



Analysis Of The Effect Of Leadership Style And Organizational Culture On Employee Performance With Job Satisfaction As An Intervening Variable In Companies Providing Labor Services In The Heavy Equipment Sector

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Abstract. This research explores the relationship between the application of Leadership Style (LS), Job Satisfaction (JS), and Organizational Culture (OC) at PT Kanitra Mitra Jayautama and its impact on Employee Performance (EP). By utilizing Structural Equation Modeling (SEM) and distributing questionnaires to 122 respondents at the mechanical (Officer), Non-mechanical (Staff), and Generalist (Supervisor and Managerial) levels, this research aims to analyze the specific leadership style strategies implemented by PT Kanitra Mitra Jayautama Head Office, including implementation of company regulations and organizational culture. SEM analysis shows that there is a significant influence of LS on EP, with a p value of 0.001 and a T value of 3.423. The leadership style strategy implemented shows a real positive impact on employee performance. In conclusion, this research emphasizes the important role of CB in improving customer support with high-performing employees, urging companies to prioritize adaptability and innovation in leadership strategies for optimal results. This study provides valuable insight into these dynamics in the context of PT Kanitra Mitra Jayautama Head Office.

Keywords: Leadership Style, Job Satisfaction, Organizational Culture, Employee Performance

1 INTRODUCTION

2020 marked the onset of the COVID-19 pandemic, prompting widespread social restrictions and economic changes globally. This crisis accelerated the shift towards a "new normal," impacting workforce dynamics, demand patterns, and business models [1]. Looking ahead to 2030, significant changes are expected in work styles and lifestyles, driven by technological advancements spanning various industrial revolutions.

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Amidst this, the importance of human resource management becomes paramount for enhancing organizational performance [2]. Leadership styles significantly influence employee performance, with some studies suggesting a positive impact, while others indicate minimal influence. Additionally, organizational culture and job satisfaction play vital roles in shaping employee performance [3].

PT. XYZ, a prominent national private company based in Jakarta, specializes in human resources services and is a key player in Astra Heavy Equipment Mining Construction and Energy (AHMCE) since its establishment in 2010. The company primarily employs heavy equipment mechanics, comprising 99% of its workforce, with backgrounds from vocational schools or STM, specializing in automotive or heavy equipment engineering. These mechanics typically start working at the age of 19-20 after completing specialized heavy equipment training lasting 6 months to 1 year. The second-largest group consists of non-mechanical employees, such as Quality Assurance, Facility Officer, Safety Officer, and Admin Staff, with diverse educational backgrounds ranging from high school to bachelor's degrees. Their average starting age varies from 19 to 24, with some experienced individuals aged 25 and over, often holding Expert Staff positions. Lastly, there are Generalist employees, including Supervisors, Group Leaders, Section Heads, and Directors.

To maintain its reputation, PT. XYZ prioritizes employee performance and underscores the significance of organizational culture as a cornerstone for success. Extensive research, notably by Rashid (2003), has identified values and behavioral norms crucial for organizational excellence. The leadership at PT. XYZ has crafted a vision and mission aimed at guiding subordinates and reflecting the company's ideals. Their vision is to be Indonesia's premier provider of professional labor services, particularly in technical solutions, operations, and maintenance management, all while adhering to legal standards. In line with this vision, PT. XYZ has developed a Strategic Direction and Strategic Implementation (SDSI) plan for the next 3 to 5 years. Decision-making is influenced by the company's culture, known as CHAMPION: Care, Highly skilled, Agile, Militant, Productivity, Integrity, Open-minded, and Networking. Training initiatives are prioritized to cultivate a competent workforce, and an Employee Care Center facilitates communication between management and staff. The company also prioritizes occupational health, safety, and environmental concerns, implementing the golden rules rigorously. Monthly reports with Key Performance Indicators (KPIs) track culture implementation, with a target score of 90% in 2022, but achieving 84%, as reported in 2023. PT. XYZ acknowledges potential program optimization for better employee performance outcomes. To enhance job satisfaction and work-life balance, PT. XYZ hosts events like the Best Employee Championship, featuring competency assessments and a grading program aligning awards with individual capabilities. Sports programs and periodic surveys on employee satisfaction, such as the Employee Happiness Index, further support staff well-being.

The data suggests that PT. XYZ's Employee Happiness Index remained above 80% from 2020 to 2022, with a slight decline from 86% to 84%, indicating a 2% decrease. While an 80% score is generally positive, a decrease from the previous year could signal underlying issues affecting employee well-being. Potential factors contributing to this decline include changes in the work environment, company policies, management

dissatisfaction, or shifts in team dynamics. A decrease in the happiness index can impact various aspects of the workplace, including productivity, performance, absenteeism rates, and employee turnover. It can also affect morale, motivation, and company culture. Therefore, it's essential to further investigate the cause of the decline and take corrective actions to maintain a positive work environment, support employee well-being, and foster company growth.

Assessment items for employee performance at PT. XYZ include: 1. Manhour productivities: Measures the number of hours employees work in a month. 2. Technical reporting: Evaluates the number of work reports employees collect in a year. 3. Improvement: Assesses the improvements made by employees in their work within a year, focusing on speed or quality enhancements. 4. Re-Do: Measures the frequency of employees having to redo tasks due to errors or mistakes. 5. Violation: Tracks instances of work violations committed by employees during a specific observation period within a year.

Based on the provided data, the employee performance assessment at PT. XYZ is categorized into several levels, ranging from Poor (KR) to Special (IS), each with corresponding score ranges. The highest percentage of performance assessment results in 2020 was in the Good (BA) category, followed by Very Good (BS) in 2021, and Good Plus (BA+) in 2022. Notably, there was a decrease in the percentage of employees in the Very Good (BS) category between 2021 and 2022. This research aims to investigate the factors contributing to the decline in employee performance, particularly focusing on leadership styles post-Covid-19. The assessment form covers various aspects such as productivity, work quality, completeness of documents, and attitude, with questionnaires distributed to superiors for evaluation. Work productivity, as highlighted by Sutrisna (2009), is essential for achieving organizational targets efficiently, significantly impacting success. Building on previous research, this study aims to integrate leadership style, organizational culture, and job satisfaction to enhance employee performance at PT. XYZ. The research will involve over 3182 employees across multiple locations in Indonesia, focusing on understanding the influence of these factors on employee performance in the heavy equipment sector.

2 LITERATURE REVIEW



Fig. 1. Theoretical Framework

Leadership style theory was explained [1] and several indicators of leadership style [2]. Theories related to employee performance are explained [22] and several related concepts also explained [8]. The theory regarding the implementation of organizational culture is explained [9] Indicators related to organizational culture were also explained [23] and [24]. And theories related to job satisfaction are explained [25] and several related concepts also explained [26] and [19].

2.1 Employee Performance

Employee performance can be understood as the fulfillment of responsibilities and duties within an organization, aligned with its vision, mission, and goals, as highlighted [27] and [28]. It involves executing tasks efficiently and effectively, while adhering to legal and ethical standards, as emphasized [29]. Performance is assessed through indicators like responsibility, cooperation, honesty, obedience, work discipline, initiative, faithfulness, and overall job performance [30]. These indicators collectively gauge an employee's contribution to organizational success.

2.2 Leadership

Leadership is a complex phenomenon influenced by internal states, personality traits, relationships, and workplace dynamics [29]. Emphasizes that leadership is a relational process between leaders and members, characterized by mutual influence towards shared goals [26]. Underscores that leadership is a dynamic process rather than an innate trait, and leadership style entails patterns of relationships within an organizational context [30]. This research adopts leadership theories categorizing leader behavior into directive, supportive, participative, and theory-oriented styles, which can have effective impacts in specific situations. Leadership indicators [30], encompass team leadership, power dynamics, collaboration, leadership self-efficacy, and teamwork processes, providing a framework for assessing leadership within organizations.

2.3 Leadership Style

Leadership style refers to the standards of behavior used by a person to influence the behavior of others [31]. There are two main leadership styles:

1. *Transformational Leadership Style*: Transformational leaders inspire followers beyond personal gain, making a deep impact on them. This style motivates employees to prioritize organizational goals over personal gains, increases awareness about work importance, and activates higher employee needs [33].
2. *Transactional Leadership Style*: Transactional leaders guide and motivate subordinates towards predetermined goals by rewarding them for their performance and work capacity [34].

There are three basic problem-solving and decision-making processes:

1. *Autocratic Leader*: This leader gives orders that must be followed without question, determines policies without input from subordinates, and does not provide detailed explanations of future plans. Members are expected to comply without discussion [31].

2. *Democratic Leader*: Democratic leaders consult with members before making decisions and require their approval for implementation. Members are encouraged to take responsibility for their actions, whether right or wrong [31].

3. *Liberal or Laissez-faire Leader*: This leader delegates tasks to subordinates without direct control or participation. They are passive, not actively involved in group communication, and do not make decisions [31].

2.4 Organizational Culture

Organizational culture encompasses universally acknowledged norms and practices within an organization, providing a shared framework for interactions among its members [32]. It represents a system of shared meaning that distinguishes one organization from another, shaping the behavior of its members. The correlation between organizational culture and employee performance is evident in how employees' actions align with the culture, leading to personal satisfaction and potential rewards [32]. Organizational culture serves as an unconscious guide for member behavior, influencing day-to-day activities. Studies [40], consistently find higher levels of employee commitment in organizations with strong cultures compared to those with weak cultures. Companies with robust cultures often employ recruitment and socialization practices to foster this commitment, resulting in elevated organizational performance.

Characteristics of Organizational Culture:

Serve as indicators for evaluating organizational culture [34]:

1. *Personal Initiative*: This refers to the level of responsibility, freedom, or independence that each member of the organization has to express their opinions. It involves ideas that advance and develop the organization or company and should be appreciated by the team or organization.

2. *Direction*: This pertains to the extent to which an organization can clearly establish desired goals and expectations. Clear goals stated in the vision, mission, and objectives of the organization can significantly impact its performance.

3. *Management Support*: Managerial support reflects the extent to which management can provide effective communication, guidance, support, and assistance to members.

4. *Control*: Control involves the use of regulations or standards within an organization to ensure compliance and efficiency.

5. *Communication Patterns*: Communication levels can be constrained by formal hierarchical power structures within the organization. These structures may sometimes hinder communication patterns between superiors and subordinates or among employees themselves.

2.5 Job Satisfaction

Job satisfaction is characterized by an employee's positive emotions and assessment of their work experience, influenced by whether their individual needs and values are met in the work environment [33] [34]. The significance of job satisfaction lies in its impact on overall employee commitment and integrity, as demonstrated by honesty and adherence to company regulations [16]. Research [35] indicates a positive correlation

between job satisfaction and employee performance, where elevated job satisfaction leads to a positive work attitude and enhanced performance. Previous studies [36] also support the positive impact of job satisfaction on employee performance. Five crucial variables affect job satisfaction [36] :

1. *Work*: The degree to which work tasks are perceived as interesting and provide opportunities for learning and taking responsibility.
2. *Wages or salaries*: The amount received and the perceived fairness of wages or salaries.
3. *Supervisor or work supervision*: The supervisor's ability to assist and support work tasks.
4. *Promotion opportunities*: The prospects for career advancement within the organization.
5. *Colleagues*: The extent to which coworkers are perceived as friendly and competent.

2.6 Research Model

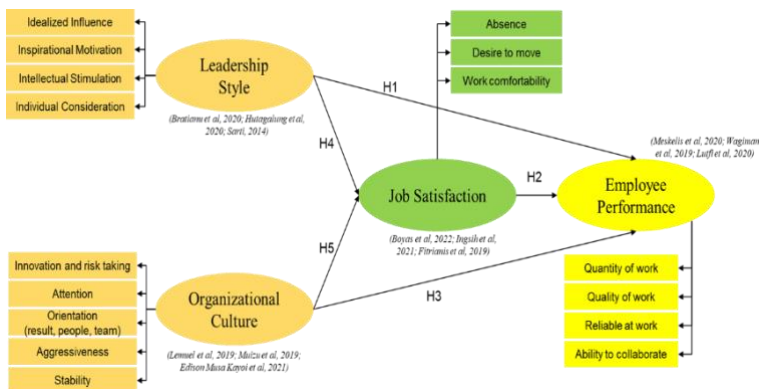


Fig. 2. Research Model The hypotheses in this study

are:

1. H0: The Leadership Style does not have a significant impact on Employee Performance.
H1: The Leadership Style significantly influences Employee Performance.
2. H0: The Job Satisfaction does not have a significant impact on the Employee Performance.
H2: The Job Satisfaction significantly influences Employee Performance.
3. H0: The Organizational Culture does not a significant impact on the Employee Performance.
H3: The Organizational Culture significantly influences Employee Performance.
4. H0: The Leadership Style does not a significant impact on the Job Satisfaction. H4: The Leadership Style significantly influences Job Satisfaction.
5. H0: The Organizational Culture does not a significant impact on the Job Satisfaction.
H5: The Organizational Culture significantly influences Job Satisfaction.

3 RESEARCH METHOD

The fundamental approach to data analysis in this study is the associative approach, which assumes significant relationships between variables [39]. The analysis employs the survey method, gathering data from relevant populations to identify trends, distributions, and relationships among sociological and psychological variables. Analysis in research can be descriptive or quantitative. Descriptive statistics describe observed objects using sample or population statistics without analysis or generalizations [39]. Quantitative methods involve positivist analysis of population or sample sizes, using analytical or statistical tools to test hypotheses and establish relationships between variables.

Two types of data were collected: primary data and secondary data [39].

1. *Primary Data:* Obtained directly from individuals or entities, typically through in-terviews or questionnaires conducted by researchers. In this study, primary data in-cludes information related to promotion, image differentiation, and interests, gathered through interviews with PT. XYZ's Head Office in Jakarta and distributing question-naires to employees.

2. *Secondary Data:* Information obtained from sources such as books, brochures, arti-cles, or previous research relevant to the topic. Secondary data supports discussions and research findings, complementing primary data. Researchers consulted various sources like books, brochures, websites, and previous research to gather secondary data.

Method of Data collection aimed to achieve research objectives through the survey method, involving the collection of primary data directly from employees. Participants answered questions in the questionnaire distributed via Google Forms over two days in December 2023. Field research involved direct observation of employees at PT. XYZ and administering questionnaires. The Likert Scale was used in the questionnaire to assess attitudes, opinions, and perceptions of individuals or groups regarding social phenomena, as it is proven to be useful for measuring such variables.

A population refers to a broad area comprising objects or subjects with specific characteristics identified by researchers for study and drawing conclusions [38]. Population research typically divides populations into two categories: the general population and the target population. The target population is the group on which research conclusions are focused [12]. In this study, the target population consists of all employees across all branches and sites of PT. XYZ, totaling 3218 individuals. The data on respondent categories based on positions at PT. XYZ is divided into three groups: Mechanics, Non-Mechanics, and Generalists. Mechanics denote employees at the Officer level, Non-Mechanics represent those at the Staff level, while Generalists encompass employees at the Supervisory and Managerial levels. This data comparison also includes information about the length of service of employees at the company. Following Sugiyono's recommendation for determining sample size based on the number of variables, which suggests a minimum of 25 times the number of variables, the researchers opted for a sample size of 100 participants for this study. Hence, the final sample used in the research comprised 100 individuals.

4 RESULT AND DISCUSSION

4.1 Demographic Respondent

Table 1 Demographic Respondent

	Amount	Percent
Gender Male	91	74,6
Female	31	25,4
< 25 years old	34	27,9
26 - 30 years old	33	27,0
Age 31 - 35 years old	41	33,6
36 - 40 years old	9	7,4
41 - 45 years old	4	3,3
> 46 years old	1	0,8
Senior High School	65	53,3
Diploma	18	14,8
Education Bachelor	36	29,5
Master	2	1,6
Others	1	0,8
< 2 years	39	32,0
3 - 4 years	12	9,8
Tenure 5 - 6 years	16	13,1
7 - 8 years	12	9,8
> 9 years	43	35,2
Total Respondents	122	

Based on the table, it's evident that male respondents dominated, accounting for 74.6%, while female respondents comprised 25.4%. This dominance reflects the nature of PT. XYZ as a heavy equipment maintenance service company, which typically requires high energy levels, technical knowledge, and precision, hence attracting more male employees. Regarding age distribution, the majority of respondents fell within the 31-35 age bracket, constituting 33.6%, followed by those under 25 years old (27.9%) and those aged 26-30 (27%). This indicates that the workforce is predominantly of productive age, suggesting potential for further development in their careers. In terms of educational background, the highest number of respondents held Senior High School degrees (53.3%), followed by Diploma holders (14.8%), Bachelor's (29.5%), Masters (1.6%), and others (0.8%). This suggests that PT. XYZ primarily employs individuals with Senior High School or equivalent education, deemed suitable for heavy equipment maintenance work. Regarding work experience, 35.2% of respondents had a tenure of over 9 years, indicating a dominance of long-serving employees. This can be attributed to PT. XYZ being established in September 2010, leading to many employees having been with the company since its inception. Despite 32% of respondents being fresh

graduates, leadership remains crucial. Simultaneously measuring leadership influence on employee performance across different levels provides a comprehensive understanding of its impact within the organization. This approach aids in developing effective leadership development strategies and identifying areas for improvement to enhance overall performance consistently.

4.2 Classic Assumption Test

Table 2 K-M-O Measure of Sampling Adequacy, Bartlett's Test of Sphericity, and Total Variance Explained

No	Variable	K-M-O Measure of Sampling Adequacy	Significance value Bartlett's Test of Sphericity	Total Variance Explained
1	Leadership Style	0,846	0,000	37,681
2	Organization Culture	0,935	0,000	65,799
3	Job Satisfaction	0,876	0,000	54,959
4	Employee Performance	0,889	0,000	50,781

Based on the table above, it's evident that the research dimensions meet the required criteria for validity assessment. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy (MSA) values are above 0.500, except for the Responsible Dimension, which meets the threshold at 0.500. Additionally, Bartlett's Test of Sphericity yields values below 0.05, indicating significance, and the Total Variance Explained exceeds 50%, except for Procedural Justice, which stands at 38.619%. These results signify good validity for these dimensions, suggesting that they effectively measure the constructs as per the underlying theory of the test design. Validity assessment for each research indicator was conducted using the Anti-Image Matrices test and measuring the factor loading value. The expected anti-image value is at least 0.500, and the anticipated loading factor value for the component matrix is at least 0.700. Furthermore, the communality score is greater than 0.50, confirming the validity of the research indicators.

Table 3. Reliability Measures Research Dimension

No	Variable	Cronbach's Alfa
1	Leadership Style	0,875
2	Organizational Culture	0,952
3	Job Satisfaction	0,896
4	Employee Performance	0,915

The table below presents the reliability measures for the dimensions included in this research. Each dimension's Cronbach's Alpha value exceeds the minimum threshold of 0.700, indicating high internal consistency. This suggests that the indicators within each dimension consistently measure the underlying construct, enhancing the reliability of the study's findings. Consequently, the dimensions are considered reliable, warranting further data retrieval from respondents and/or questionnaire review.

Table 4. Tests Of Normality

Type	No	Missings	Mean	Median	Scale min	Scale max	served min	served max	Standard deviation	Excess Kurtosis	Skewness	Cramer-van Mises P value	Result
1	LS1	MET	0	4,258	4	3	5	3	5	0,654	-0,722	-0,328	Normal
2	LS2	MET	0	4,301	4	3	5	3	5	0,652	-0,711	-0,405	Normal
3	LS3	MET	0	4,118	4	2	5	2	5	0,76	-0,239	-0,503	Normal
4	LS4	MET	0	4,204	4	2	5	2	5	0,727	-0,321	-0,681	Normal
5	LS5	MET	0	3,581	4	1	5	1	5	0,965	-0,191	-0,451	Normal
6	LS6	MET	0	4,419	5	2	5	2	5	0,661	0,773	-0,943	Normal
7	LS7	MET	0	4,419	5	2	5	2	5	0,693	0,515	-0,987	Normal
8	LS8	MET	0	4,043	4	2	5	2	5	0,775	-0,927	-0,216	Normal
9	LS9	MET	0	3,828	4	1	5	1	5	1,043	0,619	-0,974	Normal
10	LS10	MET	0	3,032	3	1	5	1	5	1,168	-0,851	-0,146	Normal
11	LS11	MET	0	4,462	5	3	5	3	5	0,615	-0,451	-0,702	Normal
12	LS12	MET	0	4,312	4	2	5	2	5	0,687	0,183	-0,704	Normal
13	LS13	MET	0	4,333	4	3	5	3	5	0,661	-0,712	-0,496	Normal
14	LS14	MET	0	4,301	4	3	5	3	5	0,636	-0,665	-0,361	Normal
15	LS15	MET	0	3,742	4	1	5	1	5	0,891	0,675	-0,669	Normal
16	JS1	MET	0	4,032	4	1	5	1	5	0,796	0,694	-0,579	Normal
17	JS2	MET	0	4,075	4	3	5	3	5	0,676	-0,795	-0,093	Normal
18	JS3	MET	0	3,505	4	1	5	1	5	0,9	0,094	-0,287	Normal
19	JS4	MET	0	3,516	4	1	5	1	5	0,957	0,083	-0,533	Normal
20	JS5	MET	0	3,37	4	1	5	1	5	0,885	0,322	-0,452	Normal
21	JS6	MET	0	3,892	4	2	5	2	5	0,768	0,241	-0,534	Normal

22	JS7	MET	0	4,075	4	3	5	3	5	0,626	-0,432	-0,057	Normal
23	JS8	MET	0	4,065	4	3	5	3	5	0,583	-0,03	-0,008	Normal
24	JS9	MET	0	4,151	4	3	5	3	5	0,586	-0,199	-0,039	Normal
25	JS10	MET	0	4,28	4	3	5	3	5	0,611	-0,583	-0,247	Normal
26	OC1	MET	0	4,086	4	2	5	2	5	0,65	0,272	-0,326	Normal
27	OC2	MET	0	3,828	4	2	5	2	5	0,757	-0,388	-0,152	Normal
28	OC3	MET	0	3,968	4	2	5	2	5	0,679	-0,214	-0,169	Normal
29	OC4	MET	0	3,935	4	1	5	1	5	0,814	0,746	-0,609	Normal
30	OC5	MET	0	4,065	4	3	5	3	5	0,676	-0,505	-0,055	Normal
31	OC6	MET	0	4,043	4	2	5	2	5	0,654	0,168	-0,279	Normal
32	OC7	MET	0	3,978	4	2	5	2	5	0,703	0,104	-0,347	Normal
33	OC8	MET	0	3,882	4	2	5	2	5	0,76	-0,001	-0,393	Normal
34	OC9	MET	0	4,054	4	2	5	2	5	0,709	-0,401	-0,262	Normal
35	OC10	MET	0	4,118	4	3	5	3	5	0,653	-0,659	-0,127	Normal
36	OC11	MET	0	4,075	4	3	5	3	5	0,707	-0,987	-0,109	Normal
37	OC12	MET	0	4,161	4	2	5	2	5	0,708	-0,265	-0,429	Normal
38	EP1	MET	0	4,29	4	3	5	3	5	0,615	-0,606	-0,277	Normal
39	EP2	MET	0	4,118	4	1	5	1	5	0,746	2,425	-0,989	Not Normal
40	EP3	MET	0	4,215	4	3	5	3	5	0,602	-0,442	-0,134	Normal
41	EP4	MET	0	4,183	4	2	5	2	5	0,638	0,515	-0,435	Normal
42	EP5	MET	0	4,065	4	2	5	2	5	0,636	0,436	-0,31	Normal
43	EP6	MET	0	3,946	4	2	5	2	5	0,739	0,064	-0,402	Normal
44	EP7	MET	0	4,118	4	3	5	3	5	0,637	0,543	-0,107	Normal
45	EP8	MET	0	4,129	4	3	5	3	5	0,66	-0,704	-0,147	Normal
46	EP9	MET	0	4,118	4	3	5	3	5	0,602	-0,275	-0,056	Normal
47	EP10	MET	0	4,161	4	3	5	3	5	0,592	-0,27	-0,061	Normal
48	EP11	MET	0	3,355	3	1	5	1	5	1,023	-0,149	-0,334	Normal
49	EP12	MET	0	4,323	4	2	5	2	5	0,642	0,643	-0,67	Normal
50	EP13	MET	0	4,301	4	2	5	2	5	0,7	0,048	-0,691	Normal

Partial Least Squares Structural Equation Modeling (PLS-SEM) is often preferred by researchers in social science studies due to its robustness in handling non-normal data. This method is justified by scholars due to its ability to handle non-normal data distributions effectively [12]. While Maximum Likelihood Estimation with Covariance-Based SEM (CB-SEM) can also accommodate violations of normality, it may require a larger sample size to produce accurate. In cases where dataset sizes are limited, CB-SEM may produce abnormal results when data is non-normal, whereas PLS-SEM is more robust under such circumstances. However, it's important to acknowledge that non-normal data can still impact PLS-SEM results, particularly when bootstrapping generates skewed distributions. It's crucial to note that choosing PLS-SEM solely based on data distribution reasons may not always be sufficient. Other factors, such as the research context and objectives, should also be considered. Skewness and kurtosis are statistical measures used to assess the symmetry and shape of variable distributions. Typically, skewness values greater than +1 or lower than -1, and kurtosis values greater than +1 indicate non-normal distributions. In the provided data, the EP2 indicator exhibits abnormal skewness with a value of 2.425, suggesting a non-normal distribution for this variable.

4.3 Structural Equation Model

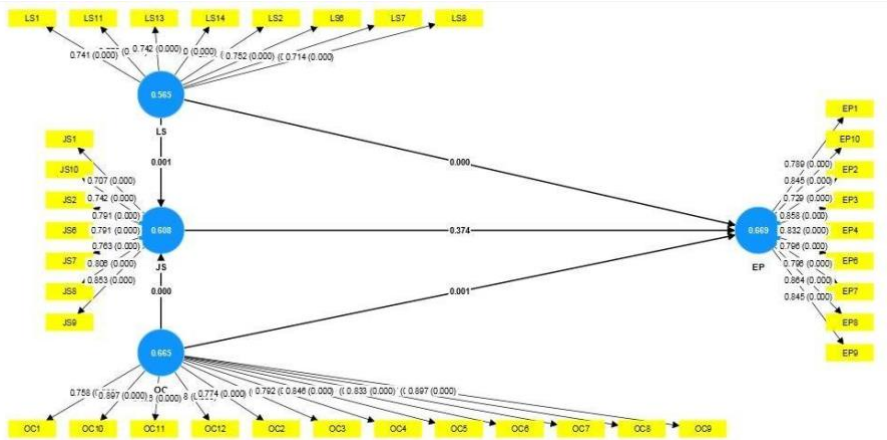


Fig 3. SEM Diagram

The results of outer loading in Structural Equation Modeling (SEM) indicate the strength and significance of the relationship between each indicator (LS, JS, OC, EP) and the construct being measured. For instance, in the context of Leadership Style (LS), indicators such as LS21, LS2, LS4, and LS5 demonstrate high external loadings (ranging from 0.917 to 0.963), suggesting that these indicators strongly reflect the LS construct. Similarly, indicators related to Organization Culture (OC) and Employee Performance (EP) also exhibit high external loadings (ranging from 0.885 to 0.951 and 0.897 to 0.913, respectively), confirming the validity and statistical significance of their relationship with their respective constructs. Moreover, indicators associated with Job Satisfaction demonstrate strong outer loadings as well (ranging from 0.928 to 0.954 and 0.742 to 0.936, respectively), further supporting the validity of the SEM model in measuring the construct of Job Satisfaction. The high t-values (ranging from 22.229 to 73.759) and very low p-values (0.000) for all indicators indicate that the relationship between the indicators and their constructs is statistically significant. Thus, based on these findings, it can be concluded that the results of the outer loading analysis provide robust support for the validity and appropriateness of the SEM model in assessing the constructs under investigation.

4.4 Discussion

Comprehensive analysis shows that the hypothesis stating that Leadership Style influences Employee Performance is supported by the research results, with a p value of 0.001 and a T value of 3.423. This shows that there is a positive influence between Leadership Style on Employee Performance. Previous research has shown that various leadership styles contribute to building respect, admiration, loyalty, and high levels of motivation among employees, encouraging them to go beyond their routine tasks [23]. Therefore, these findings provide an additional contribution to the understanding that implementing an effective leadership style can be an important basis for improving good and sustainable employee performance. The practical implication of these findings is that organizations need to pay attention to the development and implementation

of leadership styles that support increased employee satisfaction to increase company effectiveness.

However, the findings also show that Job Satisfaction has no effect on Employee Satisfaction, with a p value of 0.392 and a T value of 0.857. This is in line with the findings of several previous studies which emphasized that job satisfaction cannot explain employee performance [24]. In other words, whether employees feel satisfied or not, this will not directly affect their performance. However, it is important to remember that job satisfaction is still important for maintaining a good work culture, increasing retention and employee motivation.

Furthermore, the findings show that Organizational Culture influences Employee Performance, with a p value of 0.001 and a T value of 3.257. This confirms the important role of organizational culture in influencing employee performance. Previous research shows that leadership style, organizational culture, and work motivation have a positive effect on employee performance [19]. Therefore, these findings provide an additional contribution to the understanding that implementing an appropriate organizational culture can be an important basis for improving good and sustainable employee performance. The practical implication of these findings is that organizations need to pay attention to the development and implementation of an organizational culture that supports increased employee performance.

In addition, the findings show that Leadership Style influences Job Satisfaction, with a p value of 0.017 and a T value of 2.390. This confirms the positive relationship between Leadership Style and Job Satisfaction. Previous research shows that implementing a good leadership style can be an important basis for increasing high and sustainable job satisfaction [5]. However, the findings show that Organizational Culture has no effect on Job Satisfaction, with a p value of 0.000 and a T value of 4.167. This shows that Organizational Culture has a significant contribution in shaping and supporting Job Satisfaction. The practical implication of these findings is that organizations need to pay attention to the development and implementation of an organizational culture that supports increased job satisfaction.

5 CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The research analysis conducted at PT. XYZ reveals significant findings regarding the influence of leadership style, job satisfaction, and organizational culture on employee performance. The study indicates a strong positive correlation between leadership style and employee performance, emphasizing the importance of effective leadership in motivating employees and enhancing performance. However, the research results suggest that job satisfaction does not significantly impact employee performance at PT. XYZ. Despite assumptions that job satisfaction influences performance, the study findings indicate minimal effects of job satisfaction on overall performance outcomes.

On the other hand, organizational culture emerges as a critical factor influencing employee performance. A positive organizational culture motivates employees, encouraging them to fulfill their responsibilities and achieve high performance levels. The research underscores the importance of cultivating a positive work culture to enhance

employee performance.

Overall, the study highlights the significance of leadership style and organizational culture in driving employee performance at PT. XYZ. While job satisfaction may not directly impact performance according to the research findings, focusing on effective leadership and fostering a positive organizational culture can contribute to improved employee performance and job satisfaction.

5.2 Recommendation for Future Research

For the development of academic knowledge, it is recommended to continue research with some recommendations based on the findings of this study:

1. *Include Additional Variables:* Consider incorporating variables such as communication factors, motivation, and employee personality into future research endeavors. These additional variables can provide a more comprehensive understanding of the predictors influencing employee performance at PT. XYZ. By examining a wider range of factors, researchers can gain deeper insights into the complex dynamics affecting employee performance within the organization.

2. *Expand Testing to Different Sectors:* To improve the generalizability of research outcomes, it is recommended to extend testing to different sectors beyond PT. XYZ. Future researchers could explore similar models in diverse service company sectors, such as financial services, healthcare, or technology. By examining these models across various industries, researchers can validate findings and identify common patterns or unique factors influencing employee performance across different organizational contexts. This broader scope of analysis contributes to a more robust and comprehensive understanding of the influence of leadership style and organizational culture on employee performance, benefiting practitioners and scholars alike.

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