

# The Influence of Leadership Style, Organizational Culture and Discipline on Employee Performance

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**Abstract** – This study aims to obtain empirical evidence about the influence of leadership style, organizational culture and discipline on employee performance. This research was conducted at the Batam City Regional Tax and Retribution Management Agency. The population in this study were all employees at the Batam City Regional Tax and Levies Management Agency. Then a sample of 143 respondents was taken using the slovin method. The test method used is multiple regression. The results of this study indicate the effect of leadership style, organizational culture and discipline simultaneously using the F test, obtained the calculated F value of 60,540 with a significance level (sig) = 0.000. because the value of  $0.000 < 0.05$ , thus  $H_0$  is rejected and  $H_a$  is accepted, the regression model is significant or it can be said that the influence of leadership style, organizational culture and discipline on employee performance together has a significant effect on employee performance.

**Keywords:** The Influence of Leadership Style, Organizational Culture and Discipline, Performance of Tax Management Agency Employees, and Batam City Regional Levies.

## 1. INTRODUCTION

Every organization or agency in implementing the program is always directed to achieve its goals. One of the factors that becomes a criterion for achieving the smooth goals of an organization or agency is to identify and measure the performance of its employees. The organization is a complex unit that seeks to allocate human resources in full for the achievement of a goal. If an organization is able to achieve the goals that have been set, it can be said that the organization or agency is effective. Along with its development, all organizations are required to be able to compete in providing maximum service, especially government agencies.

Likewise, government officials as public servants and government servants are required

to be able to provide the best service to the community because this is one of the functions that must be carried out by government agencies.

Performance is basically what employees do or don't do. Employee performance affects how much they contribute to the organization or agency. Every job has specific job criteria or work dimensions that identify the most important elements of a job. Agencies need to know the various weaknesses and strengths of employees as a basis for correcting weaknesses and strengthening strengths in order to increase employee productivity and development so that employee performance in each agency must be optimized for the achievement of the agency's goals. For this reason, the role of the leader is very necessary to achieve the goals of an



agency to the maximum. Performance is the answer to whether or not the agency's goals have been set. However, superiors pay little attention to the performance of employees on performance unless it is very bad or everything goes wrong. Too often superiors do not know how poorly their employees are performing.

Employee negligence towards the performance of each individual can make the goals and assessment of the agency less optimal and inefficient. With the emergence of this problem, directed and planned human resource development efforts are needed. This human resource development effort is an activity that must be carried out by every agency so that the abilities and attitudes of human resources increase in accordance with the demands of the job and the needs of the agency.

Human resource development programs can be carried out in various ways, including rewarding work achievements, promotions and transfers, providing incentives, career development, and providing training. One effective way to improve the quality of human resources is to implement regulations and high discipline for each employee, as applied by the Batam City Regional Tax and Levy Management Agency.

The Local Tax and Retribution Management Agency of Batam City was formed based on the mandate of Government Regulation No. 18 Year 2016 on Regional Apparatus, which was strengthened by the Local Regulation of Batam City No. 10 Year 2016 on the Formation and Structure of Regional Apparatus.

The Organizational Structure and Work Procedures of the Regional Agency are regulated in Mayor Regulation No. 29 of 2016, the Regional Tax and Retribution Management Agency has the task of implementing the authority of Regional Autonomy in the management of Regional Original Revenue, as for the authority in PAD, namely Regional Tax Revenue, Regional Retribution, BUMD Profits and Other Legitimate Revenues. The authority and duties of the Batam City Regional Tax and Retribution Management Agency are elements

of the implementation of the Vision and Mission of the Batam City Government.

The vision and mission of BPPRD Batam City are as follows:

VISION "Realization of Local Revenue as the Mainstay of Batam City Development". With the vision of course BPPRD Batam City has a strong mission as well, namely by:

1. Increasing the acceptance of local revenue
2. Developing an accountable and transparent tax administration system.
3. Improve the quality and performance of apparatus and organizational resources.
4. Improve coordination, court and supervision.

With the vision and mission listed above, BPPRD of Batam City has a goal to be achieved by the Batam City Government which is to realize an accountable and transparent source of financial management and regional assets. To achieve this goal, the strategy used by BPPRD of Batam City is to improve tax regulations, especially for increasing local tax revenues, collecting data, billing and validating local tax potential, improving local revenue management facilities, fulfilling accountable and transparent taxation systems, carrying out office administration management, implementing technical guidance and training for apparatus, providing facilities and infrastructure to support the organization, conducting socialization, monitoring and coordination of taxpayers, and conducting audits and supervision of taxpayers. With such a big goal, an optimal vision and mission will be formed with the cooperation of BPPRD Batam City which amounts to 196 civil servants.

The following is an overview of Batam City BPPRD Tax Revenue Realization in the last 5 years:

**Table 1. Tax Revenue Realization of Tax Management and Retribution Agency of Batam City**

<b>Local Tax Revenue</b>	<b>Target</b>	<b>Realization</b>
Year 2016	675.35.	648.110.809.

	068.401,00	097,03
Year 2017	738.223.	648.218.537.
	364.310,00	854,87
Year 2018	937.572.	845.697.
	399.745,60	306.042,89
Year 2019	1.051.815.	934.458.
	907.668,80	907.796,97
Year 2020	831.729.	755.878.
	178.616,00	193.409,76

With the explanation of the realization of tax revenue above, it is very clear that BPPRD Batam City really needs more optimal leadership to improve significant performance to further increase local tax revenue in Batam City. By improving employee performance through the potential of each individual in the organization where the success of the organization is highly dependent on the role of humans as a source of strength for the achievement of organizational goals.

In government organizations, the performance of employees in performing their duties or work is often not in accordance with what is expected by the community. They often make mistakes that should not happen, for example, often not coming to work, not really complying with working hour regulations. This will have bad consequences for the organization, because work often cannot be completed at the specified time, a lot of time is not used properly.

A good leader will definitely get more work from his subordinates with the attitude of a good leader. To know the appropriate leadership style, they not only see their position as a leader who wants everything to be done, but they must also work within the existing structure effectively. The leadership style applied in an organization can help create positive work effectiveness for employees. The existence of a leadership style that is in accordance with the situation and conditions of the organization, employees will be more enthusiastic in carrying out their duties and obligations and have expectations of fulfilling their needs.

Implementing regulations and high discipline, one of which is with work

attendance. Work discipline is a feeling of obedience and compliance with entrusted values including doing certain work that is considered to be his responsibility. Through the indicator of work attendance, it is an activity or routine carried out by employees to prove themselves present or absent at work in an agency. This attendance is related to the application of discipline determined by each agency.

## 2. METHODS

The research method used is a quantitative approach. In this study is research conducted in the field of Secretariat, the field of Data Collection Determination and Reporting, the Division of Bookkeeping, the Division of Billing and Objection Supervision, and the Development of Evaluation and Information Systems at the Batam City Regional Tax and Retribution Management Agency which amounted to 196 civil servants and the sample used was 143 people.

## 3. RESULTS AND DISCUSSION

### Results

#### Validity Test

Statement Item	Calculated r value	Table r value	Description
X1.1	0.623	0.164	VALID
X1.2	0.662	0.164	VALID
X1.3	0.628	0.164	VALID
X1.4	0.495	0.164	VALID
X1.5	0.685	0.164	VALID
X1.6	0.660	0.164	VALID
X1.7	0.701	0.164	VALID
X1.8	0.757	0.164	VALID
X1.9	0.671	0.164	VALID
X1.10	0.731	0.164	VALID
X1.11	0.664	0.164	VALID
X1.12	0.617	0.164	VALID

**Figure 1. Summary of variable validity results (X1) Leadership Style**

Source: Processed Primary Data 2021

The validity test results show that 12 statement items on the Leadership Style

variable have r count greater than r table, so it can be said to be valid.

Statement Item	Calculated r value	Table r value	Description
X2.1	0.607	0.164	VALID
X2.2	0.657	0.164	VALID
X2.3	0.625	0.164	VALID
X2.4	0.674	0.164	VALID
X2.5	0.733	0.164	VALID
X2.6	0.708	0.164	VALID
X2.7	0.669	0.164	VALID
X2.8	0.737	0.164	VALID
X2.9	0.673	0.164	VALID
X2.10	0.717	0.164	VALID
X2.11	0.660	0.164	VALID
X2.12	0.588	0.164	VALID

**Figure 2. Summary of variable validity results (X2) Organizational Culture**  
Source: Processed Primary Data 2021

The validity test results show that 12 statement items on the Organizational Culture variable have r count greater than r table, so they can be said to be valid.

Statement Item	Calculated r value	Table r value	Description
X3.1	0.468	0.164	VALID
X3.2	0.512	0.164	VALID
X3.3	0.562	0.164	VALID
X3.4	0.596	0.164	VALID
X3.5	0.717	0.164	VALID
X3.6	0.605	0.164	VALID
X3.7	0.663	0.164	VALID
X3.8	0.661	0.164	VALID
X3.9	0.612	0.164	VALID
X3.10	0.600	0.164	VALID
X3.11	0.602	0.164	VALID
X3.12	0.507	0.164	VALID

**Figure 3. Summary of variable validity results (X3) Discipline**  
Source: Processed Primary Data 2021

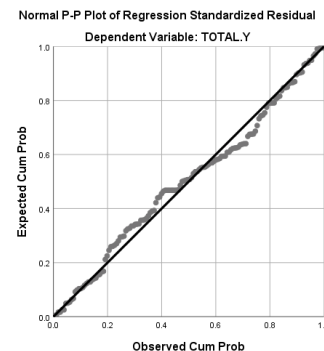
The validity test results show that 12 statement items on the Discipline variable have r count greater than r table, so they can be said to be valid.

Statement Item	Calculated r value	Table r value	Description
Y1	0.659	0.164	VALID
Y2	0.679	0.164	VALID
Y3	0.719	0.164	VALID
Y4	0.709	0.164	VALID
Y5	0.717	0.164	VALID
Y6	0.745	0.164	VALID
Y7	0.742	0.164	VALID
Y8	0.746	0.164	VALID
Y9	0.771	0.164	VALID
Y10	0.787	0.164	VALID
Y11	0.613	0.164	VALID
Y12	0.703	0.164	VALID
Y.13	0.715	0.164	VALID

**Figure 4. Summary of variable validity results (Y) Performance**  
Source: Processed Primary Data 2021

The validity test results show that 13 statement items on the Employee Performance variable have r count greater than r table, so it can be said to be valid.

**Classical Assumption Test**  
**a. Normality Test**



**Figure 5. Normality Test Results**  
Source: Primary Data Processing Results, 2021

Based on Figure 5, it is known that in the normality diagram, it can be seen that the points spread around the line and follow the diagonal line, so the residual value is normal. So that the regression model is feasible to use to predict Employee Performance based on the input of all independent variables.

**b. Multicollinearity Test**

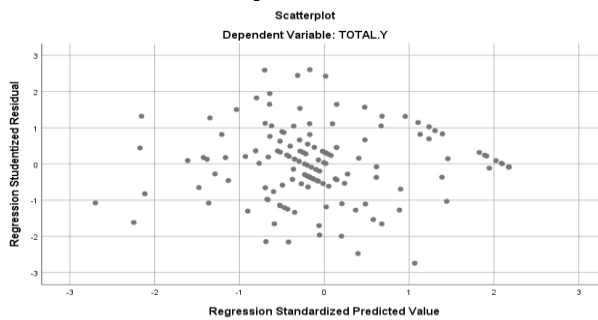
Coefficients <sup>a</sup>		
Model	Collinearity Statistics	
	Tolerance	VIF
Leadership Style	.549	1.821
Organizational Culture	.470	2.128
Discipline	.655	1.526

a. Dependent Variable: Employee Performance

**Figure 7. Multicollinearity Test Results**  
Source: Primary data processed results, 2021

Based on Figure 7, it shows that there are variables that have multicollinearity due to the VIF value which exceeds the specified tolerance value limit (not exceeding 4 or 5). Multicollinearity means that there is a large correlation between the independent variables.

**c. Heteroscedasticity Test**



**Figure 8. Heteroscedasticity Test Results**  
Source: Processed Primary Data 2021

Based on Figure 8, it is known that the scatterplot graph presented shows that the points spread randomly, do not form a certain clear pattern and are spread both above and below zero on the Y axis, this means that there is no heteroscedasticity in the regression model, so the regression model is suitable for predicting the level of employee performance based on the input of the independent variables.

**Multiple Linear Regression Analysis**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	11.821	3.663		3.227	.002
Leadership Style	.252	.063	.302	4.015	.000
Organizational Culture	.337	.084	.327	4.020	.000
Discipline	.302	.081	.257	3.730	.000

a. Dependent Variable: Employee Performance

**Figure 9. Multiple linear regression analysis results**

Source: Processed Primary Data 2021

Based on figure 9 above from the results of calculations using multiple linear regression as follows

$$Y = 11.821 + 0.252 X_1 + 0.337 X_2 + 0.302 X_3 + e$$

From the above equation can be interpreted as follows:

a. 'ba = 11,821 This means that if all variables of Leadership Style, Organizational Culture and discipline are equal to zero. then employee performance is 11,821 assuming other variables are constant.

b. 'b1 = This figure shows that if the leadership style increases by 0.252 units, employee performance will increase by 0.252 units.

c. 'b2 = This figure shows that if the organizational culture increases by 0.337 units, the employee performance variable will also increase by 0.337 units.

d. 'b3 = this figure shows that if discipline increases by 0.302 units, the employee performance variable will also increase by 0.302.

**Hypothesis Testing**

**a. The t-test**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	11.821	3.663		3.227	.002
Leadership Style	.252	.063	.302	4.015	.000
Organizational Culture	.337	.084	.327	4.020	.000
Discipline	.302	.081	.257	3.730	.000

a. Dependent Variable: Employee Performance

**Figure 10. The t-test**

Source: Primary Data Processing Results, 2021

From the results of the data processing above, it can be seen that the probability value t (sig) is as follows:

a. Leadership Style (X1) indicated by the t value of 3.227 greater than the t table 0.252 means that it affects the Leadership Style and the significance value of 0.00 is less than 0.05, meaning that Ha is accepted, meaning that the Leadership Style has a significant effect on Employee Performance.

b. Organizational Culture (X2) is indicated by the t value of 4.015 which is greater than the t table 0.337, which means that it has an effect on organizational culture and a significance value of 0.00 is smaller than 0.05, meaning that Ha is accepted, meaning that organizational culture has a significant effect on employee performance.

c. Discipline (X3) is indicated by the t value of 3.730 greater than the t table 0.302, which means that it has an effect on discipline and a significance value of 0.00 is smaller than 0.05, meaning that Ha is accepted, meaning that discipline has a significant effect on employee performance.

**b. F test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2122.962	3	707.654	60.540	.000 <sup>b</sup>
	Residual	1636.475	140	11.689		
	Total	3759.438	143			

a. Dependent Variable: Employee Performance  
 b. Predictors: (Constant), Leadership Style, Organizational Culture, Discipline

**Figure 11. F test**

Source: Processed Primary Data, 2021

The results of testing with SPSS independent variables together obtained the value F count = 60,540 with a probability value F (sig) of 0.000 (sig.0.000 < α0.05). Thus Ho is rejected and Ha is accepted. It can be concluded based on the output above that the significance value for the effect of leadership style, organizational culture and discipline simultaneously on employee performance is 0.000 < 0.05 and the calculated F value is 55.594 so it can be concluded that H5 is accepted which means that simultaneously there is a significant influence between leadership style, organizational culture, and discipline on employee performance.

**c. Analysis of the Coefficient of Determination (R2)**

**Table 10. Analysis of the coefficient of determination (R2)**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.751 <sup>a</sup>	.565	.555	3.419	1.790

a. Predictors: (Constant), Leadership Style, Organizational Culture, Discipline  
 b. Dependent Variable: Employee Performance

Source: Primary Data Processing Results, 2021

Based on the results of data processing, it is known that the R value is 0.751 (75.1%) while the R2 value is 0.565. From this value it can be seen that Employee Performance is influenced by Leadership Style, Organizational Culture, and Discipline by 0.565 (56.5%), while the remaining 43.5% is influenced by other factors not examined in this study.

**Discussions**

**Effect of Leadership Style on Employee Performance**

The influence of variable X1 (leadership style) on variable Y (employee performance) is indicated by the regression coefficient value of the Leadership Style Influence variable of 0.252. Variable X1 (leadership style) has a significant The Influence of Leadership Style, Organizational Culture and Discipline, Performance of Tax Management Agency Employees, and Batam City Regional Levies. effect on variable Y (employee performance) with probability Sig. 0.000, smaller than α = 0.05. Based on the research results, it is found that the leadership at the Batam City Regional Tax and Levy Management Agency always motivates employees who work by using their reasoning power, efficiently and prioritizing the assigned tasks over personal and other activities and interests. Leaders also provide opportunities to be involved in decision making by inspiring their employees to generate confidence to achieve goals. The results of this study are in line with research researched by:

Tampi entitled The Effect of Leadership Style and Motivation on Employee Performance at PT Bank Indonesia, the results showed that Leadership Style had an effect on employee performance [1]. Sunarwan entitled

The Effect of Leadership Style, Motivation and Work discipline on employee performance at PT. Financia Multi, the results of the study indicate that leadership style affects performance, discipline affects performance, together leadership style and discipline have a positive effect on performance [2].

#### **Effect of Organizational Culture Style on Employee Performance**

The effect of variable X2 (organizational culture) on variable Y (employee performance) indicated by the regression coefficient value of the organizational culture variable of 0.337 means that the higher the organizational culture, the higher the employee performance. Variable X2 (organizational culture) has a significant effect on variable Y (performance) with probability Sig. 0.000, smaller than  $\alpha = 0.05$ . Based on the research obtained, employees are able to prioritize service, comply with regulations, put aside personal selfishness to maintain the good name of the agency and set a good example for fellow employees to solve problems together and be able to respect the opinions of other employees. The results of this study are in line with research researched by:

Novziransyah entitled Analysis of the Effect of Organizational Culture on Performance at PT PLN Persero, the results showed that there was a positive and significant influence of organizational culture on performance [3].

Cahyono entitled Analysis of the Influence of Leadership, and Organizational Culture on the Performance of lecturers and employees at Pawyatan Daha University Kediri, the results showed that the Leadership Style and Organizational Culture variables had a significant effect on performance [4].

#### **Effect of Leadership Style on Employee Performance**

the influence of variable X3 (discipline) on variable Y (employee performance) indicated by the regression coefficient value of the discipline variable of 0.302 means that the higher the employee discipline, the more employee performance increases. Variable X3 (discipline) has a significant effect on variable

Y (employee performance) with probability Sig. 0.000, smaller than  $\alpha = 0.05$ . Based on the results of the research found that employee attendance is very important with absences that cannot be represented by other people, by obeying the rules that have been set in working according to the procedures set by the agency and employees must also be careful and vigilant in maintaining the confidentiality of agency data and being able to be polite and have good ethics during and outside of working hours. The results of this study are in line with research researched by:

Baskoro entitled Work Motivation and Leadership Style on Work Discipline and its impact on Employee Performance (case study at PT. PLN), the results of this study indicate that Leadership Style has a significant positive effect on work discipline, work discipline has a significant effect on performance [5].

Ekhsan entitled the effect of motivation and work discipline on employee performance, the results of this study indicate that work discipline and along with other variables simultaneously have a positive and significant effect on employee performance [6].

#### **4. CONCLUSION**

Based on the research and discussions conducted, it can be concluded that there is a significant influence of leadership style, organizational culture, and discipline on employee performance at the Batam City Regional Tax and Retribution Management Agency. The study revealed that leadership style, characterized by motivating and prioritizing employees over personal interests and involving them in decision-making, plays a crucial role in enhancing employee performance. Similarly, the organizational culture, which emphasizes compliance with regulations and maintaining the agency's reputation, positively impacts employee performance. Additionally, employee discipline, particularly punctuality and adherence to confidentiality rules, significantly contributes to improved performance.

Furthermore, when examining these factors collectively, the study found that the combined effect of leadership style, organizational culture, and discipline on employee performance is significant. As a result, it is imperative for the agency to consider these aspects when seeking to enhance employee performance.

In light of these findings, several recommendations can be made. First, leaders should consider implementing stricter sanctions to promote more efficient performance, thereby facilitating the achievement of the agency's targets. Second, the agency should further develop its organizational culture, fostering communication and interaction between employees and leaders through practices like daily morning meetings, thus fostering harmony among employees. Third, a focus on employee discipline, especially in terms of punctuality and consistent attendance, is essential to ensure the timely completion of tasks. Finally, for future research, this study's results can serve as a foundation and reference, but researchers are encouraged to delve deeper into the subject, exploring additional variables and problem areas.

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