

The Influence of Situational Leadership, Organizational Culture and Training on Employee Performance and Work Motivation of Millennial Generation at the Inspection Office of BRI Malang

Mohammad Reza¹, Rofiaty Rofiaty², Atim Djazuli³

¹²³Faculty of Economic and Business Universitas Brawijaya, Malang, Indonesia

Abstract

Generation Millennial or Gen Y is the labor force that will dominate in every company in the next few years in Indonesia, as well as in banking such as Bank Rakyat Indonesia and Inspection Office of BRI Malang in particular. The purpose of this research is to know the influence of situational leadership, organizational culture and training on employee performance and work motivation of millennial auditors at Inspection Office of BRI Malang. This study used a sample of 63 millennial auditors with partial least square method (PLS). The results of this study indicate, situational leadership has significant influence on employee performance and work motivation of millennial auditor at the Inspection Office of BRI Malang. However, organizational culture has insignificant influence on employee performance and work motivation and also has insignificant influence on employee performance through work motivation. Training has insignificant influence on employee performance but has significant influence on work motivation and also on employee performance through work motivation. Work motivation has significant influence on employee performance. The findings in this study indicate that a rigid organizational culture and training that does not improve skills and provide a space of appreciation to the millennial auditor, have insignificant influence on employee performance and work motivation at the Inspection Office of BRI Malang.

Keywords: Situational Leadership, Organizational Culture, Training, Employee Performance, Work Motivation, Millennial Generation

INTRODUCTION¹

Every company has long-term goals that are poured in the vision, mission and special strategies on an ongoing basis. The company needs the carrying capacity in the form of four main pillars to achieve the long-term goal, there are: qualified human resources, integrated systems and technologies, appropriate strategies and adequate logistics. In the context of operational management, the role of human resources has a central position. Therefore, it is important to have qualified human resources within the company.

According [1], qualified human resources are human resources that have at least four characteristics (4c) which include: (1) commitment to the organization (2) having adequate competence (knowledge, skill, abilities, experience) "Cost effectiveness" in every action,

and (4) congruence at goals. Points 1,2 and 3 are related to organizational culture, training and leadership as well as point 4 related to employee performance and work motivation.

According [2], future human resource practices will provide a new challenge for the business world that will be colored by several new dynamics: (a) talent crisis, (b) aging workforce in the western world, (c) increase in global worker mobility, and (d) matters relating to organizational and cultural issues that arose as a direct impact of this decade's changes.

According [3], talent crisis refers to the phenomenon of the emergence of the diversity of generations in the labor force, especially in Indonesia today. According [4], the generation is the grouping of people based on the year of birth, the shared historical and sociological experience. Generation in Indonesia according [3] divided into

Correspondence address:

Mohammad Reza

Email : rezamohammad09@gmail.com

Address : Faculty of Economic and Business
Universitas Brawijaya, Malang, Indonesia

5 (five) generation that are (1) Traditional (born 1922-1943), (2) Baby Boomers (born 1944-1964), (3) Gen X (born 1965-1977), (4) Millennial Generation/ Gen Y (born 1978-1994), and (5) Gen Z (1995-present birth).

In Indonesia, the generation in the labor force is currently dominated by 2 (two) generations, Generation X and Millennial Generation. According [3], Generation X is characterized by having a high loyalty with the company, focusing on process and incompetent technology while Millennial Generation is a generation that is less loyal to the company, focusing on the ultimate goal and skilled technology. If a company with the leader from Generation X does not understand the motivation of the Millennial Generation then employee performance will not be good that will affect the long-term goals, vice versa [3]. Therefore, the application of organizational culture, leadership style and training is needed in order to improve the work motivation and employee performance within a company.

According [5], employee performance refers to the degree of achievement of tasks that constitute an employee's job. Good or bad employee performance is seen from the ability of employee in carrying out tasks that became his responsibility. One that can influence employee performance is motivation.

According [6], motivation is the process of generating, energizing, directing, and nurturing behavior and performance at work. According [7], motivation is ideas and initiatives to encourage individuals to do something or for better job performance. The study of work motivation with employee performance is supported by research [8], [9], [10] and [11] that work motivation has a significant influence on employee performance. Where, in the study [12] it was suggested that work motivation had an insignificant effect on employee performance. Motivation is also influenced by organizational culture, empirical research that supports the organizational culture with work motivation is research [13], [9] and [10] that organizational culture has a significant influence on employee work motivation.

The phenomenon about the talent crisis arises due to millennial generation dominance is felt in the service industry, especially the banking industry. According [14] suggests the importance of looking at this issue from the generation gap that arises because of lack understanding of the existence of this generation. One of them is Bank Rakyat Indonesia (Persero), Tbk in general and Inspection Office of BRI Malang in particular.

Organizational culture at Inspection Office BRI Malang is called with Brilliant greetings that are consisting of Integrity, Professionalism, Trust, Innovation and Customer Centric. Trust is the culture that chosen in this study. The role of leadership is important for the implementation of trust in organizational culture. Characteristic differences between Generation X and Millennial Generation require a non-rigid leadership style, situational leadership is chosen in this research. The study of situational leadership with employee performance is supported by research [15], [16], [17], [18], [8], [12] and [19] that situational leadership has significant influence on employee performance. Where, research conducted by [20] does not support that the Situation Leadership Theory (SLT) has no relationship to the employee performance.

Complementing organizational culture and situational leadership, the training will support employee performance and work motivation. Training is useful to improve 1) The hard skill of Millennial Auditor is not to be underestimated by senior (Generation X) and 2) The soft skill of Millennial Auditors have good ethics in working to reduce friction in work. Therefore, situational leadership, organizational culture and training will be tested for influence on work motivation and performance of millennial auditors in the framework of the long-term objectives of BRI Malang Inspection Office BRI Malang as The Best Inspection Office in PT. Bank Rakyat Indonesia can be realized and in its capacity to support the long-term goals of PT. Bank Rakyat Indonesia in general.

Based on the background, then the problem formulation as follows:

- 1) Does situational leadership influence employee performance?
- 2) Does the organizational culture influence employee performance?
- 3) Does training influence employee performance?
- 4) Does work motivation influence employee performance?
- 5) Does situational leadership influence work motivation?
- 6) Does the organizational culture influence work motivation?
- 7) Does training influence work motivation?
- 8) Does situational leadership influence employee performance through work motivation?

9) Does the organizational culture influence employee performance through work motivation?

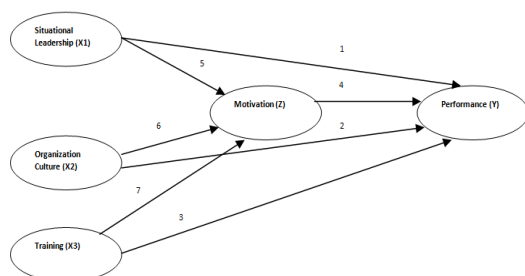
10) Does training influence employee performance through work motivation?

Based on the formulation of research problems, then the purpose as follows:

- 1) To analyze the influence of situational leadership on employee performance.
- 2) To analyze the influence of organizational culture on employee performance.
- 3) To analyze the influence of training on employee performance.
- 4) To analyze the influence of work motivation on employee performance.
- 5) To analyze the influence of situational leadership on work motivation.
- 6) To analyze the influence of organizational culture on work motivation.
- 7) To analyze the influence of training on work motivation.
- 8) To analyze the influence of situational leadership on employee performance through work motivation.
- 9) To analyze the influence of organizational culture on employee performance through work motivation.
- 10) To analyze the influence of training on employee performance through work motivation

MATERIAL AND METHOD

This research has used quantitative descriptive approach which pointed to theory and concept examination through variable measurement in matrix and number. That is according to data analysis procedure and statistic tools to measure and examine hypothesis. This also has used survey methods to get a decided information and population. The Research has done in Kantor Inspeksi BRI Malang. The technic used in analyzing statistic multivariate data has known as PLS (Partial Least Square). PLS smart program 2.0 version.



Picture 1.1 Conceptual Framework Research

Data Collection

This research has used primary and secondary data, primary data obtained by direct interview with millennial auditors in Kantor Inspeksi BRI Malang. Data source came from database according to biodata of respondents. The researcher had visited those respondent to fill in the questioner through interview, so the data result is pure from respondent. Secondary data is data obtained through online website and library. Primary data which are came from 63 respondent who fill in the questioner through direct interview became a research sample. Variable measurement technic in this research used questioner contain of questions has to be answered by respondent by choosing one of those suitable answers, quantitative questioner has used 1 through 5 likert scale, which are 1) very disagree 2) disagree 3) quite agree 4) agree and 5) very agree.

RESULT AND DISCUSSION

Table 1.1 Respondent Characteristic

No	Characteristic	Frequency (%)
1	Gender :	
	Male	81.00%
	Female	19.00%
2	Age:	
	24 – 30	63.49%
	31 – 35	6.34%
	36 – 40	30.17%
3	Position :	
	Auditor	36.50%
	Branch Resident Auditor	28.60%
	Sub Branch Resident Auditor	34.90%
4	Education Background :	
	Bachelor	96.83%
	Master	3.17%
5	Working Period :	
	3 - 7 years	52.38%
	8 - 12 years	19.04%
	13 - 18 years	28.57%

Source : Processed primary data, 2018

2. Research Instrument Examination

2.1 Construct Validity Examination

Construct validity examination has done by counting convergent validity and discriminant validity. Convergent has found out through loading factor. An instrument stated that completing convergent validity examination if it has loading factor up to 0.6. In this research has

found that all the loading factors item that measure is more than 0.5. Therefore, all item which are measure variable above is valid. Besides loading factor, validity convergent also can be seen through Average Variance Extracted (AVE) and communality. An instrument said that has completed convergent validity examination if it has Average Variance Extracted (AVE) and communality up to 0.5. the result of convergent validity examination present in this table below:

Table 2.1 Result of Construct Validity Examination

No	Variable	AVE	Information
1	Situational Leadership	0.723	Valid
2	Organizational Culture	0.922	Valid
3	Training	0.852	Valid
4	Work Motivation	0.641	Valid
5	Employee Performance	0.543	Valid

Source : Processed primary data, 2018

2.2 Construct Reliability Examination

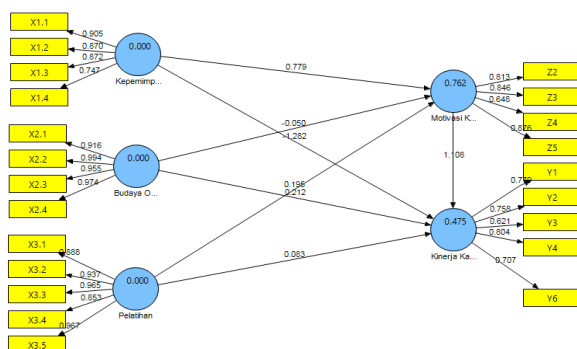
Construct reliability examination has done by cronbach alfa and composite reliability. Examination criteria stated valid if composite reliability more than 0.7, and cronbach alfa is more than 0.6. Examination result of composite reliability and cronbach alfa can be seen through conclusion in the table below:

Table 2.2 Result of Construct Validity Examination

No	Variabel	Composite Reliability	Cronbachs Alpha	Information
1	Situational Leadership	0.912	0.87	Reliable
2	Organizational Culture	0.979	0.971	Reliable
3	Training	0.966	0.956	Reliable
4	Work Motivation	0.876	0.807	Reliable
5	Employee Performance	0.855	0.794	Reliable

Source : Processed primary data, 2018

3. Partial Least Square (PLS) Analysis



Picture 3.1 Goodness of Fit Inner Model

Goodness of fit model used to find out how capable endogen variable to explain the variety of exogenous variable, or in other word to find out how big the contribution of exogenous variable toward endogen variable. Goodness of Fit Model in PLS analysis has been done using R-Square predictive relevance (R^2). Goodness of Fit Model result has concluded in the table below:

Table 3.1. Goodness of Fit Model

Variable	R^2
Motivation	0.762
Performance	0.475
$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2)$	
$Q^2 = 1 - (1 - 0.762) (1 - 0.475) = 0.875$	

Source : Processed primary data, 2018

3.1. Hypothesis Examination

3.1.1 Direct Effect Examination

Table 3.2 Direct Effect Examination

Exogen	Endogen	Path Coefficient	Standard Error	T Statistics	Information
X1	Z	0.779	0.028	28.033	Significant
X1	Y	-1.282	0.24	5.342	Significant
X2	Z	-0.05	0.044	1.124	Insignificant
X2	Y	0.212	0.124	1.716	Insignificant
X3	Z	0.195	0.033	5.914	Significant
X3	Y	0.083	0.064	1.307	Insignificant
Z	Y	1.108	0.189	5.858	Significant

Source : Processed primary data, 2018

The result shows that organizational culture has no influence on work motivation and employee performance because the value of t-statistics < t-table (1.96). Training also has no influence on work motivation and employee performance of millennial auditors in Inspection Office of BRI Malang because t-statistics < t-table (1.96).

3.1.2 Indirect Effect Examintaion

Table 3.3 Indirect Effect Examination

Eksogen	Mediasi	Endogen	Indirect	SE	T Statistics	Information
X1	Z	Y	0.863	0.151	5.735	Significant
X2	Z	Y	-0.055	0.05	1.104	Insignificant
X3	Z	Y	0.216	0.052	4.162	Significant

Source : Processed primary data, 2018

The result shows that organizational culture has no influence on employee performance

through work motivation because the value of t-statistics < t-table (1.96).

CONCLUSION

Based on problem formulations, purposes and discussion in this research, it can be concluded that :

1. Situational leadership has significant influence on employee performance. This indicates that the better the leader understands the situation faced by the millennial auditors at the Inspection Office of BRI Malang, the better the performance.
2. Organizational culture has insignificant influence on employee performance. This indicates that the 'trust' culture at the Inspection Office of BRI Malang is not understood by millennial auditors as part of performance improvement.
3. Training has insignificant influence on employee performance. This indicates that the training given to millennial auditors at the Inspection Office of BRI Malang has not been in accordance with the expected need to improve performance because the training method has not been fully hi-tech and training facilities have not been edutainment and still use indoor space.
4. Motivation has significant influence on employee performance. This indicates that the higher the motivation to be achieved by millennial auditors in the Inspection Office of BRI Malang, the higher the performance.
5. Situational leadership has significant influence on work motivation. This indicates that the better the leader understands the situation faced by the millennial auditors at the Inspection Office of BRI Malang then the motivation of his work will be better because the auditor feels heard and understood in every situation.
6. Organizational culture has insignificant influence on employee motivation. This shows that the culture of 'trust' at the Inspection Office of BRI Malang is not understood as part of the work motivation of millennial auditors.
7. Training has significant influence on work motivation. This indicates that millennial auditors at the Inspection Office of BRI Malang are motivated after receiving training because the training material in accordance with the auditor's self-actualization needs to demonstrate its potential.
8. Situational leadership has significant influence on employee performance through work

motivation. This shows that leaders who give praise and appreciation for millennial auditors at Inspection Office of BRI Malang, so that the work motivation and employee performance better.

9. Organizational culture has insignificant influence on employee performance through work motivation. This indicates that if the culture of 'trust' is increasingly being reminded, millennial auditors at the Inspection Office of BRI Malang feel supervised so that the employee performance is increasingly unaffected.
10. Training has significant influence on employee performance through work motivation. This indicates that the training provided has improved the millennial auditor skills at the Inspection Office of BRI Malang, so that the work motivation and employee performance improve.

SUGGESTION

In accordance with the results of research and conclusions above, it can be given some suggestions as follows:

1. There needs to be a different organizational culture to focus on the next research at Inspection Office of BRI Malang, namely 'innovation'. This is because millennial auditors are individuals who love freedom. The culture of 'trust' organizations is seen as a culture attached to each individual without being forced. Meanwhile, the organizational culture of 'innovation' is what millennial auditors like to practice on the job so as to enable millennial auditors to be motivated to be the best so that their work is appreciated by their superiors. The more appreciated, the millennial auditors performance the better. On the other hand, with the existence of organizational culture of 'innovation' and 'trust', it is expected to study the assimilation of organizational culture between Gen X and Millennial Generation at Inspection Office of BRI Malang.
2. There needs to be a hi-tech training method with training facilities that are not boring (edutainment) and carried out outdoor. Thus, at the time of the millennial auditor training can directly practice the work but with the fun atmosphere and the material can already be learned before the training begins (free access). Thus, with appropriate methods and training tools it is expected that millennial auditor performance will be better because of

the increasing skill and give appreciation room to the millennial auditors so that the work motivation will increase.

3. Future research, to further examine the gap between Millennial Early Generation and Millennial End Generation as the respondents of this study are dominated by the two. Thus, an examination of answers to questions and accuracy of answers can better describe the real situation.

Research Limitation

This study has limitations that allow to weaken the research results are :

1. There is a difference in mindset within the Millennial Generation, the Millennial Early Generation and the Millennial End Generation. Millennial Early Generation tends to have a mindset like the previous generation, the Generation X. While, Millennial End Generation, tend to have a mindset like the next generation, the Generation Z.
2. Residential areas of respondents stretching from Banyuwangi to Pacitan caused the collection of data to be longer due to the need for more in-depth interviews to produce appropriate answers.

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