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# The Effect Leadership and Organizational Culture Employee Performance With Employee Motivation as Variable Intervening at PT.Telekomunikasi Indonesia (Telkom) In Batam

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# **Abstract**

PT. Telekomunikasi Indonesia Tbk, known as PT. Telkom is a State-Owned Enterprise which is engaged in providing technology, information and communication (ICT) services and the largest and most comprehensive telecommunications network in Indonesia. The business performance carried out by PT Telkom always increases, which comes from the Digital Business Telkomsel and the Indihome Brand, which even though in the midst of a pandemic like this, their income is still increasing and always growing. This study uses a type of quantitative research, namely the distribution of detailed and continuous questionnaires on a particular object within a predetermined period of time which includes the environment, where this method can identify the reality of an event as a variable that is influenced by the dependent variable and conduct an investigation of the variable. Based on the results of the author's survey at PT. Telekomunikasi Indonesia in Batam shows that leadership has an important role in the organization so that individuals carry out activities as expected by the organization. Organizational culture at PT. Telkom is also able to increase employee performance. In addition, the organizational culture at PT. Telkom can increase employee productivity and performance.

**Keywords :** Employee Motivation, Employee Performance, Leadership, Organizational Culture, Telkom.

# Introduction

PT. Telekomunikasi Indonesia Tbk, known as PT. Telkom is a State-Owned Enterprise (BUMN) which is engaged in providing technology, information and communication (ICT) services and the largest and most comprehensive telecommunications network in Indonesia. Quoted from merdeka.com, Telkom shares have also been one of the trades listed on the Indonesia Stock Exchange (IDX) since November 14, 1995. In 1961 the State Telecommunications Company was established by the Government of Indonesia, then in 2016 it was determined that every July 6th was the time the company emerged. telecommunication services. Telkom has also added business applications in terms of its services, as is known now and then added with the application of Competency Based Human Resource Management (CBHRM) in order to improve the management of Human Resources (HR) and the productivity

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of its employees' performance is always increasing and to minimize competition between competitors. Over time, the telecommunications industry, especially in Indonesia, continues to experience significant developments, as new competitors emerge which are also getting tougher. Then in 2009 PT Telkom made changes from what was originally a business landscape, namely a business that includes information and communication to become Telecommunications Information, Media and Edutainment (TIME) and changed the organizational structure of PT Telkom. With the increase in employee performance, it is possible that the company will excel in business or organizational competition in accordance with productivity in accordance with its objectives. In some organizations or companies believe that the achievement of an organization comes from the performance of its employees, because it comes from one employee who has good performance, will be able to develop into a team or work group, this is of course an influence on achievement in the organization as a whole. Usually the assessment of employees is through job descriptions that have been previously set by the organization. So that we can assess its performance through the results of the achievement of the duties that have been carried out by the employee whether the results are good and in accordance with their responsibilities or vice versa.

# Literature Review Leadership

Leadership is the nature, attitude and function that exists in management to be able to have a positive effect on other employees to motivate, direct, supervise and be able to solve a problem or obstacle in the company in order to achieve common goals, Mulyono *et al.*, (2018). However, according to Nazaruddin (2016), the main key to the success of an organization lies in its leader, if a leader has carried out his duties properly and wisely, then most likely what will happen is that other employees will imitate the good actions of a leader and the goals of the organization will continue to run well according to its goals. However, employee performance is also very supportive for the success and success of an organization, meaning that the performance of employees is in accordance with the goals and responsibilities that have been given and is able to do it well and competently.

# **Organizational Culture**

Organizational Culture is an assumption or culture that is made, developed and implemented in a company and all its employees to overcome problems both external and internal to strengthen the company, Wandrial, (2012). An organization is an association of a group of people and has a vision and mission which can be achieved with the cooperation between employees and other staff in a systematic and controlled manner in accordance with the objectives. Within an organization, of course, there are different individual souls and their own cultural values that are embraced by each employee. So from here, an organization in which there are various individual criteria must interact in a balanced and harmonious way so that the organization can achieve its goals without any internal obstacles. Of course the success of an organization because there are various parties in it such as managers (leaders) and other employees.

# **Employee Motivation**

Employee motivation is the level of energy, commitment, and creativity that company workers bring to their work. Competing theories emphasize either incentives or employee engagement (empowerment). Employee motivation can sometimes be a problem for small businesses. Owners often spend years building the company and therefore find it difficult to

delegate meaningful responsibility to others. According to Rusdianti (2017), The way that can be done to get performance and a good achievement for the company can be to increase productivity and also work motivation for employees. For example, the provision of rewards in the form of financial or non-financial, so that in this way employees will feel satisfied and highly appreciated and have more enthusiasm for work which of course will have a positive impact on the company itself. Another way to increase employee productivity and performance that makes employees feel satisfied is to provide the employee's duties and responsibilities in accordance with the job description they have, a prosperous and cooperative work environment, and have a wise boss, employees will feel happy and comfortable. performance increases so that they can do work in accordance with their goals and responsibilities.

# **Employee Performance**

Employee performance is a way for an individual to get results from his work in accordance with the goals of the company in order to increase the efficiency of himself, fellow organizations or other teams. According to Mariam (2018), Employee performance is a determinant of the success or success of a company. Therefore, many companies retain their employees and want to conduct training programs for their employees so that the company's desired goals can be realized with good employee performance. With the increase in employee performance, it is possible that the company will excel in business or organizational competition in accordance with productivity in accordance with its objectives. In some organizations or companies believe that the achievement of an organization comes from the performance of its employees, because it comes from one employee who has good performance, will be able to develop into a team or work group, this is of course an influence on achievement in the organization as a whole. Usually the assessment of employees through job descriptions that have been previously set by the organization.

Based on the literature review, the following describes the formulation of the hypothesis according to the model, as follows:

Hypotheses 1: Leadership has a significant influence on Employee Performance

Hypotheses 2 : Organizational Culture has a significant influence on Employee performance

Hypotheses 3: Leadership has a significant effect on Employee Motivation to Work.

Hypotheses 4: Organizational Culture has a significant influence on Employee Motivation to Work.

Hypotheses 5: Employee Motivation to Work has a significant influence on Employee Performance.

Hypotheses 6: Leadership has a significant influence on Employee Performance through Employee Motivation to Work as a Mediating or Variable Intervention.

Hypotheses 7: Organizational Culture has a significant influence on Employee Performance through Employee Motivation to Work as a Mediating or Variable Intervention.

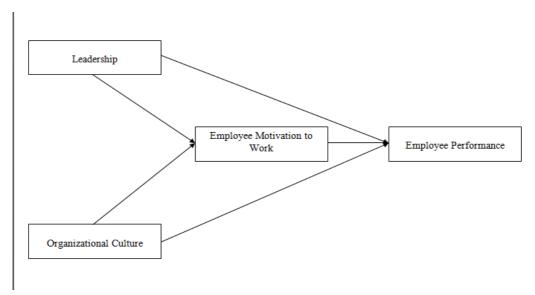


Figure 1. Conceptual Model on the relationship between research variables.

# Method Research Design

According to Lolowang *et al.*, (2019), This study has several sections that relate to the significance of the hypothesis of Leadership, Organizational Culture, Employees Motivation on Work on Employee Performance. This study uses a type of quantitative research, namely the distribution of detailed and continuous questionnaires on a particular object within a predetermined period of time which includes the environment, where this method can identify the reality of an event as a variable that is influenced by the dependent variable and conduct an investigation of the variable. which affect it is the independent variable. In this study, a researcher will certainly try to find out how the influence of leadership, organizational culture, and work motivation on employees affects employee performance at PT. Telkom, which is located in the Batam area, Riau Islands, Indonesia.

# **Research Object**

Object can be said as something that can be felt, the object of this research is PT. Telkom which is in the city of Batam. This research was conducted with a population of employees of PT. Telkom in Batam, the employee has a very important role and is very much needed for the operation of Telkom. The sampling method used is the Purposive Sampling method because this method can be used as a determinant of sampling from respondents until it is in accordance with the objectives of this study which is divided into employees in five Telkom office branches (Batam Centre, Simpang Panasonic, Sei Harapan Tj. Pinggir, Pelita, Sagulung Bt. Aji) in Batam which have been selected from 10 other Telkom offices. object selection at PT. Telkom Batam is because this company is the largest telecommunications company in Indonesia, especially in Batam and can easily get information through mass media or social media and also available information regarding operating hours and addresses of branches of PT. Telkom is in Batam, so you can easily visit the company directly.

# **Sampling**

According to Suryani, Wahyulina and Hidayati, (2020) determination in the category of the number of samples whose population is not known is that it is better to use 100 samples or more to get constant results. In this study, the authors provide 46 types of statements in the distributed questionnaire, the total number of questionnaires distributed was 240 questionnaires, whether they were filled in via Google Form or filled in through forms and the questionnaires were distributed to 5 branches of PT. Telkom in Batam. Then the sample size used was taken from the Hair Formula. This formula is used for populations that are not exactly known. So it is obtained with the following Hair formula: (Number of Indicators x 5) ->  $(46 \times 5) = 230$  respondents. As a backup when deleting the data during the test, the researchers exceeded 10 questionnaires, so that the total number of respondents was 240 respondents. After 240 questionnaires were distributed to employees at Telkom, it turned out that 4 of the questionnaires could not be processed and only 236 questionnaires could be used, so the number of questionnaires that could be processed was in accordance with the questionnaires required in this study.

	Table 1. Quesionares Variable				
No.	y				
		Leaders often consult with subordinates.			
		Leaders treat subordinates equally between one another.  The leader socializes informally with subordinates.  The leader mixes freely with the subordinates.  Leaders make subordinates feel free.  Leaders help subordinates even if it's not a work-related problem.			
		Leaders praise and reward those who work hard.			
		Leaders pay personal attention in promoting subordinates, for those who work hard.			
		Leaders provide assistance to those who work hard.			
		The leader treats subordinates like younger siblings			
		Leaders do not tolerate any interference from subordinates.			
1	Leadership	Leaders demand that subordinates do what they want to do.  Leaders feel confident in making the right decisions  The leader keeps important information to himself.  The leader behaves as if his power and prestige are important to subordinates' obedience.			
		Leaders prefer detailed procedures for doing work.  Leaders expect subordinates to comply with the rules relating to their jobs.			
		Leaders leave major decision making in the hands of superiors  Leaders act according to organizational rules.  Leaders prioritize others who have authority.			
		Leaders require subordinates to prioritize the implementation of tasks over other matters.			
		Leaders expect subordinates to complete work on time.			
		Leaders always update knowledge related to their work.			

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		Leaders are very disciplined in carrying out work.		
		Leaders really don't like people who come late.		
		In the organization of employees devote all their abilities to work.		
		In the organization of employees organize their own work		
		Members of the organization are friendly in socializing		
2	Organizational	Members of the organization have the initiative (Initiative)		
2	Culture	The meeting was held on time.		
		Everyone always pays attention to the costs incurred.		
		Employees feel safe with their jobs		
		Employees feel proud and valued.		
		Every employee with high work performance will get the opportunity to develop themselves		
	Employee Motivation	Employees have the opportunity to participate in education and training to support their position.		
3		Employees have the authority and responsibility for the success of the office.		
		In completing work employees have their own methods and authority that can be accounted for		
		Establishing relationships with fellow employees and superiors is one of the priorities in the office.		
		In carrying out work every employee wants to get recognition for his work from the community		
		The work quality of this employee is much better than other employees.		
		The efficiency of this employee exceeds the average of other employees		
		The ability of this employee to carry out the main job is good		
4	Employee	This employee can carry out his work in a timely manner.		
4	Performance	Knowledge of this employee related to the main job is good		
		The level of creativity of this employee in carrying out the main job is good		
		This employee can carry out tasks according to organizational procedures and policies.		

Table 2. Demography Profiles of Respondents

Characteristics	Category	Number	Percentage
Gender	Male	136	56,7%
	Female	104	43,3%
Age	18 - 26	56	23,3%
	27 - 34	72	30%
	35 - 42	60	25%
	43 - 50	44	18,3%
	51 - 60	8	3,3%
Last Education	Diploma	49	20,4%
	S1 (Sarjana)	92	38,3%
	S2 (Magister)	24	10%
	SMA / SMK	75	31,3%
Income	< Rp. 4.150.930	59	24,6%
	> Rp. 13.000.000	10	4,2%
	Rp. 4.150.930 - Rp. 7.000.000	103	42,9%
	Rp. 7.000.000 - Rp. 9.000.000	46	19,2%
	Rp. 9.000.000 - Rp. 13.000.000	22	9,2%

This analysis test uses several kinds of which are seen from gender, age, income level and also the last level of education. Seen from the table below, it shows 136 (56.7%) male respondents, and 104 (43.3%) female respondents. Age is one part of the demographic data which has a high effect on the success of the survey to be conducted. When viewed from the results received, respondents who have the age between 18 - 26 years there are 56 employees or equivalent to a percentage (23.3%), aged between 27 - 34 years there are 72 employees or equivalent to a percentage (30.0%), aged between 35 - 42 years there were 60 employees or equivalent to a percentage (25.0%), aged between 43 - 50 years were 44 employees with a percentage (18.3%), and the last age was between 51 - 60 years there were with a total of 8 employees with a percentage (3.3%). Demographics of various respondents when viewed in terms of income which shows the number of criteria starting from the lowest income, namely < Rp. 4,150,930 a total of 59 respondents with a percentage (24,6%), the next is Rp. 4,150,930 – Rp. 7,000,000 a total of 103 respondents with a percentage (42.9%), the next is Rp. 7,000,000 – Rp. 9,000,000 a total of 46 respondents with a percentage (19.2%), the next is Rp. 9,000,000 -Rp. 13,000,000 a total of 22 respondents with a percentage (9.2%) and the last one is > Rp. 13,000,000 a total of 10 respondents with a percentage (4.2%). Then the demographics of respondents when viewed from the various educational levels such as graduates from SMA/SMK as many as 75 people or equivalent to a percentage (31.3%), then S1 graduates (Bachelor) there are 92 people or equivalent to a percentage (38.3%). ), Diploma graduates totaled 49 respondents with a percentage (20.4%), and finally, S2 (Master) graduates were 24 respondents or equivalent to a percentage (10.0%).

# **Data Collection**

Based on the explanation previously explained, this research questionnaire was distributed to employees of PT. Telkom located in each predetermined branch. The questionnaire contains a research statement that includes name, age, gender, last education level, income level obtained from the samples who filled out the questionnaire. This analysis uses Smart PLS 3 which is carried out to obtain demographic data of the respondents. Conducting this study the authors used primary and secondary data. Primary data obtained by the author by distributing questionnaires directly to employees of PT. Telkom in the office or share via Google Form in accordance with the questions that the author needs. Secondary data is obtained by the author through conducting research from various journals, books, magazines, websites or other internet. Usually this validity comes from measurements and observations in conducting research and data collection Sari, (2012).

# Measures

This measurement model is useful for seeing the magnitude of the relationship between latent variables and research indicators in the model. Method of Descriptive Analysis is used because so that writers and readers can find out the exact number or percentage of respondents based on Name, Gender, Age, Last Education, Salary Level and others. The evaluation model is divided into 2 types, the first is the outer model and the second is the structural model. The difference is that the outer model is used to determine the percentage of testing between variables, while the structural model is usually used to see the results of research on the outer model and inner model. Usually, to assess convergent validity, the outer loading value should not be below 0.6 for a study. The result of the AVE (Average Variance Extracted) is usually a determinant of the validity of the construct being tested, then for Cronbach's Alpha something is declared reliable if the result of Cronbach's Alpha is above 0.8. For the results of the discriminant validity, it can be seen from the larger root construct of the Average Variance Extracted square compared to the correlation of each other construct. This path coefficient is usually a link

between the relationships shown in other types of variables. Significant or not a construct can be seen from the T-Statistic is greater than 1.96. Determinants of a positive or negative construct can be seen from the T-Statistics table in the Indirect Effects. Usually the T-Statistic value must be greater than 1.96 and the P-Value must also be less than 0.05. If a construct of the T-Statistic value is less than 1.96 then the data can be said to have a negative impact in the future. This square test is one of the strengths of predicting in the structural part of the model. R square is useful for researching, studying and understanding the correlation of each variable. GOF is a specified comparison of an indicator or some other variable. The value of GOF is said to be high if it reaches 0.36 or more, is said to be moderate or medium if it reaches 0.25 or more and can be said to be low if it is only greater than 0.10.

# **Results**

Valid is a measure that shows a validity or a truth, the validity of an aspect of research. Usually this validity comes from measurements and an observation in conducting research and data collection Sari, (2012). The rule of thumb which is usually used to assess convergent validity is that the outer loading value must be more than 0.6 for a study. The rule of thumb to see convergent validity based on the AVE is that the AVE value must be more than 0.5 Yang et al., (2017). From the reliability processing data in the table below, the calculation of the Average Variance Extracted (AVE) for the Employee Motivation to Work variable is 0.504, for the Employee Performance variable is 0.518, for the Leadership Variable is 0.513, and for the Organizational Culture variable is 0.501. These results show that all variables have met the criteria of convergent validity which have the Average Variance Extracted (AVE) at a level exceeding 0.5. The measurement model is used to test the validity and reliability. Reliability tests are carried out to measure the value of an instrument precisely. In PLS-SEM, the reliability test can be done in 2 ways, namely through Cronbach's Alpha and Composite Reliability. Based on the results obtained from Katopo, (2015) composite reliability has more valid results than the results from Cronbach's Alpha. The following are the results of Cronbach's Alpha Rule and Composite Reliability which have a construct value of more than 0.7.

 Table 3. Validity and Reliability Test

Validity and Reliability Test					
AVE   Composite Reliability   Description					
Employee Motivation to Work	0,504	0,859	Valid		
Employee Performance	0,518	0,882	Valid		
Leadership	0,513	0,959	Valid		
Organizational Culture	0,501	0,875	Valid		

Table 3. shows the output of discriminant validity shows the Fornell's larcker criterion. The Fornell larcker criterion value has a criterion, namely the Fornell larcker criterion value of the variable must be greater than the value of the fornell larcker criterion of the other variables. Based on the output shown above, there are four variables, namely the Employee Motivation to Work variable which has a Fornell larcker criterion value of 0.783. Then, the Employee Performance variable has a Fornell larcker criterion value of 0.774. The Leadership variable has a Fornell-larcker criterion value of 0.754 and the Organizational Culture variable has a Fornell-larcker criterion value of 0.797. Therefore, it can be concluded that only the Employee Motivation variable is declared valid. For other variables, namely Employee Performance, Leadership, and Organizational Culture, the discriminant validity test on the Fornell Larcker

criterion was declared invalid because the test results of each variable were lower than the results of the Fonell Larcker criterion test on other variables. Pahlevi, (2019) said the Heterotrait Monotrait Ratio will be much better or can be said to be very good if it has a correlation value of less than 0.9 and means that the discriminant validity of the study is appropriate or valid. Based on Table 3. HTMT above, the output of discriminant validity which displays the value of the Heterotrait Ratio (HTMT) shows all variables that have a correlation result greater than 0.9, seen from these results, it means that this correlation has met the requirements of discriminant validity. It can be seen that there are 4 variables, namely Employee Performance to Work, Employee Performance, Leadership, and Organizational Culture variables. So it can be concluded that the HTMT value in each variable has been reached.

Table 4. Fornell Larcker Criterion Test

	Employee Motivation	Employee Performance	Leadership	Organizational Culture
Employee Motivation				
to Work	0,783			
Employee Performance	1,019	0,774		
Leadership	0,947	0,964	0,754	
Organizational Culture	0,977	1,011	0,952	0,797

Table 5. Heterotrait-Monotrait Ratio Test (HTMT Ratio) Test

	Employee Motivation	Employee Performance	Leadership	Organizational Culture
Employee Motivation to Work				
Employee Performance	0,661			
Leadership	0,583	0,185		
Organizational Culture	0,839	0,441	0,764	

Table 4. shows the next step is to evaluate the structural model that has a function in order to see the effect of each variable and see the results of the GOF (Goodness of Fit) produced. The conclusions from the Structural Model Evaluation can be seen as follows: The value can be said to be significant or positive if the results of the path coefficient are interconnected or interrelated 5% of the T-Statistic > 1.96 or P-value < 0.05 From Dylan Trostek, (2013). Path Coefficient is the output to see the direct effect between latent variables. The Original sample column is the regression coefficient value using the data before bootstrapping, while the Mean sample column is the regression coefficient based on the bootstrapping data. These values show a large influence of each latent variable with one another. The result is Employee Motivation to Work has a positive effect of 7.59 on Employee Performance. That is, the higher the value of Employee Motivation, it will lead to an increase in Employee Performance. Conversely, if Employee Motivation decreases, it will cause Employee Performance to decrease. The significance of this effect can be seen in the column T Statistics and P Values. According to the Rume of Thumb, the t statistic value is more than 1.96, and the P-values are less than 0.05 indicating that Employee Motivation has a significant effect on Employee Performance and the last is Among the five direct effects between these variables, there are three variables that show a significant influence, namely Employee Motivation to Work on Employee Performance, Leadership on Employee Performance, and Organizational Culture on Employee Motivation to Work. This is indicated by the value of t statistic > 1.96 and P-Values < 0.05. Meanwhile, the relationship between Leadership variables on Employee Motivation to Work and Organizational Culture on Employee Performance does not have a significant effect.

Table 6. Path Coefficient Test

Variable	T - Statistics	P - Values	Description
Employee Motivation to Work - > Employee Performance	7,590	0,000	Supported
Leadership -> Employee Motivation to Work	1,376	0,170	Not Supported
Leadership -> Employee Performance	3,295	0,001	Supported
Organizational Culture -> Employee Motivation to Work	9,412	0,000	Supported
Organizational Culture -> Employee Performance	1,507	0,133	Not Supported

Mediation is a separate variable from other models. The T-statistic value gets a value > 1.96 or P-values < 0.05 Keifer and Effenberger, (1967). The indirect effect shows the role of mediating variables in the research model. T-statistics < 1.96 and P-Values > 0.05 indicate that Organizational Culture does not have an indirect effect on Employee Performance, and Employee Motivation to Work is proven to be a mediating variable between Leadership and Employee Performance. This result is Better motivation improves employee performance for work. The results of the direct path coefficient analysis of Employee Motivation to Work on Employee Performance show a value of 7.590 and a p-value of 0.000. The p value obtained is smaller than 0.05 indicating that employee work motivation has a significant effect on employee performance.

Based on these results, hypothesis 1 which states that strong employee work motivation improves employee performance is accepted. The test results are in line with research by Lolowang *et al.*, (2019) which shows that Employee Motivation to Work is significantly connected to Employee Performance, The higher the value of Leadership increases Employee Motivation to Work. The results of the direct path coefficient analysis of Leadership on Employee Motivation show a value of 1.376 and a p-value of 0.170. The p value obtained is greater than 0.05 indicating that Leadership has no significant effect on Employee Motivation to Work.

Based on these results, hypothesis 2 which states that Leadership at PT. Telkom has not been maximized so it has not been able to increase Employee Motivation, Higher Leadership values increase Employee Performance through Employee Motivation as a mediating variable. The results of the analysis of the indirect path coefficient of Leadership on Employee Performance through Employee Motivation as a mediating variable showed a significance value of 3.295. P-Values (0.001) which are smaller than 0.05 indicate that Employee Motivation to Work acts as a mediating variable for the influence of Leadership on Employee Performance.

Based on these results, hypothesis 4 which states that increasing Leadership increases Employee Performance through Employee Motivation as a mediating variable is accepted. The test results are in line with research by Lolowang *et al.*, (2019) which shows that Leadership is significantly connected to Employee Performance through Employee Motivation to Work as the mediating variable, Better Organizational Culture increases Employee Motivation to Work. The results of the direct path coefficient analysis of Organizational Culture on Employee Motivation show a value of 2.918 and a p-value of 0.004. P-Value looks <0.05, which means that Organizational Culture has a significant effect on Employee Motivation.

Based on these results, hypothesis 3 which states that a strong Organizational Culture increases Employee Motivation is accepted. The test results are in line with research by Lolowang *et al.*, (2019) which shows that organizational culture is significantly connected to

employee motivation, Better Organizational Culture improves Employee Performance through Employee Motivation as a mediating variable. The results of the coefficient analysis of Organizational Culture on Employee Performance show a value of 1.507 and a P-Value of 0.133, which means that the test results are not more than 0.05. The leadership applied by a leader is able to encourage employees to grow higher motivation in doing their work. High work motivation will direct workers or employees to always do the job as well as possible so that it will improve their performance. Increasing employee motivation is an orientation that must be prioritized by leaders in managing an organization or company. Leaders must be able to increase strong employee motivation, which will also improve employee performance. The leadership applied to PT. Telkom Batam is still considered not optimal. The value obtained shows that the leadership of Telkom Batam does not yet have the appropriate organizational competence. PT. Telkom is considered unable to persuade and direct its employees to work optimally as good employees. The test results are in line with the research of Lolowang *et al.*, (2019).

 Table 7. Indirect Structural Test with Mediation (Indirect Effect)

	T - Statistics	P - Values	Description
Leadership -> Employee Motivation to Work -> Employee Performance	1,694	0,009	Supported
Organizational Culture -> Employee Motivation to Work -> Employee Performance	2,889	0,004	Not Supported

R square is a result or value that is useful for knowing the similarity or alignment with other models. In assessing the structural model with PLS, we need to look at the R-Squares value for each endogenous latent variable as the predictive power of the structural model. The value of R Square Leadership and Organizational Culture through Employee Motivation to Work on Employee Performance. The value of R squares for the endogenous variable Employee Motivation to Work is 0.499, which means that Leadership and Organizational Culture are unable to explain the variable Employee Motivation to Work or can be said to be "weak". In accordance with the criteria of Tarigan *et al.*, (2014) the value of R squares > 0.50 indicates the prediction results are in the "Strong" category. The value of R Squares for the Endogenous Employee Performance Variable is 0.361, which means that Leadership, Organizational Culture and Employee Motivation to Work cannot explain Employee Performance. So that the test results from R Square are said to be in the "Weak" category.

Table 8. R Square Test

	R Square	R Square Adjusted
Employee Motivation to Work	0,487	0,483
Employee Performance	0,343	0,334

This Standardized Root Mean Square Residual interprets the differences that occur in the correlation and inference model matrix. Thus, the SRMR value can be referred to as a measure of the fit of the correlation matrix in the model. Based on the Rule of Thumbs, Asparouhov and Muthén, (2018) the SRMR value > 0.05 indicates that the resulting model is fit or in accordance with the data. Based on the output above, which shows the results of the SRMR test, namely the Saturated Model with a Standardized root mean square residual value of 0.070 and an Estimated Model with a standardized root mean square residual value of 0.070. so it can be concluded that the standardized root mean square residual test in this study was declared to have met the criteria.

**Table 9.** Standardized Root Mean Square Residual (SRMR)

	Original Sample	Description
Saturated Model	0,070	Fit
Estimated Model	0,070	Fit

The Goodness of Fit (GoF) test or compatibility test has a purpose, namely to see whether there is a relationship between the evaluation of the outer model and the evaluation of the inner model whose value varies between 0 - 1. The criterion of Goodness of Fit is if the value is between 0 - 0.025, it means that GoF is small, if the value ranges from 0.25 to 0.36, it means that GoF is moderate, and a value greater than 0.36 means that GoF is large, Setiawan, (2019) The Goodness of Fit (GoF) test or fit test is carried out using manual calculations with the following formula:

The AVE value is obtained by using the calculation, namely the average of the research AVE. There are 4 AVE values from the research results, namely 0.504, 0.518, 0.513 and 0.501. Meanwhile, the adjusted R Square value in this study has 2 results, namely 0.483 and 0.334.

So the calculation is as follows:

GoF formula : GoF = (AVE X R2).

AVE = 0.504 + 0.518 + 0.513 + 0.501 then divided by 5 so the result is 0.509.

R2 = 0.483 + 0.334 then divide by 2 so that the result is 0.4085

 $GoF = (0.509 \times 0.4085)$ 

GoF = 0.2079265

GoF = 0.4559895832

So it can be concluded that the results of the manual calculation of Goodness of Fit (GoF) show the large GoF criteria.

# Conclusion

According to the results of the research carried out in the previous chapter, it can be concluded that, in processing this data, the authors distributed 240 questionnaires with 240 respondents from PT. Telkom in Batam. The results can be explained in the following explanation: Leadership has an important role in the organization so that individuals carry out activities as expected by the organization. In this study the leadership at PT. Telkom can indirectly have an impact on employee performance. However, the leadership of PT. Telkom has not been maximized so it has not been able to increase Employee Motivation. A strong organizational culture is indicated by the behavior of organizational members in carrying out work that supports organizational goals. Organizational culture at PT. Telkom is able to have a direct impact on employee performance. In addition, the organizational culture at PT. Telkom is also able to increase employee motivation. Organizational culture at PT. Telkom can increase employee productivity and performance. Good and high employee performance certainly comes from good cultural management within the Telkom organization itself. Because a strong culture is owned by PT. Telkom so as to encourage all employees to do a job well and in accordance with the vision and mission of PT. Telkom has the opportunity to channel its capabilities to increase employee motivation. Employee Performance is the output produced by employees when doing work. From the results of this analysis, it was found that there are factors that are interrelated with the performance of employees in five types of branches of PT. Telkom.

Limitations, namely Limited access to more accurate and detailed information because the company has its own privacy or cannot be known by the general public and the distribution of the questionnaires was only carried out at 5 offices of PT. Telkom alone is the representative of all branch offices in Batam City.

Recommendation, Judging from some of the limitations above, the authors provide some input or recommendations, namely as follows: Determination of the object to be studied appropriately, Further research or analysis is expected to be able to take a wider and more accurate sample, such as from all offices of PT. Telkom in Batam in order to get a more comprehensive and more complex research result, When distributing or distributing questionnaires, the author should first ensure that each respondent fills out the questions in the questionnaire completely and correctly without any being skipped or left blank, To maintain the quality of the company, preferably from the company when recruiting new employees, the company needs to analyze the behavior of employees, both positive and negative, in order to make and develop an organization or company that is more advanced and better in the future, Conducting socialization to employees regarding standardization of performance from the company, In order to increase the activity of employees, it is better to always involve employees in these various activities while increasing efficiency for each employee.

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