

# When Job Performance of Human Resource's Sugar Factory Affected by Organization Culture, Motivation and Leadership Style

Teguh Soedarto<sup>1</sup>, Rifan Jefri Sunarsono<sup>2</sup>

<sup>1</sup>Lecturer at Manajemen Agribisnis Department and Magister Program, Univeristy of UPN Veteran East Java

<sup>2</sup>Lecturer at Manajemen Department, Univeristy of UPN Veteran East Java

**Abstract:** *This research attempts to test some variables which identified could give influence to the performance of human resource at sugar factory. This research also would like describe the condition of human resource at the sugar factory in Indonesia who is identified having different characteristic as the developing country. This research uses quantitative approach. This research also uses census method which means that whole populations of folk sugarcane builders become respondent. The number of respondents who studied are 617 FSB (Fol Sugarcane Builders) and 82 supervisor as an appraiser. This research will use structural equation modelling (SEM) as the tool for testing all of the hypotheses and used conceptual model from 14 hypotheses tested, several are not supported. The leadership style, organization culture, and ability in this research can influence the employee performance. The ability of individuals has positive impact on the job performance. but if there is a variable between (intervening variable) like work motivation, the relationship becomes negative to job performance. This research focuses on the sugar factory human resource in Indonesia where the general application should be discussed further. This research is identified as the research which describes the human resource condition at the sugar factory industry in the developing country like Indonesia.*

**Keywords:** Ability, Job Performance, Leadership Style, Motivation, Organizational Culture, Sugar Company

## 1. Introduction

In the developing country and like Indonesia which located in the subtropics area. Agriculture is still being one of several jobs that is chosen by the society. For sugar cane farmers, particularly in the rural area, it is truly needed some programs which are aimed to enhance the output or performance of this sector. Output enhancement could be applied through the employee performance improvement and the enhancement of the employee performance and by doing many programs. We could intensify our performance through the setting of the organizational culture (Gordon dan DiTomaso, 1992). Furthermore, motivation is identified as the predictor of employee performance (Srivastava and Singh, 1988; Singh and Singh; 1994). Then ability is also believed as one of the crucial factors to influence the performance of employee (Gibson, Ivancevich, and Donnelly, 1985).

One of the things that can be a driver for achieving good quality of resources is the formal review process performed by senior management with two-way communication for all job guidance, and even this is an important factor to success (Basu, 2001). Two-way communication pattern will give a positive influence to improve the job performance of human resources within the organization. Individual achievement as a workforce is highly dependent on the opportunity to work better, the field of work done in accordance with the education and skills possessed and the opportunity to develop themselves. In the context of this research, the skills of a folk sugarcane builder can develop through the work done, the mental attitude and skills are very big role in improving job performance. The work achievement of a folk sugarcane builder is focused on increasing the production of

the farmers who are the responsibility of the folk sugarcane builders.

Folk sugarcane builders as a driver and also a party that provides direction to contribute the enhancement of knowledge, skills, attitudes and motivations that a folk sugarcane builder hope will be overt, active and dynamic. Coaching activities undertaken by community sugarcane developers are emphasized on the approach of sugarcane farmer groups through the development and fostering of smallholder sugarcane groups. In the framework of counseling activities, guidance and supervision conducted by folk sugarcane builders, the distribution of motivation on cane farming can be done well. The activity or job performance of a folk sugarcane builder can be seen from the creativity of farmer groups built and the amount of productivity that can be produced.

Folk sugarcane builders performance is strongly influenced by the low motivation and ability to carry out the field work. Several decisive factors in generating motivation are wages given, working atmosphere, opportunities for achievement, physical ability, educational level and work experience. Increased motivation of work done by giving the possibility to get a "gift" is a common way done on the company. This can also be done to professional officers such as folk sugarcane builders. A conducive organizational culture in line with the expectations of all employees and companies is also an important factor to improve job performance. Leadership style is a determinant factor also in the leadership mechanism within an organization, which means that leadership style has an influence on the job performance of employees. Based on the above background, it is necessary to do a careful research about the influence of

work motivation factors, individual abilities, organizational culture and leadership style on employee performance.

Therefore, this study will be one of the researches that gives quite fresh knowledge about the analysis unit such as sugarcane farmers and folk sugarcane builder that are one of the icon of Indonesian work life. This study will also give quite complex variabel relationship that are proposed to enhance the performance of employee generally and folk sugarcane builders through organization culture, motivation, ability, and leadership style.

## 2. Literature Review

### 1) Organizational Culture

The idea of organization as a culture is a relatively new phenomenon. About 20 years ago, the organization was simply defined as coordinating and overseeing human groups, in which there are vertical levels, parts, power relations and so on, but it turns out the organization is more than that. The organization also has a human-like personality. Organizations can be flexible and can also be rigid, unfriendly or sportive and innovative. Wilkins (1983), defines culture as "something that is deemed as ordinary and can be shared with that given to the social environment." The social environment in this sense can be in the form of an organization. This shared meaning can be expressed as a habit. According to the Gordon and DiTomaso (1992) organizational culture is also referred to as corporate culture where this variable has the meaning of a pattern of trust and value are distributed and stable which developed within an organization from time to time.

The word culture itself is derived from the science of Anthropology which has quite a lot of meaning of the word. The identified word culture has up to 164 meaning words that we can understand (Gordon and DiTomaso, 1992). There are so many notions of organizational culture, but generally remain in the same context. Louis (1985) defines organizational culture as a shared meaning, then Barney (1986) and also Broms and Gahmberg (1983) define organizational culture as the core values. Then Davis (1984) and Lorsch (1985) define organizational culture as a belief.

Later, Schein (2004) defines the organizational culture as the pattern of basic assumptions invented, discovered or developed by a group as it learns to cope with is problems of external adaptation and internal integration a pattern of assumptions that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to preceive, think, and feel in relation to these problems. Cultural aspects move from basic assumptions, beliefs and values to produce objects (artifacts) in the form of stories, tales and symbols that ultimately exploit cultural dimensions (Brown, 1982).

### 2) Motivation

According to Vroom (1964), motivation is a process governing choice, made by persons or lower organisms, among alternative forms of voluntary activity. Another definition is conveyed by Vroom before. He defined motivation as internalized to the extent that it is independent of externally-mediated sanctions and is hypothesized to

occur to the extent that role performance is relevant to the maintenance of an individual's self-identity (Vrom, 1962). Flippo (1981) mentions that direction and motivation are crucial elements in an organization. Both of these elements can be a way for the organization in order to make employees be able to achieve the goals set. Donnelly (1990) mention that motivation is all the business from within whose condition described as hope, desire and others that exist in the activity or movement. According to Colquitt et al., (2000) mentions that motivation can be defined as a process by which behavior is initiated and directed. The motivational approach in this study is based on the assumption that everyone tends to develop certain motivational patterns as a result of the existing cultural environment. The pattern is an individual's attitude towards how to view a job and how to live his life. Newstrom and Keith (1993) explain that there are four patterns of individual motivation such as achievement, affiliation, competence, and power. *Achievement motivation* is an incentive in the person to overcome all challenges and obstacles in an effort to achieve the goal. *Afiliation Motivation* is an encouragement to connect with others on a social basis. *Competence Motivation* is an encouragement to achieve work excellence, improve problem-solving skills and strive innovatively. *Power Motivation* is an impulse to influence people and change situations.

### 3) Ability

Robbins (1998) and Glueck (1980) explained that the ability refers to an individual's capacity to perform various tasks in a job. The ability of an individual is essentially composed of two sets of factors namely intellectual ability and physical ability. Intellectual ability is the ability necessary to perform mental activities. The seven most commonly cited topics that make up intellectual abilities are numeracy, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, space visualization, and memory (memory). Physical ability is the ability required to perform tasks that according to stamina, dexterity, strength and similar skills.

According to Katz (1955) in his leadership skill approach study, a leader should posses different abilities, because these abilities will influence on his or her level in the organization. These abilities are technical ability, human ability, and conceptual ability. These skills or abilities enable us to understand and better decide the actions and measures that has to be taken in a particular field of work (Katz, 1955). In this research, there will be a differentiation, where the researcher change the human ability into managerial ability which is an essential skill that every manager needs for doing a better management and also could represent the human skill.

### 4) Leadership Style

Leadership style has a broad meaning, so that in the process of setting the definition of leadership based on the thought of research that will be done. Some theorists limit the definition of leadership to the use of influence that results in the commitment of followers. The limitation must also consider the processes of influence that is important in determining a person is whether the manager is effective or ineffective in certain situations (Yukl, 2006).

Fleishman, (1953), Halpin and Winer (1957), Hemphill and Coons, (1957) explain that the subordinates view the behavior of their superiors in two categories: consideration and initiating structure. *Consideration* is the action of the leader in a friendly and supportive manner, paying attention to subordinates and paying attention to the welfare of subordinates. Implementation of the consideration is done in the form of attention to the problems that occur in subordinates, fighting for the interests of subordinates, communicating with subordinates, communicating with subordinates for important things before being implemented, willing to accept suggestions from subordinates and treating subordinates as colleagues. While *initiating structure* is the level of leadership in determining and building the role of self-leadership and the role of subordinates to achieve the group's formal goals.

### 5) Job Performance

Job performance is the primary part of this research, individual work achievement seen from the work by using predetermined criteria of measurement. To provide limits on job performance, a detailed review of several researchers was conducted. Job Performance refers to the effectiveness of task execution with good results (Munjuri, 2012). This indicates that job performance is a variable that is able to provide a positive value for the company. With good performance, then the individual within the company is considered capable of performing its work effectively and well. Performance also refers to how well an employee is able to meet the job requirements (Rue and Byars, 1993). Almost in line with the notion of job performance proposed by Munjuri (2012), Cascio (2006) defines performance as work effectiveness, that is, the way in which a person does a job, judged by its effectiveness.

Effective performance management can be a key determinant in achieving business goals while maximizing employee contribution (Cornelius, 1999). This is certainly true, on condition that the company is able to ensure that its employees make a good contribution to the company, especially through the performance of its employees, the company will be more helpful in achieving the goals set. A performance appraisal system should be objective, relevant to work and company, also fair to all employees and offer no special treatment (Schuler et al., 1992).

## 3. Hypothesis Development

### 1. Organizational Culture and Motivation

Schein (2004) explains that leaders have greatly important role in strengthening and instilling culture. The forms of behavior for building the organizational culture that can be done by the leader is attention, reaction to crisis, role modeling, allocation of rewards and selection criteria. Schermerhorn, (2010) explains that strong cultures will have a clear positive influence on the motivation of the behavior of members of the organization. strong organizational culture will form an agreement and strengthen the motivation of members to perform the best actions to achieve the achievement of corporate goals.

**H1: Organizational culture has significant effect on motivation**

### 2. Ability and Motivation

Mitchell (1982) explains that work motivation is directly influenced by the ability of the employee that includes intellectual ability and managerial skills. Everyone has a certain level of ability that may vary greatly among fellow employees.

**H2 : Ability has significant effect on motivation**

### 3. Leadership Style and Motivation

In the prior research, it was identified that several types of leadership styles had different impact on employee motivation (Chaudhry dan Javed, 2012). Two leadership styles are tested in this study. The first was transactional leadership and the second was laissez faire leadership. These two leadership styles had different impact on motivation. It was identified that transactional had more positive impact on motivation than laissez faire. From this research we are able to know that leadership style is able to influence the motivation of workers and we are able to propose

**H3 : Leadership style has significant effect on motivation**

### 4. Organizational culture and leadership style

Cushway and Ledge (1999) explain that the organizational culture system affects members of the organization including its leaders. To improve the effective and efficient leadership pattern, one of the influencing variables is improving the organizational culture's understanding and organizing in the company through (1) Increasing the leadership's attention to subordinates in providing incentives, improving work environment and social condition attention, 2) Increasing openness in assessment, receiving suggestions and accepting criticism and (3) Increasing discipline in the form of discipline assessment, discipline understanding by all employees and improving timeliness in task completion.

**H4 : Organizational culture has significant effect on leadership style**

### 5. Ability and Leadership Style

According to the leadership theory from Tannenbaum and Schmidt (1958), leadership style depends on some factors, like individual itself, employee and situation. Ability is one of the part of the individual itself. A previous research conveyed that effective leadership behavior fundamentally depends upon the leader's ability to solve the kinds of complex social problems that arise in organizations (Mumford et al., 2000). From those research we are able to see that the leader behavior or the style that is possessed by the leader is truly related with their ability.

**H5 : Ability has significant effect on leadership style**

### 6. Motivation and Job Performance

The relationship between motivation and performance has been identified quite long. Srivastava and Singh (1988) proposed that motivation and ability are two predictors which are able to influence the performance. Another research is from Singh and Singh (1994) which the research subject is the children between the ages of 4 and 10 predicted exam performance of stimulus using information about both motivation and ability. Motivation is a process that can lead an individual to voluntarily generate business in doing his job (Graen 1969, Lawler and Porter, 1967). Benefits of the main motivation is to create a passion for

work, so that work productivity increases. From this research, we are able to know that people who motivated to do something especially the one who is motivated cognitively will be influenced for his performance.

**H6 : Motivation has significant effect on job performance**

#### **7. Organizational Culture and Performance**

Quite a lot of research identifies and examines the relationship between corporate culture and also some variables related to organizational outcome. Just as Sapienza (1985) identifies that there is a discrepancy in the shared beliefs about how important human resources are in comparison with the importance of performance in bringing organizations to different strategy choices and different outcomes, of course. Gordon (1985) argued that the values that exist in an organization, especially an organization that in the dynamic conditions of a dynamic environment will be able to affect the success of the organization itself. An organization that capable of applying adaptive cultural values will be able to have higher stability capabilities as they are identified to adapt to existing changes.

Denison (1990) connects two types of characteristics, namely "organization of work" as well as "decision-making practices" in the next result of sales and investment. He found that for firms that applied these two characteristics better able to produce better results than organizations that applied these two characteristics in a less than optimal manner. Gordon and DiTomaso (1992) who conducted research on the influence of strong cultural strength, then examine the relative high value of adaptability and also the relative value on the stability of the impact on the performance of the company. The reliance that the performance of an organization is dependent on the degree to which the values of the culture are widely shared, that is, "strong" is believed by many practitioners and academics (Deal and Kennedy, 1982; Denison, 1990; Kotter and Heskett, 1992; Ouchi, 1981; Pascale and Athos, 1981; Peters and Waterman, 1982).

The ways of organization culture to create the competitive advantage is by defining the boundaries of the organization in a manner which facilitates individual interaction and/or by limiting the scope of information processing to appropriate levels (Ogbonna and Harris, 2000). Similarly, it is argued that widely shared and strongly held values enable management to predict employee reactions to certain strategic options thereby minimizing the scope for undesired consequences (Ogbonna, 1993). Regarding the explanation above with the result that we propose the hypothesis,

**H7 : Organizational culture has significant effect on job performance**

#### **8. Ability and Job Performance**

Technical capabilities include understanding of a particular activity and its capabilities, especially about methods, processes, procedures and techniques. The technical capability is required by all sections of the company, except the top executives, but those who are in great need of this ability are operators, skilled workers, clerks, typists, supervisors and junior officers. To better understand the meaning of ability in work, Gibson, Ivancevich, and Donnelly (1985), and also Wood (1998) explains that the ability to demonstrate a person's skills such as intelligence and skills. The ability of employees consists of the potential ability (IQ) and the ability of reality (knowledge-skill).

**H8 : Ability has significant effect on job performance**

#### **9. Leadership Style and Job Performance**

Blake and Mouton (1985) argue that a team leadership style or democratic management is the most effective leadership style for almost any situation. This leadership style will reduce absenteeism or job movement, improve performance, and increase employee satisfaction. Subsequently motivational approach in this study is based on the assumption that everyone tends to develop a certain motivational pattern as a result of the existing cultural environment. The pattern is an individual's attitude towards how to view a job and how to live his life. Newstrom and Keith (1993) explains that there are four patterns of individual motivation: achievement, affiliation, competence, and power.

**H9: Leadership style has significant effect on job performance**

By identifying those hypotheses and correlation above, with the result that we are able to propose some other hypotheses like:

**H10: Leadership style has significant effect on job performance mediated by motivation**

**H11: Organizational culture has significant effect on job performance mediated by motivation**

**H12: Ability has significant effect on job performance mediated by motivation**

**H13: Ability has significant effect on job performance mediated by leadership style**

**H14: Organizational culture has significant effect on job performance mediated by leadership style**

#### **4. Research Methodology**

##### **Sampling Plan**



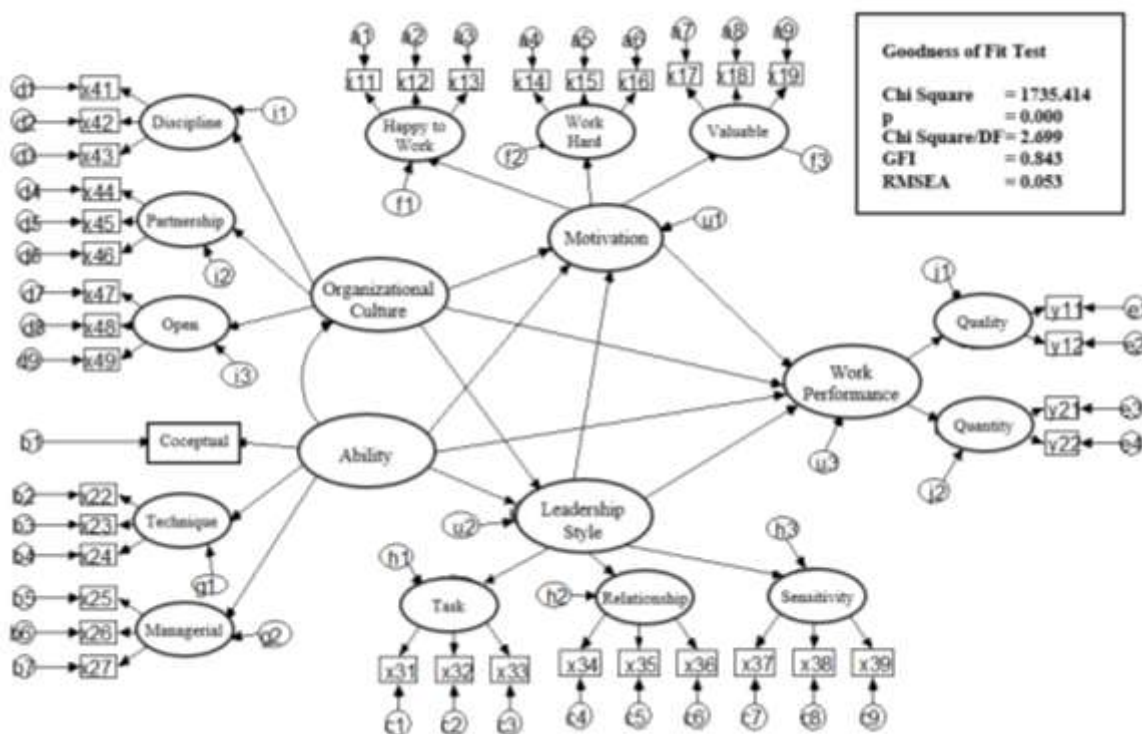


Figure 1: Research Model

The research location was deliberately set in East Java region with case study on PT. Perkebunan Nusantara X (Persero) which has 11 sugar factories. They are spreaded in the east region of Java, namely SF Kremboong, SF Watoetoelis, SF Toelangan, SF Gempolkrep, SF Djombang Baru, SF Tjoekir, SF Lestari, SF Meritjan, SF Pesantren Baru, SF Ngadirejo and SF Modjopanggoong. The basis used to determine the area of East Java because the area is the center of sugarcane crops and has the largest sugar production nationally. The population in this research is the intensification of sugarcane fermenter that exists in 11 (eleven) sugar factories in PT. Perkebunan Nusantara X (Persero). Here is the total population

Table 1: The Number of Supervisor (S) and Folk Sugarcane Builder (FSB)

Sugar Company	Number of People	
	S	FSB
Kremboong	5	53
Toelangan	5	29
Watoetoelis	7	73
Gempolkrep	15	133
Tjoekir	7	46
Jombang Baru	7	55
Lestari	10	100
Merican	7	63
Pesantren	10	151
Ngadirejo	14	143
Mojopanggun	8	71
Jumlah	95	917

Note :

S : Supervisor (is the person who is the leader of FSB).

FSB : Folk Sugarcane Builders (is the mentor and the superintendent of the sugarcane Farmers in the specified area).

This research uses census method which means that whole populations of folk sugarcane builders become respondent. The number of respondents who studied are 617 FSB and 82 supervisor as an appraiser. This research will use structural equation modelling (SEM) as the tool for testing all of the hypotheses and used conceptual model.

## 5. Result

### Reliability and validity of measurement constructs

Reliability is a measure that indicates the extent to which a measuring device is reliable. One way of measurement is to use the Cronbach Alpha coefficient, if the Cronbach Alpha value greater than 0.7 explains that the instrument is reliable (Robinson et al., 1991a, 1991b). Based on the calculation of Alpha Cronbach coefficients performed can be explained as follows:

Table 2: Reliability result of all variables

Variable	n of item	Cronbach $\alpha$	Note
Job Performance	4	0,8178	Reliable
Motivation	9	0,7665	Reliable
Ability	7	0,7037	Reliable
Leadership Style	9	0,7519	Reliable
Organizational Culture	9	0,7666	Reliable

It can be said from the result of instrument reliability test asserting that all of the variables are reliable. While the instrument validity test is done by looking at the coefficient Cronbach  $\alpha$ , and if  $\alpha > 0.6$  (Hair et al., 2010), then the research instrument is said to be reliable. Summary of validity test results and reliability of research instruments can be seen in Table as follows.

**Table 3:** Validity result of all variables

Variable	Intercorrelation Test		Cronbach $\alpha$	Note
	Number of item	Total item-correlation		
Job performance	4	0.778 - 0.840	<b>0.8178</b>	Valid and Reliable
Motivation	9	0.518 - 0.655	<b>0.7665</b>	Valid and Reliable
Ability	7	0.315 - 0.695	<b>0.7037</b>	Valid and Reliable
Leadership Style	9	0.535 - 0.602	<b>0.7519</b>	Valid and Reliable
Organizational Culture	9	0.534 - 0.650	<b>0.7666</b>	Valid and Reliable

Based on the above table, it is found that the research instrument is valid and reliable. Thus the research data is valid and feasible to be used for testing the research hypothesis.

### Goodness of Fit Model Test

#### First Stage

The model is said to be good (fit) when the hypothetical model development is conceptually and theoretically supported by empirical data. Several goodness of fits from the overall model test results, in order to know whether the hypothetical model that has been developed is supported by the empirical data of research results, are given in the following Table.

**Table 4:** Goodness of fit Overall Model Test-First Stage

Goodness of fit	Calculation Result	Cut-off	Note
Chi Square	1735.414 (p= 0.000)	Not significant	Marginal Model
RMSEA	0.053	$\leq 0.08$	Good Model
GFI	0.864	$\geq 0.90$	Marginal Model
AGFI	0.843	$\geq 0.90$	Marginal Model
Chi Square/DF	2.699	$\leq 2$	Marginal Model

The facts in the table above show that most of the goodness of fit test gives results that explain the need for improvement efforts, especially in the modification model in order to explain the existence of hypothetical models supported by empirical data. Based on the instructions modification indices then made modifications to improve the model so that valid for hypothesis proof. Modification of the model is preferred only to the correlation between items or between errors

#### Final Stage

Several goodness of fits from overall model test results for hypothesis testing are described in the following table.

**Table 5:** Goodness of fit Overall Model Test - Final Stage

Goodness of fit	Calculation Result	Cut-off	Note
Chi Square	619.300 (p = 0.114)	Small and not significant	Good Model
RMSEA	0.011	$\leq 0.08$	Good Model
GFI	0.949	$\geq 0.90$	Good Model
AGFI	0.935	$\geq 0.90$	Good Model
Chi Square/df	1.071	$\leq 2$	Good Model

Based on the above table, it can be seen that the model is good and feasible used to prove research hypothesis.

### Hypotheses Testing

**Hypothesis 1:** Organizational culture has significant effect of work motivation on folk sugarcane builders. Based on model estimation result and data analysis, it is known that coefficient of Path value: 1,865 with p. Value: fix, with the result that organizational culture has an effect of 1,865 significantly to work motivation (Hypothesis accepted).

**Hypothesis 2:** Ability has significant effect on motivation of folk sugarcane builders. Based on model estimation result and data analysis, it is known that coefficient value of Path: -2,380 with p. Value: fix, with the result that the ability of individuals to directly influence significantly to the motivation of work on folk sugarcane builders. But the nature of its influence is negative (Hypothesis accepted)

**Hypothesis 3:** Leadership style has significant effect on motivation of folk sugarcane builders. Based on the model estimation and data analysis, it is known that the coefficient of Path: 1.156 with p. Value: fix, with the result that leadership style directly affects 1.156 significantly to motivation (Hypothesis accepted).

Based on the partial test results on the path coefficient on each path for the dependent variable of motivation and independent variables of organizational culture, individual ability and leadership style. To test hypotheses 1, 2 and 3, we can be explained as follows.

**Table 6:** Testing Result of Hypotheses Number 1, 2 and 3

Independent Variable	Variable independent	Effect	Coefficient path (p. value)	Status
Motivation	Organizational Culture	Direct	1,865 (fix)	Accepted
	Ability	Direct	-2,380 (fix)	Accepted
	Leadership Style	Direct	1,156 (fix)	Accepted

**Hypothesis 4:** Organizational culture has significant effect on leadership style of folk sugarcane builders. Based on the results of model estimation and data analysis, it is known that the coefficient of Path: 0.321 with p. Value: fix, with the result that organizational culture has a significant direct effect on Leadership Style on folk sugarcane intensification (Hypothesis accepted).

**Hypothesis 5:** Ability has significant effect on leadership style of folk sugarcane builders. Based on model estimation result and data analysis, it is known that coefficient value of Path: 0,630 with p. Value: fix, with the result that the ability of individuals to directly affects the Leadership Style on the folk sugarcane builders (Hypothesis accepted).

**Table 7:** Testing Result of Hypotheses Number 4 and 5

Independent Variable	Variable independent	Effect	Coefficient path (p. value)	Status
Leadership Style	Organizational Culture	Direct	0,321 (fix)	Accepted
	Ability	Direct	0,630 (fix)	Accepted

**Hypothesis 6:** Motivation has significant effect on job performance of folk sugarcane builders. Based on model estimation result and data analysis, it is known that coefficient value of Path: 1,053 with p. Value: fix, with the result that motivation has significant effect on job performance of folk sugarcane builders (Hypothesis accepted).

**Hypothesis 7:** Organizational culture has significant effect on job performance of folk sugarcane builders. Based on model estimation result and data analysis known that coefficient value of Path: 1,053 with p. Value: fix means that organizational culture has significant effect on job performance of folk sugarcane builders (Hypothesis accepted).

**Hypothesis 8:** The ability of individuals to significantly influence the performance of folk sugarcane builders. Based on the result of model estimation and data analysis, it is known that coefficient value of Path: 1,597 with p. Value: fix, with the result that the ability of individuals to significantly influence the performance of folk sugarcane builders (Hypothesis accepted).

**Hypothesis 9:** Leadership style has a significant effect on job performance of folk sugarcane builders. Based on the model estimation and data analysis, it is known that the coefficient of Path: -0,862 with p. Value: fix means that leadership style has a direct effect significantly on job achievement on intensification of people's sugarcane developer (Hypothesis accepted).

**Table 8:** Testing Result of Hypotheses Number 6, 7, 8 and 9

Independent Variable	Variable independent	Effect	Coefficient path (p. value)	Status
Job performance	Motivation	Direct	1,053 (fix)	Accepted
	Organizational Culture	Direct	-0,569 (fix)	Accepted
	Ability	Direct	1,597 (fix)	Accepted
	Leadership Style	Direct	-0,862 (fix)	Accepted

The improvement model of job performance of the Folk Sugarcane Builders can be done by increasing work motivation and ability on each individual. The variables that need to be changed are leadership style and organizational culture, it is based on the result of research which explains the negative influence of both variables on the job

performance. Models that can be used to improve job performance are to improve work motivation and individual capability, change or improve organizational culture and leadership style.

**Hypothesis 10:** Leadership style has significant effect on job performance mediated by motivation. Based on the result of model estimation and data analysis, it is known that the coefficient value of path is (1,156 x 1,053) meaning that leadership style influence is equal to 1,22 and significant to job performance if through (variable between) work motivation. (Hypothesis accepted)

**Hypothesis 11:** Organizational culture has significant effect on job performance mediated by motivation. Based on the result of model estimation and data analysis, it is known that the value of path coefficient: (1,865 x 1,053) which means that organizational culture has an effect on (1.96 significant) job performance if through (variable between) motivation, (hypothesis accepted).

**Hypothesis 12:** Ability has significant effect on job performance mediated by motivation. Based on the result of model estimation and data analysis, it is known that the path coefficient value:  $\{-2,380 \times 1.053\}$  which means that Ability has significant effect on job performance mediated by motivation (hypothesis accepted)

**Hypothesis 13:** Ability has significant effect on job performance mediated by leadership style. Based on the result of model estimation and data analysis, it is known that the path coefficient value:  $\{0,630 \times (-0,862)\}$  which means that: the ability of the individual to have an effect of - 0.54 and significant to the job performance if through (job performance) leadership style, Negative effect (hypothesis accepted)

**Hypothesis 14:** Organizational culture has significant effect on job performance mediated by leadership style. Based on the result of model estimation and data analysis, it is known that the coefficient value of the path:  $\{0,321 \times (-0,862)\}$  which means that: organizational culture significantly influence -0,28 and significant to job performance if through (job performance) But the nature of its influence is negative (hypothesis accepted). Based on the partial test results on the path coefficient on each path of influence that has the intermediate variables can be summed up as follows:

**Table 9:** Testing Result of Hypotheses Number 10, 11, 12, 13 and 14

Independent Variable	Variable independent	Effect	Coefficient path	Status
Leadership Style	Job Performance	Motivation	1,22 (fix)	Accepted
Organizational Culture	Job Performance	Motivation	1,96 (fix)	Accepted
Ability	Job Performance	Motivation	-2,51 (fix)	Accepted
Ability	Job Performance	Leadership Style	- 0,54 (fix)	Accepted
Organizational Culture	Job Performance	Leadership Style	- 0,28 (fix)	Accepted

Motivation is a mediating variable linking the influence between leadership style and job performance, organizational culture and job performance, ability and job performance. All of these pathway influences are significant (fix). Leadership style is the mediating variable that correlates the influence between individual ability and job performance, and also organizational culture to job

performance. All relations of the path of influence are negative, which means contrary to theories.



## 6. Discussion

### 1) Organizational Culture on Motivation

Based on the results of data analysis, it can be seen that organizational culture has a direct effect significantly on motivation of the folk sugarcane builders. This is in line with the statement made by Robbin (1998) which explains that the suitability of organizational culture with the soul or personality of a person or employee will facilitate the improvement of work motivation and in turn will improve his job performance. The basis given by Robbins is culture performs a number of functions within the organization such as culture bringing a sense of identity for members of the organization, culture facilitating the emergence of commitment, culture enhancing social and cultural stability serves as a mechanism of meaning for members of the organization. Schermerhorn, (2010) explains that strong cultures will have a clear positive influence on the motivation of the behavior of members of the organization. Strong organizational culture will form an agreement and strengthen the motivation of members to perform the best actions to reach the achievement of corporate goals. Based on the findings from the results of research, it explains that organizational culture directly affects the work motivation significantly. This result supports the theories conveyed by Robbin (1993), and Schermerhorn (2000). The research conducted on the folk sugarcane builders provides confirmation that the role of the leader who guides the farmers and the role of an employee of a company (sugar factory) is a crucial double role for the successful supply of raw materials for the company which overall plays an important role in productivity company.

### 2) Ability on Motivation

Based on the results of data analysis, it can be seen that the ability of individuals to work significantly negatively affect the motivation of folk sugarcane builders. From data resulted in the existence of contradictory situation on the employees (folk sugarcane builders) which high ability level will have lower work motivation, on the contrary to the employees (folk sugarcane builders) who have low ability will have high motivation. Thus it can be explained that "The longer working as a folk sugarcane builders will decrease work motivation, and the higher the formal education owned it will also decrease the motivation of folk sugarcane builders." From these restrictions Mitchell (1982) explains that work motivation is directly influenced by the ability of the employee which includes intellectual ability and managerial ability. Everyone has a certain level of ability that is very likely to differ among employees.

### 3) Leadership style on Motivation

Based on the results of data, it can be seen that the pattern or style of leadership significantly influence the motivation of folk sugarcane builders. It is based on the understanding that every employee will consider his leader as role model or exemplary person, give the encouragement and give trust to subordinates. Leaders who are as the role models of folk sugarcane builders is Sinder Kebun Wilayah (Supervisor) which is direct

superior. Intensively, the supervisor conducts guidance, monitoring and evaluation of the tasks undertaken by folk sugarcane builders. The leadership style performed by supervisor will greatly affect the work motivation. This result is the same as Chaudhry dan Javed (2012).

### 4) Organizational Culture on Leadership style

Based on the results of data analysis, it can be seen that Based on the results of research can be explained that organizational culture has a significant positive effect on leadership style. The organizational culture that constitutes a value deal is shaped by several dimensions like partnership and excellent service, openness and discipline. Cushway and Ledge (1999) explain that the organizational value system (culture) affects members of the organization including its leaders.

### 5) Ability on Leadership Style

Based on the results of data analysis, it can be seen that the ability of individuals to have an effect of 0.630 of leadership style and the influence is significant. Individual abilities measured by conceptual capabilities, technical skills and managerial skills are the basic capital for executing a task-oriented leadership style on employees and sensitivity.

Technical capability which is the skill of sugarcane farmer in conducting farming development at sugar cane farmer who partnered with sugar factory. Intensified folk sugarcane developers who have good engineering skills, means mastering in terms of soil cultivation, fertilization, plant care up to the determination and implementation of haulage. This study also reinforce the previous research conveyed that effective leadership behavior fundamentally depends upon the leader's ability to solve the kinds of complex social problems that arise in organizations (Mumford, et al, 2000)

### 6) Motivation on Job Performance

Based on the results of data analysis, it can be seen that motivation has a significant effect (1.053) on job performance. Motivation is a process that can lead an individual to voluntarily produce effort in doing his job (Graen 1969; Lawler and Porter, 1967). Benefits of the main motivation are to create a passion for work, so that work productivity increases. The results of research conducted on folk sugarcane builders support the theory of Graen (1969) and Lawler (1967). Motivation is one of the important components in obtaining the success process of a folk sugarcane builders, because it contains a driving force for someone to do the work themselves as well as group. A drive or ability can come from itself in the form of self-awareness to work better or to provide the best for the group or company.

### 7) Organizational Culture on Job Performance

Based on the results of data analysis, it can be seen that organizational culture has a direct effect of (-0.569) significantly on the performance of work that the nature of negative influence. The results of this study contradict the opinion of Harvey and Brown (1996) which says that organizational culture is a system of distribution of values and beliefs intended to complete the tasks. Organizational culture has a significant positive effect on job performance. PT. Perkebunan Nusantara X as a state-owned organization which is the



main organization of intensified sugarcane farmers. Corporate culture is defined in three dimensions which are discipline, partnership plus excellent service and openness. The end result of farming in the form of the amount of weight (ton) and the ripeness can not reach the expected standard. The partnership pattern between sugar millers and farmers has a negative effect on the performance of folk sugarcane builders.

**8) Ability on Job Performance**

Based on the results of data analysis, it can be seen that: the ability of individuals to directly affect (1.597) significantly to the performance of work. The results of this study support the theory put forward by Glueck (1980) which explains that the ability of individuals consisting of two devices (intellectual ability and physical ability) affecting job performance. Ability techniques that include skills in conducting guidance for sugarcane farming is needed by the folk sugarcane builders. The explanation can be emphasized that the technical ability greatly affects the performance of the folk sugarcane builders. Thus it can be explained that the folk sugarcane builders who have good conceptual ability will directly affect their job performance.

**9) Leadership Style on Job Performance**

Relationship orientation and sensitivity which are the dimension of leadership style negatively affect the job performance of the folk sugarcane builders. The results of this study contradict with the results of research from Blake and Mouton (1985) which explains that the leaders who have leadership style with task orientation and employee orientation will have a positive effect on employee performance. Similarly, the research explains that task orientation and employee orientation have an effect on improvement of job performance. Robbin (1998) explain that in a highly capable employee, it takes very little effort to achieve high performance. Low-ability employees must work hard to achieve better job performance.

**10) Leadership Style on Job Performance Mediated by Motivation**

Based on the results of data analysis, it can be seen that: The leadership style has a direct effect of 1.22 significantly to the job performance when mediated the motivation. The results of the research on the folk sugarcane builders support the Path of Goal Theory (House and Mitchell, 1974) which explains that one's motivation depends on the expectation of reward and strength (valence) attractiveness. Other factors affecting the effectiveness of leadership are the characteristics of subordinates and work environment. The results also support the theory of Blake and Mouton (1985) which explains the influence of leadership style on job performance.

**11) Organizational Culture on Job Performance Mediated by Motivation**

Based on the results of data analysis, it can be seen that Organizational Culture has a direct effect of (1.96) significantly. Organizational culture consisting of discipline, partnership and excellent service and openness could positively affect the job performance of the folk sugarcane builders, if there is a motivation to work well. The results support the theory of Path of Goal Theory (House and Mitchell, 1974). The job

performance improvement on folk sugarcane builders (foreman) done by the motivation of work through expectation of reward and strength (valence) of attraction. Corporate culture is a value system developed from the pattern of habits, the basic philosophy of the founder or leader who became a reference, guidelines to think and act to achieve the organizational goals.

**12) Ability on Job Performance Mediated by Motivation**

Based on the results of data analysis, it can be seen that the ability of individuals to directly affect (-2.51) significantly when mediated (there are variables between) motivation. The abilities of individuals with the dimensions of conceptual ability, technical ability and managerial ability have a negative effect on work motivation. This happens because the folk sugarcane builders who have higher education, long work experience, and good skills own lower motivation. Foreman who has low motivation in spite of high ability will decrease his or her job performance.

**13) Ability on Job performance Mediated by Leadership Style**

Based on the results of data analysis, it can be seen that the ability of individuals to directly affect (-0.54) mediated by the leadership style. The results of this study explain that the folk sugarcane builders which has a high ability but not supportive leadership style will result in low performance. The study supports the theories of Robbin (1998) and Glueck (1980) explaining that individual abilities are the ability of individuals to work on tasks. Fluency and task success must be supported by a good leadership style to improve job performance.

**14) Organizational Culture on Job Performance Mediated by Leadership Style**

Based on the results of data analysis, it can be seen that organizational culture has a direct effect of (-0.28) on job performance when mediated by the style of leadership. The low performance of folk sugarcane builders is caused by the existing leadership style in the work environment which is less supportive. The firm limitation which is too tight between the leadership and the subordinates creates an atmosphere of work that becomes unfavorable and results in poorly developed job performance.

## 7. Finding

Based on hypothesis testing and underlying theoretical studies, the following research findings can be conveyed:

- 1) Leadership style influence on employee performance. Based on the results of the analysis formulated that the nature of the influence is significant and has a negative relationship. The result is not in line with Blake and Mouton (1985). In their result, leadership style has positive impact on job performance. Leader who has either task or employee orientation will positively influence the job performance, but the condition is different in this sugar company. The actual condition that happens in this sugar company is that there is some gap between the leader and the folk sugarcane builder as employee.

- 2) Organizational culture affects employee performance. Based on the results of the analysis, the nature of the effect is significant and has a negative relationship. The results of this study is not in line with the study of Schermerhorn (2010) which says that strong culture will have a positive effect on the motivation and behavior of members of the organization. the theory of Robbin (1996) which states that a strong culture will build cohesiveness, loyalty and responsibility to the organization. Robbin (1996) also explained that conformity between the type of organizational culture and the soul or member personality will make it easier to improve careers.
- 3) The ability of individuals has a significant positive effect on job performance, but if there is an intermediate variable (intervening variable) leadership style, the effect becomes negative on the current leadership style on job performance. This condition happens due to the leadership style which is identified having a gap between the leader and employee.
- 4) The ability of individuals has positive impact on the job performance. but if there is a variable between (intervening variable) like work motivation, the relationship becomes negative to job performance. The current motivation based on the results of the research is less supportive for the job performance of folk sugarcane builders.

## 8. Conclusion

To improve the job performance of employee and specially for the folk sugarcane builders in this research can be done by improving the ability of individuals, especially technical skills and managerial skills, increasing work motivation, especially on improving morale and create a pleasant working atmosphere, improving or change the style of leadership, especially on sensitivity, relationship orientation and task orientation in order to improve job performance, and then improving organizational culture consisting of partnership or cooperation, openness and work discipline. Associated with the restriction on the length of time for employees to serve as the folk sugarcane builders, if this condition happens too long, it will arise saturation or boredom to the work that will reduce the motivation of work and ultimately the performance of work is also declining. Individual ability of folk sugarcane builders can be improved through change or improvement of leadership style, especially increase sensitivity or sensitivity, interpersonal orientation and task orientation. Three approaches to this style of leadership will create an atmosphere conducive to work, which in the end every individual folk sugarcane builders seek to improve its ability to improve job performance.

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