

The Effect of Organizational Culture and Leadership Style towards Employee Performance

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ABSTRACT

This study intends to identify the impact of organizational culture and leadership style on employee performance. Leadership style and organizational culture, among other variables, are two elements that shape and support individuals in achieving a set of goals, which in turn affect the overall success of the organization. For this study, 56 questionnaires were distributed to respondents and the results were obtained through SPSS (26). The research instrument uses quantitative methods, while data analysis techniques include validity, reliability, classical assumption tests, normality, t test and multiple regression. The results showed that with the acceptance of the first hypothesis results, it means that organizational culture (X1) has an effect on employee performance (Y), indicating that this independent variable has a positive impact on employee performance to achieve organizational goals. Acceptance of the second hypothesis shows that leadership style (X2) does not significantly affect employee performance (Y). This indicates that the values, norms, and practices contained in the organizational culture have a more important role in shaping employee performance.

Keywords: Employee performance, Organizational culture, Leadership style

INTRODUCTION

The development of the Indonesian tourism industry has had a positive impact with large foreign exchange earnings, especially from hotels. Both Government and the private sectors are developing the tourism industry as one of the strategies to promote certain areas as tourist destinations to increase trade through selling goods and services. However, in its operations, the hotel service industry is often found consuming a lot of energy and water and also produces large amounts of waste and carbon dioxide.

In an international tourism study, it was stated that tourism contributes around 8% of global greenhouse gas emissions (Lezen, 2018). Sloan et al. (2013) even stated that a five-star hotel, on average, can produce between 160 and 200 kg of carbon dioxide per square meter of room floor area per year, consume between 170 and 440 liters of water per guest per night and produce 1 kg of waste per guest per night.

Therefore, it needs a proactive, adaptive and multidisciplinary approach as well as good ongoing monitoring to achieve sustainable tourism that will benefit both the hotel industry and Indonesian tourism in general. According to Barrow (2006) in order to be able to manage a sustainable environment, an employee/manager is required to (1) be able to choose strategies and tools/methods that are most appropriate to a particular situation; (2) make efforts to direct activities by taking advantage of existing opportunities; (3) try to avoid things that could harm the environment; (3) mitigate problems and prepare to increase the ability to adapt to new ways; (4) can overcome the threat of environmental problems caused by human activities which have caused environmental degradation and (5) support activities that ensure sustainable development.

Within a hotel organization, there are several variables that can influence the success of sustainable tourism, including organizational culture, work environment, leadership style, employee motivations, job satisfaction, team process and communications and so on. However, this paper only aims to study the impact of organizational culture and leadership styles toward employee performance in managing the environment and to answer the questions listed below:

1. Does organizational culture influence employee performance?
2. Does leadership style influence employee performance?
3. Do organizational culture and leadership style simultaneously influence employee performance?

LITERATURE REVIEW

Employee Performance

Job performance is the most important output factor in every organization and is always used as a component in determining a person's career. It includes employee behaviours that are directly involved in the transformation of organizational resources into the goods or services that the organization produces. Colquitt et al. (2019) defined job performance or employee performance as the value of a set of employee behaviours that make a positive or negative contribution to achieving organizational goals.

While according Robbins & Judge (2013), employee performance is a measurement of the expected work results in the form of something optimal. Employee performance is a real behaviour that is displayed by everyone as work performance produced by employees in accordance with their role in the company.

It is in accordance with definition by Groen et al. (2019) who stated employee performance is a measurement of how well they carry out their duties at work. This 'measurement' involves various aspects such as productivity, work quality, initiative, and attendance levels (Darmawan et al., 2020). The importance of employee performance cannot be underestimated, because employees who perform well can make a positive contribution to organizational success and productivity. They not only complete their tasks well, but can also be role models for their colleagues and motivate them to improve their own performance (Mardikaningsih et al., 2017).

Moreover, Pattnaik and Pattnaik (2021) stated that there are three main indicators for measuring employee performance. First, it covers how well employees complete the work assigned, including the efficiency and quality of the work done. Second, interpersonal facilities, which refers to employees' ability to interact and collaborate with colleagues and superiors, including the ability to communicate well and collaborate in teams. Third, work dedication, which shows how much an employee is motivated and committed to their work, including good attendance, involvement and enthusiasm to do a good job.

As for employee environmental performance, Colquitt, et.al (2009) defined it as the value of a set of employee behaviours regarding environmental impacts that can contribute positively and negatively to achieving organizational/company goals. Colquitt et.al stated that employees' environmental performance is the value of a set of employee's behaviour related to how they perceive in contributing positively toward their desire to preserve the environment.

Organizational Culture

According to Greenberg & Baron (2003) organizational culture is a cognitive framework consisting of attitudes, values, behavioral norms and expectations shared by members of the organization. Once this framework is formed, beliefs, hopes and values will tend to become relatively stable and have a strong influence on the organization and the people who work in it.

While Robbins & Judge (2013) defined organizational culture as a system of shared meaning held by members that differentiates the organization from other organizations. Similar to Griffin & Moorhead (2007) definition of organizational culture, as a value that is shared and accepted by its members, to help people in an organization understand what actions are considered acceptable which are considered unacceptable.

Colquitt et al. (2019) defines organizational culture as shared social knowledge in an organization regarding the rules, norms and values that shape the attitudes and behavior of its employees, where there are three components, namely observable artifacts, exposed values and basic underlying assumptions. Based on this definition, Colquitt et al. divides organizational culture into three things, namely (1) culture is a social

knowledge among organizational members; (2) culture is a description of the rules, norms and values in an organization and (3) organizational culture shapes and strengthens the attitudes and behavior of certain workers by creating a monitoring system for employees.

In addition, Griffin and Moorhead (2013) defined organizational culture as the set of values that helps the organization's employees understand which actions are considered acceptable and which are unacceptable. In other words, organizational culture will also make it easier for employees to understand what is expected and to interact with other employees who know the culture and believe in it.

Furthermore, McShane and Von Glinow (2015) explain that organizational culture will be able to improve the performance of an institution if the organizational culture is in accordance with environmental needs, has a strong culture and is adaptive.

Leadership Style

Colquitt et al. (2019) define leadership as the use of power and influence to direct followers' activities towards achieving goals. These directions may influence followers' interpretations of events, the organization of their work activities, their commitment to major goals, their relationships with other followers, or their access to cooperation and support from other work units.

While according to McShane & Glinow (2010) leadership is about influencing, motivating and enabling others to contribute toward the effectiveness and success of the organizations of which they are members. In accordance with Greenberg (2010) which defines leadership as a process in which a person influences others in various ways to help a group or organization achieve organizational goals. Greenberg's definition is used to differentiate leaders from managers. Next, Greenberg defines the concept of influence, namely the ability to influence the perceptions, beliefs, attitudes, motivations and/or behaviour of other people. From an organizational perspective, according to Greenberg, leadership has an important position because it has a strong influence on individual or group behaviour

While Kreitner & Kinicki (2010) stated that there are four points in defining leadership (1) leadership as a process between a leader and his subordinates; (2) leaders involve social influence; (3) leadership occurs at multiple levels in an organization; (4) leadership focuses on achieving goals. In general, Kreitner and Kinicki define leadership as a process in which an individual influences other to achieve mutually established goals.

METHOD

This quantitative research was being conducted in Menara Peninsula Hotel (MPH) located in Jakarta with the aim of researching the effect of two independent variables toward dependent variables. The respondent consisted of 56 hotel employees, consisting of 17 employees of the Housekeeping department (HK), 23 employees of Food & Beverages Service (FBS) and 16 employees of Food & Beverages Kitchen (FBK). Questionnaire was used as a research instrument to measure the three variables under study, namely employee performance, leadership style and organizational culture. Each questionnaire consisted of items that refer to the concepts and indicators of the research variables.

This research used survey methods and statistical analysis to identify and analyze the impact between the variables studied. Thus, data collected was analyzed using multiple linear regression analysis to evaluate the relationship between these variables. Multiple linear regression analysis will allow the researcher to identify how much impact the independent variables (leadership style and organizational culture) have on the dependent variable (employee performance), as well as how significant the influence is after considering control factors. The validity and reliability of the questionnaire are tested before they are used in data collection to ensure the reliability and validity of the research results. Using the Pearson Product Moment (PPM) formula to test the validity and Alpha Cronbach formula to test the reliability.

By using this survey method and statistical analysis, it is expected that this study can provide a better understanding of the relationship between leadership style, organizational culture, and employee performance in MPH in Jakarta.

RESULT AND DISCUSSION

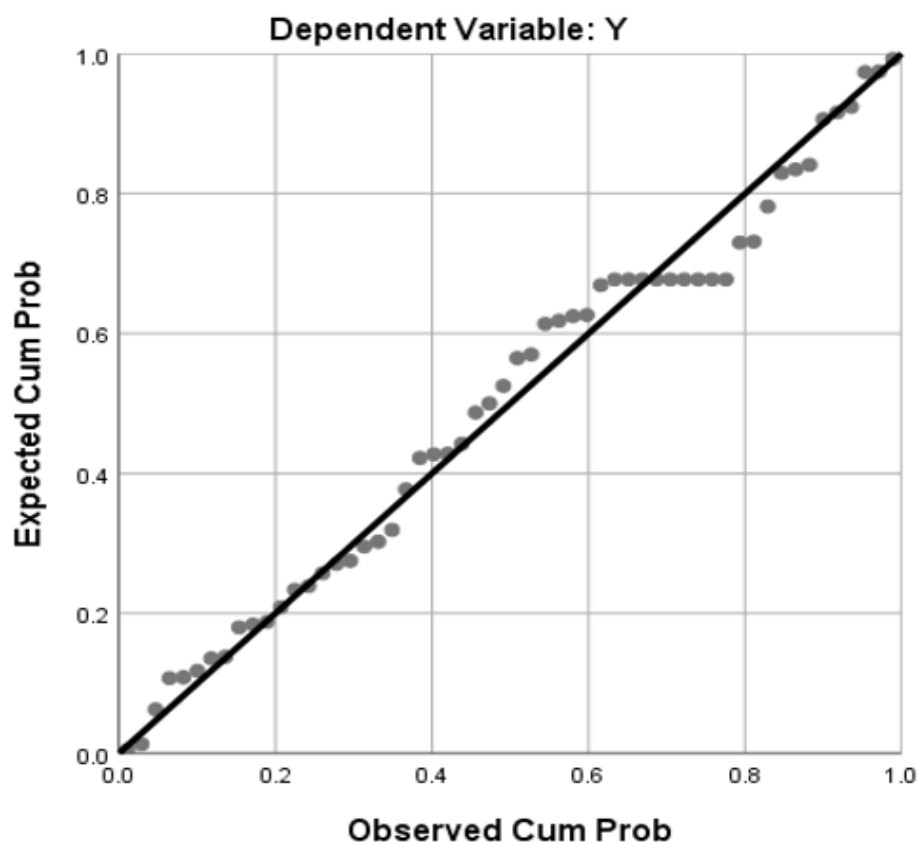
In the category of work experience, there are four groups namely less than 1 year: 6.5%; 1 - 3 years range: 6.5%; 3 - 5 years range: 1.3% and a range of more than 5 years: 72.7%. This was the majority group of respondents in this study, meaning these long-term experienced employees would have a better understanding of organizational dynamics and have contributed significantly to the life of the hotel, which can be a valuable resource to support the long-term stability and growth of the organization.

Within the category of age, there are also four groups namely less than 25 years old: 3.9%; 26 - 35 years old: 11.7%; 36 - 45 years old: 41.6% and with 46 years old and up: 42.9%. This suggests that most of the employees are quite mature and may have been in the workforce for a number of years. The integration of these categories of work experience and age provides a comprehensive understanding of the employees' profile, which is highly relevant for assessing the influence of leadership style and organizational culture on employee performance development from the point of view of respondents' perceptions.

Before statistical analysis (hypothesis) testing is carried out, analysis requirements are tested to ensure the data meets the standards with the technique used. Normality test is used to determine whether the distribution of the data obtained is normal; Homogeneity test to determine whether the research sample comes from a homogeneous population; Linearity test to find out whether the relationship between variables is linear or not. The results are summarized in the figures and tables below:

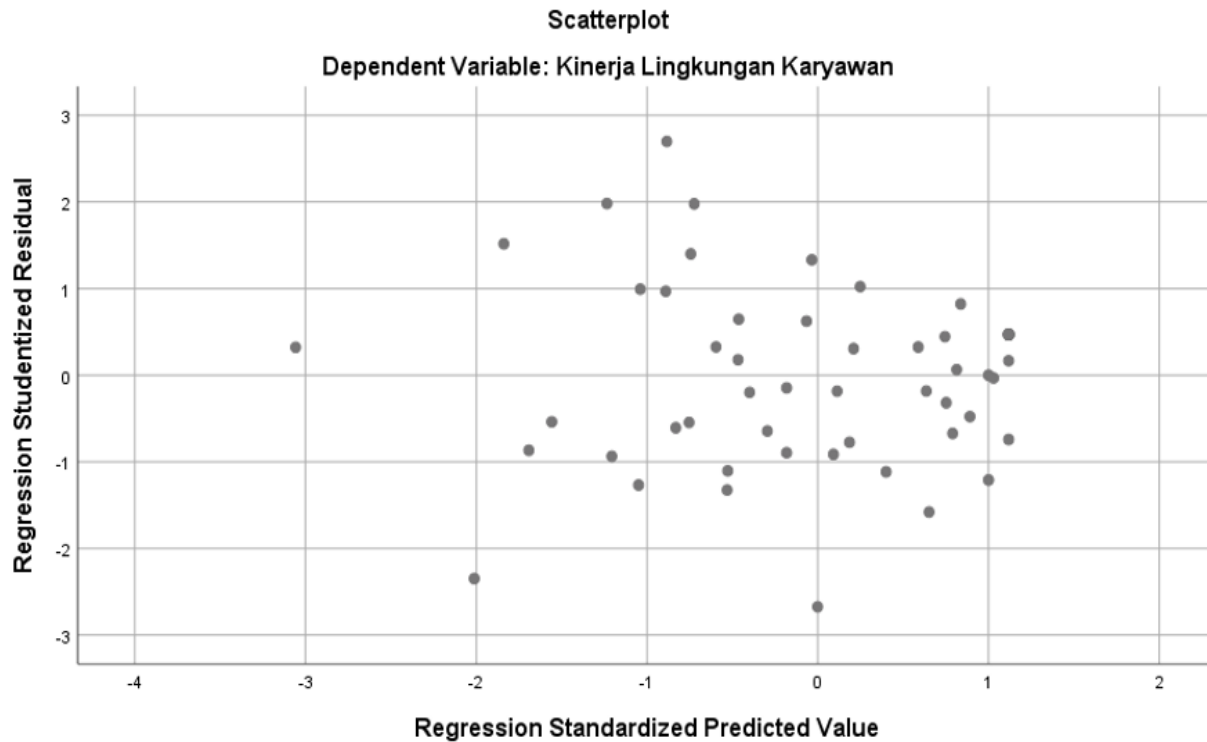
Figure 1: Normality Test

Normal P-P Plot of Regression Standardized Residual



From the picture above, it can be seen that the points follow the diagonal line. Normality can be checked by looking at the normal probability plot. If the data points are evenly spread along the diagonal lines in the plot, it indicates that the data follows a normal distribution. So, it can be said that the regression model is normally distributed. If the data distribution is normal, then data analysis and hypothesis testing can use parametric statistics.

Figure II. Homogeneity Test



In this research, the Homogeneity test was carried out using the Residual Plot and did not use the Barlett test, because in linear regression it would be better to use the Residual Plot. It is said to be homogeneous if there is no clear pattern in the image, and the dots are spread above and below the number 0 on the Y axis.

From the picture above it can be seen that the dots are random or do not form a pattern and the dots are above and below zero, so it can be concluded that all sample data comes from a population that has a homogeneous variance.

The linearity test is part of statistical analysis and is often used as a prerequisite in linear regression or correlation analysis. If the significance value (linearity) is less than 0.05, then the relationship between the dependent variable and the independent variable is said to be linear. On the other hand, if the significance value is more than 0.05, then the relationship between the two variables is said to be non-linear.

The Influence of Organizational Culture on Employee Performance

Table I. Linearity test between Organizational Culture and Employee Performance

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1							
	(Constant)	51.210	8.130	6.299	.000		
	Budaya Organisasi	.520	.063	.749	.000	1.000	1.000

a. Dependent Variable: Kinerja Lingkungan Karyawan

Based on the table above it can be seen that:

Sig value. X1 is 0.000 (<0.05) which means reject H_0 . So it can be said that there is a linear relationship between X_1 and Y.

The Influence of Leadership Style on Employee Performance

Table II. Linearity test between Leadership Style and Employee

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	74.425	7.804		9.537	.000		
	Kepemimpinan Transformasional	.335	.059	.612	5.686	.000	1.000	1.000

a. Dependent Variable: Kinerja Lingkungan Karyawan

Based on the table above it can be seen that:

Sig value. X1 is 0.000 (<0.05) which means reject H₀. So, it can be said that there is a linear relationship between X₂ and Y.

After completing the validity test and reliability test, the next step is to conduct hypothesis testing to evaluate the relationship that has been formulated in the model, namely assessing the impact of organizational culture (X₁) and leadership style variables (X₂) on employee performance (Y).

Table III. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.755 ^a	.571	.554	6.742	1.730

a. Predictors: (Constant), Kepemimpinan Transformasional, Budaya Organisasi

b. Dependent Variable: Kinerja Lingkungan Karyawan

R² employee performance has a value of 0.571 or 57.1%. This shows that the employee performance variable can be explained by leadership style and organizational culture. While the remaining (100% - 57.1%) of 42.9% of employee performance (Y) is influenced by other variables outside this study.

Table IV. F Test results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3200.061	2	1600.030	35.201	.000 ^b
	Residual	2409.064	53	45.454		
	Total	5609.125	55			

a. Dependent Variable: Kinerja Lingkungan Karyawan

b. Predictors: (Constant), Kepemimpinan Transformasional, Budaya Organisasi

From Table IV, the observed F value is 35.201, and the significance value (Sig.) is 0.000. Since the value of Sig. (0.000) is smaller than the significance level α (0.05) and the observed F value is 35.201 is not so high, it can be said in conclusion that variables of leadership style and organizational culture simultaneously have moderate effect on employee performance.

Table V. Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	50.313	8.164		6.163	.000		
	Budaya Organisasi	.449	.091	.647	4.918	.000	.468	2.138
	Kepemimpinan Transformasional	.076	.072	.140	1.062	.293	.468	2.138

a. Dependent Variable: Kinerja Lingkungan Karyawan

The results of hypothesis testing are presented in Table V, where overall, the influence between variables shows significance. The significance value for the effect of organizational culture (X_1) on employee performance (Y) is 4.918, while for leadership style (X_2) on employee performance (Y) is 1.062. Therefore, it can be concluded that the variable organizational value has a significant effect on variable Y variable, while the variable leadership style has moderate effect on Y.

The T statistical test basically shows how far the influence of an independent variable is partially in explaining variations in the dependent variable. In this study, a significance level of 0.05 ($\alpha = 5\%$) was used. If $t_{\text{Count}} < t_{\text{Table}}$, then the independent variable partially has no effect on the dependent variable (which means the hypothesis is rejected). Meanwhile, if $t_{\text{Count}} > t_{\text{Table}}$, then the independent variable partially influences the dependent variable (hypothesis is accepted).

CONCLUSION

The results of this research's hypothesis test found that the independent variable Organizational Culture contributed more significantly (56.1%) to the dependent variable Employee Performance compared to the contribution of the independent variable Leadership Style (37.5%). Meanwhile, when the test was carried out simultaneously, these two variables contributed quite significantly to the dependent variable (57.1%).

A strong organizational culture, which creates a supportive work environment, is full of positive values and facilitates employees' engagement, while leadership style, with its ability to inspire, provide clear direction and motivate staff, directly affects staff performance. Together, these two factors contribute quite significantly to employees' performance in Menara Peninsula Hotel.

Corporations with the right leadership and good organizational culture will certainly provide maximum employee environmental performance. On the other hand, a company with an inadequate organizational culture and poor leaders will result in employee performance that is not optimal in carrying out their duties. Employees are an important part of a hotel organization, because they are responsible for maintaining the cleanliness of hotel spaces including rooms, bathrooms, hallways, elevators, meeting rooms, swimming pools and other spaces. Apart from that, they are also tasked with preparing food, drinks and other necessities for the comfort of hotel guests, as well as maintaining the work environment.

Therefore, it is hoped that the results of this research will provide useful information for the development of subsequent hotels, both those under the same management (MPH), as well as hotels in other regions in Indonesia that adhere to environmentally friendly concepts in an effort to create sustainable tourism. This study contributes to the literature by providing empirical evidence for the previously unexplored impact of organizational culture and leadership style towards employee performance in managing the environment.

However, it must be acknowledged that within this research there are still many weaknesses which can more or less influence the final results of the research, including: (1) limitations in research time, energy and researcher abilities; (2) the lack of respondents' ability to understand the statements on the questionnaire and also honesty in filling out the questionnaire; (3) this research only examines two factors, so that in the future it is necessary to develop further research by examine other factors that can influence employee performance; (4)

the conclusions drawn are only based on data analysis provided, so it is hoped that there will be further research with different research methods, a wider population sample and the use of different and more complete research instruments.

In the end, based on the findings above, several suggestions that can be given are: (1) The leadership style at the Menara Peninsula Hotel needs to be improved because it was found that the leadership variable value has a less significant influence on employee performance; (2) Employees are expected to increase their commitment to their organization with performance that pays more attention organization's goal; (3) Company management can provide rewards to improve employee performance, such as provide training so that employee organizational commitment can increase.

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