

The Influence of Leadership Style and Organizational Commitment on Work Motivation and Organizational Performance (Case Study on the National Creative Economy Movement DPC (GEKRAFS) Probolinggo Regency)

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Abstract

This study aims to analyze the effect of leadership style and organizational commitment on work motivation and organizational performance. The population of this study are members of the National Creative Economy Movement DPC (GEKRAFS) Probolinggo Regency. In this study, the sampling technique used the entire population so that the respondents were determined to be 40 respondents. The data analysis method is descriptive quantitative. Quantitative analysis was performed using SmartPLS. In this study, the results showed that leadership style and organizational commitment had a significant effect on organizational performance, leadership style and organizational commitment had an effect on motivation, while motivation had no effect on organizational performance.

Keywords

leadership style;
organizational
commitment; motivation;
organizational performance



I. Introduction

Based on data from katadata.com, Indonesia's creative economy recorded that the Gross Domestic Product (GDP) of the creative economy (Ekraf) in 2016 had reached IDR 922.59 trillion. This GDP is projected in 2017 to exceed IDR 1000 trillion, and increase to IDR 1,105 trillion in 2018. In 2020, the contribution of the creative economy sector is estimated to reach IDR 1,100 trillion. Since 2010, the GDP of creative economy has continued to increase.

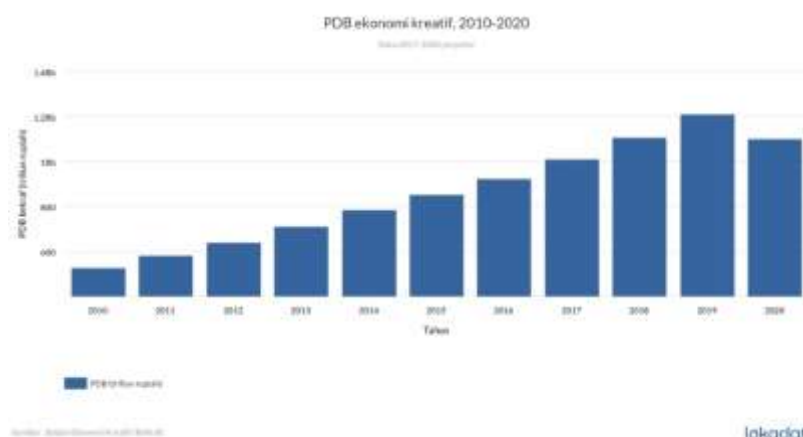


Figure 1. Performance of the Creative Economy in 2010-2010
(Source; Creative Economy Agency 2020)

In Figure 1, although it has good performance, it is inversely proportional to the declining Indonesian economy. Quoting from lokadata.com Indonesia's economic growth declined 2.97 percent.

The economic crisis that has an impact on the sluggish business climate has resulted in many companies/organizations having to make efforts to streamline or other internal consolidation as an effort to save money in order to survive and achieve growth through effective and efficient financial performance. The survival and growth of a company is not only determined by the success and managing finances based on the strength of capital or money alone, but is also determined from the success of managing human resources.

The management of human resources in question is that the company or organization must be able to unite the perspectives of employees and company leaders in the context of achieving company goals, among others, in the formation of a good working mentality with high dedication and loyalty to their work, by providing guidance and direction and good coordination. good at working by a leader to his subordinates. Once the importance of the role of leadership in an organization has become a focus that has attracted the attention of researchers in the field of organizational behavior.

According to Peter and John (2018), the leadership style is very influential on the success and failure of an organization. The role of a leader is needed in directing subordinates to achieve success according to organizational goals. Basuki, et al, (2016) revealed that a leader in general will use a leadership style according to his abilities and personality.

Anidar and Indarti (2015) state that commitment to the organization is an element of relationship orientation (active) between individuals and their organizations, this relationship orientation causes individuals (workers) of their own volition to be willing to give something and something given is to reflect their support for achieving organizational goals. Lapointe and Vandenberghe (2018), expressed their opinion that organizational commitment is an action that can show the strength and nature of the employee's relationship with the organization.

According to Ainanur and Tirtayasa (2018), suggesting that motivation is an activity that causes, distributes, and maintains an individual's behavior. In this case, motivation becomes an important thing for leaders, because leaders are required to work together and be mediated by other individuals. Motivation will provide opportunities for employees to increase their passion and morale (Dewi and Laras, 2014).

The results of research by Novita, Sunuharjo and Ruhana (2020) show that the organizational commitment variable has no significant effect on the employee performance variable. While Basuki (2016) the results of his research show that organizational commitment has a significant positive effect on employee performance.

Yayan Alfian Nugraha (2016) the results of his research show that there is a significant influence between the Leadership Style variable on the Y variable (Employee Work Motivation), there is a significant influence between leadership style and employee motivation. While Basuki's research (2016) the results of his research show that leadership style has no effect on work motivation, organizational commitment has a significant positive effect on work motivation, work motivation has a significant positive effect on employee performance, leadership style has no effect on employee performance, organizational commitment has a significant positive effect on employee performance and leadership style has no significant positive effect on performance by mediating work motivation.

Therefore, this explanation is the reason why it is necessary to conduct research on Leadership Style and Organizational Commitment, Its Effect on Work Motivation and Organizational Performance at DPC GeKrafs Probolinggo Regency.

II. Review of Literature

2.1 Organizational Performance

According to Sutrisno (2016), performance is a success of a person or group in carrying out organizational tasks in accordance with their respective authorities and responsibilities or about how a person or group is expected to function and behave in accordance with the burden that has been assigned to him based on quantity, quality, and performance time spent on the task. According to Slamet in Alsaba (2019), organizational performance indicators are measured by several indicators, namely:

1. Group goals
2. Group structure
3. Task function
4. Pressure on the group
5. Group coaching
6. Compactness
7. Group atmosphere
8. Group effectiveness

2.2 Leadership Style

Leadership style or leadership is an ability possessed by a person to influence others (in terms of work) which aims to achieve predetermined organizational goals. Meanwhile, someone who is trusted as the person who leads the system in an organization or company is called a leader, Robbins et al. (2017). The indicators of leadership style according to Kartono (2016) are broadly as follows:

1. Decision making ability
2. Motivating ability
3. Communication skills
4. Ability to control subordinates
5. Ability to control emotions

2.3 Organizational Commitment

Organizational commitment is a condition in which an employee sided with a particular organization and its goals, and intends to maintain membership in that organization (Robbins, 2014). According to Sianipar (2014) suggests that there are three indicators that can be used to measure organizational commitment, including:

1. Affective commitment
2. Continuity commitment
3. Normative commitment

2.4 Work Motivation

According to Merihot in Marlinna (2017) Motivation is the factors that direct and encourage a person's behavior or desire to carry out an activity that is asked in the form of a hard effort. Motivation are drives that initiate a person's behaviour to act in a certain way. For someone to act either positively or negatively depend on incentives that is available (Takwate, 2021). Purwanto in Khairani (2020) which states that "motivation is a

conscious effort to influence a person's behavior so that he moves his heart to act to do something so as to achieve certain results or goals". According to Mc Donald in motivation (Kompri in Irhamna, 2020) is a change in energy in a person's personality which is marked by the emergence of affective (feelings) and reactions to achieve goals, so that the emergence of motivation in individuals can be realized or not. Meanwhile, according to Mangkunegara (2014) that work motivation is measured by the following indicators:

1. Hard work
2. Future orientation
3. Effort to move forward
4. Preferred coworkers
5. High level of ambition
6. Task/goal orientation
7. Perseverance
8. Use of time

III. Research Method

3.1 Types of Research

The type of research used by the researcher is quantitative research. Quantitative research method itself can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is / statistics with the aim of testing hypotheses. has been established (Sugiyono, 2019).

3.2 Research Sites

The research location is the place where the research is conducted. To obtain data, the research location is precisely in the kraksa village, kraksa sub-district, Kab. Probolinggo, East Java Province.

3.3 Research Population

Sugiyono (2017) says "Population is an area of generalization, objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions". In this study, the population is the entire research subject, namely the entire board and members who are members of the National Creative Economy Movement organization (GEKRAFS) Probolinggo Regency.

3.4 Research Sample

The sample in this study was the management of the creative economy movement organization (GEKRAFS) DPC Probolinggo Regency. Sugiyono (2017:6) reveals that the sample is part of the number and characteristics possessed by the population. According to Indriantoro and Supomo (2014), researchers can examine the entire population (called a census), or examine a part of the population (called sample research). The sample in this study used the entire population as many as 40.

3.5 Data Analysis Technique

Statistical analysis in this study will be assisted by the PLS linearity program version 3.0

IV. Results and Discussion

4. 1 Partial Least Square (PLS) Analysis

a. Evaluation of the Measurement Model (Outer Model)

Table 1. Validity Test Results on the Questionnaire with SmartPLS

Variable	Indicator	Loading Factor	AVE	Cronbach's Alpha
Leadership Style (X1)	X1.1	0.926	0.740	0.881
	X1.2	0.907		
	X1.3	0.750		
	X1.4	0.848		
Organizational Commitment (X2)	X2.1	0.858	0.676	0.902
	X2.2	0.798		
	X2.3	0.726		
	X2.4	0.898		
	X2.5	0.769		
	X2.6	0.870		
Motivation (Z)	Z.1	0.744	0.689	0.935
	Z.2	0.877		
	Z.3	0.851		
	Z.4	0.822		
	Z.5	0.845		
	Z.6	0.889		
	Z.7	0.772		
	Z.8	0.831		
Organizational Performance (Y)	Y.1	0.685	0.598	0.863
	Y.2	0.876		
	Y.3	0.831		
	Y.4	0.747		
	Y.5	0.630		
	Y.6	0.841		

Source: Data processed, 2022

SmartPLS is carried out to test the measurement model (outer model), evaluate the structural model (inner model) and test the hypothesis. The results of the convergent validity test use a loading factor and can be said to be valid if it has a loading factor value above 0.6. The results of the loading factor in Table 1.1 show results above 0.6 which means all data are valid. The discriminant validity test was tested using the AVE value with the AVE test value above 0.5. The AVE value in Table 1.1 shows results above 0.5 which means all data are valid. As well as the reliability test using Cronbach alpha with a value of more than 0.6. The Cronbach alpha value in Table 1.1 shows results above 0.6, which means that all data are reliable.

4.2 Structural Model Evaluation (Inner Model)

a. Path Model

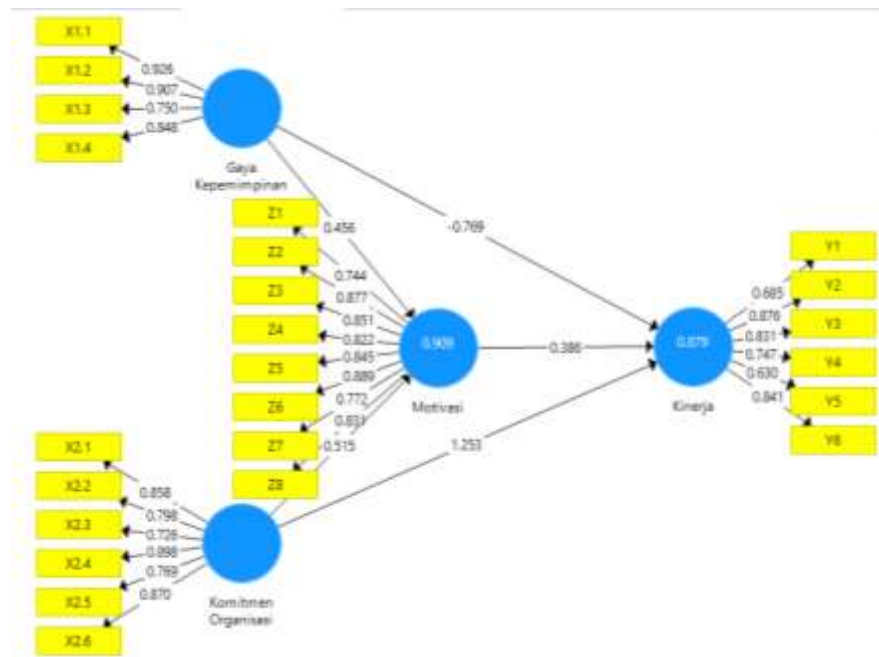


Figure 1. Path Model

Leadership style affects motivation by 0.456 or 45.6%, leadership style affects organizational performance by -0.769 or -76.9%, organizational commitment affects motivation by 0.515 or 51.5%, organizational commitment affects organizational performance by 1.253 or 125.3 %, and motivation affects organizational performance by 0.386 or 38.6%.

b. Goodness of Fit Model

In the formula above, it can be seen that the predictive-relevance value is 98.9%, so the model in this study can be concluded as feasible. Furthermore, the predictive-relevance value of 98.9% indicates that there is a variation in the data in the study of 98.9%. While the remaining 1.1% is explained by other variables (which have not been contained in the model) and errors. These results say that the PLS model that is formed is good, because it can explain 98.9% of the overall information.

4.3 Hypothesis Test

a. Live Hypothesis Testing

Table 2. Direct Influence

Hypothesis	Connection	Original Sample	t-statistics	P Value	Information
H1	Organizational Performance Leadership Style →	-0.769	4.134	0.000	Significant
H2	Organizational Commitment Organizational →	1.253	5,959	0.000	Significant

	Performance				
H3	Motivational Leadership Style →	0.456	3,671	0.000	Significant
H4	Motivational Organizational Commitment →	0.515	3.995	0.000	Significant
H5	Motivation → Organizational Performance	0.386	1,669	0.096	Not significant

Source: Data processed, 2022

b. Leadership Style Significant Effect on Organizational Performance (H1)

Table 2 shows that leadership style has a significant influence on organizational performance variables seen from the t-count value of 4.134. The t-count value is greater than the t-table value (1.96) and the P-Value value is $0.000 < 0.05$ so it can be concluded that hypothesis 1 (H1) is accepted. The accepted hypothesis indicates that the leadership style applied by the DPC National Creative Economy Movement (GEKRAFS) Probolinggo Regency can be felt by its members and has a significant effect on organizational performance. The better the perceived leadership style of organizational members, the higher the level of organizational performance.

c. Organizational Commitment Has Significant Effect on Organizational Performance (H2)

Table 2 shows that organizational commitment has a significant effect on organizational performance variables seen from the t-count value of 5.959. The t-count value is greater than the t-table value (1.96) and the P-Value value is $0.000 < 0.05$ so it can be concluded that hypothesis 2 (H2) is accepted. The accepted hypothesis indicates that the organizational commitment applied by the DPC of the National Creative Economy Movement (GEKRAFS) in Probolinggo Regency has a significant effect on organizational performance. The better the organizational commitment felt by its members, the higher the level of organizational performance.

d. Leadership Style Has a Significant Influence on Motivation (H3)

Table 2 shows that the leadership style has a significant effect on the motivation variable seen from the t-count value of 3.671. The t-count value is greater than the t-table value (1.96) and the P-Value value is $0.000 < 0.05$ so it can be concluded that hypothesis 3 (H3) is accepted. The accepted hypothesis indicates that the leadership style applied by the DPC National Creative Economy Movement (GEKRAFS) Probolinggo Regency can be felt by its members and has a significant effect on motivation. The better the perceived leadership style of organizational members, the higher the level of organizational motivation.

e. Organizational Commitment Significantly Affects Motivation (H4)

Table 2 shows that organizational commitment has a significant effect on the motivational variable seen from the t-count value of 3.995. The t-count value is greater than the t-table value (1.96) and the P-Value value is $0.000 < 0.05$ so it can be concluded that hypothesis 4 (H4) is accepted. The accepted hypothesis indicates that the organizational commitment applied by the DPC of the National Creative Economy Movement (GEKRAFS) in Probolinggo Regency has a significant effect on motivation. The better the

organizational commitment felt by its members, the higher the level of organizational motivation.

f. Motivation Has No Significant Effect on Organizational Performance (H5)

Table 2 shows that motivation does not have a significant effect on organizational performance variables seen from the t-count value of 1,669. The t-count value is greater than the t-table value (1.96) and the P-Value value is 0.096 so it can be concluded that hypothesis 5 (H5) is rejected. The rejected hypothesis indicates that the motivation applied by the DPC of the National Creative Economy Movement (GEKRAFS) in Probolinggo Regency has not significantly affected organizational performance. The lower the motivation felt by its members, the lower the level of organizational performance.

g. Indirect Hypothesis Testing

Table 3. Indirect Influence

	Path Analysis	Original Sample	t-statistics	P Value	Note.
H6	Organizational Performance ← Motivation → Leadership Style	0.176	1,536	0.125	Not significant
H7	Motivational Organizational Commitment → Organizational Performance	0.199	1.431	0.153	Not significant

Source: Data processed, 2022

h. Leadership Style No Significant Effect on Motivation through Organizational Performance (H6)

Table 3 shows that leadership style has no significant effect on organizational performance through motivational mediation. These results indicate that hypothesis 6 (H6) is rejected. Judging from the t-count value of 1.536 and below the t-table value of 1.96. The P-value of 0.125 or above the standard significance of 0.05 also proves that the leadership style variable does not have a significant effect on organizational performance variables through motivational mediation. Based on these results, it can be concluded that the leadership style applied by The DPC of the National Creative Economy Movement (GEKRAFS) of Probolinggo Regency cannot influence organizational performance through organizational motivation.

i. Organizational Commitment No Significant Effect on Organizational Performance through Motivation (H7)

Table 3 shows that organizational commitment has no significant effect on organizational performance through mediation of motivation. These results indicate that hypothesis 7 (H7) is rejected. Judging from the t-count value of 1.431 and is below the t-table value of 1.96. The P-value of 0.153 or above the standard significance of 0.05 also proves that the organizational commitment variable does not have a significant influence on the organizational performance variable through mediation of motivation. Based on these results, it can be concluded that the organizational commitment applied by The DPC of the National Creative Economy Movement (GEKRAFS) of Probolinggo Regency cannot influence organizational performance through organizational motivation.

V. Conclusion

This writing analyzes the influence of leadership style and organizational commitment on organizational performance through motivation as a mediating variable. The results of this study indicate that all hypotheses are accepted except motivation has no effect on organizational performance and motivation has not been able to mediate the influence of leadership style and organizational commitment on organizational performance. The limitation of this research is that it only uses one case study, not covering other organizations. This is a recommendation for further research to expand the object of research so as to get more descriptive results by using variables other than leadership style and organizational commitment.

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