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The Influence of Leadership Style and Organisational Culture on Employee Performance at PT Bank Mandiri (Persero) Tbk Palembang Area Arief

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Abstract---*This study was conducted to determine the effect of leadership style and organisational culture on employee performance at PT Bank Mandiri (Persero), Tbk Palembang Arief Area. The population in this study were all permanent employees at PT Bank Mandiri (Persero), Tbk Arief Area which amounted to 211 employees. Based on calculations using the Slovin formula, the sample who became respondents in this study became 138 employees at PT Bank Mandiri (Persero), Tbk using a random sampling technique in determining the sample. The results of multiple linear regression analysis show that leadership style and organisational culture have a positive and significant effect on employee performance. Leadership style, it is expected that the role of superiors is in giving praise or appreciation to employees because it is still considered important for employees. Organisational culture, it is expected that there should not be too frequent changes in organisational structure both internally in branch offices and employee transfers to other branch offices or other regional offices.*

Keywords---*employee performance, leadership style, organisational culture.*

Introduction

Banking is a financial institution that has a very important role in economic activities because, through credit activities and various services provided by banks, it can serve various needs in various sectors of the economy and trade. Banks are financial companies that rely on trust from the public in managing their funds (Kasmir, 2019). Indonesian banking in carrying out its functions is based on the principle of prudence. The main function of Indonesian banking is as a collector and distributor of public funds and aims to support the implementation of national development to increase equitable development and its results, economic growth and national stability, towards improving the lives of many people (Financial Services Authority, 2020).

Based on Law Number 10 of 1998 (Republik Indonesia, 1998), the purpose of Indonesian banking is to support the implementation of national development to increase equity, economic growth, and national stability towards improving people's welfare. Banking development needs to be supported by appropriate human resources (HR), both

in terms of quantity and quality. However, the fact is that human resources who do not have a background in banking knowledge are still widely involved in banking institutions. Of course, this condition greatly affects the productivity and professionalism of the banking sector (Indahsari et al., 2023).

PT Bank Mandiri became a Company as stated in Deed No.9, dated 2 October 1998, hereinafter referred to as PT Bank Mandiri (Persero). PT Bank Mandiri (Persero) was established as part of the Indonesian government's banking restructuring programme. In July 1999, four state-owned banks - Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia and Bank Pembangunan Indonesia - were merged into Bank Mandiri, each of which had an integral role in the development of the Indonesian economy. To this day, Bank Mandiri continues its tradition of more than 140 years of contributing to the banking world and the Indonesian economy (www.bankmandiri.co.id, 2023).

Organisational culture is crucial in an organisation as well as in PT Bank Mandiri. Organisational culture is considered to be related to organisational development and organisational change. Through Decree number SK-115/MBU/05/2022A, the Ministry of SOEs established an organisational culture for all state-owned enterprises (SOEs), through the core values of AKHLAK or an acronym for Amanah, Kompeten, Harmonious, Loyal, Adaptive, and Collaborative. The core values of organisational culture within SOEs have been instilled by Minister of State-Owned Enterprises Erick Thohir since 1 July 2020.

In its implementation, Bank Mandiri's SOE morals play an important role in how employees think and act. By upholding these values, Bank Mandiri employees not only become better at performing their duties but also become agents of change that help advance the company. This cultural transformation is expected to bring positive changes in Bank Mandiri's performance, welfare and contribution to the nation. An organisation's culture is an important factor that can influence its response to its external environment. It is a system of shared values about what is important and beliefs about how to work. With this, organisational culture provides a framework that organises and directs positive behaviour between the role of organisational culture to improve employee performance (Anggiani, 2021).

Research Methods

The population in this study were all permanent employees at PT Bank Mandiri (Persero), Tbk Arief Area, totalling 211 employees.

Table 1
Number of Employees of PT Bank Mandiri (Persero) Arief Area, Tbk Year 2023

No.	Division	Total
1	Cluster Micro Area	58
2	Area Transaction Funding	20
3	Business Support	32
4	Branch Operational	101
Total		211

Source: Internal Data PT Bank Mandiri (Persero), Tbk

Based on calculations using the Slovin formula, the sample of respondents in this study was 138 employees at PT Bank Mandiri (Persero), Tbk. This is done to facilitate data processing and for better test results. Samples are taken based on random sampling techniques where researchers provide equal opportunities for each member of the population (employee) to be selected as a sample which is done randomly without regard to the strata that exist in the population itself (Eliyana & Ma'arif, 2019; Karatepe et al., 2006).

Result and Discussion

- The t value of the leadership style variable (X1) is 6.252 and the significance value is 0.000, so the value $t > t_{table}$ (6.672 > 1.977) or the value (Sig.) 0.000 < 0.05. This means that leadership style has a significant effect on employee performance at PT Bank Mandiri (Persero), Tbk Palembang Arief Area. This proves that the first hypothesis of leadership style has a positive and significant effect can be accepted.
- The t value of the organisational culture variable (X2) is 7.666 and the significance value is 0.000, so the value $t > t_{table}$ (7.666 > 1.977) or the value (Sig.) 0.000 < 0.05. This means that organisational culture has a significant effect on employee performance at PT Bank Mandiri (Persero), Tbk Palembang Arief Area. This

proves that the second hypothesis of organisational culture has a positive and significant effect can be accepted.

The effect of leadership style on employee performance at PT Bank Mandiri (Persero), Tbk Palembang Area Arief

The analysis results obtained in this study indicate that leadership style has a positive and significant effect on employee performance so the first hypothesis can be accepted. The results of this study are in line with the results of research from (Zgrzepski, 2022); (Kalsoom et al., 2018); (Arif & Akram, 2018); (Zulkifli & Heliyani, 2021); (Muaja et al., 2022); (Paais & Pattiruhu, 2020); (Shafi et al., 2020); (Lai et al., 2020); (Sudarman et al., 2019); (Li et al., 2019); (Miao & Cao, 2019); (Manzoor et al., 2019); (Harb & Sidani, 2019); (Paoluccia et al., 2018); (Luhur, 2016); (Lumenta et al., 2019) show the results that leadership style has a positive and significant effect on employee performance.

Based on respondents' responses to the indicator of superiors giving praise if subordinates work well, it shows the lowest value. This shows that the superiors at PT Bank Mandiri (Persero), Tbk Palembang Arief Area are considered by some employees to have never given praise to employees. The results of the author's interviews with several respondents, respondents who are employees of PT Bank Mandiri (Persero), Tbk Palembang Arief Area said that superiors have never given praise or appreciation to employees, especially for employees who provide good work results or work performance. This creates a lack of enthusiasm for employees in carrying out their work, where employees feel a lack of praise or appreciation for employees who can contribute and achieve following company targets (Yang et al., 2011; Andrews et al., 2012; McColl-Kennedy & Anderson, 2005).

Respondents' responses to the indicator that the boss sets the standard for completing tasks following the job description given show the highest score. This shows that the supervisor of PT Bank Mandiri (Persero), Tbk Palembang Arief Area provides standards/targets for completing work in various divisions. This makes employees feel more enthusiastic about carrying out their work and employees are able and continue to strive to achieve the targets that have been set (Kuzu & Özilhan, 2014; Güngör, 2011).

Effect of organisational culture on employee performance at PT Bank Mandiri (Persero), Tbk Palembang Area Arief

The results of the analysis obtained in this study indicate that organisational culture has a positive and significant effect on employee performance so the second hypothesis can be accepted. The results of this study are in line with the results of research from (Antika & Dwiridotjahjono, 2022); (Anggiani, 2021); (Wicaksono et al., 2021); (Suaiba et al., 2021); (Apriansyah & Syarifuddin, 2021); (Paais & Pattiruhu, 2020); (Nur et al., 2020); (Pasaribu, 2020); (Sudarman et al., 2019); (Dumanauw et al., 2018); (Paais & Pattiruhu, 2020), (Dumanauw et al., 2018); (Novziransyah, 2017); (Jannah, 2016) show the results that organisational culture has a positive and significant effect on employee performance.

Based on respondents' responses to the indicator that all team members support each other sportively, it shows the lowest value. This shows that team members at PT Bank Mandiri (Persero), Tbk Palembang Arief Area are less supportive team members. Based on interviews with several respondents who are employees of PT Bank Mandiri (Persero), Tbk Palembang Area Arief said that frequent changes and frequent employee transfers have caused relationships that have not been established with fellow employees. This makes employees prefer to work individually rather than working in teams. In addition, with frequent changes in team members, there is a lack of adaptation by employees (Ogbeibu et al., 2018; Liu et al., 2021; Mohelska & Sokolova, 2015).

Respondents' responses to the indicator I try to improve the effectiveness of my way of working to obtain optimal results showed the highest value. This shows that the employees of PT Bank Mandiri (Persero), Tbk Palembang Arief Area have been able to work well following the job desc given and can prioritise the work that is their duty and responsibility following the expectations and targets set by the company.

Conclusion

- a) Leadership style has a positive and significant effect on employee performance at PT Bank Mandiri (Persero), Tbk Palembang Arief Area.
- b) Organisational culture has a positive and significant effect on employee performance at PT Bank Mandiri (Persero), Tbk Palembang Arief Area

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