

GIJEA

Greenation International Journal of Economics and Accounting



DOI: <u>https://doi.org/10.38035/gijea.v3i1</u> https://creativecommons.org/licenses/by/4.0/

The Influence of Organizational Culture and Leadership Style on Employee Job Statisfaction

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Abstract: The purpose of this research is to understand and analyze: (1) Organizational Culture; (2) Leadership Style; (3) Employee Job Satisfaction; and (4) the Influence of Organizational Culture and Leadership Style on Employee Job Satisfaction at Credit Cooperative X in Bandung City, both simultaneously and partially. The research methods used in this study are descriptive surveys and explanatory surveys, with the unit of analysis being the employees at Credit Cooperative X in Bandung City, with a sample size of 44 people. The type of investigation is causality, and the time horizon in this study is cross-sectional. Based on the research results, it was found that the Organizational Culture according to Employees at Credit Cooperative X in Bandung City can generally be considered good; the Leadership Style according to Employees at Credit Cooperative X in Bandung City, it turns out that most employees gave a good response, and the Job Satisfaction of Employees at Credit Cooperative X in Bandung City is currently rated as good. Organizational Culture and Leadership Style simultaneously influence Employee Job Satisfaction at Credit Cooperative X in Bandung City. However, partially, Organizational Culture dominantly influences Employee Job Satisfaction more than Leadership Style. Because Organizational Culture more dominantly influences performance, it becomes the top priority in improving Employee Job Satisfaction. Credit Cooperative X in Bandung City is expected to further improve the conditions and situations at Credit Cooperative X in Bandung City, so that employees can work more professionally and be more motivated.

Keywords: Organizational Culture, Leadership Style, and Employee Job Satisfaction.

INTRODUCTION

The era of globalization has influenced the pillars of the world's economy. The greatest challenge is free competition in various aspects of life. Not excluding the field of Human Resources. Indonesian human resources are required to continuously improve their quality in order to compete with other countries. The ASEAN Economic Community (AEC) that was proposed and agreed upon some time ago (late 2015) has introduced a new paradigm for the ASEAN economy. There are no longer barriers that limit and separate one country from another. ASEAN society is free to conduct transactions wherever they want. Human Resource competencies that lead to innovation and creativity on one hand give birth to positive things

such as the emergence of appropriate technology that can bring people closer and unite them as one family in diversity. However, on the other hand, they can also create new lifestyles, namely consumptive, hedonistic, and materialistic lifestyles that give rise to exclusive societies that prioritize themselves and their own groups. This is the challenge of our shared life now. Credit Union (Koperasi Simpan Pinjam or Koperasi Kredit) is a collective movement with the slogan of helping oneself to help others (mutual assistance). Credit Union, more commonly known as Credit Cooperative (Kopdit), was established to provide its members with the opportunity to save and borrow money. In the movement of Credit Cooperatives, the most important aspect is the mutual trust between one member and another, from members towards the leaders, in this case, the management leaders, administrators, and supervisors, and also from the supervisory administrators towards the members.

This mutual trust is the main prerequisite for managing this shared asset. Because in principle, the cooperative's business is from members, by members, and for members. This principle has been maintained until now. However, trust can sometimes be lost because it has not yet been supported by competent human resources. To measure the extent of human resources within the framework of managing this financial institution, performance standards for leaders and employees/staff that mutually influence each other are required. The reciprocal relationship between leaders and employees is called organizational culture. Organizational culture greatly determines the success of a company. Therefore, the researchers emphasize the importance of the influence of organizational culture and leadership style on employee satisfaction and the sustainability of cooperative organizations.

- 1. The data obtained by the researcher through direct interviews with the head of Credit Cooperative X in the city of Bandung show that the performance level of the employees is becoming increasingly fluctuating and tends to decline over time. There are several things that the researcher found in the preliminary observation (2018) of this study, among others as follows: Organizational culture. The organizational culture of the cooperative, which initially was merely a community engaged in charitable social activities, now needs to evolve into a financial services business community that must be managed professionally, transparently, and accountably in accordance with the cooperative's identity. This demands a total reform in building the cooperative organization, so that in the future, the X Credit Cooperative Organization in Bandung City becomes a business entity managed professionally..
- 2. Leadership Style, Until now, the leadership model at the X Credit Cooperative institution in Bandung City is collegial collective, meaning that the management acts as both policymakers and policy implementers together. Decisions are made based on consensus through deliberation. When an organization becomes larger, more professional management is required, namely by appointing managers and other staff who must work professionally. Managers must be accountable to the board, and the board must be accountable to the members' meeting. This is the leadership mechanism at Credit Cooperative X in the city of Bandung. Because the author wants to investigate whether this model is still relevant to this day?
- 3. Employee Job Satisfaction, employees are the people who play an important role in the development of an organization. The progress or decline of the Koperasi Kredit X organization in Bandung City entirely depends on the employees who carry out the cooperative's operational technicalities. For that reason, the author feels the need to further understand the presence of the employees at Koperasi Kredit X in the city of Bandung. It is hoped that with the findings from this research, the job satisfaction of the employees at Koperasi Kredit X in Bandung City will increase.

(Source of information: summary from a brief interview with the management and employees of Credit Cooperative X in the city of Bandung).

The problem formulation on this study contains: how much influence between organizational culture and leadership style to employee job statisfaction.

METHOD

The method used in this research is the description survey and explanatory survey methods, which were conducted through field data collection. The population in this study consists of 44 people at Credit Cooperative X in the city of Bandung, and for the sample, a saturated sampling technique was used where the number of the population is equal to the number of samples. Thus, in this study, the sample consists of 44 people.

RESULTS AND DISCUSSION

To determine whether the independent variables, namely the influence of organizational culture and leadership style, affect employee job satisfaction at Credit Cooperative X in Bandung City, path analysis was conducted using SPSS software. The steps taken include calculating the correlation between variables, resulting in the table below.

Correlations							
		Job Satisfaction	Organizational Culture	Leadership Style			
	Job Satisfaction	1.000	.959	.933			
Pearson Correlation	Organizational Culture	.959	1.000	.927			
	Leadership Style	.933	.927	1.000			
	Job Satisfaction		.000	.000			
Sig. (1-tailed)	Organizational Culture	.000		.000			
	Leadership Style	.000	.000				
	Job Satisfaction	44	44	44			
Ν	Organizational Culture	44	44	44			
	Leadership Style	44	44	44			

Table 1. Correlation Matrix Between Variables Correlations

Source: Output SPSS

- 1. The relationship between the Organizational Culture variable (X1) and the Leadership Style variable (X2) yielded a correlation coefficient of 0.927. Thus, it can be said that organizational culture and leadership style have a positive relationship with the criteria Very Strong
- 2. The relationship between the organizational culture variable (X1) and the job satisfaction variable (Y) yielded a correlation coefficient of 0.959. Thus, it can be said that organizational culture and job satisfaction have a positive relationship with the criteria Very Strong
- 3. The relationship between the leadership style variable (X2) and the performance variable (Y) yielded a correlation coefficient of 0.933. Thus, it can be said that leadership style with job satisfaction has a positive relationship with the criteria of Very Strong.

Based on the table above, it is a correlation matrix between variables that shows the magnitude of the relationship between both dependent and independent variables. The proportion for the path diagram is two independent variables (X1 and X2) that have relationships between the variables, and each independent variable (X), as well as the

correlational relationship of the variables outside (X1 and X2) the residuals with the dependent variable (Y). The steps to calculate path analysis are as follows:

PYxi = I = 1,2And the overall influence from X1 to X2 = 0.934

Meanwhile, the path coefficients of other variables outside the X1 to X2 range are determined through:

 $pY1 \Box 1 = 0.066$

This means that the combined influence of variables X1 and X2 on variable Y is 0.934 or 93.4%, indicating that variables X1 and X2 together affect Y, while the remaining 0.066 or 6.6% is influenced by other variables not included in the study.

Based on the theoretical framework that there is a positive influence between organizational culture and leadership style on employee job satisfaction at Credit Cooperative X in Bandung City, the overall hypothesis will be tested in the following form:

1) Simultaneous Hypothesis Testing

To determine whether the independent variables, namely Organizational Culture (X1) and Leadership Style (X2), simultaneously affect Employee Job Satisfaction (Y) at Credit Cooperative X in Bandung City, where the hypothesis statistics can be stated in the following form:

Ho: == 0 There is no influence of organizational culture and leadership style on job satisfaction.

Hi : = $\neq 0$ There is an influence of organizational culture and leadership style on job satisfaction.

The hypothesis testing was conducted using the F-test statistic, with the condition to accept Ho if Fhitung < Ftabel and reject Ho if Fhitung > Ftabel. From the calculations using SPSS software, the following results were obtained.:

	ANOVA									
Mode	el	Sum of Squares	df	Mean Square	F	Sig.				
	Regression	316.727	2	158.363	289.938	.000 ^b				
1	Residual	22.394	41	.546						
	Total	339.121	43							

 Table 2. Simultaneous Testing

 ANOVA^a

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), Leadership Style, Organizational Culture

Source: Output SPSS

Based on the calculation results, it turns out that Fhitung of 289.938 is greater than ttabel 2. (Fo > F α : (k,n-k-1) (289.938> 3.23), thus the hypothesis is accepted or H0 is rejected. This means that individual hypothesis testing can continue, namely:

2) Individual Hypothesis Testing

Individual testing is conducted when simultaneous testing rejects the null hypothesis, meaning at least one path coefficient is not equal to zero. This test is used to determine or test the influence of each independent variable to see whether it is significant individually or not. Because the overall test yielded significant results, the subsequent analysis was conducted with individual tests (partial tests).

Ho: = 0, There is no influence of leadership style on job satisfaction. Hi : $\neq 0$, There is an influence of leadership style on job satisfaction. Test statistics for each hypothesis

Reject Ho, If toi > t1- α (n-k-1) By using the t-distribution table, the following was obtained: (SPSS results as per the attachment). t0,95(56-2-1) = ttabel = 1.68

				<u> </u>			
Path Co	efficient	Ttest	ttable	Summary			
PYX ₁	0.673	6.309	0.000	Ho Rejected There is an influence of organizational culture on job satisfaction.			
PYX ₂	0.309	2.894	0.006	Ho Rejected There is an influence of leadership style on job satisfaction.			

Table 3. Testing the hypothesis of X1 and	l X2 against Y
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Source: Output SPSS

Based on the calculation results of the path coefficient values of variables (X1) and (X2) against (Y), obtained using the SPSS program, according to the decision rule, the t-values fall in the H0 rejection area, meaning the path coefficients are significant, thus the path diagram does not change. Conceptually, it can be explained that all aspects of organizational culture and leadership style positively influence job satisfaction.

Next, the significance of the correlation coefficient between variables X1 and X2 will be tested with the following hypothesis:

With the following test statistics

Reject Ho If t_calculated > $t(1-\alpha/2;n-k-1)$ using the t distribution table, it is obtained (according to the IBM SPSS appendix).

Table 4. Correlation resting between variable A						
Correlation Coefficient	Ttest	t_{tabele} $\alpha = 0.05$	Summary			
0.934	12.889	0.000	Ho Rejected There is a significant relationship between X1 and X2.			

Table 4. Correlation Testing between variable X

Source: Output SPSS

From the correlation test between variable X, it turns out that t_hitung > t_tabel, so H0 is rejected, meaning there is a direct relationship between the variables of organizational culture and leadership style towards job satisfaction. The complete causal relationship diagram of variables X1 and X2 towards Y is as follows.:

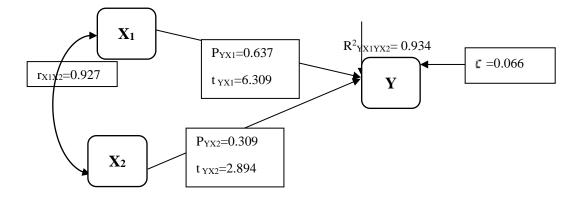


Figure 4.1 Causal Diagram between Organizational Culture (X1) and Leadership Style (X2) on Job Satisfaction (Y)

From the structural diagram of the relationships between variables with the above structural parameter values, the influence of the causal variables on the variables, the influence of organizational culture and Leadership Style on Employee Job Satisfaction at Credit Cooperative X in the City of Bandung is :

Table 5.	The Influence of	Variables	X1 and	X2 on	Y and	the	Influence	Outside
Variable X a	and Y							

Path Coefficient Interpretation						
Summary	Influence	%				
Influence X_1, X_2 to Y	0.934	93.4				
Outside X ₁ , X ₂ and Y	0.066	6.6				
Total		100				

Source: Output SPSS

From the test results, it can be concluded that organizational culture and leadership style together have an impact on job satisfaction, amounting to 93.4%, while the remaining 6.6% is influenced by other factors not examined by the author, namely work culture, work environment, work climate, and work attitude, which require further research. However, when viewed partially, leadership style has a more dominant influence on job satisfaction than organizational culture. This can be understood because each indicator of organizational culture and leadership style is used as an aspect of measuring job satisfaction.

Job satisfaction itself can be influenced by organizational culture and leadership style, and therefore the level of job satisfaction among individuals or groups depends on the alignment with organizational culture and leadership style. Thus, the better the organizational culture and leadership style.

CONCLUSION

Based on the research conducted to determine the Influence of Organizational Culture and Leadership Style on Employee Job Satisfaction (A study on Credit Cooperative X in Bandung City), the following conclusions can be drawn:

- The organizational culture at Credit Cooperative X in Bandung City creates a conducive environment for the employees. This is evident from the calculation results which show that the organizational culture occupies the agree continuum line. An appropriate organizational culture will enhance employee performance, as organizational culture relates to the atmosphere created while working.
- 2. Leadership style is the most important aspect in every institution, whether business or non-business. The leadership style is reflected in the behavior of superiors towards their subordinates. The leadership style at Credit Cooperative X in Bandung City is highly appreciated by the employees, which has been able to enhance their motivation and job satisfaction.
- 3. Organizational Culture and Leadership Style simultaneously influence Employee Job Satisfaction at Credit Cooperative X in Bandung City. However, partially, organizational culture has a more dominant influence on Employee Job Satisfaction than leadership style. Partially, the influence of Organizational Culture and Leadership Style on Employee Job Satisfaction is as follows:

a. Organizational Culture influences Employee Job Satisfaction, so if the organizational culture is appropriate/correct, Employee Job Satisfaction will also increase.

b. Leadership style affects employee job satisfaction, so the more aligned the leadership style is, the higher the employee job satisfaction will be..

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