



The effect of leadership style and organizational climate on employee performance at PT Cipta Baja Trimatra

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ABSTRACT (10 PT)

This research was conducted at PT Cipta Baja Trimatra with the intention of determining whether or not there is a correlation between the employees' level of work performance and the leadership style of the company's management. The survey had a total of 52 employees from PT Cipta Baja Trimatra participate as respondents. The research was carried out on employees at that company. The method of random accident sampling was used to choose the research respondents. The distribution of questionnaires and a search of the relevant literature were the methods used to obtain the data. Multiple linear regression is the method for analyzing the data, while SPSS for Windows 22.0 is the statistical software that was utilized. At PT Cipta Baja Trimatra, the results of the test indicate that leadership style has a positive and significant effect on employee job satisfaction, and that organizational climate also has a positive and significant effect on employee job satisfaction. Both of these factors contribute to employee job satisfaction. In addition, the study discovered that the influence of leadership style and organizational climate variables on employee performance was quite little, coming in at 10.8%.



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INTRODUCTION

As a result of the increased level of competition that exists between businesses as a result of globalization, human resources (HR) are required to have the ability to continuously develop themselves in a proactive manner (Riniwati, 2016). Human resources need to transform into human learners, or people who are eager to acquire new skills and are willing to put in long hours with a positive attitude, in order for their human potential to be realized to its fullest. Therefore, the human resources that are needed at this moment are human resources that are fast capable of mastering technology, are adaptable, and are responsive to changes in technological landscape. In these circumstances, maintaining one's personal integrity is becoming an increasingly vital factor in the overall competition (Yulianah & Supardi, 2022).

Human resource management has a big role in fulfilling the smooth running of the organization. Organizations need human resources to develop their business (Sriwidodo & Haryanto, 2010). The management of human resources is influenced by many things, apart from the quality of human resources, the existing systems within the organization, work procedures, involvement or participation are one of the factors that influence organizational effectiveness ((Sinambela, 2021); (Safitri & Nurwulandari, 2022)). Good human resource practices will result in an increase in an organization's ability to attract and retain the best people, and healthy human resource practices can also motivate organizational members to do great work (Yulianah, 2021).

It is possible to encourage high performance and a positive attitude toward one's work by providing opportunities for advancement within an organization, for career growth and development, and for remuneration that is commensurate with one's level of achievement. The purpose of the majority of the efforts that are made by organizational management in order to develop human resources is typically to improve the performance of members of the organization so that there is an increase in profit growth.

In an organization, the leadership component is crucial since it is the leader who will move and direct the organization towards attaining its goals. However, this is not an easy task, as leaders must be able to comprehend the diverse behavior of their subordinates. Influencing subordinates so that they

can provide dedication and engagement in the company effectively and efficiently ((Bukit et al., 2019);(Nurmaya & Nurwulandari, 2022)). In other words, it is argued that the quality of leadership determines the success or failure of efforts to attain corporate objectives. Given that what a leader drives are not inanimate objects, but human individuals with feelings and reason, as well as diverse sorts and features, the leadership challenge cannot be viewed as simple (Nisyak & Triyonowati, 2016). A leader's will serves a certain purpose. This implies that subordinates' ability to meet their demands depends on the leadership qualities and willingness of their superior (Mahmud, 2019).

Style of leadership is the manner in which a leader influences the conduct of others. A person's leadership style is a behavioral norm that is employed when attempting to influence the conduct of others ((Mattayang, 2019);(Supardi Supardi & Wibawa, 2022)). There are pros and cons to each of these designs. According to his skills and personality, a leader will employ a specific leadership style ((Asnawi, 1999);(S Supardi et al., 2023);(Suwanto et al., 2022)).

Creating an organizational atmosphere that motivates people to enhance performance in order to achieve organizational objectives is not simple. This is due to the fact that based on their demands, humans have fundamentally distinct behavioral traits (Isrorina & Setyowati, 2009). It was further explained that if there are differences or gaps in the perceptions of members and leaders regarding the felt and expected climate, then job dissatisfaction, decreased work motivation, and possible abuse of rights and responsibilities will result in suboptimal achievement of organizational objectives. (Susanty, 2013) It is becoming increasingly difficult for leaders to satisfy the requirements of members and achieve organizational goals at the same time due to the tendency of organizations to develop and adapt to changes in the surrounding environment ((Idrus, 2006);(Nurwulandari, Hasanudin, & Raihan, 2022)).

According to (Aryansah, 2013) and (Nurwulandari, Hasanudin, Subiyanto, et al., 2022) organizational climate is the state of the organizational environment felt by members which leads to aspects such as: psychological safety and psychological meaningfulness of the work environment. The assessment and perception of the organizational environment is based on the psychological significance, emotional involvement and motivational involvement of the members through a process called the evaluation process. This assessment process is a cognitive representation of the form of the organizational environment which is interpreted based on individual values and welfare.

Individual performance influences group performance, which then impacts organizational performance. In highly effective organizations, management contributes to the development of positive synergies, such that the whole is greater than the sum of its parts. No solitary metric or criterion accurately reflects performance on any level. Performance can be understood in a broad sense as the achievement of work results in accordance with the rules and standards applicable to each work organization. According to Performance (Ruky, 2002), performance is the accomplishment of certain job requirements, which is ultimately reflected in both the quantity and quality of output. As previously stated by Simamora, the output can be either physical or non-physical.

PT Cipta Baja Trimatra is a fairly large construction company in North Jakarta. This company requires employee performance in achieving company goals, employee performance is also influenced by the leadership style of the company and the organizational climate of the company. Employee performance at PT Cipta Baja Trimatra increases and decreases every year. Therefore, the authors are interested in conducting research on the influence of leadership style and organizational climate on the performance of employees of PT Cipta Baja Trimatra.

METHODS

Quantitative methods were used for this study. This study employs an associative research methodology to examine how management practices and company culture affect productivity at PT Cipta Baja Trimatra. All 363 people currently or formerly employed by PT Cipta Baja Trimatra were included in the study. A total of 146 workers were selected at random for this investigation. Interviews, observations, surveys, and an examination of documents all played roles in gathering this data. In addition, SPSS for Windows 22 will be used to perform a multiple linear regression analysis on the data to ascertain how the independent variables affected the dependent one. Employee output is the dependent variable, whereas leadership style and organizational climate are the independent variables in this scenario.

RESULTS AND DISCUSSION

Results of Multiple Linear Regression Analysis

To investigate the impact of independent variables on PT Cipta Baja Trimatra's performance, a statistical hypothesis test was conducted. The regression coefficient is derived from the outcomes of data processing, as shown in the following table:

Table 1 Results of Multiple Linear Regression Analysis
Coefficients^a

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	std. error	Betas		
1. Constant	6,311	2,235		2,820	0.004
Leadership Style (X1)	0.141	0.68	0.160	2.035	0.001
Organizational Climate (X2)	0.240	0.69	0.268	3,392	0.000

a. Dependent Variable: Employee Performance

Source: Processed Results of SPSS

Based on the processed data above, the following equation is obtained:

$$Y = 6.311 + 0.141X1 + 0.240X2$$

The interpretation of the equation is as follows:

- a = 6.311 indicates that if there are no Leadership Style and Organizational Climate variables (X1 and X2 = 0), then student employee performance is 6.311. In the sense of the word employee performance will decrease by 6.311 before or without the leadership style and organizational climate variables (X1 and X2 = 0).
- b1 = 0.141, which means that Leadership Style (X1) has a positive influence on student employee performance (Y) of 0.141 and considers the Organizational Climate variable (X2) to be (constant). In other words, it can be said that for every increase in Leadership Style by one unit or 1%, the performance of student employees will increase by 0.141.
- b2 = 0.240 which means that Organizational Climate (X2) has a positive influence on student employee performance of 0.240 and considers Leadership Style (X1) to be (constant). In other words, it can be stated that for every increase in Organizational Climate by one unit or 1%, the performance of student employees will increase by 0.240.

Hypothesis testing

1. t test (Partial Test)

A t test was used to examine the relationship between the independent and dependent variables in this study. The level of significance used in this study was 5%. A result of t count > t table indicates that the two independent variables have a moderate effect on the dependent variable, which is the test's criterion. If, on the other hand, t count < t table, it follows that none of the three independent variables has a statistically significant effect on t. Here are the outcomes of running a t test in IBM SPSS Version 22.0 and comparing the results to a t table:

Table 2. (Partial) t test results
Coefficients^a

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	std. error	Betas		
1 Constant	6,311	2,235		2,820	0.004
Leadership Style (X1)	0.141	0.68	0.160	2.035	0.001
Organizational Climate (X2)	0.240	0.69	0.268	3.392	0.000

b. Dependent Variable: Employee Performance

Source: Processed Results of SPSS

From table 2 above, the test results for each variable are obtained as follows:

- a. X1 variable (Leadership Style) is $2.035 > 1.9766$. So it can be concluded that the variable Leadership Style partially has a significant effect on performance at PT Cipta Baja Trimatra, because $t \text{ count} > t \text{ table}$.
- b. Variable X2 (Organizational Climate) is $3.392 > 1.9766$. So it can be concluded that the Organizational Climate variable partially has a significant effect on performance at PT Cipta Baja Trimatra, because $t \text{ count} > t \text{ table}$.

From the results of these tests, it can be concluded that the hypothesis that is suspected that Leadership Style and Organizational Climate partially have a significant effect on performance is correct. This is indicated by the results of $t \text{ count} > t \text{ table}$.

2. f Test (Simultaneous)

The F test was used here to check for a relationship between the independent and dependent variables at the same time. Our analysis was performed using a 5% threshold of significance. If the F count is more than the F table, then the two independent variables have a joint effect on the dependent variable. When $F \text{ count} > F \text{ table}$, on the other hand, it means that the combined effect of the two independent variables has no appreciable effect on the dependent variable. Here are the outcomes from a calculation of F using IBM SPSS Version 22.0 and a comparison to preexisting F tables.

**Table 3 Test Results f
ANOVA^a**

Model	Sum of Square	df	MeanSquare	F	Square
Regression	58.230	2	29.114	8.736	.000 ^b
residual	476.506	142	3.330		
Total	534.740	144			

F count is greater than F table, as 8.736 is greater than 3.06, according to the results of the calculation of the F table presented above. The two independent variables, Leadership Style and Organizational Climate, have a positive and significant effect on the dependent variable, Employee Performance at PT Cipta Baha Trimatra, since $F \text{ count} > F \text{ table}$.

Coefficient of Determination (R²)

The following table displays the obtained coefficient of determination from multiple linear regression analyses performed with the aid of IBM SPSS version 22.0 statistical software:

**Table 4 Test results for the coefficient of determination (R²)
Summary Model^b**

Model	R	R Square	Adj R Square	Std Error of The Estimate
1	0.328	0.108	0.097	1.82542

The correlation coefficient is 0.328, which indicates that the Leadership Style variable (X1) and organizational climate variable (X2) have a considerable influence on the employee performance variable (Y) (Y). The determining coefficient value (R Square) is 0.108, indicating that Leadership Style (X1) and organizational climate (X2) are capable of contributing 10.8% to changes in employee performance (Y), hence the remaining 89.2% is influenced by other factors that were not investigated in this study.

Discussion

The findings of the research calculations indicate that the leadership style variable has a considerable effect on improving employee performance, which is supported by the findings of the research. Every management team has a responsibility to monitor and assess the performance of its employees, regardless of whether or not the employees' work complies with the company's performance requirements. It will be much simpler to determine whether or not staff development is successful and efficient if one is familiar with the performance of the organization. As a result, it is possible to know

what elements influence performance, both with regard to the intrinsic and the extrinsic characteristics of personnel. For the purpose of providing the company with an understanding of how the leadership style functions, specifically how the style reflects the actions taken by the leader to influence the actions of his followers toward the accomplishment of their mission. These findings provide credence to the findings of (Yuniarti & Suprianto, 2020), which indicates that the leadership style employed has a major bearing on the degree to which employees are able to improve their performance. Given that the manner in which a person exercises their leadership is highly significant and frequently becomes a determining factor in terms of whether or not employee performance improves or declines, it is abundantly clear that every organization needs to have a leadership style that is effective.

According to the findings of the study, the influence of organizational climate has a significant effect on improving employee performance. This conclusion was reached based on the findings of the study. The creation of an organizational climate is very important because it becomes an individual's perception of what is obtained from the organization and is used as the basis for determining the behavior of subsequent members, and the climate is determined by how well the members are directed. Creating an organizational climate is very important because it becomes an individual's perception of what is obtained from the organization. Because the organization needs to determine who is able to provide increased performance and who wants to remain in the organization and continue working for the benefit of the organization, the culture of the organization is more important than it has ever been. The quality of the internal environment of the organization is reflected in the organizational climate that describes its members. This organizational climate influences attitudes and behavior, which can be illustrated by the special characteristic values of an organization and is referred to as the organizational personality. Research (Kurniawati, 2018) found that organizational climate has an effect on employee performance, which has a positive relationship with organizational effectiveness. The findings of this study are consistent with those of that research.

CONCLUSION

From the results of the F test, it can be concluded that the influence of leadership style and organizational climate have a significant effect on employee performance at PT Cipta Baja Trimatra; whereas, the results of the t-test indicate that the influence of leadership style and organizational climate have a significant effect on employee performance at PT Cipta Baja Trimatra. According to the test of the coefficient of determination (R²), the influence of leadership style and organizational climate on the performance of PT Cipta Baja Trimatra's employees was 10.8%, indicating that they meet the criteria for low closeness.

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