

## The Effect of Working Group, Leadership Style, Organizational Characteristics and Administrative Processes on the Job Performance of Furniture Company in Pasuruan, Indonesia

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**Abstract:** Success in improving job performance in Pasuruan Furniture Company will be achieved if the company can create an understanding of the Working Group, Leadership Style, Organizational Characteristics and administrative processes the basic concept of human resources. These conditions are based on the phenomenon now that human resources are so important to the company. With the increasing technological changes, causing the consumer to have the knowledge and information that is so vast, and the future. This allows for a furniture company in Pasuruan to improve job performance. The results showed that the reason of corporate culture that is characteristic of organizations including the size, complexity, formalization, autonomy if the stronger the higher the furniture company job performance in Pasuruan. The working group that includes the commitment, disorder, morality, relationships between co-workers when the stronger the higher the furniture company job performance in Pasuruan. Leadership styles which include proximity between superiors and subordinates, the emphasis of the work, consideration, and encouragement when the stronger the higher the furniture company job performance in Pasuruan.

**Keywords:** Working Group, Leadership Style, Organizational Characteristic, Administrative Processes and Job Performance

## INTRODUCTION

Global competition is forcing furniture companies in Pasuruan to make changes to support or even increase the company's existence in the world of business. Such changes include efforts to nurture, empower and optimize all available resources, particularly human resources. Because human resources is a key reason in managing and allocating other resources owned by the company. Companies that have qualified human resources to be able to survive in the global competition. But until now there are many companies who do not realize how valuable human resources for the survival of the company. Strikes, absenteeism, and high labor turnover, productivity declines, low competitiveness and professionalism of inadequate work are some of the phenomena that show problems in the management of human resources and are an indicator of dissatisfaction human resource itself.

To avoid the problems, then the organization should strive to keep up and keep its human resources. Working Group, Leadership Style, Organizational Characteristic, Administrative Processes are reasons that affects the tendency of employees to stay with the company or look for another job. Shaping corporate culture values and standards that guide the behavior of people. This condition determines the direction of the purpose of the organization. Each person shape perception and organization and work within a certain time of time when he worked under the guidance of a supervisor or employer and with the guidance of a set of rules of the company. Working Group, Leadership Style, Organizational Characteristic, Administrative Processes have an effect on employee satisfaction as the extent and quality of job performance. Therefore, each employee may access the basics of different organizational cultures, a person may have a negative perception and others may assess positively. Very dissatisfied workers might leave and look for another company in the hope of finding a more suitable.

The corporate culture is a pattern of shared values and beliefs given by its members on the meanings of the company and gives them the rules of behavior. These values are inherent in the ways of the company and its members

see themselves define opportunities and plan strategies. Such as shaping an individual's personality, corporate culture shaping the responses of its members and defines what will be done by a company.

## **LITERATURE REVIEW**

### **Working Group**

Some employees of furniture company in Pasuruan which interact with each other to work as a unit to complete the task in which the behavior and or achievements of the members affected by the behavior of other members and or accomplishments. According to Mondy [1] directs the working group on what should be done by the company, how to divide the resource-existing resources, organizational structure, systems are used, those who are employed, the fit between the job and the person, the result is a form of organization and form award-shape and what is defined as a problem and an opportunity as well as how to deal with it. Each person shape perception and organization and work within a certain time when he worked under the guidance of a supervisor or employer and with the guidance of a set of rules of the company. A working group has an effect on employee satisfaction as the extent and quality of the work performance of employees. According to Schein [2] have looked at the working group as a pattern of basic assumptions are understood together in an organization, especially in solving the problems faced. These patterns into something definite and disseminated to the new members in the organization.

### **Leadership Style**

Furniture company leader's in Pasuruan behave toward subordinates who assessed from the closeness between superiors and subordinates, the emphasis of the work, attention, and trust. Maithis [3] stated that the leadership style is very important because it can direct its members how to behave (or do not behave in certain ways), usually apply steady and constant for a certain time. Leadership style may be beneficial, but also not. In other words, leadership style can increase or limit the work performance. Schuler et al. [4] explains that the power of leadership style that is owned by a company can affect the taste of the interests of shareholders or external to the company.

### **Organizational Characteristic**

Definition of Organizational Characteristics proposed by Mondy and Noe [1] describe the organization of the company as a system of values, beliefs, and habits that connect the entire structure of the organization to generate norm behave. Siswanto [5] gives the definition of Organizational Characteristics which reads: "The values that guide human resources to deal with external issues and adjustment efforts integration into the company, so that each member of the organization must understand the values that exist and how they should be act or behave".

### **Administrative Process**

The rules or policies furniture company in Pasuruan in terms of reward systems, communication systems, collaboration, risk tolerance. Luthans [6] in his research suggests that there are important elements that can affect work performance, namely: a set of rules made in any formal or informal organization which meant that every member of the organization to obey if you want to be accepted as a full member of the organization. Is recommended values and expected by every organization to be implemented by all members as produce high quality products, work efficiency and low levels of absenteeism member organizations. Administrative processes are usually derived by people who are at the top management of an organization. This is because they have power and influence over his subordinates to make as they say and do.

### **Job Performance**

Employee performance is a work based on ability, behavior and contribution achieved by a furniture company in Pasuruan employees in carrying out their duties in accordance with its responsibilities are judged by their immediate supervisor and approved by the Human Resources. Achievement work is one of the most important human needs and have always wanted to do. Job performance is a condition in which a person feels that he has been able to complete his work and feel the results of his work are the needs of others (the work was worth it). Suprihanto [7] defines an employee's work performance is basically the result of an employee during a certain period compared with various possibilities such standards, targets, goals or criteria are predetermined and agreed upon. Definition of performance assessment by Hasibuan [8] is the activity manager to check the behavior and performance of the employees and to set the next discretion. Meanwhile, according to Handoko [9] performance assessment is a process through which organizations check or access employee performance. This activity greatly affects the people decisions and give feedback to employees about their work.

## **STATEMENT OF THE PROBLEM**

Based on the background described, formulations of the problem are as follows:

- Does Working Group significantly effect on Job Performance?
- Does Leadership Style significantly effect on Job Performance?

- Does Organizational Characteristic significantly effect on Job Performance?
- Does Administrative Processes significantly effect on Job Performance?

### OBJECTIVE OF THE STUDY

Based on the background of the problem, study of the problem, and the formulation of the problem which has been described before, the general aims to be achieved in this study are as follows:

- To test and analyze the effect of Working Group on Job Performance
- To test and analyze the effect of Leadership Style on Job Performance
- To test and analyze the effect of Organizational Characteristic on Job Performance
- To test and analyze the effect of Administrative Processes on Job Performance

### HYPOTHESES

Based on the problem formulation proposed, theoretical foundation and framework of thinking process and the proposed conceptual framework, research hypotheses are arranged as follows:

H1: Working Group significantly effects on Job Performance.

H2: Leadership Style significantly effects on Job Performance.

H3: Organizational Characteristic significantly effects on Job Performance

H4: Administrative Processes significantly effect on Job Performance

### RESEARCH METHOD

Based on the description of the problem and the proposed hypothesis, the variables that are analyzed are grouped as follows:

#### The independent variable

The independent variable in the study was designed factors that influence corporate culture that the Working Group, Leadership Style, Organizational Characteristics and administrative processes in the opinion of Mondy [1]. These variables were identified as variable X.

#### Dependent variable

Job performance is affected variables in this study. This variable is identified as a variable Y.

Data analysis techniques performed by the procedure of data analysis in this study will be carried out through the following steps:

Determining the multiple linear regression equation:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

By using the least squares method to get coefficients  $b_0, b_1, b_2, b_3, b_4$ , so that models the relationship between employees' performance as the dependent variable with the variables comprising the corporate culture of the working group, the leadership style of managers / supervisors, organizational characteristics, administrative processes as independent variables can be shown. Homoskedastisitas, meaning that each variant disorders to check each observation is constant, which also means not happen relationships between the confounding variables with independent variables. This assumption was tested by using Spearman Rank. The correlation coefficient obtained significance tested by  $t$  test as follows:

$$t = \frac{r_s \sqrt{n - 2}}{\sqrt{1 - r_s^2}}$$

If  $t$  account exceeds  $t$  table then it can happen heteroscedasticity. Non-autocorrelation, meaning not correlated with other observable interference. In other words, the value of the dependent variable explained by the independent variables only, and not by confounding variables.

This test uses the Durbin-Watson test. Non-multicollinearity, meaning not occur relationship or correlation between independent variables. Symptoms of multicollinearity can be determined by Pearson correlation.

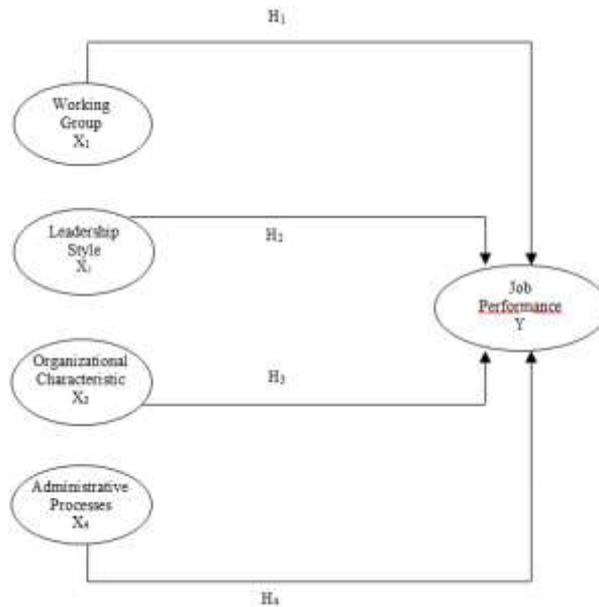
Furthermore, the  $F$  test is used to test the effect of independent variables on the dependent variables together

[10].

Testing through *F* test done by looking at the area of acceptance and rejection of  $H_0$ . Level of error ( $\alpha$ ) is used by 5% with degrees of freedom:

$$df=(n - k - 1)$$

**Conceptual Framework**



**RESULTS AND DISCUSSIONS**

After testing by the rules mentioned above, the result is that the correlation coefficient of the question of the working group variable (X1), leadership style variable (X2), organizational characteristics variable (X3), and administrative processes variable (X4), is as the following:

**Table-1: The validity of the test results**

Indicator	Variables			
	X1	X2	X3	X4
1	0,698	0,773	0,809	0,790
2	0,888	0,915	0,909	0,902
3	0,830	0,872	0,881	0,872
4	0,803	0,845	0,859	0,860
5	0,831	0,866	0,888	0,876
6	0,839	0,882	0,898	0,875
7	0,862	0,900	0,917	0,898
8	0,838	0,885	0,894	0,871
9	0,889	0,897	0,924	0,907
10	0,838	0,866	0,898	0,770
11	0,889	0,882	0,917	0,695

Sources: The Processed Data

From the table it is known that all values greater validity than the critical value. This means that parts of the statements in this study is valid or qualified validity.

The next test is a test of reliability. This test is done to decide the extent to which the accuracy of the instruments reliable. A measuring instrument is said to have high reliability or trustworthy if the value of a variable reliability testing closer to one (1).

Reliability testing is done by calculating the coefficient alpha with SPSS. Which are included in this test is a

grain that has been declared invalid statement. The results of the reliability test can be seen in the following table:

**Table-2: The Reliability Test Results**

Variables	Alpha	Description
X1	0,9436	Reliable
X2	0,9597	Reliable
X3	0,9652	Reliable
X4	0,9452	Reliable

Sources: The Processed Data

Results of Multiple Linear Regression Analysis in this study, the hypothesis verification is done after first performed multiple linear regression analysis with the dependent variable is the independent variable performance and working groups, leadership styles, characteristics, Organizational, administrative processes. Regression calculations and other calculations that support the analysis were conducted using SPSS.

**Table-3: Results of Multiple Regression Analysis Variables working group (X1), leadership style (X2), organizational characteristics (X3), and administrative processes (X4) on Job Performance**

Variables	Coefficient	t observations	Beta	significance
X1	0.417	7.111	0.238	0.000
X2	0.384	7.815	0.251	0.000
X3	0.443	7.693	0.295	0.000
X4	0.597	11.146	0.342	0.000
constant	0.228	2.351		0.017
F count	413.580			
Standard error of estimate	0.45317			
R	0.942			
R square	0.887			

Sources: The Processed Data

Based on the calculation of the regression coefficients as shown in the table can be created regression equation as follows:

$$Y = 0,228 + 0,417(X_1) + 0,384(x_2) + 0,443(X_3) + 0,597(X_4) + e$$

Description:

- Y = Job Performance
- X<sub>1</sub> = Working Group
- X<sub>2</sub> = Leadership Style
- X<sub>3</sub> = Organizational Characteristics
- X<sub>4</sub> = Administrative Processes

The regression equation shows that the regression coefficient of factors of the overall corporate culture is positive. A positive sign means that the independent variable has a unidirectional relationship with the dependent variable, constant value of 0,228 mean when all the independent variables do not exist, then the employees' performance will be at 0,228.

The amount of the contribution of the independent variables simultaneously to the dependent variable can be seen in the coefficient of determination shown by R<sup>2</sup> = 0.887 (88, 7%), significant variation of these factors change corporate culture together to give to the variation dependent variable is the change employees' performance by 88, 7%, while the rest of 11,3 % influenced by other factors not included in the research model. The size of the correlation coefficient (R) is 0.942 or 94, 2%, meaning that the indication of a strong positive relationship between the independent variables with the dependent variable.

The next step is to figure out how big the effect of independent variables on the dependent variable. This can be explained as follows:

- The Effect of working group factor (X1) on the Job performance of the furniture company in Pasuruan.

Based on Table shows the size of the regression coefficient factor working group (X<sub>1</sub>) is 0,417 and the number of the regression coefficient is positive means of working group factor showed a direct relationship with the Job performance furniture company in Pasuruan.

That is when the factors working group increased, the Job performance in Pasuruan Furniture Company will increase as well.

- The Effect of leadership style factor (X<sub>2</sub>) on the Job performance of the furniture company in Pasuruan. Based on Table shows the size of the regression coefficient leadership style factor (X<sub>2</sub>) is 0.384 and the number of the regression coefficient is positive means leadership style factor showed a direct relationship with the Job performance furniture company in Pasuruan. That is if the enhanced leadership style factor, the Job performance in Pasuruan Furniture Company will increase as well.
- The Effect of organizational characteristics factor (X<sub>3</sub>) on the Job performance of the furniture company in Pasuruan. Based on the size of the regression coefficients show the organizational characteristics factor (X<sub>3</sub>) is 0.443 and the number of the regression coefficient is positive means the organizational characteristic factor indicate a direct relationship with the Job performance furniture company in Pasuruan. That is when factor improved organizational characteristics, and then the Job performance in Pasuruan Furniture Company will increase as well.
- The Effect of administrative processes factor (X<sub>4</sub>) on the Job performance of the furniture company in Pasuruan. Based on Table shows the size of the regression coefficient factor administrative processes factor (X<sub>4</sub>) is 0.597 and the number of the regression coefficient is positive means that the administrative processes factor indicates a direct relationship with the Job performance furniture company in Pasuruan. That is when the factor improved administrative processes, and then the Job performance in Pasuruan Furniture Company will increase as well.

## CONCLUSION

Based on the results of data analysis refers to the research aims, hypotheses and models of analysis, it can be some conclusions as follows:

- The coefficient of determination ( $R^2$ ) is 0.887 or 88.7% showed that simultaneous variation changes determinants of corporate culture that consists of working groups, leadership styles, organizational characteristics, administrative processes have a strong effect on Job performance variation changes furniture company in Pasuruan. Variable determinants of corporate culture that consists of working groups, leadership styles, organizational characteristics, administrative processes together have a significant effect on job performance. This is shown by the results of the F test, where  $F_{count} = 413.580 > F_{tabel} 2.4115$ . So the hypotheses proved true.
- Dominant variable affecting Job performance is administrative processes variable of furniture company in Pasuruan. This can be seen from the value  $t$  observation administrative processes variable has the highest value that is equal to 11.146. Given its value  $t$  observation, leadership style variable ranks second with value 7.8115 followed by the organizational characteristics factor in the third with a value 7.693 and the fourth by a working group variable with values 7.111.

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