Influence of Leadership and Organizational Climate on Employee Performance with Job Satisfaction as Intervening Variable at Denpasar National Polytechnic

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Abstract:
This study was conducted at the Denpasar National Polytechnic, as obtained related data the performance of employees who experience fluctuations, so factors that will affect the performance of PND employees will be investigated, namely leadership and organizational climate mediated by job satisfaction. The study population was all permanent employees at the 32nd Denpasar National Polytechnic. The sampling method uses the census method or saturated sample, so the number of respondents is 32 people. Based on the results of research and related discussions can be concluded: Leadership has a positive and significant effect on employee performance at the Denpasar National Polytechnic, organizational climate positive and significant effect on employee performance at the Denpasar National Polytechnic, Leadership has a positive and significant effect on employee job satisfaction at the National Polytechnic Denpasar, organizational climate has a positive and significant effect on job satisfaction of employees of the National Polytechnic Denpasar, Job satisfaction has a positive and significant effect on employee performance at the Denpasar National Polytechnic, Leadership has a positive and significant effect on employee performance with job satisfaction as an intervening variable at the Denpasar National Polytechnic. Organizational climate has a positive and significant effect on employee performance with job satisfaction as an intervening variable in the Denpasar National Polytechnic

Keywords: Leadership, organizational climate, job satisfaction, employee performance.

Introduction:
Background:

Human Resources (HR) is one of the important instruments for the organization in achieving its various goals so it must be managed properly through Human Resource Management (HRM). Human Resource Management is needed to improve the effectiveness of human resources in organizations (Rumondor, 2013: 114). According to Sutrisno (2015: 5), human resource management is the empowerment, development, assessment, remuneration and management of individual members of an organization or group of workers to achieve a performance in the organization. Employee performance is not just information to be able to do salary promotion or determination for the company. But how companies can motivate employees and develop a plan to improve performance degradation can be avoided. Employee performance needs an assessment with a view to providing a good opportunity for employees on their career plans in terms of strengths and
weaknesses, so that the company can determine the provision of salaries, provide promotions, and can see employee behavior. Performance appraisal is known as "performance rating" or "performance appraisal".

According to Rivai (2008) in Sandy (2015: 12), it gives an understanding that performance or work performance is the result or level of success of a person as a whole during a certain period in carrying out the task compared with various possibilities, such as the standard of work, targets or targets or criteria predetermined and agreed upon together.

Denpasar National Polytechnic (PND) in an effort to improve organizational performance, and realize its vision and mission, has a role as a higher education institution that organizes professional education (Vocational) and to fill the labor gap between high school graduates with undergraduate staff, this hope will not be realized if it is not supported fully by the availability of human resources at the Denpasar National Polytechnic, by making improvements to the leadership, organizational climate and job satisfaction so that employee performance may increase which will have a positive impact on improving the performance of the Denpasar National Polytechnic.

The elements of employee performance appraisal at the Denpasar National Polytechnic consist of four performance indicators, namely:

**Table 1. Elements of Employee Performance Appraisal at the Denpasar National Polytechnic**

<table>
<thead>
<tr>
<th>No</th>
<th>Indicator</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of Work</td>
<td>Performing additional tasks</td>
</tr>
<tr>
<td>2</td>
<td>Quality of Work The Implementation of basic tasks includes accuracy of tasks, work skills, and targets for achieving goals.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Timeliness</td>
<td>Timeliness of delivering daily reports</td>
</tr>
<tr>
<td>4</td>
<td>Attendance and Ability of cooperation</td>
<td>Work behavior includes responsibility, cooperation and discipline</td>
</tr>
</tbody>
</table>

Source: Staffing Bureau

Researchers use recapitulation of employee performance appraisal to determine employee performance at Denpasar National Polytechnic, employee performance appraisal is carried out by the Director Denpasar National Polytechnic namely Mr. I Made Adi Purwantara, ST., M.Kom through the head of the Bureau of personnel with the results in Table 2.

**Table 2. Results of Employee Performance Assessment at the National Polytechnic Denpasar**

<table>
<thead>
<tr>
<th>Kriteria</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very good</td>
<td>25</td>
<td>22</td>
<td>21</td>
<td>23</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>Good</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Quite good</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Not good</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Very poor</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: Recapitulation of Performance appraisal in July-December 2018 (Reprocessed)

Based on Table 2 the employee performance appraisal, the performance of Denpasar National Polytechnic employees experiencing fluctuations, especially in the very good category is still not optimal. The highest performance occurred in July with a total of 25 employees from 32 employees who achieved very good performance and the lowest in November, ie only 20 employees from 32 employees who could achieve very good performance. This indicates a problem with employee performance. This is consistent with interviews.
with the head of the civil service bureau and general Denpasar National Polytechnic namely Ayu Yuniati, Amd Ak. a case in table 3.

### Table 3. Results of interviews conducted with the Head of the Sub-Division of Personnel of the National Polytechnic of Denpasar Regarding Employee Performance

<table>
<thead>
<tr>
<th>No</th>
<th>Indicator</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of Jobs (Target Achievement)</td>
<td>There are still problems with completion of work, because the work provided is not in accordance with the educational background, especially old employees are high school graduates and have difficulty operating technology in Denpasar National Polytechnic</td>
</tr>
<tr>
<td>2</td>
<td>Timeliness</td>
<td>There are still employees who are unable to complete the work in accordance with the specified time</td>
</tr>
<tr>
<td>3</td>
<td>Attendance</td>
<td>There are still employees who do not enter without reason and are late even though they have been sanctioned will be deducted if the employee does not enter</td>
</tr>
<tr>
<td>4</td>
<td>Cooperation is</td>
<td>Employees not sensitive to work activities carried out by fellow other employees, meaning when there are some tasks that have not been carried out by some employees, the employees are less helpful to other employees to complete their duties</td>
</tr>
<tr>
<td>5</td>
<td>Responsibilities</td>
<td>There are some employees who are less responsible and honesty is still lacking, for example lacking responsibility ung responsible in the work for the use of facilities and pre facilities used.</td>
</tr>
<tr>
<td>6</td>
<td>Honesty of Employees</td>
<td>There are some employees who are not honest in carrying out their work duties, with the excuse of forgetting.</td>
</tr>
<tr>
<td>7</td>
<td>Knowledge About Work The</td>
<td>Placement of employees is sometimes not in accordance with the ability of the employee, so often the employee does not know what he will do is not in accordance with his work knowledge.</td>
</tr>
<tr>
<td>8</td>
<td>Initiatives</td>
<td>Some employees still lack initiative in carrying out the tasks assigned as well as tasks that have not been completed in the office.</td>
</tr>
<tr>
<td>9</td>
<td>Attitudes</td>
<td>Every employee's attitude is different, there are polite employees, but there are also employees who do not show courtesy between fellow employees and leaders.</td>
</tr>
<tr>
<td>10</td>
<td>Quality of Work</td>
<td>Expected quality of work is still not reaching the set standards</td>
</tr>
</tbody>
</table>

Observation results indicate that there are still employees who before the break at the cafeteria leave the work table, there are also employees who have long considered senior then playing games in a computer work facility on the work table. For effectiveness in doing work, employees need to have a behavior where employees not only work for their own interests but can contribute and participate in more than just formal work to their designated organizations and can help other employees to achieve effectiveness and efficiency at work.

The success of a college is supported by the role of a leader with a leadership style in influencing his subordinates and with a conducive organizational climate and how to create employee job satisfaction that will improve employee performance. One of the factors that influence performance is leadership.

A leadership has implications for improving individual performance and organizational performance. But in reality the leadership is happening at the Denpasar National Polytechnic still does not reflect the desired superleadership because there are some obstacles faced by leaders at the Denpasar National Polytechnic. Various studies show that leadership has a positive and significant influence on employee performance such
as research by Basit (2017), Setyaningrum (2017). But it differs from the research conducted by Zarvedi et al (2016). The conclusion of the research proves that leadership, organizational culture and competence have insignificant influence on the performance of employees of the Pidie Jaya District Secretariat.

Another variable that can also affect employee performance is organizational climate. According to Setiawan's research (2015) there is a significant influence of organizational climate on employee performance, so it is necessary to create a pleasant organizational climate for employees. If this dimension can be created within the company, it can maintain and improve employee performance. A similar study by Purnama (2017) also states that there is a positive correlation between organizational climate and employee performance. While it is different from Sabari (2015) and Pasaribu (2016) research which found that organizational climate has no significant effect on employee performance, meaning that with a good organizational climate, it will not necessarily be able to improve employee performance, this is because each employee already has an Auth to work. Based on previous research that has been presented, it shows the results of research that are inconsistent, so the mediation variable is used, namely job satisfaction which also has an influence on employee performance.

Job satisfaction affects employee performance, in line with Sutjitra's research results (2015) and Ndulue (2016) which shows there is a significant influence between employee job satisfaction on employee performance. When an employee feels satisfaction at work, an employee will make every effort to complete his work, which will ultimately result in high performance and service quality. Therefore, employee satisfaction is no less important for a company to consider. Similar research by Arifin (2018) explains that transformational leadership, job satisfaction and work discipline have a significant relationship above organizational commitment and employee performance. While research by Susilo (2018) obtained the results that job satisfaction did not significantly influence employee performance.

Based on the phenomena that have been described, as well as the results of previous studies that are inconsistent and remember the importance of leadership, and organizational climate which affects employee performance mediated by employee job satisfaction, the researcher is interested in conducting research on "Leadership Influence and organizational climate on employee performance with job satisfaction as an intervening variable at the Denpasar National Polytechnic.

Problem Formulation:
Based on the background description above, the problem formulation in this study is:

1. How does leadership influence on employee performance at the Denpasar National Polytechnic?
2. How does the climate influence the organization on employee performance at the Denpasar National Polytechnic?
3. How does Leadership influence employee job satisfaction at the National Polytechnic of Denpasar?
4. How does the climate influence the organization to job satisfaction at the Denpasar National Polytechnic?
5. How does job satisfaction affect employee performance at the Denpasar National Polytechnic?
6. How does leadership influence on employee performance with job satisfaction as an intervening variable at the Denpasar National Polytechnic?
7. How does the influence of organizational climate on employee performance with job satisfaction as an intervening variable in the Denpasar National Polytechnic?

Literature Review:

Study Theory:

Employees or employees who have high performance is a dream for every organization, because the higher the employee's performance, the higher the organization's chances of achieving its goals appropriately. Mangkunegara (2011: 57) defines performance as a result of work in quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given to him.
Optimal employee performance can be achieved if a company has a leader who is able to direct his employees well according to company goals. According to Siagian, (2010: 46) Leadership is the ability to take decisions that are practical, realistic and can be implemented as well as facilitate the achievement of organizational goals.

In addition to leadership, employee performance is also influenced by the organizational climate. According to Simamora (2011: 34) organizational climate is: Internal environment or organizational psychology. Organizational climate influences HR practices and policies accepted by members of the organization. Please note that each organization will have a different organizational climate. The diversity of jobs designed within the organization, or the nature of the individuals that exist will illustrate these differences. Organizational climate according to employee desires can increase job satisfaction.

Employee job satisfaction must be created as well as possible so that employee morale, dedication, love and discipline increase. When people talk about worker attitudes, they usually refer to job satisfaction, which explains a positive feeling about work that results from an evaluation of its characteristics (Robbins and Judge, 2015: 46). According to Mangkunegara (2012: 117), job satisfaction is a feeling that supports or does not support employees associated with their work or with their condition.

Empirical Study:

Studies Many previous studies have been conducted that relate to factors that affect employee performance. The previous research that became a reference in this study, namely: research by Aji (2017), Setyaningrum (2017), Zarvedi et al (2016) and Tomigulung (2015) who found the results that leadership positive and significant effect on employee performance. Whereas Lor and Hassan (2017) show that only supportive and transformational leadership behaviors that positively and not significantly affect employee performance in the workplace.

Research by Setiawan (2015), and Kemban et al (2018) found that partially organizational climate on employee performance had a positive and significant effect, while Dzikrillah (2016), Pasaribu (2016) and Sabari (2015) obtained results that organizational climate has no significant effect on employee performance. Then, research by Palupi et.al (2017), Darmawati and Marnis (2017), Atmojo (2015) and Arifah and Romadon (2015) state that leadership significantly influences job satisfaction, but Al-Ansi et, al (2015) obtained results that leadership style has a negative impact on job satisfaction.

Dzikrillah (2016), Sunuharyo (2017), Radianto and Sunuharyo (2017) and Swastadiguna (2018) in their research found that organizational climate has a positive influence on job satisfaction the employee. However Noordin, Omar, Sehan, Idrus (2010) found that organizational climate has no significant effect on employee job satisfaction.

Research by Sutjitra (2015), Ndulue (2016) and Arifin (2018) found results that job satisfaction had a positive and significant effect on employee performance, while Susilo (2018) showed that job satisfaction did not significantly influence employee performance.

Research Design, Concept Framework and Hypothesis:

Research Design: 

According to Narimawati (2008: 29) the research process must be presented in a research design. The design of this study begins with defining the problem and title, then identifying the problem, then formulating the problem and the purpose of the study. Furthermore, forming a research variable hypothesis that refers to the theoretical and empirical studies related to the variables of Leadership, Organizational Climate on employee performance with job satisfaction as an intervening variable. Data is then collected and analyzed using PLS / SEM.

Conceptual Framework Conceptual: 

Framework related to the influence of leadership, organizational climate on employee performance with job satisfaction as an intervening variable can be seen in Figure 1 below:
Hypothesis

H1: Leadership positive and significant effect on employee performance at the Denpasar National Polytechnic

H2: Organizational climate positive and significant effect on employee performance at the Denpasar National Polytechnic

H3: Leadership has a positive and significant effect on employee job satisfaction at the Denpasar National Polytechnic

H4: Organizational climate has a positive effect on employee job satisfaction at the Denpasar National Polytechnic

H5: Job satisfaction has a positive and significant effect on employee performance at the Denpasar National Polytechnic

H6: Leadership positive effect on employee performance with job satisfaction as an intervening variable in Denpasar National Polytechnic

H7: Organizational climate has a positive effect on employee performance with job satisfaction as an intervening variable in Denpasar National Polytechnic

Research Methods:

Research:

Location of this research was conducted at the Denpasar National Polytechnic, and the time of the study began in the first week of February to April 2019.

The scope of the research will examine the effect of leadership, organizational climate on employee performance with job satisfaction as an intervening variable. The reason researchers chose the Denpasar National Polytechnic as the location of the study because until now the duties and responsibilities of the institution / agency to employees must be maintained and for the future to be even better in making services to the people who conduct transactions at the Denpasar National Polytechnic. This is possible because with the Leadership, organizational climate that adjusts to the situation of the organization, with job satisfaction as a variable that strengthens employee performance. With a good employee performance will eventually lead to employee loyalty to the Denpasar National Polytechnic

Population and Sample:

Population in this study are all permanent employees at the Denpasar National Polytechnic, amounting to 32 people. Based on data obtained at the Denpasar National Polytechnic numbered 32 people less than 100, then taken entirely, so this study is a population study. Then the sampling method is the census or saturated sample method.
Definition of Variable Operations:
According to Siagian, (2010: 46), leadership (X1) is the ability to make decisions that are practical, realistic and can be implemented as well as facilitate the achievement of organizational goals. The indicator used to measure leadership refers to Umar, (2011: 31), namely
1. How to Communicate.
2. Provision of Motivation to
3. Lead.
4. Decision-making.
5. Positive power.

Organizational climate (X2) is the internal environment or organizational psychology. According to Stringer in Wirawan (2010: 123) states that organizational climate characteristics or dimensions can influence the motivation of organizational members to behave in certain ways. He also said the six dimensions needed were:
1. Structure.
2. Standards.
3. Responsible.
4. Recognition.
5. Support.
6. Commitment.

Job satisfaction is a general attitude towards one's work, the difference between the amount of reward received by a worker and the amount they believe they should receive at the Denpasar National Polytechnic, Luthans (2006: 24: 3) Indicators of job satisfaction are as follows:
1. Job itself
2. Salary
3. Promotion of
4. Supervision
5. Co-Workers'
6. Working Conditions

Employee Performance (Y2) is the ability of Denpasar National Polytechnic employees, in achieving work that can be accounted for. Performance is very important to achieve goals and will encourage someone to be even better in achieving goals. According to Handayani (2013: 11) The indicators of employee performance are as follows:
1. Quality of Work
2. Quantity of Work
3. Punctuality of work
4. Collaboration

Data Analysis Techniques
Analysis of research data used to answer the hypotheses in this study using SEM analysis PLS.

Results and Discussion:
Test results with Partial Least Square (PLS) in this study indicate that the test outer model, which consists of convergent validity, discriminant validity, and composite reliability have met the test requirements, so that the data is declared valid and reliable.

The value of $R^2$ to the employee's performance is of 0.572, which means 57.2% of employee performance is influenced by leadership, organizational climate, and job satisfaction, while the remaining 42.8% is another factor outside the research model. Then, the value $R^2$ for the job satisfaction of 0.668, meaning that 66.8% of job satisfaction is influenced by leadership and organizational climate, while the remaining 33.2% were other factors beyond the research model.

Based on the value of R Square obtained, the Q-Square Predictive Relevance ($Q^2$) value can be calculated as follows:
The results of the calculation $Q^2$ of 0.8579 indicate that 85.79% of the model can be explained through the relationship between variables in the research model, while the remaining 14.21 is another factor outside the research model. Referring to the strength and weakness criteria of the model based on the Q-Square Predictive Relevance ($Q^2$) value, as stated by Luthan and Ghozali (2006: 26), the model is classified as very strong.

The path coefficient of leadership influence on employee performance is 0.257 with $P$ value of 0.017. These test results prove the hypothesis 1 ($H_1$), which states that leadership and significant positive effect on employee performance is acceptable. These results give a sense that the better the leadership of the Denpasar National Polytechnic, the higher the employee's performance or vice versa the lower the Leadership, the lower the employee's performance. The findings of this study provide information, Leadership in organizations is directed to influence the people they lead, so they are willing to act as expected or directed by others who lead it.

The path coefficient influence the organization's climate on employee performance by 0.276 with $P$ value of 0.007. The results of this test prove hypothesis 2 ($H_2$), which states that organizational climate has a positive and significant effect on employee performance can be accepted. These results give a clue that the better organizational climate will be able to improve employee performance at the Denpasar National Polytechnic. The findings of this study lead employees to have a good organizational climate in carrying out their duties and work at the Denpasar National Polytechnic, by prioritizing to measure the feeling of pressure to improve the performance and degree of pride that employees have in doing their jobs well. This is consistent with the statement of Luthans (2006), that a good organizational climate has a positive impact on organizational development caused by a good organizational climate.

The path coefficient of leadership influence on job satisfaction is 0.584 with $P$ value of 0.000. The results of this test prove hypothesis 3 ($H_3$), which states that leadership has a positive and significant effect on job satisfaction can be accepted. The results obtained provide meaning, increasing leadership at the Denpasar National Polytechnic will increase employee job satisfaction. The findings of this study will provide information that leadership is formulated as a behavior with specific goals to influence the activities of group members to achieve common goals designed to provide individual and organizational benefits, so that in an organization leadership is a very important factor in determining the achievement of employee job satisfaction in Denpasar National Polytechnic.

The path coefficient of influence of organizational climate on job satisfaction is 0.415 with $P$ value of 0.001. The results of this test prove hypothesis 4 ($H_4$), which states that organizational climate has a positive and significant effect on job satisfaction can be accepted. The results obtained provide a meaning, that the increased organizational climate at the National Polytechnic of Denpasar will increase employee job satisfaction behavior. Employees have a high organizational climate if they have trust and accept the goals and values of the organization, wish to strive towards achieving organizational goals, have a strong desire to survive as a member of the organization.

The path coefficient influence of job satisfaction on employee performance of 0.466 with $P$ value 0.002. The results of this test prove hypothesis 5 ($H_5$), which states that job satisfaction has a positive and significant effect on employee performance can be accepted. In accordance with the results obtained can be stated, high job satisfaction will encourage the realization of organizational goals effectively. the better employee satisfaction will be able to improve employee performance at the Denpasar National Polytechnic.

The path coefficient of leadership influence on employee performance through job satisfaction is 0.272 with $P$ value of 0.012. The results of this test prove hypothesis 6 ($H_6$), which states that job satisfaction positively significantly mediates the influence of leadership on employee performance can be accepted. The findings of this study provide information, Leadership in organizations is directed to influence the people they lead, so they are willing to act as expected or directed by others who lead it.
The path coefficient of influence of organizational climate on employee performance through job satisfaction is 0.193 with P value of 0.018. The results of this test prove hypothesis 7 (H7), which states that job satisfaction positively significantly mediates the influence of organizational climate on employee performance can be accepted. Based on these results it can be interpreted that the higher employee job satisfaction is based on the higher organizational climate, the employee's performance will increasingly increase at the Denpasar National Polytechnic. Information that can be conveyed from the mediation effect of job satisfaction variables on the indirect effect of organizational climate variables on employee performance is Partial Mediation. These findings provide a clue that the variable job satisfaction is not a key determinant of the influence of the organizational climate on employee performance.

Conclusions and Suggestions:

Conclusion

Based on the results of research and discussion related to the influence of Leadership Quality and organizational climate on employee performance with job satisfaction as an intervening variable in the Denpasar National Polytechnic, the following conclusions can be drawn.

1. Leadership has a positive and significant effect on employee performance at the Denpasar National Polytechnic
2. Organizational climate has a positive and significant effect on employee performance at the Denpasar National Polytechnic
3. Leadership has positive and positive effect on job satisfaction of employees at the Denpasar National Polytechnic
4. The organizational climate has a positive and significant effect on job satisfaction of Denpasar National Polytechnic
5. Job satisfaction has a positive and significant effect on employee performance at the Denpasar National Polytechnic
6. Leadership has a positive and significant effect on employee performance with job satisfaction as an intervening variable in the Denpasar National Polytechnic

7. Organizational climate has a positive and significant effect on employee performance with job satisfaction as an intervening variable in the Denpasar National Polytechnic

**Suggestion:**

Suggestions that can be given to the Denpasar National Polytechnic namely to be able to improve employee performance, the Denpasar National Polytechnic, should pay attention to the role of a person who is focused on decision-making by leaders regarding all activities carried out by the company will involve employees. Then, the Denpasar National Polytechnic, it is also recommended to pay attention to the organizational climate, which is on the indicators of standards that measure the feeling of pressure to improve performance and the degree of pride that employees have in doing their jobs well so that it can be further improved.

For further researchers it is recommended to develop this research by using a wider population and sample so that the results of the research are more tested for reliability. Besides, it is expected to test other variables that are allegedly able to influence employee performance such as communication, employee work ability, employee work culture

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