

The Influence of Leadership Style, Work Motivation and Work Culture Through Job Satisfaction on Employee Performance (Study on CV. Build A Sub-Contractor Lamongan)

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ABSTRACT

This study aims to analyze the effect of leadership style, work motivation, and organizational culture on employee performance mediated by job satisfaction at CV. Build a Sub-Contractor Lamongan Design. The research employed a quantitative approach using cross-sectional design. Primary data were collected through questionnaires distributed to 49 employees using a census method. Data were analyzed using Partial Least Square Structural Equation Modeling (PLS-SEM) via SmartPLS software. The results show that leadership style has a significant positive effect on employee performance ($T=2.625$, $p=0.009$), work motivation significantly affects both job satisfaction ($T=2.924$, $p=0.004$) and employee performance ($T=2.182$, $p=0.030$), and organizational culture significantly impacts employee performance ($T=2.614$, $p=0.009$). Job satisfaction also significantly influences employee performance ($T=2.266$, $p=0.024$). However, leadership style and organizational culture do not significantly affect job satisfaction, nor do they indirectly influence performance through job satisfaction as a mediating variable. Only work motivation showed significant mediation through job satisfaction ($T=2.071$, $p=0.039$). The R-square value of 74.1% indicates that the model strongly explains variance in employee performance. These findings suggest that improving work motivation and instilling a strong organizational culture are key strategies for enhancing employee performance in construction companies.

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INTRODUCTION

In today's era of globalization, companies in various sectors are facing pressure to improve the productivity and quality of performance of their employees. Optimal employee performance is the key to the company's success in achieving strategic goals, including in the construction industry that relies heavily on punctuality and quality of work. CV. Bina Reka Sub Contractor Lamongan is one of the construction companies that is often involved in building construction, infrastructure, and renovation projects in the Lamongan Regency area, East Java. The phenomenon that occurs shows that the performance of employees in this company is still not optimal—construction projects are often delayed so that completion targets are not achieved as planned, which has an impact on client satisfaction and the company's reputation.

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Rosyad explained that an effective leadership style and high work motivation are able to create satisfaction with the work done by employees. This job satisfaction will further encourage increased productivity, loyalty, and employee performance in the organization. Therefore, job satisfaction can be seen as a variable that strengthens the relationship between leadership style and work motivation to employee performance.

Leadership, work motivation, and organizational culture are variables that are consistently identified in the human resource management literature as determinants of employee performance (Cahyono, 2012; Chambers, 2013; Trang, 2013). However, the problem in CV. Bina Reka shows less effective leadership—resulting in a lack of clear direction—as well as a work culture that does not prioritize efficiency and optimal time management. In addition, employee job satisfaction, which is an intervening variable, also has the potential to affect the relationship between these factors and performance.

Several previous studies have shown that leadership style, work motivation, and organizational culture have a positive and significant effect on employee performance (Rahman et al., 2017; Pang & Lu, 2017). However, the mixed results—especially related to the role of job satisfaction mediation—still pose research gaps that need to be answered, especially in the context of construction sub-contractor companies in Indonesia.

This study aims to examine the influence of leadership style, work motivation, and work culture on CV employee performance. Bina Reka Sub Contractor Lamongan, either directly or mediated by job satisfaction, uses the PLS-SEM approach.

Literature Review and Problem Statement

Employee performance is defined as the result of work in terms of the quality and quantity achieved by a person in carrying out his duties according to the responsibilities given (Mangkunegara, 2009). Leadership style is a leader's way of influencing subordinates through behavior patterns or personalities to work productively to achieve organizational goals (Hasibuan, 2012; Rivai, 2011). Work motivation is an internal and external drive that moves employees to achieve work goals with a certain intensity, direction, and perseverance (Robbins & Judge, 2017). Organizational culture is a system of shared values, beliefs, and norms that shape the behavior of organizational members (Colquitt et al., 2009; Robbins & Coulter, 2012). Job satisfaction, as a mediating variable, is defined as a person's positive attitude towards their work that reflects the difference between the rewards received and those expected (Robbins & Judge, 2015). Research by Cahyono (2012), Salam (2013), and Trang (2013) consistently proves that these three independent variables have a positive and significant effect on employee performance in various types of organizations in Indonesia.

However, the role of job satisfaction as a mediating variable still shows mixed results. Mathori et al. (2022) found that job satisfaction mediated the relationship between work motivation and performance, while Sembiring et al. (2021) found the opposite result. In the context of construction companies, the role of mediation has not been studied specifically. Based on this gap, this study formulates the following problems: (1) whether leadership style, work motivation, and work culture have a significant effect on job satisfaction and performance of CV employees. Build a Lamongan Subcontractor Design? (2) Does job

satisfaction mediate the influence of these three variables on employee performance? The hypothesis proposed is that the three independent variables have a positive and significant effect on employee performance, and job satisfaction plays a role as an intervening variable.

METHOD

This study uses a quantitative approach with a cross-sectional design. The object of the research is all CV employees. Bina Reka Sub Contractor Lamongan, located on Jalan Raya Jetak Paciran, Paciran District, Lamongan Regency, East Java. Primary data was collected through a Google Form-based questionnaire distributed to 49 respondents (full census). The instrument uses a Likert scale of 1–5 (1=Strongly Agree to 5=Strongly Agree), with each variable measured through 3–4 statement indicators that have been tested for validity and reliability.

Data analysis was conducted using Partial Least Square – Structural Equation Modeling (PLS-SEM) with SmartPLS software version 3.2.9. The measurement model (outer model) was evaluated through convergent validity (outer loading > 0.7, AVE > 0.5) and discriminant validity (cross-loading). The reliability test was conducted using Composite Reliability (CR > 0.7) and Cronbach's Alpha (> 0.6). The structural model (inner model) was evaluated through R-Square and hypothesis testing through the path coefficient with t-statistical values and p-values ($\alpha = 5\%$, t-table = 1.678). The effect of mediation was tested using Specific Indirect Effect.

RESULTS AND DISCUSSION

Measurement Model (Outer Model)

The results of the convergent validity test showed that all indicators had an outer loading above 0.7, with the lowest value of 0.877 (X1.3) and the highest value of 0.966 (X2.4). The Average Variance Extracted (AVE) value of all constructs exceeded the threshold of 0.5, indicating adequate convergent validity (Table 1). The discriminant validity test through cross-loading showed that all indicators loaded higher on the construct in question than other constructs, so that the discriminant validity was met. The reliability test showed that the Composite Reliability and Cronbach's Alpha values of the entire construct were above 0.7 and 0.6 respectively (Table 2), proving the consistency and reliability of the research instrument.

Table 1. Convergent Validity and AVE Test Results

Variable	Outer Loading (min)	AVE	Remarks
Leadership Style (X1)	0.877	0.789	Valid
Work Motivation (X2)	0.898	0.845	Valid
Work Culture (X3)	0.903	0.852	Valid
Employee Performance (Y)	0.909	0.873	Valid
Job Satisfaction (Z)	0.900	0.822	Valid

Table 2. Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha	Remarks
Leadership Style (X1)	0.937	0.911	Reliable
Work Motivation (X2)	0.956	0.939	Reliable
Work Culture (X3)	0.945	0.913	Reliable
Employee Performance (Y)	0.965	0.951	Reliable
Job Satisfaction (Z)	0.933	0.892	Reliable

Structural Models and Hypothesis Testing

The R-Square value for Employee Performance (Y) is 0.741 (strong) and for Job Satisfaction (Z) is 0.420 (moderate), indicating that the model is quite good at explaining the variability of dependent variables. Table 3 summarizes the results of the path coefficient test for all research hypotheses.

Table 3. Path Coefficient Test Results (Direct and Indirect Hypothesis)

Relationships	Koef. (β)	T-Stat	P-Value	T-Table	Verdict
H1: GK (X1) $\rightarrow$ KepKerja (Z)	0.159	0.983	0.326	1.678	Rejected
H2: MK (X2) $\rightarrow$ KepKerja (Z)	0.421	2.924**	0.004	1.678	Accepted
H3: BK (X3) $\rightarrow$ KepKerja (Z)	0.185	1.326	0.186	1.678	Rejected
H4: GK(X1) $\rightarrow$ Performance (Y)	0.250	2.625**	0.009	1.678	Accepted
H5: MK(X2) $\rightarrow$ Performance (Y)	0.250	2.182*	0.030	1.678	Accepted
H6: BK (X3) $\rightarrow$ Performance (Y)	0.290	2.614**	0.009	1.678	Accepted
H7: KepKerja (Z) $\rightarrow$ Performance (Y)	0.288	2.266*	0.024	1.678	Accepted
H8: GK $\rightarrow$ Z $\rightarrow$ Y (mediation)	0.046	0.739	0.460	1.678	Rejected
H9: MK $\rightarrow$ Z $\rightarrow$ Y (mediation)	0.121	2.071*	0.039	1.678	Accepted
H10: BK $\rightarrow$ Z $\rightarrow$ Y (mediation)	0.053	0.937	0.349	1.678	Rejected

* $p < 0.05$; ** $p < 0.01$; GK=Leadership Style; MK=Work Motivation; BK=Work Culture; Job Satisfaction = Job Satisfaction

Discussion

Leadership style was shown to have a significant direct effect on employee performance ($\beta=0.250$, $T=2.625$, $p=0.009$), but not significantly on job satisfaction. These findings are in line with Potu (2013), Suminar et al. (2015), and Pawirosumarto (2017) who affirm that effective leaders directly improve the quality of performance without having to go through increased satisfaction first. In the context of a construction company, firm and clear direction from the leader is able to encourage employees to work according to project targets, regardless of their subjective level of satisfaction.

Work motivation showed a significant influence on job satisfaction ($\beta=0.421$, $T=2.924$, $p=0.004$) and employee performance ($\beta=0.250$, $T=2.182$, $p=0.030$). Moreover, work motivation was proven to be the only variable whose influence on performance was significantly mediated by job satisfaction ($\beta=0.121$, $T=2.071$, $p=0.039$)—forming a pattern of complementary mediation. This confirms Mathori et al. (2022) that motivated employees will achieve job targets, feel satisfaction, and subsequently improve their performance.

These findings show that increasing motivation through incentives, appreciation, and a conducive work environment is a crucial investment for companies.

Work culture has a significant direct effect on employee performance ($\beta=0.290$, $T=2.614$, $p=0.009$) but is not significant on job satisfaction or as an indirect effect. These findings are in line with Mustika & Utomo (2013) and Moron et al. (2023) who explain that a result-oriented work culture and discipline directly shape productive work behaviors, regardless of employee emotional satisfaction. A strong work culture provides a framework of values and norms that consistently steer employees toward the company's goals. Job satisfaction itself has a significant effect on performance ($\beta=0.288$, $T=2.266$, $p=0.024$), indicating that employees who feel satisfied tend to work more productively and dedicated.

CONCLUSION

This study concludes that: (1) leadership style has a significant direct effect on employee performance but not significantly on job satisfaction; (2) work motivation has a significant effect on job satisfaction and employee performance, and job satisfaction mediates the influence of motivation on performance (complementary mediation); (3) work culture has a significant direct effect on performance, but not through the mediation of job satisfaction; and (4) job satisfaction has a significant effect on employee performance. The PLS-SEM model explains 74.1% variation in employee performance, indicating high predictive power. The main managerial implication of this study is that construction companies such as CV. Bina Reka needs to prioritize programs to increase employee work motivation and strengthen a disciplined and results-oriented work culture as the most effective performance improvement strategy. The limitations of this study include the relatively small sample size (49 respondents) and the scope of one company, so the generalization of the findings needs to be done carefully. Further research can expand the scope to several construction companies in East Java and add variables such as organizational commitment or work discipline to get a more comprehensive picture.

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