

Determinants of Employee Performance

Erwin Veri Siregar, Muhammad Isa Indrawan, Mesra B

Abstract

Employee performance is a major factor in the success of an organization, including BPJS Ketenagakerjaan. This study aims to analyze the influence of leadership style and organizational culture on employee performance, with motivation as a moderating variable. The research method used is a quantitative approach with data collection techniques through questionnaire surveys distributed to BPJS Ketenagakerjaan employees at the Kisaran Branch and Padang Sidempuan Branch. Data analysis was carried out using regression methods and moderation tests to determine the relationship between variables. The results of the study indicate that leadership style has a significant influence on employee performance. A strong organizational culture also contributes to increasing employee productivity and loyalty. In addition, employee motivation has been shown to moderate the relationship between leadership style and organizational culture on performance, where high motivation strengthens the positive impact of leadership and organizational culture on employee performance. The implication of this study is the importance of leaders in implementing an appropriate leadership style and building a positive organizational culture in order to improve employee performance. BPJS Ketenagakerjaan is advised to develop leadership training programs, strengthen a productive work culture, and provide incentives that can increase employee motivation.

Keywords: Leadership Style, Organizational Culture, Employee Performance, Motivation, BPJS Employment

Erwin Veri Siregar¹

¹Management, Universitas Pembangunan Panca Budi, Indonesia

e-mail: erwinveri78@gmail.com¹

Muhammad Isa Indrawan², Mesra B³

^{2,3}Management, Universitas Pembangunan Panca Budi, Indonesia

e-mail: isaindrawan@dosen.pancabudi.ac.id², mesrab@dosen.pancabudi.ac.id³

3rd International Conference Epicentrum of Economic Global Framework (ICEEGLOF)

Theme: Cross-Sector and Cross-Disciplinary Strategies for Achieving the SDGS

<https://proceeding.pancabudi.ac.id/index.php/ICEEGLOF>

Introduction

Human Resources (HR) have a very important role in an organization, both private and government agencies. Human resources are one of the determinants of an organization in achieving its goals. Thus, human resources are part of an organizational system, which of course is also part of a performance management system with an emphasis on achieving work results, both individual performance and organizational performance. Leadership style is a tactic used by one leader to undermine the trust of another leader. Leadership style is a behavioral norm used by three people at once when that person is trying to influence the behavior of others. Each of the styles mentioned above has a unique personality and temperament. A leader will use a leadership style based on his or her personal abilities and preferences. The formation of organizational culture as described according to Robbins (2016), starting from the founding philosophy of the organization (they have a vision of how the organization should be), the original culture is derived from the philosophy of the founder, which then affects the criteria used in hiring its members/employees. It's true that accurately identifying and measuring an organization's culture can be difficult, but it can be done by looking at the company's human resources. Organizational culture or company culture is a set of shared and agreed upon attitudes, behaviors, conventions, values, and beliefs that encourage collaboration. Employee consistency is facilitated by a strong organizational culture, which is why having a strong culture within the company is essential. If a person is motivated, then he will carry out his duties and obligations with enthusiasm. The result of an employee's performance at work is the performance of his employees. Performance is a summary of the work of an employee during a predetermined period of time. The end result of an employee's supported tasks equipped with abilities, direction, and goals is their performance. Performance is the result of the work of individuals or groups in an organization, based on the responsibility of each person in achieving the goals of the organization in a manner that is in accordance with the law, morality, and ethics.

Problem Formulation

1. Does Leadership Style have a positive and significant effect on Employee Performance at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidempuan Branch?
2. Does Organizational Culture have a positive and significant effect on Employee Performance at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidempuan Branch?
3. Does Motivation have a positive and significant effect on Employee Performance at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidempuan Branch?
4. Does Leadership Style have a positive and significant effect on Employee Performance in Employee Motivation moderation at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidempuan Branch?
5. Does Organizational Culture have a positive and significant effect on Employee Performance in the moderation of Employee Motivation at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidempuan Branch?

Literature Review

Leadership Style

Leadership style according to Kartono (2016) defines "leadership style is the patterns of behavior that a leader applies in working with others as perceived by people". Zaharuddin (2021) said that leadership style is the behavior or way that leaders choose and use in influencing the thoughts, attitudes, and behaviors of members of their subordinate organizations.

Leadership Style Indicators

According to Kartono (2016) as follows:

1. Decision Making Ability
2. Motivational Ability
3. Communication Skills
4. Controlling Ability
5. Ability to Control Emotions

Organizational Culture

Organizational culture refers to the general views held by members of an organization related to the value system applied by that organization. This value system has an influence on the actions and behaviors of organizational members, and is a factor that distinguishes one organization from another Busro (2020). Meanwhile, according to Edison (2016) "Organizational culture is a habit that has been around for a long time and is used and applied in the life of work activities as one of the drivers to improve the quality of work of employees and company managers.

Organizational Culture Indicators

Organizational culture indicators according to Busro (2020), are as follows:

1. Confidence in yourself.
2. Firm attitude.
3. Ability to manage emotions.
4. Ability to take initiative.
5. Skills in conducting supervision.

Employee Motivation

According to Hasibuan (2017), motivation is the provision of driving force that creates a person's enthusiasm for work so that they want to work together, work effectively, and be integrated with all their efforts to achieve satisfaction. According to Sedarmayanti (2017), work motivation is something that causes encouragement/work enthusiasm/motivation for work.

Employee Motivation Indicators

According to Hasibuan (2017), employees' work motivation is influenced by the need to achieve, the need for affiliation, the need for competence, and the need for power. Employee Motivation Indicators, namely:

1. The need to excel
2. Need for affiliates
3. Need for competence
4. The need for power

Employee Performance

According to Mangkunegara (2017), performance is the result of quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. According to Sutrisno (2016), performance is the success of a person in carrying out tasks, the results of work that can be achieved by a person or group of people in an organization in accordance with authority and responsibility.

Employee Performance Indicators

According to Mangkunegara (2017), the indicators of employee performance are as follows:

1. Quality of work.

2. Working quantity.
3. Task Execution.
4. Responsibility.

Conceptual Framework

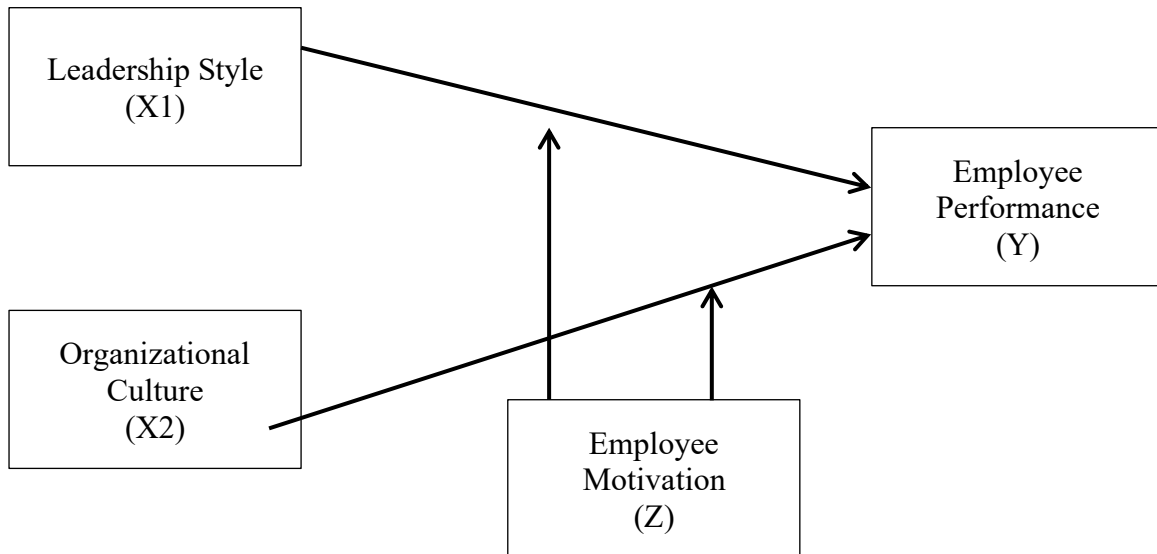


Figure 1. Conceptual Framework

Research Hypothesis

- H1: Leadership Style has a positive and significant effect on Employee Performance at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidimpuan Branch.
- H2: Organizational Culture has a positive and significant effect on Employee Performance at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidimpuan Branch.
- H3: Motivation has a positive and significant effect on Employee Performance at BPJS Ketenagakerjaan Kisaran Branch and Padang Sidimpuan Branch.
- H4 : Leadership Style has a positive and significant effect on Employee Performance moderated by Employee Motivation at BPJS Employment Range Branch and Padang Sidimpuan Branch.
- H5: Organizational Culture has a Positive and Significant Effect on Employee Performance moderated by Employee Motivation at BPJS Employment Range Branch and Padang Sidimpuan Branch.

Types of Research

In this study, the researcher uses a type of quantitative research, according to Sugiyono (2019) quantitative research is defined as a research method based on the philosophy of positivism, used to research on a specific population or sample, data collection using research instruments, quantitative / statistical data analysis, with the aim of testing the hypothesis that has been determined.

Place and Time

This research was conducted at BPJS Ketenagakerjaan in two branches, namely at the Kisaran Branch Office on Jl. Sisingamangaraja No. 460, Kisaran, Sendang Sari, Asahan, Asahan Regency, North Sumatra 21211 and at the Padang Sidimpuan Branch Office. Jl. Raja Inal Siregar No.20b, Batunadua Jae, Padang Sidimpuan Batunadua District, Padang Sidempuan

City, North Sumatra 22733. The research period was conducted from December 2024 to February 2025.

Population

The population in this study is 81 employees consisting of 2 Padang Sidempuan Branches as many as 39 employees while the Kisaran Branch is 42 employees. According to Sugiyono (2019), population is a generalized area consisting of: objects/subjects that have certain quantities and characteristics that are determined by the researcher to be studied and then drawn conclusions. The sample used in this study is all populations in bpjs padang sidempuan and the range is 81 and the sample technique used is a saturated sample technique where the researcher takes all populations into samples.

Data Analysis Methods

Structural Equation Model

According to Ghazali & Latan (2015), CBSEM examines the causality relationship of structural models built on theoretical basis and confirms whether the model based on the theory is not different from the empirical model, while PLS is more predictive model. PLS is a powerful analysis method because it is not based on many assumptions. The data does not have to be normally distributed, the sample does not have to be large, PLS can also be used to confirm the theory, and it can be used to explain the existence or absence of relationships between latent variables. PLS can analyze at the same time constructs formed with reflective indicators and formative indicators which cannot be done by CBSEM because there will be unidentified models (Ghozali & Latan, 2015).

Designing Measurement Models (Outer Model)

Referring to Ghazali and Latan (2015), the outer model is often also called the outer relation or measurement model, defining how each indicator relates to its latent variable. External model analysis is used to ensure that the measurement used is feasible to be used as a measurement (valid and reliable) with several indicators as follows:

- a. Convergent Validity,
- b. Discriminant Validity
- c. Composite Reliability & Cronbach Alpha

Moderation Variable Analysis

The moderation hypothesis test was carried out by moderated regression analysis (MRA) estimated by SEM-PLS (Ghozali and Latan, 2014). A variable can be said to be a moderation variable will be declared significant or significant if the significant t-value is less than 0.05 The criteria used as the basis for comparison are as follows:

The hypothesis is rejected if $t\text{-calculates} < 1.96$ or the sig value > 0.05

The hypothesis is accepted if $t\text{-calculates} > 1.96$ or sig value < 0.05

Designing Structural Models (Inner Model)

According to Ghazali and Latan (2014), the inner model is often also called the innerrelation model which describes the relationship between latent variables based on substantive theory. The design of a structural model of the relationship between latent variables is based on the formulation of a problem or research hypothesis. In this model evaluation, estimation can be done through several stages. The use of R-square for dependent constructs, To test the influence of partial free variables on bound variables, partial regression coefficient testing (t-test) was used, namely by comparing t_{cal} and t_{table} . Each of these calculation results was then compared with the t_{table} obtained using a significance level of 0.05. The regression

equation will be declared significant or significant if the significant t-value is less than 0.05
The criteria used as the basis for the comparison are as follows:
The hypothesis is rejected if t-calculates < 1.96 or the sig value > 0.05
The hypothesis is accepted if t-calculates > 1.96 or sig value < 0.05

RESULTS AND DISCUSSION

By conducting preliminary testing of the questionnaire instruments, the accuracy and reliability of the variable data and indicators collected for this study have been confirmed. From the test results, it is known that there are four variables in the model that will be used in the study, as listed below:

Evaluation of measurement models (outer model)

Convergent Validity

In this study, the acceptable loading factor value is 0.7 and the acceptable AVE value is 0.5, if the value is higher, it is considered valid. An indicator is considered valid if it has a > value of 0.7 when describing a construction variable. The following graph shows the structural model of this study

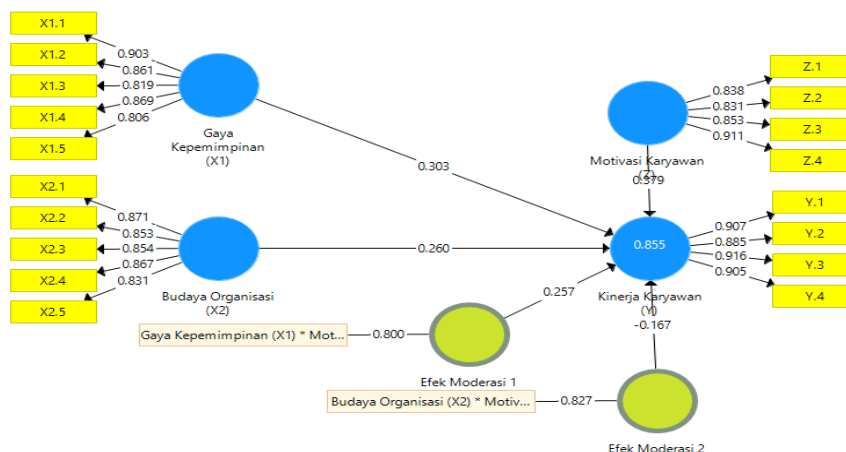


Figure 2 . Research Models in SmartPLS

Source:Smart PLS 3.3.3

The output of Smart PLS for the loading factor gives the results in the following table:
Outer Loadings In this study there is an equation and the equation consists of two equations.

$$Y = b_1X_1 + b_2Z + b_3X_1Z + e_1$$

$$Y = 0.303 + 0.379 + 0.257 + e_1$$

$$Y = b_2X_2 + b_3Z + b_4X_2Z + e_2$$

$$Y = 0.260 + 0.379 - 0.167 + e_2$$

Table 2. Outer Loadings/Cross Loading

Organizational Culture (X2)	Leadership Style (X1)	Employee Performance (Y)	Employee Motivation (Z)
	0,903		
	0,861		
	0,819		
	0,869		

	0,806		
0,871			
0,853			
0,854			
0,867			
0,831			
		0,907	
		0,885	
		0,916	
		0,905	
			0,838
			0,831
			0,853
			0,911

In the table, each variable shows a value above 0.7 on its indicator, indicating the validity of the data for further research. After getting the results, this research is continued to the next stage.

Discriminat Validity

This discussion will focus on the results of the discriminatory validity test in this section. Cross loading values are used to test the validity of discriminators. If the cross loading of an indicator is higher than another variable, it indicates discriminant validity. The cross loading values for each indicator are as follows:

Table 3. Discriminant Validity

	Organizational Culture (X2)	Leadership Style (X1)	Employee Performance (Y)	Employee Motivation (Z)
X1.1	0,798	0,903	0,817	0,823
X1.2	0,743	0,861	0,803	0,727
X1.3	0,709	0,819	0,708	0,707
X1.4	0,818	0,869	0,741	0,731
X1.5	0,765	0,806	0,649	0,677
X2.1	0,871	0,741	0,758	0,698
X2.2	0,853	0,776	0,797	0,765
X2.3	0,854	0,795	0,775	0,815
X2.4	0,867	0,792	0,719	0,695
X2.5	0,831	0,735	0,696	0,686
Y.1	0,873	0,878	0,907	0,922
Y.2	0,719	0,701	0,885	0,702
Y.3	0,748	0,743	0,916	0,796
Y.4	0,813	0,826	0,905	0,725
Z.1	0,792	0,754	0,701	0,838
Z.2	0,680	0,656	0,707	0,831
Z.3	0,737	0,757	0,773	0,853
Z.4	0,743	0,789	0,826	0,911

Source: Smart PLS 3.3.3

In table 3. There is a cross loading factor value for each variable and an indicator that is greater than the cross loading factor value for each other, the cross loading factor for the organizational culture variable has a greater value than the cross loading of other latent variables, the value of the cross loading factor of the leadership style variable is greater than the value of the cross loading factor for other latent variables, The cross loading value of the employee performance variable is greater than that of other latent cross loading factors, the cross loading factor value of the employee motivation variable is greater than the cross loading value of other latent variables.

Composite reliability

In composite reliability analysis, the reliability coefficient of each variable is correlated. Research is said to be reliable if the variable value is more than 0.60, but unreliable if it is less than 0.60 or as low as 0.07. There are several evaluation blocks that can demonstrate the effectiveness and validity of the study, such as Coanbach alpha, composite reliability, and AVE values shown in the table below.

Table 4 : Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Mean Variance Extracted (AVE)
Organizational Culture (X2)	0,908	0,932	0,731
Leadership Style (X1)	0,905	0,930	0,726
Employee Performance (Y)	0,925	0,947	0,816
Employee Motivation (Z)	0,881	0,918	0,738

Source: Smart PLS 3.3.3

Table 4 shows the high reliability of the data for each variable by showing that all the values of the variables in the Cronbach column alpha are greater than 0.7. Because the data is above 0.6, it is known that the composite reliability column has a value greater than 0.6 which means that each variable is considered reliable. The value of each variable in the AVE column needs to be checked if it is greater than 0.7 which means that the data is valid according to the AVE. Since each variable value in the reliability column, AVE, and Cronbach alpha are greater than 0.7 and 0.6 respectively, they are considered valid and reliable.

Inner Model Analysis

To ensure that the basic model is accurate and robust, an internal model evaluation is carried out. The completed examination stage is one of the markers taken into account when evaluating the main model.

Coefficient of Determination (R2)

Using the SmartPLS 3.0 program to process the data, here's how to determine the R Square value:

Table.5. R Square Results

	R Square	Adjusted R Square
Employee Performance (Y)	0,855	0,845

Source:Smart PLS 3.3.3

There is an R square value in table 5 of employee performance with a value of 0.855 and if it is changed to a percent to 85.5%, it means that the influence of leadership style, organizational culture and employee motivation is 0.855 and the rest is in other variables.

Hypothesis Testing

Table 6 . Hypothetical Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Organizational Culture (X2) -> Employee Performance (Y)	0,260	2,056	0,020	Accepted
Moderation Effect 1 -> Employee Performance (Y)	0,257	2,222	0,013	Accepted
Moderation Effect 2 -> Employee Performance (Y)	-0,167	1,549	0,061	Rejected
Leadership Style (X1) -> Employee Performance (Y)	0,303	2,270	0,012	Accepted
Employee Motivation (Z) -> Employee Performance (Y)	0,379	3,622	0,000	Accepted

Source:Smart PLS 3.3.3

1. Organizational Culture has a positive and significant effect on Employee Performance with an original sample value of 0.260 and p values of 0.020, meaning that if organizational culture improves well, employee performance will increase, on the other hand, if it decreases, employee performance decreases.
2. Leadership Style has a Positive Effect on Employee Performance moderated by Employee Motivation with an original sample value of 0.257 and p values of 0.013, meaning that employee motivation is able to moderate or strengthen the influence of leadership style on employee performance.
3. Organizational Culture has a negative effect on Employee Performance which is moderated by Employee Motivation with the original sample value of -0.167 and p values of 0.061, meaning that employee motivation cannot moderate organizational culture to employee performance or motivation is not a moderation variable.
4. Leadership Style has a positive and significant effect on Employee Performance with an original sample value of 0.303 and p values of 0.012, meaning that if the leadership style increases well, employee performance will increase, on the other hand, if it decreases, employee performance will improve.
5. Employee Motivation has a positive and significant effect on Employee Performance with an original sample value of 0.379 and p values of 0.000, meaning that if employee motivation increases, employee performance will increase, on the other hand, if it decreases, employee performance will decrease.

Conclusion

1. Organizational Culture has a positive and significant effect on Employee Performance with an original sample value of 0.260 and p values of 0.020.

2. Leadership Style has a positive effect on Employee Performance moderated by Employee Motivation with an original sample value of 0.257 and p values of 0.013.
3. Organizational Culture has a negative effect on Employee Performance which is moderated by Employee Motivation with an original sample value of -0.167 and p values of 0.061.
4. Leadership Style has a positive and significant effect on Employee Performance with an original sample value of 0.303 and p values of 0.012
5. Employee Motivation has a positive and significant effect on Employee Performance with an original sample value of 0.379 and p values of 0.000.

Suggestions

1. An effective leadership style depends on the readiness and competence level of employees.
2. Identify the most relevant dimensions of organizational culture, e.g. adaptability, engagement, consistency, and organizational mission.
3. Use comprehensive employee performance measures, such as productivity, work quality, and job satisfaction.
4. BPJS Ketenagakerjaan needs to implement a leadership style that suits the needs of employees, for example transformational leadership to increase motivation and performance.
5. Leaders should be provided with leadership training, including communication skills, decision-making, and giving feedback to employees.
6. Implementation of coaching and mentoring systems to increase employee engagement and motivation.

References

- [1] Anggraeni, L., & Saragih, R. (2019). Pengaruh Kerjasama Tim Terhadap Produktivitas Kerja Karyawan Pt. Pln (persero) Transmisi Jawa Bagian Tengah. *EProceedings of Management*, 6(1).
- [2] A.A. Anwar Prabu Mangkunegara. 2017. *Manajemen Sumber Daya Manusia Perusahaan*, Bandung : Remaja Rosdakarya.
- [3] Darajat, T.A. 2015. *Konsep-Konsep Dasar Manajemen Personalia*. Cetakan ke-1. Refika Aditama. Bandung.
- [4] George, J.M., dan Jones, G.R. 2015. *Understanding and Managing Organizational Behavior* (4thed). New Jersey: Upper Saddle River.
- [5] Ghozali, I. Latan, H. 2015. *Partial Least Square : Konsep, Teknik dan Aplikasi Smart PLS 2.0 M3*. Semarang: Badan Penerbit Universitas Diponegoro.
- [6] Hamiruddin., Hajar, I., & Saleh, S. (2019). Pengaruh Komunikasi Organisasi, Motivasi Kerja, dan Kerja sama Tim Terhadap Kinerja Pegawai (The Effect Of Organizational Communication, Work Motivation And Teamwork On Employees Performance). *Jurnal Manajemen, Bisnis dan Organisasi (Jumbo)*, 3(1), 138-151.
- [7] Lubis, L. S. (2021). Pengaruh Kerja Sama Tim Terhadap Kinerja Karyawan Pada Pt Sinarmas Multifinance Cabang Pekanbaru [Universitas Islam Riau]. <http://repository.uir.ac.id/id/eprint/6115>
- [8] Mulyani, S. 2019. Pengaruh Pendidikan, Pelatihan, dan Kompetensi Terhadap Kinerja Karyawan pada CV Enigma. *Jurnal Ilmiah Semarak*, 130-143.
- [9] Sanyal, S., and Hisam, M. W. (2018). The Impact of Teamwork on Work Performance of Employees: A Study of Faculty Members in Dhofar University, *IOSR Journal of Business and Management*. Vol 20(3), 15–22.
- [10] Saleh, A. (2015). Motivasi Dan Kinerja Terhadap Produktivitas Karyawan Peternakan Ayam Potong Pada Kemitraan Pt. Mitra Gemuk Bersama (Mgb) Di Kabupaten Jember. *Jurnal ISEI Jember*. Jember: Universitas Jember

- [11] Susanti, F. S. (2019). Pengaruh Pelatihan Dan Komunikasi Terhadap Kinerja Karyawan Pada Klinik Tumbuh Kembang Yamet Pamulang. JURNAL SeMaRaK, 1(3), 39–48. <https://doi.org/10.32493/smk.v1i3.y2018>
- [12] Sugiyono. 2018. Metode Penelitian Kuantitatif, Kualitatif, dan R&D, penerbit Alfabeta,Bandung
- [13] Zuriana, Z., & Rananda, A. 2019. Pengaruh Kompensasi Terhadap Kinerja Karyawan. Education Journal: Journal Educational Research and Development, 3(1), 59-64.