

**THE EFFECT OF ORGANIZATIONAL CULTURE, LEADERSHIP AND REWARD ON
EMPLOYEE PERFORMANCE THROUGH MOTIVATION AS INTERVENING
VARIABLES IN PT. PLN (PERSERO) REGION OF SULSEL, SULTRA, AND SULBAR
AREA BAUBAU**

Elisa Sri Hartina¹, Mohammad Sihab, Ph.D², and Dr. Sumiati, MM³
Faculty of Economics and Business, University of 17 August 1945 Surabaya
elisasrihartina@gmail.com,

Abstract

This study aims to analyze the influence of organizational learning, leadership and rewards on employee performance through motivation as an intervening variable at PT. PLN (Persero) Region Sulse, Southeast Sulawesi, and West Sulawesi, Baubau Area. The sample used in this study took a saturated sample technique, amounting to 116 permanent employees. The analysis technique used is the Structural Equation Model. Partial Least Square with the help of Smart PLS3.0 Software. The results of this study indicate that organizational culture has a positive and significant effect on employee performance, leadership has a negative and insignificant effect, reward has a positive and insignificant effect on employee performance, organizational culture has a positive and insignificant effect on motivation, leadership has a positive and insignificant effect on motivation. , Reward has a positive and significant effect on motivation, motivation has a positive and significant effect on employee performance.

Keywords: *Organizational Culture, Leadership, Rewards, Motivation and Employee Performance*

INTRODUCTION

In an organization, the most important thing that needs to be considered is human resources who are the main support for achieving organizational goals. In every organization, one of the most important resources is people who are employees, laborers, or workers. Mangkunegara (2009: 1) Human Resources are an important asset in a company, because human resources determine the success of a company. Human Resources in the company need to be managed professionally in order to be realized

There are many factors that affect employee performance. Organizational culture, leadership, reward and motivation are part of the factors that can influence employee performance. Organizational culture that is not conducive, less than optimal leadership, inappropriate rewards and low employee motivation can result in lower employee performance in the company.

Every company has an organizational culture that contains applied values. As social beings, employees are inseparable from the various values and norms that exist in the company. One of the external factors that affect employee performance is organizational culture (Robbins; 2006). Organizational and employee culture have an equally important bond with the company. Employees play a role as a driver of all activities within the company, and there is an organizational culture as norms, guidelines and rules that bind employees, so that employees can have good performance, carry out the company's mission to achieve the company's goals or vision.

Apart from Organizational Culture, Leadership is a competency dimension that is very important for the performance or success of an organizational company. The main essence of leadership is how to influence others to be effective, of course everyone can do it differently. Leadership is an art, because the approach of each leader in leading people can be different depending on the characteristics of the leader, the characteristics of the task and the characteristics of the person they lead.

Based on the phenomenon that exists in the company to reduce the saturation of a leader, within 1-2 years, a maximum of 4 years will be held rotating or mutations so that there will always be refreshments or seen based on the level of company needs and adjusted to the skills possessed by a leader and the placement area. "Rotation of positions is very important, so that employee performance can be evaluated and improved again," said General Manager of PLN Christyono in Manado, Wednesday, <https://kalteng.antaranews.com/berita/336304/pln-mutation-sejotal-pegawinya>.

In addition, improving the performance of employees at PT. PLN (Persero) Baubau Area requires a reward system where employees with good performance will get an award. Rewards will be ideal and strategic when used in accordance with the basic principles of work to improve employee performance. Reward is an incentive for an employee to be motivated to improve their performance. Furthermore, to increase the performance of the firm, corporations need to adopt strategic approach Ridwan and Marti (2012) ; Omar *et al.* (2018) ; Ridwan (2019) ; Tjahjaningastoeti dkk (2019) ; Djami Rane dkk (2019).

Motivation has characteristics that cannot be separated from human nature itself, where individual humans have different qualities of themselves from one another. Motivation to become the actualization of an employee to increase their performance can also lead to uniting and maintaining certain behaviors. Based on the phenomenon and research gap from the results of this study is an interesting thing to be investigated further by taking the title "The Effect of Organizational Culture, Leadership and Rewards on Employee Performance Through Motivation as an intervening variable at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi, Baubau Area.

THEORETICAL FRAMEWORK

Performance

Meaning of performance Actually comes from the words job performance and is also called actual performance or work performance or actual achievement that has been achieved by an employee. Performance is the work achieved by employees in completing assigned tasks and responsibilities within a certain period (Fydayeen et al., 2016; Cashmere, 2016).

Organizational culture

Organizational culture is the value, belief, symbol adopted by the organization that is accepted and influences, regulates and binds diverse groups in interacting with other group members, can serve as an glue and define a code of ethics in realizing organizational goals so that it must be taught to new members of the organization (Winanti 2013; Kreitner, Robert & Angelo Kinicki 2005; Robins 2006; Sutrisno, 2010; Koesmono, 2005).

Leadership

Leadership is a way of getting employees to act properly, achieving commitments and motivating them to achieve common goals (Sudarmanto, 2009).

Rewards

Rewards is something we give to someone because he is doing something. Something natural as an appreciation, as an expression of our gratitude and attention (Susanto and Wijarnako, 2005). Rewards are positive results obtained as a result of employee performance and these rewards are aligned with organizational goals.

Motivation

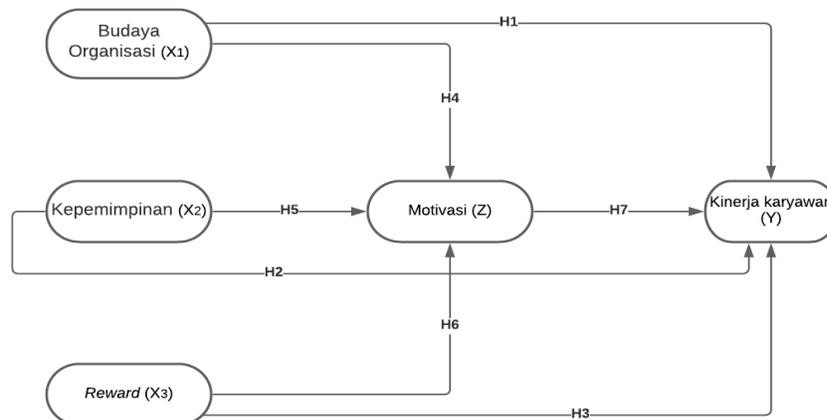
Robbins (2005) defines motivation as "a willingness to exert a high level of effort on organizational goals, conditioned by the ability of the effort to meet multiple individual needs".

RESEARCH HYPOTHESIS

1. Organizational culture influences employee performance at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area?
2. Leadership affects employee performance at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area?
3. *Rewards* affect employee performance on PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area?
4. Organizational culture influences motivation at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area?
5. Leadership affects motivation at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area?
6. *Rewards* effect on motivation at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area?
7. Motivation affects employee performance at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area?

CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESIS

Conceptual framework



Source: (Processed by the author)

RESEARCH METHODS

Research design

This type of research used in this research is quantitative research methods. According to Sugiyono (2013: 8) The quantitative research method is research used to examine a specific

population or sample, collecting and using research instruments, analyzing quantitative or statistical data with the aim of testing the established hypothesis. This study also uses intervening variables, namely variables that theoretically affect the relationship between the independent variable and the dependent variable into an indirect relationship that cannot be observed and measured.

Population & Sampel

The population is all research subjects (Arikunto, 2010: 173) The population in this study are all permanent employees at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi, Baubau Area, totaling 115 employees. The samples taken were 115 employees. This study uses a saturated sample technique. Sugiyono (2015: 85) states that saturated sampling is a sampling technique when all members of the population are used as samples.

Research Instrument

Sugiyono, (2016: 102). Research instrument is a tool used to measure observed natural and social phenomena. The instrument used in this study was a questionnaire containing a number of questions about the research variables. The scale used in this study is the Likert scale. According to Sugiyono (2015: 93). Then the evaluation criteria use a Likert scale which consists of 5 points, namely:

1. Strongly Disagree (STS)
2. Disagree (TS)
3. Simply Agree (CS)
4. Agree (S)
5. Agree (SS)

Data analysis technique

The data analysis technique used in this research is Partial Least Square (PLS) which is supported by SmartPLS 3.0 software.

RESEARCH RESULT ANALYSIS

Partial Least Square (PLS) Analysis

External Model Evaluation

1. Convergent Validity

From the results of the analysis, it can be seen that on all variable indicators there are no valid variable indicators, where the results have a loading factor value > 0.50 , meaning valid.

2. Discriminant Validity

The discriminant validity can be determined through the AVE method. The AVE value has good discriminant validity because the AVE value is > 0.5 . All construct variables are stated to have good discriminant validity.

3. Composite Reliability

The results of the analysis of all research variables > 0.70 . This shows that each variable has met the reliability of the composite so that it can be concluded that all variables are adequate in measuring the latent variable being measured so that it can be used in further analysis.

4. Cronbach Alpha

From the results of the Cronbach alpha value, it is known that the Cronbach alpha value of all research variables is > 0.60 . The results showed that all research variables had met the requirements for the Cronbach alpha value, so it could be concluded that all variables had a high level of reliability.

Inner Model Test

In this study, to test the research hypothesis used Partial Least Square (PLS) analysis with the Smart PLS program. The following is a picture of the PLS model sent.

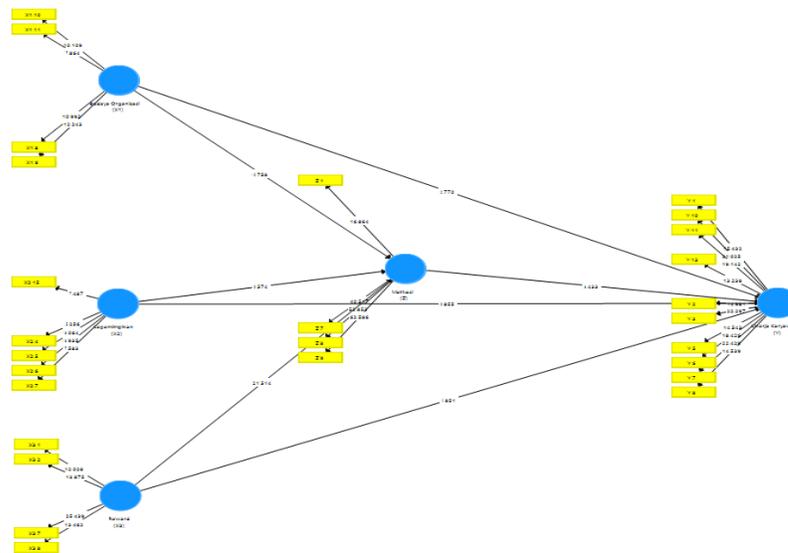


Figure 1. PLS Research Model Hypothesis Testing

T-statistics in Table 5.2. 6 is used to answer the research hypothesis as follows :

Relationship Between Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O / STERR)
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Organizational Culture → Employee Performance	0.232	0.226	0.084	2,770
Leadership → Employee Performance	-0.067	-0.060	0.079	0.855
Rewards → Employee Performance	0.272	0.273	0.147	1,851
Organizational Culture → Motivation	0.046	0.049	0.061	0.758
Leadership → Motivation	0.039	0.041	0.068	0.574
Rewards → Motivation	0.809	0.809	0.038	21,514
Motivation → Employee Performance	0.463	0.466	0.135	3,433

(Source: Author processed data)

Structural Model Testing (Inner Model)

From the PLS model, the results can be seen from the R-square value for each dependent latent variable. The change in R-square can be used to evaluate the effect of the independent latent variable on the dependent latent variable whether it has a substantive effect. The Model of Organizational Culture, Leadership, and Rewards on Employee Performance provides an R-square value of 0.548, which means that the influence of Organizational Culture, Leadership, and Rewards on employee performance at PT. PLN (Persero) Region of South Sulawesi, Southeast Sulawesi and West Sulawesi in Baubau Area of $0.548 = 54.8\%$. Meanwhile, the model of Organizational Culture, Leadership, and Rewards for Motivation gives an R-square value of 0.677 meaning that the influence of Organizational Budaya, Leadership, and Rewards on Motivation at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi, Baubau Area of $0.677 = 67.7\%$. The PLS output can be seen as follows:

Table 5.2.2
R-Square

Model	R-Square
Organizational Culture (X1)	-
Leadership (X2)	-
Rewards (X3)	-
Motivation (Z)	0.677
Employee Performance (Y)	0.548

(Source: Author processed data)

Besides seeing, the PLS model is also evaluated by looking at the predictive relevance for the construct model. The following is the calculation of the predictive relevance value of this research model: $R^2Q^2Q^2$

$$\begin{aligned}
 Q^2 &= 1 - (\sqrt{1-R12}) \times (\sqrt{1-R22}) \\
 &= 1 - (\sqrt{1 - 0.548^2}) \times (\sqrt{1 - 0,677^2}) \\
 &= 1 - () \times (\sqrt{1 - 0.300} \sqrt{1 - 0.458}) \\
 &= 1 - (0.836) \times (0.736) \\
 &= 1 - 0.615 \\
 &= 0.385
 \end{aligned}$$

Based on these calculations, the predictive relevance value of 0.385 can be obtained, where the value is greater than 0 (zero). This shows that the model has a good predictive relevance because it is able to explain the model by 38%. Q^2

CONCLUSION

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

1. Organizational culture has a positive and significant effect on employee performance at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area. The T-statistic shows a value of 2,770 which means it is significant because it is greater than 1.96 (≥ 1.96)
2. Leadership has a negative and insignificant effect on employee performance at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area. The T-statistic shows a value of 0.855 which means it is not significant because it is smaller than 1.96 (≥ 1.96)
3. *Rewards* positive but not significant effect on employee performance at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area. The T-statistic shows a value of 1.851 which means it is not significant because it is smaller than 1.96 (≥ 1.96)
4. Organizational culture has a positive and insignificant effect on motivation at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi Baubau Area. The T-statistic shows a value of 0.758 which means it is not significant because it is smaller than 1.96 (≥ 1.96)
5. Leadership has a positive and insignificant effect on motivation at PT. PLN (Persero) Region Sulsel, Southeast Sulawesi and West Sulawesi, Baubau Area. The T-statistic shows a value of 0.574 which means it is not significant because it is smaller than 1.96 (≥ 1.96)

6. Reward has a positive and significant effect on motivation at PT. PLN (Persero) Region Sulsei, Southeast Sulawesi and West Sulawesi Baubau Area. The T-statistic shows a value of 21,514 which means it is significant because it is greater than 1.96 (≥ 1.96)
7. Motivation has a positive and significant effect on employee performance at PT. PLN (Persero) Region Sulsei, Southeast Sulawesi and West Sulawesi Baubau Area. The T-statistic shows a value of 3,433 which means it is significant because it is greater than 1.96 (≥ 1.96)

SUGGESTIONS

1. For the company
 - a. We recommend that PT. PLN (Persero) Region Sulsei, Southeast Sulawesi and West Sulawesi Area Baubau in the application of organizational culture level of ability to make adjustments internally in order to face and respond to changes in the organizational environment so that it can have a significant influence and can improve employee performance.
 - b. The provision of rewards with "welfare" indicators provides vacation / recreation facilities for employees who excel during the pandemic, it seems that it is necessary to pay more attention to finding alternative recreation so that employees do not feel bored. Various employee welfare programs offered by the organization as a form of reward for work performance, such as benefits and work facilities as well as what employees need.
 - c. PT. PLN (Persero) Region Sulsei, Southeast Sulawesi and West Sulawesi Area Baubau always strives to improve the quality of its leadership and can also act fairly and do not differentiate between employees in assigning assignments.
 - d. In order to further maximize the performance and motivation of employees, the company should be able to be objective with each employee performance shown. This aims to create healthy competition so that every employee will compete to further improve their performance.
2. For further researchers
 - a. It is hoped that future research will further enhance this research how to expand respondents, add research subjects, use other methods, and add independent variables that will be used in further research so that the results can be better.

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