

The Influence of Work Motivation and Leadership Style on Organizational Performance in the VUCA Era

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Abstract

In facing this VUCA era, organizations take into account that their Human Resources must be able to face the challenges of VUCA, one of which is mastering the skills needed to build and develop an organization in this VUCA era. The purpose of this study was to examine the effect of work motivation and leadership style on organizational performance in the VUCA era. The data collection technique uses a questionnaire with as many as 400 MSME leaders spread across various cities/regencies in West Java Province, namely Bogor Regency, Bandung Regency, Bandung City, Sukabumi Regency, Garut Regency, Cirebon Regency, Cianjur Regency, Karawang Regency, and Bekasi Regency. .. This type of research is quantitative with data analysis using Structural Equation Modeling(SEM). Based on the results of the analysis, the equation model $Y = 0.88X1 + 0.26X2$. The test results show that there is an influence of work motivation and leadership style on organizational performance in the VUCA era. This means the increased motivation and leadership style, the better the organizational performance significantly. Furthermore, when viewed from the determinant coefficient of 0.65, this coefficient shows that work motivation and leadership style variables contribute 65%, and the other 35% is explained by other factors outside of this research variable.

Keywords

Work motivation; leadership style; organizational performance; VUCA Era



I. Introduction

Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). The success of leadership is partly determined by the ability of leaders to develop their organizational culture. (Arif, 2019).

The majority of an organization has a goal to develop to be better and be able to compete with other business people. However, forming an organization to be the best and able to compete at the national and even international level is increasingly difficult to do. This is due to the increasing competition in the global market which is affected by the growing development of the current VUCA era. VUCA is an acronym for Volatile (turbulent), Uncertain (uncertain), Complex (complex), and Ambiguity (unclear). VUCA describes something full of ambiguity, directionlessness, a situation that tends to change very quickly and stems from unclear cause and effect, which is a very ironic situation.

In a VUCA situation, some consequences must be considered, such as strategic thinking and leadership skills that need to be developed and become relatively adaptive HR in an environment of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA). In facing this VUCA era, organizations take into account that their human resources must be able to face the challenges of VUCA, one of which is mastering the skills needed to build and develop an organization in this VUCA era.

Therefore, an organization is currently focusing on developing superior human resources, superior human resources are human resources that are professional, productive, innovative, able to compete, and have character. Characters that must be possessed by superior human resources are in the form of having a work ethic, a spirit of cooperation, and the most important thing is integrity. A leader must apply a leadership style to manage his subordinates because a leader will greatly affect the success of the organization in achieving its goals (Guritno and Waridin, 2005).

In organizational life, encouraging is a form of work motivation to subordinates in improving organizational performance. Motivation itself is a reaction that arises from within a person as an encouragement due to external stimuli that affect the fulfillment of certain goals (Suranta, 2002). Without the motivation that arises in a person, the performance of the organization will not be in line with expectations. Therefore, someone doing work must have responsibility for the tasks given and carried out in the organization as a form of work motivation. The importance of work motivation and leadership style on organizational performance, so this study aims to determine the effect of work motivation and leadership style on organizational performance in the VUCA era.

II. Review of Literature

2.1. Work Motivation

Motivation comes from the Latin word *movere* which means drive or driving force. Motivation in management is only aimed at human resources in general and in particular subordinates (Purba and Sudibjo, 2020). Hasibuan (2005: 143) explains that motivation comes from the Latin word which means encouragement or the provision of a driving force that creates one's work enthusiasm so that they want to work together, work effectively, and integrate with all their efforts to achieve satisfaction. Motivation itself is a reaction that arises from within a person as an encouragement due to external stimuli that influence it to fulfill certain goals (Suranta, 2002). Work motivation is an encouragement or enthusiasm that arises in a person or employee to do something or work, because of external stimuli, both from superiors and the basis for meeting needs and satisfaction, and fulfilling responsibility for the tasks assigned and carried out within the organization (Tampi, 2014). Indicators of work motivation according to Mangkunegara (2009: 93) in Bayu Fadillah, et al (2013: 5) are as follows: 1. Have high personal responsibility for their work 2. Work Achievement 3. Opportunities for advancement 4. Recognition of performance that can be achieved rewarded by earning higher than usual wages. 5. Desire to learn to masterwork in their field.

2.2 Leadership Style

Leadership style is a pattern of behavior designed in such a way as to influence subordinates to maximize the performance of their subordinates so that organizational performance and organizational goals can be maximized (Tampi, 2014). According to Tjiptono (2006: 161) leadership style is a way used by leaders in interacting with their subordinates. Meanwhile, another opinion states that leadership style is a pattern of behavior (words and actions) of a leader that is perceived by others (Hersey, 2004: 29). Leadership style is a pattern of behavior shown by leaders in influencing others. This pattern of behavior can be influenced by several factors such as values, assumptions, perceptions, expectations, and attitudes that exist in the leader (Ardana et al, 2011: 181). Indicators of leadership style are paying attention to the needs of subordinates, sympathy for subordinates, creating an atmosphere of mutual trust, having a friendly attitude, and growing the participation of subordinates in decision making (Astuti, 2008).

2.3 Organizational Performance

The definition of organizational performance put forward by Bastian in Tangkilisan (2005: 175) is a description of the level of achievement of the implementation of tasks in an organization, in realizing the goals, objectives, mission, and vision of the organization. Company performance is something that is produced in a certain period concerning the standards set. Company performance should be a measurable result and describe empirical conditions (Istiglal, 2009).

Many factors affect the performance of both public and private organizations. Yuwono et al. in Tangkilisan (2005: 180) suggest that the dominant factors affecting the performance of an organization include management's efforts in translating and aligning organizational goals, organizational culture, the quality of the organization's human resources, and effective leadership. In detail, Ruky in Tangkilisan (2005: 180) identifies the factors that directly affect the level of achievement of organizational performance as follows, a. Technology, b. quality of inputs or materials used by the organization, c. the quality of the physical environment, d. organizational culture, e. Leadership, and f. Human Resources Management.

Tsoukatos and Rand (2006) explain the indicators used to assess organizational performance, which consist of the following factors:

1. *Tangibles* or physical appearance means the physical appearance of buildings, equipment, employees, and other facilities owned by providers.
2. *Reliability* is the ability to carry out the promised service accurately.
3. *Responsiveness* or responsiveness is a willingness to help customers and provide services sincerely.
4. *Assurance* is the knowledge and courtesy of workers and their ability to give trust to customers.
5. *Empathy* is personal treatment or attention given by providers to customers.

III. Research Method

This type of research is survey research with a quantitative approach. The survey research method is used to obtain or collect information data about the population by using a relatively small sample. The sample in this study was the leadership of MSMEs, while the sampling technique used *simple random sampling* and in determining the sample size using the Slovin formula with an error rate of 5%. Following are the details of each sample in the Regency/City in West Java.

Table 1. Details of Each Sample

No	County/City	Number of SMEs	MSME Sample	Lead Sample
1	Bogor Regency	367,271	58	58
2	Bandung district	347,573	55	55
3	Bandung	330,314	52	52
4	Sukabumi Regency	266,729	42	42
5	Garut Regency	258,314	41	41
6	Cirebon Regency	249,823	40	40
7	Cianjur Regency	249,061	39	39
8	Karawang Regency	229,031	36	36
9	Bekasi Regency	227,110	36	36
	Total	2,525,226	400	400

From the calculation of the formula, the research sample was obtained as many as 400 MSME leaders spread over 400 MSMEs in various cities/regencies in West Java Province, namely Bogor Regency, Bandung Regency, Bandung City, Sukabumi Regency, Garut Regency, Cirebon Regency, Cianjur Regency, Karawang Regency, and Bekasi Regency. The data collection technique used a questionnaire with a Likert scale (alternative answer choices 1 – 5). Questionnaires were used to obtain data on motivation, leadership style, and organizational performance in the VUCA era. Data analysis in this study used Structural Equation Modeling (SEM) analysis with the Lisrel program.

IV. Result and Discussion

4.1 Normality test

Normality testing in the Structural Equation Modeling (SEM) data analysis is required, meaning that the distribution of the data used requires normal assumptions. The assumption of normality is met if it has a statistical value of z skewness and kurtosis greater than 0.05 or 5%. The results of the univariate normality test in this analysis are presented in table. 2 *test of univariate normality for continuous variables*.

Table 2. *Test of univariate normality for continuous variables*

Variable	Skewness		Kurtosis		Skewness and Kurtosis	
	Z-Score	P-Value	Z-Score	P-Value	Chi-Square	P-Value
Kin1	-4.311	0.000	3.329	0.001	29,672	0.000
Kin2	-4.206	0.000	2.443	0.015	23,655	0.000
Kin3	-4.174	0.000	3.727	0.000	31,309	0.000
Kin4	-1.069	0.285	-2,609	0.009	7,947	0.019
Kin5	0.832	0.405	-0.220	0.826	0.740	0.691
Mot1	-4.470	0.000	2.887	0.004	28.323	0.000
Mot2	-3.127	0.002	0.842	0.400	10,487	0.005
Mot3	-3,289	0.001	0.647	0.518	11.238	0.004
Mot4	-2.462	0.014	1.041	0.298	7.147	0.028
Mot5	2800	0.005	-2.456	0.014	13,871	0.01
Kep1	-1.110	0.267	-1.891	0.059	4.809	0.090
Kep2	-0.101	0.919	-1.474	0.140	2.184	0.336
Kep3	-3.204	0.001	2,523	0.012	16,630	0.000
Kep4	-2.878	0.004	0.941	0.347	9.167	0.010
Kep5	-4,631	0.000	3.538	0.000	33,959	0.000

Based on table 2. the test of univariate normality for continuous variables shows the results of the normality test for each variable. The output results can be seen that the normal variables are Kin5, Kip 1, and Kep2. As for the other variables do not meet the normal requirements. In addition to the univariate test, there is also a multivariate test, the following results from the multivariate analysis are shown in Table 3.

Table 3. Test of multivariate normality for Continuous Variables

Skewness			Kurtosis			Skewness and Kurtosis	
Value	Z-Score	P-Value	Value	Z-Score	P-Value	Chi-Square	P-value
117,166	24,107	0.000	335.543	9,164	0.000	665.127	0.000

Based on the output results above, it can be seen that multivariate normality is not normally distributed (*p-value* skewness and kurtosis <0.05). It can be concluded that the data used does not meet the normal univariate or multivariate assumptions. Furthermore, because the data is not normal, this study uses an alternative *Normal score* to transform the data into normal. The following results of the analysis are presented in Table 4.

Table 4. Transformed Test of Univariate Normality

Variable	Skewness		Kurtosis		Skewness and Kurtosis	
	Z-Score	P-Value	Z-Score	P-Value	Chi-Square	P-Value
Kin1	-0.885	3.376	-0.927	0.354	1,642	0.440
Kin2	-2.288	0.010	-1.110	0.267	7.928	0.190
Kin3	0.223	0.824	0.222	0.834	0.099	0.952
Kin4	-1.292	0.196	-1,820	0.069	4.983	0.083
Kin5	0.832	0.405	-0.220	0.826	0.740	0.691
Mot1	-1,240	0.215	-1.188	0.235	2,949	0.229
Mot2	-0.750	0.453	-0.660	0.509	0.999	0.607
Mot3	-1,721	0.085	-1.865	0.062	6.440	0.400
Mot4	-0.852	0.394	-0.086	0.931	0.735	0.692
Mot5	1959	0.050	-0.031	0.975	3,841	0.140
Kep1	-1.110	0.267	-1.891	0.059	4.809	0.090
Kep2	-0.101	0.919	-1.474	0.140	2.184	0.336
Kep3	-1.170	0.242	-0.511	0.609	1,630	0.443
Kep4	-1,732	0.083	-1.063	0.288	4.130	0.127
Kep5	-1.004	0.315	0.000	1,000	1.009	0.604

After the transformation, for the results of univariate normality, all variables are normally distributed, indicated by P-value skewness and kurtosis > 0.05.

4.2 Validity and Reliability Testing

The next stage is to validate to find out whether the variable factors used for each latent are under what you want to measure. In the measurement model, the model fit test can be seen the validity and reliability of the measurement model.

A variable is said to have good validity on the construct or latent variable if the loading factors t value is greater than the critical value (or 1.96 or practically 2) and the standardized loading factor 0.50. And it is said to be reliable if CR 0.70 and VE 0.50.

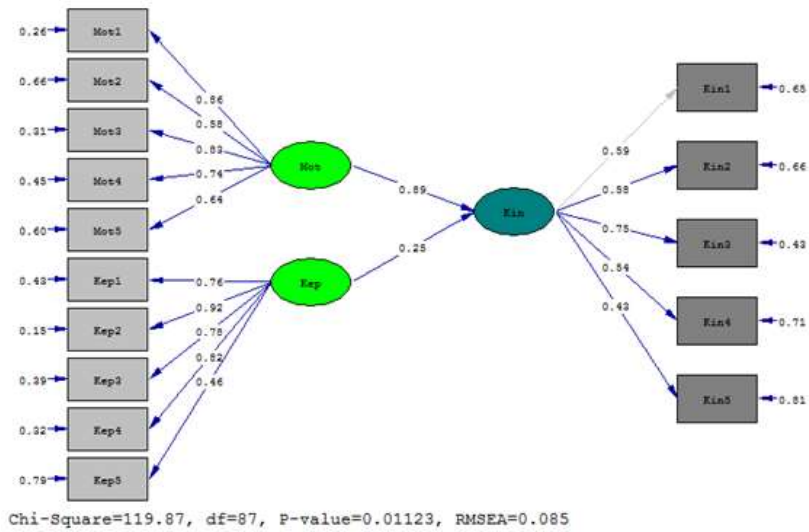


Figure 1. Standardized Solution Phase 1

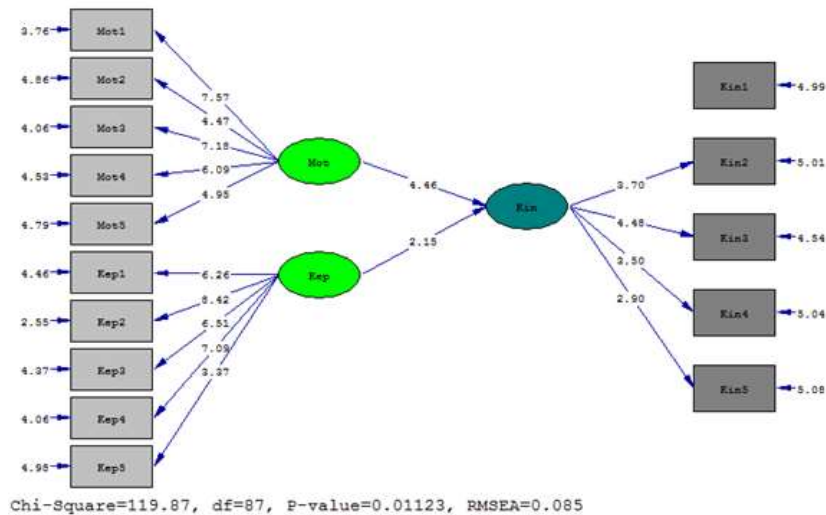


Figure 2. T-Value Solution Phase 1

Table 6 is a breakdown of factor loading on the variables of work motivation, leadership style, and organizational performance. The latent variables were analyzed using SEM to determine valid and reliable indicator codes. Because good data is the result of a valid and reliable instrument. Following are the details of each variable.

Table 5. Details of Loading Factor on Each Variable

Latent Variables	Indicator Code	SLF 0.50	T value > 1.96	Note:
Motivation (X1)	Mot1	0.86	7.58	Valid
	Mot2	0.58	4.44	Valid
	Mot3	0.83	7.16	Valid
	Mot4	0.74	6.11	Valid
	Mot5	0.63	4.93	Valid
Leadership Style	Kep1	0.76	6.26	Valid
	Kep2	0.92	8.42	Valid

Latent Variables	Indicator Code	SLF 0.50	T value > 1.96	Note:
(X2)	Kep3	0.78	6.51	Valid
	Kep4	0.83	7.10	Valid
	Kep5	0.46	3.37	Invalid
Organizational Performance (Y)	Kin1	0.59	-	Valid
	Kin2	0.58	3.71	Valid
	Kin3	0.76	4.48	Valid
	Kin4	0.94	3.50	Valid
	Kin5	0.37	2.54	Invalid

Indicators that do not meet valid assumptions are eliminated from the analysis. So, the 5 leadership indicators and 5 performance indicators are eliminated. Furthermore, Table 7. Shows the results of the evaluation of the validity and reliability of each latent variable or indicator.

Table 6. Validity and Reliability Analysis Results

Latent Variables	Indicator Code	SLF 0.50	T value > 1.96	Note:	CR 0.70	VE 0.50	Note:
Motivation (X1)	Mot1	0.86	7.59	Valid	0.97	0.54	Reliable
	Mot2	0.57	4.35	Valid			
	Mot3	0.83	7.13	Valid			
	Mot4	0.75	6.17	Valid			
	Mot5	0.63	4.88	Valid			
Leadership Style (X2)	Kep1	0.77	6.40	Valid	0.98	0.68	Reliable
	Kep2	0.92	8.37	Valid			
	Kep3	0.78	6.54	Valid			
	Kep4	0.82	7.08	Valid			
Organizational Performance (Y)	Kin1	0.60	-	Valid	0.90	0.55	Reliable
	Kin2	0.59	3.71	Valid			
	Kin3	0.77	4.48	Valid			
	Kin4	0.95	3.51	Valid			

Based on table 7, it is found that there are 13 indicators with 3 latent variables and each indicator has passed the validity test, so it can be said that the respondents' answers to the questions used to measure each constructor indicator are consistent and the constructs are reliable/reliable.

4.3 Measurement Model Fit Test

After the measurement model is valid and reliable, the next step is to test the fit of the model.

Table 7. Model Fit Test Results

GOF	Acceptable match rate	Model Index	Note:
Chi-Square	The smaller the better (p-value 0.05)	80.55 (p-value 0.057)	good fit
GFI	GFA 0.90 good fit 0.80 GFI 0.90 marginal fit	0.81	Marginal Fit

RMSR	RMSR 0.05 good fit	0.035	good fit
RMSEA	RMSEA 0.08	0.076	good fit
CFI	CFI 0.90 good fit	0.94	good fit

Based on Hooper et al (2008), assessing the size of the model fit by looking at the value of the chi-square test, RMSEA, CFI, and RMSR. Therefore, the compatibility test shows the fit model, so it can be concluded that the model used in this study can be used as the basis for analyzing the problems of this study.

The following structural equation modeling is formed,

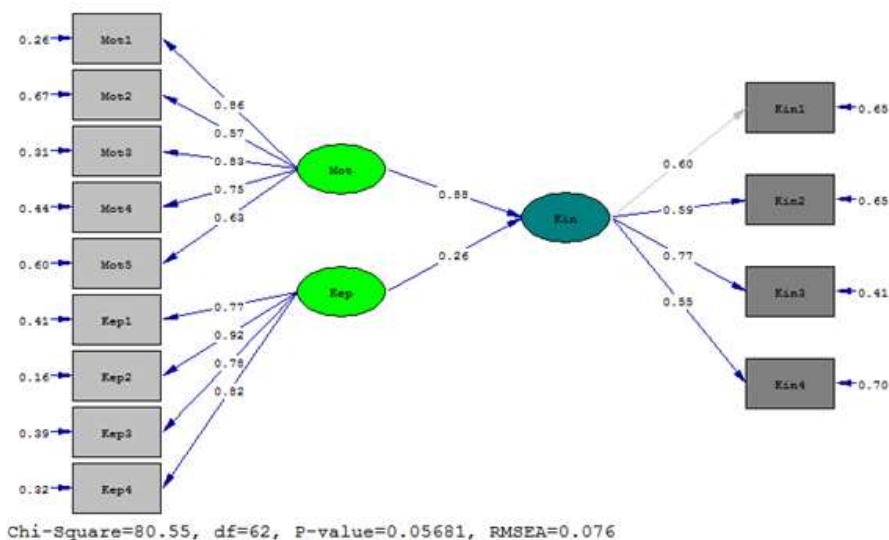


Figure 3. Standardized Solution Method RML

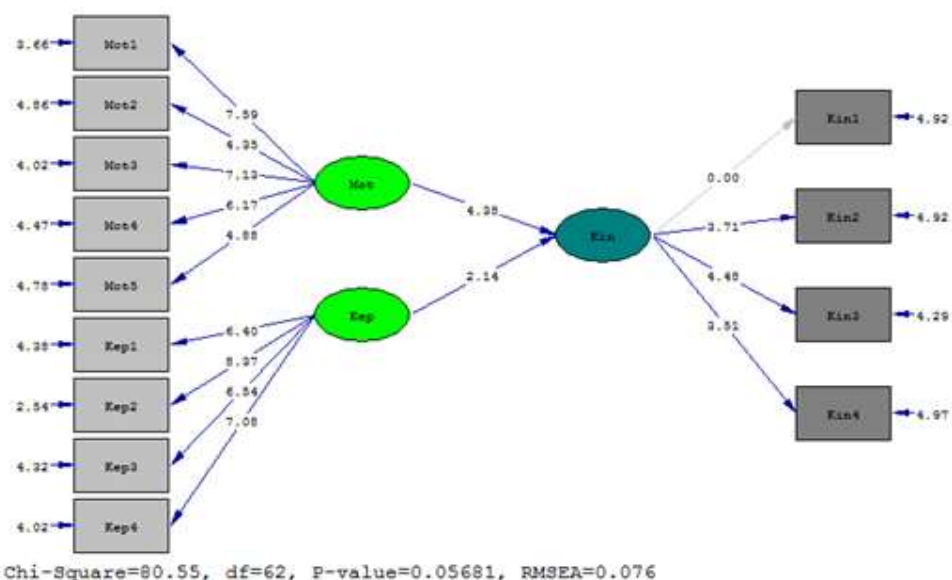


Figure 4. T Value Solution RML method

In the T-Value estimation results, some variables do not have a trajectory, namely the relationship between Kin and Kin1. This is because the variable has been set as a reference variance, which means that the manifest variable is significantly related to the latent variable.

Table 8. Results of structural equation analysis

Exogenous latent variable	Standardized coefficient	T value	Note:	R ²
X1	0.88	4.48	Significant	0.65
X2	0.26	2.14	Significant	

So that the structural equations model is $Y = 0.88X1 + 0.26X2$, the coefficient shows the effect of each independent variable on the dependent variable. In addition, it can be seen the coefficient of determination (R²) which serves to show how much contribution is given simultaneously to the dependent variable. This means that the determinant coefficient of 0.65 means that 65% of the variables of work motivation and leadership style can explain organizational performance in the VUCA era. While the remaining 35% is influenced by other variables outside of this research variable. The results of this study are in line with the results of Tampi's (2014) research which explains that leadership style and motivation affect employee performance with the simultaneous contribution of the independent variable to the dependent variable of 63.7%. Work motivation has an effect on employee performance, which shows that motivation is a driving force to carry out activities to get better results

Organizations are trying to face this VUCA era by considering increasing Natural Resources (HR) to be able to master the skills needed to build and develop organizations. In this era, changes in uncertainty in economic movements cause shifts that are not decisive so that leaders must have strategies and develop capabilities to find business opportunities so that they can improve the performance of the organization.

In organizational life, encouraging is a form of work motivation to subordinates in improving organizational performance. Siagian (2002) says that in organizational life, including working life in organizations, the aspect of work motivation gets serious attention from leaders who are in direct contact with subordinates at work every day. Motivation itself is a reaction that arises from within a person as an encouragement due to external stimuli that affect the fulfillment of certain goals (Suranta, 2002). Without the motivation that arises in a person, the performance of the organization will not be in line with expectations. Therefore, someone doing work must have responsibility for the tasks given and carried out in the organization as a form of work motivation.

If in an organization employees have high motivation, it can be ascertained that organizational performance will be more effective. Therefore, this motivation can also be supported by a good leadership style. A leader must apply a leadership style to manage his subordinates because a leader will greatly affect the success of the organization in achieving its goals (Guritno and Waridin, 2005). Leadership style is a pattern of behavior designed in such a way as to influence subordinates to maximize the performance of their subordinates so that organizational performance and organizational goals can be maximized (Tampi, 2014). Thus the measurement of organizational performance can be seen from work motivation and leadership style. So that policymakers can pay attention to these variables.

V. Conclusion

In facing this VUCA era, organizations take into account that their human resources must be able to face the challenges of VUCA, one of which is mastering the skills needed to build and develop an organization in this VUCA era. Based on the results of the analysis, the equation model $Y = 0.88X_1 + 0.26X_2$. The test results show that there is an influence of work motivation and leadership style on organizational performance in the VUCA era. This means the increased motivation and leadership style, the better the organizational performance significantly. Furthermore, when viewed from the determinant coefficient of 0.65, this coefficient shows that work motivation and leadership style variables contribute 65%, and the other 35% is explained by other factors outside of this research variable. Thus the measurement of organizational performance can be seen from work motivation and leadership style. So that policymakers can pay attention to these variables.

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