THE IMPACT OF ORGANIZATIONAL CULTURE AND TRANSACTIONAL LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE IN PT. PEGADAIAN (PERSERO) OFFICE REGION III PALEMBANG

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ABSTRACT: The purpose of this study is to show the influence of organizational culture and transactional leadership style and to know the variables that have dominant influence on the performance of employees of PT. Pegadaian (Persero) Regional Office III Palembang. Qualitative data is used in this study in the form of a questionnaire with the use of the Likert scale. In this study the population used is all employees of PT. Pegadaian (Persero) Palembang Regional Office III as many as 105 respondents with saturated sampling technique. The results obtained are organizational culture and leadership style able to influence the performance of employees of PT. Pegadaian (Persero) Palembang Regional Office III positively and significantly. The results of the F test show that together the variable organizational culture and transactional leadership style can significantly influence employee performance.

KEYWORDS: organizational culture, transactional leadership style, employee performance

INTRODUCTION

The number of human resources (employees), an organization must think of ways to be able to utilize and optimize the performance of employees. This is because employees are one of the important assets needed by the organization to carry out the production process which is a problem is how to produce employees who have optimal performance. Optimal employee performance is one of the goals of the organization to achieve high work productivity.

Employee performance effectiveness can be influenced by an organization with a strong culture. In addition, the application of culture in a company will also shape the character of its employees by themselves in carrying out their duties and achieving the goals of the company. In addition to organizational culture, leadership style also affects employee performance in a company.

According to Stephen P. Robbins (2016), leadership is the ability to influence a group toward achieving goals. On the side of Maulizar (2012; 4) argues that the concept of leadership that is growing rapidly is the concept of transactional and transformational leadership which was later popularized by Bass in 1985. Transactional leadership refers to the concept of barter between leaders and staff, good subordinate performance is the leader's expectations, while staff expect economic rewards and rewards from the leader. Whereas transformational leadership refers to the concept of subordinate development.

PT Pegadaian (Persero) Regional Office III Palembang is an Indonesian state-owned financial sector engaged in three business lines of the company, namely financing, gold and various services that have operational areas covering 5 provinces, namely South Sumatra, Bandar Lampung, Jambi, Bengkulu and Bangka Belitung Like other operational areas. In line with the improvement of the strategic initiative program 2019, Palembang Regional Office III made the planned target to be increased in terms of quantity and quality so that all elements of management and workers must understand so that the company's target, vision and mission can be carried out properly.
PT Pegadaian (Persero) has a good organizational culture and has been used as a guide and direction to be adhered to in achieving organizational goals, but informally there have emerged unhealthy cultures such as employee mentality which have resulted in less creative and innovative behavior, less attitudes respecting colleagues and leaders, lack of discipline, and lack of competencies related to understanding corporate culture. This results in employee performance not being optimal, such as unfinished work on time and the quality of work that does not meet the standards.

Apart from unhealthy cultures, there are also behaviors of the low performance of PT Pegadaian (Persero) employees. in the form of lack of responsibility for carrying out tasks, procedural deviations from SOPs, low discipline.

PT Pegadaian (Persero) performance data in Regional Office III Palembang that PT Pegadaian (Persero) Palembang Regional Office III has 32 branch offices spread in 3 cluster areas namely Palembang, Jambi, Lampung. Overall there are 93.75% or 30 branch outlets that do not reach the set target. There are even around 25 branch outlets that get realization below 80% of the target set. The best achievement came from 2 outlets that managed to record the realization above 100% of the target set.

The lack of achievement of PT Pegadaian (Persero) performance in Palembang Regional III Office according to the possibility caused by several things, such as: employers who are less able to influence employees to be disciplined and comply with rules set by the company and the ability to bring employees to the goals to be achieved by the organization. The lack of functioning of the organizational culture that has existed in the organization as a norm in behaving in the organization, and the lack of education and training that can provide additional knowledge for employees to achieve the expected target.

The indicator of employee performance measurement according to Robbins (2015) in the form of work quality, timeliness, initiative, capability and communication becomes a matter that needs special attention so that companies can compete with other companies in the current era of globalization.

**LITERATURE REVIEW**

**Organizational culture**

According to Boke and Nalla (2011) organizational culture can be measured by five indicators as follows: (1) regulations are implemented uniformly for all parties without regard to certain conditions or certain problems. (2) Distance with superiors, each employee can freely express opinions and ideas that are different from his superiors. (3) trust where employees are open to other employees. (4) professionalism by carrying out work with very good quality can develop employee capabilities. (5) integration where employees are friendly in their association.

Human resources are part of a culture that affects each other. That is because the culture that forms the predecessors in the organization then creates norms and values according to ideology that can help in achieving organizational goals.

In the end the culture formed will affect human resources and then new resources in the organization can influence the formation of culture itself.

**Transactional Leadership Style**

According to Robbins & Judge (2015) transactional leadership style is a type of leadership where leaders integrate or motivate their followers in the direction of goals that are upheld by clarifying the roles and demands of the task. In Robbins & Coulter (2012: 497), transactional leadership is a leader who guides and motivates followers in the form of appreciation for their productivity / performance.

**Employee performance**

Performance is a work performance or a real achievement achieved by someone. According to Robbins (2012), performance is the actual performance of employees compared to the expected performance of employees.

Dimensions of employee performance according to Robbins (2016), namely as follows:

1. Quantity

Quantity is a measurement of the performance of an employee by assessing the quantity of work completed in a period.
2. Quality

Quality measurement of an employee's performance by assessing the quality of work performed as expected.

3. Timeliness

Is a measure of performance based on the accuracy of the time planned. Timekeeping measurement is a special type of quantitative measurement that determines the timeliness of completion of an activity. We can see this from the level of employee attendance, employee compliance at work.

**RESEARCH METHODOLOGY**

In accordance with the issues to be discussed and so as not to widen the discussion, the authors need to make the scope of the discussion only on the aspects of relationship Organizational culture and Transactional leadership style on the performance of PT Pegadaian (Persero) Regional III Palembang employees.

**Data source**

1. Primary data is a source that provides data to researchers found from direct observations or observations to PT Pegadaian (Persero) Palembang Regional Office III, besides that the author distributes questionnaires and interviews directly to employees of PT Pegadaian (Persero) Regional Office III Palembang.

2. Secondary data, namely data that has been collected in advance from other parties such as the company's official website, journals relevant to research, articles in newspapers, HR management books related to the object of research.

**Population**

In this study the population used was employees of PT Pegadaian (Persero) Palembang Regional Office III as many as 105 people.

**RESULTS AND DISCUSSION**

**Coefficient of Determination (R²)**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error Of The Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.583a</td>
<td>.340</td>
<td>.327</td>
<td>5.578</td>
</tr>
</tbody>
</table>

From the table above explains the value of R² (coefficient of determination) of 0.340 means that the independent variable can explain the effect of the dependent variable by 34% while the remaining 66% (100% -34% = 66%) is explained by other factors not discussed in this study.

**Analysis of Multiple Linear Regression**

From the test results, the equations that can be formed are as follows:

\[
Y = a + b_1X_1 + b_2X_2
\]

\[
Y = 26.208 + 0.1986X_1 + 0.381X_2
\]

From the results of the equation, it is obtained that the constant results of 26.208 are positive which means that the independent variables of organizational culture are 0.196 and transactional leadership is 0.381 against the dependent variable of employee performance.

**Model Feasibility Test (F Test)**

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In principle, F-test analysis (ANOVA) is used to show the effect of organizational culture variables and transactional leadership styles on employee performance. The following testing criteria:

- If prob F is greater than 0.05 it means no significant effect
- If prob F is smaller than the meaning it has a significant effect

The following are the results of ANNOVA testing which can be seen in the table below:

**Table 2. F Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1632.965</td>
<td>2</td>
<td>816.482</td>
<td>26.239</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>3173.950</td>
<td>102</td>
<td>31.117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4806.914</td>
<td>104</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Independent Variable: Organizational Culture and Transactional Leadership Style
Dependent Variable: Employee performance

The results of multiple regression tests on the level of confidence of 94% obtained a value of Fcount of 26.239 greater than the value of F table. The results of F table are 2.69% calculated from (n-k) = 105-3 = 102 and F count is 26.239 with a probability level of 0.000 which means that Fcount is greater than F table and Prob Significance is smaller than 0.05. It can be concluded that the independent variable (Organizational Culture and Transactional Leadership Style) has a significant effect on Employee Performance.

**Individual Parameter Significance Test (t Test).**

The t test basically shows how far the influence of an explanatory variable is (variable X1, X2) partially (individually) in explaining variable variations bound.

**Table 3. Regression Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>26.208</td>
<td>Beta</td>
<td>5.759</td>
<td>0.000</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.196</td>
<td>0.262</td>
<td>2.804</td>
<td>0.006</td>
</tr>
<tr>
<td>Transactional Leadership Style</td>
<td>0.381</td>
<td>0.403</td>
<td>4.307</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Data Source: Processed from the Questionnaire

From the results of the t test it can be concluded that:

1. Beta value in the organizational culture variable is 0.262 with the sig value. 0.006 smaller than 0.05. meaning that organizational culture can affect employee performance positively and significantly.
2. The beta value of the transactional leadership style variable is 0.403 with the sig value. 0.000 is smaller than 0.05. meaning that transactional leadership styles can affect employee performance positively and significantly.

**CONCLUSION**

The results of the assessment of multiple linear regression analysis with two independent variables namely organizational culture and transactional leadership style and one dependent variable of employee performance indicate that organizational culture and leadership style variables have a positive and significant influence on employee performance at PT Pegadaian (Persero) Regional Office III Palembang.

SUGGESTION

Based on the results of the research, and the conclusions above, the researcher can propose a number of suggestions as follows:

1) For PT. Pegadaian (Persero) Regional Office III Palembang

Leadership style at PT. Pegadaian (Persero) Palembang Regional Office III that needs to be done by the company is to maintain the existing conditions and improve this condition towards a better one. Leaders must pay more attention to policies that are in accordance with procedures and give authority to their subordinates to make decisions together. In addition, leaders should pay more attention to the ongoing work process, where leaders can clarify goals and communicate the objectives and expected results. So that it can create participation and communication between superiors and subordinates.

2) For Further Researchers

For the next researcher can examine organizational commitment, training and so on and can expand the sample to strengthen and produce good research.

REFERENCES


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