

**THE INFLUENCE OF LEADERSHIP, ORGANIZATIONAL CULTURE, MOTIVATION
AND COMPENSATION ON EMPLOYEE PERFORMANCE IN REGIONAL
APPARATUS ORGANIZATIONS (OPD) AT BAPERLITBANG
KARIMUN REGENCY**

Wira Herlambang¹, Indrayani², Muammar Khaddafi³

^{1,2,3}Faculty of Economic Universitas Batam

E-mail: khaddafi@unimal.ac.id

Abstract

Performance is the result of work achieved a person or group of people by a company or organization according to their respective authorities and responsibilities in an effort to achieve the goals of the company or organization. The existence of organization the regional apparatus Baperlitabang Karimun Regency has an important role in the effort to accelerate the socialization and development of regional development, especially in Regency Karimun. Karimun Regency Baperlitbang is inseparable from the role of human resources who have provided their manpower, talents, creativity, and efforts to the organization. Human resources are the most important thing for determining goals organizational. Therefore every organization will always try to improve the performance of its employees in the hope that what the goals of the company or organization will be achieved

Keywords: *Leadership, Organizational Culture, Motivation, Compensation, Employee Performance.*

1. INTRODUCTION

Covid-19 pandemic, has forced the entire world to come under the grip of quarantine commands. Timely, governmental guidelines to avoid physical contacts with other humans have created phobia among all humans. Covid-19 has impacted every business sector around the globe. Retail sector along with all other sectors is also adversely affected by Covid-19. Retail sector is usually considered as an economic heavyweight, because on an average across OECD (e Organization for Economic Co-operation and Development) countries about 1 in 12 workers are employed in the retail sector and the sector contributes almost 5% of GDP. However, due Covid-19 outbreak, along with other sectors, the retail sector is also facing severe disruptions. Since the retail sector is labor intensive, the disruptions will have severe employment consequences (OECD: 2020)

Specifically to the U.S. retail market, the World Health Organization (WHO) declared coronavirus as pandemic in March, 2020, retailers across the U.S. were forced to shut their business for weeks to curtail the spread of the virus. Retail sector's first-quarter operating income fell 57.7% compared with last year. Covid has resulted for many companies in the U.S. resorting to cost-cutting measures and some have filed for bankruptcy (Harring: 2020). In this crisis, the retailers are in need of support from their employees more than ever before. Retailers can have the tangible cooperation of employees, only when the human resource management involves completely managing retail personnel. In service industries, particularly in retail services, commitment and motivation of employees is 'must', because highly motivated and committed employees will surely provide excellent quality service to the customers

Inception of Covid-19, since November-December, 2019, has drastically transformed lives globally. Presently, the world is witnessing an exceptional public health emergency. In this phase of social uncertainty, almost all businesses are adversely affected because of decrease in sales.

**THE INFLUENCE OF LEADERSHIP, ORGANIZATIONAL CULTURE, MOTIVATION AND
COMPENSATION ON EMPLOYEE PERFORMANCE IN REGIONAL APPARATUS
ORGANIZATIONS (OPD) AT BAPERLITBANG KARIMUN REGENCY**

DOI: <https://doi.org/10.54443/morfai.v2i1.211>

USAFacts (USAFacts:2020) is a notfor-profit, nonpartisan civic initiative providing the most comprehensive and understandable government data, in its website, states the details with regard to decline in retail sales in the U.S. “With the COVID-19 pandemic limiting movement and disrupting economic activity, retail sales dropped 8.7% in March, the largest month-to-month decrease since the Census Bureau started tracking the data. Overall retail sales, including food services such as restaurants, fell from \$529.3 billion in February to \$483.1 billion in March.” It is a known fact that an organized retail store provides employment to a large number. Therefore, for the human resource management, managing human resources in organized retail stores is more critical (Lahoti: 2014). Alarmingly, with the outbreak of pandemic, handling workforce issues which were already a challenge for human resource management has now turned out to be more challenging. The crux of this study is to know the specific workforce challenges faced by human resource management in organized retail stores and subsequently identifying the solutions in overcoming those challenges.

2. IMPLEMENTATION METHOD

This research is an explanatory study, namely research that explains the causal relationship between variables through hypothesis testing. This research was conducted at the office of the Regional Planning, Research and Development Agency (Baperlitbang) Karimun Regency. The population and sample in this study were all State Civil Servants (ASN) in Baperlitbang Karimun Regency totaling 65 people. The data analysis used is quantitative data analysis, carried out using the help of the application SPSS 17.0.

Based on the output of SPSS 17.0, the values of validity coefficients were obtained, namely the value of the Corrected item Total Correlation for each indicator for validity showing a correlation value of 0.3 from all instruments in research, which means that all statement items used as research instruments are valid. Reliability test is a tool for measuring a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable, if the answer to the statement is consistent or stable, Ghazali (2005) measures the reliability by one shotone or measurement using the SPSS statistical test tool Cronbach alpha (α) a variable construct is said to be reliable if it provides a value Cronbach alpha > 0.60, Nunnally in Ghazali (2005).

The reliability test results show that the alpha coefficient value of all statement items used as instruments in this research is still above the cut of value 0.60, which means that all statement items used as instruments can be trusted with reliability. The results of the validity and reliability test of the research instrument can be concluded that all items of the statement used are valid and reliable Therefore, the questionnaire used can be said to be feasible as an instrument to measure each variable as shown in the following table:

The hypothesis testing model based on regression analysis used in this study must fulfill the assumptions in order to produce the correct parameter values. Other assumptions include the absence of normality tests, multicollinearity and heteroscedasticity. The analysis model used in this study is multiple regression analysis techniques, this technique is used to determine the accuracy of the predictions of all independent variables against dependent variables. The equation model in this study is: $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$, dimana Y = employee performance, a = intercept/constant, b = regression coefficient, X_1 = leadership, X_2 = organizational culture, X_3 = motivation, X_4 = compensation, and e = error / confounding variable.

3. RESULTS AND DISCUSSION

3.1 Results

In accordance with the results of the Multiple Linear Regression analysis using computer assistance SPSS For Windows Release 17.0, the results obtained from 65 respondents with the alleged influence of the three independent variables on the dependent variable can be seen as follows:

Based on table 2 above shows that the results of the determination test (model reliability) show the value of R-Square = 0.836 or = 83.60%. This means that 83.60% of the dependent variable is influenced by the three independent variables, the rest of the dependent variable is influenced by other variables not examined.

The correlation coefficient (multiple R) is 0.429. This value shows the correlation of the independent variables (X1, X2, X3, X4) to the dependent variable (Y) is 91.4%. This value shows a strong and significant relationship between the variables of leadership, organizational culture, motivation and compensation on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency. Based on the results of data processing in the table above, the regression equation is obtained:

$$Y = 12.646 + 1.259X1 + 1.194X2 + 1.038X3 + 0.902X4.$$

To test the first hypothesis in this study, it was carried out by comparing the Sig-F value to the α 0.05 at the 95% confidence level. The results of this study indicate that the value is Sig F $0.000 < \alpha$ 0.05 at the 95% confidence level. This result means that simultaneously the X variable (leadership, organizational culture, motivation, and work discipline) has a significant effect on the Y (employee performance) variable. Planning, Research and Regional Development of Karimun Regency.

For the leadership variable, the calculation results show that the regression coefficient value is 1.259, while the significance level of t is 0.036. Thus, the value Sig t < 0.05 at the 95% confidence level. So it can be stated that the leadership style variable has a significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency. Thus, the second hypothesis which states that leadership has a positive and significant effect on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency, based on the t-test results is proven.

For the organizational culture variable, the calculation results show that the regression coefficient value is 1.194, while the significance level of t is 0.000. Thus, the value sig t < 0.05 at the 95% confidence level. So it can be stated that the organizational culture variable has a positive and significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency. Thus, the third hypothesis which states that organizational culture has a positive and significant effect on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun District, based on the results of the t-test, was not proven.

For the motivation variable, the calculation results show that the regression coefficient value is 1.038, while the significance level of t is 0.000. Thus, the sig t value < 0.05 at the 95% confidence level. So that it can be stated that the motivation variable has a positive and significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency. Thus, the fourth hypothesis states that motivation has a

**THE INFLUENCE OF LEADERSHIP, ORGANIZATIONAL CULTURE, MOTIVATION AND
COMPENSATION ON EMPLOYEE PERFORMANCE IN REGIONAL APPARATUS
ORGANIZATIONS (OPD) AT BAPERLITBANG KARIMUN REGENCY**

DOI: <https://doi.org/10.54443/morfai.v2i1.211>

positive and significant effect on the performance of the employees of the Regency Planning, Research and Development Agency. Karimun, based on the results of the t-test, was proven.

For the compensation variable, the calculation results show that the regression coefficient value is 0.902, while the significance level of t is 0.000. Thus, the sig t value <0.05 at the 95% confidence level. So it can be stated that the compensation variable has a positive and significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency, thus the fourth hypothesis which states that compensation has a positive and significant effect on the performance of the employees of the Regency Planning, Research and Development Agency. Karimun, based on the results of the t-test, was proven.

3.2 Discussion

Based on the results of hypothesis testing which can be seen from the hypothesis test on the simultaneous test (F-test) of leadership, organizational culture, motivation and compensation simultaneously have a positive and significant effect on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency. Employee performance is the result of a synergy of a number of factors. These factors are internal environmental factors of the organization, external environmental factors and internal factors of employees or employees. These factors are: 1) Internal factors of employees, namely factors from within the employee which are congenital factors from birth and factors obtained when he develops. Innate factors, such as talents, personal traits, physical and psychological conditions, meanwhile, acquired factors, such as knowledge, skills, work ethic, work experience and work motivation. After being influenced by the organization's internal environment and the external environment, internal employee factors determine employee performance. So, it can be assumed that the higher the internal factors, the higher the employee's performance. Conversely, the lower the factors, the lower the performance. 2) Internal environmental factors of the organization. In carrying out their duties, employees need the support of the organization where they work, such as organizational strategy, support for the resources needed to carry out their work, and management and compensation systems. Therefore, organizational management must create a conducive internal organizational environment so that it can support and increase employee productivity. 3) The external environmental factors of the organization. Organizational external environmental factors are circumstances, events or situations that occur in the organization's external environment that affect employee performance. Internal employee factors synergize with internal organizational environmental factors and organizational external environmental factors. This synergy affects employee work behavior which then affects employee performance. Employee performance then determines organizational performance. Of the three types of factors, the factors that can be controlled and conditioned by managers are internal organizational environmental factors and employee internal factors. Meanwhile, the external environmental factors of the organization are beyond the control manager's. The manager's job is to control and develop internal environmental factors for the organization and internal factors for employees (Wirawan, 2009).

The results of this study are in accordance with the results of research by Oktavianus (2013) with the title Leadership Style and Organizational Culture Its Effect on Employee Performance at the Office of the Malalayang I Manado Village, it is found that simultaneously leadership style and

organizational culture have a positive and significant effect on the performance of the employees of the Malalayang I Manado Village Office.

The results of this study are also consistent with the results of Arimbawa's (2013) study entitled *The Influence of Organizational Culture, Leadership Style and Work Motivation on Employee Performance at Hotel Jimbaran Puri Bali*. Based on the statistical value of the results of the analysis above, it can be seen that the calculated F value is 244.622 and the significance value is 0.000. Because with a significance value of $0.000 < 0.05$, it can be concluded that the variables of organizational culture, leadership style, and work motivation simultaneously affect employee performance.

In a government organization, success or failure in the implementation of tasks and governance, influenced by leadership, through leadership and supported by adequate government organizational capacity, then the implementation of good governance (Good Governance) will be realized, otherwise leadership weakness is one of the reasons. the collapse of the performance of the bureaucracy in Indonesia. (Istianto, 2009).

Being a successful leader is largely determined by the leader's personal abilities. The personal ability in question is the quality of a person with various traits, temperaments or traits in it. The ideal characteristics a leader needs to have according to Siagian (2002) are:

- a. Broad general knowledge, strong memory, rationality, objectivity, pragmatism, flexibility, adaptability, future orientation. Inquisitive, punctuality, high sense of cohesion, instinct for relevance, exemplary, assertiveness, courage, anticipatory attitude, willingness to be a good listener.
- b. Ability to grow and develop, analytical, determine priorities, distinguish what is important and what is important, educational skills, and communicate effectively. Communication in the leadership process is vital in an organization, because communication is needed to achieve effectiveness in leadership, planning, control, coordination, training, conflict management and other organizational processes.

An effective leader is not only able to influence his subordinates but also guarantees that the people he leads can work with all their abilities. In addition to personal abilities, a leader must also be able to read the conditions of his subordinates and the environment that shelters them. There is an important thing that must be known about subordinates is their maturity, because there is a direct relationship between the right leadership style to be applied and the level of maturity of subordinates so that the leader gets adequate obedience or influence. This is necessary in order to find out what kind of leadership style should be applied in encouraging the growth and development of the widest possible participation of all subordinates (Siagian, 2002).

According to Nasurdin (2001), organizational culture is a system of shared meanings of primary values shared and valued by the organization, which functions to create a clear distinction between one organization and another, creates a sense of identity for organizational members, facilitates collective commitment to organization, increase the stability of the social system, and create meaning-making and control mechanisms that guide shape the attitudes and behavior of organizational members.

The results of research conducted by (Ojo in Iswara, 2011) entitled *Impact Assessment Of Corporate Culture On Employee Job Performance*. Stating that the strength of corporate culture refers to how broadly and deeply the employees hold the company's dominant values and assumptions. It is not easy for leaders in a company to image the organizational culture that is

**THE INFLUENCE OF LEADERSHIP, ORGANIZATIONAL CULTURE, MOTIVATION AND
COMPENSATION ON EMPLOYEE PERFORMANCE IN REGIONAL APPARATUS
ORGANIZATIONS (OPD) AT BAPERLITBANG KARIMUN REGENCY**

DOI: <https://doi.org/10.54443/morfai.v2i1.211>

different from the organizational culture of other companies. Organizational culture is developed continuously within the organization, which basically comes from the leadership of the organization with the support of everyone in the organization.

In this study, work motivation (X1) has a positive and significant effect on employee performance (Y) because the significance value is 0.000 where the significance value is smaller than the alpha value 0.05. The results of this study support previous research conducted by Wijaya and Andreani, (2015) in their research that work motivation has a positive and significant effect on employee performance. Furthermore, research conducted by Linda, Megawati, Japriska, (2014) in her research that motivation has a strong and significant influence on employee performance. This means that the higher the work motivation, the higher the employee's performance.

Compensation is very important for the company, because it reflects the organization's efforts to maintain human resources. The disadvantages that are obtained if the compensation is given incorrectly is that the company can lose employees who have good employee performance, and the company has to pay more for recruiting new qualified employees (Yahyo, 2013). Apart from that, as is well known, compensation is all income in the form of money, direct or indirect goods received by employees in return for services rendered. With the provision of appropriate and adequate compensation to improve performance. This is in accordance with research conducted by Nurtjahjani (2008) which states that the provision of compensation by companies has a significant effect on employee performance.

4. CONCLUSION

Based on the results of the research and discussion described in the previous chapter, the following conclusions can be drawn:

- a. Simultaneously leadership, organizational culture, motivation and compensation have a significant effect on employee performance at the Regional Planning, Research and Development Agency of Karimun Regency, where the correlation coefficient (multiple R) is 0.429. This value shows the correlation of the independent variables (X1, X2, X3, X4) to the dependent variable (Y) is 91.4%. This value shows a strong and significant relationship between the variables of leadership, organizational culture, motivation and compensation on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency.
- b. Leadership has a significant effect on employee performance at the Regional Planning, Research and Development Agency of Karimun Regency. The calculation results show that the regression coefficient value is 1.259, while the significance level of t is 0.036. Thus, the value $\text{Sig } t < 0.05$ at the 95% confidence level. So it can be stated that the leadership style variable has a significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency.
- c. Organizational culture has a significant effect on employee performance at the Regional Planning, Research and Development Agency of Karimun Regency. The calculation results show that the regression coefficient value is 1.194, while the significance level of t is 0.000. Thus, the value $\text{sig } t < 0.05$ at the 95% confidence level. So it can be stated that the organizational culture variable has a positive and significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency.

- d. Motivation has a significant effect on employee performance at the Regional Planning, Research and Development Agency of Karimun Regency. The calculation results show that the regression coefficient value is 1.038, while the significance level of t is 0.000. Thus, the sig t value <0.05 at the 95% confidence level. So it can be stated that the motivation variable has a positive and significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency.
- e. Compensation has a significant effect on employee performance at the Regional Planning, Research and Development Agency of Karimun Regency. The calculation results show that the regression coefficient value is 0.902, while the significance level of t is 0.000. Thus, the sig t value <0.05 at the 95% confidence level. So it can be stated that the compensation variable has a positive and significant influence on the performance of the employees of the Regional Planning, Research and Development Agency of Karimun Regency.

REFERENCES

- Anwar Prabu Mangkunegara. (2011). *Company Human Resource Management*. Bandung: Ikapi
- Arimbawa, IKM. (2013). The Influence of Organizational Culture, Leadership Style and Work Motivation on Employee Performance at Hotel Jimbaran Puri Bali. *Journal of the Faculty of Economics, University of Udayana (Unud), Bali, Indonesia*. Page 1693-1710
- Edy Sutrisno. (2009). *Human Resource Management*. Jakarta: Kencana [5] F. Winarni and G. Sugiyarso. (2006). *Salary and Wage Administration*. Yogyakarta: Pustaka Widyatama
- Iswara and Sudharma. (2011). The Influence of Leadership Style, Organizational Culture and Physical Work Environment on Work Discipline of Employees at the Denpasar Food Crops and Horticulture Department. *Journal of the Faculty of Economics, University of Udayana (Unud), Bali, Indonesia*. Pp. 671-682.
- Lijan Poltak Sinambela. (2012). *Employee Performance: Theory, Measurement, and Implications*. Yogyakarta: Graha Ilmu
- Mulyadi, Dedi. (2011). The Influence of Organizational Culture on Employee Performance at the Office of Highways and Irrigation, Karawang Regency. *Management Journal*. Vol. 09 No.4 July 2012. pp. 944-954.
- Nasurdin, Aizzat Moh, Zainal Arifin Ahmad & Syed Azizi Wafa. (2001). *Employees Commitment to the Organization; The Effect of Perceived Organizational Support*. *Journal of Management & Business*. Vol. 3 p.235-240
- Octavian, Doni. (2013). Leadership Style and Organizational Culture Influence on Employee Performance in the Office of the Malalayang I Manado Village Office. *Emba Journal*. Vol.1 No.4 December 2013. Pages 151-159
- Rumondor, et al. (2016). The Influence of Leadership, Motivation, and Work Discipline on Employee Performance at the Regional Office of the Directorate General of State Assets in Suluttenggomlut. *EMBA Journal*. 255. Vol. 4 No.2 June 2016, pp. 254-264.
- Siagian, Sondang P. (2002). *Human Resource Management*. Rineka Cipta, Jakarta.
- Stephen P. Robbins. (2002). *Principles of Organizational Treatment*. Translated by Halida and Dewi Sartika. Jakarta: Erlangga
- Susanto. (2007). *Communication Management*. Alfabetha, Bandung.

**THE INFLUENCE OF LEADERSHIP, ORGANIZATIONAL CULTURE, MOTIVATION AND
COMPENSATION ON EMPLOYEE PERFORMANCE IN REGIONAL APPARATUS
ORGANIZATIONS (OPD) AT BAPERLITBANG KARIMUN REGENCY**

DOI: <https://doi.org/10.54443/morfai.v2i1.211>

Sutrisno, Setetika. (2011). Human Resource Management Basics. Alfabeta, Bandung.

Wahyudi, (2009). Personnel Management. LP3ES, Jakarta.

Wirawan. (2009). HR Performance Evaluation, Theory, Application and Research. Jakarta:
Publisher Salemba Empat.