<td>0.178 (0.680*0.262)</td>
<td>0.768</td>
</tr>
<tr>
<td>4</td>
<td>Organizational Climate (X₂) → Motivation (Y₁) → Employee Performance (Y₂)</td>
<td>0.176</td>
<td>0.069 (0.265*0.262)</td>
<td>0.245</td>
</tr>
<tr>
<td>5</td>
<td>Motivation (Y₁) → Employee Performance (Y₂)</td>
<td>0.262</td>
<td>-</td>
<td>0.262</td>
</tr>
</tbody>
</table>

Information obtained from Table 4.1 above The effect of motivation mediation mediation (Y₁) on the indirect influence of leadership (X₁) on employee performance (Y₂) is greater, that is by path coefficient of 0.178, than indirect influence of organizational climate (X₂) on performance.
employee (Y2) with the resulting path coefficient of 0.069. Thus, overall, the Leadership Path (X1) \( \rightarrow \) Motivation (Y1) \( \rightarrow \) Performance Employee (Y2) is greater with the total effect gained of 0.768, compared to the Organizational Climate (X2) \( \rightarrow \) Motivation (Y1) \( \rightarrow \) Performance Employee (Y2) with total effect of 0.245. These findings provide clues, increasingly strong leadership to make employees more motivated in working so that later can improve employee performance in accordance with company goals.

**Picture 2 The Path Diagram Of Hypothesis Test Results**

Based on picture 2 above it can be obtained that Motivation (Y1) is able to mediate positively and significantly on the indirect influence of leadership (X1) on employee performance (Y2). Based on these results provide an indication, the higher the motivation of work based on strong leadership, then the employee performance becomes increasingly at PT. Bali Regional Development Bank Branch Office Negara.

V. Conclusions and Sugestion:

Conclusions:

Based on the discussion of research results, it can be concluded that, the influence of leadership, organizational climate, motivation and employee performance are as follows.

1. Leadership has a positive and significant effect on the motivation of employees of PT. Bali Regional Development Bank Branch Office Negara.

2. Organizational climate has a positive and significant effect on the motivation of employees of PT. Bali Regional Development Bank Branch Office Negara.

3. Leadership has a positive and significant effect on the performance of employees of PT. Bali Regional Development Bank Branch Office Negara.

4. Organizational climate has a positive and significant effect on the performance of employees of PT. Bali Regional Development Bank Branch Office Negara.

5. Motivation has a positive and significant effect on the performance of employees of PT. Bali Regional Development Bank Branch Office Negara.

Limitations of Research:

Limitations to be conveyed from this study are based on a relatively short time (cross-sectional)
and limited responders. This limitation certainly has a low impact of generalization of research, considering the problems faced by institutions are relatively complex and dynamic from time to time. If the model is applied at other times and conditions it is possible to obtain different results. In addition to the development of more relevant indicators used in each variable, as well as many factors as determinants of employee performance.

**Suggestion:**

Based on these conclusions, it can be suggested as follows:

1. In optimizing the achievement of employee performance at PT. Bali Regional Development Bank Branch Office Negara should pay more attention and improve the provision of information from superiors to subordinates. Therefore, efforts should be made to develop and develop employee performance with leadership that prioritizes the provision of information from superiors to subordinates, but this is not in accordance with the reality that occurs where employees respond more to motivational aspects shown in the highest average gain. Thus, the leadership of superiors at PT. Bali Regional Development Bank Branch Office Negara can be declared inadequate. The results of this study provide input for the company to further improve the delivery of information from superiors to subordinates, but still do not rule out the aspects of influence, decision making and motivate subordinates, so that employee performance of Bank BPD Bali Branch Office Negara becomes increasingly.

2. Organizational climate contributes to improve employee performance of PT. Bali Regional Development Bank Branch Office Negara directly. This is in accordance with the perception of the employees where the commitment of all employees to achieve the goals of the company is running well so as to improve employee performance, but do not rule out other aspects such as structure, standards, responsibility, responsibility, reward, and support.

3. For future researchers to replicate this research model through a longitudinal approach (from time to time), and allow it to be used in other institutions. In addition, future researchers can modify the research model by adding or developing indicators as well as other variables such as communication variables and organizational commitment. This is based on the determinants of employee performance quite a lot and different from the conditions of each other's institutions.

**Reference:**

1. A.A Anwar Prabu Mangkunegara, tahun 2006, Perencanaan dan Pengembangan Manajemen Sumber Daya Manusia, Pen. PT Refika Aditama


