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# The Effect of Leadership, Organizational Climate, and Employee Motivation of PT Delta Merlin Dunia Textile VII

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#### **ABSTRACT**

There are several problem statements of this research such as analyzing the effect of organizational climate, leadership, and employee motivation of PT Delta Merlin Dunia Textile VII. The population of this research involve the whole employees of PT Delta Merlin Dunia Textile VII with total of 30 people. This research used saturated sample which means that this sample is using all population people as a sampling technique. The analytical method in this research used instrument testing, classic assumption test, multiple linear analysis, T-test, F-test, and R² test. The research result of multiple linear regression analysis indicated that leadership variable and motivation have a positive and significant effect on the employee performance, meanwhile organizational climate have a positive but not signifant effect on the employee performance of PT Delta Merlin Dunia Textile VII. The results of the Adjusted R Square coefficient of determination obtained the Adjusted R Square determination coefficient score around of 0.799 which means that the influence exerted by leadership, organizational climate, employee motivation is 79.9% while the remaining 20.1% is influenced by other variables which not included in this research, such as compensation, work environment, discipline.

**Keywords:** Employee Performance, Leadership, Motivation, Organizational Climate

#### INTRODUCTION

Employee performance is assessed based on terms of quality and quantity of work standards set by the company. The good performance is optimal performance, that must comply with organizational standards and support the achievement of organizational goals. A good organization is an organization that seeks to improve the capabilities of its human resources. Because it is a major factor in improving employee performance. Therefore, the intended human resources are workers or employees in a particular institution which had a very important role in achieving the success of that institution or department. Analogous to the description on a micro basis, sophisticated and complete facilities are not a guarantee for the success of institution, therefore, it is necessary to balance the quality of the employees who will utilize these facilities. For example is foreign companies that only employ a few employees, then they get better results compared to national companies which have more employees with more complete facilities. The consequence is the workforce owned by the company must be adapted by means of training, therefore the workforce can use these new and sophisticated tools efficiently. It means that human resources in an institution or department in society require improvement in order to achieve an optimal work result.

As a company engaged in the industrial sector, PT. Delta Merlin Dunia Textile VII also has many competitors in its business activities. The textile industry is a very competitive industry. Along with the era development, companies also continue to improve themselves to prepare for all the consequences that might occur in the future. One of them is by creating a good organizational climate, the existence of a good leadership style which will ultimately affect the work motivation of employees in order to improve the quality of the employees performance.

The first factor identified influencing employee performance is leadership. Leadership is the ability to influence a group towards achieving predetermined goals. Leadership has a strong influence on organizational progress. Leader quality is often considered as the most important factor that determines the success of an organization. Effective leaders can influence their followers to have greater optimism, self-confidence, and commitment to predetermined organizational goals. Each leader is obliged to pay serious attention to fostering, mobilizing and directing all potential employees in their work environment so that they can realize organizational stability and improve employee performance that is oriented towards organizational goals.

Leadership is the focus of organizational development because without good leadership it will be difficult to achieve organizational goals, even to adapt the changes that are happening inside and outside the organization. Each leader can influence his subordinates, for example satisfaction with employee performance. A leader will always be an example and role model in working in a company because

the leader has the task of being an internal facilitator in implementing his control function which is directed at each of his subordinates because the relationship between humans with one another is symbiotic mutualism, that is a relationship which is mutually beneficial and requires each other between the two parties.

The success of agency goals at PT Delta Merlin Dunia Textile VII is highly dependent on leadership. The responsibility of a leader is supporting his employees in achieving useful goals. A leader always provides direction, coaching and motivation to his employees in completing work to achieve organizational goals. Thus, if the behavior of the leaders of PT Delta Merlin Dunia Textile VII is getting better then the tendency to achieve job satisfaction can be achieved, otherwise if the leadership is implemented inaccurately it will have a negative impact on job satisfaction and employee performance.

According to Wirawan (2021) organizational climate is the perception of the organization members and stay connected with the organization in various matters that occur in the internal environment of the organization on a regular basis, which influences attitudes, organizational behavior and the performance of organizational members which affect to organizational performance. The conducive organizational climate will create a feeling of comfort and fun for members of the organization so that they will be more enthusiastic in carrying out their duties and responsibilities as fully as possible.

According to Herman (2014) organizational climate refers to the whole of its function based on employee prespective. Therefore, organizational climate is a description of employee perspective about their work environment individually. Certain dimensions of organizational climate provide special influence on organization's ability in improving employee performance. The dimensions of organizational climate based on Robbins perspective is organizational policies and regulations, the level of effectiveness of communication, the level of relations between employees and the level of employee participation. The phenomena related to organizational climate and employee performance at PT Delta Merlin Dunia Textile VII that are encountered and often become problems are the presence of several employees who lack discipline in working such as procrastinating work so that the company's targets are not achieved well. There are several employees whose work should have been reported before the deadline, but there are still employees who report their work after the deadline because they are piled up with other new work due to lack of initiative and employee negligence. The great responsibility given to employees still cannot be implemented properly because not all employees are able to implement the responsibilities given because their skills or knowledge are still lacking.

Motivation is basically a process that determines how much effort will be conducted to work. According to Suwati (2013) motivation is used as a propulsive power for employees to provide abilities, expertise, skills, energy and time in

conducting various activities which are being their responsibilities and obligations, in order to achieve the goals and organization objectives that have been established. Motivation is a main factor for someone to conduct an activity in order to get the best results. Employees who have high work motivation will also have high performance. Motivation is a potential power that exists within a human being, which can be self-developed or developed by a number of external powers originating from material and non-material factors. The important thing to remember is that the motivation among employees will be different based on the level of education and economic conditions. People who are highly educated and financially independent have different motivations and are not influenced by traditional motivations, such as formal authority and incentives, but are also influenced by other needs factors.

Motivation is one of the factors that can support the achievement of maximum performance because motivation is a person's internal condition that activates and directs his/her behavior towards certain goals. If the employees feel happy in their work, then they generally have discipline. On the other hand, if their work enthusiasm is under qualification, then they can have any bad habits. They may not even be polite to corporate leader. Mostly they agreed the leader's commands, but with displeasure feeling. It can be indicated that basically every human being has the motivation to do work, then through motivation both internally or externally, a person can do something more than other people do. In addition, work motivation is something might trigger someone to act in a certain way or develops the action in certain way as a form of someone who has high success motivation.

Based on the explanation above, the researchers are able to do this research entitled "The Effect of Leadership, Organizational Climate, and Employee Motivation of PT Delta Merlin Dunia Textile VII." This research aims to finding the effect of leadership, organizational climate, and motivation on employee performance of PT Delta Merlin Dunia Textile VII.

#### LITERATURE REVIEW

#### Leadership

According to Farida and Ganiem (2017), leadership regulated by a organization manager can create appropriate integration and encourage employee passion to achieve the intended goals. In addition, according to Robbins and Timothy A. Judge (2015) stated that the leadership is the ability in affecting a group towards the achievement of a vision or intended goals. Based on various description above, it can be inferred that the leadership is the nature, character or way of a person in coaching and affecting a person or group in working together, committed to conduct all activities in accordance with the duties and responsibilities to achieve the vision and organization goals.

#### **Organizational Climate**

According to Pasaribu and Indrawati (2016) stated that organizational climate is organizational climate is a relative environmental quality of the organization experienced by its members. It has an effect on their behavior and organization functions. Organizational climate is divided into two types, these are (1) the environmental conditions of the organization which are physical and (2) the environmental conditions of the organization which are psychological or non-physical.

In addition, based on Subawa and Surya (2017), they stated that organizational climate is one's perception related to work aspects and organizational values. On the other hand, organizational climate is a perception of each individual regarding the characteristics and organization conditions that affect a person's behavior in working.

Based on various description above, it can be inferred that organizational climate is the conditions and characteristics of the workplace environment that formed from the attitudes, behavior and personality of all organization members that describe the internal atmosphere of the organizational environment that is felt by its members during their activities in order to achieve organizational goals.

#### **Motivation**

According to Hasibuan (2016) stated that motivation is something that cause, channel and support human behavior to work hard and enthusiastically in order to achieve optimal results. In addition, motivation comes from the Latin word *movere* which means encouragement or giving a driving force that creates enthusiasm for one's work so that someone wants to work together, work effectively, and is integrated with all their efforts to achieve satisfaction. Work motivation is a condition or energy that drives employees who are directed or focused on achieving organizational goals. The pro and positive mental attitude of employees towards work situations strengthens their work motivation to achieve maximum performance.

Meanwhile, according to Pinder (2013) work motivation is a set of forces both from outside or inside a person that encourages to start work behavior according to a certain format, direction, intensity and period of time. According to Robbins, S. P., & Judge (2019) work motivation as a hard effort to develop levels towards organizational goals conditioned by the ability of these efforts to meet an individual need. Then, it can be inferred that work motivation is the encouragement to work by directing all the potential one has to achieve the desired goals.

# **Work Performances**

According to Sinambela (2018) work performances is the ability of employees to do something with certain skills. Performance is defined as the result of work evaluation conducted by individuals compared to the criteria that have been

set together. Meanwhile, according to Afandi (2018) performance is the work result that can be achieved by a person or group in a company in accordance with the authority and responsibility of each in an effort to achieve organizational goals illegally, not violate the law and not conflict with morals and ethics.

Then, according to Rivai and Mulyadi (2012) performance is a real behavior that is indicated by everyone as work performance produced by employees according to their role in the company. Kasmir (2016) stated that performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities provided within a certain period time. Based on various description above, it can be inferred that performance is the result of work achieved by an employee in accordance with the work assigned to him/her within a certain time. Performance is also a work manifestation conducted by employees which is usually used as the basis for evaluating employees or organizations. Good performance is a major step in achieving an organizational goal.

#### RESEARCH METHOD

The location of this research is at PT Delta Merlin Dunia Textile VII and its employees as the object of this research. The population of this research involve the whole employees of PT Delta Merlin Dunia Textile VII with total of 30 people. This research used saturated sample which means that this sample is using all population people as a sampling technique. The data used is primary data. Primary data is a source of data obtained directly by researchers. Primary data in this research comes from data obtained from data collection through questionnaires. Questionnaire is a written list of questions which are answered by a lot of people to provide information for a report or a survey (Sharma, 2022). Data collection techniques in this research used observation techniques regarding human behavior, work processes, and natural phenomena.

# RESULT AND DISCUSSION

#### **Research Instrument Test**

# **Validity Test**

Validity test indicated the comparison result of r count with r table of each question on the variables of leadership, organizational climate, employee motivation and performance. The results of the analysis indicated that the correlation coefficient on all questions has a value bigger than 0.312, then it can be concluded that the results of the validity test on all questions are declared valid.

The Effect of Leadership, Organizational Climate, and Employee Motivation...

# **Reliability Test**

The reliability test was conducted simultaneously on all statements.

Reliability Test Result

Variable	Alpha Cronbach	Criteria	Description
Leadership	0.947		Reliable
Organizational Climate	0.974	Alpha Cronbach > 0.60 then it is	Reliable
Motivation	0.942	reliable	Reliable
Employee Performance	0.912		Reliable

Based on the reliability test results table above, it can be seen that the questionnaire used is reliable because the Cronbach Alpha score is bigger than 0.60. It means that the questionnaire is reliable.

# Classic Assumption Test Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal	Mean	.0000000
Parameters <sup>a,b</sup>	Std. Deviation	2.86945124
Most Extreme	Absolute	.128
Differences	Positive	.128
	Negative	065
Test Statistic	.128	
Asymp. Sig. (2-ta	.097¢	

- a. Test distribution is normal
- b. Calculated from data
- c. Lilliefors Significance Correction

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Based on previous table above, it indicated that Kolmogorov-Smirnov can be known that the significant score for all variables is bigger than 0.05 that is 0.097, then it can be concluded that the data is normally distributed.

# **Multicollinearity Test**

The Result of Multicollinearity Test

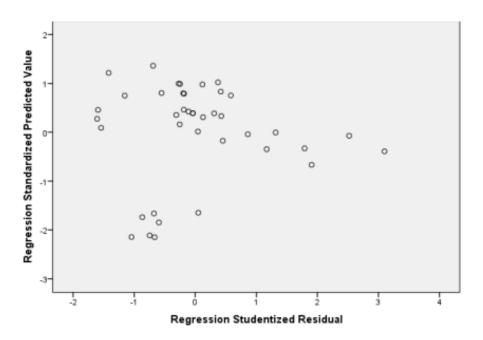
#### Coefficient<sup>a</sup>

		Unstandardized Coefficients		Standard ized Coeffici ents			Collinearity Statistics	
Mode	:1	В	Std. Error	Beta	t	Sig.	Tolera nce	VIF
1.	(Constant)	.925	1.805		.513	.611		
	Leader ship	.695	.121	.584	5.719	.000	.494	2.024
	Organizatio Climate	.205	.106	.216	1.926	.062	.410	2.442
	Motivation	.225	.091	.228	2.468	.018	.602	1.661

Based on previous table above, it can be concluded that the result test through Variance Inflation Factor (VIF) on SPSS output in coefficient table, each independent variable has VIF score smaller than 10 and has tolerance score more that 0.10. Therefore, it can be concluded that regression model is qualified from multicollinearity.

# **Heteroscedasticity Test**

The Result of Heteroscedasticity Test Scatterplot



Dependent Variable: Work Performance

Based on the heteroscedasticity test using the scatterplot in the diagram above, it can be concluded that the dots are spread out and do not form a clear pattern. Then, it can be concluded that there is no heteroscedasticity problem.

# **Autocorrelation Test**

The Result of Autocorrelation Test Summary Model<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.903ª	.815	.799	2.987	2.416

- a. Predictors: (Constant), Motivation, Leadership, Organizational Climate
- b. Dependent Variable: Work Performance

Based on the autocorrelation test results above, the Durbin Watson test results (DW test) were obtained which showed that DW value was 1.637, dU was 1.658 and 4-dU was 2.342, which means that the null hypothesis is accepted. It can be concluded that there is no autocorrelation in this research model.

The Effect of Leadership, Organizational Climate, and Employee Motivation...

# **Hypothesis Test**

# **Multiple Linear Regression Analysis**

Multiple Linear Regression Test Results

#### **Coefficients**

a. Dependent Variable: Performance

		Unstandardized Coefficients		Standardized Coefficients		
	Model	В	Std. Error	Beta	t	Sig.
1	(Constant)	.925	1.805		.513	.611
	Leadership	.695	.121	.584	5.719	.000
	Organization Climate	.205	.106	.216	1.926	.062
	Motivation	.225	.091	.228	2.468	.018

Multiple linear regression is obtained as follows:

 $Y = 0.925 + 0.695 X_1 + 0.205 X_2 + 0.225 X_3$ 

The equation above can be described as follows:

- 1)  $\alpha$ = 0.925 means that the constant value indicates the stable independent variables of leadership, organizational climate and motivation are causing employee performance as dependent variable become positive.
- 2)  $\beta_1 = 0.695$  indicates leadership ( $X_1$ ) has a positive effect on employee performance. Which means when the leadership is improved, the employee performance will increase with the assumption that other variables are constant.
- 3)  $\beta_2 = 0.205$  indicates organizational climate ( $X_2$ ) has a positive effect on employee performance. When the organizational climate is improved, the employee performance will increase with the assumption that other variables are constant.
- 4)  $\beta_3 = 0.225$  shows that motivation (X<sub>3</sub>) has a positive effect on employee performance. Then, when motivation is developed, the employee performance will increase with the assumption that other variables are constant.

The Effect of Leadership, Organizational Climate, and Employee Motivation...

#### T-test

The results of T test in this research can be seen in the table as follows: T test result

Variables	Sig	Description
Leadership	0,000	Significant
Organizational climate	0,062	Not significant
Motivation	0,018	Significant

- 1) Leadership  $(X_1)$  has a positive effect on employee performance and has a significant effect with a significance value of 0.000
- 2) Organizational climate  $(X_2)$  has a positive effect on employee performance and has an insignificant effect with a significance value of 0.062
- 3) Motivation  $(X_3)$  has a positive effect on employee performance and has a significant effect with a significance value of 0.018

#### F-Test

Simultaneous Test Results (F Test)

**ANOVA**<sup>a</sup>

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1411.859	3	470.620	52.761	.000 <sup>b</sup>
	Residual	321.116	36	8.920		
	Total	1732.975	39			

Dependent Variable: Work Performance

The calculation results show that the calculated F value of 52.761 with a significance of 0.000 smaller than 0.005, it can be concluded that there is a significant effect of leadership variables, organizational climate, motivation on employee performance.

# Coefficient of Determination (R<sub>2</sub>) Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.903ª	.815	.799	2.987	2.416

a. Predictors: (Constant), Motivation, Leadership, Organizational climate

b. Dependent Variable: Work Performance

#### **DISCUSSION**

# The influence of leadership on employee performance

The results of first hypothesis ( $H_1$ ) testing indicate that leadership variable has a positive and significant effect on employees' performance of PT Delta Merlin Dunia Textile VII with the value of research coefficient ( $\beta$ ) which is 0.695 that indicates the efforts to improve leadership on employee performance are positive. The research t value has a significant value of <0.05, which is 0.000 that indicates the leadership variable has a significant effect on employee performance. This result means that leadership has a positive relationship to employees' performance. The leadership is implemented in leader's behavior to influence others to achieve the organizational goals in accordance with environmental conditions. This means that good leadership can lead to excellent performance as well. The leadership has a positive relationship to employee performance, then improving employee performance can be conducted by increasing the leadership through cooperation, participation, tasks' delegation, the empowerment of subordinates and responsibilities, and the decision making is jointly made between leaders and employees to achieve organizational goals with environmental conditions.

# The influence of organizational climate on employee performance

The results of second hypothesis (H<sub>2</sub>) test indicates that organizational climate variable has a positive and significant effect on employees' performance of PT Delta Merlin Dunia Textile VII. This is showed by research coefficient value, which is 0.205 that indicates the efforts to improve organizational climate on employee performance are positive. The research of t value has a significant value > 0.05, which is 0.062 implying that the organizational climate variable has no significant effect on employee performance. This means that the organizational climate at PT Delta Merlin Dunia Textile VII has a positive but not significant effect

on employee performance. This is based on the unfavorable organizational climate of PT Delta Merlin Dunia Textile VII that there is still no freedom given in expressing opinions and the lack of intense communication between leaders and employees regarding the existing problems that will have an impact on employee performance.

#### The influence of motivation on employee performance

The results of third hypothesis (H<sub>3</sub>) test shows that motivation variable has a positive and significant effect on employees' performance of PT Delta Merlin Dunia Textile VII. This is showed by the research coefficient value, which is 0.225 that indicates the efforts to increase motivation on employee performance are positive. The research t value has a significant value <0.05, which is 0.018 that indicates the motivation variable has a significant effect on employee performance. The motivation variable is proven to be one of the factors that influences the employee performance at PT Delta Merlin Dunia Textile VII. Along with the motivation from leadership to employees, it will certainly provide an increase in employees' performance and motivational encouragement for each employees.

#### CONCLUSION AND SUGGESTION

#### Conclusion

Based on the research result, the following conclusion are the leadership variable has a positive and significant effect on employee, organizational climate variable has a positive but not significant effect on employee performance, motivation variable has a positive and significant effect on employee performance at PT Delta Merlin Dunia Textile VII.

# **Suggestion**

Based on the conclusions above, the researchers provide several suggestions that can be used as ways to improve the employee performance. They are increasing the leadership role by evaluating and increasing the charisma in leadership, increasing the employees' trust for the employees become more loyal to their organization and leaders. It is hoped that the leadership of PT Delta Merlin Dunia Tekstil VII will be more concentrate to how the organizational climate is created within the company for developing the employees' work performance effectively and achieve the maximum productivity. Increasing high motivation for employees for stimulating the enthusiasm of employees in conducting their duties and responsibilities. Expanding and adding the number respondents in distributing the questionnaire for another research in similar theme. And adding independent variables such as compensation, work environment, and discipline that cannot be described in this research.

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