
THE INFLUENCE OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE AND LOYALTY MEDIATED BY ORGANIZATIONAL CLIMATE

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ABSTRACT

In an increasingly complex and dynamic world of work, the role of leadership style, performance and employee loyalty are important aspects that need to be well understood. The Regional Immigration Office of the Ministry of Law and Human Rights in Jakarta has various duties and responsibilities, requiring effective leadership to achieve organizational goals. This study aimed to explore the relationship between leadership style, performance, and employee loyalty at the Regional Immigration Office of the Ministry of Law and Human Rights in Jakarta. This study used a Sequential Explanatory approach, which combined qualitative and quantitative methods. Data was collected through in-depth interviews and observations as qualitative methods to understand leadership style and organizational climate. Furthermore, a structured questionnaire was utilized to gather quantitative data about employees' perceptions of leadership style, performance, and loyalty. Qualitative data were analyzed using a thematic approach, while quantitative data were analyzed using statistical analysis. The study's results showed that leadership style influenced employee performance and loyalty. The organizational climate was also proven to mediate the effect of leadership style on employee performance and loyalty.

Keywords: leadership style, performance, loyalty, employees, organizational climate.

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INTRODUCTION

Organizations have leaders who act as individuals or groups with authority and responsibility in directing, managing, and coordinating organizational activities to achieve the goals set (Afandi, 2013). Leaders are key in shaping organizational culture and values, providing direction, and inspiring organizational members to work together towards a predetermined vision and mission (Pramudyo, 2013). An organization has a managerial hierarchy led by a Chief Executive Officer (CEO) as the top position, followed by managers of business units, departments, sections and other sub-units in the organizational chart (Christy & Rahmawati, 2022). Each element or part of the organization has its functions and is expected to work together and influence each other. No part is more dominant or more important than the other. Therefore, an effective leadership style is needed to synergize these elements (Marzuki, 2018).

A leader's leadership style is a set of characteristics to influence subordinates to achieve organizational goals. Leadership style can also be interpreted as a behaviour and strategy a leader likes or chooses to interact with his team members (Batubara, 2020). Leadership style can affect various important things in an organization, including employee performance and loyalty. A leader who can provide subordinates with clear direction, support and motivation will help increase work productivity and efficiency (Akbar, 2018). An open and communicative leadership style helps build

strong relationships between leaders and employees. Employees feel more involved in the decision-making process and are more trusted, which can increase their loyalty to the organization (Dewi & Mashar, 2019). The Regional Immigration Office of the Ministry of Law and Human Rights in Jakarta is an organization with various duties and responsibilities, so it requires effective leadership to achieve organizational goals, so it is necessary to analyze the factors that can influence it.

In previous research conducted by previous research, the results showed that leadership style had a positive and significant effect on employee performance at The Residence Seminyak Bali (PUTRA, 2023). Similar research was conducted by previous studies examining the effect of leadership style on employee loyalty showing that the influence of Transformational Leadership Style on Employee Loyalty in the LP3I Group is strong, meaning that the relationship between the two variables is significant at a strong degree of trust (Marzuki, 2018). The novelty of this research is to add the organizational climate mediating variable to research that has never been studied before as a mediating variable for leadership style on performance and loyalty. This study aimed to explore the relationship between leadership style, performance, and employee loyalty at the Regional Immigration Office of the Ministry of Law and Human Rights in Jakarta.

METHODS

This research will use a sequential explanatory approach. Sequential explanatory designs are a combination research method that combines quantitative and qualitative research methods sequentially, wherein in the first stage, the research is carried out using quantitative methods. In the second stage, it is carried out using qualitative methods (Sugiyono, 2018). The initial phase of the research will use a qualitative approach to gain an in-depth understanding of the leadership style adopted by management and employees' perceptions of performance and loyalty. After that, a quantitative stage will be carried out to collect data from several respondents through a structured questionnaire. The data will be used to test hypotheses and identify the relationship between leadership style, performance, loyalty, and organizational climate variables.

The population of this study were employees who worked at the regional immigration office of the Ministry of Law and Human Rights in Jakarta. The sampling technique was carried out randomly so that 50 respondents were obtained. Data was collected by in-depth interviews and observation as a qualitative method to understand leadership style and organizational climate. In addition, a structured questionnaire will be used to collect quantitative data on employees' perceptions of leadership style, performance, and loyalty. Qualitative data will be analyzed using a thematic analysis approach to identify patterns and themes that emerge from interviews and observations. Quantitative data will be analyzed using statistical analysis such as regression to examine the relationship between the variables studied and whether organizational climate mediates the relationship.

RESULTS AND DISCUSSION

Normality test

Table 1. Normality Test

	X ₁	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
Y ₁	22	.260	2	.			
	23	.229	5	.200 *	.867	5	.254
	24	.	3	.	.	3	.
	25	.329	4	.	.895	4	.406
	26	.300	5	.161	.833	5	.146
	28	.244	12	.078	.880	12	.087
	29	.295	8	.068	.806	8	.033
	30	.399	10	.120	.616	10	.000
	22	.260	2	.			
	23	.404	5	.098	.768	5	.044
Y ₂	24	.175	3	.	1,000	3	1,000
	25	.329	4	.	.895	4	.406
	26	.231	5	.200 *	.881	5	.314
	28	.236	12	.063	.831	12	.022
	29	.228	8	.200 *	.835	8	.067
	30	.482	10	.070	.509	10	.000

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

c. Y₁ is constant when X₁ = 27. It has been omitted.

d. Y₂ is constant when X₁ = 27. It has been omitted.

Dahlan stated that the Kolmogorov-Smirnov test is more precise for samples of more than 50 (Oktaviani & Notobroto, 2014). Thus, the normality test with the Kolmogorov-Smirnov was used in this study because the sample used was 50. The conclusion of the normality test results can be seen:

- The data is declared normally distributed if the significance value is > 0.05.
- If the significance value is <0.05, it is stated that the data is not normally distributed.

Based on table 1. shows that the data is normally distributed. All variables get sig values. > 0.05, so it can be concluded that the research data is normally distributed.

Reliability Test

Table 2. Reliability Test Results

Cronbach's Alpha	N of Items
.771	50

Reliability is an index that shows how much a measuring instrument can be trusted or relied upon (Sanaky, 2021). If alpha > 0.771, then the reliability is perfect. The reliability is high if the alpha is between 0.70 – 0.90. If the alpha is 0.50 - 0.70, then the reliability is moderate. If alpha < 0.50, then low reliability. If alpha is low, one or more items are likely unreliable.

Based on table 3. shows that Cronbach's Alpha value is 0.771, so it can be concluded that the reliability obtained is perfect.

Multiple Linear Regression Test

Table 4. Multiple Linear Regression Test Results

Model	Sum of Squares	df	MeanSquare	F	Sig.
1 Regression	151,373	2	75,687	22,246	.000 ^b
residual	159,907	47	3,402		
Total	311,280	49			

a. Dependent Variables: Y2, Y1
b. Predictors: (Constant), X1

Based on the results of simultaneous hypothesis testing (F_{test}) in Table 4, the calculated F_{value} $> F_{table}$ is (311,280 > 3.02), and the significance level is 0.000 < 0.05. This indicates that the two independent variables, namely Leadership Style (X), affect Performance (Y_1) and Employee Loyalty (Y_2). While the magnitude of the influence of the independent variable, namely, *Leadership Style* (X), on the dependent variable, namely, Performance (Y_1) and Employee Loyalty (Y_2), can be seen in the value of the coefficient of determination (R_2) in table 5 below.

Determination Coefficient Test

Table 5. Determination Coefficient Test

Model	R	R Square	Adjusted R Square	std. The error in the Estimate
1	.697 ^a	.586	.464	1,845

a. Predictors: (Constant), Y_2 , Y_1

Table 4 shows that the value of R Square = 0.586 means the relationship between the independent variables of Leadership Style (X) to the variable Performance (Y_1) and Employee Loyalty (Y_2) of 58.6%. The value of R Square = 0.586 means that 58.6% of the variable Performance (Y_1) and Employee Loyalty (Y_2) can be explained by the variable Leadership Style (X). In contrast, the remaining 41.4% is explained by other variables not examined in this study.

Variable Indirect Effect Test

Table 6. Variable Indirect Influence Test Results

Indirect influence	Path Coefficient	T Statistics	P Values	Information
(X) -> (M)-> (Y_1)	0.077	2,832	0.002	Significant
(X) -> (M)-> (Y_2)	0.053	2,247	0.001	Significant

Table 6. shows the p-value for each variable which can be explained as follows.

1. The p-value to test the role of Organizational Climate in mediating Leadership Styles on performance is 0.002, which is less than 0.05. The t-statistic value shows 2.832, which is greater than 1.96. This data shows that Organizational Climate can mediate Leadership Style on Performance.
2. The p-value to test the role of Organizational Climate in mediating Leadership Styles on Employee Loyalty is 0.001, which is less than 0.05. The t-statistic value shows 2.247, which is greater than 1.96. This data shows that Organizational Climate can mediate Leadership Style on Employee Loyalty.

Leadership Style Influences Employee Performance

Based on showing that the value of R Square = 0.586 means the relationship between the independent variables of Leadership Style (X) to the variable Performance (Y_1) and Employee Loyalty (Y_2) of 58.6%. The value of R Square = 0.586 means that 58.6% of the variable Performance (Y_1) and

Employee Loyalty (Y_2) can be explained by the variable Leadership Style (X). In contrast, the remaining 41.4% is explained by other variables not examined in this study.

The results of this study are supported by previous research, which explains that leadership style influences employee performance (Herawati & Ermawati, 2020). Previous research has shown that simultaneously and partially, the Leadership Style variable significantly influences employee performance (Syafuruddin & Wonga, 2022).

Leadership is an act to influence someone, a clear and precise communication process to explain to members the goals related to individual, group and organizational goals. The leadership style that is in great demand is a leader who can participate with the environment and members of his organization (Dirham, 2019). Leadership will be a critical success factor in an organization. This is because leadership is the centre point for significant organizational changes; leadership becomes a personality that has an impact, and leadership is the art of creating organizational suitability and stability (Suherman, 2019).

So it can be concluded that leadership style influences employee performance. The magnitude of leadership's influence on an organization's movement causes a leader to use his leadership style.

Leadership Style Influences Employee Loyalty

Based on showing that the value of R Square = 0.586 means the relationship between the independent variables of Leadership Style (X) to the variable Performance (Y_1) and Employee Loyalty (Y_2) of 58.6%. The value of R Square = 0.586 means that 58.6% of the variable Performance (Y_1) and Employee Loyalty (Y_2) can be explained by the variable Leadership Style (X). In contrast, the remaining 41.4% is explained by other variables not examined in this study.

The results of this study are supported by previous research explaining that leadership style is the most important and important factor influencing employee loyalty (Adeline, 2022). Previous research explained that leadership has a positive and significant effect on employee loyalty which is proven to be accepted; this means that leadership can increase employee loyalty; the better the leadership style, the more loyal employees are at work (Aban, 2019).

Leadership style is defined as the behaviour or method chosen and used by leaders to influence the thoughts, feelings, attitudes and behaviour of members of the organization, including leaders and employees (Depitra & Soegoto, 2018). The relationship between leaders and subordinates can be measured through workers' assessment of leaders' leadership style in directing and coaching their subordinates to carry out work. In the relationship between the leader and his subordinates, the compatibility between the leadership brought by the leader and what the employees hope for will certainly positively impact the subordinates. Namely, employees will feel comfortable at work to increase employee loyalty.

Thus, it can be concluded that leadership style affects employee loyalty. The choice of leadership style needs to be done well because it affects the comfort of employees, so it causes increased employee loyalty itself.

Organizational Climate Mediates the Effect of Leadership Style on Employee Performance

The research results show that *the p-value* used to test the role of Organizational Climate in mediating Leadership Styles on performance is 0.002, which is less than 0.05. The t-statistic value shows 2.832, which is greater than 1.96. This data shows that Organizational Climate can mediate Leadership Style on Performance.

Organizational climate can be measured in the work environment, directly or indirectly affecting employees and their work. Organizational climate is very important for a company. Because the organizational climate will shape employees' attitudes towards their work (Hasbi, 2020). Ashkanasy, Wilderom, & Peterson argues that organizational climate is a configuration of attitudes and perceptions of members of the combined organization, general perceptions, emotions, and behaviour of members of the organization that express important norms, values and attitudes that are owned, creating a psychological that refers to the perception that developed by people about their work environment and refers to the contextual situation at a certain time and its relationship to the thoughts, feelings, and behaviour of members of the organization (Shafarila & Supardi, 2016).

Organizational Climate Mediates the Effect of Leadership Style on Employee Loyalty

The research results show that *the p-value* used to test the role of Organizational Climate in mediating Leadership Styles on Employee Loyalty is 0.001, which is less than 0.05. The t-statistic value shows 2.247, which is greater than 1.96. This data shows that Organizational Climate can mediate Leadership Style on Employee Loyalty.

By Litwin and Stringer, organizational climate is described or measured through five dimensions: (a.) Responsibility is the feeling of being a leader for yourself, not always having to double-check all decisions taken; when employees get a job, the employee concerned knows that it is his job; (b.) Identity is a sense of belonging to the company and is accepted in the group; (c.) Warmth is a feeling of a friendly work atmosphere and more emphasis on conditions of friendliness or friendship in informal groups and good relations between colleagues, emphasizing the influence of friendship and informal social groups; (d.) Support is related to support and relationships among colleagues, namely feelings of mutual help between managers and employees, emphasizing mutual support between superiors and subordinates; and (e.) Conflict is a situation where there is conflict or difference of opinion between subordinates and leaders and subordinates and subordinates (Chandrasari, 2017).

Organizational climate concerns all the environments in an organization where employees work when carrying out their work (Kasmiruddin et al., 2021). It is recognized that organizational climate influences the behaviour of employees as members of the organization, including in mediating the influence of leadership style on employee loyalty (CAHYANI, 2022).

CONCLUSION

This study shows that leadership style significantly affects employee performance and loyalty. An effective and inspiring leadership style can improve employee performance by providing clear direction, providing support, empowering and recognizing their contributions. In addition, a team-oriented and collaborative leadership style can build employee trust, motivation, and loyalty to the organization. Furthermore, this study shows that organizational climate acts as a mediator or liaison between leadership style and performance as well as leadership style and employee loyalty. A positive, inclusive and empowering organizational climate can increase the positive influence of leadership style on employee performance and loyalty. A good organizational climate creates a work environment that supports the growth and development of employees so that they feel valued and are motivated to contribute optimally. The results of this study indicate that understanding and applying the right leadership style and creating a good organizational climate can be key factors in

improving employee performance and loyalty in the work environment. Therefore, organizations must understand the role and impact of leadership style and organizational climate in creating a productive work environment and motivating employees to achieve organizational goals together.

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