

Examining the Effects of Leadership and Organizational Culture on Employee Performance via Work Motivation

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This study examines the effect of leadership style and organizational culture on employee performance, with work motivation as a mediating variable, at PT. Berkah Bersama Gemilang. Employee performance has become a critical factor in achieving organizational goals, and leadership together with organizational culture play a strategic role in shaping work motivation. A quantitative research design was applied using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach, analyzed through SmartPLS 4. The population consisted of all employees of PT. Berkah Bersama Gemilang, from which 118 respondents were selected using simple random sampling. Data were collected through a structured questionnaire that had been tested for validity and reliability. The findings indicate that organizational culture significantly enhances work motivation, while leadership style shows a positive but insignificant effect. Both leadership style and organizational culture significantly improve employee performance. Furthermore, work motivation significantly contributes to employee performance and mediates the relationship between organizational culture and performance, but does not significantly mediate the relationship between leadership style and performance. These results highlight the importance of cultivating a supportive organizational culture and strengthening leadership practices to sustain employee motivation and optimize performance.

1. Introduction

Leadership style and organizational culture are widely recognized as critical factors shaping employee work motivation and, consequently, performance. Employees with high motivation tend to work more productively, creatively, and responsibly, which strengthens organizational outcomes. Conversely, motivation is not solely determined by leadership but also by other factors such as work environment, compensation, and career development. In today's era of globalization and intense competition, organizations must continuously improve employee performance to ensure long-term survival and growth.

PT. Berkah Bersama Gemilang, a company engaged in the pastry and bakery industry, faces challenges in maintaining employee loyalty and ensuring the consistent application of company values across departments. Previous research emphasizes that employee performance is influenced by ability, effort, and organizational support

(Mathis & Jackson, 2017). While performance reflects the quality of task execution, productivity relates to efficiency in generating output. Both are essential for organizational success and sustainability.

Studies in Indonesia and abroad demonstrate that ineffective leadership and unsupportive organizational cultures often result in poor motivation, dissatisfaction, and reduced performance (Massora, 2022; Maamari & Saheb, 2018; Muhdar, 2020). For instance, transformational leadership has been shown to enhance engagement and motivation, whereas authoritarian or purely transactional styles may limit participation and innovation. Similarly, a strong organizational culture provides shared values and norms that foster collaboration, creativity, and performance (Schein, 2017; Martins et al., 2015). Nevertheless, empirical findings remain mixed: Bass and Riggio (2019) highlight leadership as a key driver of performance, while Denison (2018) argues that culture has a stronger influence on shaping employee behavior.

Work motivation emerges as a crucial mediating factor in this relationship. Motivation can bridge leadership and culture with employee performance by stimulating effort, responsibility, and loyalty. Theories of intrinsic and extrinsic motivation (Ryan & Deci, 2020) further support the role of motivation as a mechanism linking managerial practices with performance outcomes. Field observations at PT. Berkah Bersama Gemilang confirm that employee motivation is affected not only by leadership and culture but also by organizational support systems such as communication, benefits, and career opportunities.

Despite extensive prior research, there is still a gap in studies focusing on the food and culinary industry, which is characterized by high work pressure, flexible schedules, and strong demands for creativity. Many previous works have concentrated on manufacturing or service sectors, leaving limited insights into industries such as pastry and bakery. Therefore, this study aims to analyze the influence of leadership style and organizational culture on employee performance with work motivation as a mediating variable at PT. Berkah Bersama Gemilang. The study is expected to contribute academically by enriching the literature on leadership, culture, and motivation in the culinary industry, while also providing practical recommendations for companies seeking to strengthen leadership practices, develop adaptive cultures, and sustain employee performance.

2. Review Library

2.1 Concept of Human Resource (HR) Management

Human Resource (HR) Management is a strategic organizational function designed to optimize the potential of employees in order to achieve corporate objectives effectively and efficiently. It encompasses workforce-related activities such as planning, recruitment and selection, training, performance assessment, career development, compensation, and industrial relations, all of which are essential to organizational productivity (Isnanto, 2023).

The main objective of HRM is to ensure that the organization has a workforce that is skilled, adaptable, and committed to business goals (Feradhita, 2023).

In addition to technical functions, HRM also plays a vital role in fostering a positive work environment where employees feel valued, motivated, and able to contribute optimally. Cushway (2021) emphasizes that HR policies must be aligned with organizational strategies to create a collaborative culture that supports productivity. Furthermore, the strategic role of HRM is influenced by leadership style, organizational culture, and work motivation (Feradhita, 2023). Since HR effectiveness cannot be separated from leadership, the next section discusses leadership and leadership styles as key drivers of organizational success.

2.2 Leadership and Leadership Style

Leadership is generally defined as the process of motivating and directing individuals or groups toward the achievement of shared objectives (Griffin & Ebert, 2018). Robbins and Judge (2019) describe leadership as the ability to influence others to realize an organization's vision. Leadership, therefore, is not merely a formal role but a process of influencing, motivating, and guiding individuals within an organization (Laila, 2021).

Leadership style, in turn, refers to the techniques and strategies applied by leaders in exercising their influence. It reflects the characteristic behavior patterns of leaders in interacting with subordinates. Numerous studies highlight that leadership style significantly impacts employee motivation, performance, and overall organizational outcomes. While transformational leadership fosters innovation and employee empowerment, authoritarian leadership styles may hinder motivation and long-term effectiveness. These dynamics directly link leadership with employee outcomes, which will be further explored through the discussion of work motivation.

2.3 Work Motivation

Work motivation refers to the internal and external psychological forces that encourage individuals to act in order to achieve specific goals. It arises from intrinsic factors such as personal needs, job satisfaction, and interest, as well as extrinsic factors such as rewards, work environment, and relationships with colleagues (Robbins & Judge, 2019; Ryan & Deci, 2020).

Research shows that motivation is central to employee productivity. Parwati et al. (2024) found that work motivation plays a critical role in enhancing employee performance, particularly in organizations practicing transformational leadership. Conversely, neglect of employee well-being may result in burnout, thereby reducing motivation (Maslach & Leiter, 2021). McClelland's (2018) Theory of Performance Motivation further suggests that individuals with a strong need for achievement are likely to be more productive.

In addition, performance-based incentive systems are more effective in sustaining motivation than managerial practices that rely solely on authority (Akbar et al., 2024). Motivation thus functions as both a driver and a mediator of employee performance. Organizations that develop comprehensive motivational policies—balancing intrinsic and extrinsic factors—are more likely to achieve sustainable performance outcomes (Hasibuan, 2017; Winarsih et al., 2022). Given its mediating role, motivation directly connects leadership and organizational performance, which highlights the importance of analyzing employee performance as the next construct.

2.4 Employee Performance

Employee performance refers to the work outcomes achieved by individuals in accordance with their organizational roles and responsibilities (Kasmir, 2016). It is influenced by multiple factors, including leadership, organizational culture, and work motivation (Suparyadi, 2015). Empirical studies confirm that employees who feel valued demonstrate

higher performance than those who feel unappreciated (Taris & Schaufeli, 2021).

Organizations that adopt competency-based performance evaluation systems tend to achieve higher productivity, while rigid bureaucratic structures often hinder adaptability and reduce performance outcomes (Denison, 2018; Indrawati & Sembiring, 2022). A sustainable approach to performance requires balancing leadership style, organizational culture, and employee motivation. Performance is commonly assessed through measurable work records that evaluate both efficiency and effectiveness. Mangkunegara (2013) defines performance as the result of work in terms of both quality and quantity.

2.5 Employee Performance Indicators

According to Robbins and Judge (2019), performance indicators are tools used to measure the extent to which employees achieve their assigned goals. Key performance indicators (KPIs) can be grouped into the following dimensions:

1. **Attendance and Time Efficiency**
Punctuality and adherence to schedules reflect employee discipline and compliance, which are fundamental to productivity (Mekari Talent, 2024).
2. **Work Motivation**
Motivation levels affect the extent to which employees strive to achieve financial, career, or organizational goals (Mekari Talent, 2024).
3. **Work Quality**
The quality of work is reflected in skill, accuracy, and professionalism in task completion (Athallah, 2024).
4. **Independence**
Independent employees are able to complete tasks without continuous supervision, thereby improving efficiency and organizational outcomes.
5. **Teamwork and Collaboration**
Collaboration with colleagues and the ability to work effectively in teams enhance both organizational innovation and performance (Armstrong, 2020).

6. Adaptability and Innovation

Employees who demonstrate flexibility and contribute innovative ideas improve organizational competitiveness in dynamic environments (Dessler, 2019).

These indicators suggest that employee performance is multidimensional, encompassing discipline, motivation, quality, independence, teamwork, and adaptability.

3. Method Study

3.1 Research Approach and Type

a. Type of Data

The type of data used in this study is **quantitative**. Quantitative data refers to information that can be measured and expressed numerically or statistically (Kuncoro, 2021). Similarly, Sugiyono (2015) defines quantitative data as data in numerical form or qualitative data that has been transformed into numerical format.

The research approach employed in this study is **hypothesis testing**, utilizing variables as the research objects. Hypothesis testing is conducted to examine theories, establish facts, and identify relationships among variables (Putri, 2022).

b. Data Sources

According to Ryan Lesmono (2024), data sources are all forms of information used to analyze, generate, and compile other data. In this study, the data sources consist of:

- **Primary Data**

According to Sugiyono (2019), primary data is information obtained directly from the original source. In this study, primary data was collected through observations, interviews, and surveys involving employees, staff, and the management of PT. Berkah Bersama Gemilang.

- **Secondary Data**

As defined by Sugiyono (2018:456), secondary data is data that is not obtained directly from the primary source, but rather through documents or other parties. In this study, secondary data includes documentation such as survey results,

journals, books, and various relevant literature sources.

3.2 Population and Sampling Techniques

a. Population

Handayani (2020) defines population as the total number of elements sharing specific characteristics and becoming the object of research. The population in this study includes the directors, managers, and all employees of PT. Berkah Bersama Gemilang, as shown in Table 3.1

No	Position	Number of People
1	Director	1
2	Manager	11
3	Employees/Staff	365
Total		377

Source: PT. Berkah Bersama Gemilang

b. Sampling Technique

According to Arikunto (2017:173), a sample is a portion of the population that possesses specific characteristics and serves as the source of research data. Sugiyono (2020:81) defines sampling technique as the method used to determine the sample to be involved in a study.

This research adopts the **simple random sampling** technique, which involves selecting samples randomly from the entire population. This technique ensures that each individual has an equal chance of being selected, thus reducing bias and increasing sample representation (Heir, 2015).

3.3 Data Collection Instruments

According to Purwanto (2018), a research instrument is a tool used to collect data in a study. In this research, data were collected through observation, questionnaires, and interviews using the Likert Scale distributed via Google Forms. According to Sugiyono (2018:152), the Likert scale is used to measure a person's opinion, attitude, or perception toward a social phenomenon.

Table 3.2 shows the scale used in this study:

Answer	Symbol	Score
Strongly Agree	SS	5
Agree	S	4
Neutral	R	3
Disagree	TS	2
Strongly Disagree	STS	1

Source: Sugiyono (2019:158)

To analyze each statement or indicator, the following formulas were applied:

$$\text{Total Score} = T \times P_n$$

Score Interpretation:

- Y = Highest Likert score \times Number of Respondents
- X = Lowest Likert score \times Number of Respondents
- $\text{Index (\%)} = (\text{Total Score} / Y) \times 100$
- $\text{Interval (I)} = 100 / \text{Number of Likert scores}$

3.4 Data Collection and Analysis Techniques

a. Data Collection Techniques

This study employs **triangulation** as a data collection method, which combines various sources and techniques to ensure data validity (Wijaya, 2018:120–121). The techniques used include:

- **Observation**
Direct observations were conducted to examine the activities of management, staff, and employees in performing their tasks. The goal was to identify skills, competencies, and work patterns.
- **Interviews**
Interviews were conducted with key informants such as managers and staff to obtain in-depth information (Sugiyono, 2021).
- **Questionnaires**
According to Sujarweni (2019), questionnaires are structured sets of questions distributed to respondents to be answered systematically.

b. Data Analysis Techniques

Quantitative data analysis was conducted using **SmartPLS software** through the **Partial Least Squares (PLS)** approach. PLS is used to test relationships between latent variables,

confirm theories, and predict relationships between constructs (Sugiyono, 2019).

According to Asbari et al. (Ghozali, 2020:63), SmartPLS is a soft modeling method that does not require a specific data distribution and is suitable for small sample sizes (<100). The PLS model meets the **Goodness of Fit** criteria if the **Standardized Root Mean Square Residual (SRMR)** is less than 0.10, and it is considered a **perfect fit** if SRMR is below 0.08.

c. Outer Model Analysis (Measurement Model)

The outer model is used to assess the **validity and reliability** of the constructs. Evaluation was conducted using **Confirmatory Factor Analysis (CFA)** to ensure that the indicators have a strong relationship with their respective latent variables (Rufaida, 2021). This research approach ensures that the data collected is valid, reliable, and suitable for producing accurate and scientifically accountable results.

4 Results Study and Discussion

4.1 Results Study

a. Respondent Identity

This research was conducted with employees of PT. Berkah Bersama Gemilang in Makassar City, involving all employees across various outlets of the company. The research data was collected using a questionnaire distributed through **Google Forms**, and the respondent characteristics are presented in the following tables and figures.

1) Respondent Characteristics Based on Gender

Table 4.1. Respondent Characteristics by Gender

No.	Gender	Frequency	Percentage
1	Male	19	16.1%
2	Female	99	83.9%
	Total	118	100%

Source: Processed Research Data

Table 4.1 shows that out of 118 respondents, 99 were female, accounting for

83.9% of the total sample. This indicates that female respondents dominate in this study. The remaining 19 respondents were male, representing 16.1% of the sample.

2) Respondent Characteristics Based on Age

Table 4.2. Respondent Characteristics by Age

No.	Age Group	Frequency	Percentage
1	< 25	73	62.5%
2	25-35	38	31.5%
3	36-45	6	5.2%
4	46-55	1	0.8%
Total		118	100%

Source: Processed Research Data

Based on Table 4.2, 73 respondents (62.5%) are under 25 years old, indicating that the majority of participants are from the younger generation, most likely recent graduates. Another 38 respondents (31.5%) are aged between 25 and 35, forming the second-largest age group. A total of 6 respondents (5.2%) are in the 36-45 age group, while only 1 respondent (0.8%) is in the 46-55 age group. This indicates that most respondents in this study are relatively young, especially those under 25.

3) Respondent Characteristics Based on Employment Status

Table 4.3. Respondent Characteristics by Employment Status

No.	Employment Status	Frequency	Percentage
1	Permanent	89	75.4%
2	Non-Permanent	26	22.2%
3	Unclear	3	2.4%
Total		118	100%

Source: Processed Research Data

Table 4.3 indicates that 89 respondents (75.4%) are permanent employees, showing that most participants have stable employment status. Meanwhile, 26 respondents (22.2%) are non-permanent employees, and 3 respondents (2.4%) reported unclear employment status.

These findings suggest that the majority of respondents enjoy relatively secure job positions.

4) Respondent Characteristics Based on Educational Background

Table 4.4. Respondent Characteristics by Education Level

No.	Education Level	Frequency	Percentage
1	Junior High School	3	2.5%
2	Senior High/Vocational	60	50.9%
3	Associate Degree (D3)	5	4.3%
4	Bachelor's Degree (S1)	49	41.5%
5	Master's Degree (S2)	1	0.8%
Total		118	100%

Source: Processed Research Data

As shown in Table 4.4, 60 respondents (50.9%) have a high school or vocational school education, making it the largest group. This is followed by 49 respondents (41.5%) with a bachelor's degree. Meanwhile, 5 respondents (4.3%) hold an associate degree, 3 respondents (2.5%) completed junior high school, and only 1 respondent (0.8%) holds a master's degree. This suggests a dominant trend toward high school and undergraduate educational attainment among the employees.

5) Respondent Characteristics Based on Length of Employment

Table 4.5. Respondent Characteristics by Length of Employment

No.	Length of Employment	Frequency	Percentage
1	< 1 year	34	28.7%
2	< 2 years	29	24.5%
3	< 3 years	23	19.5%
4	< 4 years	13	11.2%
5	< 5 years	7	5.9%
6	> 5 years	12	10.2%
Total		118	100%

Source: Processed Research Data

Table 4.5 reveals that 34 respondents (28.7%) have worked for less than one year, making this the largest group in terms of work experience. The second-largest group comprises 29 respondents (24.5%) with less than two years of experience. Meanwhile, 23 respondents (19.5%) have less than three years of service. The number of respondents continues to decrease in the groups with longer tenures, with 13 (11.2%) having less than four years, 7 (5.9%) having less than five years, and only 12 respondents (10.2%) having more than five years of service. These findings suggest that most employees in this study are relatively new to the company, which could indicate a high turnover rate or recent company expansion.

b. Results Study Testing Outer Model

1) Distribution of Respondents' Answers

The total number of respondents in this study was 89 employees with permanent employment status. According to Hair et al. (2019), PLS-SEM follows a general rule of thumb for determining sample size, which is ten times the number of arrows pointing to a construct, whether as formative indicators or

as paths to an endogenous construct. Hair et al. (2017) also suggested that the minimum sample size should be five to ten times the number of indicators used.

In this study, there are 18 indicators across 5 constructs, resulting in a minimum required sample size of 90 respondents ($18 \times 5 = 90$). Additionally, with three arrows pointing to the endogenous variable in the structural model, the minimum requirement based on the "10-times rule" would be 30 respondents ($3 \times 10 = 30$). Therefore, with 118 total respondents, this study meets and exceeds the recommended sample size requirements for SEM-PLS analysis.

The research was conducted by distributing a questionnaire with the following structure: the leadership style variable consisted of four statements, organizational culture comprised three statements, work motivation included six statements, and employee performance consisted of five statements. All variables passed the factor loading and outer weight testing phases. The outer weights obtained from the analysis are shown in Table 4.6 below:

Table 4.6 Outer Weights (Distribution of Respondents' Answers)

Variable Indicator	X1 Leadership Style	X2 – Organizational Culture	Y – Work Motivation	Z – Employee Performance
X1-3 Trust	0.263			
X1-4 Respect	0.343			
X1-5 Risk	0.413			
X1-6 Influence	0.318			
X2-2 Consistency		0.452		
X2-3 Adaptability		0.345		
X2-5 Bureaucracy		0.453		
Y1 Need for Wages			0.125	
Y2 Self-Actualization Needs			0.245	
Y3 Need for Recognition (Career)			0.240	
Y4 Need for Rewards (Gift)			0.233	
Y5 Social Connection			0.209	
Y6 Need for Security			0.319	
Z1 Punctuality/Efficiency				0.125

ncy

Z2 Work Motivation	0.292
Z3 Work Quality	0.279
Z4 Independence	0.297
Z5 Responsibility	0.301

Source: Processed data from research results

Interpretation of Table 4.6:

- 1) **X1 - Leadership Style:** The strongest indicator is **X1-5 (Risk)** with a weight of 0.413. This indicates that the "Risk" dimension has the strongest relationship with the latent variable "Leadership Style." According to respondents, a leader's ability to take risks is the most dominant characteristic describing leadership at PT. Berkah Bersama Gemilang.
- 2) **X2 - Organizational Culture:** The strongest indicator is **X2-5 (Bureaucracy)** with a weight of 0.453. This suggests that the bureaucratic aspect has the strongest relationship with the latent variable "Organizational Culture." It implies that formal procedures and rules are prominent in the organizational culture of PT. Berkah Bersama Gemilang.
- 3) **Y - Work Motivation:** The strongest indicator is **Y6 (Need for Security)** with a weight of 0.319. This shows that the need for safety is the most dominant motivational factor for employees, indicating that job security is a major source of work motivation.
- 4) **Z - Employee Performance:** The strongest indicator is **Z5 (Responsibility)** with a weight of 0.301. This implies that responsibility is perceived as the most

significant factor in describing employee performance at PT. Berkah Bersama Gemilang.

c. Implications

These findings provide a clearer understanding of the most influential aspects within each latent variable. The results can be used as a reference to develop more targeted recommendations for PT. Berkah Bersama Gemilang. For example, the company may consider enhancing the *risk-taking* dimension to improve leadership style or refining bureaucratic systems to better shape the organizational culture. The outer model testing was conducted to assess the validity and reliability of the research instrument. Validity testing includes Convergent Validity and Discriminant Validity, while reliability testing uses Composite Reliability and Cronbach's Alpha.

1) Convergent Validity

Convergent Validity is determined by the Loading Factor value for each indicator. An indicator is considered valid if the loading factor is > 0.6 . The analysis results show that all indicators have loading factors ≥ 0.6 , thus meeting the requirements for convergent validity.

Loading Factor Table

Variable	Indicator	Leadership Style (X1)	Organizational Culture (X2)	Work Motivation (Y)	Employee Performance (Z)	Information
Leadership Style (X1)	X1-3: Trust	0.629				Valid
	X1-4: Respect	0.736				Valid
	X1-5: Risk	0.834				Valid
	X1-6: Influence	0.751				Valid
Organizational	X2-2: Consistency		0.812			Valid

Culture (X2)	X2-3: Adaptability	0.741	Valid
	X2-5: Bureaucracy	0.833	Valid
Work Motivation (Y)	Y1:Life Needs (Wages)	0.549	Valid
	Y2:Self-Actualization	0.759	Valid
	Y3: Recognition (Career)	0.741	Valid
	Y4: Reward (Gift)	0.780	Valid
	Y5: Social Connection	0.548	Valid
	Y6: Security Needs	0.852	Valid
Employee Performance (Z)	Z1: Punctuality/Efficiency	0.465	Valid
	Z2: Motivation	0.840	Valid
	Z3: Work Quality	0.811	Valid
	Z4: Independence	0.802	Valid
	Z5: Responsibility	0.770	Valid

Source: Research Data Processing Results

Although indicators Y1, Y5 (work motivation), and Z1 (employee performance) have loading factors below 0.6, they remain acceptable as they fall within the acceptable

threshold (0.4–0.7) and are supported by satisfactory AVE values.

<i>Average Variance Extracted (AVE)</i>		
Variable	AVE	Information
X1 - Leadership Style	0.549	Valid
X2 - Organizational Culture	0.634	Valid

All AVE values are above 0.5, indicating that the construct validity is acceptable.

2) Discriminant Validity

Discriminant Validity was tested using the Heterotrait-Monotrait Ratio (HTMT), **Fornell-**

Y - Work Motivation	0.510	Valid
Z - Employee Performance	0.563	Valid

Source: Research Data Processing Results

Larcker Criterion, and **Cross Loadings**. AVE square roots must be higher than the inter-construct correlations to confirm discriminant validity.

<i>HTMT Ratio</i>		
Construct Pair	HTMT Value	Information
X1 - X2	0.808	Valid
X1 - Y	0.662	Valid
X2 - Y	0.823	Valid
X1 - Z	0.850	Valid
X2 - Z	0.889	Valid
Y - Z	0.849	Valid

All HTMT values are below 0.90, indicating good discriminant validity.

Fornell-Larcker Criterion

Construct	X1	X2	Y	Z	Information
X1 - Leadership Style	0.741	0.597	0.533	0.689	Valid
X2 - Organizational Culture		0.796	0.639	0.693	Valid
Y - Work Motivation			0.714	0.714	Valid
Z - Employee Performance				0.750	Valid

Diagonal values (AVE square roots) are greater than inter-construct correlations, confirming discriminant validity.

confirming good discriminant validity. (Refer to Table 4.11 in the appendix for detailed values.)

Cross Loadings

All indicators have higher loadings on their respective constructs than on others,

cConstruct Reliability

Indicator

Reliability (T-statistics & p-values)

Indicator	T-statistics	p-value	Information
X1-3 (Trust)	3.067	0.002	Reliable
X1-4 (Respect)	6.913	0.000	Reliable
X1-5 (Risk)	14.478	0.000	Reliable
X1-6 (Influence)	13.627	0.000	Reliable
X2-2 (Consistency)	12.102	0.000	Reliable
X2-3 (Adaptability)	11.926	0.000	Reliable
X2-5 (Bureaucracy)	12.344	0.000	Reliable
Y1 - Y6	All T > 4.46	All p < 0.05	Reliable
Z1 - Z5	All T > 2.635	All p < 0.05	Reliable

T-statistics > 1.96 and p-values < 0.05 confirm indicator reliability

Cronbach's Alpha & Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability (ρ _a)	Composite Reliability (ρ _c)	Information
X1 - Leadership Style	0.724	0.749	0.828	Good Reliability
X2 - Organizational Culture	0.713	0.726	0.838	Good Reliability
Y - Work Motivation	(Not shown)	-	-	(To be added)
Z - Employee Performance	(Not shown)	-	-	(To be added)

All constructs show good reliability with values > 0.70.

d. Results of Inner Model Testing

The inner model test is conducted to assess the relationship between latent variables within the research model. This analysis includes tests for Collinearity

Statistics, R-Square, F-Square, Q-Square, and Path Coefficients.

1) Collinearity Statistics (VIF - Variance Inflation Factor)

Table 4.16. Collinearity Statistics (VIF) Results

Variables	VIF	Information
X1 - Leadership Style → Y - Work Motivation	1.554	< 5 (No Multicollinearity)
X1 - Leadership Style → Z - Employee Performance	1.654	< 5 (No Multicollinearity)
X2 - Organizational Culture → Y - Work Motivation	1.554	< 5 (No Multicollinearity)
X2 - Organizational Culture → Z - Employee Performance	1.999	< 5 (No Multicollinearity)
Y - Work Motivation → Z - Employee Performance	1.797	< 5 (No Multicollinearity)

Source: Research Data Processing Results

The results indicate that all VIF values are below 5, meaning there is no multicollinearity among the variables.

2) R-Square

Table 4.17. R-Square Results

Variables	R-Square	Adjusted R-Square
Y - Work Motivation	0.444	0.429
Z - Employee Performance	0.675	0.662

Source: Research Data Processing Results

The adjusted R-square value of 0.429 for work motivation indicates that 42.9% of the variation in work motivation is explained by leadership style and organizational culture. Meanwhile, the adjusted R-square for employee performance is 0.662, indicating

that 66.2% of the variation in employee performance is explained by leadership style, organizational culture, and work motivation.

3) F-Square (Effect Size)

Table 4.18. F-Square Results

Variables	F-Square	Effect Size
X1 - Leadership Style → Y - Work Motivation	0.064	Small Effect
X1 - Leadership Style → Z - Employee Performance	0.216	Moderate Effect
X2 - Organizational Culture → Y - Work Motivation	0.287	Moderate Effect
X2 - Organizational Culture → Z - Employee Performance	0.099	Small Effect
Y - Work Motivation → Z - Employee Performance	0.234	Moderate Effect

Source: Research Data Processing Results

These results indicate:

1. Leadership style has a small effect on work motivation (0.064).
2. Leadership style has a moderate effect on employee performance (0.216).
3. Organizational culture has a moderate effect on work motivation (0.287).

4. Organizational culture has a small effect on employee performance (0.099).
5. Work motivation has a moderate effect on employee performance (0.234).

4) Q-Square (Predictive Relevance)

Table 4.19. Q-Square Results

Variables	SSO	SSE	$Q^2 (= 1 - SSE/SSO)$	Predictive Relevance
X1 - Leadership Style	324	324	0	None
X2 - Organizational	243	243	0	None

Culture

Y - Work Motivation	486	396.265	0.185	Yes
Z - Employee Performance	405	302.215	0.254	Yes

These results show:

- Work motivation has a Q^2 value of 0.185 (> 0), indicating predictive relevance.
- Employee performance has a Q^2 value of 0.254 (> 0), also indicating predictive relevance.

e. Path Coefficients

Table 4.20. Path Coefficient Results

Pathway	Original Sample (O)	T-Statistic	P-Value	Significance
X1 → Y (Work Motivation)	0.236	1.714	0.087	Not Significant
X1 → Z (Employee Performance)	0.341	3.186	0.001	Significant
X2 → Y (Work Motivation)	0.498	5.363	0.000	Significant
X2 → Z (Employee Performance)	0.254	2.802	0.005	Significant
Y → Z (Employee Performance)	0.370	3.728	0.000	Significant

Source: Research Data Processing Results

Direct Effects:

1. **X1 → Y:** Leadership style has a positive but not significant effect on work motivation ($T = 1.714 < 1.96$, $p = 0.087 > 0.05$).
2. **X1 → Z:** Leadership style has a positive and significant effect on employee performance ($T = 3.186 > 1.96$, $p = 0.001 < 0.05$).
3. **X2 → Y:** Organizational culture has a positive and significant effect on work motivation ($T = 5.363 > 1.96$, $p = 0.000 < 0.05$).
4. **X2 → Z:** Organizational culture has a positive and significant effect on employee performance ($T = 2.802 > 1.96$, $p = 0.005 < 0.05$).
5. **Y → Z:** Work motivation has a positive and significant effect on employee performance ($T = 3.728 > 1.96$, $p = 0.000 < 0.05$).

f. Indirect Effects (Mediation Test)

Table 4.21. Specific Indirect Effects

Pathway	Original Sample (O)	T-Statistic	P-Value	Significance
X1 → Y → Z	0.087	1.532	0.126	Not Significant
X2 → Y → Z	0.184	3.247	0.001	Significant

Source: Research Data Processing Results

- Leadership style has a positive but insignificant indirect effect on employee performance via work motivation.
- Organizational culture has a positive and significant indirect effect on employee performance via work motivation.

g. PLS Predict (Model Suitability Test)

If **PLS-SEM RMSE < LM RMSE** and **PLS-SEM MAE < LM MAE**, the model is considered suitable.

Table 4.22. PLS Predict Results

Variable Indicator	PLS-SEM RMSE	LM RMSE	PLS-SEM MAE	LM MAE	Model Suitability
Y – Life Needs (Wages)	0.749	0.770	0.580	0.601	Suitable
Y-Self-Actualization Needs	0.592	0.605	0.466	0.475	Suitable
Y – Career Reward Needs	0.715	0.780	0.558	0.595	Suitable
Y – Reward/Prize	0.703	0.738	0.523	0.539	Suitable
Y – Social Relationship	0.603	0.622	0.486	0.490	Suitable
Y – Safety Needs	0.563	0.600	0.430	0.444	Suitable
Z- Attendance/Punctua lity	0.777	0.818	0.562	0.585	Suitable
Z – Work Motivation	0.523	0.547	0.405	0.416	Suitable
Z – Work Quality	0.564	0.603	0.447	0.481	Suitable
Z – Independence	0.536	0.560	0.404	0.424	Suitable
Z – Responsibility	0.541	0.581			

4.2 Discussion

a. The Influence of Leadership Style on Work Motivation (H1)

Hypothesis 1 tests the direct effect of leadership style on work motivation. Theoretically, a good leadership style should significantly enhance employee motivation. However, the findings show that while leadership style has a **positive** effect on work motivation, it is **not statistically significant**. This suggests that although there is a tendency for a better leadership style to increase employee motivation, the effect is not strong or consistent enough to draw definitive conclusions.

This indicates that the influence of leadership style on employee motivation may be **weak or mediated by other unmeasured variables**, resulting in only minimal changes in motivation. These findings are in line with the study by **Dwi Suci Agustin (2020)**, which also reported a positive but insignificant influence of leadership style on work motivation. This implies that the phenomenon may not be limited to PT. Berkah Bersama Gemilang but could reflect a broader organizational trend.

Future research with larger samples and tighter control over confounding variables is recommended to verify these results. In practice, companies should consider focusing on other elements known to have a stronger impact on motivation, such as a robust organizational culture, conducive working conditions, and work-life balance. Nonetheless, since the relationship is still positive, leadership style should not be ignored as an influencing factor.

Several factors may explain the weak and insignificant findings:

- **Dominance of Female Respondents:** With 83.9% of the respondents being women, the findings may reflect the specific perceptions and responses of female employees, who may have different preferences or reactions to certain leadership styles.
- **Age and Work Tenure:** The majority of respondents are under 25 years old (62.5%) and have less than three years of service. These younger employees may lack sufficient experience or exposure to fully assess the impact of leadership style.

- **Educational Background:**
Most respondents hold a high school/vocational degree (50.9%) or a bachelor's degree (41.5%), which may affect how they interpret and respond to leadership behavior.
- **Permanent Employment Status:**
About 75.4% of respondents are permanent employees, which may provide a sense of job security and affect motivational factors, regardless of leadership style.

Although the influence is not statistically significant, organizations still need to **evaluate and enhance leadership practices**, especially in relation to how different employee demographics perceive and respond to them. Focusing on employee motivation remains essential. Notably, the **risk-taking indicator** emerged as the most influential aspect of the leadership style variable. This suggests that employees highly value a leader's courage in facing uncertainty and making bold decisions. This may also indicate that PT. Berkah Bersama Gemilang operates in a dynamic environment, requiring leaders with the ability to take calculated risks.

b. The Influence of Organizational Culture on Work Motivation (H2)

Hypothesis 2 tests the effect of organizational culture on work motivation. The results show that **organizational culture has a positive and significant impact on work motivation**. This indicates that a well-established and supportive organizational culture significantly enhances employee motivation. These findings support the research by **Giantari et al. (2017)**, which found that a strong organizational culture serves as a driving force for individual motivation, leading to optimal job performance aligned with company goals.

The indicator with the **highest contribution** to the organizational culture variable is **bureaucracy**, suggesting that clear structures and well-defined procedures have

the greatest influence on employees' perception of the organizational environment. Employees tend to value **order, clarity, and consistency** in their workplace operations.

c. The Influence of Leadership Style on Employee Performance (H3)

Hypothesis 3 examines the direct impact of leadership style on employee performance. The results reveal that **leadership style has a positive and significant effect on employee performance**, confirming that effective leadership can significantly enhance work outcomes. This aligns with the findings of **Suyuthi et al. (2024)**, which concluded that a good and effective leadership style contributes to improved employee performance. It emphasizes the need for companies to invest in **leadership development**, including training and creating a culture that fosters positive leadership traits.

The most influential indicator for employee performance is **responsibility**, meaning employees who feel accountable for their tasks tend to perform better.

d. The Influence of Organizational Culture on Employee Performance (H4)

Hypothesis 4 posits that organizational culture has a **positive and significant influence** on employee performance. The findings confirm this hypothesis, indicating that a strong organizational culture directly enhances employee output. This supports the study by **Hamidah et al. (2024)**, which also found a significant relationship between organizational culture and employee performance. A well-structured culture promotes motivation and encourages employees to perform at their best, fostering productivity and organizational commitment.

e. The Influence of Work Motivation on Employee Performance (H5)

Hypothesis 5 examines the impact of work motivation on employee performance. The results show that **work motivation has a**

positive and significant influence on performance. Motivated employees consistently show better work outcomes, making motivation a key driver of productivity.

This finding is consistent with **Berliana Febrianti et al. (2024)**, who also observed that increased work motivation leads to better employee performance. The highest contributing indicator for motivation is the **need for safety**, suggesting that job security and workplace stability are crucial motivators for employees.

f. The Influence of Leadership Style on Employee Performance through Work Motivation (H6)

Hypothesis 6 tests whether work motivation mediates the relationship between leadership style and employee performance. The results show that **leadership style has a positive but not significant indirect effect** on performance via work motivation. This implies that while leadership style can affect motivation and, in turn, performance, the mediating role of motivation is **not statistically strong**. This may be due to other more dominant factors or the complex nature of motivation as a mediating variable.

These findings are consistent with **Wahyuni (2015)**, who found a similar non-significant mediation effect.

Factors that may explain this include:

- **Complex Mediation:** Motivation may not be the only mediator. Other factors such as organizational culture, working conditions, or career development opportunities might have stronger influence.
- **Dominant Indicator – Risk:** While risk-taking is valued in leadership, it may not always translate into increased motivation if employees feel uncertain or unsupported.
- **Employee Demographics:** As with H1, the dominance of female, young, and relatively new employees may influence the findings.
- **High Security Needs:** The most significant motivational factor is job security,

suggesting that employees prioritize stability over leadership behavior.

g. The Influence of Organizational Culture on Employee Performance through Work Motivation (H7)

Hypothesis 7 investigates whether work motivation mediates the relationship between organizational culture and employee performance. The study found that **organizational culture positively and significantly influences employee performance through work motivation**. This implies that a strong and positive culture helps foster motivation, which in turn improves performance. Work motivation functions as an effective mediator in this relationship, indicating that to enhance performance, organizations must build a solid cultural foundation that nurtures employee motivation.

Compared to leadership style, **organizational culture has a stronger and more significant effect** on both work motivation and performance. The coefficient values indicate that organizational culture plays a **more dominant role** than leadership style in shaping motivation and performance outcomes.

5. Closing

5.1 Conclusion

This study concludes that organizational culture exerts a stronger influence than leadership style in shaping employee motivation and performance. Leadership style shows a positive yet statistically insignificant effect on work motivation, although it significantly improves employee performance. In contrast, organizational culture has both a direct and indirect positive impact on motivation and performance, with work motivation acting as a significant mediator. Moreover, work motivation itself positively contributes to enhancing employee performance. These findings highlight the critical role of organizational culture and motivation in driving employee outcomes,

while also confirming that leadership effectiveness depends on contextual factors.

5.2 Practical Implications

The findings provide several practical implications for organizational management. First, leaders are encouraged to adopt approaches that enhance both motivation and performance, such as transformational or participative leadership, while adapting their style to situational demands. Second, companies should strengthen and sustain a supportive organizational culture, as it significantly drives motivation and performance. Third, employee motivation can be enhanced through well-structured self-development initiatives, fair reward systems, and leadership development programs, which collectively build long-term organizational capacity.

5.3 Study Limitations and Suggestions for Future Research

This study is subject to several limitations. The sample was restricted to a single company, thereby limiting the generalizability of the findings across different organizational contexts. The reliance on a quantitative questionnaire may also have introduced response bias and constrained the ability to capture more nuanced perceptions. In addition, the structured nature of responses reduced the depth of insights into underlying behavioral drivers. Future studies are therefore encouraged to expand the sample to include multiple organizations across diverse industries, incorporate additional indicators to strengthen the analytical scope, and employ qualitative or mixed-method approaches to obtain richer insights into the complex relationships among leadership, organizational culture, motivation, and performance.

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